

# Tomen News Release

January 28,2005

## Consolidated Quarterly Results FY2005 For the Nine-month Period Ended December 31, 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  
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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	December 31, 2004: 137	December 31, 2003: 157	March 31, 2004: 147
Unconsolidated subsidiaries under equity method	December 31, 2004: -	December 31, 2003: 1	March 31, 2004: 2
Affiliated companies under equity method	December 31, 2004: 61	December 31, 2003: 68	March 31, 2004: 65

(4)The quarterly results are not audited by independent public accountants.

### 2. Consolidated Business Results for the Nine-month Period [April 1, 2004 through December 31, 2004]

(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	%
Nine-month period ended December 31, 2004	1,199,945	-0.1	20,224	-7.9	19,262	17.5
Nine-month period ended December 31, 2003	1,200,685	-	21,949	-	16,398	-
(Ref.) Fiscal 2003 ended March 31,2004	1,604,084		28,179		21,584	

	Net Income		EPS	EPS(After Dilution)
	Millions of Yen	%	Yen	Yen
Nine-month period ended December 31, 2004	7,809	59.9	9.69	5.07
Nine-month period ended December 31, 2003	4,883	-	-	-
(Ref.) Fiscal 2004 ended March 31,2004	3,753		5.16	1.96

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

2. Difference ratio of previous quarterly results were not indicated as we implemented disclosing the quarterly results from previous year. Further, we have not disclosed the EPS and EPS(after dilution) for 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
Nine-month period ended December 31, 2004	750,715	39,383	5.2	-40.48
Nine-month period ended December 31, 2003	849,668	30,013	3.5	-
(Ref.) Fiscal 2003 ended March 31,2004	769,075	28,981	3.8	-53.4

Note: We have not disclosed previous quarterly result of shareholder's equity per share.

<Summary of Consolidated Results>

Please see the last page of this news release.

<Business Projections>

Business projection of consolidated results for the Fiscal 2005(April 1, 2004–March 31, 2005) :

Tomen Corporation estimates total trading transactions, ordinary profit and net income for the fiscal 2005 will be 1,550 billion yen, 23.5 billion yen and 10 billion yen respectively, as announced on October 28, 2004.

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 Quarterly Results FY2005 for the nine-month period ended December 31, 2004

Tomen Corporation

(Unit : bill. Yen)

1. Summary of PL

	Dec. 31, 2004	Dec. 31, 2003	Difference	Difference ratio	Difference caused by Arysta	Difference in Exchange rate
Total trading transactions	1,199.9	1,200.70	-0.8	0%	-46.5	-30.0
Note: By excluding Foreign exchange ratio (-30 billion JPY) and impact value of Arysta's equity(-46.5 billion JPY), trading transactions were increased by 76 billion JPY substantially.						
Gross trading profit	62.6	74.7	-12.1	-16%	-11.6	
Note: By excluding impact value of Arysta's equity(-11.6 billion JPY) and other withdrawal of business(-2.2 billion JF gross trading profit was increased by 1.7 billion JPY substantially						
SG & A	-42.4	-52.8	10.4	-20%	8.4	
Note: By excluding impact value of Arysta's equity(8.4 billion JPY) and other withdrawal of business(1.6 billion JPY), SG&A were decreased by 0.4 billion JPY substantially						
Operating Income	20.2	21.9	-1.7	-8%	-3.2	
Note: By excluding impact value of Arysta's equity(-3.2 billion JPY) and other withdrawal of business(-0.6 billion JP) operating income was increased by 2.1 billion JPY substantially						
Other expenses	-0.9	-5.5	4.6	-84%	3.0	
Ordinary profit	19.3	16.4	2.9	17%	-0.2	
Extraordinary profit and loss	-0.5	-3.7	3.2			
Income tax / Loss from minority interest	-11.0	-7.8	-3.2			
Net Income	7.8	4.9	2.9	60%		

2. Summary of BS

	Dec.31, 2004	Fiscal 2004	Difference		Dec.31,2004	Fiscal 2004	Difference
Current Assets	443.3	443.2	0.1	Current Liabilities	374.3	629.8	-255.5
				(Short-term loans)	149.9	414.9	-265.0
Non-current Assets	307.4	325.9	-18.5	Non-current Liabilities	308.3	83.7	224.6
				(Long-term debt)	296.4	69.3	227.1
				Minority Interest	28.7	26.6	2.1
				Stockholders' equity	39.4	29.0	10.4
Total	750.7	769.1	-18.4	Total	750.7	769.1	-18.4

Current ratio 118.4% 70.4% 48.0% Note: Short and Long-term debt include Bonds

Interest-bearing debt

	Fiscal 2003	Difference	Fiscal 2004	Difference	Dec.31, 2004	Fiscal 2006
Interest-bearing debt	659.9	-175.7	484.2	-37.9	446.3	463.0
Cash	-94.0	16.1	-77.9	12.9	-65.0	-54.9
Net Interest-bearing debt	565.9	-159.6	406.3	-25.0	381.3	408.1

Stockholders' equity

	Dec. 31, 2004	Fiscal 2004	Difference		
Common stock	44.2	44.2	0.0	Change in capital surplus	-30.3
Capital surplus	11.9	42.2	-30.3	Change in retained earnings	30.3
Retained earnings	14.6	-23.4	38.0	Profit	7.8
Net unrealized gains on investments in securities	0.2	-0.2	0.4	Net unrealized gains on investments in securities	0.4
Foreign currency translation adjustments	-31.1	-33.4	2.3	Foreign currenc	2.3
Treasury stock	-0.4	-0.4	0.0	Others	-0.1
Total	39.4	29.0	10.4	Total	10.4

3. Summary of Segment

Operating income

	Chemicals	Produce& Foodstuffs	Textiles	Electronics	Machinery & Energy	Elimination of Unallocated	Consolidated
Quarterly results Dec.31,2004	6.1	6.6	1.9	6.8	2.2	-3.4	20.2
Quarterly results Dec.31,2003	8.5	6.8	3.0	5.4	1.6	-3.4	21.9
Difference	-2.4	-0.2	-1.1	1.4	0.6	0.0	-1.7

**CONSOLIDATED BALANCE SHEETS**

January 28, 2005

Millions of Yen

	December 31, 2004	March 31, 2003	Difference		December 31, 2004	March 31, 2003	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>443,288</b>	<b>443,146</b>	<b>142</b>	I. <b>Current liabilities</b>	<b>374,343</b>	<b>629,837</b>	<b>-255,494</b>
Cash and deposits	65,043	77,862	-12,819	Notes and accounts payable-trade	192,766	179,967	12,799
Notes and accounts receivable-trade	292,338	272,858	19,480	Short-term loans and current portion of long-term debt	149,898	414,811	-264,913
Marketable securities	4	3,331	-3,327	Current portion of bonds	-	100	-100
Inventories	69,242	63,302	5,940	Other current liabilities	31,678	34,959	-3,281
Other current assets	30,429	40,118	-9,689				
Allowance for doubtful receivables	-13,770	14,327	557	II. <b>Non-current liabilities</b>	<b>308,317</b>	<b>83,714</b>	<b>224,603</b>
II. <b>Non-current assets</b>	<b>307,401</b>	<b>325,882</b>	<b>-18,481</b>	Bonds	400	400	-
1 Property and equipment	84,644	89,055	-4,411	Long-term debt less current portion	296,031	68,880	227,151
2 Intangible assets	2,532	4,848	-2,316	Liability for severance payments	5,607	7,140	-1,533
3 Investments and other assets				Liability for loss of guaranteed payments	62	1,444	-1,382
Investments in securities and other investments	120,111	117,931	2,180	Liability for loss of property related payments	2,168	2,168	-
Other non-current assets	141,447	156,479	-15,032	Other non-current liabilities	4,047	3,680	367
Allowance for doubtful receivables	-41,334	-42,432	1,098	<b>Total liabilities</b>	<b>682,660</b>	<b>713,552</b>	<b>-30,892</b>
Investments and other assets total	220,224	231,978	-11,754				
III. <b>Deferred assets</b>	<b>24</b>	<b>46</b>	<b>-22</b>	<b>Minority interests</b>	<b>28,670</b>	<b>26,540</b>	<b>2,130</b>
				<b><u>Stockholders' equity</u></b>			
				I. Common stock	44,199	44,199	-
				II. Capital surplus	11,921	42,183	-30,262
				III. Retained earnings (Deficit)	14,646	-23,348	37,994
				IV. Net unrealized gains on investments in securities	204	-244	448
				V. Foreign currency translation adjustments	-31,142	-33,424	2,282
				VI. Treasury stock	-446	-383	-63
				<b>Total stockholders' equity</b>	<b>39,383</b>	<b>28,981</b>	<b>10,402</b>
<b>Total assets</b>	<b>750,715</b>	<b>769,075</b>	<b>-18,360</b>	<b>Total liabilities and stockholders' equity</b>	<b>750,715</b>	<b>769,075</b>	<b>-18,360</b>

January 28, 2005

**CONSOLIDATED STATEMENTS OF INCOME**

Millions of Yen

	The Nine-month Period of Fiscal 2004		The Nine-month Period of Fiscal 2003		Difference		Fiscal 2004	
	(April 1, 2004 - December 31, 2004)		(April 1, 2003 - December 31, 2003)		(A)-(B)		(April 1, 2003 - March 31, 2004)	
	(A)	%	(B)	%	(A)-(B)	%		%
I. Total trading transactions	1,199,945	100.00	1,200,685	100.00	-740	-0.06	1,604,084	100.00
II. Cost of trading transactions	1,137,295	94.78	1,125,957	93.78	11,338	1.01	1,508,057	94.01
Gross trading profit	62,649	5.22	74,728	6.22	-12,079	-16.16	96,026	5.99
III. Selling, general and administrative expenses	42,424	3.53	52,778	4.39	-10,354	-19.62	67,847	4.23
<b>Operating income</b>	<b>20,224</b>	<b>1.69</b>	<b>21,949</b>	<b>1.83</b>	<b>-1,725</b>	<b>-7.86</b>	<b>28,179</b>	<b>1.76</b>
IV. Other income	9,682	0.81	10,911	0.91	-1,229	-11.26	15,178	0.95
V. Other expenses	10,644	0.89	16,462	1.37	-5,818	-35.34	21,772	1.36
<b>Ordinary profit</b>	<b>19,262</b>	<b>1.61</b>	<b>16,398</b>	<b>1.37</b>	<b>2,864</b>	<b>17.47</b>	<b>21,584</b>	<b>1.35</b>
VI. Extraordinary profit	4,422	0.37	10,878	0.90	-6,456	-59.35	22,627	1.41
VII Extraordinary loss	4,875	0.41	14,571	1.21	-9,696	-66.54	30,406	1.90
Profit before income tax expense	18,808	1.57	12,705	1.06	6,103	48.04	13,805	0.86
Income tax expense	8,117	0.68	5,066	0.42	3,051	60.23	6,463	0.41
Loss from minority interests	2,881	0.24	2,755	0.23	126	4.57	3,588	0.22
<b>Net Income</b>	<b>7,809</b>	<b>0.65</b>	<b>4,883</b>	<b>0.41</b>	<b>2,926</b>	<b>59.92</b>	<b>3,753</b>	<b>0.23</b>

Note: Amounts less than 1 million yen omitted

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## Segment Information

**Tomen Corporation**  
January 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 nine-month period of fiscal year 2005 [ April 1, 2004 through December 31, 2004 ]

(Millions of Yen)

	Chemicals	Produce & Foodstuffs	Textiles	Electronics	Machinery & Energy	Others	Total	Elimination or Unallocated	Consolidated
Total Trading Transactions:									
(1) Outside customers	319,778	181,095	150,597	211,459	316,649	20,364	1,199,945	-	1,199,945
(2) Inter-area	105	7	96	19	79	2,809	3,117	(3,117)	-
Total	319,883	181,102	150,693	211,478	316,729	23,174	1,203,062	(3,117)	1,199,945
Operating expenses	313,758	174,464	148,831	204,659	314,500	23,368	1,179,583	137	1,179,720
Operating income or loss	6,125	6,638	1,862	6,818	2,229	-194	23,479	(3,255)	20,224

Previous nine-month period of fiscal year 2004 [ April 1, 2003 through December 31, 2004 ]

(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

Previous fiscal year 2004 [ April 1, 2003 through March 31, 2004 ]

(Millions of Yen)

	Chemicals	Produce & Foodstuffs	Textiles	Electronics	Machinery & Energy	Others	Total	Elimination or Unallocated	Consolidated
Total Trading Transactions:									
(1) Outside customers	408,243	217,115	259,885	232,425	438,677	47,736	1,604,084	-	1,604,084
(2) Inter-area	123	11	1,401	89	878	6,707	9,212	(9,212)	-
Total	408,366	217,126	261,287	232,515	439,556	54,444	1,613,296	(9,212)	1,604,084
Operating expenses	397,987	207,820	256,614	224,927	438,862	54,780	1,580,992	(5,087)	1,575,905
Operating income or loss	10,379	9,305	4,672	7,588	694	-336	32,303	(4,124)	28,179

### 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