

Tomen News Release

October 28,2004

Consolidated Financial Statements For the Six-month Period Ended September 30, 2004

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: Takafumi Funayama, General Manager, Corporate Communications Office
Tel. 81-3-5288-2083
Board of Directors' Meeting: October 28, 2004
Adoption of accounting principles generally accepted in the United States of America : NA

1. Consolidated Business Results of Fiscal 2005 Interim [April 1, 2004 through September 30, 2004]

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

	Total Trading Transactions		Operating Income		Ordinary Profit	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
September 30, 2004	774,080	-4.8	12,709	-11.8	12,544	16.8
September 30, 2003	813,247	-25.0	14,416	32.1	10,741	64.8
March 31, 2004	1,604,084		28,179		21,584	

	Net Income		EPS	EPS(After Dilution)
	Millions of Yen	%	Yen	Yen
September 30, 2004	4,560	-28.5	5.66	2.99
September 30, 2003	6,376	-	10.04	3.46
March 31, 2004	3,753		5.16	1.96

Note:

- Equity in earnings of unconsolidated subsidiaries and affiliates:
September 30, 2004 : 1,840 million yen September 30, 2003 : 2,764 million yen
March 31, 2004 : 4,449 million yen
- Average number of shares during the period (Consolidated):
September 30, 2004 : 805,957,610 shares September 30, 2003 : 634,804,498 shares
March 31, 2004 : 722,190,584 shares
- Changes in accounting policies during the period : NA
- Percentage figures under total trading transactions, operating income, ordinary profit 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, 2004	735,853	34,191	4.6	-46.91
September 30, 2003	861,351	37,721	4.4	-42.52
March 31, 2004	769,075	28,981	3.8	-53.40

Note:

Number of share issued at the end of the period (Consolidated) :

- Ordinary stock :
September 30, 2004 : 805,924,554 shares September 30, 2003 : 806,195,805 shares
March 31, 2004 : 805,993,895 shares
- Preferred stock :
September 30, 2004 : 144,000,000 shares September 30, 2003 : 144,000,000 shares
March 31, 2004 : 144,000,000 shares

(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, 2004	16,168	16,067	-38,910	72,744
September 30, 2003	33,661	15,887	-33,837	110,327
March 31, 2004	44,635	41,194	-98,310	79,400

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

Consolidated subsidiaries	:	142
Unconsolidated subsidiaries under Equity Method	:	2
Affiliated companies under Equity Method	:	60

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

Consolidated subsidiaries	Added	:	1
	Removed	:	6
Equity Method	Added	:	-
	Removed	:	5

2. Consolidated Business Projection of Fiscal 2005 [April 1, 2004 through March 31, 2005]

	Total Trading Transactions	Ordinary Profit	Net Income
	Millions of Yen	Millions of Yen	Millions of Yen
Fiscal year ending March 31, 2005	1,550,000	23,500	10,000

Reference : Projected EPS for the fiscal year ending March 31, 2005 : 12.41 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.

Note: 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

October 28, 2004

Millions of Yen

	September 30, 2004	March 31, 2004	Difference		September 30, 2004	March 31, 2004	Difference
	(A)	(B)	(A)-(B)		(A)	(B)	(A)-(B)
<u>Assets</u>				<u>Liabilities</u>			
I. Current assets	426,736	443,146	-16,410	I. Current liabilities	372,831	629,837	-257,006
Cash and deposits	73,420	77,862	-4,442	Notes and accounts payable-trade	184,288	179,967	4,321
Notes and accounts receivable-trade	266,326	272,858	-6,532	Short-term loans and current portion of long-term debt	157,054	414,811	-257,757
Marketable securities	10	3,331	-3,321	Current portion of bonds	-	100	-100
Inventories	68,734	63,302	5,432	Accrued income tax	3,968	4,992	-1,024
Short-term loan receivables	3,886	7,370	-3,484	Deferred tax liabilities	376	373	3
Deferred tax assets	7,823	6,209	1,614	Other current liabilities	27,143	29,593	-2,450
Other current assets	20,388	26,538	-6,150				
Allowance for doubtful receivables	-13,853	-14,327	474				
II. Non-current assets	309,090	325,882	-16,792	II. Non-current liabilities	300,947	83,714	217,233
1 Property and equipment	84,514	89,055	-4,541	Bonds	400	400	-
2 Intangible assets	3,747	4,848	-1,101	Long-term debt less current portion	288,716	68,880	219,836
3 Investments and other assets				Deferred tax liabilities	1,463	1,543	-80
Investments in securities and other investments	117,917	117,931	-14	Liability for severance payments	5,394	7,140	-1,746
Long-term loans	46,319	51,678	-5,359	Liability for loss of guaranteed payments	872	1,444	-572
Long-term account receivables	55,956	55,587	369	Liability for loss of property related payments	2,168	2,168	-
Deferred tax assets	16,533	20,104	-3,571	Other non-current liabilities	1,931	2,136	-205
Other non-current assets	28,076	29,108	-1,032	Total liabilities	673,778	713,552	-39,774
Allowance for doubtful receivables	-43,974	-42,432	-1,542				
III. Deferred assets	26	46	-20	Minority interests	27,883	26,540	1,343
				Stockholders' equity			
				I. Common stock	44,199	44,199	-
				II. Capital surplus	11,923	42,183	-30,260
				III. Retained earnings (Deficit)	11,401	-23,348	34,749
				IV. Net unrealized gains on investments in securities	156	-244	400
				V. Foreign currency translation adjustments	-33,082	-33,424	342
				VI. Treasury stock	-406	-383	-23
				Total stockholders' equity	34,191	28,981	5,210
Total assets	735,853	769,075	-33,222	Total liabilities and stockholders' equity	735,853	769,075	-33,222

Tomen Corporation

October 28,2004

CONSOLIDATED STATEMENTS OF INCOME

Millions of Yen

For the six-month period ended September 30	2004		2003		Difference	
		%	(C)	%	(C)-(D)	%
I. Total trading transactions	774,080	100.00	813,247	100.00	-39,167	-4.82
II. Cost of trading transactions	732,862	94.68	760,414	93.50	-27,552	-3.62
Gross trading profit	41,217	5.32	52,833	6.50	-11,616	-21.99
III. Selling, general and administrative expenses	28,508	3.68	38,416	4.73	-9,908	-25.79
Operating income	12,709	1.64	14,416	1.77	-1,707	-11.84
IV. Other income	7,083	0.92	9,545	1.17	-2,462	-25.79
Interest income	1,486	0.19	2,844	0.35	-1,358	-47.75
Dividend income	681	0.09	583	0.07	98	16.81
Equity in net income of affiliates	1,840	0.24	2,764	0.34	-924	-33.43
Others	3,074	0.40	3,352	0.41	-278	-8.29
V. Other expenses	7,248	0.94	13,219	1.62	-5,971	-45.17
Interest expenses	4,810	0.62	8,076	0.99	-3,266	-40.44
Others	2,438	0.32	5,143	0.63	-2,705	-52.60
Ordinary profit	12,544	1.62	10,741	1.32	1,803	16.79
VI. Extraordinary profit	3,200	0.41	7,940	0.98	-4,740	-59.70
VII Extraordinary loss	4,216	0.54	4,692	0.58	-476	-10.14
Profit before income tax expense	11,528	1.49	13,990	1.72	-2,462	-17.60
Income tax expense	3,270	0.42	4,400	0.54	-1,130	-25.68
Income tax deferred	1,691	0.22	1,362	0.17	329	24.16
Loss from minority interests	2,005	0.26	1,850	0.23	155	8.38
Net Income	4,560	0.59	6,376	0.78	-1,816	-28.48

Note: Amounts less than 1 million yen omitted

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TOMEN CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

Millions of Yen

October 28, 2004

For the six-month period ended September 30	2004	2003
I. Cash Flows from Operating Activities:		
Income(loss) before income taxes	11,528	13,990
Depreciation and amortization	2,628	3,939
Amortization of goodwill	1,693	1,691
Provision for doubtful receivables	1,048	587
Interest and dividend income	-2,167	-3,427
Interest expenses	4,810	8,076
Gain(loss) on foreign exchange	177	-626
Equity in earnings of affiliates	-1,840	-2,764
Gain (Loss) on disposal of property and equipment, net	1,226	129
Gain (loss) on sales, devaluation of investments in securities, net	-929	-6,331
Special severance payments	-	512
Changes in assets and liabilities:		
Receivables	7,251	25,257
Inventories	-5,315	2,563
Payables	3,675	-7,819
Decrease in short-term loan receivables	1,685	1,758
Other, net	-2,259	5,406
Sub total	23,211	42,943
Interest and dividend received	2,289	4,477
Interest paid	-5,286	-7,992
Cash paid for special severance payments	-659	-1,170
Cash paid for income taxes	-3,386	-4,597
Net cash provided by operating activities	16,168	33,661
II. Cash Flows from Investing Activities:		
Change in time deposits, net	596	876
Purchase and sale of property and equipment	2,962	343
Change in securities, net	4,524	21,611
Change in long-term loans and long-term receivables, net	6,967	5,360
Change in investments, net	579	1,166
Other, net	436	-13,470
Net cash provided by investing activities	16,067	15,887
III. Cash Flows from Financing Activities:		
Change in short-term debt, net	-192,459	-44,165
Change in bonds	-100	3,052
Change in long-term debt	153,960	-4,557
Proceeds from stock issuance	-	9,999
Other, net	-311	1,832
Net cash used in financing activities	-38,910	-33,837
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	70	687
V. Net Increase (Decrease) in Cash and Cash Equivalents	-6,603	16,398
VI. Cash and Cash Equivalents at Beginning of Year	79,400	93,928
VII. Net Increase (Decrease) in Cash and Cash Equivalents with Changes in Scope of Consolidation	-52	-0
VIII. Cash and Cash Equivalents at Interim End of Year	72,744	110,327

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
October 28, 2004

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.

Interim period of fiscal 2005 [April 1, 2004 through September 30, 2004]

(Millions of Yen)

	Chemicals	Produce & Foodstuffs	Textiles	Electronics	Machinery & Energy	Others	Total	Elimination or Unallocated	Consolidated
Total Trading Transactions:									
(1) Outside customers	200,196	119,065	99,847	142,829	198,698	13,443	774,080	-	774,080
(2) Inter-area	64	4	55	19	60	1,709	1,913	-1,913	-
Total	200,260	119,069	99,903	142,848	198,758	15,152	775,994	-1,913	774,080
Operating expenses	196,308	115,126	98,723	137,939	197,458	15,396	760,953	417	761,370
Operating income or loss	3,951	3,942	1,180	4,908	1,300	-243	15,040	-2,331	12,709

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, data processing, logistics

2. Operating expenses include 2,345 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 2004 [April 1, 2003 through September 30, 2003]

(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, data 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.