

## Performance of Consolidated Subsidiaries and Associated Companies

For the fiscal year ended March 31, 2003, ITOCHU's consolidated results included 468 consolidated subsidiaries (228 domestic and 240 overseas) and 183 equity-method associated

companies (90 domestic and 93 overseas) totaling 651 companies. The following table presents information regarding the profitability of these companies.

### Share of Profitable Group Companies

Years ended March 31	2003			2002		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Profitable companies .....	263	259	522	262	249	511
Group companies .....	318	333	651	331	340	671
Profitable ratio .....	82.7%	77.8%	80.2%	79.2%	73.2%	76.2%

### Profit of Profitable Companies and Loss of Unprofitable Companies

Years ended March 31	Billions of Yen								
	2003			2002			Changes		
	Profitable	Unprofitable	Total	Profitable	Unprofitable	Total	Profitable	Unprofitable	Total
Group companies excluding overseas trading subsidiaries .....	¥62.1	(14.7)	47.4	53.3	(21.6)	31.7	8.8	6.9	15.7
Overseas trading subsidiaries .....	4.7	(2.2)	2.5	4.6	(0.9)	3.7	0.1	(1.3)	(1.2)
Total .....	¥66.8	(16.9)	49.9	57.9	(22.5)	35.4	8.9	5.6	14.5

### Major Profitable Group Companies

Years ended March 31	Shares	*Net income (loss) Billions of Yen		Reasons for changes
		2003	2002	
Domestic				
ITOCHU Oil Exploration Co., Ltd. ....	97.79%	¥5.1	1.9	Recorded gains on disposal of rights and interests
Marubeni-Itochu Steel Inc. ....	50.00%	3.3	1.0	Steady growth of overseas, and an increase in full-year net income in fiscal 2003 because only 2nd-half net income was earned in fiscal 2002
FamilyMart Co., Ltd. ....	30.53%	3.2	(0.1)	Steady growth and ceasing amortization of goodwill in fiscal 2003
ITOCHU Techno-Science Corporation .....	32.92%	2.8	5.7	Dull condition in IT sector
Japan Brazil Paper & Pulp Resources Development Co., Ltd. ....	25.94%	2.7	(0.2)	Increase in full-year net income in fiscal 2003 because only 2nd-half net income was earned in fiscal 2002
Yoshinoya D&C Co., Ltd. ....	21.19%	1.7	0.5	Exemption of liabilities in subsidiaries and ceasing amortization of goodwill in fiscal 2003
ITOCHU Sugar Co., Ltd. ....	100.00%	1.5	0.7	Recorded earnings from new subsidiaries and gains through a share sale
ITOCHU Chemical Frontier Corporation .....	99.90%	1.2	0.1	Acquired business from parent company and recorded a provision for doubtful accounts in fiscal 2002
ITOCHU Finance Corporation .....	88.32%	1.2	(0.8)	Recorded a provision for doubtful accounts in fiscal 2002
ITC Networks Corporation .....	100.00%	1.1	0.0	Reduced expenses and acquired business from parent company
ITOCHU Plastics Inc. ....	100.00%	1.1	0.5	Merged with ITOCHU POLYMER INC. and acquired business from parent company
Overseas				
ITOCHU Coal Resources Australia Pty., Ltd. ...	100.00%	¥3.0	3.3	Decreased mainly due to changes in foreign exchange rates
Prime Source Building Products, Inc. ....	100.00%	2.1	1.0	Steady growth in house construction
ITOCHU Europe PLC. ....	100.00%	1.0	1.0	—
ITOCHU Hong Kong Ltd. ....	100.00%	0.9	1.4	Worse performances of associated companies
ITOCHU Australia Ltd. ....	100.00%	0.6	0.7	Recorded gains on disposal of subsidiaries in fiscal 2002
ITOCHU (Thailand) Ltd. ....	100.00%	0.6	0.4	Steady growth in chemical sector
ITOCHU (China) Holding Co., Ltd. ....	100.00%	0.5	0.5	—