

November 7, 2003

Consolidated Financial Statements
For the Six-Month Period Ended September 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. 81-3-5288-2090

Board of Directors' Meeting: November 7, 2003

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

1. Consolidated Business Results of Fiscal 2003 Interim [April 1, 2003 through September 30, 2003]

(1) Results of Operations

(Amount less than one million omitted)

	Total Trading Transaction		Operating Income		Ordinary Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
September 30, 2003	813,247	-25.0	14,416	32.1	10,741	64.8
September 30, 2002	1,083,860	-14.9	10,910	-20.7	6,519	-40.9
March 31, 2003	2,082,897		25,661		13,704	

	Net Income		EPS	EPS (After Dilution)
	Millions of Yen	%	Yen	Yen
September 30, 2003	6,376	-	10.04	3.46
September 30, 2002	-88,744	-	-139.87	-
March 31, 2003	-66,969		-105.58	-

Note:

1. Equity in earnings of unconsolidated subsidiaries and affiliates:

September 30, 2003: 2,764 million yen March 31, 2003: 3,728 million yen
September 30, 2002: 2,283 million yen

2. Average number of shares during the period (Consolidated):

September 30, 2003: 634,804,498 shares March 31, 2003: 634,294,451 shares
September 30, 2002: 634,494,182 shares

3. Changes in accounting policies during the period: NA

4. Percentage figures under total trading transaction, operating income, ordinary income and net income show changes from the same interim period of the previous fiscal year.

(2) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholder's Equity per Share
	Millions of Yen	Millions of Yen	%	Yen
September 30, 2003	861,351	37,721	4.4	-42.52
September 30, 2002	1,232,063	-86,325	-7.0	-136.08
March 31, 2003	971,713	13,861	1.4	-91.72

Note:

1. Number of ordinary shares at the end of the period (Consolidated):

September 30, 2003: 806,195,805 shares March 31, 2003: 633,893,330 shares
September 30, 2002: 634,378,601 shares

2. Number of preferred shares at the end of the period (Consolidated):

September 30, 2003: 144,000,000 shares March 31, 2003: 144,000,000 shares
September 30, 2002: -

(3) Cash Flows

	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	Cash and Cash Equivalents, End of Period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
September 30, 2003	33,661	15,887	-33,837	110,327
September 30, 2002	8,346	30,195	-39,590	133,900
March 31, 2003	81,301	82,240	-202,739	93,928

(4) Number of Consolidated Subsidiaries and Companies under Equity Method

Consolidated subsidiaries:	157
Unconsolidated subsidiaries under Equity Method:	1
Affiliated companies under Equity Method:	69

(5) Changes in Number of Consolidated Subsidiaries and Companies under Equity Method

Consolidated subsidiaries	Added:	3
	Removed:	58
Equity Method	Added:	1
	Removed:	22

2. Consolidated Business Projection of Fiscal 2003 [April 1, 2003 through March 31, 2004]

	Total Trading Transaction	Ordinary Profit	Net Income
	Millions of Yen	Millions of Yen	Millions of Yen
Fiscal year ending March 31, 2004	1,550,000	21,000	3,500

Reference: Projected EPS for the fiscal year ending March 31, 2004: 4.34 yen

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.

CONSOLIDATED BALANCE SHEETS

November 7, 2003

Millions of Yen

	September 30, 2003	March 31, 2003	Difference		September 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	102,766	93,964	8,802	1 Notes and accounts payable-trade	184,134	206,198	-22,064
2 Notes and accounts receivable-trade	275,650	327,589	-51,939	2 Short-term loans and current portion of long-term debt	466,170	537,002	-70,832
3 Marketable securities	10,192	3,623	6,569	3 Current portion of bonds	100	-	100
4 Inventories	72,904	91,254	-18,350	4 Accrued income tax	3,625	5,833	-2,208
5 Short-term loan receivables	16,577	15,267	1,310	5 Deferred tax liabilities	21	368	-347
6 Deferred tax assets	3,774	3,121	653	6 Other current liabilities	35,092	35,905	-813
7 Other current assets	26,034	30,029	-3,995	Total current liabilities	689,144	785,308	-96,164
8 Allowance for doubtful receivables	-16,121	-15,999	-122				
Total current assets	491,778	548,851	-57,073	II. Non-current liabilities			
II. Non-current assets				1 Bonds	400	3,256	-2,856
1 Property and equipment	103,335	115,661	-12,326	2 Long-term debt less current portion	95,244	119,618	-24,374
2 Intangible assets	5,902	47,796	-41,894	3 Deferred tax liabilities	2,913	3,169	-256
3 Investments and other assets				4 Liability for severance payments	7,180	7,108	72
Investments in securities and other investments	134,473	128,824	5,649	5 Liability for loss of guaranteed payments	457	464	-7
Long-term loan receivables	57,658	56,162	1,496	6 Other non-current liabilities	2,121	3,351	-1,230
Long-term account receivables	62,904	64,059	-1,155	Total non-current liabilities	108,317	136,969	-28,652
Deferred tax assets	22,053	26,722	-4,669	Total liabilities	797,462	922,278	-124,816
Other non-current assets	30,056	30,686	-630				
Allowance for doubtful receivables	-47,122	-47,460	338	Minority interest	26,168	35,573	-9,405
Total investments and other assets	260,023	258,994	1,029				
Total non-current assets	369,262	422,453	-53,191	<u>Stockholders' equity</u>			
III. Deferred assets	310	408	-98	I. Common stock	44,199	68,185	-23,986
				II. Capital surplus	42,182	51,442	-9,260
				III. Retained earnings (Deficit)	-20,714	-70,343	49,629
				IV. Net unrealized gains on investments in securities	233	-4,845	5,078
				V. Foreign currency translation adjustments	-27,830	-30,252	2,422
				VI. Treasury stock	-349	-324	-25
				Total stockholders' equity	37,721	13,861	23,860
Total assets	861,351	971,713	-110,362	Total liabilities and stockholders' equity	861,351	971,713	-110,362

CONSOLIDATED STATEMENTS OF INCOME

Millions of Yen

November 7, 2003

For the six-month period ended September 30	2003		2002		Difference	
	(C)	%	(D)	%	(C)-(D)	%
I. Total trading transactions	813,247	100.00	1,083,860	100.00	-270,613	-24.97
II. Cost of trading transactions	760,414	93.50	1,028,052	94.85	-267,638	-26.03
Gross trading profit	52,833	6.50	55,808	5.15	-2,975	-5.33
III. Selling, general and administrative expenses	38,416	4.73	44,897	4.14	-6,481	-14.44
Operating income	14,416	1.77	10,910	1.01	3,506	32.14
IV. Other income						
Interest income	2,844	0.35	4,634	0.43	-1,790	-38.63
Dividend income	583	0.07	453	0.04	130	28.70
Equity in net income of affiliates	2,764	0.34	2,283	0.21	481	21.07
Others	3,352	0.41	6,055	0.56	-2,703	-44.64
	9,545	1.17	13,427	1.24	-3,882	-28.91
V. Other expenses						
Interest expenses	8,076	0.99	12,592	1.16	-4,516	-35.86
Others	5,143	0.63	5,226	0.49	-83	-1.59
	13,219	1.62	17,819	1.65	-4,600	-25.82
Ordinary profit	10,741	1.32	6,519	0.60	4,222	64.76
VI. Extraordinary profit	7,940	0.98	25,416	2.35	-17,476	-68.76
VII. Extraordinary loss	4,692	0.58	88,756	8.19	-84,064	-94.71
Profit before income tax expense	13,990	1.72	-56,820	-5.24	70,810	-
Income tax expense	4,400	0.54	4,690	0.44	-290	-6.18
Income tax deferred	1,362	0.17	26,142	2.41	-24,780	-94.79
Loss from minority interest	1,850	0.23	1,091	0.10	759	69.57
Net Income	6,376	0.78	-88,744	-8.19	95,120	-

Note: Amounts less than 1 million yen omitted

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TOMEN CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

Millions of Yen

November 7, 2003

For the year ended March 31	September 30, 2003	September 30, 2002
I. Cash Flows from Operating Activities:		
Income(loss) before income taxes	13,990	-56,820
Depreciation and amortization	3,939	5,004
Amortization of goodwill	1,691	3,049
Provision for doubtful receivables	587	5,712
Interest and dividend income	-3,427	-5,088
Interest expenses	8,076	12,592
Gain on foreign exchange	-626	-1,195
Equity in earnings of affiliates	-2,764	-2,283
Loss on disposal of property and equipment, net	129	85
Gain (loss) on sales, devaluation of marketable securities, net	-3	17
Gain (loss) on sales, devaluation of investments in securities, net	-6,331	-587
Gain on extinguishment of debts	-	-13,417
Special severance payments	512	694
Loss on business structure reform	-	63,737
Changes in assets and liabilities:		
Receivables	25,257	27,282
Inventories	2,563	3,811
Payables	-7,819	-19,898
Short-term loan receivables	1,758	1,255
Other, net	5,410	-3,220
Sub total	42,943	20,731
Cash in from interest and dividends	4,477	4,665
Cash paid for interest	-7,992	-11,706
Cash paid for special severance payments	-1,170	-1,434
Cash paid for income taxes	-4,597	-3,909
Net cash provided by operating activities	33,661	8,346
II. Cash Flows from Investing Activities:		
Change in time deposits, net	876	8,682
Change in marketable securities, net	-582	30
Purchase and sale of property and equipment	343	-1,822
Change in other investments, net	21,611	13,574
Change in long-term loans and long-term receivables, net	5,360	3,127
Change in securities and investments, net	1,166	2,341
Other, net	-12,888	4,261
Net cash provided by investing activities	15,887	30,195
III. Cash Flows from Financing Activities:		
Change in short-term debt, net	-44,165	13,168
Change in bonds	3,052	-684
Repayment of long-term debt	-4,557	-54,030
Issue of shares	9,999	-
Other, net	1,832	1,956
Net cash used in financing activities	-33,837	-39,590
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	687	-5,556
V. Net Increase (Decrease) in Cash and Cash Equivalents	16,398	-6,605
VI. Cash and Cash Equivalents at Beginning of Year	93,928	140,290
VII. Net Increase (Decrease) in Cash and Cash Equivalents with Changes of Consolidation Criteria	-0	214
VIII. Cash and Cash Equivalents at End of Year	110,327	133,900

Note: Amounts less than 1 million yen omitted

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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.

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.

Interim period of fiscal 2003 (April 1, 2003 – September 30, 2003) on consolidated basis (Millions of Yen)

	Chemicals	Produce & Foodstuffs	Textiles	Electronics	Machinery & Energy	Others	Total	Elimination or Unallocated	Consolidated
Total Trading Transactions:									
(1)Outside customers	226,576	108,842	131,490	107,821	206,680	31,835	813,247	-	813,247
(2)Inter-area	47	4	548	114	701	3,151	4,567	-4,567	-
Total	226,624	108,847	132,039	107,935	207,382	34,986	817,814	-4,567	813,247
Operating expenses	220,350	104,466	129,956	104,490	206,666	35,161	801,092	-2,261	798,830
Operating income or loss	6,273	4,380	2,082	3,445	715	-175	16,722	-2,306	14,416

Note:

1 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, date processing, logistics

2. Operating expenses include 2,317 million yen of unallocated expenses under “Elimination or Unallocated”, which mainly represent expenses related to the corporate staff unit of the company.

Previous interim period of fiscal 2002 (April 1, 2002 – September 30, 2002) on consolidated basis (Millions of Yen)

	Chemicals	Produce & Foodstuffs	Textiles	Electronics	Machinery & Energy	Others	Total	Elimination or Unallocated	Consolidated
Total Trading Transactions:									
(1)Outside customers	209,238	113,401	166,281	86,870	448,214	59,853	1,083,860	-	1,083,860
(2)Inter-area	386	53	892	37	549	2,021	3,941	-3,941	-
Total	209,625	113,455	167,173	86,908	448,763	61,874	1,087,801	-3,941	1,083,860
Operating expenses	204,119	109,605	164,778	84,049	448,914	62,414	1,073,881	-932	1,072,949
Operating income or loss	5,506	3,850	2,395	2,858	-150	-539	13,920	-3,009	10,910

Note:

1. 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, date processing, logistics

2. Operating expenses include 3,015 million yen of unallocated expenses under “Elimination or Unallocated”, which mainly represent expenses related to the corporate staff unit of the company.