

CONSOLIDATED STATEMENTS OF OPERATIONS

ITOCHU Corporation and Subsidiaries
Years ended March 31, 2005, 2004 and 2003

	Millions of Yen			Millions of U.S. dollars (Note 2)
	2005	2004	2003	2005
Revenue (notes 2 and 20):				
Sales revenue.....	¥ 1,598,672	¥ 1,355,372	¥ 1,312,657	\$ 14,887
Trading margins and commissions on trading transactions.....	392,566	383,375	369,061	3,655
Total trading transactions (notes 2, 4 and 14):				
2005: ¥ 9,576,039 million (\$89,171 million)				
2004: ¥ 9,516,967 million				
2003: ¥ 10,446,371 million				
Total revenue	1,991,238	1,738,747	1,681,718	18,542
Cost of sales	(1,360,477)	(1,182,852)	(1,116,751)	(12,668)
Gross trading profit (note 14)	630,761	555,895	564,967	5,874
Selling, general and administrative expenses (notes 6, 10 and 20)	(466,840)	(462,894)	(448,473)	(4,347)
Settlement loss from the transfer of the substitutional portion of the Employees' Pension Fund (notes 2 and 10)	—	(22,767)	—	—
Subsidy from government on the transfer of the substitutional portion of the Employees' Pension Fund (notes 2 and 10)	—	19,606	—	—
Provision for doubtful receivables (note 5)	(6,181)	(10,624)	(16,845)	(58)
Interest income	10,774	12,819	16,939	100
Interest expense	(31,814)	(37,562)	(47,594)	(296)
Dividends received	14,162	10,528	10,076	131
Loss on disposal of investments and marketable securities, including write-down (notes 3, 8 and 19)	(25,384)	(13,633)	(13,182)	(236)
Loss on property and equipment-net (note 8)	(5,959)	(129,432)	(755)	(55)
Other-net (notes 2 and 11)	439	(13,982)	(7,458)	4
Income (loss) before income taxes, minority interests, equity in earnings of associated companies and extraordinary items	119,958	(92,046)	57,675	1,117
Income taxes (notes 2 and 12):				
Current	46,987	31,122	31,287	437
Deferred	15,556	(76,579)	14,365	145
Total income taxes	62,543	(45,457)	45,652	582
Income (loss) before minority interests, equity in earnings of associated companies and extraordinary items	57,415	(46,589)	12,023	535
Minority interests	(11,387)	(10,042)	(10,484)	(107)
Equity in earnings of associated companies (note 4)	31,764	22,859	18,539	296
Net income (loss) before extraordinary items	77,792	(33,772)	20,078	724
Extraordinary items- gain on negative goodwill, less applicable income taxes of ¥1,271 million (note 2)	—	1,828	—	—
Net income (loss)	¥ 77,792	¥ (31,944)	¥ 20,078	\$ 724
	Yen			U.S. dollars (Note 2)
	2005	2004	2003	2005
Net income (loss) per common share before extraordinary items (notes 2 and 13)	¥ 49.16	¥ (21.36)	¥ 13.12	\$ 0.46
Extraordinary items per common share— gain on negative goodwill, less applicable income taxes	—	1.16	—	—
Net income (loss) per common share	¥ 49.16	¥ (20.20)	¥ 13.12	\$ 0.46

See notes to consolidated financial statements.