

Gross Trading Profit (by Operating Segment)

(for the First Quarter ended June 30, 2004)

| (Billions of yen) | 1st Quarter of FY2004 Results | 1st Quarter of FY2003 Results | Increase/ Decrease | Main Factors for Change |
|----------------------------------------------------|-------------------------------------|-------------------------------------|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Machinery & Aerospace | 9.9 | 10.1 | -0.2 | Decrease in ship trading, drop in aircraft-related transactions (-0.9); sale of a European automobile business subsidiary (-0.4); increase in profits from a Venezuelan automobile assembly and sales company (+0.6); and increase in profits from a vessels holding company (+0.4) |
| Energy & Mineral Resources | 8.2 | 8.0 | +0.2 | Increased profits in the energy resource business (+0.3), an Australian aluminum manufacturing subsidiary (+0.3), and increased import transactions of cast metal coke from China (+0.2); decreased profits in plant businesses (-0.4), including a plant for a Spanish power company and an agent business for bridge construction in the U.S., which were both spot transactions during the same quarter of the previous fiscal year, and decreased transactions of light oil with Korea |
| Chemicals & Plastics | 10.9 | 10.7 | +0.2 | Increased profits in a methanol manufacturing and sales subsidiary due to, steady market conditions (+0.3), the fertilizer business, an automobile paint materials business in China, and decrease due to the sale of the consolidation of subsidiaries, including a resin molding manufacturing company, Daiichi Kasei, (-0.6), etc. |
| Construction & Urban Development | 4.2 | 2.5 | +1.7 | Increased profits in the real estate business and construction of shopping centers and logistics centers, despite decreased profits in the condominium business (-1.6), which benefited from the undertaking of a major project in the same quarter of the previous fiscal year |
| Forest Products & Building Materials | 3.3 | 2.2 | +1.1 | Increased profits for expanded transactions, mainly in Sun Building Materials, a forest products sales subsidiary, due to a steady market for forest products, but which were sluggish during the same quarter in the previous fiscal year |
| Foods | 3.5 | 3.2 | +0.3 | Increased profits for higher profitability because of increased offshore transactions of wheat and the withdrawal from unprofitable businesses |
| General Commodities & Consumer Business | 3.6 | 3.3 | +0.3 | Increased profits in the woodchip business due to the full commencement of operations at a factory in Vietnam, and profits from Nakau, a Japanese fast-food chain business subsidiary, due to opening of new branches during the previous fiscal year |
| Textiles | 4.9 | 4.5 | +0.4 | Increased profits due to the new consolidation of Daiichibo (+0.7), despite decreased apparel transactions and sluggish trading of non-apparel home textile products for retail stores |
| Overseas Subsidiaries | 5.7 | 6.8 | -1.1 | Decreased profits due to the sale of a steel products business (-0.4), yen appreciation (-0.2), decreased transactions for machinery in Europe (-0.2) that contributed to profits temporarily during the same quarter in the previous fiscal year, etc. |
| Others | 4.6 | 7.3 | -2.7 | Decreased profits due to the sale of a steel products business (-1.5), withdrawal from the consolidation of Suzuyasu, a manufacturing and sales company for steel plate, etc. (-1.2), despite increased profits for the newly consolidated Nissho Electronics, an IT-related company (+2.2) |
| Total | 58.8 | 58.6 | +0.2 | |