

# *The Mid-Term Plan* *“Super A&P-2004”*

Decision and Action  
Implement the Mid-Term Strategy  
Stabilize and Strengthen Profit Structure

ITOCHU Corporation

## Dear Stockholders and Customers

### **Consolidated Results for the Year Ended March 2003 —Trading income\* again surpasses ¥100 billion, adjusted profit hits record high**

The Japanese economy in fiscal year 2003 ended March 31, 2003 showed some signs of a turnaround in the first half, but in the second half experienced a downturn. Reflecting deepening deflation, nominal domestic GDP declined 0.7% over the previous term, the second straight year of negative growth. In overseas economies, Asia continued its robust performance, but the U.S. was lackluster on the whole and Europe remained sluggish.

Our performance in fiscal year 2003 was not satisfactory, but even in such a harsh economic environment, we were able to set the stage for future growth.

**Total trading transactions** decreased by ¥938.9

billion, or 8.2%, compared to the previous fiscal year. The Aerospace, Electronics & Multimedia Company witnessed a drop off in sales due to the slump in the domestic IT industry. Sales of the Plant, Automobile & Industrial Machinery Company; the Energy, Metals & Minerals Company; and the Construction & Realty Division also decreased year-on-year due to stagnant markets and our efforts to reduce less profitable transactions. Total trading transactions were further adversely affected by the transfer of our steel business in the previous fiscal year to equity-method affiliate Marubeni-Itochu Steel, Inc. **Gross trading profit** decreased by ¥12.8 billion, or 2.2%, to ¥566.0 billion compared to the previous fiscal year, but we were able to boost the **gross trading profit ratio** by 0.33 percentage point to 5.41%. Our continuing efforts in recent years to