



MEMBERSHIP
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Summary of Consolidated Financial and Business Results for First Quarter of Fiscal Year Ending March 31, 2006

Company name: Ube Industries, Ltd.
 Shares listed on: First Section of Tokyo Stock Exchange, Fukuoka Stock Exchange
 Security code number: 4208
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I. Notes Related to the Preparation of Quarterly Consolidated Financial Results

1. Use of simplified accounting methods: Yes
(Partially used for calculation of income tax and other taxes)
2. Change in accounting methods from the previous consolidated fiscal year: None
3. Change in the scope of consolidation and application of equity method: Yes
Consolidated subsidiaries: One subsidiary excluded.

II. Summary of Business Results for the First Quarter of Fiscal Year Ending March 31, 2006

1 Consolidated Operating Results

(In millions of yen - rounded down, except per share data)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Amount	Year-on-year Change	Amount	Year-on-year Change	Amount	Year-on-year Change	Amount	Year-on-year Change
1Q ended June 30, 2005	133,890	+1.2%	6,499	+125.7%	6,166	+934.6%	3,069	–
1Q ended June 30, 2004	132,367	+12.5%	2,879	+163.2%	596	–	42	–
Reference: Previous fiscal year ended March 31, 2005	562,708	+10.0%	32,312	+46.8%	23,634	+56.1%	9,223	–

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
1Q ended June 30, 2005	3.27	2.97
1Q ended June 30, 2004	0.05	–
Reference: Previous fiscal year ended March 31, 2005	10.07	9.31

2. Qualitative Information Concerning Consolidated Business Performance

The business environment in the first quarter of the fiscal year ending March 31, 2006 was generally favorable. Negative factors included the rising cost of raw materials and fuel and continuing adjustments in the IT and digital home appliance markets since the summer of 2004. However, these factors were offset by the strong performance of Asian economies and a year-on-year increase in demand for cement, marking a reversal from the previous declining trend. Consequently, the company recorded a year-on-year gain in revenue, and earnings were up significantly.

Net sales were up in the chemicals and plastics segment and energy and environment segment, as the company increased prices to match increases in raw materials costs and the cost of purchasing coal. Revenue was also up in the cement and construction materials segment, but the machinery and metal products segment recorded lower revenues due to the sale of the company's ship repair business and the company's decision to dissolve its aluminum wheel subsidiary in U.S. Overall, net sales were up slightly to ¥133.8 billion for the quarter, for a 1.2% year-on-year, or ¥1.5 billion, increase.

Operating income was up significantly at ¥6.4 billion yen for the quarter, growing 125.7% year-on-year, or ¥3.6 billion yen. Contributing factors included progress in the company's efforts to pass along rising raw materials costs in the form

of higher product prices in the chemicals and plastics segment, and an improvement in the profit/loss situation of the North American aluminum wheel subsidiaries in the machinery and metal products segment.

Ordinary income was ¥6.1 billion yen for the quarter, up 934.6% year-on-year, or ¥5.5 billion. This performance was due to the increase in operating income and dividends received, combined with improvement in equity in profit of unconsolidated subsidiaries and affiliated companies.

Net income rose to ¥3.0 billion for the quarter, up nearly ¥3.0 billion year-on-year from ¥42 million in the first quarter of the previous year.

The Company's first quarter results tend to be weaker than in other quarters due to a concentration of scheduled plant maintenance in the chemicals and plastics and specialty chemicals and products segments. In addition, the demand for cement, which is the company's main product in the cement and construction materials segment, is seasonally concentrated in the second half of the fiscal year, while machinery sales are concentrated toward the end of the fiscal year.

Performance by segment is summarized below.

A. Chemicals and Plastics

Net sales in the segment were ¥40.4 billion for the quarter, up 7.1% year-on-year, or ¥2.6 billion. Despite the decrease in revenue resulting from the transfer of the polyethylene business to Ube Maruzen Polyethylene Co., Ltd. in October 2004, the company succeeded in raising the average price of its products to offset rising raw material costs. The Company also saw strong shipments of synthetic rubber and nylon resin.

Operating income in the segment was ¥1.7 billion for the quarter, up nearly ¥2.5 billion year-on-year from the ¥0.7 billion loss of one year ago. The turnaround was due to an improvement in the spread between product prices and raw material costs, fueled by a favorable balance of supply and demand.

B. Specialty Chemicals and Products

Net sales in the segment were ¥20.3 billion for the quarter, down 1.9% year-on-year or ¥0.4 billion. Factors contributing to the decline included continuing adjustments in the IT and digital home appliance markets that emerged following their strong performance in the first quarter of the previous fiscal year.

Operating income in the segment was ¥1.6 billion for the quarter, down 28.0% year-on-year, or ¥0.6 billion. Factors contributing to the decline included various increases in expenses such as rising depreciation costs from adding new equipment.

C. Cement and Construction Materials

Net sales in the segment were ¥45.9 billion for the quarter, up 8.5% year-on-year, or ¥3.6 billion. Contributing factors included an accounting change for industrial waste processing from cement production, which was changed from an expense deduction to a sales revenue calculation. Other factors included an increase in revenue from cement sales, driven by strong demand in Japan.

Operating income in the segment was ¥2.1 billion for the quarter, up 51.8% year-on-year, or ¥0.7 billion. The negative influence of rising coal and other fuel costs was offset by a successful effort to raise the product price, combined with increased processing of industrial waste.

D. Machinery and Metal Products

Net sales in the segment were ¥19.4 billion for the quarter, down 21.8%, or ¥5.4 billion. Factors contributing to the decline included lower revenues from the machinery division due to the sale of the company's ship repair business, and lower revenues from dissolving the aluminum wheel subsidiary in U.S., both taking place in March 2005.

Operating income in the segment was ¥0.6 billion for the quarter, up ¥1.1 billion year-on-year from the ¥0.5 billion loss of one year ago. The turnaround was due to the elimination of operating losses from the aluminum wheel subsidiary in U.S. and increased profits from the aluminum wheel subsidiary in Canada. The Company also saw an increase in profits from the machinery division due to the enhanced profitability of Ube Machinery Co., Ltd.

E. Energy and Environment

Net sales in the segment were ¥6.6 billion for the quarter, up 18.3% year-on-year, or ¥1.0 billion, on the strength of rising coal prices.

Operating income in the segment was ¥0.2 billion for the quarter, down 40.0% year-on-year, or ¥0.1 billion, due to lower volumes of coal in storage.

F. Other

Net sales in other segment were ¥1.0 billion for the quarter, and operating income was ¥0.1 billion.

3. Consolidated Financial Position

	(In millions of yen - rounded down, except per share data)			
	Total Assets	Stockholders' Equity	Stockholders' Equity Ratio	Stockholders' Equity per Share (Yen)
1Q ended June 30, 2005	704,184	109,794	15.6%	116.88
1Q ended June 30, 2004	713,321	85,125	11.9%	98.04
Reference: Previous fiscal year ended March 31, 2005	706,686	108,383	15.3%	115.30

4. Qualitative Information on Changes in Consolidated Financial Position

Total assets were ¥704.1 billion for the quarter, down ¥2.5 billion from the end of the previous fiscal year. Notes and accounts receivables and other current assets were down, but the situation was offset by an increase in cash and cash equivalents as well as inventories. Consequently, current assets were up ¥0.4 billion, while fixed assets were down ¥2.9 billion due to a drop in tangible fixed assets.

Total liabilities were ¥576.8 billion for the quarter, down ¥3.7 billion from the end of the previous fiscal year. Factors contributing to the decline included a drop of ¥7.1 billion in bonds due for redemption.

Total stockholders' equity was ¥109.7 billion for the quarter, up ¥1.4 billion from the end of the previous fiscal year owing to net income of ¥3.0 billion and dividends of ¥1.8 billion paid out.

Reference

Forecast of Consolidated Earnings for Fiscal Year Ending March 31, 2006 (from April 1, 2005 to March 31, 2006)

At the current time, the company has chosen not to revise its previously announced earnings forecasts for the present fiscal year, which were released on May 13, 2005. The Company has experienced stronger than expected demand, especially in the chemicals and plastics segment, and will review its earning forecasts as appropriate, while carefully monitoring ongoing changes in the business environment.

III. Summary of Consolidated Balance Sheet

(In millions of yen - rounded down)

	1Q Ended June 30, 2005		Previous Fiscal Year Ended March 31, 2005		Change	1Q Ended June 30, 2004	
	Amount	%	Amount	%	Amount	Amount	%
(Assets)							
I. Current assets	275,898	39.2	275,421	39.0	477	272,763	38.2
Cash and cash equivalents	37,927		34,407		3,520	41,626	
Notes and accounts receivable	132,245		135,666		-3,421	132,615	
Inventories	85,230		79,901		5,329	78,368	
Other	20,496		25,447		-4,951	20,154	
II. Fixed assets	428,269	60.8	431,243	61.0	-2,974	440,493	61.8
Tangible fixed assets	357,437		360,787		-3,350	373,614	
Intangible fixed assets	5,411		5,584		-173	6,539	
Investment and other fixed assets	65,421		64,872		549	60,340	
III. Deferred assets	17	0.0	22	0.0	-5	65	0.0
Total assets	704,184	100.0	706,686	100.0	-2,502	713,321	100.0
(Liabilities)							
I. Current liabilities	325,360	46.2	320,446	45.4	4,914	343,907	48.2
Notes and accounts payable	91,419		91,373		46	90,988	
Short-term debts	153,121		149,712		3,409	186,932	
Current portion of bonds	7,420		7,420		-	12,420	
Current portion of convertible bonds	19,811		19,811		-	-	
Other liabilities	53,589		52,130		1,459	53,567	
II. Long-term liabilities	251,501	35.7	260,161	36.8	-8,660	267,477	37.5
Bonds	9,190		16,300		7,110	26,460	
Convertible bonds	19,900		19,900		-	39,719	
Long-term debts	184,338		184,812		-474	163,353	
Accrued retirement benefits	10,969		11,280		-311	12,092	
Other	27,104		27,869		-765	25,853	
Total liabilities	576,861	81.9	580,607	82.2	-3,746	611,384	85.7
(Minority interests)							
Minority interests	17,529	2.5	17,696	2.5	-167	16,812	2.4
(Stockholders' equity)							
I. Common stock	48,565	6.9	48,565	6.9	-	43,615	6.1
II. Capital surplus	18,449	2.6	18,437	2.6	12	13,461	1.9
III. Retained earnings	39,746	5.6	38,589	5.4	1,157	29,396	4.1
IV. Revaluation surplus on assets	510	0.1	520	0.1	-10	551	0.1
V. Unrealized gain on holdings of other marketable securities	6,615	0.9	6,857	1.0	-242	6,020	0.8
VI. Accumulated foreign currency translation adjustments	-3,481	-0.5	-3,976	-0.6	495	-7,305	-1.0
VII. Treasury stock, at cost	-610	-0.1	-609	-0.1	-1	-613	-0.1
Total stockholders' equity	109,794	15.6	108,383	15.3	1,411	85,125	11.9
Total liabilities, minority interests and stockholders' equity	704,184	100.0	706,686	100.0	-2,502	713,321	100.0

IV. Summary of Consolidated statements of Operations

	(In millions of yen - rounded down)			
	Current Quarter (From April 1 to June 30, 2005)	Same Quarter Last Year (From April 1 to June 30, 2004)	Change	Previous Fiscal Year (From April 1, 2004 to March 31, 2005)
Net sales	133,890	132,367	1,523	562,708
Cost of sales	109,242	109,857	-615	453,250
Gross profit	24,648	22,510	2,138	109,458
Selling, general and administrative expenses	18,149	19,631	-1,482	77,146
Operating income	6,499	2,879	3,620	32,312
Non-operating income	3,410	2,260	1,150	10,962
Non-operating expenses	3,743	4,543	-800	19,640
Ordinary income	6,166	596	5,570	23,634
Extraordinary gains	17	420	-403	2,201
Extraordinary losses	317	338	-21	15,050
Income before income taxes and minority interests	5,866	678	5,188	10,785
Income tax, inhabitants tax and enterprise tax	2,818	777	2,041	639
Minority interests	-21	-141	120	923
Net income	3,069	42	3,027	9,223

V. Information by Business Segment

Current Quarter (From April 1 to June 30, 2005)

	(In millions of yen - rounded down)				
	(1) Outside Customers	Net Sales (2) Inter-Segment Sales and Transfers	Total	Operating Expenses	Operating Income
Chemicals and plastics	40,474	1,998	42,472	40,703	1,769
Specialty chemicals and products	20,361	–	20,361	18,761	1,600
Cement and construction materials	45,923	706	46,629	44,517	2,112
Machinery and metal products	19,442	72	19,514	18,843	671
Energy and environment	6,635	785	7,420	7,170	250
Other	1,055	163	1,218	1,072	146
Total	133,890	3,724	137,614	131,066	6,548
Elimination or corporate Consolidated	–	-3,724	-3,724	-3,675	-49
Consolidated	133,890	–	133,890	127,391	6,499

Same Quarter Last Year (April 1 to June 30, 2004)

	(In millions of yen - rounded down)				
	(1) Outside Customers	Net Sales (2) Inter-Segment Sales and Transfers	Total	Operating Expenses	Operating Income
Chemicals and plastics	37,799	1,387	39,166	39,900	-734
Specialty chemicals and products	20,764	374	21,138	18,915	2,223
Cement and construction materials	42,313	709	43,022	41,631	1,391
Machinery and metal products	24,848	461	25,309	25,829	-520
Energy and environment	5,610	1,864	7,474	7,057	417
Other	1,053	150	1,203	1,040	163
Total	132,367	4,945	137,312	134,372	2,940
Elimination or corporate Consolidated	–	-4,945	-4,945	-4,884	-61
Consolidated	132,367	–	132,367	129,488	2,879