

November 16, 2004

Consolidated Financial Report for the Six Months Ended September 30, 2004

Ube Industries, Ltd.

1. Consolidated Business Results for the Six Months Ended September 30, 2004

(April 1, 2004 to September 30, 2004)

(1) Results of Operations

(billions of yen)

	Six months ended September 30, 2004	Six months ended September 30, 2003	Increase (Decrease)
Net sales	272.3	242.2	30
Operating income	10.6	5.1	5.5
Net interest expense	-3.5	-4.0	0.4
Equity in income of affiliates	0	0.1	-0.1
Other non-operating income	-1.8	0.3	-2.1
Ordinary income	5.1	1.5	3.6
Extraordinary Income	0.7	3.4	-2.6
Extraordinary Losses	-1.3	-2.8	1.4
Net income	2.3	0.6	1.7
Net income per share	2.66 yen	0.74 yen	1.92 yen

Net Sales by segment

(billions of yen)

	Six months ended September 30, 2004	Six months ended September 30, 2003	Increase (Decrease)	
Chemicals & Plastics	79.3	74.4	4.9	Increase in price and sales volume of caprolactam
Specialty Chemicals & Products	41.6	27.5	14.1	- Ube Nitto Kasei, Ltd. newly included in consolidation (Oct. 2003) - Increase in sales volume of specialty products
Energy & Environment	12.5	8.1	4.4	- Increase in price and sales volume of coal - UBE Power Center Co. Ltd. became operative (March 2004)
Cement & Construction Materials	85.5	84.0	1.4	
Machinery & Metal Products	51.2	45.6	5.5	Increased sales of metal molding machines
Other	1.8	2.4	-0.5	
Total	272.3	242.2	30	
Operating Income by Segment:				
Chemicals & Plastics	1.9	-1.6	3.5	- Hike in price of raw materials

				- Increase in price and sales volume of caprolactam - Increase in sales price of polyethylene
Specialty Chemicals & Products	5.5	2.5	3.0	Increase in sales volume of specialty products, pharmaceutical active ingredients, intermediates
Energy & Environment	1.0	0.6	0.4	Increase in coal for storage
Cement & Construction Materials	3.4	3.8	-0.3	- Hike in coal price - Decrease in sales volume of cement - Increased use of industrial waste (cost reduction)
Machinery & Metal Products	-1.3	-0.5	-0.7	Delayed recovery in productivity at North American aluminum wheel operations
Other	0.2	0.5	-0.2	Reduced sales in real estate business
Elimination	-0.1	0	0	
Total	10.6	5.1	5.5	

2. Consolidated Earnings Forecast for the Year Ending March 31, 2005

(April 1, 2004 to March 31, 2005)

(billions of yen)

	Year ended March 31, 2005	Year ended March 31, 2004	Increase (Decrease)
Net sales	556	511.3	44.7
Operating income	27	22	5
Ordinary income	16	15.1	0.9
Extraordinary losses	-1	-24.6	23.6
Net income	7	-13.6	20.6
Net income per share	7.67 yen	-16.07yen	23.74 yen

Net Sales by segment

(billions of yen)

	Year ended March 31, 2005	Year ended March 31, 2004	Increase (Decrease)	
Chemicals & Plastics	163.5	149.3	14.2	- Increase in price and sales volume of caprolactam and synthetic rubber - Transfer of polyethylene operations to Ube-Maruzen Polyethylene Co., Ltd.
Specialty Chemicals & Products	86	65.8	20.2	- Ube Nitto Kasei, Ltd. newly included in consolidation (Oct 2003)

				- Increase in sales volume of specialty products, pharmaceutical active ingredients and intermediates
Energy & Environment	23	16.2	6.8	- Increase in sales price of coal - UBE Power Center Co., Ltd. became newly operative (March 2004)
Cement & Construction Materials	173.5	173.7	-0.2	
Machinery & Metal Products	106	101.6	4.4	Increase in sales of metal molding machine
Other	4	4.3	-0.3	
Total	556	511.3	44.7	

Operating Income by Segment:

Chemicals & Plastics	7.7	2.1	5.6	- Hike in price of raw materials - Increase in price and sales volume of caprolactam and synthetic rubber
Specialty Chemicals & Products	10	6.9	3.1	Increase in sales volume of specialty products, pharmaceutical active ingredients and intermediates
Energy & Environment	1.8	1.7	0.1	
Construction Materials	8.4	10.4	-2	- Hike in coal price - Drop in sales volume of cement - Increased use of industrial waste (cost reduction)
Machinery & Metal Products	-1.8	-0.1	-1.7	Delayed recovery in productivity at North American aluminum wheel operations
Other	0.7	0.7	0	
Total	27	22	5	

(2) Financial Condition

(billions of yen)

	Six months ended September 30, 2004	Year ended March 31, 2004	Increase (Decrease)
	Amount	Amount	Amount
Assets			
Cash and cash equivalents	38.4	29.9	8.5
Account receivable	130.6	129.7	0.8
Inventories	81.4	76.6	4.7
Securities	38.5	39.2	-0.7
Loans	3.1	3.9	-0.7
Property, plant and equipment	369.5	377.1	-7.5
Intangible fixed assets	5.7	6.4	-0.6
Deferred tax assets	14.2	13	1.1
Investments and other assets	22.7	23.4	-0.7
Total assets	704.4	699.4	4.9

	Six months ended September 30, 2004	Year ended March 31, 2004	Increase (Decrease)
	Amount	Amount	Amount
Liabilities			
Notes and accounts payable-trade	91.8	86.1	5.7
Interest-bearing liabilities	416.0	409.7	6.2
Other liabilities	86.4	100.6	-14.1
Minority interests	16.9	17.1	-0.2
Stockholders' equity	93	85.7	7.3
(Common Stock)	(46.7)	(43.5)	(3.2)
(Additional paid-in capital)	(16.6)	(13.4)	(3.1)
(Retained earnings)	(31.6)	(29.4)	(2.2)
(Other)	(-1.9)	(-0.6)	(-1.3)
Total Liabilities	704.4	699.4	4.9

(3) Cash Flows

(billions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities (Interest-bearing liabilities) (Other)	Cash and cash equivalents at end of period
Six months ended September 30, 2004	14.3	-17.3	11.9 (12.1) (-0.2)	37.5
(Ref.)Six months ended September 30, 2003	12.7	-4.2	-26.9 (-23.9) (-2.9)	30.1