

# Tomen News Release

April28,2004

## Consolidated Financial Statements For the Fiscal Year 2003 Ended March 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  
Contact Information : Koichi Koiwai, General Manager, Corporate Communications Office  
Tel. 81-3-5288-2090

Board of Directors' Meeting : April 28, 2004

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

### 1. Consolidated Business Results of Fiscal 2003 [April 1, 2003 through March 31, 2004]

#### (1) Results of Operations

	Total Trading Transactions		Operating Income		Ordinary Profit	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
March 31,2004	1,604,084	-23.0	28,179	9.8	21,584	57.5
March 31,2003	2,082,897	-12.7	25,661	1.8	13,704	-40.9

	Net Income		EPS	EPS (After dilution)	Net Income/ Shareholders' Equity	Ordinary Profit/ Total Assets	Ordinary Profit/Net Sales
	Millions of Yen	%	Yen	Yen	%	%	%
March 31,2004	3,753	-	5.16	1.96	17.5	2.5	1.3
March 31,2003	-66,969	-	-105.58	-	-723.0	1.1	0.7

Note:

- Equity in earnings of unconsolidated subsidiaries and affiliates:  
March 31, 2004 : 4,449 million yen      March 31, 2003 : 3,728 million yen
- Average number of shares during the period (Consolidated):  
March 31, 2004 : 722,190,584 shares      March 31, 2003 : 634,294,451 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 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
March 31,2004	769,075	28,981	3.8	-53.40
March 31,2003	971,713	13,861	1.4	-91.72

Note:

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

- Ordinary stock :  
March 31, 2004 : 805,993,895 shares      March 31, 2003 : 633,893,330 shares
- Preferred stock :  
March 31, 2004 : 144,000,000 shares      March 31, 2003 : 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
March 31,2004	44,635	41,194	-98,310	79,400
March 31,2003	81,301	82,240	-202,739	93,928

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

Consolidated subsidiaries	:	147
Unconsolidated subsidiaries under Equity Method	:	2
Affiliated companies under Equity Method	:	65

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

Consolidated subsidiaries	Added	:	4
	Removed	:	69
Equity Method	Added	:	3
	Removed	:	27

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

	Total Trading Transactions	Ordinary Profit	Net Income
	Millions of Yen	Millions of Yen	Millions of Yen
Interim period ending September 30, 2004	700,000	11,500	4,500
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

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

April 28, 2004

Millions of Yen

	March 31, 2004	March 31, 2003	Difference		March 31, 2004	March 31, 2003	Difference
	(A)	(B)	(A)-(B)		(A)	(B)	(A)-(B)
<b>Assets</b>				<b>Liabilities</b>			
<b>I. Current assets</b>	<b>443,146</b>	<b>548,851</b>	<b>-105,705</b>	<b>I. Current liabilities</b>	<b>629,837</b>	<b>785,308</b>	<b>-155,471</b>
Cash and deposits	77,862	93,964	-16,102	Notes and accounts payable-trade	179,967	206,198	-26,231
Notes and accounts receivable-trade	272,858	327,589	-54,731	Short-term loans and current portion of long-term debt	414,811	537,002	-122,191
Marketable securities	3,331	3,623	-292	Current portion of bonds	100	-	100
Inventories	63,302	91,254	-27,952	Other current liabilities	34,958	42,106	-7,148
Other current assets	40,117	48,417	-8,300				
Allowance for doubtful receivables	-14,327	-15,999	1,672				
<b>II. Non-current assets</b>	<b>325,882</b>	<b>422,453</b>	<b>-96,571</b>	<b>II. Non-current liabilities</b>	<b>83,714</b>	<b>136,969</b>	<b>-53,255</b>
1 Property and equipment	89,055	115,661	-26,606	Bonds	400	3,256	-2,856
2 Intangible assets	4,848	47,796	-42,948	Long-term debt less current portion	68,880	119,618	-50,738
3 Investments and other assets	231,978	258,994	-27,016	Liability for severance payments	7,140	7,108	32
Investments in securities and other investments	117,931	128,824	-10,893	Other non-current liabilities	7,291	6,984	307
Long-term loans	51,678	56,162	-4,484				
long-term account receivables	55,587	64,059	-8,472				
Other non-current assets	49,212	57,408	-8,196	<b>Total liabilities</b>	<b>713,552</b>	<b>922,278</b>	<b>-208,726</b>
Allowance for doubtful receivables	-42,432	-47,460	5,028				
				<b>Minority interests</b>	<b>26,540</b>	<b>35,573</b>	<b>-9,033</b>
<b>III. Deferred assets</b>	<b>46</b>	<b>408</b>	<b>-362</b>	<b>Stockholders' equity</b>			
				I. Common stock	44,199	68,185	-23,986
				II. Capital surplus	42,183	51,442	-9,259
				III. Retained earnings (Deficit)	-23,348	-70,343	46,995
				IV. Net unrealized gains on investments in securities	-244	-4,845	4,601
				V. Foreign currency translation adjustments	-33,424	-30,252	-3,172
				VI. Treasury stock	-383	-324	-59
				<b>Total stockholders' equity</b>	<b>28,981</b>	<b>13,861</b>	<b>15,120</b>
<b>Total assets</b>	<b>769,075</b>	<b>971,713</b>	<b>-202,638</b>	<b>Total liabilities and stockholders' equity</b>	<b>769,075</b>	<b>971,713</b>	<b>-202,638</b>

**Tomen Corporation**

April 28, 2004

**CONSOLIDATED STATEMENTS OF INCOME**

Millions of Yen

For the year ended March 31	2004		2003		Difference	
		%	(C)	%	(C)-(D)	%
I. Total trading transactions	1,604,084	100.00	2,082,897	100.00	-478,813	-22.99
II. Cost of trading transactions	1,508,057	94.01	1,969,775	94.57	-461,718	-23.44
Gross trading profit	96,026	5.99	113,121	5.43	-17,095	-15.11
III. Selling, general and administrative expenses	67,847	4.23	87,460	4.20	-19,613	-22.43
<b>Operating income</b>	<b>28,179</b>	<b>1.76</b>	<b>25,661</b>	<b>1.23</b>	<b>2,518</b>	<b>9.81</b>
IV. Other income	15,178	0.95	21,881	1.05	-6,703	-30.63
Interest income	4,867	0.30	8,609	0.41	-3,742	-43.47
Dividend income	929	0.06	1,032	0.05	-103	-9.98
Equity in net income of affiliates	4,449	0.28	3,728	0.18	721	19.34
Others	4,930	0.31	8,511	0.41	-3,581	-42.07
V. Other expenses	21,772	1.36	33,838	1.62	-12,066	-35.66
Interest expenses	13,904	0.87	23,807	1.14	-9,903	-41.60
Others	7,868	0.49	10,030	0.48	-2,162	-21.56
<b>Ordinary profit</b>	<b>21,584</b>	<b>1.36</b>	<b>13,704</b>	<b>0.66</b>	<b>7,880</b>	<b>57.50</b>
VI. Extraordinary profit	22,627	1.41	137,162	6.58	-114,535	-83.50
VII Extraordinary loss	30,406	1.90	178,943	8.59	-148,537	-83.01
Profit before income tax expense	13,805	0.86	-28,075	-1.35	41,880	-
Income tax expense	8,003	0.50	9,622	0.46	-1,619	-16.83
Income tax deferred	-1,539	-0.09	26,378	1.27	-27,917	-
Loss from minority interests	3,588	0.22	2,892	0.14	696	24.07
<b>Net Income</b>	<b>3,753</b>	<b>0.23</b>	<b>-66,969</b>	<b>-3.22</b>	<b>70,722</b>	<b>-</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.

**TOMEN CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Millions of Yen

April 28, 2004

For the year ended March 31,	2004	2003
<b>I. Cash Flows from Operating Activities:</b>		
Income(loss) before income taxes	13,805	-28,075
Depreciation and amortization	6,717	9,979
Amortization of goodwill	2,548	3,774
Provision for doubtful receivables	2,277	17,064
Interest and dividend income	-5,797	-9,642
Interest expenses	13,904	23,807
Gain(loss) on foreign exchange	-1,360	-5,429
Equity in earnings of affiliates	-4,449	-3,728
Gain (Loss) on disposal of property and equipment, net	862	207
Gain (loss) on sales, devaluation of investments in securities, net	-16,297	23,949
Gain on extinguishment of debts	-	-13,417
Gain on debt forgiveness	-	-110,000
Special severance payments	1,308	1,020
Loss on dissolution of qualified retirement-funded pension plan	9,231	-
Loss on business structure reform	-	113,453
Loss on disposal of real estate	7,632	-
Changes in assets and liabilities:		
Receivables	23,006	38,863
Inventories	8,796	13,617
Payables	-9,690	-9,531
Decrease in short-term loan receivables	8,734	28,872
Other, net	7,512	12,210
Sub total	68,741	106,995
Interest and dividend received	6,597	9,882
Interest paid	-13,636	-23,449
Cash paid for special severance payments	-2,283	-2,491
Cash paid for dissolution of qualified retirement-funded pension plan	-7,112	-
Cash paid for income taxes	-7,670	-9,636
Net cash provided by operating activities	44,635	81,301
<b>II. Cash Flows from Investing Activities:</b>		
Change in time deposits, net	1,528	27,833
Purchase and sale of property and equipment	2,089	34,886
Change in other investments, net	40,506	5,351
Change in long-term loans and long-term receivables, net	6,347	7,810
Change in securities and investments, net	1,189	17,078
Other, net	-10,466	-10,720
Net cash provided by investing activities	41,194	82,240
<b>III. Cash Flows from Financing Activities:</b>		
Change in short-term debt, net	-87,280	-165,616
Change in bonds	3,052	-16,029
Repayment of long-term debt	-25,733	-95,162
Proceeds from stock issuance	9,999	72,000
Other, net	1,651	2,068
Net cash used in financing activities	-98,310	-202,739
<b>IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	-1,748	-7,331
<b>V. Net Increase (Decrease) in Cash and Cash Equivalents</b>	-14,228	-46,527
<b>VI. Cash and Cash Equivalents at Beginning of Year</b>	93,928	140,290
<b>VII. Net Increase (Decrease) in Cash and Cash Equivalents with Changes in Scoep of Consolidation</b>	-299	165
<b>VIII. Cash and Cash Equivalents at End of Year</b>	79,400	93,928

Note: Amounts less than 1 million yen omitted

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## Segment Information

Tomen Corporation  
April 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.

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.

Year ended March 31, 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
Total assets	200,627	74,096	74,995	91,149	159,050	84,987	684,906	84,168	769,075

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 4,196 million yen of unallocated expenses under "Elimination or Unallocated", which mainly represent expenses related to the corporate staff unit of the company.

3. Total assets include 86,614 million yen of unallocated expenses under "Elimination or Unallocated", which mainly represent cash, deposits and securities pertaining to financial activities.

Year ended March 31, 2003 [April 1, 2002 through March 31, 2003]

(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
Total assets	255,748	75,478	88,436	86,356	200,570	122,839	829,429	142,283	971,713

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

3. Total assets include 144,040 million yen of unallocated expenses under "Elimination or Unallocated", which mainly represent cash, deposits and securities pertaining to financial activities.