

fiscal 2004. Net income increased by ¥81.0 billion to a profit of ¥5.4 billion (\$50 million) as a result of the listing of an associated company and the resultant gain from the stock sale as well as a decrease in write-downs for impaired assets. Identifiable assets at the end of fiscal 2005 in this segment increased by 0.9% or ¥5.6 billion to ¥615.3 billion (\$5,730 million) as new investment in a preferred stock of Orico offset decreases tied mainly to the exit from construction projects.

#### *Other, Adjustments & Eliminations:*

Trading transactions increased by 2.1% or ¥4.8 billion to ¥229.7 billion (\$2,139 million) largely as a result of higher rev-

enues in North American building material-related operations. Gross trading profits fell by 12.5% or ¥4.4 billion to ¥31.0 billion (\$289 million) as foreign exchange losses and changes in segment classification of subsidiaries offset the strength in North American housing material-related businesses. Net income improved by 68.2% or ¥8.3 billion to a loss of ¥3.9 billion (\$36 million) as a result of lower pension costs, improved returns on securities and other investments, and decreases in impairment charges on fixed assets. Identifiable assets in this segment decreased by 16.7% or ¥148.0 billion to ¥736.3 billion (\$6,856 million) as a result of decreases in cash and cash equivalents.

## Geographical Segment Information

### *Japan:*

Trading transactions fell by 5.1% or ¥380.2 billion to ¥7,143.5 billion (\$66,520 million) as reductions of low-efficiency transactions offset the positive impact from higher market prices of chemical and energy-related products. Identifiable assets in this segment dropped by 3.3% or ¥132.7 billion to ¥3,836.5 billion (\$35,725 million) largely reflecting decreases in cash and cash equivalents.

### *North America:*

Trading transactions surged by 25.1% or ¥95.5 billion to ¥476.6 billion (\$4,438 million) due to increased energy-related transactions as well as strength in the housing market in Chemicals, Forest Products & General Merchandise segment. Identifiable assets in this segment increased by 6.9% or ¥19.0 billion to ¥295.3 billion (\$2,749 million) as operating receivables increased consistent with the increase in revenues and inventory build out.

### *Europe:*

Trading transactions increased by 12.2% or ¥20.4 billion to ¥187.6 billion (\$1,747 million). Identifiable assets in this segment were consistent with fiscal 2004, up 1.1% or ¥1.7 billion to ¥160.7 billion (\$1,497 million).

### *Asia:*

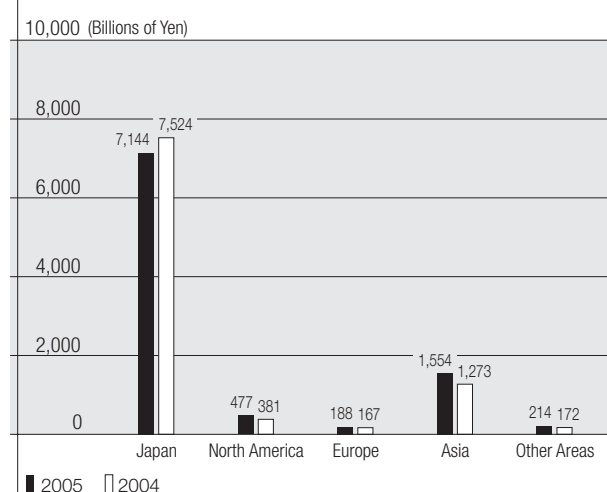
Trading transactions increased by 22.0% or ¥280.5 billion to ¥1,553.9 billion (\$14,469 million) as a result of higher energy market prices and an increase in transaction volumes. Identifiable assets in this segment increased by 11.1% or ¥22.6 billion to ¥225.1 billion (\$2,096 million) as higher crude oil prices pushed energy-related products up and brisk overseas trade resulted in a rise in operating receivables.

### *Other:*

Trading transactions increased by 25.0% or ¥42.9 to ¥214.4 billion (\$1,997million) on the back of higher prices and an increase in transaction volumes for metal materials-related coal and iron ore. Identifiable assets in this segment increased by 22.9% or ¥53.2 billion to ¥285.2 billion (\$2,656 million) on a rise in operating receivables that came in tandem with higher market prices and transaction volumes in coal and iron ore.

Please note that there are consolidation adjustments of identifiable assets that are not included in any of the above segments.

**Total Trading Transactions by Geographical Segment**



**Identifiable Assets by Geographical Segment**

