

August 8, 2003

Consolidated Quarterly Results 2003 For the Three-month Period Ended June 30, 2003

Tomen Corporation
(URL: <http://www.tomen.co.jp/>)

Listed Stock Exchange: The first sections of Tokyo, Osaka, and Nagoya Stock Exchange
Headquarters: Osaka
Securities Code: No.8003
Representative: Mahito Kageyama, President
Contact Information: Koichi Koiwai, General Manager, Corporate Communications Office
Tel. (03)5288-2090

Adoption of accounting principles generally accepted in the United States of America: NA

1. Items regarding Preparation for the Summary of the Quarterly Results

- (1) Regulations and standards complied with to prepare financial statements: those for preparation of interim period consolidated financial statements
- (2) Difference in accounting methods from the recognition method adopted in the latest consolidated fiscal year:
None
- (3) Changes in number of consolidated subsidiaries and companies under equity method
- | | | |
|---|--------------------|---------------------|
| Consolidated subsidiaries | June 30, 2003: 211 | March 31, 2003: 212 |
| Unconsolidated subsidiaries under equity method | June 30, 2003: 2 | March 31, 2003: 2 |
| Affiliated companies under equity method | June 30, 2003: 86 | March 31, 2003: 89 |
- (4) The quarterly results are not audited by independent public accountants.

2. Consolidated Results for the Three-month Period [April 1, 2003 through June 30, 2003]

Tomen began disclosure of the quarterly results from the three-month period ended June 30, 2003.

(1) Consolidated Results of Operations

(Amounts less than 1 million yen were omitted)

	Total Trading Transactions		Operating Income		Ordinary Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Three-month period ended June 30, 2003	390,282	-	6,106	-	5,749	-
Three-month period ended June 30, 2002	-	-	-	-	-	-
(Ref.) Fiscal 2002 ended March 31, 2003	2,082,897		25,661		13,704	

	Net Income	
	Millions of Yen	%
Three-month period ended June 30, 2003	1,996	-
Three-month period ended June 30, 2002	-	-
(Ref.) Fiscal 2002 ended March 31, 2003	-66,969	

(2) Consolidated Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio
	Millions of Yen	Millions of Yen	%
Three-month period ended June 30, 2003	955,998	19,701	2.1
Three-month period ended June 30, 2002	-	-	-
(Ref.) Fiscal 2002 ended March 31, 2003	971,713	13,861	1.4

<Summary of Consolidated Results>

Trading transactions by commodity for the three-month period ended June 30, 2003 were as follows.

	(Millions of Yen)
Chemicals:	108,558
Produce & Foodstuffs:	56,126
Textiles:	53,374
Electronics:	54,250
Machinery & Energy:	104,223
Others:	13,749
(Total:	390,282)

Operating income by commodity for the three-month period ended June 30, 2003 was as follows.

	(Millions of Yen)
Chemicals:	3,646
Produce & Foodstuffs:	2,196
Textiles:	664
Electronics:	1,688
Machinery & Energy:	-474
Others:	-188
(Elimination or consolidation	-1,425)
(Total:	6,106)

Ordinary income for the three-month period ended June 30, 2003 was 5,749 million yen.

After adjustment by extraordinary profit and loss, income tax and loss from minority interest, net income for the first quarter of Fiscal 2003 was 1,996 million yen.

<Business Projections>

- (1) Business projection of consolidated results for the interim six-month period (April 1, 2003 – September 30, 2003):

Tomen Corporation estimates total trading transactions, ordinary income and net income for the interim period will be 800 billion yen, 9.5 billion yen and 1.7 billion yen respectively, as announced on May 15, 2003.

- (2) Business projection of consolidated results for the Fiscal 2003 (April 1, 2003 – March 31, 2004):

Tomen Corporation estimates total trading transactions, ordinary income and net income for the fiscal 2003 will be 1,550 billion yen, 20 billion yen and 3.5 billion yen respectively, as announced on May 15, 2003.

Note:

This report contains forward-looking statements, which reflect management's current views with respect to future events and financial performance. Actual results may differ materially from those projected in the forward-looking statements due to factors such as changing economic environment, exchange rate fluctuations, and changes in competitive conditions as well as government regulations and litigation.

Tomen Corporation and its consolidated domestic subsidiaries maintain their accounts and records in accordance with the provisions set forth in the Japanese Commercial Code and the Securities and Exchange Law and in conformity with accounting principles and practices generally accepted in Japan. The above statements are translated into English for the convenience of readers outside Japan.

TOMEN CORPORATION

CONSOLIDATED BALANCE SHEETS

August 8, 2003

Millions of Yen

	June 30 2003	March 31, 2003	Difference		June 30 2003	March 31, 2003	Difference
	(A)	(B)	(A)-(B)		(A)	(B)	(A)-(B)
<u>Assets</u>				<u>Liabilities</u>			
I. Current assets				I. Current liabilities			
1 Cash and deposits	104,764	93,964	10,800	1 Notes and accounts payable-trade	200,241	206,198	-5,957
2 Notes and accounts receivable-trade	317,412	327,589	-10,177	2 Short-term loans	526,702	537,002	-10,300
3 Marketable securities	129	3,623	-3,494	3 Other current liabilities	37,357	42,108	-4,751
4 Inventories	92,018	91,254	764	Current liabilities total	764,301	785,308	-21,007
5 Other current assets	48,261	48,418	-157				
6 Allowance for doubtful receivables	-15,572	-15,999	427	II. Non-current liabilities			
Current assets total	547,013	548,851	-1,838	1 Bonds	3,456	3,256	200
				2 Long-term debt	116,478	119,618	-3,140
II. Non-current assets				3 Liability for severance payments	7,211	7,108	103
1 Property and equipment	112,202	115,661	-3,459	4 Allowance for loss on guarantees	464	464	-
2 Intangible assets	46,735	47,796	-1,061	5 Other non-current liabilities	7,497	6,520	977
3 Investments and other assets				Non-current liabilities total	135,109	136,969	-1,860
Investments in securities and investments	124,781	128,824	-4,043	Total liabilities	899,410	922,278	-22,868
Other investment and other assets	171,866	177,631	-5,765				
Allowance for doubtful receivables	-47,039	-47,460	421	Minority interest	36,885	35,573	1,312
Investments and other assets total	249,608	258,994	-9,386				
Non-current assets total	408,547	422,453	-13,906	<u>Stockholders' equity</u>			
				I. Common stock	68,185	68,185	-
III. Deferred assets	437	408	29	II. Capital surplus	36,000	51,442	-15,442
				III. Retained earnings (Deficit)	-52,847	-70,343	17,496
				IV. Net unrealized gains on investments in securities	-1,308	-4,845	3,537
				V. Foreign currency translation adjustments	-29,986	-30,252	266
				VI. Treasury stock	-341	-324	-17
				Stockholders' equity total	19,701	13,861	5,840
Total assets	955,998	971,713	-15,715	Total liabilities and stockholders' equity	955,998	971,713	-15,715

Note: Amounts less than 1 million yen omitted

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August 8, 2003

CONSOLIDATED STATEMENTS OF INCOME

Millions of Yen

	the Three-month Period of Fiscal 2003 (April 1, 2003 - June 30, 2003)		Fiscal 2002 (April 1, 2002 - March 31, 2003)	
		%		%
Total trading transactions	390,282	100.00	2,082,897	100.00
Cost of trading transactions	365,057	93.54	1,969,775	94.57
Gross trading profit	25,224	6.46	113,121	5.43
Selling, general and administrative expenses	19,117	4.90	87,460	4.20
Operating income	6,106	1.56	25,661	1.23
Other income	5,047	1.29	21,881	1.05
Other expenses	5,404	1.38	33,838	1.62
Ordinary profit	5,749	1.47	13,704	0.66
Extraordinary profit	3,425	0.88	137,162	6.58
Extraordinary loss	2,600	0.67	178,943	8.59
Profit before income tax expense	6,574	1.68	-28,075	-1.35
Income tax expense	3,570	0.91	36,001	1.73
Loss from minority interest	1,007	0.26	2,892	0.14
Net Income	1,996	0.51	-66,969	-3.22

Note: Amounts less than 1 million yen omitted

Tomen Corporation and its consolidated domestic subsidiaries maintain their accounts and records in accordance with the provision set forth in the Japanese Commercial Code and the Securities and Exchange Law and in conformity with accounting principles and practices generally accepted in Japan. The above statements are translated into English for the convenience of readers outside Japan.

Segment Information

Tomen Corporation

Information by Commodity

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.

The three-month period of fiscal year 2003 (April 1, 2003 - June 30, 2003)

	Chemicals	Produce & Foodstuffs	Textiles	Electronics	Machinery & Energy	Others	Total	Elimination or Unallocated	Consolidated
Total Trading Transactions:									
(1)Outside customers	108,558	56,126	53,374	54,250	104,223	13,749	390,282	-	390,282
(2)Inter-area	715	33	447	108	209	1,245	2,760	-2,760	-
Total	109,273	56,160	53,821	54,359	104,433	14,994	393,042	-2,760	390,282
Operating expenses	105,627	53,963	53,156	52,671	104,907	15,183	385,510	-1,334	384,175
Operating income or loss	3,646	2,196	664	1,688	-474	-188	7,532	-1,425	6,106

Note:

1 Major products and services

Chemical:	Petrochemical products, fine and inorganic chemicals, agrochemicals, plastics
Produce & Foodstuffs:	Grain, flour, general feed ingredients, meat, liquor, general food ingredients, general marine produce
Textile:	Textile raw materials, textile products, apparel, interior products, bedding products
Electronics:	Semiconductors, electronic devices
Machinery & Energy:	Wind power and thermal power generation plants, plants, telecommunications equipment, media software, automobiles and automotive parts, crude oil, petroleum products
Other:	Buying, selling and intermediation of real estate, construction and civil engineering contracting, design supervision, coal, lumber, plywood, construction materials, date processing, logistics

2 Change of business segments

Based on the repositioned business focus in the Tomen Group Medium-term Management Plan, announced on December 27, 2002, reorganization of conventional business segments has been made. Heretofore, there were five business segments; Chemicals & Energy, Produce & Foodstuffs, Textiles, Machinery, Construction & Real Estate and Others. From this fiscal year, Electronics, which was included in the Machinery segment, was spun off from Machinery as an independent segment. Energy, which was included in the Chemicals & Energy segment, was merged with Machinery to become the Machinery & Energy segment. The Construction & Real Estate segment has been in decline, thus the segment was absorbed up in the Other segment.

Previous fiscal year 2003 ended March 2003 (April 1, 2002 - March 31, 2003)

	Chemicals & Energy	Produce & Foodstuffs	Textiles	Machinery	Construction & Real Estate	Others	Total	Elimination or Unallocated	Consolidated
Total Trading Transactions:									
(1)Outside customers	978,341	230,472	320,039	459,207	14,613	80,223	2,082,897	-	2,082,897
(2)Inter-area	2,405	114	1,504	1,070	33	4,156	9,285	-9,285	-
Total	980,746	230,587	321,544	460,278	14,646	84,379	2,092,182	-9,285	2,082,897
Operating expenses	966,556	223,197	317,259	454,760	15,828	83,140	2,060,742	-3,506	2,057,236
Operating income or loss	14,190	7,389	4,284	5,518	-1,182	1,239	31,439	-5,778	25,661

Note:

Major products and services

Chemical & Energy:	Petrochemical products, fine and inorganic chemicals, agrochemicals, plastics, crude oil, petroleum products
Produce & Foodstuffs:	Grain, flour, general feed ingredients, meat, liquor, general food ingredients, general marine produce
Textile:	Textile raw materials, textile products, apparel, interior products, bedding products
Machinery:	Wind power and thermal power generation plants, plants, telecommunications equipment, electronic devices, media software, automobiles and automotive parts
Construction & Real Estate:	Buying, selling and intermediation of real estate, construction and civil engineering contracting, design supervision
Other:	Coal, lumber, plywood, construction materials, date processing, logistics