

February 6, 2004

Consolidated Quarterly Results 2003
For the Nine-Month Period Ended December 31, 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
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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) 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 | December 31, 2003: 157 | March 31, 2003: 212 |
| Unconsolidated subsidiaries under equity method | December 31, 2003: 1 | March 31, 2003: 2 |
| Affiliated companies under equity method | December 31, 2003: 68 | March 31, 2003: 89 |
- (4) The quarterly results are not audited by independent public accountants.

2. Consolidated Results for the Nine-month Period [April 1, 2003 through December 31, 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	%
Nine-month period ended December 31, 2003	1,200,685	-	21,949	-	16,398	-
Nine-month period ended December 31, 2002	-	-	-	-	-	-
(Ref.) Fiscal 2002 ended March 31, 2003	2,082,897		25,661		13,704	

	Net Income	
	Millions of Yen	%
Nine-month period ended December 31, 2003	4,883	-
Nine-month period ended December 31, 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	%
Nine-month period ended December 31, 2003	849,668	30,013	3.5
Nine-month period ended December 31, 2002	-	-	-
(Ref.) Fiscal 2002 ended March 31, 2003	971,713	13,861	1.4

<Summary of Consolidated Results>

Trading transactions by commodity for the nine-month period ended December 31, 2003 were as follows.

	(Millions of Yen)
Chemicals:	313,474
Produce & Foodstuffs:	160,407
Textiles:	196,692
Electronics:	165,882
Machinery & Energy:	324,787
Others:	39,441
(Total:	1,200,685)

Operating income by commodity for the nine-month period ended December 31, 2003 was as follows.

	(Millions of Yen)
Chemicals:	8,498
Produce & Foodstuffs:	6,826
Textiles:	2,959
Electronics:	5,433
Machinery & Energy:	1,624
Others:	-263
(Elimination or consolidation	-3,129)
(Total:	21,949)

Ordinary income for the nine-month period ended December 31, 2003 was 16,398 million yen.

After adjustment by extraordinary profit and loss, income tax and loss from minority interest, net income for the nine-month period ended December 31, 2003 was 4,883 million yen.

<Business Projections>

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

Tomen Corporation estimates total trading transactions, ordinary profit and net income for the fiscal 2003 will be 1,550 billion yen, 21 billion yen and 3.5 billion yen respectively, as announced on November 7, 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

February 6, 2004

Millions of Yen

	December 31 2003	March 31, 2003	Difference		December 31 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	104,172	93,964	10,208	1 Notes and accounts payable-trade	186,876	206,198	-19,322
2 Notes and accounts receivable-trade	287,522	327,589	-40,067	2 Short-term loans	464,644	537,002	-72,358
3 Marketable securities	9,420	3,623	5,797	4 Current portion of bonds	100	-	100
4 Inventories	65,936	91,254	-25,318	3 Other current liabilities	41,499	42,108	-609
5 Other current assets	43,483	48,418	-4,935	Current liabilities total	693,119	785,308	-92,189
6 Allowance for doubtful receivables	-15,966	-15,999	33				
Current assets total	494,568	548,851	-54,283	II. Non-current liabilities			
				1 Bonds	400	3,256	-2,856
II. Non-current assets				2 Long-term debt	86,058	119,618	-33,560
1 Property and equipment	97,395	115,661	-18,266	3 Liability for severance payments	7,671	7,108	563
2 Intangible assets	5,247	47,796	-42,549	4 Allowance for loss on guarantees	457	464	-7
3 Investments and other assets				5 Other non-current liabilities	5,374	6,520	-1,146
Investments in securities and investments	126,238	128,824	-2,586	Non-current liabilities total	99,961	136,969	-37,008
Other investment and other assets	171,458	177,631	-6,173				
Allowance for doubtful receivables	-45,505	-47,460	1,955	Total liabilities	793,081	922,278	-129,197
Investments and other assets total	252,191	258,994	-6,803				
Non-current assets total	354,834	422,453	-67,619	Minority interest	26,573	35,573	-9,000
III. Deferred assets	265	408	-143	<u>Stockholders' equity</u>			
				I. Common stock	44,199	68,185	-23,986
				II. Capital surplus	42,183	51,442	-9,259
				III. Retained earnings (Deficit)	-22,222	-70,343	48,121
				IV. Net unrealized gains on investments in securities	-1,074	-4,845	3,771
				V. Foreign currency translation adjustments	-32,703	-30,252	-2,451
				VI. Treasury stock	-368	-324	-44
				Stockholders' equity total	30,013	13,861	16,152
Total assets	849,668	971,713	-122,045	Total liabilities and stockholders' equity	849,668	971,713	-122,045

Note: Amounts less than 1 million yen omitted

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February 6, 2004

CONSOLIDATED STATEMENTS OF INCOME

Millions of Yen

	the Nine-month Period of Fiscal 2003 (April 1, 2003 - December 31, 2003)		Fiscal 2002 (April 1, 2002 - March 31, 2003)	
		%		%
Total trading transactions	1,200,685	100.00	2,082,897	100.00
Cost of trading transactions	1,125,957	93.78	1,969,775	94.57
Gross trading profit	74,728	6.22	113,121	5.43
Selling, general and administrative expenses	52,778	4.39	87,460	4.20
Operating income	21,949	1.83	25,661	1.23
Other income	10,911	0.91	21,881	1.05
Other expenses	16,462	1.37	33,838	1.62
Ordinary profit	16,398	1.37	13,704	0.66
Extraordinary profit	10,878	0.90	137,162	6.58
Extraordinary loss	14,571	1.21	178,943	8.59
Profit before income tax expense	12,705	1.06	-28,075	-1.35
Income tax expense	5,066	0.42	36,001	1.73
Loss from minority interest	2,755	0.23	2,892	0.14
Net Income	4,883	0.41	-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.

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.

The nine-month period of fiscal year 2003 (April 1, 2003 – December 31, 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	313,474	160,407	196,692	165,882	324,787	39,441	1,200,685	-	1,200,685
(2)Inter-area	82	9	857	116	843	4,990	6,900	-6,900	-
Total	313,556	160,417	197,549	165,999	325,631	44,432	1,207,586	-6,900	1,200,685
Operating expenses	305,058	153,591	194,590	160,565	324,006	44,695	1,182,507	-3,771	1,178,736
Operating income or loss	8,498	6,826	2,959	5,433	1,624	-263	25,078	-3,129	21,949

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 3,148 million yen of unallocated expenses under “Elimination or Unallocated”, which mainly represent expenses related to the corporate staff unit of the company.

Previous fiscal year 2002 ended March 31, 2003 (April 1, 2002 – March 31, 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	445,663	230,472	320,039	188,824	803,060	94,836	2,082,897	-	2,082,897
(2)Inter-area	526	114	1,504	75	1,302	4,189	7,712	-7,712	-
Total	446,190	230,587	321,544	188,899	804,362	99,026	2,090,610	-7,712	2,082,897
Operating expenses	432,364	223,197	317,259	182,704	804,674	98,969	2,059,170	-1,933	2,057,236
Operating income or loss	13,825	7,389	4,284	6,194	-311	57	31,439	-5,778	25,661

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 5,797 million yen of unallocated expenses under “Elimination or Unallocated”, which mainly represent expenses related to the corporate staff unit of the company.