

# Tomen News Release

July 28,2005

## Consolidated Results for the First Quarter of Fiscal 2006 the Year Ending March 2006

### 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  
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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)Adoption of concise procedure in accounting methods

None

(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	Jun. 30, 2005: 132	Jun 30, 2004: 145	Mar. 31, 2005: 131
Unconsolidated subsidiaries under equity method	Jun. 30, 2005: -	Jun 30, 2004: 2	Mar. 31, 2005: -
Affiliated companies under equity method	Jun. 30, 2005: 57	Jun 30, 2004: 64	Mar. 31, 2005: 60

(4)Figures for the first quarter of fiscal 2006 and 2005 have not been audited by independent auditors.

### 2. Consolidated Business Results for the First Quarter [April 1, 2005 through June 30, 2005]

(1) Results of Operations (Amount less than one million yen were omitted)

	Total Trading Transactions		Operating Income		Ordinary Profit	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Three-month period ended June 30, 2005	394,794	7.1	5,384	-4	6,164	4.1
Three-month period ended June 30, 2004	368,491	-5.6	5,611	-8.1	5,919	3
(Ref.) Fiscal 2005 ended March 31,2005	1,577,303		26,568		25,020	

	Net Income		EPS	EPS(After Dilution)
	Millions of Yen	%	Yen	Yen
Three-month period ended June 30, 2005	3,601	60.5	4.47	2.32
Three-month period ended June 30, 2004	2,244	12.4	2.79	1.48
(Ref.) Fiscal 2005 ended March 31,2005	9,627		11.92	6.51

Note: 1.Percentage showed in total trading transactions, operating income and others indicate the difference from the same period of previous quarterly results.

### (2) Consolidated Financial Position

	Total Assets	Shareholders'Equity	Shareholders' Equity Ratio	Shareholder's Equity per Share
	Millions of Yen	Millions of Yen	%	Yen
As of June30,2005	747,825	47,309	6.3	-30.66
As of June30,2004	759,114	31,148	4.1	-50.69
(Ref.) As of March 31,2005	733,794	41,350	5.6	-38.09

<Summary of Consolidated Results>

Total trading transactions for the first quarter of fiscal 2006 is JPY. 394,794million, increased by JPY.26,330million as compared to the first quarter of previous fiscal year.

Machinery and Energy, Chemical, and Produce and Foodstuffs have increased.  
Electronics and Textiles have decreased.

Operating income resulted JPY. 5,384million decreased by JPY. 227million compared to the first quarter of previous fiscal year.

Gross trading profit have reduced by JPY. 1,068million. SG&A expenses improved by JPY. 841million.

Ordinary income is JPY. 6,164million, increased by JPY. 245million compared to the first quarter of previous fiscal year. It is due to the improvement in interest revenue and expenditure, investment profit by equity method.

By adjusting extraordinary income and loss, income tax and minority interest, net income for the first quarter of fiscal 2006 is JPY. 3,610million, increased by JPY. 1,357million.

Meanwhile, Business projection of consolidated results for the Fiscal 2006(April 1,2005–March 31, 2006) has not changed in interim period ending September 30, 2005 and fiscal year ending March 31, 2006 as announced on April 28, 2005.

Note:

1) 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.

2) 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.

(Unit : bill. Yen)

## 1. Summary of PL

	Jun. 30, 2005	Jun. 30, 2004	Difference	Difference ratio	Projection of Mid-term FY2006
Total trading transactions	394.8	368.5	26.3	7.1%	800.0
Gross trading profit	18.1	19.2	-1.1	-5.6%	
SG & A	-12.7	-13.6	0.9	-6.2%	
Operating Income	5.4	5.6	-0.2	-4.0%	
Other expenses	0.8	0.3	0.5	153.2%	
Ordinary profit	6.2	5.9	0.3	4.1%	12.0
Extraordinary profit and loss	-0.2	0.0	-0.2		
Income tax / Loss from minority interest	-2.4	-3.7	1.3		
Net Income	3.6	2.2	1.4	60.5%	2.0

## 2. Summary of BS

	Jun.30, 2005	Fiscal 2005	Difference		Jun.30,2005	Fiscal 2005	Difference
Current Assets	452.5	441.6	10.9	Current Liabilities	372.6	363.0	9.6
Non-current Assets	295.3	292.2	3.1	Non-current Liabilities	298.8	300.4	-1.6
				Minority Interest	29.1	29.0	0.1
				Stockholders' equity	47.3	41.4	5.9
Total	747.8	733.8	14.0	Total	747.8	733.8	14.0
Current ratio	121.4%	121.6%	-0.2%				

## Interest-bearing debt

Target of medium-term management plan

	Fiscal 2004	Difference	Fiscal 2005	Difference	Jun.30, 2005	Fiscal 2006 Target
Short-term debt	414.9	-264.8	150.1	-4.3	145.8	
Long-term debt	69.3	219.4	288.7	-1.6	287.1	
<b>Interest-bearing debt</b>	<b>484.2</b>	<b>-45.4</b>	<b>438.8</b>	<b>-5.9</b>	<b>432.9</b>	<b>420.0</b>
Cash	-77.9	-0.9	-78.8	-8.4	-87.2	-90.0
<b>Net Interest-bearing debt</b>	<b>406.3</b>	<b>-46.3</b>	<b>360.0</b>	<b>-14.3</b>	<b>345.7</b>	<b>330.0</b>

## Stockholders' equity

	Jun. 30, 2005	Fiscal 2005	Difference
Common stock	44.2	44.2	0.0
Capital surplus	11.9	11.9	0.0
Retained earnings	19.9	16.4	3.5
Net unrealized gains on investments in securities	2.5	2.4	0.1
Foreign currency translation adjustments	-30.7	-33.0	2.3
Treasury stock	-0.5	-0.5	0.0
Total	47.3	41.4	5.9

## 3. Summary of Segment

## Operating income

	Chemicals	Produce& Foodstuffs	Textiles	Electronics	Machinery & Energy	Elimination of Unallocated	Consolidated
First Quarter results Jun.30,2005	1.2	2.5	0.3	1.9	0.2	-0.7	5.4
First Quarter results Jun.30,2004	2.1	1.9	0.0	2.3	0.2	-0.9	5.6
<b>Difference</b>	<b>-0.9</b>	<b>0.6</b>	<b>0.3</b>	<b>-0.4</b>	<b>0.0</b>	<b>0.2</b>	<b>-0.2</b>

**CONSOLIDATED BALANCE SHEETS**

July 28, 2005

Millions of Yen

	June 30, 2005	June 30, 2004	Difference		June 30, 2005	June 30, 2004	Difference
	(A)	(B)	(A)-(B)		(A)	(B)	(A)-(B)
<b><u>Assets</u></b>				<b><u>Liabilities</u></b>			
I. <b>Current assets</b>	<b>452,499</b>	<b>441,635</b>	<b>10,864</b>	I. <b>Current liabilities</b>	<b>372,593</b>	<b>363,077</b>	<b>9,516</b>
Cash and deposits	87,197	78,776	8,421	Notes and accounts payable-trade	197,203	184,045	13,158
Notes and accounts receivable-trade	271,732	278,917	-7,185	Short-term loans and current portion of long-term debt	145,845	150,037	-4,192
Inventories	71,657	64,371	7,286	Current portion of bonds	-	-	-
Other current assets	31,544	32,653	-1,109	Other current liabilities	29,544	28,994	550
Allowance for doubtful receivables	-9,633	-13,083	3,450				
				II. <b>Non-current liabilities</b>	<b>298,808</b>	<b>300,385</b>	<b>-1,577</b>
II. <b>Non-current assets</b>	<b>295,304</b>	<b>292,135</b>	<b>3,169</b>	Bonds	400	400	-
1 Property and equipment	81,676	81,591	85	Long-term debt less current portion	286,695	288,329	-1,634
2 Intangible assets	2,155	2,250	-95	Liability for severance payments	5,913	5,781	132
3 Investments and other assets				Liability for loss of guaranteed payments	47	47	-
Investments in securities and other investments	121,890	118,438	3,452	Liability for loss of property related payments	2,168	2,168	-
Other non-current assets	133,587	134,589	-1,002	Other non-current liabilities	3,581	3,657	-76
Allowance for doubtful receivables	-44,006	-44,734	728	<b>Total liabilities</b>	<b>671,401</b>	<b>663,462</b>	<b>7,939</b>
Investments and other assets total	211,471	208,293	3,178				
				<b>Minority interests</b>	<b>29,114</b>	<b>28,980</b>	<b>134</b>
III. <b>Deferred assets</b>	<b>21</b>	<b>23</b>	<b>-2</b>	<b><u>Stockholders' equity</u></b>			
				I. Common stock	44,199	44,199	-
				II. Capital surplus	11,921	11,921	-
				III. Retained earnings (Deficit)	19,946	16,389	3,557
				IV. Net unrealized gains on investments in securities	2,452	2,375	77
				V. Foreign currency translation adjustments	-30,713	-33,049	2,336
				VI. Treasury stock	-497	-485	-12
				<b>Total stockholders' equity</b>	<b>47,309</b>	<b>41,350</b>	<b>5,959</b>
<b>Total assets</b>	<b>747,825</b>	<b>733,794</b>	<b>14,031</b>	<b>Total liabilities and stockholders' equity</b>	<b>747,825</b>	<b>733,794</b>	<b>14,031</b>

July 28, 2005

**CONSOLIDATED STATEMENTS OF INCOME**

Millions of Yen

	The Three-month Period of Fiscal 2006 (April 1, 2005 - June 30, 2005)		The Three-month Period of Fiscal 2005 (April 1, 2005 - June 30, 2005)		Difference		Fiscal 2005 (April 1, 2004 - March 31, 2005)	
	(A)	%	(B)	%	(A)-(B)	%		%
I. Total trading transactions	394,794	100.00	368,491	100.00	26,303	7.14	1,577,303	100.00
II. Cost of trading transactions	376,685	95.41	349,314	94.80	27,371	7.84	1,494,888	94.77
Gross trading profit	18,108	4.59	19,176	5.20	-1,068	-5.57	82,415	5.23
III. Selling, general and administrative expenses	12,724	3.23	13,565	3.68	-841	-6.20	55,846	3.55
<b>Operating income</b>	<b>5,384</b>	<b>1.36</b>	<b>5,611</b>	<b>1.52</b>	<b>-227</b>	<b>-4.05</b>	<b>26,568</b>	<b>1.68</b>
IV. Other income	5,008	1.27	3,757	1.02	1,251	33.30	13,390	0.85
V. Other expenses	4,228	1.07	3,448	0.93	780	22.62	14,938	0.94
<b>Ordinary profit</b>	<b>6,164</b>	<b>1.56</b>	<b>5,919</b>	<b>1.61</b>	<b>245</b>	<b>4.14</b>	<b>25,020</b>	<b>1.59</b>
VI. Extraordinary profit	123	0.03	460	0.12	-337	-73.26	10,698	0.68
VII Extraordinary loss	276	0.07	479	0.13	-203	-42.38	13,176	0.84
Profit before income tax expense	6,011	1.52	5,900	1.60	111	1.88	22,543	1.43
Income tax expense	2,000	0.51	2,698	0.73	-698	-25.87	9,467	0.60
Loss from minority interests	409	0.10	957	0.26	-548	-57.26	3,447	0.22
<b>Net Income</b>	<b>3,601</b>	<b>0.91</b>	<b>2,244</b>	<b>0.61</b>	<b>1,357</b>	<b>60.47</b>	<b>9,627</b>	<b>0.61</b>

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**  
July 28, 2005

### 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.

Below segments are classified at our option based on the products and the services we handle.

The three-month period of fiscal year 2006 [ April 1, 2005 through June 30, 2005 ]

(Millions of Yen)

	Chemicals	Produce & Foodstuffs	Textiles	Electronics	Machinery & Energy	Others	Total	Elimination or Unallocated	Consolidated
Total Trading Transactions:									
(1) Outside customers	105,273	60,423	38,406	57,861	126,973	5,854	394,794	-	394,794
(2) Inter-area	49	0	28	8	39	532	658	(658)	-
Total	105,323	60,424	38,435	57,870	127,013	6,386	395,453	(658)	394,794
Operating expenses	104,173	57,894	38,102	55,971	126,827	6,424	389,394	16	389,410
Operating income or loss	1,150	2,529	332	1,898	186	-37	6,058	(674)	5,384

Previous three-month period of fiscal year 2005 [April 1, 2004 through June 30, 2004]

(Millions of Yen)

	Chemicals	Produce & Foodstuffs	Textiles	Electronics	Machinery & Energy	Others	Total	Elimination or Unallocated	Consolidated
Total Trading Transactions:									
(1) Outside customers	99,665	59,208	44,205	70,087	88,140	7,183	368,491	-	368,491
(2) Inter-area	26	1	504	10	185	860	1,591	(1,591)	-
Total	99,692	59,210	44,710	70,098	88,326	8,043	370,082	(1,591)	368,491
Operating expenses	97,588	57,308	44,682	67,808	88,127	8,276	363,791	(911)	362,880
Operating income or loss	2,103	1,901	28	2,290	199	-232	6,290	(679)	5,611

Previous fiscal year 2005 [April 1, 2004 through March 31, 2005]

(Millions of Yen)

	Chemicals	Produce & Foodstuffs	Textiles	Electronics	Machinery & Energy	Others	Total	Elimination or Unallocated	Consolidated
Total Trading Transactions:									
(1) Outside customers	407,605	230,647	185,159	279,364	447,019	27,507	1,577,303	-	1,577,303
(2) Inter-area	143	14	132	27	89	3,281	3,688	(3,688)	-
Total	407,748	230,662	185,291	279,392	447,109	30,788	1,580,992	(3,688)	1,577,303
Operating expenses	400,119	221,692	182,882	270,751	444,546	30,376	1,550,367	367	1,550,735
Operating income or loss	7,629	8,969	2,409	8,641	2,562	412	30,624	(4,056)	26,568

**Note:**

Major products and services

Chemicals :	Petrochemical products, fine and inorganic chemicals, agrochemicals, plastics
Produce & Foodstuffs:	Grain, flour, general feed ingredients, meat, liquor, general food ingredients, general marine produce
Textiles :	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
Others :	Buying, selling and intermediation of real estate, construction and civil engineering contracting, design supervision, coal, lumber, plywood, construction materials, data processing, logistics