

JFTC News

Contents

1. New Year's Address
2. New Year's Reception
3. Awards JFTC Essay Competition 2007
4. Forecasts for Japan's Trade Balance and Current Account in FY2008
5. Implementation of Explanatory Sessions on Security Trade Control Aimed at Overseas Subsidiaries, Affiliates, and Branches
6. New Symbol and Logotype of JFTC
7. Welcome Luncheon Reception for His Excellency Mr. Nguyen Minh Triet, President of the Socialist Republic of Viet Nam
8. Special Research Committee · Symposium
9. Financial Results of Shoshas for the Six Months ended September 30, 2007

Japan Foreign Trade Council, Inc.

World Trade Center Bldg. 6th Floor,
4-1, Hamamatsu-cho 2-chome,
Minato-ku, Tokyo 105-6106, Japan
Tel. (03) 3435-5959 Fax. (03) 3435-5979
URL. <http://www.jftc.or.jp/>

New Year's Address

Mikio Sasaki

**Chairman, Japan Foreign Trade Council, Inc.
Chairman, Mitsubishi Corporation**

Let me take this opportunity to wish everyone a Happy New Year.



During this past year, Japan, the United States, and Europe enjoyed moderate expansion, while such emerging economies as China and India continued to grow rapidly. Over the past five years, global economic growth has been remarkably vigorous, creating what we might call a worldwide economic boom. In the second half of 2007, economic problems surfaced in connection with the United States sub-prime mortgage market, but assuming that the impact from that will prove temporary, I believe we can count on the booming emerging countries including the BRICs economies (Brazil, Russia, India and China) to sustain global economic growth, given their markedly increasing weight in the total world economy. As we embark on a new year, my hope is that the global economy can maintain the dynamism we have seen over the past few years and continue to grow at cruising speed.

In Japan, the expansionary phase that began

in February 2002 is now entering its sixth year. This year as well we are looking forward to strong exports to China, India, and various oil-producing and resource-exporting countries, as well as robust domestic demand powered by capital investment and consumer spending. In addition, I believe developments with the World Trade Organization (WTO) and Economic Partnership Agreements (EPAs) will play an important role in the further development of the Japanese economy.

We have long regarded the WTO and EPAs as two key mechanisms for promoting liberalization of trade and investment and thereby ensuring that Japan rides the wave of global economic growth in today's climate of globalization and fierce international competition. Accordingly, we have supported these mechanisms and lobbied vigorously to expand and strengthen them.

The liberalization of trade and investment and establishment of international rules under the WTO creates the infrastructure companies need to do business freely across national borders. Maintaining and strengthening the WTO regime is crucial to the development of global business activity and, by extension, to the continued growth of the global economy. Last year negotiations on the WTO Doha Development Agenda failed to yield an agreement by the year's end. My fervent wish for the coming year is that the voluntary and proactive efforts of all the countries involved will bear fruit, and we can move steadily toward a final agreement.

In terms of EPAs, meanwhile, Japan concluded agreements with Chile, Thailand, Brunei and Indonesia last year to add to its existing pacts with Singapore, Mexico, Malaysia and the Philippines. EPAs offer a wide array of benefits for Japan; they not only promote free trade and investment but also contribute to the free movement of people across borders, protection of intellectual property, and creation of a favorable environment in which to do business. The Japan-Chile EPA, for example, is expected not only to boost trade between our two countries (Chile is Japan's biggest supplier of copper, molybdenum, etc.) but also to provide Japanese companies with a foothold for further advances into South America. The Japan-Thailand EPA should improve the business environment for Japanese firms in Thailand in various ways, as by reducing the cost of parts procurement by lowering trade barriers. The recently concluded ASEAN-Japan Comprehensive Economic Partnership Agreement is Japan's first regional EPA, and this comprehensive pact is expected to hasten the integration of the East Asian economy radiating out from the ASEAN nucleus. I believe that it is important to develop EPAs from bilateral to multilateral and regional agreements.

This year, in addition to the EPAs with Vietnam and India currently under negotiation, Japan will continue to pursue important talks on a Free Trade Agreement with the Gulf Cooperation Council (GCC). I am hopeful that our negotiations with such regional organizations will yield timely agreements and lead to closer relations. In addition I would like to actively promote joint studies and similar preliminary steps toward EPA negotiations with the United States and the European Union.

It is more important than ever that Japan assert itself and take a leadership role in the process of establishing international trade rules through such means as the promotion of the WTO and EPAs. Japan's public and private sectors must work together tirelessly toward this end. We are committed to supporting such activity this year as in the past.

Finally, the G8 Summit is scheduled to be held at Lake Toya, Hokkaido, in July this year, and one of the major items of business will be the issue of global warming. I believe that Japan, as a world leader in environmental and energy-saving measures, can make an important global contribution through the spread of technology for efficient use of energy and other resources. I am counting on Japan to exert leadership on the issue of global warming at G8 Hokkaido Toyako Summit by calling attention to its own technologies and initiatives. And I fervently hope that all the parties involved will adopt a long-range perspective, engage in meaningful discussion, and move decisively toward a solution to this problem.

New Year's Reception

January 9, 2008

Japan Foreign Trade Council, Inc. (JFTC) held a New Year's Reception at Hotel New Otani in Tokyo on January 9, 2008, participated in by 478 people from member companies and organizations including guests from government offices, foreign embassies and chambers of commerce in Japan.

Following an opening address by Chairman Mikio Sasaki, Minister Akira Amari, Ministry of Economy, Trade and Industry (METI) gave an address as a guest speaker. After this, Selection Committee Chairman Iwao Nakatani provided a



JFTC Chairman and Vice Chairmen receiving participants



review of the award-winning essay in the JFTC Essay Competition 2008, and introduced the winners. Then the Reception commenced, after a toast announced by Chairman Yasuo Hayashi, Japan External Trade Organization (JETRO). The Reception saw relaxed conversation between the participants, including the winners of the Essay Competition, before it was brought to a successful conclusion.

Awards JFTC Essay Competition 2007

December 14, 2007

Japan Foreign Trade Council, Inc. sponsors of the “JFTC Essay Competition 2007” are very pleased to announce that we received a total of 82 submissions from 22 different countries for the competition this year. After a strict screening of all the essays, the four submissions below have been selected as the Prize Excellence of the competition in 2007. Unfortunately, however, there was not one that the Selection Committee members should strongly back for the Grand Prize of 1 million yen. We would like to express our congratulations to the winners and thank all the participants for taking part.

Selection Committee:

Chairman: Dr. Iwao NAKATANI, Director of Research, Mitsubishi UFJ Research and Consulting Co., Ltd. and President of Tama University

Vice Chairs: Professor Yoko WAKE, Faculty of Business and Commerce, Keio

University

Vice Chairs: Mr. Kazuo MORI, Senior and Editorial Writer, Nihon Keizai Shimbun, Inc.

Remarks by Selection Committee Chairman, Dr. Iwao NAKATANI

As chair of the Selection Committee, I am most delighted that this year’s essay competition sponsored by Japan Foreign Trade Council, Inc. received, as in past years, many interesting essays from people in a variety of countries. I would like to express my sincere appreciation to everyone involved for their efforts.

One of the major reasons why we have chosen “Global Capitalism and Japanese Companies” as the theme of this year’s competition was to have entrants to the competition discuss freely how Japanese companies should respond to the increasing globalization of capital markets. Recently it has become commonplace for investment funds and other international capital to move across national boundaries for M&A, so that may Japanese companies are pressed to develop corporate governance and management policies that are in step with international standards. With this in mind, we thought that discussion by the entrants to the competition on the possible vision of the ideal Japanese company would be of great reference for all of us.

I am pleased to say that we received many interesting essays on the theme. We received entries from 22 countries, including Japan, with about half of the total number of essays being submitted in English. Our essay competition may be the only one in Japan that attracts international participation with this kind of worldwide span.

Unfortunately, however, there was not one that the entire Selection Committee wanted to strongly back for the Grand Prize. In the end, the Selection Committee decided to select the following four essays for the Prize for Excellence:

In “The Win-win-win Globalization and Japanese Companies,” Heng DYNA, a 24 year-old Cambodian student living in Tokyo, puts forth the compelling argument that Japan should skillfully combine its technology with global capital and developing countries human resources to build a win-win-win relationship among the three.

In "Gundamnomics: Transforming Corporate Japan for the Challenges of Global Capitalism," Pin-Quan NG, a 22 year-old Singaporean student residing in the United States, takes the example of the great transformation of the Japanese economy in the postwar period, including the recent development of Japanese anime and robot technology, and goes on to discuss a further transformation in the future.

In "Responding to Global Capitalism: Today's Priority on Japan's Business Agenda," Séphora VOLCY, a 23 year-old French student residing in France, discusses what Japanese companies and the Japanese government should do to restructure their own path while retaining a unique Japanese perspective in the face of the new reality of global capitalism.

In "A Proposal for Japanese Companies: Become Alert and Solid Corporations," Wataru KAMIYA, a 33 year-old Japanese organization official residing in Tokyo, points out that the Japanese concept of "amae" or "presumption of favor" has been part of Japanese companies' business rules. Mr. Kamiya makes the unique proposal that "amae" must be eliminated.

Each of these essays presents very interesting points and is worth reading. There was no essay, however, that stood out as the one that the Selection Committee members should unanimously strongly back. For this reason, the Grand Prize will unfortunately not be awarded in this year's essay competition.

Dr. Iwao NAKATANI
Chairman
Selection Committee
JFTC Essay Competition 2007



JFTC Essay Competition award winners

Forecasts for Japan's Trade Balance and Current Account in FY2008

~ A new record high is predicted for the trade balance at the level of 17 trillion yen and the current account for the sixth consecutive fiscal year. ~

Wednesday, December 5, 2007
Japan Foreign Trade Council, Inc.

Japan Foreign Trade Council, Inc. (Chairman, Mikio Sasaki) press released on December 5 "Japan's forecasts for trade balance and the current account in FY2008". The Trade Research Committee of JFTC has been working on projections of trade balances and current accounts since 1974. One of the most unique features of the JFTC forecasts is the methodology employed for the forecast. The forecast was conducted by compiling trade projections of major categories of commodities which were gathered and analyzed by hearing with industry specialists.

1. Summary

(1) Forecasts for Exports and Imports by Commodity (Customs cleared-basis)

- **FY2007:** Exports will register a double-digit increase for the fourth consecutive fiscal year to about 80 trillion yen, while imports will decrease on a numerical basis

Total export value will stand at 85 trillion 652 billion 300 million yen, a 10.6% increase over the previous fiscal year. The numerical volume of exports will increase 6.9% over the same period (exceeding the 5.6% increase seen in FY2006) as a result of favorable trends in relation to automobile and plants, mainly to newly-emerging economies and resource-

producing countries. Furthermore, in spite of the fact that the passing on of the increasing prices of primary products will proceed, the increase rate in the price of exports will at 3.5% be rather lower than that of FY2006 (7.5%) due to decreases in the prices of electronic devices and other goods.

Total import value will stand at 74 trillion 200 billion 800 million yen, an 8.5% increase over the previous fiscal year. However, the numerical volume of imports will fall from 4.0%, a drop from the 7.0% increase of FY2006, reflecting sluggish domestic demand; due to an increase in the price of primary products, the rate of increase in the price of imported goods will at 13.0% exceed the 9.7% rate exhibited in FY2006, bringing about an expansion in the value of imports.

- **FY2008:** Despite the increase in exports slowing down to reach the 90 trillion yen level, imports will remain steady due to price decreases. Total export value will stand at 91 trillion 25 billion 900 million yen, a 6.3% increase over the previous fiscal year. The rate of increase in the numerical volume of exports will remain at 4.2%, down from the level of FY2007, due to the higher yen and slowdown in the growth rate in the global economy. In the wake of a higher yen, the rate of increase in export prices will slow down to 2.0%.

Total import value will stand at 74 trillion 882 billion 900 million, a 0.9% increase on the previous fiscal year, a sharp downturn in the pace of increase. This is due to the fact that while the increase in the numerical volume of imports will be low at 3.1% owing to the gradual nature of the recovery in demand, import prices will be 2.1% below those of the previous fiscal year due to steady increases in the prices of primary products and the higher yen.

(2) Forecasts for Current Account

- **FY2007:** Current account surplus to increase along with the trade surplus and income surplus to 25 trillion yen

A new record will be set for the current account

surplus at 25 trillion 830 billion yen, the fifth consecutive year in which a record high has been reached. The trade surplus, due to a slowdown in the rate of increase in imports amidst a continual increase in the level of exports, will reach 12 trillion 930 billion yen, an increase of 2 trillion 446 billion 100 million yen over the previous fiscal year. Furthermore, the investment income surplus will reach 16 trillion 800 billion yen, an increase of 2 trillion 551 billion 600 million over FY2006, in the wake of an increase in net external assets and strong profits from overseas subsidiary companies. On the other hand, the services account balance registered a deficit of 2 trillion 600 billion yen, exceeding the level of FY2006, due to an increase in shipping balance payments.

- **FY2008:** Current account surplus will reach 31 trillion yen due to record high trade balance

The current account balance surplus will reach 31 trillion 360 billion yen, the second consecutive year in which the figure has increased in the order of five trillion yen. This is due to a rapid increase in the trade surplus to 17 trillion 410 billion yen, 4 trillion 480 billion yen higher than the FY2007 level, and will establish a new record high for the current account balance. Prices of primary products will increase steadily, and the rate of growth in imports will be around zero; thus, the increase in the competitiveness of Japan's exports will lead directly to an expansion in the trade surplus. Furthermore, the services account deficit will start to shrink, due to factors such as an expansion in the receipt of patent royalties, and an increase in visits by foreigners. The expansion in the income surplus will be maintained due to an increase in net external assets, but the rate of increase will slow down due to a decrease in overseas interest rates and the higher yen.

Note: The trade balance was on a customs clearance basis the first record high for 22 years since FY1986, and on a balance of payments figures basis was the first record high since FY1996 due to a change in the method of declaration.

Summary Data

1. Trade on Customs-Cleared Basis

Item	FY2006 Results		FY2007 Forecast		FY2008 Forecast	
	(Hundred million yen)	(Year-on year up/down growth rate)	(Hundred million yen)	(Year-on year up/down growth rate)	(Hundred million yen)	(Year-on year up/down growth rate)
Trade Balance	90,466	▲ 34,481	114,515	+24,049	161,430	+46,915
Exports	774,624	(13.4%)	856,523	(10.6%)	910,259	(6.3%)
Quantum Index		5.6%		6.9%		4.2%
Unit Value		7.5%		3.5%		2.0%
Imports	684,158	(13.1%)	742,008	(8.5%)	748,829	(0.9%)
Quantum Index		7.0%		▲ 4.0%		3.1%
Unit Value		9.7%		13.0%		▲ 2.1%

2. Balance of Payment Basis

Item	FY2006 Results		FY2007 Forecast		FY2008 Forecast	
	(Hundred million yen)	(Year-on year up/down growth rate)	(Hundred million yen)	(Year-on year up/down growth rate)	(Hundred million yen)	(Year-on year up/down growth rate)
Balance in Goods and Services	81,860	7,788	103,300	+21,440	151,100	+47,800
Trade in Goods	104,839	9,206	129,300	+24,461	174,100	+44,800
Exports	736,653	(13.0%)	814,540	(10.6%)	865,640	(6.3%)
Imports	631,814	(13.6%)	685,240	(8.5%)	691,540	(0.9%)
Trade in Services	▲ 22,979	▲ 1,419	▲ 26,000	▲ 3,021	▲ 23,000	+3,000
Investment Income	142,484	+16,390	168,000	+25,516	175,000	+7,000
Current Transfers	▲ 12,806	▲ 3,872	▲ 13,000	▲ 194	▲ 12,500	+500
Current Account	211,538	+20,305	258,300	+46,762	313,600	+55,300

3. Assumptions

Item		FY2006 Results	FY2007 Forecast	FY2008 Forecast
Global Trade	(C.Y.)	9.3 %	6.9 %	7.1 %
Global Economy	(real growth rate/C.Y.)	5.4 %	5.2 %	4.9 %
U.S. Economy	(real growth rate/C.Y.)	2.9 %	2.0 %	2.2 %
EU Economy	(real growth rate/C.Y.)	3.2 %	2.8 %	2.4 %
Asian Economy	(real growth rate/C.Y.)	9.3 %	9.0 %	8.5 %
Japanese Economy	(nominal growth rate)	2.0 %	1.6 %	2.0 %
Yen Exchange Rate	(against dollar)	116.94 yen	117 yen	111 yen
At-arrival Crude Oil Price	(dollar/barrel)	63.4 dollar	78 dollar	78 dollar

Note:1 Data on world trade/economy in fiscal 2006 are taken from "World Economic Outlook." Those on Asian economy have, however, been adjusted to a 29 country/region basis as defined by the IMF(25 developing countries/regions in Asia and four NIEs).

Note:2 C.Y. is abbreviation for calendar year.

Implementation of Explanatory Sessions on Security Trade Control Aimed at Overseas Subsidiaries, Affiliates, and Branches

The Security Trade Control Committee of the Japan Foreign Trade Council, Inc. (JFTC) (Chairman: Hisashi Riko, Mitsubishi Corporation, General Manager of the Export Controls Office) visited three cities in the two countries of China (Beijing, Shanghai) and Singapore over a six-day period from December 3 to December 8, and

delivered security trade control seminars aimed at Japanese companies with overseas subsidiaries (Chinese and Singaporean versions), in addition to holding exchanges of opinions relating to security trade control with the local authorities.

The seminars held on this occasion are based



Ms. Fauziah, Head Trade control of Singapore Customs

upon the efforts made to encourage overseas subsidiaries and branches of Japanese companies to apply security trade controls in the same manner as Japanese companies within Japan, as part of the policies to strengthen security trade controls which have been presented by the Ministry of Economy, Trade and Industry (METI) on two occasions over this year and the previous year. In support of these efforts, the security trade control seminars were held in Singapore, which formulated control regulations at the end of August 2005, and in China, which had done so in December 2006.

At the seminar held in Beijing, co-hosted with the Japan External Trade Organization (JETRO) Beijing Center on December 4, following an address made by guest speaker, Mr. Sun Jian, Director, Ministry of Commerce of the People's Republic of China, there was an explanation of the recent state of affairs relating to security trade control by Mr. Akira Yamazaki, Director of the Security Intelligence Office, Trade and Economic Cooperation Bureau, METI. After which Chairman Riko and Mr. Akimoto, a committee member from Mitsubishi Corporation, gave speeches. On the following day, December 5, a similar seminar was held in Shanghai co-hosted with the JETRO Shanghai Center, where an address was made by Mr. Wu Bai Nian, Director of Shanghai Foreign Economic Relations and Trade Commission and Mr. Akira Yamazaki, Director of the Security Intelligence Office, METI, as guest speakers, followed by speeches by Chairman Riko and Mr. Watari, a committee member from Hitachi High-Technologies. At the seminar held in Singapore on December 7, co-hosted with the Singapore Federation of Chambers of Commerce and



At seminar in Beijing

Industry, Ms. Fauziah A. Sani, Head Trade Control of Singapore Customs, gave an explanation of Singapore's security trade controls, focusing on an outline of Singapore's Strategic Control System (SSCS) which was amended in June, after which Chairman Riko and Mr. Senga, a committee member from Toyota Tsusho Corporation, gave speeches.

The seminars drew large numbers of people at all locations, and high levels of awareness and interest regarding security trade control were seen.

New Symbol and Logotype of JFTC

Japan Foreign Trade Council, Inc. (JFTC), established on June 25, 1947, with the merger of four foreign trade promotion organizations to become a core private-sector organization concerned with Japan's international trade, last



year celebrated the 60th anniversary of its founding.

On the occasion of this 60th anniversary, we have adopted a new symbol and logotype in order to strengthen our organizational and visual identity and broaden our appeal to regular members, associate members, and the general public. The new symbol and logotype were announced at a press conference on January 8, 2008.

In the process of creating the new symbol and logotype, in addition to reviewing our sixty-year history and reconfirming our identity as an

organization, we implemented a survey in which we asked our members and friends outside the organization to help us by giving us their image of what we have been and should be. In developing the design, we put together a list of concepts (keywords) based on the results of this survey, and referred to this in designing an easily readable logotype, selecting a symbol from among more than 300 designs, and selecting a refreshing blue as our official color.

Concepts of Developing the Design (Keywords)

Leadership/Harmony/Trust

Japan Foreign Trade Council, Inc. and its members, placing emphasis on *harmony* with the international community, civic society, and the global environment, will continue to play a *leadership* role in promoting the prosperity of the Japanese economy and development of the international economic community through activities that earn the *trust* of society. While maintaining *harmony* with its members, JFTC will from time to time take the *lead* in bringing them together, ensuring that it has their complete *trust* in conducting these activities. Incorporating the spirit of three keywords—“*leadership*,” “*harmony*,” and the “*trust*” that forms their basis—JFTC has decided on this symbol mark and logotype to represent its activities and ideals as an organization.

The smooth arcs extending from the J and C express the mutual links, interaction, and resonance between JFTC members and society and between Japan and the world. The design aims to represent JFTC making great strides toward the development of the international economic community as it earns people’s trust through these links and harmony with civic society and the global environment. The use of italic type and a serif font express the harmony of gentleness and trust.

Our Identity

1. JFTC was founded in 1947 as a core private-sector organization concerned with international trade, and was reorganized in 1986 as a trade-

industry association whose core members are trading companies and trading organizations.

2. We responds to the needs of its membership through policy proposals directed at improving the environment for international trade and investment, as well as a variety of other activities.
3. The trading companies (Shoshas) that support our core activities interface with a wide range of other industries, and by actively making policy proposals that also benefit the operations of these related industries, we aim at the healthy development of our nation’s international trade and of the trade industry. Thus, we are a public interest organization seeking to contribute to the prosperity of the Japanese economy and the development of the international economy and society.

Welcome Luncheon Reception for His Excellency Mr. Nguyen Minh Triet, President of the Socialist Republic of Viet Nam

To celebrate the occasion of his State Visit to Japan, a welcome lunch reception for Nguyen Minh Triet, President of the Socialist Republic of Viet Nam, was held on November 26th, 2007 at the Keidanren Kaikan, jointly hosted by four co-hosting organizations: Japan Business Federation (Nippon Keidanren), the Japan Chamber of Commerce and Industry, Japan Association of Corporate Executives (Keizai Doyukai), and JFTC.



Center : Mr. Nguyen Minh Triet, President of the Socialist Republic of Viet Nam

Along with the President, 26 members of the Vietnamese delegation attended the reception. There were 136 Japanese attendees, bringing the total number of participants to 162 people. Vice Chairman Yutaka Kase represented JFTC at the event.

After opening greetings by Japan Business Federation President Fujio Mitarai, President Triet talked about his desire to further strengthen ties between Viet Nam and Japan, starting with the completion of the Japan-Vietnam Economic Partnership Agreement.

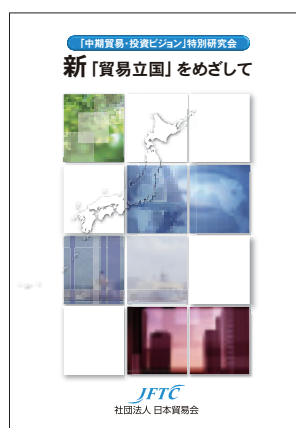
JFTC Chairman Mikio Sasaki attended the Imperial banquet held the same day.

Special Research Committee · Symposium

The Midterm Vision for Trade and Investment Special Research Committee

~ To establish a new trading nation ~

Overview of the report and the symposium



The report published

Japan Foreign Trade Council, Inc. (JFTC) celebrated its 60th anniversary in June 2007 and to commemorate the event, economists from

trading companies convened in 2006 and 2007 to form the Midterm Vision for Trade and Investment Special Research Committee. The Special Research Committee focused on the high potential and adaptive abilities of Japanese companies and the Japanese economy, and conducted analysis centered on Japan's trade and investment relations with overseas economies to answer the following question: What must be done to achieve a bright and prosperous future for Japan?

The Special Research Committee met a total of 21 times between June 2006 and October 2007. In addition to the impassioned debate among Special Research Committee members, leading figures from academia and other industries were invited to address the Committee and participate in the exchange of ideas.

As a result, a scenario whereby Japan would aim towards becoming a dynamic "new trading nation" abounding in vitality was set out as the conclusion for the midterm future prospects of Japan 5-10 years' hence. However, it became clear to the Committee that if a bright future for Japan was to be realized, there needs to be improvement in many areas. Therefore, in addition to a situational analysis, the report published by the Committee offers proposals for the resolution of the problems experienced by three different groups: (1) trading companies; (2) Japanese companies; and (3) the Japanese Government.

The findings and conclusions of the Study Research Committee were compiled in the report, and announced at the JFTC Spring Social Meeting held on January 9th.

Also, on January 21st, panelists from academia, government, manufacturers and trading companies were invited to attend a symposium held at the Keidanren Kaikan to commemorate the publication of the report. Many opinions were voiced and the report was highly praised.

Financial Results of Shoshas for the Six Months ended September 30, 2007

(Unit : Millions of Yen, Percentage : changes from the previous year)

Consolidated Financial Results	ITOCHU CORPORATION		MARUBENI CORPORATION		MITSUBISHI CORPORATION		MITSUI & CO.,LTD.		SOJITZ CORPORATION		SUMITOMO CORPORATION		TOYOTA TSUSHO CORPORATION	
Total Assets	5,408,034	(3.9%)	5,308,536	(13.1%)	12,329,294	(16.3%)	10,030,835	(6.9%)	2,668,312	(-0.6%)	8,664,937	(23.8%)	2,549,446	(7.4%)
Liabilities	4,232,492	(-1.1%)	4,487,490	(13.3%)	8,858,079	(13.5%)	7,409,313	(-0.0%)	2,109,174	(0.4%)	7,034,245	(27.0%)	1,887,211	(0.6%)
Shareholders' Equity	202,241	(0.0%)	262,686	(0.0%)	201,251	(1.3%)	336,417	(13.7%)	160,339	(166.7%)	219,279	(0.0%)	64,936	(142.8%)
Total Shareholders' Equity	1,175,542	(27.0%)	821,046	(12.0%)	3,471,215	(24.4%)	2,621,522	(33.0%)	559,137	(-4.4%)	1,630,692	(11.6%)	662,234	(33.0%)
Trading Transactions	5,898,024	(5.8%)	5,096,961	(8.8%)	11,072,612	(12.6%)	8,205,220	(8.0%)	2,802,456	(10.8%)	5,695,355	(8.6%)	3,426,964	(16.8%)
Gross Trading Profit	491,318	(16.4%)	281,400	(6.2%)	591,093	(4.5%)	479,317	(17.5%)	134,318	(9.6%)	467,205	(12.4%)	187,046	(20.1%)
Gross Trading Profit Ratio	8.33%	-	5.52%	-	5.34%	-	5.84%	-	4.79%	-	8.20%	-	5.46%	-
Selling, General and Administrative Expenses	358,000	(21.2%)	185,325	(6.0%)	401,200	(11.8%)	296,747	(5.0%)	88,617	(6.4%)	329,185	(11.7%)	118,098	(12.5%)
Operating Income	133,220	(7.8%)	95,601	(5.2%)	190,091	(-7.3%)	182,570	(45.8%)	45,701	(16.2%)	133,253	(11.1%)	68,947	(36.0%)
Financial Balance	-2,021	(-46.3%)	-15,265	(38.7%)	55,715	(-5.8%)	4,706	(-51.3%)	-7,362	(-16.7%)	-13,296	(55.2%)	-1,018	-
Net Income	117,031	(21.1%)	80,336	(22.4%)	237,725	(1.2%)	251,921	(63.1%)	35,444	(13.0%)	111,964	(9.7%)	35,932	(-7.3%)

Non Consolidated Financial Results	ITOCHU CORPORATION		MARUBENI CORPORATION		MITSUBISHI CORPORATION		MITSUI & CO.,LTD.		SOJITZ CORPORATION		SUMITOMO CORPORATION		TOYOTA TSUSHO CORPORATION	
Total Assets	2,906,880	(8.4%)	3,065,112	(7.0%)	6,537,283	(13.9%)	5,412,167	(2.1%)	1,864,819	(-5.5%)	4,556,695	(5.1%)	1,799,966	(4.4%)
Liabilities	2,438,210	(5.1%)	2,536,512	(6.9%)	4,858,101	(12.4%)	4,058,425	(-2.6%)	1,434,996	(0.4%)	3,553,203	(3.5%)	1,343,038	(-1.0%)
Shareholders' Equity	202,241	(0.0%)	262,686	(0.0%)	201,250	(1.3%)	336,417	(13.7%)	160,339	(166.7%)	218,278	(-0.5%)	64,936	(142.8%)
Total Shareholders' Equity	468,670	(29.2%)	528,600	(7.5%)	1,679,181	(18.4%)	1,353,741	(19.5%)	429,823	(-20.8%)	1,003,492	(11.0%)	456,928	(24.2%)
Trading Transactions	2,700,315	(-8.4%)	3,008,728	(-8.6%)	5,166,169	(-1.9%)	5,988,023	(6.4%)	1,702,442	(28.3%)	3,110,472	(10.4%)	2,269,219	(14.1%)
Gross Trading Profit	86,751	(13.0%)	67,133	(8.3%)	96,748	(3.3%)	112,433	(-0.2%)	37,188	(36.3%)	97,914	(4.8%)	60,666	(11.2%)
Gross Trading Profit Ratio	3.21%	-	2.23%	-	1.87%	-	1.88%	-	2.18%	-	3.15%	-	2.67%	-
Selling, General and Administrative Expenses	60,751	(5.2%)	53,504	(11.1%)	90,199	(3.6%)	100,256	(-0.6%)	28,645	(18.4%)	85,816	(6.7%)	49,201	(3.0%)
Operating Income	27,661	(64.3%)	13,629	(-1.5%)	6,548	(-0.7%)	12,176	(3.4%)	8,542	(176.6%)	12,098	(-7.0%)	11,464	(69.5%)
Financial Balance	60,741	(66.5%)	22,430	(-37.0%)	123,243	(29.3%)	209,767	(184.4%)	5,190	(-46.9%)	29,966	(12.8%)	25,872	(40.6%)
Ordinary Profit	90,911	(74.2%)	36,059	(-26.7%)	126,099	(31.1%)	213,435	(152.3%)	12,703	(-26.7%)	42,064	(6.3%)	36,232	(45.2%)
Income Taxes	19,146	-	5,013	(-53.6%)	18,116	(-38.4%)	86,015	(191.8%)	-4,326	(-13.1%)	12,561	(61.0%)	16,794	-
Net Income	30,124	(-22.9%)	27,647	(2.8%)	114,483	(-5.9%)	134,001	(86.9%)	14,713	(49.0%)	54,625	(38.1%)	9,255	(-64.7%)
Cash Dividends	8.5 yen	-	6.0 yen	-	26.0 yen	-	23.0 yen	-	3.5 yen	-	18.0 yen	-	14.0 yen	-

Consolidated Financial Results	CHORI CO.,LTD.		HANWA CO.,LTD.		HITACHI HIGH-TECHNOLOGIES CORPORATION		INABATA & CO.,LTD.		IWATANI INTERNATIONAL CORPORATION		JFE SHOJI HOLDINGS, INC.		KANEMATSU CORPORATION		NAGASE & CO.,LTD.		SUMIKIN BUSSAN CORPORATION	
Total Assets	72,391	(-0.9%)	489,459	(14.2%)	492,514	(3.4%)	291,239	(3.1%)	406,443	(2.6%)	649,635	(8.3%)	517,967	(-10.1%)	433,410	(6.6%)	429,874	(2.8%)
Liabilities	55,388	(8.3%)	386,377	(13.6%)	259,493	(-3.2%)	206,983	(3.5%)	342,244	(1.3%)	536,329	(5.3%)	462,838	(-12.8%)	225,683	(11.1%)	379,567	(-2.2%)
Shareholders' Equity	6,800	(0.0%)	45,651	(0.0%)	7,938	(0.0%)	9,364	(12.9%)	20,096	(0.0%)	20,000	(0.0%)	27,781	(0.0%)	9,699	(0.0%)	12,335	(52.7%)
Total Shareholders' Equity	16,200	(-26.0%)	103,082	(16.6%)	233,020	(11.9%)	84,256	(2.2%)	64,198	(9.8%)	113,305	(25.3%)	55,129	(20.4%)	207,727	(2.1%)	50,307	(67.1%)
Trading Transactions	124,137	(10.1%)	736,050	(18.3%)	487,227	(3.8%)	243,650	(9.0%)	341,282	(6.9%)	1,192,195	(11.7%)	613,604	(-0.7%)	369,256	(7.6%)	665,592	(16.1%)
Gross Trading Profit	10,870	(2.7%)	25,692	(11.8%)	73,860	(7.7%)	16,201	(4.5%)	62,553	(3.6%)	44,078	(9.4%)	45,946	(-5.2%)	38,709	(7.2%)	36,642	(8.0%)
Gross Trading Profit Ratio	8.76%	-	3.49%	-	15.16%	-	6.65%	-	18.33%	-	3.70%	-	7.49%	-	10.48%	-	5.51%	-
Selling, General and Administrative Expenses	7,945	(6.4%)	13,710	(6.7%)	50,601	(6.0%)	11,955	(3.7%)	58,129	(2.0%)	26,643	(5.7%)	33,397	(-8.2%)	28,082	(10.1%)	25,708	(4.6%)
Operating Income	2,925	(-6.0%)	11,981	(18.4%)	23,259	(11.4%)	4,245	(7.2%)	4,423	(30.4%)	17,435	(15.5%)	12,548	(4.0%)	10,626	(0.2%)	10,933	(16.7%)
Financial Balance	-111	(-67.0%)	-725	(24.4%)	715	(-23.2%)	-327	(37.4%)	-1,151	(10.0%)	-210	-	(2,206)	(-15.9%)	296	(-21.3%)	-1,232	(-1.8%)
Net Income	1,689	(-23.7%)	7,108	(24.4%)	14,712	(12.4%)	2,012	(-41.7%)	241	(-71.3%)	11,730	(65.1%)	5,537	(-11.7%)	-642	-	5,687	(20.1%)

Non Consolidated Financial Results	CHORI CO.,LTD.		HANWA CO.,LTD.		HITACHI HIGH-TECHNOLOGIES CORPORATION		INABATA & CO.,LTD.		IWATANI INTERNATIONAL CORPORATION		JFE SHOJI HOLDINGS, INC.		KANEMATSU CORPORATION		NAGASE & CO.,LTD.		SUMIKIN BUSSAN CORPORATION	
Total Assets	65,366	(-1.3%)	478,602	(14.1%)	403,638	(5.7%)	211,744	(-1.8%)	294,967	(3.6%)	48,386	(16.1%)	357,334	(-11.8%)	324,375	(3.5%)	369,449	(3.4%)
Liabilities	51,813	(11.3%)	378,934	(13.7%)	216,465	(-0.9%)	144,703	(1.3%)	240,645	(3.2%)	628	(11.5%)	313,987	(-13.8%)	183,018	(10.9%)	330,786	(-1.1%)
Shareholders' Equity	6,800	(0.0%)	45,651	(0.0%)	7,938	(0.0%)	9,364	(12.9%)	20,096	(0.0%)	20,000	(0.0%)	27,781	(0.0%)	9,699	(0.0%)	12,335	(52.7%)
Total Shareholders' Equity	13,353	(-32.2%)	99,667	(15.7%)	187,173	(14.4%)	67,040	(-7.9%)	54,321	(5.1%)	47,758	(16.2%)	43,346	(6.7%)	141,357	(-4.8%)	38,663	(70.9%)
Trading Transactions	114,227	(9.3%)	718,708	(18.8%)	374,362	(7.8%)	160,579	(3.1%)	266,636	(6.5%)	365	(10.3%)	279,713	(4.5%)	254,390	(3.3%)	592,796	(16.8%)
Gross Trading Profit	8,577	(1.3%)	23,058	(13.0%)	51,373	(10.7%)	7,146	(2.4%)	30,476	(6.8%)	365	(10.3%)	12,021	(0.4%)	16,572	(5.3%)	21,086	(8.4%)
Gross Trading Profit Ratio	7.51%	-	3.21%	-	13.72%	-	4.45%	-	11.43%	-	100.00%	-	4.30%	-	6.51%	-	3.56%	-
Selling, General and Administrative Expenses	6,201	(8.6%)	11,732	(6.6%)	34,332	(9.7%)	4,959	(-0.5%)	27,973	(1.8%)	341	(1.5%)	8,355	(-1.8%)	13,032	(11.3%)	13,053	(6.4%)
Operating Income	2,376	(-13.7%)	11,326	(20.5%)	17,041	(12.6%)	2,186	(9.7%)	2,502	(138.3%)	23	-	3,665	(5.9%)	3,539	(-12.1%)	8,032	(12.0%)
Financial Balance	-150	(-58.3%)	-521	(67.5%)	1,941	(-10.0%)	266	(-9.2%)	206	(-41.8%)	56	(229.4%)	-432	-	3,520	(8.0%)	-76	(-33.9%)
Ordinary Profit	2,252	(-5.9%)	10,805	(18.9%)	18,880	(5.9%)	2,463	(7.0%)	2,556	(116.6%)	86	(377.8%)	3,597	(-14.0%)	7,584	(-2.0%)	7,658	(9.7%)
Income Taxes	981	-	4,171	(16.1%)	7,097	(9.5%)	1,481	(52.7%)	1,380	(219.4%)	36	(157.1%)	(211)	(-20.1%)	(1,955)	-	3,254	(32.7%)
Net Income	1,299	(-35.7%)	6,863	(24.9%)	17,886	(-16.4%)	674	(-58.9%)	2,019	(203.6%)	36	(-101.1%)	61	(-53.4%)	(2,751)	-	3,993	(-12.4%)
Cash Dividends	0.0 yen	-	6.0 yen	-	12.5 yen	-	5.0 yen	-	0.0 yen	-	0.0 yen	-	0.0 yen	-	0.0 yen	-	5.0 yen	-

REGULAR MEMBERS OF JFTC

Companies (Total 45)

ASSOCIATED LUMBER & TRADING CO., LTD., CHORI CO., LTD., CBC CO., LTD., D. NAGATA CO., LTD., HANWA CO., LTD.
 HITACHI HIGH-TECHNOLOGIES CORPORATION, INABATA & CO., LTD., ITOCHU CORPORATION, IWATANI INTERNATIONAL CORPORATION
 JFE SHOJI HOLDINGS, INC., KANEMATSU CORPORATION, KINSHO CORPORATION, KOWA COMPANY, LTD., KYOEI SHOJI CO., LTD.
 KYOKUTO BOEKI KAISHA, LTD., MARUBENI CORPORATION, MEWA CORPORATION, METAL ONE CORPORATION, MITSUBISHI CORPORATION
 MITSUI & CO., LTD., MORIMURA BROS., INC., NAGASE & CO., LTD., NIPPON STEEL TRADING CO., LTD., N. I. TEIJIN SHOJI CO., LTD.
 NOMURA TRADING CO., LTD., NOSAWA & CO., LTD., OGURA TRADING CO., LTD., OKAYA & CO., LTD., SANKO MEDICAL SYSTEM CO., LTD.
 SANKYO SEIKO CO., LTD., SEIKA CORPORATION, SHINYEI KAISHA, SMILE CORP., SOJITZ CORPORATION, SUMIKIN BUSSAN CORPORATION
 SUMITOMO CORPORATION, T. CHATANI & CO., LTD., THE TOSHO CO., LTD., TOKYO BOEKI LTD., TOSHOKU LTD., TOHO BUSSAN KAISHA, LTD.
 TOYOTA TSUSHO CORPORATION, Y. NISHIDA & CO., LTD., YAGI TSUSHO LTD., YUASA TRADING CO., LTD.

Associations (Total 25)

COSMETIC IMPORTERS ASSOCIATION OF JAPAN, FUKUOKA FOREIGN TRADE ASSOCIATION,
 INTERNATIONAL DEVELOPMENT ASSOCIATION OF THE FURNITURE INDUSTRY OF JAPAN, JAPAN AUTOMOBILE IMPORTERS ASSOCIATION,
 THE JAPAN BANANA IMPORTERS ASSOCIATION, JAPAN CHEMICAL EXPORTERS' ASSOCIATION, JAPAN CHEMICAL IMPORTERS' ASSOCIATION,
 JAPAN EEL IMPORTERS ASSOCIATION, JAPAN ELECTRONIC PRODUCTS IMPORTERS ASSOCIATION, JAPAN FISH TRADERS ASSOCIATION,
 JAPAN FOREIGN TRADERS ASSOCIATION, INC., JAPAN MACHINE TOOL IMPORTERS' ASSOCIATION, JAPAN MACHINERY EXPORTERS' ASSOCIATION,
 JAPAN OVERSEAS ROLLING STOCK ASSOCIATION, JAPAN PAPER IMPORTERS' ASSOCIATION, JAPAN SHEEP CASING IMPORTERS ASSOCIATION,
 JAPAN SHIP EXPORTERS' ASSOCIATION, JAPAN TEXTILE EXPORTERS ASSOCIATION, THE JAPAN TEXTILES IMPORTERS ASSOCIATION,
 JAPAN WATCH IMPORTERS' ASSOCIATION, JAPAN WINES AND SPIRITS IMPORTERS ASSOCIATION, KOBE FOREIGN TRADE ASSOCIATION,
 KYOTO FOREIGN TRADE ASSOCIATION, THE RUBBER TRADE ASSOCIATION OF JAPAN, THE YOKOHAMA FOREIGN TRADE ASSOCIATION

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Toshio Sampei