

May 13, 2005

Consolidated Financial Report for the Fiscal Year Ended March 31, 2005

Ube Industries, Ltd.

**1. Consolidated Business Results for Fiscal Year Ended March 31, 2005
(April 1, 2004 to March 31, 2005)**

(1) Results of Operations

(Billions of yen - except per share data)

	Fiscal year ended March 31, 2005	Fiscal year ended March 31, 2004	Increase (decrease)
Net sales	562.7	511.3	51.3
Operating income	32.3	22.0	10.2
Net interest expense	-7.5	-8.0	0.4
Equity in income of affiliates	1.2	0.9	0.2
Other non-operating income	-2.3	0.1	-2.5
Ordinary income	23.6	15.1	8.4
Extraordinary income	2.2	7.1	-4.9
Extraordinary losses	-15.0	-31.7	16.6
Net income	9.2	-13.6	22.8

Net income per share	10.07 yen	-16.07 yen	26.14 yen
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Net Sales by Segment

(Billions of yen)

	Fiscal year ended March 31, 2005	Fiscal year ended March 31, 2004	Increase (decrease)	
Chemicals & plastics	164.9	149.3	15.5	- Increase in sales price and sales volume of caprolactam and synthetic rubber - Transfer of polyethylene business to Ube-Maruzen Polyethylene Co., Ltd. (Oct. 2004)
Specialty chemicals & products	83.0	65.8	17.1	- Inclusion of Ube Nitto Kasei, Ltd. as consolidated subsidiary (Oct. 2003) - Increase in sales volume of specialty products and pharmaceutical bulk compounds and intermediates
Energy & environment	25.4	16.2	9.1	- Hike in sales price of coal - Start of operations for Independent Power Producer (IPP) business (Mar. 2004)
Cement & construction materials	175.7	173.7	2.0	
Machinery & metal products	109.7	101.6	8.0	- Increase in net sales of aluminum wheels - Increase in sales price and sales volume of steel products
Other	3.6	4.3	-0.6	
Total	562.7	511.3	51.3	

Operating Income by Segment:

(Billions of yen)

	Fiscal year ended March 31, 2005	Fiscal year ended March 31, 2004	Increase (decrease)	
Chemicals & plastics	10.8	2.1	8.7	- Hike in price of raw materials - Increase in sales price and sales volume of caprolactam and synthetic rubber
Specialty chemicals & products	10.6	6.9	3.6	Increase in sales volume of pharmaceutical bulk compounds and intermediates, and specialty products
Energy & environment	2.3	1.7	0.6	Increase in coal for storage
Cement & construction materials	9.6	10.4	-0.8	- Hike in coal price - Decrease in sales volume of cement - Increased use of industrial waste (cost reduction)
Machinery & metal products	-1.7	-0.1	-1.6	- Delayed recovery in productivity at North American aluminum wheel operations
Other	0.6	0.7	-0.1	
Total	32.3	22.0	10.2	

(2) Financial Condition

(Billions of yen)

Assets	Fiscal year ended March 31, 2005	Fiscal year ended March 31, 2004	Increase (decrease)
Cash and cash equivalents	34.4	29.9	4.4
Account receivable	135.6	129.7	5.9
Inventories	79.9	76.6	3.2
Property, plant and equipment	360.7	377.1	-16.3
Intangible fixed assets	5.5	6.4	-0.8
Investment securities	42.9	39.2	3.7
Deferred tax assets	17.2	13.0	4.1
Loans	2.8	3.9	-1.0
Investments and other assets	27.2	23.4	3.8
Total assets	706.6	699.4	7.1

Liabilities	Fiscal year ended March 31, 2005	Fiscal year ended March 31, 2004	Increase (decrease)
Notes and accounts payable-trade	91.3	86.1	5.2
Interest-bearing liabilities	397.9	409.7	-11.7
Other liabilities	91.2	100.6	-9.3
Minority interests	17.6	17.1	0.5
Stockholders' equity	108.3	85.7	22.6
Common stock	48.5	43.5	5.0
Additional paid-in capital	18.4	13.4	5.0
Retained earnings	38.5	29.4	9.1
Other	2.7	-0.6	3.4
Total liabilities	706.6	699.4	7.1

(3) Cash Flows

(Billions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities		Cash and cash equivalents at end of period	
			Interest-bearing liabilities	Other		
Fiscal year ended March 31, 2005	29.7	-26.0	1.1	1.3	-0.1	33.4
(Ref.) Fiscal year ended March 31, 2004	37.2	-6.6	-50.5	-48.0	-2.7	28.5

**2. Consolidated Earnings Forecast for the Year Ending March 31, 2006
(April 1, 2005 to March 31, 2006)**

(Billions of yen - except per share data)

	Fiscal year ending March 31, 2006 (forecast)	Fiscal year ended March 31, 2005	Increase (decrease)
Net sales	582.0	562.7	19.3
Operating income	33.0	32.3	0.7
Ordinary income	24.0	23.6	0.4
Extraordinary losses	-2.0	-12.8	10.8
Net income	13.0	9.2	3.8

Net income per share	13.74 yen	10.07 yen	4.15 yen
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Net Sales by Segment

(Billions of yen)

	Fiscal year ending March 31, 2006	Fiscal year ended March 31, 2005	Increase (decrease)	
Chemicals & plastics	178.0	164.9	13.1	- Increase in price and sales volume of caprolactam, nylon resin, and synthetic rubber - Transfer of polyethylene operations to Ube-Maruzen Polyethylene Co., Ltd. (Oct. 2004)
Specialty chemicals & products	88.0	83.0	5.0	- Increase in sales volume of specialty products
Cement & construction materials	186.0	175.7	10.3	- Accounting change from expense deduction of industrial waste processing to sales calculation
Machinery & metal products	98.0	109.7	-11.7	- Dissolution of US aluminum wheel manufacturing subsidiary
Energy & environment	28.0	25.4	2.6	- Increase in sales price of coal
Other	4.0	3.6	0.4	
Total	582.0	562.7	19.3	

Operating Income by Segment

(Billions of yen)

	Fiscal year ending March 31, 2006	Fiscal year ended March 31, 2005	Increase (decrease)	
Chemicals & plastics	10.0	10.8	-0.8	- Hike in price of raw materials - Increase in sales price and sales volume - Inventory valuation (decrease in profit)
Specialty chemicals & products	10.1	10.6	-0.5	- Increase in sales volume combined with price drop for specialty materials - Increase in fixed costs
Cement & construction materials	8.8	9.6	-0.8	- Hike in price of fuel - Hike in sales price of cement - Increased use of industrial waste (cost reduction)
Machinery & metal products	1.8	-1.7	3.5	Improvement in profit/loss for North American aluminum wheel operations
Energy & environment	1.8	2.3	-0.5	Decrease in coal for storage
Other	0.5	0.6	-0.1	
Total	33.0	32.3	0.7	

(Reference) Consolidated Key Indicators

(Billions of yen – except where noted)

	Fiscal year ending March 31, 2006 (forecast)	Fiscal year ended March 31, 2005	Fiscal year ended March 31, 2004
Capital investment	25.0	25.2	33.3
Depreciation and amortization	30.5	30.9	31.4
Research and development expenses	12.0	11.4	12.0
Adjusted operating income *1	35.0	34.3	23.7
Interest-bearing liabilities	365.0	397.9	409.7
Net interest-bearing liabilities	340.0	364.5	381.2
Stockholders' equity	119.0	108.3	85.7
Total assets	680.0	706.6	699.4
Net D/E ratio (times)	2.9	3.4	4.4
Ratio of operating income to net sales (%)	5.7	5.7	4.3
Return on assets - ROA (%) *2	5.0	4.9	3.3
Number of employees	10,890	11,074	11,397

*1 Operating income + interest and dividend income + equity in income of affiliates

*2 Adjusted operating income / total assets