

October 17, 2005

Company name: Ube Industries, Ltd.
 Security code: 4208 (shares listed on First Section of Tokyo Stock Exchange and Fukuoka Stock Exchange)
 URL: <http://www.ube.co.jp/>
 Representative: Hiroaki Tamura,
 President and Representative Director
 Contact: Masato Izumihara, General Manager,
 IR/PR Department
 Tel: +81-3-5419-6110

Ube Industries Announces Revised Earnings Forecast

Ube Industries, Ltd. has revised its first-half and full-year forecasts for the fiscal year ending March 31, 2006, previously announced on May 13, 2005. The changes are described below.

I. Revised Earnings Forecast for First Half of Fiscal Year (April 1, 2005 to September 30, 2005)

A. Revised Consolidated Earnings Forecast

(Unit: Billions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Previous forecast (A)	278.0	11.5	7.0	4.0
Revised forecast (B)	278.0	17.0	13.5	6.0
Change (B-A)	0.0	5.5	6.5	2.0
Percent change	0.0%	+47.8%	+92.9%	+50.0%
Previous first half ended September 30, 2004	272.3	10.6	5.1	2.3

Reasons for Revision

- The overall net sales forecast remains unchanged. In the Chemicals & Plastics segment, lower than forecasted materials costs had an impact on selling prices, resulting in lower net sales. The situation was offset by increased sales of cement and ready-mixed concrete by the Ube Group in the Cement & Construction Materials segment.
- The operating income forecast has been revised upward based on higher income levels in all segments, exceeding the previous forecast. The performance of the Chemicals & Plastics segment was a major factor in boosting income, driven by a favorable balance of supply and demand for caprolactam that drove the spread in the cost of materials and selling prices upward to exceed the forecast at the beginning of the fiscal year. Other contributing factors include higher income from the Machinery & Metal Products segment, driven by healthy sales of steelmaking and casting products as well as injection-molding machines for the automotive industry. An additional contributing factor was the performance of the Cement & Construction Materials segment, which experienced higher income driven by the increased number of shipments of cement. Moreover, Specialty Chemicals & Products segment contributed slightly due to higher income level than that of previous forecast.
- Ordinary income is forecasted to exceed the previous forecast by a wide margin, driven by an increase in operating income and an improvement in the net interest expense situation, due to increased dividends received and reduced interest payments.
- Net income is expected to exceed the previous forecast due to higher than expected ordinary income. This is in spite of an increase in extraordinary losses resulting from extra losses incurred from dissolving the North American aluminum wheel subsidiary decided at the end of March 2005.

B. Revised Non-Consolidated Earnings Forecast

(Unit: Billions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Previous forecast (A)	134.0	6.5	4.5	2.5
Revised forecast (B)	130.4	9.4	9.9	4.6
Change (B-A)	-3.6	2.9	5.4	2.1
Percent change	-2.7%	44.6%	120.0%	84.0%
Previous first half ended September 30, 2004	122.3	7.4	6.2	4.7

Reasons for Revision

- The net sales forecast has been revised slightly downward from the previous forecast. The adjustment is due to lower sales in the Chemicals & Plastics segment resulting from lower than forecasted materials costs, which had an impact on selling prices.
- The operating income, ordinary income and net income forecasts are expected to exceed previous forecasts for the reasons cited in the revised consolidated earnings forecast.

II. Revised Earnings Forecast for Fiscal Year Ending March 31, 2006

A. Revised Consolidated Earnings Forecast

(Unit: Billions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Previous forecast (A)	582.0	33.0	24.0	13.0
Revised forecast (B)	586.0	38.0	29.0	14.0
Change (B-A)	4.0	5.0	5.0	1.0
Percent change	+0.7%	+15.2%	+20.8%	+7.7%
Previous fiscal year ended March 31, 2005	562.7	32.3	23.6	9.2

Reasons for Revision

- The net sales forecast has been revised upward due to increased net sales in the Cement & Construction Materials segment, driven by higher sales of cement and ready-mixed concrete within the Ube Group.
- The operating income forecast has been revised upward to almost entirely reflect the increase in income for the first half of the fiscal year, allowing for the uncertainty of the situation moving forward. These uncertainties include the future movement of crude oil and naphtha prices, and uncertainty about the extent of recovery for demand from IT and digital home appliance markets.
- The ordinary income and net income forecasts have been revised for the reasons cited for the operating income forecast.

B. Revised Non-Consolidated Earnings Forecast

(Unit: Billions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Previous forecast (A)	278.0	18.0	13.0	7.0
Revised forecast (B)	274.0	19.0	16.0	7.5
Change (B-A)	-4.0	1.0	3.0	0.5
Percent change	-1.4%	+5.6%	+23.1%	+7.1%
Previous fiscal year ended March 31, 2005	249.1	20.3	16.0	7.4

Reasons for Revision

- The net sales forecast has been revised downwards for the reasons cited above in the forecast for the first half of the fiscal year.
- As in the consolidated forecast, the non-consolidated operating income, ordinary income and net income forecasts for the fiscal year have been revised upward to almost entirely reflect the increase in income for the first half of the fiscal year, allowing for some uncertainty in the situation going forward.