

Share of Group Companies Reporting Profits

Years ended March 31	2005			2004			Changes		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
Companies reporting profits	255	290	545	232	270	502	23	20	43
Group companies	316	340	656	314	331	645	2	9	11
Share	80.7%	85.3%	83.1%	73.9%	81.6%	77.8%	6.8%	3.7%	5.3%

The following tables, excluding the effects of an impairment loss on FamilyMart stock in fiscal 2005 and an impairment loss on fixed assets in fiscal 2004, are provided for reference.

Profits/Losses of Group Companies Reporting Profits/Losses

(Excluding the effect of impairment loss on shares of FamilyMart Co., Ltd. in 2005 (Note) and losses on fixed assets in 2004 (Note))

Years ended March 31	Billions of Yen								
	2005			2004			Changes		
	Profitable	Unprofitable	Total	Profitable	Unprofitable	Total	Profitable	Unprofitable	Total
Group companies excluding overseas trading subsidiaries	¥ 90.4	¥ (15.9)	¥ 74.5	¥ 69.4	¥ (19.6)	¥ 49.8	¥ 21.0	¥ 3.7	¥ 24.7
Overseas trading subsidiaries	14.7	(1.5)	13.2	5.3	(0.3)	5.0	9.3	(1.2)	8.1
Total	¥ 105.1	¥ (17.4)	¥ 87.7	¥ 74.8	¥ (19.9)	¥ 54.9	¥ 30.4	¥ 2.4	¥ 32.8

Share of Group Companies Reporting Profits

(Excluding the effect of impairment loss on shares of FamilyMart Co., Ltd. in 2005 (Note) and losses on fixed assets in 2004 (Note))

Years ended March 31	2005			2004			Changes		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
Companies reporting profits	256	290	546	263	271	534	(7)	19	12
Group companies	316	340	656	314	331	645	2	9	11
Share	81.0%	85.3%	83.2%	83.8%	81.9%	82.8%	(2.8%)	3.4%	0.4%

Note: "Impairment loss on shares of FamilyMart" presents the loss on goodwill impairment relating to shares of FamilyMart Co., Ltd. which was announced by ITOCHU Corporation on Apr. 5, 2005. "Impairment losses on fixed assets" presents the special losses recognized in accordance with "Early application of impairment accounting for fixed assets, the change of forecasts for fiscal year ending March 2004 and cash dividends" which was announced by ITOCHU Corporation on Apr. 2, 2004.

For fiscal 2005, the net income from subsidiaries and equity-method associated companies (the aggregate profits/losses of subsidiaries and equity-method associated companies excluding overseas trading subsidiaries, the same definition applies below) amounted to a gain of ¥47.9 billion, a significant rise compared to a loss of ¥28.5 billion in the previous fiscal year. Similarly, the share of Group companies reporting profits (the ratio of companies reporting profits to total Group companies) also improved from 77.8% to 83.1%. Excluding the impairment loss on investment in FamilyMart recognized in fiscal 2005 and the impairment losses on long-lived assets recognized in fiscal 2004, Group companies recorded a profit of ¥74.5 billion, with 83.2% of the companies recording a profit. This marked an improvement of ¥24.7 billion and 0.4 percentage points, respectively. Profits from ITOCHU's overseas trading subsidiaries reached ¥13.2 billion, an increase of ¥8.1 billion from the previous fiscal year. As can be seen from the improvement in both profits and losses for the combined total of Group companies and overseas trading subsidiaries, the profitability of consolidated companies has shown strong improvement.

Net Income from Subsidiaries and Equity-Method Associated Companies

