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TIMES OF INSTANT

TOMEN CORPORATION
ANNUAL REPORT 2002

The year ended March 31, 2002

Think about
VALUE

PROFILE

Tomen Corporation is a leading general trading company with its headquarters in Japan and branches, offices and subsidiaries in major cities throughout the world. During a history spanning over eight decades, it has evolved a variety of functions and services that go beyond a simple trading company role. Today it has accelerated this evolutionary process as it pursues its corporate philosophy as a totally new kind of enterprise — a *value trader*.

“Where’s the VALUE of a trading company in instant information and B2B”

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company in these times of e-commerce sites?"

CHALLENGES
FACING CLASSIC
TRADING COMPANIES

Customers have equal access to demand and pricing information.

Buyer and seller can come together electronically, and in many cases bypass all middlemen.

Traditional products handled by trading companies such as, chemicals and electronics, are all becoming commoditized with efficiencies in the global market stealing pricing power from traders.

But then, Tomen Corporation is not a classic trading company.

VALUE is everywhere, if you know where to look.

As the Tomen Renovation Plan enters its third and final year, we mark significant progress in most of the important areas and have identified areas requiring special attention.

Notably, we have thoroughly rebuilt our profit-making structure in terms of sales, income and expenses and will soon prepare the launch of the successor medium-term plan.

Tomen intends to maintain the momentum already established as it continues *Moving Forward and Reaching High*.

You are the professional. You decide...

FORWARD-LOOKING STATEMENTS: *Statements contained in this report with respect to Tomen Corporation's plans, strategies and beliefs that are not historical facts are forward-looking statements about the future performance of the Tomen Group and are based on management's assumptions and beliefs in light of the information currently available to it. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Tomen Corporation's actual results, performance or achievements to differ materially from the expectations expressed herein.*

FINANCIAL HIGHLIGHTS

TOMEN CORPORATION AND
CONSOLIDATED SUBSIDIARIES

For the years ended March 31,	Millions of Yen			Thousands of U.S. Dollars (Note)
	2002	2001	2000	2002
Total Trading Transactions	¥2,384,848	¥2,516,523	¥2,866,909	\$17,897,550
Gross Trading Profit	117,593	121,718	115,551	882,496
Operating Income	25,198	34,855	25,827	189,103
Net Income (Loss)	4,711	10,097	(94,526)	35,354
As of March 31,				
Total Assets	¥1,448,261	¥1,551,265	¥1,687,184	\$10,868,753
Stockholders' Equity	4,663	8,278	493	34,994
Per share amounts		Yen		U.S. Cents
Net Income (Loss)	¥7.39	¥16.70	¥ (141.15)	5.55¢
Cash Dividends	—	—	—	—

Note: U.S. dollar amounts represent translations of Japanese yen amounts at the rate of ¥133.25=\$1. (See Note 1 of Notes to Consolidated Financial Statements.)

WHERE'S THE VALUE OF A TRADING COMPANY IN THESE TIMES? WHERE'S THE VALUE OF A TRADING COMPANY IN THESE TIMES? WHERE'S THE VALUE OF A TRADING COMPANY IN THESE TIMES?

AN INTERVIEW WITH PRESIDENT TASHIRO



Morihiko Tashiro *President*

Tomen Progress

Feb. '00	Renovation Plan announced
Mar. '01	Achieved V-shaped recovery and record-high profits
Mar. '02	Strengthened mainstay businesses, but faced harsh business conditions
Mar. '03	Will complete Tomen Renovation Plan
Beyond	Will commence new medium-term management plan

Q1

First, could you describe for us the course Tomen has been following over the past year?

Our shareholders and investors will be aware that Tomen adopted the Tomen Renovation Plan in February 2000, and that we have been working since that time to transform Tomen into a company capable of achieving sustained, healthy growth in the 21st century. The two major aims of the plan are to rebuild our profit-making structure and achieve a substantial improvement in our financial structure. Since taking office as President on April 1, 2000, I have focused my efforts on the realization of these goals.

Q2

What were Tomen's business results in the past fiscal year?

We faced an extremely adverse business environment in the year ended March 31, 2002. The IT and telecommunications sector went through a sudden deceleration on a global scale. The September 11 terrorist attacks in the United States caused the American economy to lose pace, while Asian economies stagnated due to the effects of a worsening Middle East situation and other factors. In Japan, falling land and share values caused balance sheets to deteriorate.

These difficult conditions had an impact on Tomen's results for the year. Consolidated total trading transactions were 5% down year-on-year at ¥2.4 trillion (US\$18 billion). Profit also slipped from the previous year's record high with a 28% decline in operating income. Downward trends in the stock markets during the year caused us to incur selling and valuation losses on holding securities. As a result, consolidated net income was almost halved to ¥4.7 billion (US\$35 million).

The Tomen Renovation Plan was formulated in February 2000 as a three-year management reform plan. The year to March 31, 2003 will be the final year of the plan.

Q3

How would you assess Tomen's business performance under continuing harsh business conditions?

We were expecting business conditions to remain difficult, but the actual situation was worse than we had anticipated. Though our income fell below the previous year's level, we nevertheless achieved steady returns in the Produce & Foodstuffs and Textiles segments. And while the results for the Machinery segment fell short of our target, we were able to maintain profit at the previous year's level. I believe that results such as these confirm that we are achieving healthy sales and income trends in our priority areas of activity.

One of the reasons for the decline in operating income in the year was a downturn in the market for styrene monomer in the Chemicals & Energy segment. The styrene monomer market is expected to recover, and the worst of the IT slump also appears to be behind us. I therefore expect operating income to recover rapidly in the year to March 2003.

Our targets for the year ended March 31, 2002 were consolidated total trading transactions of ¥2.6 trillion, ordinary profit of ¥33 billion, and net income of ¥11 billion. Though we did not reach these targets, we are determined to restore our income to above the ¥10 billion level in the coming year.

Progress of the Renovation Plan

	Billions of Yen				
	Results				Projection*
For the years March 31,	1999	2000	2001	2002	2003
Total Trading Transactions	¥3,954	¥2,867	¥2,517	¥2,385	¥2,380
Ordinary Profit	14.5	15.2	25.0	23.2	26.5
Net Income	2.7	(94.5)	10.1	4.7	10.5
Total Assets	2,186	1,687	1,551	1,448	—
Interest-Bearing Debt	1,634	1,267	1,156	1,112	—
Stockholders' Equity	88.5	0.5	8.3	4.7	—

*Note: Projection as of May 15, 2002

Ordinary profit is a uniquely Japanese concept. It is calculated by adjusting operating income for non-operating income and expenditure items, including financial income and expenditures.

Q4

Two years into the three-year Tomen Renovation Plan, how would you assess progress under the plan?

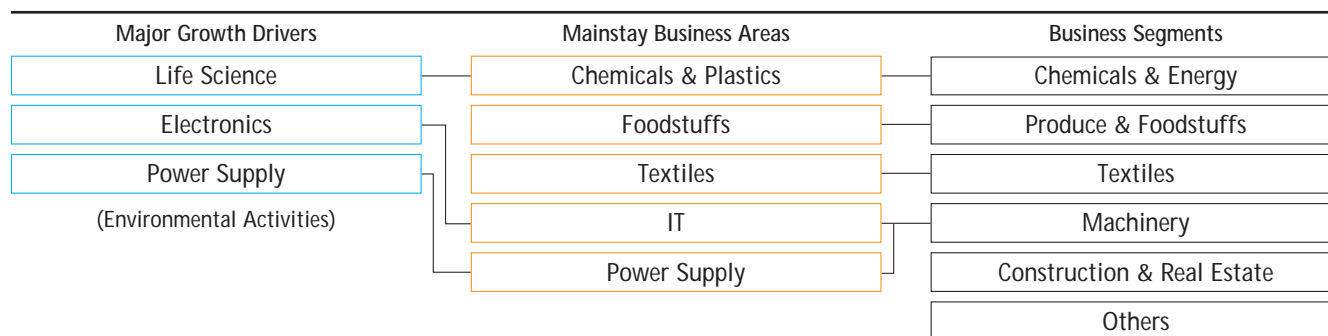
The plan's two fundamental goals are to rebuild our profit-making structure and achieve a substantial improvement in our financial structure. As far as our profit-making structure is concerned, I believe that we have now laid most of the foundation necessary to support income growth over the medium- to long-term future.

We have identified Chemicals & Plastics, Foodstuffs, Textiles, IT and Power Supply as five mainstay business areas in which Tomen has particular strengths and can achieve high added value through its business activities. The Chemicals & Plastics area will be especially important. To expand our activities in the life science field, we integrated our activities with those of Nichimen through the creation of Arysta LifeScience. Arysta LifeScience commenced full-scale operations in April 2001 and enjoyed an excellent first year. With 65 group companies and gross profit of ¥22 billion (US\$165 million), it is our largest consolidated subsidiary. In its first five years, it aims to achieve sales of ¥150 billion and ordinary profit of ¥17 billion.

The Power Supply business is also very promising. In November 2001, we spun off part of our power generation business, based mainly on wind power, as Tomen Power Holdings, which supervises the activities of our subsidiaries in Japan, Europe and North America. Tomen invited Tokyo Electric Power Company, Japan's leading electric power company, to be an investment partner in the new company. This partnership will help Tomen to strengthen and expand its activities as one of the world's largest wind power developers.

In the area of electronics, Tomen Devices was listed on the JASDAQ exchange in June 2002. It is the second listed subsidiary from the IT business field, following Tomen Electronics, which is currently listed on the first section of the Tokyo Stock Exchange.

Tomen's Business Structure



Tomen has identified five mainstay business areas: Chemicals & Plastics, which is part of the Chemicals & Energy segment, the Produce & Foodstuffs and Textiles segments, together with IT and Power Supply, which belong to the Machinery segment.

Q5

As you move into the final year of the Tomen Renovation Plan, would it be fair to say that your targets relating to rebuilding of the profit-making structure have been basically accomplished?

I am confident that the life science business, which forms part of our Chemicals & Plastics business area, together with the power supply and electronics businesses, have enormous potential as growth drivers for the Tomen Group. In addition, we have established unique industry positions in the Foodstuffs and Textiles areas, which will also be steady sources of sales and income.

Our goal for the reduction of expenses was to cut non-consolidated general and administrative expenses by ¥17.8 billion compared with the level in the year ended March 1999. We have also reached our work force target, which called for the reduction of employee numbers from 2,397 to 1,500.

We aim to close or sell off 207 group companies that are unprofitable or have little synergy potential. I expect this process to be completed in the year to March 2003.

These results indicate that we have already rebuilt our profit-making structure in terms of sales, income and expenses.

Q6

What progress have you made toward the other goal, a substantial improvement in Tomen's financial structure?

Our financial priorities are to reduce interest-bearing debt and increase stockholders' equity. We plan to reduce our interest-bearing debt from ¥1,634 billion as of March 31, 1999 to ¥967 billion by March 31, 2003. Our target for stockholders' equity is ¥33 billion by the end of March 2003.

These target figures for interest-bearing debt and stockholders' equity are transitional rather than final goals. We will continue to work toward further improvement under a new medium-term management plan after the completion of the Tomen Renovation Plan.

Q7

What are your long-term goals for Tomen after the completion of the Tomen Renovation Plan?

We are currently formulating long-term goals for the Tomen Group, and a medium-term management plan to achieve the goals. Shortly, I will be sharing the outline of these plans that provide future direction for our company. Our efforts so far have laid the foundation for growth in earnings. We will work to realize that expanded potential while further improving our financial structure.

During the period of Tomen's Renovation Plan, we have strengthened internal standards for corporate governance, and it remains a top priority for Tomen. This is part of our comprehensive plan to be announced in the coming period.

Tomen regards three business categories within the mainstay business areas as its "growth drivers" for the future. They are life sciences within the Chemicals & Plastics area, electronics within the IT area, and the power supply business.

Q8

You have described a management philosophy of Tomen as a "value trader." How would you define your vision for Tomen?

In October 2000, we established a management philosophy for the Tomen Group. That philosophy defines a future vision for Tomen as a value trader, a role that encompasses not only the buying and selling of goods, but also the creation of business activities that will provide the added value needed by clients, including information, software and new business models.

I created the phrase value trader as a key concept for our growth. It reflects my view that Tomen needs to pursue high-added-value business activities that differentiate it from its competitors if we are to achieve sound, sustainable growth in a fiercely competitive global environment, and that we will also need to maintain harmony with the international community and offer our customers and society unique values. The phrase also symbolizes my ambition to develop Tomen as a corporate group that offers customers and society unique values and has a robust profit-making structure, even if it is not large in terms of sheer scale.

Q9

To conclude, do you have a message for shareholders and investors?

I would like to express my regret for the suspension of dividends in successive years. We have made significant progress under the Tomen Renovation Plan. Though not all targets have been met, I believe that Tomen has recovered to the point at which we can focus considerable effort on aggressive policies while also strengthening our defensive position.

Fortunately the Tomen Group has developed core business activities that are in tune with an environment-conscious world, including wind power generation, life sciences and other future social needs. We have established strong positions for ourselves in these business areas, which are likely to gain social significance in the years ahead.

We will continue to enhance Tomen's corporate value through the accelerated development of our business operations in these areas of high growth potential. We are also determined to meet the expectations of our shareholders and investors as quickly as possible. We thank our shareholders for their continued understanding and support.

TOMEN'S
GROWTH DRIVERS

Balanced VALUE

Achieving Poise and Focus



LIFE SCIENCE



ELECTRONICS

Tomen has identified life science, electronics and power supply as the three "growth drivers" in the medium- to long-range sales and income expansion strategy for the Tomen Group in the 21st century. These three business areas have the potential to drive strong growth in the future and will be given priority in the allocation of management resources.

In each of these three areas, the Tomen Group is strongly positioned with specific advantages and characteristics. The ability of the three growth drivers to bring sustained growth to the Tomen Group is further enhanced by the huge growth potential of the markets for these business areas.

Tomen is a **value trader**, and its role is to supply products and services that provide genuine value. That mission will be the guiding principle for Tomen's dynamic development of its three growth-driver businesses.

Another priority for Tomen is the expansion of its environment-related business activities in response to a worldwide rise in social concern over environmental problems. Tomen will also work positively to fulfill its responsibilities as a good corporate citizen.



POWER SUPPLY

The life science business belongs to the Chemicals & Plastics mainstay business area. In terms of Tomen's business segments, the life science business is part of the Chemicals & Energy segment, while the electronics and power supply businesses belong to the Machinery segment.



Assimilating **VALUE**

Newfound Synergies for Growth

In the life science business, Tomen has built a global network based on Arysta LifeScience and its group companies.

LIFE SCIENCE BUSINESS

Integrated Strengths in Global Markets

The Tomen Group's life science business is handled by Arysta LifeScience, a company established to integrate the activities of Tomen and Nichimen in the areas of agrochemicals, pharmaceuticals and veterinary medicines. The new company, which commenced business operations in April 2002, combines the strengths of two of Japan's biggest trading companies in this area and will be a strong competitive force in international markets.

Arysta LifeScience integrates product research and development capabilities with marketing systems. It is expected to achieve rapid growth thanks to a powerful sales network that covers the entire world, including Japan, Asia, North and South America, Europe, Africa and Oceania.

Foundations for Growth

During the year ended March 31, 2002, Arysta LifeScience began to develop new businesses, including a veterinary medicine joint venture in China and a veterinary genetic testing business in Europe. It also laid foundations for future expansion, including the acquisition of worldwide sales rights for an agricultural insecticide produced by the Swiss company Syngenta and an herbicide manufactured by Bayer of Germany.

Future Directions

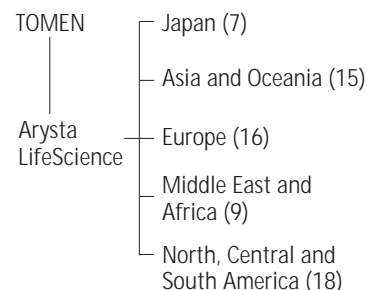
Arysta LifeScience has 65 subsidiaries and affiliated companies, including Arvesta in the United States, Calliope in France, Hokkaido Brasil in Brazil, and Haesom in South Korea. Future plans call for accelerating its global strategy.

In the period through the year ending March 31, 2006, amortization resulting from the acquisition of business rights will amount to ¥5.4 billion (US\$41 million) annually. However, Arysta LifeScience became profitable in its first year, achieving ordinary profit of ¥1.4 billion (US\$11 million) on sales of ¥97.8 billion (US\$734 million) in the year under review, and it plans to expand its business activities aggressively. By the year to March 31, 2007 it will have completed the amortization of business rights, and in that year it aims to record sales of ¥150 billion and ordinary profit of ¥17 billion.



The Tomen Group has pioneered the introduction of natural pesticides in Japan.

Arysta LifeScience Group (65 Companies)





Identifying **VALUE**

Choosing Our Projects Well

The three domestic Tomen Group companies involved in the semiconductor import business have become one of Japan's top importing groups in this field.

WHERE'S THE VALUE OF INSTANT INFORMATION AND B2B TRADING COMPANIES? WHERE'S THE VALUE OF A TRADING COMPANY IN THESE TIMES? WHERE'S THE VALUE OF INSTANT INFORMATION AND B2B TRADING COMPANIES? WHERE'S THE VALUE OF A TRADING COMPANY IN THESE TIMES? WHERE'S THE VALUE OF INSTANT INFORMATION AND B2B TRADING COMPANIES? WHERE'S THE VALUE OF A TRADING COMPANY IN THESE TIMES?

ELECTRONICS BUSINESS

Powerful Group Companies

The Tomen Group has built a position for itself as Japan's leading importer of semiconductors. The Group includes four trading companies specializing in semiconductors and electronic parts. The semiconductor importer Tomen Electronics is listed on the first section of the Tokyo Stock Exchange. Tomen Devices, a joint venture with Samsung Electronics, was listed on the JASDAQ market in June 2002. Tokyo Musen Kizai trades in semiconductor-based electronic parts, while Shanghai Hong Ri International Electronics is growing rapidly in China. Each company enjoys its own unique strengths.

The Tomen Group concentrates on electronic products for particular fields by working closely with customers from the design stage onwards, and agily adapting business activities quickly to market trends—two strengths that create value in its electronics business.

Strategic Reinforcement

The slump in the IT sector was worse than expected. In the year ended March 31, 2002 the average earnings of Japanese semiconductor trading companies declined by over 50% compared with the previous year. The four semiconductor traders in the Tomen Group worked hard to fight the slump, and combined sales declined by only 6%, at ¥141 billion

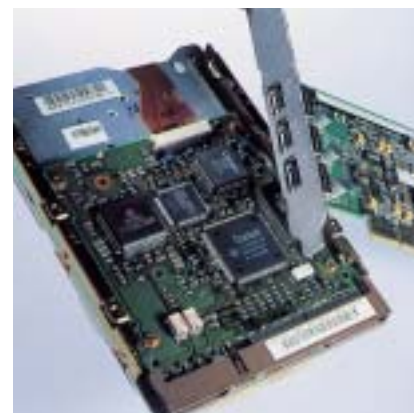
(US\$1,058 million). Their aggregate ordinary profit of ¥4.9 billion (US\$37 million) was 30% lower. Tomen Electronics, the Group's core trading company, grew sales and income for eight consecutive years through the year ended March 31, 2001. The decline in income for the year under review was the smallest level among those of its competitors.

Tomen is accelerating reinforcement of networks linking operations in Japan, North America and Asia. In the Chinese market, Shanghai Hong Ri International Electronics continued to grow sales and income. It recently established a branch in Dalian to strengthen its sales network. In December 2001, Toyota Tsusho, a Tomen business alliance partner, also acquired shares in the company. In the U.S., the Tomen Group established a base in Silicon Valley to discover venture companies with the potential to design and develop next-generation IC chips.

Future Directions

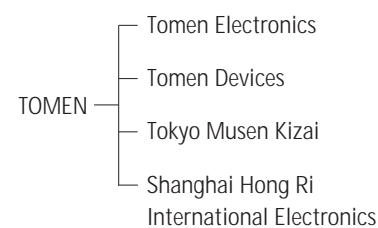
The Tomen Group has identified the Chinese electronics market as an important growth area, and aims to strengthen its sales systems there.

The semiconductor and electronics market is recovering, and the electronics companies in the Tomen Group anticipate sales and income growth in the year ahead.



In June 2002, Tomen Devices followed Tomen Electronics as the second Tomen subsidiary in the electronics business to list its shares.

Group Organization of Electronics Business





Generating VALUE

Producing Major Profit Growth

Wind power generation has started to gain recognition in Japan as an important form of natural energy. In Europe, which has led the world in awareness of environmental problems, Tomen is rapidly expanding its wind power generation business.

POWER SUPPLY BUSINESS

A Strong Contender in the IPP Business

In 1987, Tomen became the first Japanese non-electric power company to establish a power supply business in California. In the 15 years since that time, it has developed a wide range of power supply activities based mainly in Europe and North America. These pioneering efforts have given Tomen an important advantage, and in recent years it has been able to expand its power supply activities rapidly following moves toward deregulation in Japan and other Asian countries.

The most important characteristics of the Tomen Group in this area are its vast experience in Europe and North America, and its comprehensive capabilities covering all stages from the planning of projects to the construction of generation plants and post-construction management. As of March 2002, the Tomen Group had power supply operations, including those at the planning stage, in 10 countries (over 40 locations). The total generating capacity of those operations is over 6,000 MW.

Tomen's Future as a Major World Player

During the year ended March 31, 2002, Tomen started up three wind power operations in Japan. It now has four projects, which together account for almost 20% of wind power

generation capacity in Japan. Tomen is today the world's leading wind power developer.

In November 2001, Tomen spun off its clean energy businesses, including wind power and natural gas, into a new, wholly owned subsidiary, Tomen Power Holdings (TPHC). TPHC oversees worldwide power generation projects operated by group companies in Japan, North America and Europe. This structure will support full-scale expansion in the world market.

Future Directions

In the year under review, consolidated ordinary profit from the power supply business amounted to ¥2.9 billion (US\$22 million). The power supply business requires a long-term outlook. While short-term earnings may not be large, they can be consistent, with potential for sustained long-term sales and income. In September 2002, Tokyo Electric Power Company will invest in TPHC, bringing synergistic expertise and strengths to TPHC's position as one of the world's leading developers of wind power generation facilities.



Tomen is steadily laying foundations for expansion of its wind power generation business in Japan and overseas.

Power Supply Business at a Glance

TOMEN	Number of countries	Number of locations	Capacity (MW)
Wind	6	29	3,074
Natural gas	1	7	1,732
Diesel	4	8	670
Coal	2	2	1,549
Gas	1	2	379

Figures include projects currently under development and at the planning stage.



Sustaining **VALUE**

Preserving the Earth for Future Generations

Environment-friendly business activities, such as wind power generation, natural pesticides and recycled fiber, have already grown into major areas of business for Tomen.

ENVIRONMENTAL ACTIVITIES

Fundamental Policy toward the Global Environment

Tomen's mission is to provide true value to its customers. Tomen is also aware that only companies that are good global citizens can expect to survive in the 21st century. Harmonious coexistence between business activities and environmental protection is a vital management priority for the Tomen Group.

As a *value trader* in the global arena, Tomen aims to contribute as a business active in environmental preservation and as a corporate citizen helping to enhance the quality of communities. Environmental problems are a crucial issue in this context.

Environmental Business Activities

The Tomen Group was a pioneer in the development of wind power, which is a leading form of clean energy. It is also actively involved in the expansion of businesses that reduce mankind's burden on the environment, such as biological pest control agents. Through these activities Tomen has established a reputation as a company at the leading edge of environmental initiatives.

Tomen was instrumental in forming a nine-company group to manufacture and sell fiber products made from recycled PET bottles. It is working to expand production and sales

of the products under the shared "EcoSmile" brand. Tomen is also actively involved in the recycling and reuse of plastic waste and wood-chip waste. Activities in this area include the sale of shipping pallets made entirely from recycled materials.

In Australia, Tomen is promoting a project to earn emission credits by planting trees such as acacia and eucalyptus in coal-mining areas. The trees absorb carbon dioxide and enhance the natural scenery.

At the Leading Edge of Environmental Protection

Tomen has built and implemented a unique environmental management system based on the Tomen Environmental Charter. In 1999 it gained ISO14001 accreditation. It also provides environmental education for its employees and promotes environmental awareness on a continuing basis. In its offices, Tomen encourages reuse and recycling initiatives. In 2001, it began to issue environmental reports on the Tomen website. Environmental improvement efforts will continue to be an integral part of Tomen's day-to-day business activities.



Tomen is expanding its recycling of PET bottles into fiber products.

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BOARD OF DIRECTORS AND CORPORATE AUDITORS

(As of June 27, 2002)



Morihiko Tashiro

President

- * Morihiko Tashiro

Executive Vice Presidents

- * Yasumasa Nishi
CIO, IT Promotion & Coordination
- * Yuzo Takeshige
Energy Plants & Projects, Automobiles, Energy,
Paper, Pulp & General Merchandise, Project
Development, Business Promotion & Portfolio
Management



Yasumasa Nishi



Yuzo Takeshige

Senior Managing Directors

- * Kazuhiko Otsuka
IT Business, Industrial Projects, Asian IPP Business
Development, Ferrous Raw Materials, New
Business Research & Development, Nagoya Office,
Domestic Branches;
Chief Representative in China
- * Noriaki Akatsuka
Corporate Staff



Kazuhiko Otsuka



Noriaki Akatsuka

Managing Director

- * Yoji Yoshikawa
Textiles & Apparel, Produce & Foodstuffs,
Chemicals & Plastics, Osaka Head Office, Human
Resources & General Affairs, Overseas Branches,
Offices & Trading Subsidiaries



Yoji Yoshikawa



Hiroshi Saito

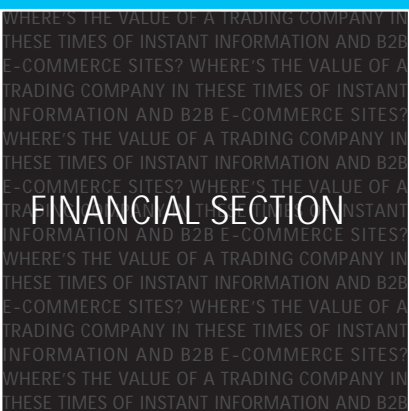
Director

Hiroshi Saito
Corporate Staff Unit;
General Manager, Corporate Planning Department

Corporate Auditors

Shinichiro Mizuno
Shinichi Wanaka
Takanao Mitsui
Shozo Chikamatsu

*Representative Directors



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Operating income of each segment in this Segment Review Section does not include adjustments and eliminations of intersegment profit and unaffiliated customer transactions.

Effective from the year ended March 31, 2001, the Produce & Provisions Segment was renamed the "Produce & Foodstuffs Segment." There has been no change in activities in this segment.

SEGMENT REVIEW

CHEMICALS & ENERGY

Major Products and Services:
Petrochemical products, fine and inorganic chemicals, agrochemicals, plastics, petroleum products

Contribution to Total Trading Transactions

48.2%

Contribution to Operating Income

33.1%

Performance

In the year ended March 31, 2002, Tomen achieved steady results from its specialty chemical-related activities in Japan and overseas. This was partly attributable to business integration with Nichimen in the area of life science, which is a core business area for Tomen. Despite stagnating demand in Japan, results from plastic-related activities were mostly on target. In the area of petrochemicals, Tomen experienced difficult conditions resulting from the slowdown in the domestic market, and in the vital Asian market. Tomen's energy-related business activities showed dramatic growth, especially in crude oil transactions. This was partly due to the low value of the yen during the period under review.

Trading transactions during the year ended March 31, 2002 increased by 4.0% to ¥1,150 billion (US\$8,632 million). However, earnings were adversely affected by the amortization of business rights due to the integration of life science activities under Arysta LifeScience, and by a decline in the performance of a styrene-monomer manufacturing subsidiary in Indonesia. As a result, operating income was 46.1% below the previous year's level at ¥10.3 billion (US\$78 million).

For the years ended March 31,	Billions of Yen			Millions of U.S. Dollars	(%)
	2002	2001	2000	2002	Change
Trading Transactions	¥1,150	¥1,105	¥1,001	\$8,632	4.0
Operating Income	10.3	19.2	16.4	78	-46.1

Topics

Excellent Start for Arysta LifeScience

Tomen and Nichimen have integrated their activities in the areas of agrochemicals, pharmaceuticals and veterinary medicines under a new company, Arysta LifeScience. The new company, which commenced business operations in April 2001, enjoyed an excellent first year. Sales of Orthene, a key agrochemical product, were good, and strong trends also emerged in some of the company's fertilizer sales to the United States. There was also growth in earnings of Arysta LifeScience subsidiaries, including Arvesta in the United States, Hokko do Brasil in Brazil, and Anesa in Belgium.

Styrindo Mono Indonesia Aiming for Rapid Recovery

Styrindo Mono Indonesia (SMI) is Indonesia's only producer of styrene monomer. In the year under review, raw material costs rose while product prices fell, causing the most serious deterioration in the business environment in SMI's history. This situation inevitably had an impact on performance, including a decline from ordinary profit of ¥25 billion in the previ-

ous year to an ordinary loss of ¥3.0 billion (US\$23 million). SMI's annual production capacity currently stands at 300,000 tons. In mid-2002, it plans to increase its capacity to 340,000 tons by debottlenecking that will add 40,000 tons to the capacity of its existing facilities. These changes will enhance the company's competitiveness and will be combined with cuts in production costs. SMI aims to achieve a V-shaped income recovery in the year ending March 31, 2003.

Future Directions

In the petrochemical field, Tomen will target further improvements in the competitiveness of SMI. It will also work to strengthen its sales capabilities in key areas of expertise by securing suppliers in oil- and natural gas-producing countries while expanding its distribution networks in Asia. In the areas of life science activities and plastics, Tomen will continue to develop new business seeds in priority fields. The goal for this segment is an increase of around 20% in operating income.

PRODUCE & FOODSTUFFS

Major Products and Services:
Grains, flour, general feed ingredients, meat,
liquor, general food ingredients, general
marine produce

Contribution to Total Trading Transactions

11.2%

Contribution to Operating Income

28.7%

Performance

The business environment for the Produce & Foodstuffs segment in the year ended March 31, 2002 was generally harsh. Within Japan, there was intense consumer scrutiny of the food industry as a whole because of growing concern over BSE (mad cow disease) and genetically modified foodstuffs. The Japanese food industry also faced continuing negative trends, including falling product prices, resulting from a deflationary spiral and a prolonged slump in consumer spending.

Despite these conditions, Tomen was able to achieve steady sales and income from its core feed grain business. This pattern reflects the potential of Tomen's network of grain silos and distribution depots, which is among the most extensive in Japan. Trends were less encouraging in the area of foodstuffs, especially seafood.

Trading transactions in this segment amounted to ¥267 billion (US\$1,999 million), a year-on-year increase of 9.3%. Operating income was 13.1% higher at ¥9.0 billion (US\$67 million).

For the years ended March 31,	Billions of Yen			Millions of U.S. Dollars	(%)
	2002	2001	2000	2002	Change
Trading Transactions	¥267	¥244	¥363	\$1,999	9.3
Operating Income	9.0	7.9	7.8	67	13.1

Topics

Stable Earnings from Feed Grain Business

The Tomen Group has grain silo complexes in the Tohoku, Kanto, Chubu and Kansai regions, which are all major feed consumption areas in Japan. Tomen has also encouraged feed and foodstuffs manufacturers to move into the areas around these complexes, creating large manufacturing centers.

By shipping large volumes of grain directly from producer countries, Tomen has been able to reduce costs while ensuring reliable supplies to the manufacturers around its facilities. Grain handled by Tomen accounts for 13% of Japan's total grain imports. Despite harsh business conditions, the Tomen Group's leadership in this field allowed it to achieve sales and income growth from its feed grain business.

Future Directions

Tomen has enhanced the quality control systems to separate non-GM products, including corn and other feed grain commodities. Recently there has been growing consumer

concern about genetic modified foodstuffs, and this is expected to increase the advantage enjoyed by the Tomen Group in the feed grain industry. The Tomen Group is also making sustained efforts to reduce costs under the leadership of the parent company. The goal for this business area is to maintain steady sales and income trends in the coming year.

TEXTILES

Major Products and Services:
 Textile raw materials, textile products, apparel,
 bedding products

Contribution to Total Trading Transactions

16.7%

Contribution to Operating Income

17.7%

Performance

The performance of the entire Japanese textile industry languished in the year ended March 31, 2002. Reasons for this situation included a prolonged slump in consumer spending and a downward trend in prices in Japan. Exports, which were expected to benefit from a weaker yen, were adversely affected by a number of factors. In particular, the IT slump and the September 11 terrorist attacks caused a decline in demand in the United States, which is a major export market.

The key areas of activity for Tomen in the textile sector are high-tech materials. The uniquely functional characteristics of Tomen's products give it a strong competitive edge, especially in the European and North American markets, and trading trends for this product category remained firm. In Japan, Tomen continued to develop integrated transactions encompassing all stages from the sourcing of raw materials at the point of production to the sale of finished products. Its highest priority was the reinforcement of relationships with suppliers and buyers.

The results for textiles as a whole for the year reflected the harsh business conditions. Trading transactions were 5.9% below the previous year's level at ¥398 billion (US\$2,987 million), while operating income was marginally lower at ¥5.5 billion (US\$42 million).

For the years ended March 31,	Billions of Yen			Millions of U.S. Dollars	(%)
	2002	2001	2000	2002	Change
Trading Transactions	¥398	¥423	¥449	\$2,987	-5.9
Operating Income	5.5	5.7	6.0	42	-2.4

Topics

Gelanots a Major Contributor to Earnings

Developed by Tomen in cooperation with a Japanese textile processor, Gelanots is a polyurethane membrane that can be combined with fabrics to provide various functional characteristics, such as waterproofing, moisture permeability and wind resistance that are superior to those of most products on the market. It is used by a number of famous apparel brands, including the Italian companies Lolo Piana and Prada. In the 10 years since Gelanots first went on sale, sales volumes have increased twenty-fold compared with the first-year result. During the year under review, a leading textile industry newspaper in Japan selected Gelanots for its "Synthetic Fiber Prize."

Compact Spun Yarn Imported from Italy

In the year under review, Tomen began to import and sell the "Futura" brand of compact spun cotton yarn manufactured by the Italian company Franzoni Filati. Yarn made with the Futura process has excellent surface characteristics. It is soft and lustrous, and resists fluffing. It is also strong, even as single-ply yarn. In Japan it will be sold for an expanding range of uses, including woven and knitted apparel, towels and bedding products.

Future Directions

In this segment, Tomen will continue to focus on highly original products, like Gelanots, that are less vulnerable to market trends. In Japan it will work to strengthen its sales capabilities in Tokyo, which is the biggest market, by focusing on planning and proposal activities that encompass manufacturing functions and brand development. In China, Tomen will implement a strategy that will lead to the positioning of its Chinese operations as priority production bases for textiles and apparel, rather than simple processing operations. That role will include offshore transactions. Despite the harsh business climate, Tomen plans to achieve earnings similar to this year's results in the year to March 31, 2003.

MACHINERY

Major Products and Services:

Wind power and thermal power generation plants, telecommunications equipment, electronic devices, CATV broadcasting, media software, automobiles and automotive parts

Contribution to Total Trading Transactions

17.5%

Contribution to Operating Income

13.9%

For the years ended March 31,	Billions of Yen			Millions of U.S. Dollars	(%)
	2002	2001	2000	2002	Change
Trading Transactions	¥417	¥400	¥606	\$3,131	4.4
Operating Income*	4.3	4.3	1.2	33	0.6

Performance

During the year ended March 31, 2002, Tomen restructured its group operations in the power supply area in preparation for future expansion. It also continued to implement major projects aggressively, both in Japan and overseas. Falling semiconductor prices created a harsh business environment in the IT sector. However, there was a sharp increase in sales of electronic parts and semiconductors to China. In the plant project area, signs of a gradual recovery began to emerge, notably in Southeast Asia and the Middle East.

In the year under review, trading transactions in the Machinery segment increased by 4.4% over the previous year's level to ¥417 billion (US\$3,131 million). Operating income was slightly higher at ¥4.3 billion (US\$33 million).

Topics

Underlying Recovery Trend in Plant Project Business

During the year ended March 31, 2002, Tomen and Mitsubishi Heavy Industries jointly won a US\$109 million contract from Cairo Electricity Production Company to supply gas turbine generators to build the Cairo North Power Station. The project has attracted considerable interest, since it will result in the construction of the first large-scale combined-cycle power

station in Egypt. Tomen sees the new contract as an excellent opportunity to seek more orders in Egypt and the Middle East.

Another notable success during the period under review was a ¥4.5 billion (US\$34 million) order from the Constantza Port Authority of Romania. The project, which involves the construction of cargo handling facilities, will be financed by the first large-scale yen-credit loan provided to Romania by the Japanese government.

Tomen Participates in Planning Activities in Iran

The Japanese government is working to facilitate economic relations with Iran through economic assistance and other initiatives. Tomen has maintained relationships in Iran for many years through its business activities, including crude oil import to Japan. This experience is reflected in its participation in a variety of cooperation activities relating to Iran's plans to increase its crude oil production capacity by 25% in 2005. The main candidate projects include the modernization of crude oil shipment facilities at Kharg Island, communication systems for oil and gas pipelines, and a project to convert city buses in Teheran to run on natural gas.

Future Directions

The electronics business and power supply business are Tomen's core value activities in this segment. Tomen will continue to focus on the expansion of its activities in those areas. There are signs of a recovery in demand for large-scale communications projects, and growth is also predicted for other business areas, including electronic parts and semiconductors.

Tomen Electronics is already listed on the first section of the Tokyo Stock Exchange, and in June 2002, Tomen Devices achieved listing on the JASDAQ market. Tomen Cyber-business Solutions is currently preparing to list its shares. The early achievement of public share listings by major subsidiaries in the electronics business is part of Tomen's strategy to accelerate the reinforcement of group management in the Machinery Segment.

Tomen also anticipates sustained growth in its earnings from the power supply business. Tomen Power Holdings Corporation, (TPHC) is one of the world's leading developers of wind power generation facilities. To strengthen that position, in September 2002, the Tokyo Electric Power Company will invest in TPHC as a strategic partner.

*Note: The majority of income from our power supply business is not included in operating income since it is shown under "Other income—other net." The contribution of the power supply business to "Other income—other net" amounted to ¥4.8 billion (US\$36 million) in the year ended March 31, 2002 and ¥4.3 billion in the year ended March 31, 2001.

CONSTRUCTION & REAL ESTATE

Major Products and Services:
Buying, selling and intermediation of real estate, construction and civil engineering contracting, design supervision

Contribution to Total Trading Transactions

0.5%

Contribution to Operating Income

1.5%

Performance

Under the Tomen Renovation Plan, Tomen continued its efforts to either optimize the use of assets in this segment or realize advantageous asset sales. During the year ended March 31, 2002 it commenced sales of condominiums in the city of Yokosuka, Kanagawa Prefecture. Completion is scheduled for August 2003. Rental properties include the Hamamatsu Plaza, a major commercial facility completed in November 2000. The adjoining

property, formerly the Hamamatsu Mycal store, was renovated and reopened in April 2002, as the Hamamatsu Plaza West. This project has enhanced the competitiveness of these properties as the biggest commercial facilities in Shizuoka Prefecture.

Trading transactions in the Construction & Real Estate segment in the year under review amounted to ¥12 billion (US\$90 million), a decline of ¥34 billion from the previous year's level. The reduction reflects Tomen's acceler-

ated withdrawal from unprofitable activities. Cost-cutting efforts resulted in a ¥0.2 billion increase in operating income, which amounted to ¥0.5 billion (US\$3 million).

Tomen's priorities for this segment are the completion of projects in progress, and the optimal use or liquidation of real estate assets.

For the years ended March 31,	Billions of Yen			Millions of U.S. Dollars	(%)
	2002	2001	2000	2002	Change
Trading Transactions	¥12	¥46	¥81	\$90	-73.8
Operating Income	0.5	0.3	(2.0)	3	65.4

OTHERS

Major Products and Services:
Coal, non-ferrous metals, lumber, plywood, construction materials, data processing, logistics.

Contribution to Total Trading Transactions

5.9%

Contribution to Operating Income

5.1%

For the years ended March 31,	Billions of Yen			Millions of U.S. Dollars	(%)
	2002	2001	2000	2002	Change
Trading Transactions	¥141	¥299	¥367	\$1,059	-52.8
Operating Income	1.6	3.3	0.4	12	-51.7

Performance

Tomen is liquidating and selling its business operations in this segment. The criterion for these decisions is the extent to which each activity offers synergy benefits within the Tomen Group. In November 2000, the steel business, including subsidiaries, was partially transferred to Toyota Tsusho. In June 2002, Tomen sold its shares in three overseas subsidiaries in the non-ferrous metals field also to Toyota Tsusho.

This retrenchment strategy is reflected in the results for this segment in the year ended March 31, 2002. At ¥141 billion (US\$1,059 million), trading transactions were equivalent to less than one-half of the previous year's figure. Operating income amounted to ¥1.6 billion (US\$12 million).

Some activities in this segment continued to yield steady performance in terms of trading transactions and operating income. These include the development and importation of

Australian coal, and lumber and general merchandise-related activities.

Future plans for this segment call for the maintenance of the earning power of individual businesses that are performing well. At the same time, Tomen will continue to dispose of businesses targeted for liquidation and retrenchment.

WHERE'S THE VALUE?
 INSTANT INFORMATION
 VALUE OF A TRADING
 COMPANY AND B2B
 TRADING COMPANIES
 B2B E-COMMERCE

REVIEW OF GEOGRAPHICAL SEGMENTS

JAPAN

Several positive factors served to increase both revenue and profit in Japan, due to integration of the life science business and the consolidation of Tomen Electronics, which was formerly an equity method affiliate. However, total trading transactions (TTT) fell by 6.2% to ¥2,109.6 billion (US\$15,832 million) compared to the previous year, and operating income fell by 26.0% to ¥19.4 billion (US\$145 million), affected by the prolonged domestic sluggishness.

NORTH AMERICA

In North America, the state of business was generally a hard battle due to the sluggish U.S. economy, which turned into a negative growth in the third quarter. Tomen also transferred its steel business in the U.S. in November 2000 to Toyota Tsusho. As a result, TTT fell by 2.4% from the previous year to ¥88.2 billion (US\$662 million), while the operating loss was ¥0.8 billion (US\$6 million).

EUROPE

In Europe, TTT rose by 61.4% to ¥33.6 billion (US\$252 million) and operating income was ¥2.3 billion (US\$17 million) for the year under review, because of an increase in the number of consolidated subsidiaries in the European region following integration of the life science businesses.

ASIA AND OCEANIA

In Asia and Oceania, amid a declining trend of the Asian economies, local subsidiaries in Asia worked hard to counter the effects of the stagnation, but their efforts were largely overwhelmed by losses of a styrene monomer production subsidiary in Indonesia. TTT fell by 5.0% to ¥137.4 billion (US\$1,031 million) and operating income fell by ¥6.1 billion to ¥1.0 billion (US\$7 million).

OTHERS

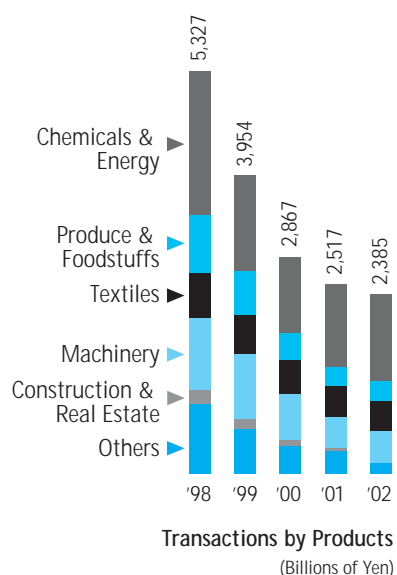
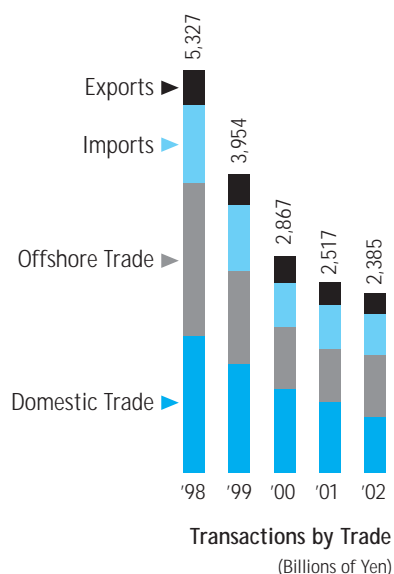
For the remainder of the regions, TTT for the year under review rose by 34.7% to ¥16.1 billion (US\$121 million) and operating income nearly doubled to ¥3.3 billion (US\$24 million), due to the business recovery of an agrochemical-related company in South America, which had been sluggish because of drought, and better results by a cottonseed oil manufacturing company because of a recovery in the market prices.

Note: The majority of income from our power supply business is not included in operating income since it is shown under "Other income—other net." The contribution of the power supply business to "Other income—other net" amounted to ¥4.8 billion (US\$36 million) in the year ended March 31, 2002 and ¥4.3 billion in the year ended March 31, 2001.

FINANCIAL REVIEW

Notes: (1) U.S. dollar amounts represent translations of Japanese yen amounts at the rate of ¥133.25=\$1.
(See Note 1 of Notes to Consolidated Financial Statements.)

(2) The consolidated financial statements for the current accounting period were prepared in accordance with the Ministerial Ordinance Partially Amending the Regulations, etc., Concerning Terminology, Formats and Preparation Methods for Consolidated Financial Statements.



Consolidated Total Trading Transactions

The consolidated total trading transactions (TTT) declined by 5.2% to ¥2,385 billion (US\$17,898 million) for the year ended March 31, 2002. Tomen continued to sell off or consolidate unprofitable or inefficient businesses in this fiscal year under the Tomen Renovation Plan. The Japanese economy remained sluggish, while the US economy was affected by the terrorist attacks. In addition, the Middle East situation was uncertain. Although signs of a recovery trend were seen in the latter half, the economic environment generally grew more severe, affected by slowdown of the economies in Asian nations. As a result, the TTT for the year declined.

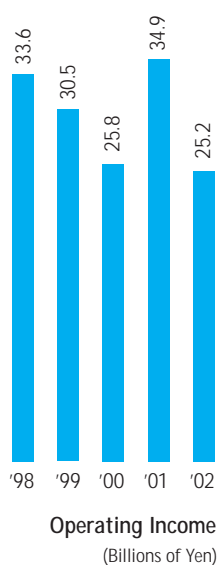
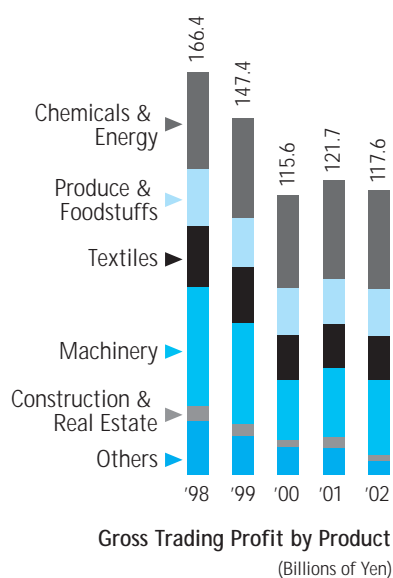
According to a breakdown of TTT by category, offshore trades increased 14.3% from the previous fiscal year, and accounted for 33.9% of total trading transactions. The ratios for the other TTT components, domestic trade, imports and exports, were 31.4%, 23.1% and 11.6%, respectively, and these three trading transaction figures were all lower than the corresponding figures for the previous fiscal year. In particular, domestic trading transactions declined by 19.3% from the previous year as Tomen scaled back its Construction & Real Estate operations.

A breakdown of TTT by product shows that the largest component is Chemicals & Energy, with 48.2%. Machinery accounts for 17.5%, Textiles 16.7% and Produce & Foodstuffs 11.2%. In the year under review, Textiles fell by 5.9% from the previous year and the remaining three sectors increased: Chemicals & Energy by 4.0%, Machinery by 4.4%, and Produce & Foodstuffs by 9.3%.

Regarding the Construction & Real Estate and Others operations, where withdrawal and scale-down has been made in a positive manner, the trading transactions of Construction & Real Estate and Others declined by 73.8% and 52.8% from the previous year, respectively. The component ratios of Construction & Real Estate and Others to the TTT were 0.5% and 5.9% respectively.

Transactions by Trade

For the years ended March 31,	Billions of Yen					Millions of U.S. Dollars (Note 1)	Change (%)
	2002	2001	2000	1999	1998	2002	
Exports	¥ 277	¥ 293	¥361	¥417	¥461	\$2,080	-5.4
Imports	552	590	578	861	1,037	4,139	-6.5
Offshore Trade	808	707	829	1,241	2,018	6,066	14.3
Domestic Trade	748	927	1,099	1,435	1,811	5,613	-19.3
Total	¥2,385	¥2,517	¥2,867	¥3,954	¥5,327	\$17,898	-5.2



Transactions by Product

For the years ended March 31,	Billions of Yen					Millions of U.S. Dollars (Note 1)	Change (%)
	2002	2001	2000	1999	1998	2002	
Chemicals & Energy	¥1,150	¥1,105	¥1,001	¥1,266	¥1,906	\$8,632	4.0
Produce & Foodstuffs	267	244	363	582	763	1,999	9.3
Textiles	398	423	449	513	597	2,987	-5.9
Machinery	417	400	606	870	960	3,131	4.4
Construction & Real Estate	12	46	81	135	186	90	-73.8
Others	141	299	367	588	915	1,059	-52.8
Total	¥2,385	¥2,517	¥2,867	¥3,954	¥5,327	\$17,898	-5.2

Earnings

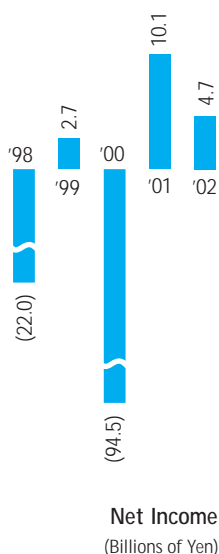
TTT fell by 5.2% from the previous fiscal year, but consolidated gross trading profits declined by only 3.4% from the year before to ¥117.6 billion (US\$882 million).

The overall gross trading profits of the Company's four main business segments, which are Chemicals & Energy, Produce & Foodstuffs, Textiles and Machinery, were ¥109.2 billion (US\$820 million), an increase of 2.8% from the previous year. The profit structure has been stable under the severe operational environment, although Textiles slightly declined from a year earlier. The other three segments increased.

On the other hand, the combined earnings of the Construction & Real Estate and Others segments declined by 45.8% to ¥8.4 billion (US\$63 million). However, this decline is ascribed mainly to transfer of the Steel operation. Consolidated operating income fell by 27.7% compared to the

Gross Trading Profit by Product

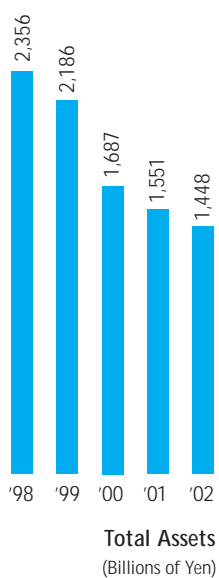
For the years ended March 31,	Billions of Yen					Millions of U.S. Dollars (Note 1)	Change (%)
	2002	2001	2000	1999	1998	2002	
Chemicals & Energy	¥ 41.0	¥ 40.8	¥38.2	¥ 41.6	¥ 40.0	\$ 308	0.5
Produce & Foodstuffs	19.5	18.7	19.4	19.9	23.8	146	4.3
Textiles	17.8	18.2	19.0	23.1	25.0	133	-2.2
Machinery	30.9	28.5	24.8	41.9	49.0	232	8.4
Construction & Real Estate	2.5	4.4	2.9	4.8	6.6	19	-43.2
Others	5.9	11.1	11.3	16.1	22.0	44	-46.8
Total	¥117.6	¥121.7	¥115.6	¥147.4	¥166.4	\$ 882	-3.4



previous year to ¥25.2 billion (US\$189 million). This decline was the result of a fall in gross trading profits and an increase of 6.4% in selling, general & administrative (SG & A) expenses. The increase in SG & A expenses mainly reflects the amortization of business rights stemming from the business integration of Arysta LifeScience.

On the other hand, non-operating income was enhanced by improvement of the Company's financial position, but a loss of ¥11.8 billion (US\$88 million) was accounted for as a result of loss on sale of securities and loss from valuation of securities caused by declines in the stock market. As a result, consolidated net income available after deducting income taxes, and the minority interest fell by 53.4% to ¥4.7 billion (US\$35 million).

For the years ended March 31,	Billions of Yen					Millions of U.S. Dollars (Note 1)	Change (%)
	2002	2001	2000	1999	1998	2002	
Total Trading Transactions	¥2,385	¥2,517	¥2,867	¥3,954	¥5,327	\$17,898	-5.2
Gross Trading Profit	117.6	121.7	115.6	147.4	166.4	882	-3.4
Selling, General & Administrative Expenses	92.4	86.9	89.7	116.9	132.8	693	6.4
Operating Income	25.2	34.9	25.8	30.5	33.6	189	-27.7
Net Income	4.7	10.1	(94.5)	2.7	(22.0)	35	-53.4



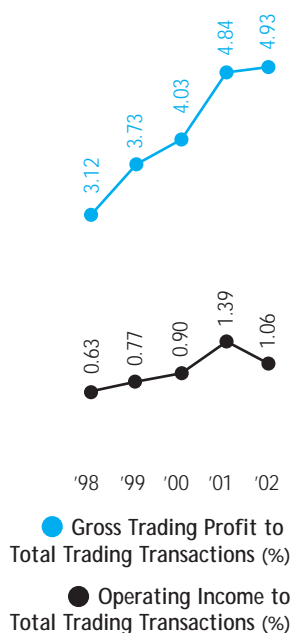
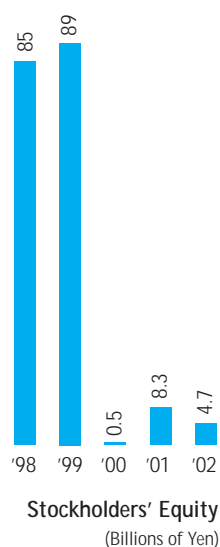
Financial Position

Consolidated total assets at the end of the fiscal year amounted to ¥1,448 billion (US\$10,869 million), a decline of 6.6% from the previous year, resulting from a fall of 9.6% in current assets, mainly in notes receivable and accounts receivable, inventories, and under investments and long-term receivables, a decline of 17.1% from the previous year in securities and other investments.

The total current liabilities at the end of the year showed a small decline of 1.8% to ¥1,138 billion (US\$8,541 million) from last year, with a fall in notes payables and accounts payables as well as an increase in short-term loans. Long-term liabilities fell by 21.4% from the previous year to ¥279 billion (US\$2,096 million) due to a major decline in long-term debt.

Interest-bearing debt declined by ¥44.0 billion compared to the previous fiscal year to ¥1,112.0 billion (US\$8,345 million) for the year under review, and net interest-bearing debt excluding cash and deposits fell by ¥51.2 billion from the previous year to ¥945.5 billion (US\$7,096 million).

Stockholders' equity at year end fell by ¥3.6 billion to ¥4.7 billion (US\$35 million) as a result of net unrealized losses on investment in securities of ¥16.2 billion (US\$122 million).



For the years ended March 31,	Billions of Yen					Millions of U.S. Dollars (Note 1)	Change (%)
	2002	2001	2000	1999	1998	2002	
Total Assets	¥1,448	¥1,551	¥1,687	¥2,186	¥2,356	\$10,869	-6.6
Current Assets	826	914	1,059	1,489	1,676	6,199	-9.6
Investments and Long-Term Receivables	305	350	278	425	417	2,290	-12.9
Property and Equipment	223	219	237	213	212	1,677	2.0
Current Liabilities	1,138	1,159	1,175	1,390	1,518	8,541	-1.8
Long-Term Liabilities	279	356	502	699	744	2,096	-21.4
Stockholders' Equity	4.7	8.3	0.5	89	85	35	-43.7

Analysis of Cash Flows

Regarding the consolidated cash flows for the year, income of ¥71.7 billion (US\$538 million) from operating activities by promoting collections of receivables, and income of ¥26.4 billion (US\$198 million) from investing activities accompanying sale of equities held, is applied for repayment of interest-bearing debt in financing activities. As a result, the balance of cash and cash equivalents at the end of the year under review increased 12.7% from the previous year to ¥140 billion (US\$1,053 million).

Financial Ratios

Tomen and consolidated subsidiaries are currently under drastic reform of its profit-making structure with improvement in profitability and financial structure.

The process of liquidation and withdrawal from unprofitable and inefficient businesses continued during the year under review. As a result, the ratio of gross trading profit to TTT increased 0.09 point from the previous year, from 4.84% to 4.93%. However, the ratio of operating income to TTT deteriorated by 0.33 point to 1.06% as a result of a fall in operating income due to an increase in SG & A expenses mainly from ¥5.4 billion of amortization of business rights on Arysta LifeScience. The ratio of net income to TTT fell by 0.20 point to 0.20%.

The equity ratio fell by 0.21 point to 0.32% due to a decline in stockholders' equity caused by net unrealized losses on investment in securities.

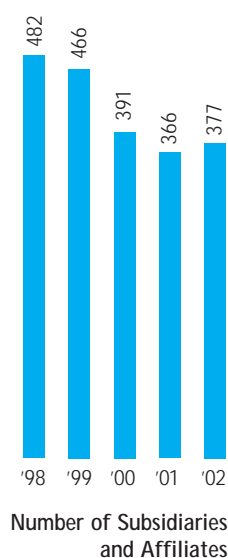
Financial Ratios

For the years ended March 31,	(%)				
	2002	2001	2000	1999	1998
Gross Trading Profit to Total Trading Transactions	4.93	4.84	4.03	3.73	3.12
Operating Income to Total Trading Transactions	1.06	1.39	0.90	0.77	0.63
Net Income to Total Trading Transactions	0.20	0.40	-	0.07	-
Return on Average Total Assets	0.31	0.62	-	0.12	-
Return on Average Stockholders' Equity	72.80	230.24	-	3.16	-
Current Ratio	73	79	90	107	110
Equity Ratio	0.32	0.53	0.03	4.05	3.62

Subsidiaries and Affiliates

The total number of consolidated subsidiaries, unconsolidated equity-method subsidiaries, and equity-method affiliates increased by 11 to 377 including new subsidiaries and affiliates in the life science business.

Consolidated companies consisted of 117 domestic companies and 260 overseas companies. Furthermore, 300 consolidated companies were in the black and 77 companies were in the red.



For the year ended March 31, 2002	Domestic	Overseas	Total	Change from March 31, 2001
Consolidated Subsidiaries	89	168	257	18
Unconsolidated Subsidiaries under the Equity Method	0	2	2	2
Equity-Method Companies	28	90	118	-9
Total	117	260	377	11

For the years ended March 31,	2002	2001	2000	1999	1998	Change from March 31, 2001
Profit-Making Companies	300	272	295	323	325	28
Deficit-Ridden Companies	77	94	96	143	157	-17
Total	377	366	391	466	482	11

FIVE-YEAR SUMMARY

TOMEN CORPORATION AND CONSOLIDATED SUBSIDIARIES

For the years ended March 31,	Millions of Yen					Thousands of U.S. Dollars (Note)
	2002	2001	2000	1999	1998	2002
Total Trading Transactions	¥2,384,848	¥2,516,523	¥2,866,909	¥3,954,171	¥5,327,466	\$17,897,550
Gross Trading Profit	117,593	121,718	115,551	147,409	166,358	882,496
Operating Income	25,198	34,855	25,827	30,466	33,622	189,103
Net Income (Loss)	4,711	10,097	(94,526)	2,749	(21,988)	35,354
Total Assets	1,448,261	1,551,265	1,687,184	2,185,672	2,356,495	10,868,753
Stockholders' Equity	4,663	8,278	493	88,512	85,325	34,994
Long-Term Liabilities	279,316	355,569	501,685	699,093	744,089	2,096,179
Per share amounts	Yen					U.S. Cents
Net Income (Loss)	¥7.39	¥16.70	¥(141.15)	¥4.10	¥(32.83)	5.55¢
Cash Dividends	—	—	—	2.50	—	—

Note: U.S. dollar amounts represent translations of Japanese yen amounts at the rate of ¥133.25 = \$1.
(See Note 1 of Notes to Consolidated Financial Statements.)

CONSOLIDATED BALANCE SHEETS

TOMEN CORPORATION AND CONSOLIDATED SUBSIDIARIES

March 31, 2002 and 2001

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2002	2001	2002
Current Assets:			
Cash and cash equivalents	¥ 140,291	¥ 124,476	\$ 1,052,839
Time deposits (Note 4)	26,278	34,783	197,206
Marketable securities (Notes 3 and 7)	6,667	8,528	50,036
Receivables:			
Trade notes and trade accounts (Note 4)	371,552	448,224	2,788,381
Loans	24,158	22,946	181,296
Due from unconsolidated subsidiaries and affiliates	34,243	27,839	256,986
Allowance for doubtful receivables	(11,364)	(12,122)	(85,280)
Inventories (Note 4)	178,952	189,579	1,342,976
Other current assets (Note 12)	55,299	69,524	415,001
Total Current Assets	826,076	913,777	6,199,441
Investments and Long-Term Receivables:			
Securities and other investments (Notes 3 and 4)	155,379	187,416	1,166,073
Investments in and advances to unconsolidated subsidiaries and affiliates	85,708	103,264	643,214
Long-term loans and trade receivables (Note 4)	125,049	129,505	938,452
Allowance for doubtful receivables	(60,936)	(69,998)	(457,302)
Total Investments and Long-Term Receivables	305,200	350,187	2,290,437
Property and Equipment (Note 4):			
Land	61,860	54,250	464,237
Buildings and structures	56,333	54,390	422,762
Equipment and fixtures	118,111	105,762	886,386
Property leased to others	73,651	79,576	552,730
Construction in progress	514	2,622	3,858
	310,469	296,600	2,329,973
Less accumulated depreciation	(87,028)	(77,569)	(653,119)
Net Property and Equipment	223,441	219,031	1,676,854
Other Assets:			
Other (Note 12)	93,544	68,270	702,021
Total Other Assets	93,544	68,270	702,021
Total	¥1,448,261	¥1,551,265	\$10,868,753

See accompanying Notes to Consolidated Financial Statements.

LIABILITIES AND STOCKHOLDERS' EQUITY	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2002	2001	2002
Current Liabilities:			
Short-term loans and current portion of long-term debt (Notes 4 and 5)	¥ 850,691	¥ 818,363	\$ 6,384,174
Payables:			
Trade notes, acceptances and trade accounts	220,987	265,619	1,658,442
Due to unconsolidated subsidiaries and affiliates	9,468	9,912	71,052
Advances and deposits from customers	13,570	14,332	101,839
Accrued income taxes	5,062	9,614	37,990
Other current liabilities (Note 12)	38,305	40,795	287,463
Total Current Liabilities	1,138,083	1,158,635	8,540,960
Long-Term Liabilities:			
Long-term debt less current portion (Notes 4 and 5)	261,356	337,649	1,961,393
Reserve for pension plan	6,226	6,638	46,728
Other long-term liabilities (Note 12)	11,734	11,282	88,058
Total Long-Term Liabilities	279,316	355,569	2,096,179
Minority Interests in Consolidated Subsidiaries	26,199	28,783	196,620
Contingent Liabilities (Note 13)			
Stockholders' Equity:			
Common stock:			
Authorized:			
1,200,000,000 shares			
Issued and outstanding:			
637,649,645 shares at March 31, 2002 and 2001	32,185	32,185	241,541
Capital surplus (Note 6)	15,443	15,443	115,893
Retained earnings (Accumulated deficit) (Note 7)	(3,611)	(5,866)	(27,096)
Net unrealized gains (losses) on investment in securities (Note 7)	(16,235)	66	(121,839)
Foreign currency translation adjustments	(23,106)	(33,549)	(173,407)
Treasury stock	(13)	(1)	(98)
Total Stockholders' Equity	4,663	8,278	34,994
Total	¥1,448,261	¥1,551,265	\$10,868,753

CONSOLIDATED STATEMENTS OF INCOME

TOMEN CORPORATION AND CONSOLIDATED SUBSIDIARIES

For the years ended March 31, 2002, 2001 and 2000

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2002	2001	2000	2002
Total Trading Transactions (Notes 9 and 10)	¥2,384,848	¥2,516,523	¥2,866,909	\$17,897,550
Gross Trading Profit	117,593	121,718	115,551	882,496
Selling, General & Administrative Expenses	(92,395)	(86,863)	(89,724)	(693,393)
Operating Income (Note 9)	25,198	34,855	25,827	189,103
Other Income (Expenses):				
Interest income	12,166	18,863	19,966	91,302
Dividend income	1,332	2,607	1,426	10,001
Interest expenses	(31,751)	(41,405)	(41,489)	(238,282)
Equity in earnings of unconsolidated subsidiaries and affiliates	4,872	4,149	2,969	36,560
Other, net (Note 11)	2,941	3,418	(139,245)	22,071
Income (Loss) before Income Taxes	14,758	22,487	(130,546)	110,755
Income Taxes				
Current	(7,033)	(10,234)	(7,427)	(52,784)
Deferred	(3,014)	(2,156)	43,447	(22,617)
Net Income (Loss)	¥ 4,711	¥ 10,097	¥ (94,526)	\$ 35,354
Net Income (Loss) per Share	¥7.39	¥16.70	¥(141.15)	5.55¢

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

TOMEN CORPORATION AND CONSOLIDATED SUBSIDIARIES

For the years ended March 31, 2002, 2001 and 2000

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2002	2001	2000	2002
Common Stock				
Beginning balance	¥ 32,185	¥ 49,780	¥ 49,780	\$ 241,541
Capital reduction (Note 15)	—	(33,038)	—	—
Capital increase (Note 15)	—	15,443	—	—
Ending balance	¥ 32,185	¥ 32,185	¥ 49,780	\$ 241,541
Capital Surplus				
Beginning balance	¥ 15,443	¥ 44,996	¥ 44,996	\$ 115,893
Disposition of capital surplus	—	(44,996)	—	—
Capital increase (Note 15)	—	15,443	—	—
Ending balance	¥ 15,443	¥ 15,443	¥ 44,996	\$ 115,893
Retained Earnings (Accumulated Deficit)				
Beginning balance	¥ (5,866)	¥(94,282)	¥ (6,264)	\$ (44,026)
Reduction of capital without compensation (Note 15)	—	33,038	—	—
Transfer from capital surplus	—	44,996	—	—
Effect on beginning balance due to adoption of deferred income tax	—	—	9,010	—
Net income (loss)	4,711	10,097	(94,526)	35,354
Cash dividends paid	—	—	(1,674)	—
Bonuses to directors	(28)	(18)	(17)	(209)
Effect from changes of consolidated subsidiaries and companies accounted for by use of the equity method and others	(1,953)	188	(767)	(14,652)
Change in unrealized loss on marketable securities, net of tax effect (Note 7)	(475)	115	(44)	(3,563)
Ending balance (Note 7)	¥ (3,611)	¥ (5,866)	¥(94,282)	\$ (27,096)
Net Unrealized Gains (Losses) on Investment in Securities (Note 7)				
Beginning balance	¥66	—	—	\$498
Ending balance	¥(16,235)	¥66	—	\$(121,839)
Foreign Currency Translation Adjustments				
Beginning balance	¥(33,549)	—	—	\$(251,774)
Ending balance	¥(23,106)	¥(33,549)	—	\$(173,407)
Treasury Stock				
Beginning balance	¥ (1)	¥ (1)	¥ (0)	\$ (9)
Ending balance	¥ (13)	¥ (1)	¥ (1)	\$ (98)
Number of shares of common stock (thousands)				
Beginning balance	637,649	669,699	669,699	
Ending balance	637,649	637,649	669,699	

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

TOMEN CORPORATION AND CONSOLIDATED SUBSIDIARIES

For the years ended March 31, 2002, 2001 and 2000

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2002	2001	2000	2002
Cash Flows from Operating Activities:				
Income (Loss) before income taxes	¥ 14,758	¥ 22,487	¥(130,546)	\$ 110,755
Minority interest	1,471	2,227	545	11,040
Depreciation and amortization	11,882	10,903	10,464	89,170
Provision for doubtful receivables	4,057	(2,197)	49,536	30,444
Equity in earnings of unconsolidated subsidiaries and affiliates	(4,872)	(4,149)	(2,969)	(36,560)
(Gain) Loss on (sale) disposal of property and equipment	(398)	7,643	5,767	(2,988)
(Gain) Loss on sale of securities	(4,466)	(44,756)	11,992	(33,518)
Write-down of securities	5,008	11,389	91,245	37,585
Interest and dividend income	(13,499)	(21,470)	(21,392)	(101,303)
Interest expenses	31,751	41,405	41,489	238,282
Debt forgiveness gains	—	—	(219,000)	—
Other non-cash charges	13,902	(5,732)	3,077	104,327
Receivables	84,798	73,740	114,171	636,385
Inventories	19,139	7,635	36,334	143,633
Payables	(54,956)	(49,306)	(27,947)	(412,428)
Short-term loan receivables	(6,032)	30,672	95,846	(45,271)
Cash in from interest and dividend	8,611	14,052	24,568	64,624
Cash paid during the year for interest	(29,499)	(35,661)	(38,061)	(221,381)
Cash paid during the year for income taxes	(8,101)	(6,919)	(4,237)	(60,800)
Other, net	(1,882)	(3,560)	(9,704)	(14,126)
Net cash provided by operating activities	71,672	48,403	31,178	537,870
Cash Flows from Investing Activities:				
Proceeds from sale of property and equipment	2,869	9,533	3,570	21,528
Purchase of property and equipment	(11,296)	(11,133)	(9,753)	(84,773)
Change in marketable securities, net	6,646	13,843	4,328	49,873
Change in long-term loans and other investments, net	18,751	30,358	11,878	140,719
Change in securities and investments, net	8,033	24,807	6,119	60,283
Change in time deposits, net	2,061	(31,887)	8,292	15,469
Other, net	(674)	442	7,216	(5,054)
Net cash provided by investing activities	26,390	35,963	31,650	198,045
Cash Flows from Financing Activities:				
Proceeds from long-term debt	29,463	55,876	68,819	221,109
Repayment of long-term debt	(91,330)	(200,969)	(172,593)	(685,402)
Change in short-term debt, net	(24,249)	4,043	11,319	(181,978)
Cash dividends paid	(316)	(313)	(1,821)	(2,370)
Issue of shares	—	30,886	—	—
Other, net	253	5,906	—	1,897
Net cash used in financing activities	(86,179)	(104,571)	(94,276)	(646,744)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	5,705	4,907	(2,023)	42,818
Net Increase in Cash and Cash Equivalents	17,588	(15,298)	(33,471)	131,989
Cash and Cash Equivalents at Beginning of Year	124,476	140,941	174,412	934,154
Net Decrease in Cash and Cash Equivalents with Changes of Consolidation Criteria	(1,773)	(1,167)	—	(13,304)
Cash and Cash Equivalents at End of Year	¥140,291	¥124,476	¥ 140,941	\$1,052,839

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TOMEN CORPORATION AND CONSOLIDATED SUBSIDIARIES

1. Basis of Financial Statements

TOMEN CORPORATION ("the Company") operates principally in Japan but also throughout the world, either directly or through subsidiaries, and maintains its records and prepares its financial statements in Japanese yen.

The accompanying consolidated financial statements have been prepared and compiled, on the basis of accounting principles generally accepted in Japan, from those filed with the Minister of Finance as required by law in Japan, but, for the convenience of readers outside Japan, certain items have been reclassified and adjusted.

The translations of Japanese yen amounts into United States dollar amounts have been made, solely for convenience, as a matter of arithmetical computation only, at the rate of ¥133.25 to U.S.\$1, the prevailing rate at March 29, 2002. These translations should not be construed as a representation that Japanese yen have been, could have been, or could in the future be, converted into United States dollars at the above rate.

2. Summary of Significant Accounting Policies

Principles of Consolidation:

The consolidated financial statements include the accounts of the Company and its significant majority-owned domestic and foreign subsidiaries, in which the Company has at least 40% but not more than 50% of voting rights and controls the decision-making systems ("the Companies"). All intercompany accounts and transactions have been eliminated in consolidation. Investments in 20- to 50-percent-owned affiliates, in which the Company has at least 15% but less than 20% of voting rights and has a significant influence on business policy decisions, and in principal, unconsolidated subsidiaries are accounted for by use of the equity method.

The difference between the cost of the Companies' investments in subsidiaries and affiliates and the equity in the fair value of their net assets at the dates of acquisition is, with minor exceptions, being amortized over a period of five or fifteen years.

Cash and Cash Equivalents:

Cash and cash equivalents include time deposits with original maturities of three months or less.

Foreign Currency Translation:

Under the accounting principles on foreign currency transactions issued by the Minister of Finance effective for the year ended March 31, 2001, current and non-current receivables and payables in foreign currencies are translated into Japanese yen at the exchange rate on the annual closing date, while previously non-current receivables and payables have been translated at historical rates. Conversion differences are treated as gains or losses.

Income and expenses recorded in foreign currencies are translated into Japanese yen at the rate in effect at the date on which relevant transactions took place.

The financial statements of foreign branches are translated at respective current rates.

Translation of Foreign Currency Financial Statements:

In accordance with the accounting standards generally accepted in Japan, the assets and liabilities and income and expenses of foreign subsidiaries and affiliates are translated into Japanese yen at the spot exchange rate on the annual closing date. Stockholders' equity is translated at historical rates. Differences after the above translations into Japanese yen are reflected as "Foreign currency translation adjustments" in the consolidated financial statement.

Inventories:

Inventories, consisting of commodities and merchandise, are stated at cost, using principally the first-in, first-out method, except for items whose net realizable values are substantially less than their original costs.

Marketable Securities and Investment in Securities:

Under the new accounting principles, marketable securities and investments were reclassified according to the purposes for holding securities at the start of the previous accounting period. As a result of the reclassification, securities with market price held for trading and debt securities due within one year are shown as marketable securities under current assets, and other items are shown as investments.

(a) Marketable securities in current assets are stated at fair market value at the annual closing date. Unrealized gains and losses from fair market value fluctuations are recognized as gains or losses in the period when the fluctuation occurred.

(b) Equity securities issued by subsidiaries and affiliates which are not consolidated or accounted for using the equity method are stated at moving-average cost.

(c) Investment in securities except (a) and (b) (hereafter, "available-for-sale securities") are as follows:

Available-for-sale securities for which fair market values are available are stated at fair market value based on market quotations, etc., as of the fiscal year-end date from this fiscal year. Net unrealized gains or losses on these securities are reported as a separate item in stockholders' equity at an amount net of applicable income taxes. Available-for-sale securities for which fair market values are not available are stated principally at cost by the moving-average method.

Depreciation:

Depreciation of property and equipment is calculated principally by the declining-balance method over the estimated useful lives of the assets.

Internal-use Software Costs:

The company and its consolidated subsidiaries include internal-use software in "Other Assets—Other" and amortize it by the straight-line method over the estimated useful life within seven years.

Deferred Charges:

Deferred charges of domestic consolidated subsidiaries are amortized over the periods stipulated by the Commercial Code on a straight-line basis. Those of foreign consolidated subsidiaries are amortized over the periods determined in conformity with accounting principles generally accepted in the countries of their domiciles on a straight-line basis.

Allowance for Doubtful Receivables:

Allowance for doubtful receivables is provided for possible losses of trade, loan and other receivables. In general, the amount of allowance is determined based on the past loss experience for a certain reference period. For receivables from debtors at risk of bankruptcy and legally or substantially bankrupt debtors, the allowance is provided for individually estimated unrecoverable amounts.

Reserve for Pension Plan:

Reserve for pension plan is provided for the payment of employees' retirement benefits, and represents the required amount derived from estimated retirement benefit obligation and estimated pension assets at the end of the fiscal year.

Unrecognized net transition obligation at the date of adoption of new accounting standards is charged to income on a straight-line basis mainly over 11 years (5–15 years in case of some consolidated subsidiaries).

Unrecognized actuarial difference is amortized and charged to income on a straight-line basis over a constant period of years (mainly 11 years), which does not exceed the average remaining service years of employees at the fiscal year when the actuarial difference was incurred. This amortization is started from the following year.

Total Trading Transactions and Gross Trading Profit:

The Company, as a Japanese general trading company, acts either as principal or agent in trading transactions. Total Trading Transactions represents the sales value of all those transactions in which the Company participates, whether as principal or agent.

Gross Trading Profit consists of gross margin (sales, less cost of sales) on principal transactions, and commissions on agency transactions.

Income Taxes:

Where there are differences in the times at which income and expenses for accounting purposes are recognized as profit or losses for taxation purposes, net income (loss) before tax and corporate income tax, etc., are adjusted appropriately by allocating corporate income tax, etc., to each period.

Lease Transactions:

Accounting procedures for finance lease transactions other than those in which the ownership rights to the leased property will be transferred to the lessee, conform to the regular methods related to operating lease transactions.

Financial Products:

In accordance with the accounting principles and practices generally accepted in Japan, the Company and its consolidated subsidiaries have introduced market valuation.

In the fiscal year ended March 31, 2002, the subsidiaries in the United States adopt Statement of Financial Accounting Standards (SFAS) No.133, "Accounting for Derivative Instruments and Hedging Activities" and SFAS No.138, "Accounting for Derivative Instruments and Hedging Activities—an amendment of SFAS No.133." The effects of adoption of the statements are included in "Retained earnings (Accumulated deficit)" in Stockholders' Equity.

3. Marketable Securities and Investment in Securities

Information regarding each category of the securities classified as marketable, available-for-sale at March 31, 2002 was as follows:

At March 31, 2002	¥ millions		
	Cost	Unrealized losses	Fair value
Securities classified as:			
Trading			41
Available-for-sale with available fair market values:			
Equity securities	65,459	(14,589)	50,870
Debt securities	4,151	(415)	3,736
Other securities	6,687	(1)	6,686
At March 31, 2002	\$ thousands		
	Cost	Unrealized losses	Fair value
Securities classified as:			
Trading			308
Available-for-sale with available fair market values:			
Equity securities	491,250	(109,490)	381,760
Debt securities	31,153	(3,114)	28,039
Other securities	50,188	(8)	50,180

Total sales of available-for-sale securities sold in the year ended March 31, 2002 amounted to ¥16,544 million (\$124,155 thousand) and the related gains and losses amounted to ¥1,604 million (\$12,039 thousand) and ¥4,860 million (\$36,471 thousand), respectively.

The carrying values and maturities for securities classified as available-for-sales at March 31, 2002 were as follows:

At March 31, 2002	¥ millions	\$ thousands
Due in one year or less	6,626	49,730
Due after one year through five years	606	4,545
Due after five years through ten years	104	779
Due after ten years	3,239	24,307

4. Pledged Assets

At March 31, 2002 and 2001, the following assets were pledged as collateral for certain obligations of the Companies.

	¥ millions		\$ thousands
	2002	2001	2002
Time deposits	¥ 24,421	¥ 20,295	\$ 183,271
Securities	68,890	82,313	516,995
Trade notes and trade accounts, receivables	22,359	32,992	167,802
Inventories	26,484	33,752	198,752
Property and equipment, net book value	165,791	142,964	1,244,209
Other assets	6,024	9,085	45,209
Total	¥313,969	¥321,401	\$2,356,238

5. Short-term Loans and Long-term Debt

The principal ranges of annual interest rates applicable to short-term loans outstanding at March 31, 2002 and 2001 were from 0.5117% to 8.5% and from 0.4525% to 7.6%, respectively.

Long-term debt at March 31, 2002 and 2001 were as follows:

	¥ millions		\$ thousands
	2002	2001	2002
Yen 2.60% Bonds due 2001	¥ —	¥ 10,000	\$ —
Yen 2.35% Bonds due 2002	10,000	10,000	75,047
Yen 2.00% Mortgage Bonds due 2003	150	150	1,126
Yen 2.00% Mortgage Bonds due 2003	150	150	1,126
Yen 3.00% Bonds due 2004	8,200	8,800	61,538
Yen 0.47% Bonds due 2005	100	—	750
US\$ 7.73% Bonds due 2015	15,814	14,580	118,678
Secured loans	81,034	110,293	608,136
Unsecured loans	262,029	274,015	1,966,444
	377,477	427,988	2,832,845
Less current portion	(116,121)	(90,339)	(871,452)
Total	¥261,356	¥337,649	\$1,961,393

In accordance with the resolution of the Board of Directors to refinance the yen 2.60% bonds due in 2001, the yen 2.35% bonds due in 2002 and the yen 3.00% bonds due in 2004 with mortgage bonds on April 27, 2000, the Company provided some assets, including those of its subsidiaries, as collateral on July 6, 2000.

The Principal ranges of annual interest rates applicable to long-term loans outstanding at March 31, 2002 and 2001 were from 0.19% to 9.55% and from 0.275% to 10.185% respectively.

As is customary in Japan, short-term and long-term bank borrowings are made under general agreements which provide that additional securities and guarantees for present and future indebtedness will be given upon the request of the bank, and that any collateral so provided will be applicable to all indebtedness due to such bank. In addition, the agreements provide that the bank

has the right to offset cash deposited against short-term and long-term borrowings that become due and, in case of default and certain other specified events, against all other debt payable to the bank. No such request has been made to date.

Annual maturities of long-term debt subsequent to March 31, 2002 were as follows:

Years ending March 31,	¥ millions	\$ thousands
2003	¥116,121	\$ 871,452
2004	139,675	1,048,215
2005	55,591	417,192
2006	19,838	148,874
2007	17,422	130,750
2008 and thereafter	28,830	216,362
Total	¥377,477	\$2,832,845

6. Stockholders' Equity

Under the Commercial Code of Japan, the entire issue price of shares must be credited to common stock, with the provision that, by resolution of the Board of Directors, up to one-half of such issue price may be credited to capital surplus.

7. Unrealized Gain (Loss) on Marketable Securities, Net of Tax Effect

The subsidiaries in the United States adopt SFAS No. 115, "Accounting for Certain Investment in Debt and Equity Securities." This statement requires that certain securities should be classified into held-to-maturity, trading or available-for-sale. Concerning the available-for-sale securities, the subsidiaries revaluated these securities at fair market value as of the year end, and unrealized gains (losses) were included in retained earnings (deficit), net of applicable taxes.

Beginning with the year ended March 31, 2002, the Company adopted the new Japanese Accounting Standard for Financial Instruments. According to the Standard, the above unrealized gains (losses) were reclassified from retained earnings (accumulated deficit) to "Net unrealized gains (losses) on investment in securities" in stockholders' equity.

8. Lease Transactions

Finance Leases

Finance lease transactions excluding those in which ownership rights to the leased property will transfer to the lessee for the year ended March 31, 2002 were as follows:

(Lessee)

The following pro forma amounts represent the acquisition cost, accumulated depreciation, and net book value of leased assets as of the end of March 31, 2002.

	¥ millions			\$ thousands		
	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value
Equipment	¥4,401	¥2,406	¥1,995	\$33,031	\$18,058	\$14,973
Fixtures	4,944	3,039	1,905	37,105	22,809	14,296
Other	37	19	18	279	144	135
Total	¥9,382	¥5,464	¥3,918	\$70,415	\$41,011	\$29,404

Future minimum lease payments		
	¥ millions	\$ thousands
Due within one year	¥1,639	\$12,299
Due after one year	2,450	18,384
Total	¥4,089	\$30,683
Annual lease payments excluding sublease transactions		
	¥1,751	\$13,142
* Depreciation	1,751	13,142

* Depreciation of the leased assets was calculated by the straight-line method with the respective lease terms being equal to the expected years of useful life and the estimated end-of-life salvage value as zero.

(Lessor)

Future minimum lease payments to be received		
	¥ millions	\$ thousands
Due within one year	¥158	\$1,188
Due after one year	54	402
Total	¥212	\$1,590

Noncancelable Operating Leases

Future minimum lease payments under agreements classified as operating leases with noncancelable terms for the year ended March 31, 2002 were as follows:

(Lessee)

Future minimum lease payments		
	¥ millions	\$ thousands
Due within one year	¥ 2,319	\$ 17,401
Due after one year	14,754	110,722
Total	¥17,073	\$128,123

(Lessor)

Future minimum lease payments to be received		
	¥ millions	\$ thousands
Due within one year	¥153	\$1,146
Due after one year	385	2,886
Total	¥538	\$4,032

9. Segment Information

Tomen and its consolidated subsidiaries are engaged in diverse activities in a wide range of fields in Japan and overseas, including the buying and selling of various goods, the provision of financial and other services, and the planning, coordination and integration of various types of projects.

Information by Commodity

Details of operations in different commodities for the years ended March 31, 2002 and 2001 were as follows:

Year ended March 31, 2002	¥ millions								
	Chemicals & Energy	Produce & Foodstuffs	Textiles	Machinery	Construction & Real Estate	Others	Total	Elimination or Unallocated	Consolidated
Total Trading Transactions:									
Outside customers	¥1,150,126	¥266,369	¥398,011	¥417,160	¥ 12,026	¥141,156	¥2,384,848	¥ —	¥2,384,848
Inter-area	3,670	99	1,999	879	43	4,447	11,137	(11,137)	—
Total	¥1,153,796	¥266,468	¥400,010	¥418,039	¥ 12,069	¥145,603	¥2,395,985	¥ (11,137)	¥2,384,848
Operating expenses	¥1,143,450	¥257,479	¥394,471	¥413,694	¥ 11,605	¥144,011	¥2,364,710	¥ (5,060)	¥2,359,650
Operating income	¥ 10,346	¥ 8,989	¥ 5,539	¥ 4,345	¥ 464	¥ 1,592	¥ 31,275	¥ (6,077)	¥ 25,198
Total assets	¥ 279,818	¥100,043	¥104,376	¥368,238	¥255,299	¥ 99,288	¥1,207,062	¥241,199	¥1,448,261
Depreciation	¥ 3,058	¥ 1,951	¥ 106	¥ 2,772	¥ 702	¥ 841	¥ 9,430	¥ 651	¥ 10,081
Capital expenditure	¥ 2,668	¥ 802	¥ 28	¥ 7,048	¥ 583	¥ 183	¥ 11,312	¥ 894	¥ 12,206

Year ended March 31, 2001	¥ millions								
	Chemicals & Energy	Produce & Foodstuffs	Textiles	Machinery	Construction & Real Estate	Others	Total	Elimination or Unallocated	Consolidated
Total Trading Transactions:									
Outside customers	¥1,105,519	¥243,664	¥422,863	¥399,595	¥ 45,889	¥298,993	¥2,516,523	¥ —	¥2,516,523
Inter-area	3,302	25	1,026	1,316	54	6,915	12,638	(12,638)	—
Total	¥1,108,821	¥243,689	¥423,889	¥400,911	¥ 45,943	¥305,908	¥2,529,161	¥ (12,638)	¥2,516,523
Operating expenses	¥1,089,625	¥235,742	¥418,217	¥396,589	¥ 45,663	¥302,610	¥2,488,446	¥ (6,778)	¥2,481,668
Operating income	¥ 19,196	¥ 7,947	¥ 5,672	¥ 4,322	¥ 280	¥ 3,298	¥ 40,715	¥ (5,860)	¥ 34,855
Total assets	¥ 257,029	¥108,511	¥117,657	¥395,154	¥231,983	¥130,202	¥1,240,536	¥310,729	¥1,551,265
Depreciation	¥ 2,467	¥ 2,078	¥ 239	¥ 2,021	¥ 613	¥ 1,355	¥ 8,773	¥ 893	¥ 9,666
Capital expenditure	¥ 1,187	¥ 611	¥ 65	¥ 1,914	¥ 5,630	¥ 162	¥ 9,569	¥ 1,564	¥ 11,133

Year ended March 31, 2002	\$ thousands								
	Chemicals & Energy	Produce & Foodstuffs	Textiles	Machinery	Construction & Real Estate	Others	Total	Elimination or Unallocated	Consolidated
Total Trading Transactions:									
Outside customers	\$8,631,337	\$1,999,018	\$2,986,952	\$3,130,654	\$ 90,254	\$1,059,335	\$17,897,550	\$ —	\$17,897,550
Inter-area	27,546	742	15,000	6,600	323	33,371	83,582	(83,582)	—
Total	\$8,658,883	\$1,999,760	\$3,001,952	\$3,137,254	\$ 90,577	\$1,092,706	\$17,981,132	\$ (83,582)	\$17,897,550
Operating expenses	\$8,581,241	\$1,932,297	\$2,960,384	\$3,104,645	\$ 87,097	\$1,080,758	\$17,746,422	\$ (37,975)	\$17,708,447
Operating income	\$ 77,642	\$ 67,463	\$ 41,568	\$ 32,609	\$ 3,480	\$ 11,948	\$ 234,710	\$ (45,607)	\$ 189,103
Total assets	\$2,099,951	\$ 750,796	\$ 783,309	\$2,763,512	\$1,915,940	\$ 745,123	\$ 9,058,631	\$1,810,122	\$10,868,753
Depreciation	\$ 22,949	\$ 14,641	\$ 793	\$ 20,803	\$ 5,269	\$ 6,315	\$ 70,770	\$ 4,886	\$ 75,656
Capital expenditure	\$ 20,025	\$ 6,020	\$ 211	\$ 52,890	\$ 4,372	\$ 1,376	\$ 84,894	\$ 6,709	\$ 91,603

Notes: (1) Unallocated operating expenses included in the column "Elimination or Unallocated" amount to ¥6,135 million (\$46,040 thousand) and ¥5,839 million for the years ended March 31, 2002 and 2001. Major items include expenses relating to administrative operations.

(2) Unallocated corporate assets included in the column "Elimination or Unallocated" amounted to ¥261,584 million (\$1,963,110 thousand) and ¥321,276 million at March 31, 2002 and 2001. The main items are cash, deposits and securities pertaining to financial activities.

Information by Geographic Area

Details of operations in different geographic areas for the years ended March 31, 2002, 2001 and 2000 were as follows:

	¥ millions						Elimination or Unallocated	Consolidated
	Japan	North America	Europe	Asia/Oceania	Others	Total		
Year ended March 31, 2002								
Total Trading Transactions:								
Outside customers	¥2,109,599	¥ 88,196	¥33,572	¥137,409	¥16,072	¥2,384,848	¥ —	¥2,384,848
Inter-area	43,852	68,292	10,494	23,960	341	146,939	(146,939)	—
Total	¥2,153,451	¥156,488	¥44,066	¥161,369	¥16,413	¥2,531,787	¥(146,939)	¥2,384,848
Operating expenses	¥2,134,080	¥157,290	¥41,750	¥160,384	¥13,151	¥2,506,655	¥(147,005)	¥2,359,650
Operating income (loss)	¥ 19,371	¥ (802)	¥ 2,316	¥ 985	¥ 3,262	¥ 25,132	¥ 66	¥ 25,198
Total assets	¥1,244,882	¥185,068	¥86,893	¥121,436	¥45,873	¥1,684,152	¥(235,891)	¥1,448,261

	¥ millions						Elimination or Unallocated	Consolidated
	Japan	North America	Europe	Asia/Oceania	Others	Total		
Year ended March 31, 2001								
Total Trading Transactions:								
Outside customers	¥2,248,772	¥ 90,330	¥20,798	¥144,692	¥11,931	¥2,516,523	¥ —	¥2,516,523
Inter-area	36,381	69,447	9,621	27,963	176	143,588	(143,588)	—
Total	¥2,285,153	¥159,777	¥30,419	¥172,655	¥12,107	¥2,660,111	¥(143,588)	¥2,516,523
Operating expenses	¥2,258,966	¥157,756	¥32,438	¥165,548	¥10,456	¥2,625,164	¥(143,496)	¥2,481,668
Operating income (loss)	¥ 26,187	¥ 2,021	¥ (2,019)	¥ 7,107	¥ 1,651	¥ 34,947	¥ (92)	¥ 34,855
Total Assets	¥1,344,391	¥172,487	¥83,842	¥107,993	¥37,270	¥1,745,983	¥(194,718)	¥1,551,265

	¥ millions						Elimination or Unallocated	Consolidated
	Japan	North America	Europe	Asia/Oceania	Others	Total		
Year ended March 31, 2000								
Total Trading Transactions:								
Outside customers	¥2,657,738	¥ 85,540	¥24,151	¥ 85,391	¥14,089	¥2,866,909	¥ —	¥2,866,909
Inter-area	27,662	65,992	7,098	14,856	233	115,841	(115,841)	—
Total	¥2,685,400	¥151,532	¥31,249	¥100,247	¥14,322	¥2,982,750	¥(115,841)	¥2,866,909
Operating expenses	¥2,664,365	¥151,267	¥32,534	¥ 96,035	¥12,041	¥2,956,242	¥(115,160)	¥2,841,082
Operating income (loss)	¥ 21,035	¥ 265	¥ (1,285)	¥ 4,212	¥ 2,281	¥ 26,508	¥ (681)	¥ 25,827
Total Assets	¥1,412,328	¥169,829	¥84,936	¥118,907	¥37,122	¥1,823,122	¥(135,938)	¥1,687,184

	\$ thousands						Elimination or Unallocated	Consolidated
	Japan	North America	Europe	Asia/Oceania	Others	Total		
Year ended March 31, 2002								
Total Trading Transactions:								
Outside customers	\$15,831,888	\$ 661,884	\$251,951	\$1,031,210	\$120,617	\$17,897,550	\$ —	\$17,897,550
Inter-area	329,097	512,511	78,752	179,814	2,562	1,102,736	(1,102,736)	—
Total	\$16,160,985	\$1,174,395	\$330,703	\$1,211,024	\$123,179	\$19,000,286	\$(1,102,736)	\$17,897,550
Operating expenses	\$16,015,612	\$1,180,415	\$313,320	\$1,203,635	\$ 98,695	\$18,811,677	\$(1,103,230)	\$17,708,447
Operating income (loss)	\$ 145,373	\$ (6,020)	\$ 17,383	\$ 7,389	\$ 24,484	\$ 188,609	\$ 494	\$ 189,103
Total assets	\$ 9,342,450	\$1,388,882	\$652,108	\$ 911,341	\$344,265	\$12,639,046	\$(1,770,293)	\$10,868,753

Overseas Trading Transactions

Overseas trading transactions with outside customers, which represent exports from Japan and off-shore transactions of the Companies for the years ended March 31, 2002, 2001 and 2000 were as follows:

	¥ millions						
	2002					2001	2000
	North America	Europe	Asia/Oceania	Other	Total	Total	Total
Overseas trading transactions with outside customers	¥226,074	¥169,089	¥604,958	¥85,328	¥1,085,449	¥999,872	¥1,189,815
Share of Total Trading Transactions	9.5%	7.1%	25.3%	3.6%	45.5%	39.7%	41.5%

	\$ thousands				
	2002				
	North America	Europe	Asia/Oceania	Other	Total
Overseas trading transactions with outside customers	\$1,696,618	\$1,268,964	\$4,540,019	\$640,357	\$8,145,958

10. Sales to and Purchases from Unconsolidated Subsidiaries and Affiliates

Sales to and purchases from unconsolidated subsidiaries and affiliates were as follows:

	¥ millions			\$ thousands
	2002	2001	2000	2002
Sales	¥54,533	¥68,872	¥76,910	\$409,250
Purchases	47,443	51,344	50,598	356,045

11. Other, Net

Details of other, net for the years ended March 31, 2002, 2001 and 2000 were as follows:

	¥ millions			\$ thousands
	2002	2001	2000	2002
Gain (Loss) on sale of property and equipment, net	¥ 398	¥ 1,184	¥ (5,767)	\$ 2,988
Gain on sale of securities	11,226	50,037	17,572	84,246
Debt forgiveness gains	—	—	219,000	—
Gain on extinguishment of debts	—	32,197	—	—
Gain on extinguishment of operations	—	1,493	—	—
Loss from valuation of property and equipment	—	(8,827)	—	—
Loss on sale of securities	(6,383)	(5,281)	(29,245)	(47,902)
Loss from valuation of securities	(5,385)	(12,662)	(1,798)	(40,411)
Loss from revaluation of memberships	(111)	(2,341)	—	(834)
Provision for overseas doubtful receivables	(2,115)	(5,025)	(4,127)	(15,876)
Provision for bad debt	(4,280)	(24,993)	(15,232)	(32,119)
Loss on disposal of investments in and advances to subsidiaries and affiliates	(681)	(19,034)	(304,376)	(5,108)
Special severance payments	(357)	(1,972)	(16,136)	(2,678)
Expenses for removal of head office	—	(1,439)	—	—
Minority interests	(1,471)	(2,227)	(545)	(11,040)
Other, net	12,100	2,308	1,409	90,805
Total	¥ 2,941	¥ 3,418	¥(139,245)	\$22,071

12. Deferred Taxes

As of March 31, 2002, significant component of deferred tax assets and liabilities were as follows:

	¥ millions	\$ thousands
Deferred tax assets:		
Allowance for doubtful receivables	¥ 2,699	\$ 20,255
Loss on revaluation of investments in subsidiaries and affiliates	24,533	184,115
Reserve for pension plan	2,064	15,491
Unrealized intercompany profit	264	1,983
Unrealized loss on available-for-sale securities	4,835	36,287
Other	57,576	432,088
Sub-Total	91,971	690,219
Valuation reserves	(27,934)	(209,638)
Gross deferred tax assets	¥64,037	\$480,581
Deferred tax liabilities:		
Depreciation	¥ 1,703	\$ 12,781
Unrealized profit on available-for-sale securities	794	5,957
Other	7,853	58,931
Gross deferred tax liabilities	10,350	77,669
Net deferred tax assets	¥53,687	\$402,912

A reconciliation of the Japanese normal income tax rate and the effective tax rate as a percentage of income (loss) before income taxes are presented below:

	%
Japanese normal tax rate	40.4
Difference in tax rates for foreign subsidiaries	(1.2)
Equity in earnings of affiliated companies	(11.4)
Valuation reserves	35.2
Expenses not deductible for income tax purposes	2.3
Other	(3.4)
	61.9

13. Contingent Liabilities

The Companies guaranteed payment of loans granted by financial institutions to their customers and suppliers in the amount of ¥30,785 million (\$231,033 thousand) at March 31, 2002.

The Companies were contingently liable for trade notes receivable discounted with banks or endorsed to suppliers in the amount of ¥13,905 million (\$104,350 thousand) at March 31, 2002.

14. Derivative Instruments

The Company and some of its subsidiaries trade in derivatives based on currencies, interest rates, and securities and commodities, primarily as a way of hedging the risk of future fluctuations in foreign exchange rates, interest rates and commodity prices. The Company has taken various steps, including the establishment of internal management rules, to ensure that transactions are implemented appropriately and that risk is managed.

Fair value and unrealized gains (losses) on the contract amount of derivative instruments as of March 31, 2002 and 2001 were as follows:

Currency Related	¥ millions						\$ thousands		
	2002			2001			2002		
	Contract amount	Fair value	Unrealized gains (losses)	Contract amount	Fair value	Unrealized gains (losses)	Contract amount	Fair value	Unrealized gains (losses)
Forward exchange contracts:									
Selling									
U.S. dollars	¥22,879	¥23,989	¥(1,110)	¥ 18,561	¥ 20,181	¥ (1,620)	\$171,696	\$180,033	\$ (8,337)
Australian dollars	93	96	(3)	1,692	1,638	54	697	720	(23)
Other currencies	779	788	(9)	1,177	1,302	(125)	5,843	5,914	(71)
Buying									
U.S. dollars	72,356	73,714	1,358	50,344	53,197	2,853	543,008	553,202	10,194
Other currencies	5,381	5,510	129	3,130	3,316	186	40,382	41,348	966
Currency swap contracts:									
Australian dollars	3,000	413	413	3,000	439	439	22,514	3,099	3,099
Total			¥ 778			¥ 1,787			\$5,828
Interest Rate Related	¥ millions						\$ thousands		
	2002			2001			2002		
	Contract amount	Fair value	Unrealized gains (losses)	Contract amount	Fair value	Unrealized gains (losses)	Contract amount	Fair value	Unrealized gains (losses)
Interest rate swap contracts:									
Receipt-fixed/ Payment-variable rate ...	¥72,250	¥3,879	¥3,879	¥104,750	¥9,201	¥ 9,201	\$542,214	\$ 29,113	\$ 29,113
Receipt-variable/ Payment-fixed rate	58,419	(2,549)	(2,549)	80,719	(5,304)	(5,304)	438,417	(19,132)	(19,132)
Total			¥1,330			¥ 3,897			\$ 9,981
Security Related	¥ millions						\$ thousands		
	2002			2001			2002		
	Contract amount	Fair value	Unrealized gains (losses)	Contract amount	Fair value	Unrealized gains (losses)	Contract amount	Fair value	Unrealized gains (losses)
Security swap contracts	¥12,453	¥(2,572)	¥(2,572)	¥20,258	¥(3,454)	¥ (3,454)	\$93,456	\$(19,303)	\$(19,303)
Total			¥(2,572)			¥ (3,454)			\$(19,303)

Commodity Related	¥ millions						\$ thousands		
	2002			2001			2002		
	Contract amount	Fair value	Unrealized gains (losses)	Contract amount	Fair value	Unrealized gains (losses)	Contract amount	Fair value	Unrealized gains (losses)
Future contracts:									
Produce & Foodstuffs									
Selling	¥5,564	¥5,522	¥ 42	¥ 4,369	¥ 4,038	¥ 331	\$41,755	\$41,443	\$312
Buying	5,094	5,015	(79)	4,184	3,723	(461)	38,227	37,637	(590)
Textiles									
Selling	—	—	—	22	23	(1)	—	—	—
Forward contracts:									
Metals									
Selling	802	863	(61)	3,100	2,919	181	6,019	6,475	(456)
Buying	350	364	14	4,788	4,845	57	2,627	2,729	102
Option contracts:									
Metals									
Buying									
Call	—	—	—	49	<1>	0	(1)	—	—
Put	—	—	—	36	<0>	0	(0)	—	—
Total	¥(84)			¥ 106			\$ (632)		

Notes: (1) Contract amounts of option and swap contracts related currency, interest rate and commodity are represented by notional amounts which are not appropriate for evaluating market or credit risk.

(2) The figures in < > represent option premiums added up to consolidated balance sheet.

15. Supplementary Information

Capital Reduction and Increase

A. Capital Reduction

1) Method: Without compensation

- The capitalized amount of ¥16,295 million, exceeded over par value of stock, was reduced.
- Regarding the total 669,699 thousand issued shares, each two shares with par value of ¥50 were consolidated into one share with a par value of ¥50. Consequently the capitalized amount of ¥16,743 million was reduced.

2) Amount of Capital Reduction: ¥33,038 million

B. Capital Increase

1) Method: Third-party allotment of new shares

2) Number of new shares issued: 302,800 thousand par value common stocks

3) Issue price: ¥102

4) Total amount of new shares issued: ¥30,886 million

5) Total amount to be included within capital: ¥15,443 million

6) Number of companies and individuals to allocate new shares: 242 including Toyota Tsusho Corporation., The Tokai Bank, Ltd. (now named UFJ Bank Limited), and The Sakura Bank, Ltd. (now named Sumitomo Mitsui Banking Corporation).

(Summary)

1) Effective August 5, 2000, Tomen reduced its capital from ¥49.8 billion (670 million shares) to ¥16.7 billion (335 million shares).

2) On September 27, 2000, Tomen completed its capital increase of ¥30.9 billion and the amount of ¥15.4 billion was included within capital.

Consequently the total amount of capital after the capital increase is ¥32.2 billion and the number of outstanding shares is 638 million.

REPORT OF INDEPENDENT AUDITORS

MIZUHO AUDIT CORPORATION

(Certified Public Accountants)

KOBE-NANKOMAE BLDG.
3-9, 3-CHOME TAMON-DORI,
CHUO-KU, KOBE, JAPAN

The Board of Directors
TOMEN CORPORATION

We have examined the consolidated balance sheets of TOMEN CORPORATION as of March 31, 2002 and 2001, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended March 31, 2002, stated in Japanese yen. Our examinations were made in accordance with generally accepted auditing standards in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures, as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements identified above present fairly the financial position of TOMEN CORPORATION as of March 31, 2002 and 2001, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2002, in conformity with generally accepted accounting principles in Japan.

There are no interests between the Company and our audit corporation or its assigned employees that require disclosure under the provisions of the Certified Public Accountants Law.

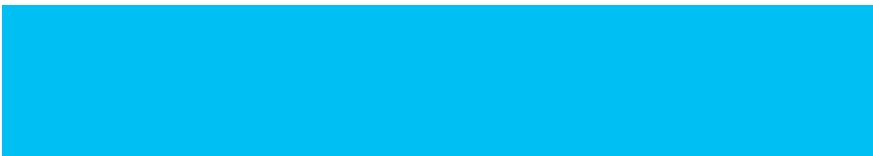
The translations of Japanese yen amounts into United States dollar amounts are arithmetically correct on the basis described in Note 1 to the consolidated financial statements.

June 27, 2002

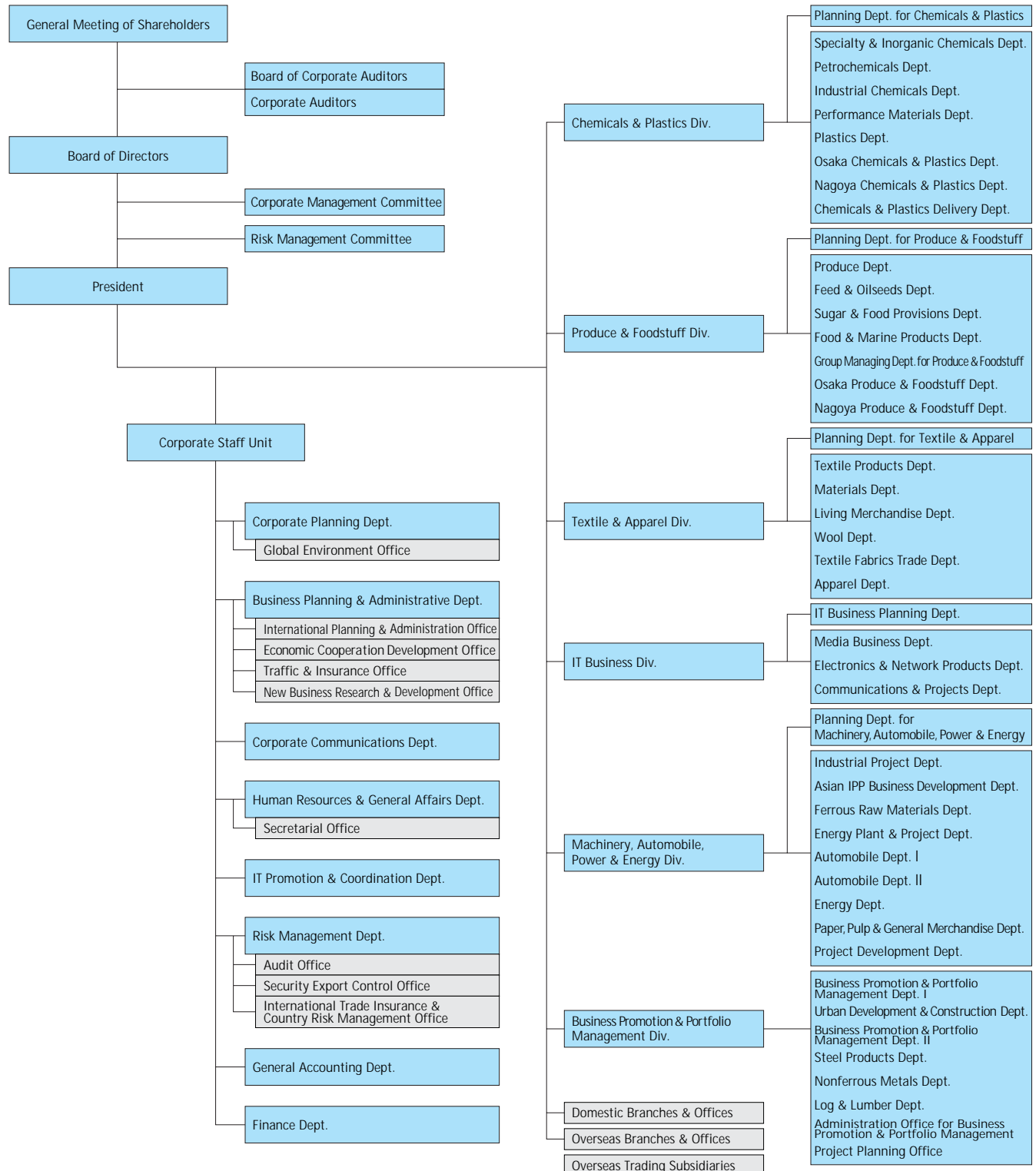
Mizuho Audit Corporation

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CORPORATE DATA



Organization (As of April 1, 2002)



Overseas Network (As of June 2002)



North America

New York
Charlotte
Chicago
Detroit
Houston
Los Angeles
Portland
San Francisco
Toronto
Vancouver

Central and South America

Mexico City
Panama
San Jose
Sao Paulo
Buenos Aires
Santiago
Lima

Europe

London
Rotterdam
Düsseldorf
Milano
Paris
Madrid
Bucharest
Moscow
Kiev
Tashkent

Africa

Cairo
Alexandria
Tunis
Alger
Nairobi
Abidjan
Dakar
Johannesburg

Middle East

Tehran
Istanbul
Jeddah
Damascus
Tel Aviv

Asia

Beijing
Guangzhou
Shanghai
Chongqing
Tianjin
Kunming
Dalian
Nanjing
Qingdao
Hong Kong
Taipei
Seoul
Manila
Jakarta

Bandung
Surabaya
Singapore
Kuala Lumpur
Bangkok
Hanoi
Ho Chi Minh City
Phnom Penh
Vientiane
Yangon
Dhaka
Bombay
New Delhi
Calcutta
Colombo
Karachi
Lahore

Oceania

Sydney
Perth
Auckland

Major Domestic Subsidiaries and Affiliates (As of May 2002)

CHEMICALS & PLASTICS

- **Sanyo Chemical Industries, Ltd.**
Manufacture and sales of chemicals, primarily surface active agents for textile and industrial use
- **Arysta LifeScience Corp.**
Life science businesses such as agrochemicals, pharmaceuticals, veterinary medicines, and biotechnology businesses
- **Toyo Green Co., Ltd.**
Sales of chemicals and materials, design management for golf courses and other non-agricultural land
- **Kato Suishodo Pharmaceutical Co., Ltd.**
Manufacture and sales of OTC-pharmaceuticals
- **Suisho Pharmacy Co., Ltd.**
Management of drugstores
- **Nihon Tennen Gas Co., Ltd.**
Production and sales of natural gas, iodine, industrial chemicals and pharmaceuticals
- **Daiichi Sekken Co., Ltd.**
Manufacture and sales of synthetic detergents and soaps
- **Daiichi Sekken Nishinihon Co., Ltd.**
Manufacture and sales of synthetic detergents and soaps
- **Tomen Chemical Co., Ltd.**
Domestic marketing, export and import of inorganic and organic chemicals and food additives
- **Daitoh Kasei Co., Ltd.**
Plastic molding
- **Sankyo Food Industry Co., Ltd.**
Food processing, manufacture of food additives and flavorings, manufacture of chemicals and synthetic resins
- **Tomen Plastics Corp.**
Domestic sales, import and export of synthetic resins and synthetic rubber, and related products

PRODUCE & FOODSTUFFS

- **Tomen Foods Co., Ltd.**
Import and distribution of foodstuffs, marine products, liquors etc.
- **Tohoku Grain Terminals Co., Ltd.**
Storage silos for feed grain, harbor transport, customs clearance functions
- **Kanto Grain Terminals Co., Ltd.**
Storage silos for feed grain, harbor transport, customs clearance functions
- **Toyo Grain Terminals Co., Ltd.**
Storage silos for feed grain, harbor transport, customs clearance functions
- **Higashi-Nada Tomen Silo Co., Ltd.**
Storage silos for feed grain, harbor transport, customs clearance functions
- **Chubu Shokuryo Kaisha Ltd.**
Sales of rice and special rice grain, wholesale marketing of frozen food and other food products
- **Tomen Stores Corp.**
Management of supermarkets
- **Cradle Foods Co., Ltd.**
Production and sales of canned products of processed farm produce
- **Banshuu Choumiryou Co., Ltd.**
Production and sales of amino acid seasoning

TEXTILES

- **Toyo Cotton (Japan) Co.**
Sales, import and export of raw cotton
- **Toyo Tateami Kaisha, Ltd.**
Manufacture and sales of knit fabrics
- **Tomen Fashion Express Corp.**
Fashion information, planning, marketing and consulting
- **OGAWA Tec Corp.**
Planning and construction of membrane structures such as dome stadium
- **Tomen Hotline Tokyo Co., Ltd.**
Design, manufacture and sales of wearing apparel
- **Tomen Hotline (Osaka) Co., Ltd.**
Design, manufacture and sales of wearing apparel
- **Shinatomo Co., Ltd.**
Domestic sales, import and export of various textile materials and products
- **Toyama & Co., Ltd.**
Wholesales, import and export of textiles

MACHINERY

- **Sunpot Co., Ltd.**
Manufacture and sales of gas-fueled equipment and electrical appliances
- **Tomen Machinery Co., Ltd.**
Import, export and domestic sales of machine tools, forging machinery, industrial furnaces, plastic molding equipment, industrial-use robots and environmental equipment
- **Tomec Corp.**
Sales and leasing of construction and industrial machinery
- **Tomen Vehicle Co., Ltd.**
Export and offshore trading of motor vehicles, construction machinery and spare parts
- **Nakayama Kyodo Hatsuden Co., Ltd.**
Independent power producer
- **Nakayama Nagoya Kyodo Hatsuden Co., Ltd.**
Independent power producer
- **Tomen Power Samukawa Co., Ltd.**
Power producer for wholesale supply to Tokyo Electric Power
- **Tomen Power Holdings Corp.**
Operation and management for all generation projects throughout the world
- **Tomen Power Japan Corp.**
Operation and management for all generation projects in Japan
- **Tomen Power Tomamae Corp.**
Wind power generation projects
- **Tomen Power Shimokita Corp.**
Wind power generation projects
- **Tomen Power Enbetsu Corp.**
Wind power generation projects
- **Tomen Power Hamatonbetsu Corp.**
Wind power generation projects
- **Tomen Shitsukari Corp.**
Wind power generation projects
- **Tomen Power Yokosuka Corp.**
Gas-fired combined cycle power generation projects
- **Tomen Electronics Corp.**
Marketing and sales of semiconductors, integrated circuits, electronic components and computer-related equipment

- **Tomen Devices Corp.**
Domestic sales of semiconductor memories
- **Tomen Telecom Corp.**
Domestic sales, installation, operation and maintenance of information and communication equipment
- **Tokyo Musen Kizai Co., Ltd.**
Sales of electronic passive components and semiconductors
- **Nihon Tokki Inc.**
Construction of cable and telecommunication facilities
- **Tomen Cyber-business Solutions, Inc.**
Broadband-related system integration and sales
- **Japan Multimedia Service Corp.**
Provider of digital content and telephone number information services for cellular phones

CONSTRUCTION & REAL ESTATE

- **Tomen Real Estate Development Co., Ltd.**
Real estate services including construction, agency functions, rental of condominiums and single-unit dwellings
- **Tomen Urban Development Co., Ltd.**
Development, rental and leasing of real estate

OTHERS

- **Tomen Materia Corp.**
Sales of construction and lumber products, housing equipment and paper products
- **Tomen Timber Corp.**
Import and domestic sales of softwood logs and lumber
- **TM Logistics Corp.**
Trade services and promotion of logistics business (in-group & external)
- **Hot-Line International Transport Ltd.**
Non-vessel operating common carrier
- **T.M. Travel Service, Inc.**
Travel agency
- **Tomen F.P. Center Co., Ltd.**
Life and property insurance agency, automobile leasing agency, cash loans
- **Tomen Information Systems Corp.**
Design, operation and management of comprehensive information systems, software development and sales
- **Service Center Co., Ltd.**
Supply of Japanese foods overseas and personnel operation services
- **Tomen Business Support Ltd.**
Operation services and consulting for accounting, financing, human resources, legal and credit
- **Toyu Intex Corp.**
General affairs operation services and sales of stationery and sundries, advertising

Major Overseas Subsidiaries, Affiliates and Business Investments (As of May 2002)

NORTH AMERICA

■ U.S.A.

- **Toyo Cotton Co.**
Sales, import and export of raw cotton
- **Casio, Inc.**
Sales of Casio products
- **Tomen Power Corp.**
Operation and management for power generation projects
- **Arvesta Corp.**
Manufacture and sales of agricultural chemicals
- **Dewey Chemical Inc.**
Production and sales of iodine
- **Tomen Electronics America Inc.**
Marketing and sales of semiconductors, integrated circuits, electronic components and computer-related equipment

CENTRAL AND SOUTH AMERICA

■ COLOMBIA

- **Centragas-Transportadora de Gas de la Region Central de Enron Development & Cia, S.C.A.**
Transportation of natural gas

■ BRAZIL

- **Oleos "MENU" Industria e Comercio Ltda.**
Production and sales of cottonseed oil products
- **Hokko do Brasil Industria Quimica E Agro Pecuaría Ltda.**
Sales of agricultural chemicals

EUROPE

■ GERMANY

- **Casio Europe GmbH**
Sales of Casio products

■ FRANCE

- **Arysta LifeScience Europe S.A.**
Sales of feed additives, veterinary medicines, food additives, pharmaceutical raw materials and agrochemicals

■ U.K.

- **Tomen Foods U.K. Ltd**
Production and sales of processed Japanese foods (sushi)

■ NETHERLANDS

- **Tomen Power (Europe) B.V.**
Operation and management for power generation projects in Europe

■ SPAIN

- **Tomen Power Corp. (España) S.A.**
Power generation projects
- **Suzuki Auto Madrid S.A.**
Sales of motor vehicles and spare parts

■ ITALY

- **Isagro Ricerca S.r.l.**
Research and development of agricultural chemicals

ASIA

■ TAIWAN

- **Taiwan Chao Yang Chemical Co., Ltd.**
Plastics molding
- **Showa Specialty Gas (Taiwan) Co., Ltd.**
Sales of specialty gas and chemicals for semiconductors
- **Young Sun Chemtrading Co., Ltd.**
Sales of chemical products

■ KOREA

- **Korea Fine Chemical Co., Ltd.**
Production and sales of isocyanate and amino acids
- **Korea Polyol Co., Ltd.**
Manufacture and sales of polypropylene glycol

■ THAILAND

- **Eastern Chemical Co., Ltd.**
Manufacture of ethyl alcohol by fermentation of molasses
- **Thai Chemical Terminal Co., Ltd.**
Tank terminal operations for liquid bulk chemicals
- **Union Power Development Co., Ltd.**
Power generation projects

■ VIETNAM

- **Soft Chemical Corp.**
Production of detergent raw materials

■ PHILIPPINES

- **Norgate Apparel Manufacturing, Inc.**
Manufacture of apparel
- **Sakamoto Orient Chemicals Corp.**
Manufacture of refined glycerin
- **Northern Mindanao Power Corp.**
Diesel power generation projects
- **Southern Philippines Power Corp.**
Power generation projects
- **Western Mindanao Power Corp.**
Power generation projects

■ SINGAPORE

- **Growthem Trading (Singapore) Pte. Ltd.**
Trading
- **Tomen Petroleum (Singapore) Pte. Ltd.**
Export and offshore trading of crude oil, petroleum products and bunker oil
- **Tomen Construction & Leasing (S) Pte. Ltd.**
Leasing of construction and building materials
- **Tomen Power (Singapore) Pte. Ltd.**
Operation and management for power generation projects
- **Tomen (Singapore) Electronics Pte. Ltd.**
Marketing and sales of semiconductors, integrated circuits, electronic components and computer-related equipment

■ MALAYSIA

- **Toyo Plastic (Malaysia) Sdn. Bhd.**
Molding of sheet plastic and plastics used in refrigerators
- **Bintulu Silica Industries Sdn. Bhd.**
Manufacture of sodium silicate cullets

■ INDONESIA

- **P.T. Kanebo Tomen Sandang Synthetic Mills**
Spinning, weaving and finishing of T/C, T/R and cotton fabrics
- **P.T. Styrimdo Mono Indonesia**
Production and sales of styrene monomer
- **P.T. Teijin Indonesia Fiber Corp.**
Manufacture of polyester fiber
- **P.T. Tomenbo Indonesia**
Synthetic yarn spinning
- **P.T. NGK Busi Indonesia**
Manufacture and sales of spark plugs for vehicles and motorbikes
- **P.T. Oriental Asahi Lyman Carton Box**
Manufacture of carton boxes
- **P.T. Kaltim Pasifik Amoniak**
Production and sales of ammonia

- **P.T. Makassar Power**
Power generation projects
- **P.T. Daiken Indonesia**
Manufacture and sales of warm cubic (kotatsu)
- **P.T. KDS Corp.**
Manufacture of crystal resonators

■ PAKISTAN

- **Kohinoor Energy Ltd.**
Power generation projects
- **Gul Ahmed Energy Ltd.**
Power generation projects

■ CHINA

- **Shanghai Ever Green Textile Co., Ltd.**
Sizing, weaving, dyeing and finishing of acetate lining fabrics and sales
- **Tianjin KDS Corp.**
Manufacture of crystal resonators
- **Dalian Advanced Chemical Co., Ltd.**
Manufacture of agricultural chemicals
- **Langfang Itokin Food Co., Ltd.**
Rice milling and production of rice flour mix
- **Tomen Kayaku Chemical Trading (Shanghai) Co., Ltd.**
Sales of specialty chemicals
- **Wuxi Advanced Chemical Co., Ltd.**
Manufacture of dyestuffs
- **Zhaoyuan Advanced Chemical Co., Ltd.**
Manufacture of brighteners
- **Shanghai Hong Ri International Electronics Co., Ltd.**
Marketing and sales of integrated circuits, semiconductors and electronic components
- **Ningbo Ganci Power Plant Co., Ltd.**
Power generation projects

■ HONG KONG SAR

- **K&T Foods Co., Ltd.**
Manufacture and sales of frozen foods and operation of take-out lunch outlets
- **Tomen Hot-Line (Hong Kong) Ltd.**
Export of apparel and import and export of textiles
- **Yuen Long Textile Co., Ltd.**
Dyeing and sales of acetate, polyester and rayon lining fabrics
- **Tomen Electronics (Hong Kong) Ltd.**
Marketing and sales of semiconductors, integrated circuits, electronic components and computer-related equipment

OCEANIA

■ AUSTRALIA

- **Dyechem Industries Pty. Ltd.**
Import and sales of dyestuffs and auxiliaries for textile industry
- **Polymers International Australia Pty. Ltd.**
Import and wholesales of plastics and related products

■ NEW ZEALAND

- **Polymers International Ltd.**
Import and sales of polyolefin and other plastics
- **Bloomers Growers & Exporters Ltd.**
Production of bulbs for cut flowers

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STOCKHOLDER INFORMATION

(As of March 31, 2002)

Tokyo Head Office:	8-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo, Japan Central P.O. Box 183, Tokyo 100-8623, Japan Telephone: 81-3-5288-2111 Fax: 81-3-5288-9100 Cable: TOMEN TOKYO
Osaka Head Office:	2-18, Nakanoshima 3-chome, Kita-ku, Osaka, Japan Central P.O. Box 61, Osaka 530-8622, Japan Telephone: 81-6-6447-9333 Fax: 81-6-6447-9799
Nagoya Office:	18-25, Marunouchi 2-chome, Naka-ku, Nagoya, Japan P.O. Box Nagoya-Naka 250, Nagoya 460-8710, Japan Telephone: 81-52-232-5111 Fax: 81-52-232-5351
Offices:	Domestic 11 Overseas 79
Consolidated Subsidiaries:	Domestic 89 Overseas 168 (Total 257)
Affiliated Companies (Equity Method):	Domestic 28 Overseas 92 (Total 120)
Number of Employees:	1,619 (including overseas staff of 311)
Outstanding Shares:	637,649,645 shares
Paid-in Capital:	¥32,185,282,250
Major Stockholders:	Toyota Tsusho Corporation UFJ Bank Ltd. Aioi Insurance Co., Ltd. Sumitomo Mitsui Banking Corporation The Daiwa Bank, Ltd. The Bank of Tokyo-Mitsubishi, Ltd. The Chuo-Mitsui Trust & Banking Co., Ltd. Mitsui Sumitomo Insurance Co., Ltd. Mitsui Mutual Life Insurance Company
Stock Listings:	Tokyo, Osaka, Nagoya Stock Exchanges
Transfer Agent and Register:	The Chuo-Mitsui Trust & Banking Co., Ltd.

Additional copies of this annual report and other information may be obtained by contacting:

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