

## Financial Results for 1st Quarter FY2004 (US GAAP Basis)

Operating Results	1st quarter FY2003 results	1st quarter FY2004 results		FY2004 Yearly prospects	
			Variance	Progress	
Total volume of trading transactions (*1)	1,783.1	1,699.2	-83.9	7,600.0	22%
<b>Gross trading profit</b>	90.9	100.5	9.6	435.0	23%
Selling, general and administrative expenses	-78.0	-81.2	-3.2	-342.0	24%
Provision for doubtful accounts	2.6	-0.5	-3.1	-8.0	-
<b>Operating profit (*1)</b>	15.5	18.8	3.3	85.0	22%
Interest expense, net of interest income	-6.0	-6.5	-0.6	-28.0	23%
Dividend Income	2.2	2.4	0.1	6.0	39%
Gain (Loss) on investment securities	1.9	4.1	2.2	-12.0	-
Gain (Loss) on property and equipment	0.3	0.2	-0.1		
Other-net	0.2	1.0	0.8		
<b>Income (Loss) before income taxes and equity in earnings (losses) and minority interests</b>	14.2	19.9	5.7	51.0	39%
Provision (benefit) for income taxes	-7.2	-10.0	-2.8	-27.0	37%
Minority interests in income (loss) of consolidated subsidiaries (*2)	-0.5	-0.6	-0.2	-3.0	21%
Equity in earnings (losses) of affiliated companies	4.1	6.5	2.4	16.0	41%
<b>Net income (loss)</b>	10.6	15.7	5.1	37.0	42%

(\*1) Total volume of trading transactions and Operating profit have been prepared according to accounting principles generally accepted in Japan

(\*2) In the 1st quarter FY2003, Minority interests in income of consolidated subsidiaries have been included in Income before income taxes and equity in earnings, however certain reclassifications have been made to conform to the presentation for the 1st quarter FY2004

<b>Revenue (*3)</b>	601.5	661.0	59.5		
<b>Operating profit excluding restructuring costs (*4)</b>	12.9	19.3	6.4	93.0	21%
<b>Core earnings (*5)</b>	19.2	28.1	8.9	115.0	24%

(\*3) Revenue is presented in accordance with FASB Emerging Issue Task Force (EITF) 99-19.

(\*4) Operating profit excluding restructuring costs = Gross trading profit - SGA expenses

(\*5) Core earnings = Operating profit excluding restructuring costs + Dividend income ± Equity in earnings of affiliated companies

Financial condition	March 31, 2004	June 30, 2004		March 31, 2005 Prospects
			Variance	
<b>Total assets</b>	4,254.2	4,125.3	-128.8	4,100.0
(Current assets)	(2,080.0)	(1,924.4)	(- 155.6)	-
(Fixed assets)	(2,174.2)	(2,200.9)	(26.7)	-
<b>Shareholders' equity</b>	393.0	406.6	13.6	425.0
<b>Interest-bearing debt</b>	2,454.8	2,362.3	-92.5	-
<b>Net interest-bearing debt</b>	1,969.3	2,000.6	31.3	2,000.0
<b>D/E ratio (*6)</b>	5.01 times	4.92 times	-0.09 points	approx. 4.7 times

(\*6) D/E ratio is calculated based on net interest-bearing debt.

Increase/Decrease of Consolidated Companies Surplus/Deficit	June 30, 2003	June 30, 2004		1st quarter FY2003 results	1st quarter FY2004 Results	
			Variance		Results	Variance
No. of profit-making companies	352	374	22	16.7	19.4	2.7
No. of loss-making companies	138	149	11	-9.0	-7.9	1.1
Total	490	523	33	7.7	11.5	3.8
No. of profit-making companies ratio	71.8%	71.5%	-0.3points			

### Outline of Financial Results for the 1st Quarter of FY 2004

◆Major Financial Indicators	1 <sup>st</sup> Quarter of			③ Selling, General and Administration Expenses ... - 81.2 billion yen
	FY 2003	FY 2004	Variance	
1) Foreign Ex. Rate (YEN/USD)	118.50	109.77	(8.73 yen up)	This item increased by 3.2 billion yen, mainly due to the newly consolidated subsidiaries, e.g. Nacx Nakamura.
2) Short-term Prime Rate (Japan)	1.375	1.375		
Long-term Prime Rate (Japan)	1.358	1.744	(0.386% up)	④ Provision for Doubtful Accounts ... - 0.5 billion yen
◆Main Items				This item increased by 3.1 billion yen compared to the previous year. The increase is mainly due to the absence of large-scale reversal of this item, which was booked in the previous year.
① Total Volume of Trading Transactions ... 1,699.2 billion yen				⑤ Interest expense, net of interest income ... -6.5 billion yen
This item fell by 83.9 billion yen compared to the previous year's result. Of the decrease, about 48.0 billion yen is due to yen appreciation. The comparison by segment is tabulated below.				
Comparison with the previous year's result [unit : billion yen]				
Agri-Marine products	+54.8	Due to the mergers of feed grain and distribution subsidiaries, and the consolidations of the new subsidiaries.		⑥ Gain (Loss) on Investment Securities ... 4.1 billion yen
Metals & Mineral Resources	+29.3	Due to rise in price of coal/non-ferrous metal		This item improved by 2.2 billion yen compared to the previous year, mainly due to the 2.1 billion yen capital gain by selling Vodafone stocks.
Chemicals	+13.7	Due to rise in price of basic chemical products		⑦ Other Net ... 1.0 billion yen
Energy	-116.0	Due to the reduction of petroleum related transactions.		This item improved by 0.8 billion yen compared to the previous year, mainly due to foreign exchange gain.
Plant & Ship	-32.4	Due to the decline of energy/petrochemical plant and ship related transactions.		⑧ Equity in Earnings (Losses) of Affiliated Companies ... 6.5 billion yen
Development & Construction	-14.8	Due to the reduction of domestic housing related business of Parent		A breakdown for this item's increase/decrease is tabulated below.
[unit : billion yen]				
② Gross Trading Profit ... 100.5 billion yen				
This item increased by 9.6 billion yen compared to the previous year				
Comparison with the previous year's result [unit : billion yen]				
Agri-Marine products	+4.9	Due to the mergers of feed grain and distribution subsidiaries, and the consolidations of the new subsidiaries.		⑨ Shareholders' Equity ... 406.6 billion yen
Energy	+3.7	Due to the improvement of profitability in petroleum related transaction and the additional profit from the newly acquired rights in natural resources fields		
Utility & Infrastructure	+1.5	Due to the consolidation of the new subsidiaries, e.g. San Roque		
Forest Products & General Merchandise	+1.4	Due to the strong performance of the paper related affiliated companies, improvement of profitability of woodchip business, and the increase in building material transactions.		
Development & Construction	-1.6	Due to the decrease in sales		⑩ Net Interest-bearing Debt ... 2,000.6 billion yen
This item increased by 13.6 billion yen compared to March, 2004. This increase is due to, the net of				
(i) Decrease in cash dividend (- 4.9 billion yen),				
(ii) Deterioration of currency translation adjustments (- 1.5 billion yen),				
(iii) Improvement of net unrealized gains(losses) on investment securities (+4.4 billion yen), and				
(iv) Net income ( 15.7 billion yen).				
This item increased by 31.3 billion yen compared to March, 2004, mainly due to newly consolidated subsidiaries, e.g. Royal Maritime.				

### Financial Prospects for FY 2004

The results for the 1st Quarter of FY2004 exceeded the estimate, mainly due to solid market prices of various commodities. Prospect of consolidated financial results for FY2004 is, however, unchanged from that in the announcement on May 10, 2004, because uncertainty in commodity markets, foreign exchange and interest rates, and stock prices may affect our future business.