

## JFTC News

## Contents

1. Bilingual "Japan's Foreign Trade 2009" published on March 26<sup>th</sup>
2. Second Series of Visits to Overseas Japanese Chambers of Commerce
3. Tokyo's Bid to Host the 2016 Olympic and Paralympic Games
4. International Olympic Committee (IOC) Evaluation Commission Visits Sumitomo Corporation to Inspect Proposed Venue for Athletic Events
5. Luncheon Reception to Welcome Mr. Nong Duc Manh, General Secretary of the Central Committee of the Communist Party of the Socialist Republic of Viet Nam
6. Gathering of Leaders of the Japanese and Russian Business Communities
7. ABIC Contributes to Society by Providing Experienced Human Resources
8. Financial Results of Shoshas for the year ended March 31, 2009

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## Bilingual "Japan's Foreign Trade 2009" published on March 26<sup>th</sup>

JFTC published "Foreign Trade 2009" (Nihon Boeki no Genjo) on 26<sup>th</sup> of March this year. A series of this handy booklet, a kind of the "Small-White Paper on Trade" has been widely used among those interested in Japanese economy and trade since first edition in 1976.

Foreign Trade 2009 is written bilingually in Japanese and English. Booklet (¥500 including TAX) is available for purchase at large book stores and government book centers.



### — Introduction —

Global trade started to contract in 2008 as the global economy slowed under the financial crisis, which began from the subprime mortgage problem in the United States. Through 2007, the expansion of global trade was being pulled forward by the strength of demand in the U.S. market and the economic growth of emerging economies. With the globalization of the economy, the worsening of business conditions in the U.S. and Europe from

2008 spread worldwide at an extremely rapid pace, resulting in a contraction of trade in each nation.

Japan was no exception: the slowdown of the global economy had a major impact on the nation's foreign trade trends. Moreover, the wild swings in commodity prices also had a substantial influence on Japan as a resource-importing country, as the prices of crude oil, coal, iron ore, cereals, and other resources and foods shot up in the first half of 2008 and then plunged in the second half.

Amid these developments, the distinguishing features of Japan's foreign trade during 2008 can be summarized as follows.

First, exports fell for the first time in seven years, dropping 3% year-on-year to ¥81 trillion. The export decline was particularly pronounced in the fourth quarter, as exports in the October to December period were down 23% from the same period a year earlier. December exports dropped 35% year-on-year.

Second, imports rose 8% to a record-high ¥79 trillion, posting an increase for the sixth consecutive year. However, imports actually fell by 1% on a volume basis, so the rise in import value was the result of price increases. Total trade value (total of imports plus exports) reached a record-high ¥160 trillion, rising 2% from 2007, since the increase in imports was greater than the decrease in exports. In contrast Japan's balance of trade surplus fell sharply, dropping 80% to ¥2 trillion, which was the 26th lowest level in the past 30 years.

The third characteristic of Japan's foreign trade in 2008 was the increasingly active trade with

emerging economies. Exports to BRIC countries (Brazil, Russia, India, and China) surpassed exports to the U.S. for the first time ever. Meanwhile, imports from the Middle East, Australia, Brazil, and other resource exporters rose sharply. China firmly maintained its position as Japan's top trading partner, further widening the gap in total trade value over the U.S., which China surpassed in 2007.

In December 2008, the Japan Foreign Trade Council, Inc. released "FY 2009 Outlook for Japan's Trade Balance and Current Account" (which is included here in the data chapter). The Outlook, which was mostly compiled by the JFTC Trade Trend Research Committee, projects a continued harsh environment for trade in 2009.

The forecast for Japan's 2009 trade with the U.S. and Europe cannot be very optimistic. However, Japan's trade with Asia, which accounts for about half of Japan's foreign trade, held steady in 2008 despite the economic slowdown. In the future, we anticipate growth in Japan's trade with Asia from a further strengthening of ties with Asia, which has great growth potential.

Foreign Trade 2009 marks the 34th edition of this publication since it was first released in 1976. Improvements have been added over the years such as the inclusion of English for bilingual publication, the introduction of figures, and the addition of new information to the data chapter. We hope you will find this volume useful for various purposes, for example, as a pocket reference when traveling abroad on business, a reader for new employee education, and a reference for local employees in foreign countries.

Research Group

## Second Series of Visits to Overseas Japanese Chambers of Commerce

From February 22 through March 1, 2009, officers Hiroyuki Sato, director of Board and general manager of the Planning Group, and Yukio Hirao, general manager of the General Affairs Group, of the JFTC paid visits to India (New Delhi),

Malaysia (Kuala Lumpur), and Indonesia (Jakarta).

Visits to Japanese chambers of commerce overseas were initiated in fiscal 2007 for the purpose of strengthening collaboration with those overseas chambers, of identifying problems relating to the activities of *Shoshas* (Japanese trading companies) overseas, and of raising awareness of the activities of the JFTC and of Action for Better International Community (ABIC), an NPO established and backed by the JFTC. The recent visits were the second series of visits conducted under this project.

Meetings were held mainly with member *Shoshas* of the local Japanese chambers of commerce, to which the JFTC officers gave an overview of current activities of the JFTC. In return, they received reports from the local chambers on the current status of the economies of their host countries and of *Shosha* activity, and on any problems encountered. The JFTC officers also visited and gathered information from the local offices of the Japan External Trade Organization (JETRO) and Japan International Cooperation Agency (JICA), and toured industrial parks, Japanese companies operating locally, and other sites.

The officers found that while none of the economies of the countries visited have been overly affected by the financial crisis, they are being impacted by the accompanying slump in the real economy. Malaysia, whose industrial structure is dependent on exports, has been severely affected, while the effects felt by India and Indonesia, with their domestic-demand-oriented economies, have been moderate.

With regard to activities of the JFTC, a request for assistance was received in relation to a social security agreement with India. Also, in the sphere of issues affecting Japanese residents and their families, it was found that in every region there is mounting concern regarding avian influenza.

Despite paying visits to three countries in the short period of just one week, it was nevertheless

possible to get a sense of the fundamental robustness of the economies of the countries visited. For example, although each country's real economy has suffered a downturn under the impact of the financial crisis, they are all expected to achieve a recovery at an early stage. The tour reaffirmed the importance of the Asian region to the Japanese economy.

### The visit destinations were as follows:

#### 1. India

The Japanese Chamber of Commerce and Industry in India (JCII), JICA India Office, the Gurgaon district, the Manisar district, New Okhla Industrial Development Area

#### 2. Malaysia

The Japanese Chamber of Trade & Industry, Malaysia (JACTIM), JETRO Kuala Lumpur, The Japan Club of Kuala Lumpur, Ajinomoto (Malaysia), Sungai Long housing development, Putrajaya (new administrative capital)

#### 3. Indonesia

The Jakarta Japan Club Foundation (JJC), JETRO Jakarta, Sumitomo Corporation's East Jakarta Industrial Park (EJIP), Marubeni's MM2100 Industrial Town, Kota Wisata housing development

## Tokyo's Bid to Host the 2016 Olympic and Paralympic Games

On May 8, Tsunekazu Takeda, president of the Japan Olympic Committee, met with Nobuo Katsumata, chairman of the JFTC, to discuss promoting collaborative and cooperative ties with *Shosha* and trade industry as the nation looks to hold the 2016 Olympic and Paralympic Games in Tokyo.



Tokyo and three other cities remain in the final contest for host city of the 2016 Games. With the final selection set to be made this October, efforts to attract the Olympic Games are at their height. *Shosha* and trade community also see this as an excellent opportunity to communicate the unique strengths and appeal of Japan to the world and are actively cooperating to attract the Games to Tokyo. Here is an outline of Japan's efforts to bring the 2016 Games to Tokyo.

#### 1. Status of Tokyo's Bid

Tokyo (Japan), Chicago (United States), Madrid (Spain), and Rio de Janeiro (Brazil) are the four contenders remaining in the final race to determine the host of the 2016 Olympic and Paralympic Games. The International Olympic Committee (IOC) Evaluation Commission visited each of the four cities in April and May this year and will release a report in September. The host of the 2016 Summer Games will be named on October 2, 2009, at the IOC Session in Copenhagen. Tokyo led the seven Applicant Cities when the shortlist was announced in June last year, and there are high hopes that Tokyo will be successful in bringing the Games to Japan.

The 1964 Tokyo Olympic Games had a tremendous impact on the capital, and it would be no exaggeration to say that it created the foundation of the Tokyo we enjoy today. Many residents of the capital still have fervent memories of those Games held almost a half century ago, and there is growing momentum to bring the Games back to Tokyo in 2016. The economic impact of the 1964 Games spurred Japan's high economic growth, and it is anticipated that winning the bid to host the 2016 Games would help to expand the national economy.

#### 2. Tokyo's Concept for the 2016 Games

The Tokyo 2016 Bid Committee is seeking to host the Olympic Games with the overall concept of a new model of the Olympic Games held in the midst of city life, based on the theme of "Setting the Stage for Heroes." The Tokyo Games will be convenient for athletes and spectators alike, with

97% of competition venues located less than 8 km from the main stadium. Tokyo will deliver environmentally friendly Games by using existing stadiums and facilities. Japan is one of the safest countries on the globe, and its capital of Tokyo has one of the finest dining scenes in the world. Together these factors mean that Tokyo will deliver an Olympic Games unlike any other ever seen, and will showcase Tokyo's originality and unique assets.

Putting its highest priority on the environment, Tokyo aims to be the world's first carbon-minus Olympic Games—an innovative move that draws on Japan's strengths. A total of 1,000 ha of greenery, including the Sea Forest Project, are due to be added to the city prior to 2016, harnessing Japan's original vanguard technology. Tokyo will create an environmentally friendly traffic and transport system and make the most of its advanced public transportation system. All proposed event facilities are to be surrounded by greenery, reflecting Tokyo's intent to pioneer a harmonious coexistence between cities and the natural global environment. For the transport of spectators to the competition venues, Tokyo will encourage the use of public transportation, a sure means of timely transport, and has submitted a plan that uses the city's highly developed transport infrastructure. In these ways, the Olympic Games would highlight and communicate the unique features of Japan.

In a word, the Tokyo Games will offer the most compact and sustainable Games in history.



Image of musubi cluster

### 3. Hopes for the Games

If Tokyo is selected as the host city, it will deliver a very positive image of Japan and Tokyo to the international community and be a big plus for the business of Japanese corporations. Japan and Tokyo will be covered more and more on television and in various other media throughout the globe. People worldwide will have increased exposure to Japan and Japanese companies, and this will further mutual understanding and in turn have a positive economic impact. The Japanese business community, beginning with the Tokyo Chamber of Commerce and Industry, supports the Tokyo 2016 bid.

Holding the Olympic and Paralympic Games in Tokyo—the first time in half a century—is sure to be a chance for Tokyo to take a new step in its development. With the winning of the Games, Tokyo is expected to transform into an even more functional and appealing city, and a model megacity for the world. For Tokyo and Japan, winning the 2016 Games also would be a perfect opportunity to transform the capital into an eco-friendly megalopolis.

“Uniting” is a key idea featured in both the concept of the Games and the logo for Tokyo as a candidate city. “Uniting” is a familiar concept for the JFTC as well, as we have set our organization's catchphrase as “Building the Future, Connecting the World.” The design of the JFTC logotype aims to represent the great strides the JFTC is making toward the development of the international



Image of the main stadium

economic community as it earns people's trust through its links and harmony with civic society and the global environment. The use of italic type and a serif font in the logotype express the harmony of gentleness and trust. The emblem for Tokyo's Olympic bid is similar to this in concept and look.

## **International Olympic Committee (IOC) Evaluation Commission Visits Sumitomo Corporation to Inspect Proposed Venue for Athletic Events**

The IOC Evaluation Commission has visited Japan for an on-site inspection in Tokyo, which is a candidate city bidding to host the 2016 Summer Olympic Games, and on the morning of April 17 it paid a call on Sumitomo Corporation in Harumi, central Tokyo. The purpose of the visit was to gain an understanding of the proposed site of the main Olympic stadium planned to be built on an expanse of reclaimed land adjacent to Sumitomo Corporation's headquarters. With Sumitomo Corporation's assistance, from a conference room on an upper floor of the company's headquarters building that commands an overall view of the site in its entirety, the Evaluation Commission members were able to obtain a panoramic view both of the site and of the area surrounding it. This provided



Scene of IOC visiting Sumitomo Corp.

them with invaluable information to assist them as they proceed with their evaluation in the future.

The stadium will be able to hold 100,000 people and will be environmentally conscious, with solar panels installed in the roof to generate electricity, and trees planted around the outer walls as a form of urban afforestation. By being in harmony with Nature, the stadium will in its own right be an expression of the Olympic concept.

## **Luncheon Reception to Welcome Mr. Nong Duc Manh, General Secretary of the Central Committee of the Communist Party of the Socialist Republic of Viet Nam**

His Excellency Mr. Nong Duc Manh, General Secretary of the Central Committee of the Communist Party of the Socialist Republic of Viet Nam, visited Japan from Sunday, April 19, to Wednesday, April 22, as an official guest of the Japanese government, for the purpose of fostering the friendship between Viet Nam and Japan and economic interchange between our two countries. A luncheon reception was held at the Hotel New Otani on Tuesday, April 21, hosted jointly by the JFTC together with Nippon Keidanren (Japan Business Federation), the Japan Chamber of Commerce and Industry, and the Keizai Doyukai (Japan Association of Corporate Executives).

The luncheon reception began with a welcome speech on behalf of the four organizations by Chairman Nobuo Katsumata of the JFTC, which acted as the coordinator for the reception. Mr. Katsumata emphasized that the economic relationship between Viet Nam and Japan, centered on trade and investment, is becoming increasingly important, citing the fact that aggregate trade between our two countries reached US\$17 billion

in 2008, two years ahead of target, and that the number of Japanese companies that have launched operations in Viet Nam has risen to as many as 830. In addition, he expressed his expectation that the friendly and cooperative relations between Viet Nam and Japan will continue to deepen, and that General Secretary Manh's visit would be a fruitful one.

General Secretary Manh voiced his own expectation that as Viet Nam's infrastructure and investment environment develops further, and Viet Nam's attractiveness as an investment destination is enhanced, relations between Viet Nam and Japan will evolve further. The approximately 110 Vietnamese and Japanese businesspeople and others attending the reception then chatted cordially and informally. On the previous evening (20th), Mr. Katsumata also attended a welcome dinner party for General Secretary Manh hosted by Prime Minister Aso at his official residence.

Research Group



Standing from left to right;

1. Koichi Ikeda, Vice Chairman of the Board of Councillors, Japan Business Federation
2. Tadashi Okamura, Chairman, The Japan Chamber of Commerce & Industry
3. H.E. Nong Duc Manh, General Secretary of the Central Committee of the Communist Party of Viet Nam
4. Nobuo Katsumata, Chairman, Japan Foreign Trade Council, Inc.
5. Hagiwara Toshitaka, Vice Chairperson, Japan Association of Corporate Executives
6. Susumu Kato, Chairman, Japan-Vietnam Economic Committee

## Gathering of Leaders of the Japanese and Russian Business Communities

A welcome luncheon sponsored by Nippon Keidanren was held for Russian Prime Minister Vladimir Vladimirovich Putin on Tuesday, May 12, at the Hotel New Otani Tokyo. About 20 representatives of the Japanese business community attended, including JFTC Chairman Nobuo Katsumata, as well as the chairman and vice chairmen of Nippon Keidanren, the chairman of the Nippon Keidanren Japan-Russia Business Cooperation Committee, the chairman of the Japan Chamber of Commerce and Industry, the chairman of Keizai Doyukai, and the president of the Japan Association for Trade with Russia & NIS. Representing Russia were Prime Minister Putin and about 20 leaders of the Russian business community.

The meeting opened with a welcome address by Fujio Mitarai, the chairman of Nippon Keidanren, and a message from Prime Minister Putin. Following these speeches, Prime Minister Putin and participants exchanged views over lunch.

Chairman Nobuo Katsumata of the JFTC outlined *Shosha*, describing both their functions and activities. He said that JFTC member corporations can contribute to economic development in both Japan and Russia by providing cooperation in both trade and investment to Russian partners with high potential and by fostering the promotion of projects in the Far East region based on Russia's economic development plans. Chairman Katsumata also pointed out that the strengthening of bilateral ties would be further accelerated by enhancing the business environment in Russia even more and by Russia acceding to the World Trade Organization and promoting free trade.

Through this gathering, participants deepened their understanding regarding areas of interest to

both countries and recognized the need for further cooperation in these fields. There are high hopes that bilateral exchange between Japan and Russia will be further promoted in a wide range of areas and economic ties will be further developed in the future.



Scene of Welcome Luncheon  
(photo taken by Nippon Keidanren)

## ABIC Contributes to Society by Providing Experienced Human Resources

Action for a Better International Community (ABIC) (<http://abic.or.jp>) is a nonprofit organization (NPO) that was established in April 2000 by the JFTC. With about 1,900 registered members today, ABIC pursues its mission of contributing to society both in Japan and overseas by providing human resources with superior linguistic skills and global business experience. Most members are retirees of *Shosha*.

Upon request from a company or organization in Japan or overseas, ABIC introduces an expert suited to the client's specific needs, be they foreign language or administrative skills or merchandise knowledge. Our experts provide clients with professional services at a very reasonable price. With successful track records and valuable connections in various business fields, ABIC's human resources satisfy client needs with practical

expertise, not theoretical analysis or abstract paradigms.

ABIC professionals can be employed both inside and outside Japan on a long-term basis as specialists in management, marketing/sales, accounting, and the like. They are also available in Japan on a short-term or temporary basis to provide a variety of services, including interpretation, translation, research, lectures, and consulting.

ABIC also helps foreign corporations interested in doing business with Japanese companies. For example, ABIC arranges interpreters for overseas corporations participating in trade shows held in Japan as well as for trade missions from abroad. Chosen for their professional knowledge about the client's products and industry in addition to their language skills, the interpreters serve concurrently as business advisers. They are, therefore, called "bilingual business advisers" rather than interpreters.

During Japan Aerospace 2008 held at Pacifico Yokohama from October 1 through 5, 2008, ABIC dispatched five bilingual business advisers to assist at the Mexican pavilion in response to a request from the Embassy of Mexico. The advisers helped the Mexican representatives promote their



PROMEXICO, Trade Commissioner and a member from ABIC

business with Japanese enterprises. It was the first time for Mexico to participate in this exhibition, and the five bilingual advisers' services were very much appreciated.

On the occasion of Foodex Japan 2009 (34th International Food and Beverage Exhibition) held at Makuhari Messe from March 3 through 6, nine ABIC bilingual business advisers served at the Mexican, Spanish, and Hungarian pavilions.

Bilingual business advisers are also utilized by foreign enterprises during business discussions with Japanese corporations. ABIC's bilingual professionals are also skilled to perform market research on specific Japanese products or industries, deliver lectures on the Japanese market for particular kinds of merchandise, and provide comprehensive support for starting up a business in Japan.

Several ABIC members have long-term contracts with foreign manufacturers to serve as their representatives in Japan, while others are working for the Tokyo offices of foreign-affiliated corporations as English-speaking accountants or for factories in Southeast Asia as superintendents. ABIC would like to see more of its members employed by foreign embassies in Japan and by government agencies in Japan and abroad.

In addition to the above services, ABIC members are engaged in various activities internationally and domestically. Many ABIC members have been dispatched to developing countries as business advisers in connection with the programs of the Japan International Cooperation Agency (JICA), the Japan External Trade Organization (JETRO), the

Ministry of Foreign Affairs, and the like. Also, ABIC has been filling requests from Japanese NGOs/NPOs in developing countries for personnel who can support their social contribution efforts as local managers or representatives. Furthermore, several members are working for companies in Southeast Asia and North America as superintendents.

As for activities at home, ABIC personnel have been in high demand among small and medium-sized enterprises (SMEs) in Japan mainly through municipal governments since most of these governments have a support framework to promote the business of local SMEs. ABIC has been supplying many human resources to SMEs that aim to develop the metropolitan area market, expand their business with foreign companies, or branch out into overseas markets. With their global and domestic business experience and linguistic ability, ABIC experts satisfy SMEs' need for staff specialized in international business.

ABIC also dispatches personnel to give courses at universities, adult education programs, and other organizations. Lectures are given on foreign trade practices, international business and the global situation, corporate strategies for entering overseas markets, and much more. Also, to support education programs for international understanding, ABIC members give lectures at elementary schools as well as at junior and senior high schools, with each lecturer talking about a foreign country where they have resided. Further, ABIC offers free Japanese language and Japanese culture classes to foreign students and their families.



Scene of Mexican pavilion



Five dispatched bilingual business advisers from ABIC



Of course, ABIC members also work as volunteers. Making the most of the English, Spanish, French, or other language they mastered during their work overseas, many ABIC members worked behind the scenes at such international events as the 2002 FIFA World Cup Soccer, the 11th IAAF World Championships in Athletics (Osaka 2007), the International Skills Festival for All, Japan 2007 (Shizuoka), and the World Table Tennis Championships 2009 (Yokohama).

ABIC's activities to provide capable human resources have been well received, but ABIC is not fully satisfied with the present situation. In expanding its activities in the future, ABIC hopes to develop new functions in addition to supplying human resources, so that it can further strengthen

both the quality and quantity of its contribution to society.

ABIC welcomes inquiries and questions. Please e-mail ABIC at [mail@abic.or.jp](mailto:mail@abic.or.jp).

Actions for a Better International Community  
c/o Japan Foreign Trade Council, Inc.

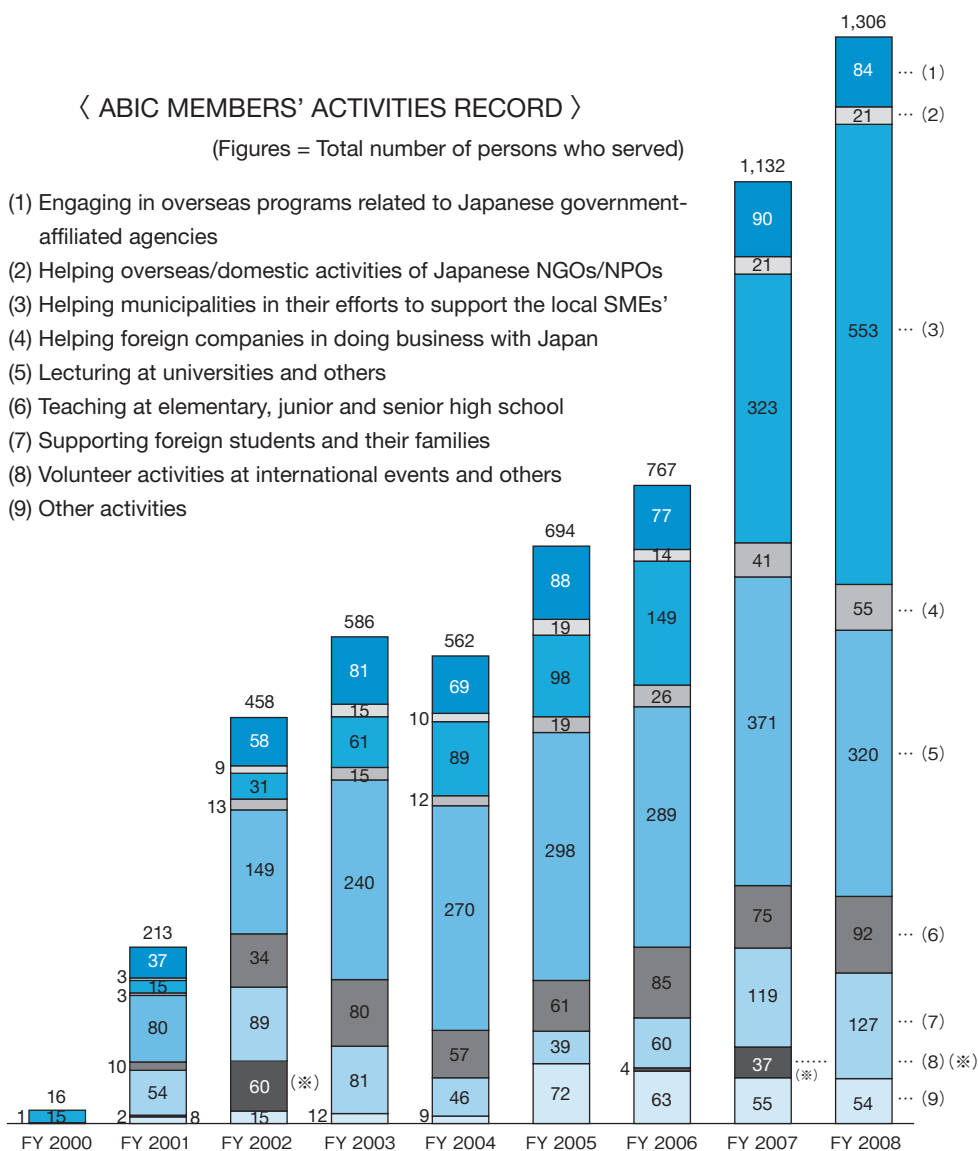
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< ABIC MEMBERS' ACTIVITIES RECORD >

(Figures = Total number of persons who served)

- (1) Engaging in overseas programs related to Japanese government-affiliated agencies
- (2) Helping overseas/domestic activities of Japanese NGOs/NPOs
- (3) Helping municipalities in their efforts to support the local SMEs'
- (4) Helping foreign companies in doing business with Japan
- (5) Lecturing at universities and others
- (6) Teaching at elementary, junior and senior high school
- (7) Supporting foreign students and their families
- (8) Volunteer activities at international events and others
- (9) Other activities



## Financial Results of Shoshas for the year ended March 31, 2009

(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	5,192,092	(-1.2%)	4,707,309	(-9.6%)	10,918,003	(-7.1%)	8,364,243	(-12.3%)	2,312,958	(-13.4%)	7,018,156	(-7.3%)	2,130,089	(-18.2%)
Liabilities	4,154,737	(0.6%)	4,083,953	(-6.0%)	8,229,459	(-3.7%)	6,252,797	(-12.1%)	1,957,454	(-8.9%)	5,559,777	(-6.5%)	1,543,092	(-21.4%)
Shareholders' Equity	202,241	(0.0%)	262,686	(0.0%)	202,817	(0.5%)	339,627	(0.6%)	160,339	(0.0%)	219,279	(0.0%)	64,936	(0.0%)
Total Shareholders' Equity	1,037,355	(-7.7%)	623,356	(-27.6%)	2,383,387	(-17.1%)	2,111,446	(-13.0%)	355,503	(-31.7%)	1,458,899	(-10.1%)	586,996	(-8.2%)
Trading Transactions	12,582,826	(1.4%)	10,462,067	(-1.6%)	22,389,104	(-3.1%)	15,347,925	(-9.8%)	5,166,182	(-10.5%)	10,749,996	(-6.4%)	6,286,996	(-10.2%)
Gross Trading Profit	1,060,521	(6.5%)	644,803	(8.0%)	1,463,152	(24.8%)	1,016,306	(2.9%)	235,618	(-15.2%)	935,232	(0.1%)	326,679	(-11.6%)
Gross Trading Profit Ratio	8.43%	-	6.16%	-	6.54%	-	6.62%	-	4.56%	-	8.70%	-	5.20%	-
Selling, General and Administrative Expenses	768,115	(6.2%)	408,912	(4.0%)	865,475	(5.4%)	602,120	(-0.5%)	183,611	(-0.9%)	-654,375	(-2.2%)	235,661	(-0.9%)
Operating Income	275,664	(3.4%)	234,065	(16.9%)	588,896	(65.8%)	394,671	(5.3%)	52,006	(-43.7%)	280,857	(5.9%)	91,017	(-30.9%)
Financial Balance	5,582	-	-12,886	-	101,345	-	36,872	-	-11,505	-	38,778	-	170	-
Net Income	165,390	(-24.3%)	111,208	(-24.5%)	369,936	(-21.4%)	177,607	(-56.7%)	19,001	(-69.7%)	215,079	(-10.0%)	40,224	(-40.4%)

Non-Consolidated Financial Results	ITOCHU CORPORATION		MARUBENI CORPORATION		MITSUBISHI CORPORATION		MITSUI & CO.,LTD.		SOJITZ CORPORATION		SUMITOMO CORPORATION		TOYOTA TSUSHO CORPORATION	
Trading Transactions	5,027,011	(-10.6%)	5,806,995	(-6.2%)	10,880,997	(0.4%)	11,130,100	(-9.4%)	3,217,313	(-7.6%)	5,804,449	(-9.1%)	4,252,067	(-12.5%)
Gross Trading Profit	137,554	(-15.6%)	125,678	(-11.2%)	184,753	(-5.5%)	170,320	(-19.6%)	47,328	(-38.0%)	182,402	(-6.4%)	105,119	(-15.6%)
Gross Trading Profit Ratio	2.74%	-	2.16%	-	1.70%	-	1.53%	-	1.47%	-	3.14%	-	2.47%	-
Selling, General and Administrative Expenses	140,812	(14.5%)	113,656	(2.6%)	194,856	(6.6%)	196,232	(-2.6%)	62,489	(4.0%)	-167,041	(-2.2%)	105,080	(3.8%)
Operating Income	-3,258	(-108.3%)	12,022	(-61.0%)	-10,103	(-179.7%)	-25,911	(-349.9%)	-15,161	(-193.4%)	15,360	(-36.1%)	38	(-99.8%)
Financial Balance	111,313	-	66,859	-	259,678	-	90,068	-	37,652	-	52,693	-	38,153	-
Ordinary Profit	108,055	(-27.5%)	78,881	(-1.1%)	238,018	(-11.0%)	51,893	(-79.6%)	16,761	(-50.7%)	68,054	(10.3%)	40,546	(-30.5%)
Income Taxes	-15,940	(-149.1%)	8,583	(264.1%)	14,816	(-60.2%)	-14,820	(-115.9%)	-408	(-95.8%)	8,457	(-51.8%)	15,082	(-50.1%)
Net Income	64,374	(-17.8%)	10	(-100.0%)	117,115	(-50.2%)	-80,329	(-150.9%)	22,008	(-30.2%)	76,510	(-3.4%)	14,264	(296.4%)
Cash Dividends	18.5 yen	-	10.0 yen	-	52.0 yen	-	25.0 yen	-	5.5 yen	-	34.0 yen	-	26.0 yen	-

Consolidated Financial Results	CHORI CO.,LTD.		HANWA CO.,LTD.		HITACHI HIGH-TECHNOLOGIES CORPORATION		INABATA & CO.,LTD.		IWATANI CORPORATION		JFE SHOJI HOLDINGS, INC.		KANEMATSU CORPORATION		NAGASE & CO.,LTD.		SUMIKIN BUSSAN CORPORATION	
Total Assets	54,379	(-25.1%)	479,379	(-0.5%)	427,576	(-15.3%)	215,279	(-24.4%)	366,308	(-9.5%)	635,481	(-3.2%)	414,928	(-17.6%)	340,968	(-18.8%)	365,677	(-9.0%)
Liabilities	35,448	(-36.0%)	384,466	(0.9%)	193,298	(-28.3%)	151,679	(-26.5%)	305,134	(-10.2%)	520,796	(-3.4%)	372,892	(-15.5%)	149,036	(-29.5%)	315,248	(-10.5%)
Shareholders' Equity	6,800	(0.0%)	45,651	(0.0%)	7,938	(0.0%)	9,364	(0.0%)	20,096	(0.0%)	20,000	(0.0%)	27,781	(0.0%)	9,699	(0.0%)	12,335	(0.0%)
Total Shareholders' Equity	18,931	(9.6%)	94,912	(-6.0%)	234,278	(-0.4%)	63,599	(-18.6%)	61,173	(-6.0%)	114,684	(-2.2%)	42,035	(-32.5%)	191,931	(-7.9%)	50,429	(1.2%)
Trading Transactions	223,016	(-11.5%)	1,539,281	(2.1%)	774,950	(-17.8%)	442,761	(-11.5%)	681,376	(-9.0%)	2,706,576	(12.6%)	1,138,755	(-8.5%)	715,238	(-6.5%)	1,291,174	(-1.8%)
Gross Trading Profit	19,958	(-8.1%)	47,712	(-6.2%)	104,223	(-28.5%)	26,659	(-16.9%)	132,304	(-4.7%)	96,777	(6.0%)	86,292	(-4.5%)	71,527	(-11.2%)	67,281	(-7.1%)
Gross Trading Profit Ratio	8.95%	-	3.10%	-	13.45%	-	6.02%	-	19.42%	-	3.58%	-	7.58%	-	10.00%	-	5.21%	-
Selling, General and Administrative Expenses	14,116	(-9.0%)	30,260	(11.3%)	89,314	(-7.6%)	23,083	(-5.4%)	122,574	(1.8%)	56,358	(4.6%)	67,264	(-0.7%)	59,004	(2.7%)	49,774	(0.2%)
Operating Income	5,842	(-5.7%)	17,451	(-26.4%)	14,909	(-69.7%)	3,576	(-53.3%)	9,729	(-47.1%)	40,238	(7.5%)	19,027	(-15.8%)	12,522	(-45.7%)	17,506	(-23.0%)
Financial Balance	-357	-	-2,062	-	1,149	-	-134	-	-2,400	-	-962	-	-3,639	-	398	-	-1,979	-
Net Income	3,231	(0.0%)	5,997	(-54.3%)	7,075	(-73.7%)	2,162	(-26.0%)	2,568	(-51.0%)	19,848	(-15.3%)	-12,787	(-167.2%)	5,808	(-41.9%)	6,267	(-42.7%)

Non-Consolidated Financial Results	CHORI CO.,LTD.		HANWA CO.,LTD.		HITACHI HIGH-TECHNOLOGIES CORPORATION		INABATA & CO.,LTD.		IWATANI CORPORATION		JFE SHOJI HOLDINGS, INC.		KANEMATSU CORPORATION		NAGASE & CO.,LTD.		SUMIKIN BUSSAN CORPORATION	
Trading Transactions	205,164	(-11.0%)	1,509,242	(2.5%)	601,826	(-18.8%)	283,658	(-13.3%)	503,654	(-13.2%)	17,194	(26.4%)	540,383	(-4.2%)	457,632	(-12.4%)	1,138,310	(-2.2%)
Gross Trading Profit	16,405	(-4.9%)	42,639	(-7.4%)	532,196	(421.5%)	12,102	(-12.3%)	56,454	(-18.2%)	17,194	(26.4%)	20,654	(-11.3%)	29,892	(-11.6%)	37,870	(-8.1%)
Gross Trading Profit Ratio	8.00%	-	2.83%	-	88.43%	-	4.27%	-	11.21%	-	100.00%	-	3.82%	-	6.53%	-	3.33%	-
Selling, General and Administrative Expenses	11,110	(-5.8%)	26,246	(12.3%)	69,629	(2.8%)	10,528	(1.5%)	55,238	(-4.7%)	680	(2.4%)	16,798	(-0.5%)	27,318	(3.0%)	24,761	(0.9%)
Operating Income	5,294	(-3.2%)	16,393	(-27.7%)	61,438	(79.1%)	1,573	(-54.2%)	1,215	(-89.0%)	16,513	(27.6%)	3,855	(-39.9%)	2,573	(-64.7%)	13,109	(-21.3%)
Financial Balance	-277	-	-2,060	-	6,684	-	1,166	-	502	-	167	-	251	-	4,049	-	154	-
Ordinary Profit	5,389	(10.3%)	14,190	(-31.1%)	15,243	(-58.6%)	3,441	(-29.5%)	1,905	(-82.2%)	16,684	(27.8%)	3,895	(-48.1%)	7,711	(-37.3%)	12,515	(-15.8%)
Income Taxes	2,015	(12.6%)	5,041	(-40.0%)	3,754	(-74.2%)	2,033	(20.1%)	963	(-69.4%)	108	(52.1%)	5,483	(175.5%)	1,961	(-58.5%)	4,475	(-32.3%)
Net Income	2,908	(25.9%)	5,554	(-56.0%)	4,177	(-84.9%)	941	(-43.8%)	1,049	(-76.3%)	16,576	(27.8%)	-18,363	(-235.5%)	4,621	(69.4%)	1,810	(-77.2%)
Cash Dividends	2.0 yen	-	12.0 yen	-	30.0 yen	-	10.0 yen	-	5.0 yen	-	10.0 yen	-	0.0 yen	-	16.0 yen	-	8.0 yen	-

## REGULAR MEMBERS OF JFTC

### Companies (Total 43)

ASSOCIATED LUMBER & TRADING CO., LTD., CARGILL JAPAN LIMITED, CHORI CO., LTD., CBC CO., LTD., D. NAGATA CO., LTD., HANWA CO., LTD., HITACHI HIGH-TECHNOLOGIES CORPORATION, INABATA & CO., LTD., ITOCHU CORPORATION, IWATANI CORPORATION, JFE SHOJI HOLDINGS, INC., KANEMATSU CORPORATION, KOWA COMPANY, LTD., KYOEI SHOJI CO., LTD., KYOKUTO BOEKI KAISHA, LTD., MARUBENI CORPORATION, MARUBENI-ITOCHU STEEL INC., MEIWA 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., OKAYA & 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., TOHO BUSSAN KAISHA, LTD., TOYOTA TSUSHO CORPORATION, Y. NISHIDA & CO., LTD., YAGI TSUSHO LTD., YUASA TRADING CO., LTD.

### Associations (Total 24)

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 CENTER FOR TRADE AND INVESTMENT, 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 YOKOHAMA FOREIGN TRADE ASSOCIATION

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Junzo Shimizu (President, Toyota Tsusho Corporation)

Masami Iijima (President & CEO, Mitsui & Co., Ltd.) (Inaugurated on 29<sup>th</sup> May)

### EXECUTIVE MANAGING DIRECTOR

Masayoshi Amano

### MANAGING DIRECTOR

Toshio Sampei