

Consolidated Financial Report for the First Quarter of Fiscal Year Ended March 31, 2009

Ube Industries, Ltd.

1. Consolidated Companies

Fiscal period	Fiscal year ended March 31, 2008	1Q ended June 30, 2008	Variance
Number of companies			
Consolidated companies	67	67	0
Companies using equity method accounting	28	28	0
Total	95	95	0

2. Consolidated Business Results for the First Quarter of Fiscal Year Ending March 31, 2009
(April 1, 2008 to June 30, 2008)

(1) Results of Operations

(Billions of yen – except per share data)

	Previous 1Q ended June 30, 2007	Current 1Q ended June 30, 2008	Variance
Net sales	160.3	176.9	16.6
Operating income	7.9	10.8	2.8
Net interest expenses	-1.3	-1.0	0.3
Equity in earnings of affiliates	0.3	0.1	-0.2
Other non-operating income	0.6	0.3	-0.3
Ordinary income	7.6	10.3	2.6
Extraordinary income (losses), net	0.1	-0.2	-0.4
Net income	4.5	6.4	1.9

Net income per share	4.51 yen	6.46 yen	1.95 yen
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Net Sales by Segment

(Billions of yen)

	Previous 1Q ended June 30, 2007	Current 1Q ended June 30, 2008	Variance	Comments
Chemicals & Plastics	54.1	60.9	6.7	- Increase in selling prices, etc.
Specialty chemicals & products	21.8	23.4	1.6	- Increase in sales volume of specialty products, etc.
Cement & construction materials	49.0	52.0	2.9	- Increase in selling prices, etc.
Machinery & metal products	24.9	27.7	2.7	- Increase in selling prices of steel products - Increase in unit sales of industrial machinery, etc
Energy & environment	9.1	11.7	2.5	- Increase in selling prices for coal sales, etc.
Other	1.0	1.0	0.0	
Total	160.3	176.9	16.6	

Operating Income by Segment

(Billions of yen)

	Previous 1Q ended June 30, 2007	Current 1Q ended June 30, 2008	Variance	Comments
Chemicals & Plastics	1.9	3.3	1.4	- Increase in sales volume of caprolactam, polyamide resin, industrial chemicals - Increase in spread between selling prices and cost of raw materials/ fuels, etc.
Specialty chemicals & products	2.8	2.4	-0.3	- Decrease in sales volume of pharmaceutical active ingredients and intermediates, etc.
Cement & construction materials	1.6	2.3	0.6	- Increase in selling prices - Increase in revenue from waste processing - Rise in energy costs - Decrease in sales volume, etc.
Machinery & metal products	0.7	0.6	0.0	
Energy & environment	0.6	1.9	1.3	- Increase in volume of coal handled, etc.
Other	0.1	0.2	0.0	
Total	7.9	10.8	2.8	

(2) Financial Condition

(Billions of yen)

Assets	Fiscal year ended March 31, 2008	Current 1Q ended June 30, 2008	Variance
Cash and deposits	25.3	25.3	0.0
Accounts receivable	163.9	161.7	-2.2
Inventories	84.6	100.2	15.6
Property, plant and equipment	360.0	344.6	-15.3
Intangible fixed assets	4.1	3.9	-0.1
Investments and other assets	82.7	85.9	3.1
Total assets	720.8	721.8	0.9

Liabilities	Fiscal year ended March 31, 2008	Current 1Q ended June 30, 2008	Variance
Notes and accounts payable-trade	107.1	114.4	7.2
Interest-bearing debt	300.7	302.5	1.7
(Net debt) *1	(275.6)	(277.3)	(1.6)
Other liabilities	93.8	99.8	5.9
Net assets	219.0	205.1	-13.9
(Equity capital) *2	(193.8)	(182.2)	(-11.5) *3
(Share subscription rights)	(0.1)	(0.1)	(0.0)
(Minority interests)	(24.9)	(22.6)	(-2.3)
Total liabilities and Net assets	720.8	721.8	0.9

*1 Net debt = Interest-bearing debt – Cash and cash equivalents

*2 Equity Capital = Net assets – Share subscription rights – Minority Interests

*3 Decrease in foreign currency translation adjustment –13billion yen, etc

(3)Cash Flows

(Billions of yen)

	Current 1Q ended June 30, 2008
Cash flows from operating activities	10.8
Cash flows from investing activities	-8.5
Cash flows from financing activities	-0.9
(Interest-bearing debt)	(4.5)
(Dividend paid and Other)	(-5.5)
Cash and cash equivalents at end of period	25.1

(4)Qualitative Information

Qualitative Information for Operating Results

Chemicals & Plastics Segment

The shipment of polybutadiene (synthetic rubber), caprolactam, polyamide resin progressed. Also the shipments of industrial chemicals were robust. This segment was affected by the rise in prices of raw materials and fuels, but the shift in price progressed, such as large increase in selling price of ammonium sulfate, whose demand was hearty for food or plants for bioethanol.

As a result, the sales in chemicals & plastics segment was 60 billion yen (YOY 12.5% increase), operating income was 3 billion yen (YOY 72.2% increase).

Specialty Chemicals & Products Segment

The sales volume of electrolyte and separators for lithium-ion batteries, high-purity chemicals for semiconductors were generally strong, due to continued growth in demand in IT/digital markets. In addition, the sales volume of polyimide products, which had been weak last fiscal year due to inventory adjustment of panels for flat-screen TV, was on a track to recovery. The sales volume of gas separation membranes, such as nitrogen separation membranes, whose demand is hearty, was strong. Also the sales volume of fine chemicals was strong. The sales volume of pharmaceutical active ingredients and intermediates was strong, but decreased when compared to 1QFY2007, which was very strong.

As a result, the sales in specialty chemicals & products segment was 23 billion yen (YOY 7.7% increase). The operating income was 2 billion yen (YOY 10.8% decrease), due to increase in R&D expense.

Cement & Construction Materials Segment

The sales volume in cement/ ready-mixed concrete and building materials was weak, due to the influence of the Revised Building Standards Law effective since June 2007, and stagnant demand in construction caused by the rise in price of steel products. However, the recycling of various types of waste as raw materials and fuel were steadily expanded. Also the sales volume of calcia and magnesia products, primary for steel, was strong. This segment was greatly affected by the rise in the fuel costs such as coal, but we made an effort to shift price in each product.

As a result, the sales in this segment was 52 billion yen (YOY 6.1% increase), operating income was 2 billion yen (YOY 43.3% increase).

Machinery & Metal Products Segment

In machinery business, the sales volume and order of industrial machinery such as kilns or vertical mills for the domestic/ overseas steel industry or overseas cement plant industry was strong. However, the sales volume and order for molding machine were a little weak due to declining demand. The demand for steel making products was steady and the sales volume was buoyant. The material prices, such as steel products and scrap, are rising and are affecting revenue, because it takes some time to reflect to selling prices.

The sales volume of aluminum wheels business was weak due to stagnant sales in cars in Japan and in North America. But we continued to improve productivity and cut down on costs.

As a result, the sales in this segment was 27 billion yen (YOY 10.9% increase), and operating income was 0.6 billion yen (YOY 10.4% decrease).

Energy & Environment Segment

The sales volume of coal is buoyant, as a result of continued crunch in coal supply. The coal storage volume handled at the Coal Center, which posted record-high results last fiscal year, continued strongly, due to reinforcement in capacity in February 2008. The price of coal rose as well. We continued to make progress in operating rate and in increased use of wood biomass as fuel in electricity wholesale business.

As a result, the sales in this segment was 11 billion yen (YOY 28.0% increase), and operating income was 1 billion yen (YOY 221.7% increase).

Other

The sales was 1 billion yen (YOY 3.1% decrease), and operating income was 0.2 billion yen (YOY 31.1% increase).

Qualitative Information for Financial Condition

Total assets at the end of this first quarter increased to 721 billion yen, 0.9 billion yen more than the end of last fiscal year. On one hand, current assets increased by 15 billion yen, due to an increase in inventories such as commercial products, manufactured good, raw materials and stored goods. On the other hand, fixed assets decreased by 14 billion yen, due to decrease in property, plant and equipment.

Total liabilities increased by 14 billion yen to 516 billion yen as a result of the increase in notes payable and accounts payable, which increased by 7 billion yen, and the increase in reserve for bonuses, which increased by 3 billion yen.

Net assets decreased by 13 billion yen to 205 billion yen due to decrease in foreign currency translation adjustment.

(Reference)

Consolidated Earnings Forecast for the Year Ending March 31, 2009 (April 1, 2008 to March 31, 2009)

The results of this first quarter were strong, supported by hearty demand in chemicals and plastics products, and coal. However, the trends in the price of raw materials and fuels, and foreign exchange are uncertain. The slow down in US economy, and its effect on the world economy are being realized amidst rise in raw materials and fuels. Japanese domestic economy also faces concerns of weak demand such as decrease in building construction. Under these circumstances, we will keep earnings forecast, which was announced on May 9, 2008.

(Billions of yen – except per share data)

	2Qs ending September 30, 2008 (forecast)	Fiscal year ending March 31, 2009 (forecast)
Net sales	368.0	766.0
Operating income	21.0	53.0
Ordinary income	16.5	44.0
Net income	9.0	25.0
Net income per share	8.95 yen	24.85 yen