

# Consolidated Statements of Stockholders' Equity

ITOCHU Corporation and Subsidiaries  
Years ended March 31, 2006, 2005 and 2004

	Millions of Yen			Millions of U.S. dollars (Note 2)
	2006	2005	2004	2006
<b>Common stock (note 17):</b>				
Balance at beginning of year				
issued:				
1,584,889,504 shares 2006 and 2005				
1,583,487,736 shares 2004 .....	¥ 202,241	¥ 202,241	¥ 202,241	\$ 1,722
Acquisition of minority interests through issuance of common stock				
1,401,768 shares 2004 .....	—	—	—	—
Balance at end of year				
1,584,889,504 shares 2006, 2005 and 2004 .....	¥ 202,241	¥ 202,241	¥ 202,241	\$ 1,722
<b>Capital surplus (notes 17 and 18):</b>				
Balance at beginning of year .....	¥ 137,024	¥ 136,915	¥ 136,842	\$ 1,167
Acquisition of minority interests through issuance of common stock ..	—	—	141	—
Redistribution arising from sale by parent of common				
stock of subsidiaries and associated companies .....	—	—	(82)	—
Excess arising from retirement of treasury stock .....	11	109	14	0
Balance at end of year .....	¥ 137,035	¥ 137,024	¥ 136,915	\$ 1,167
<b>Retained earnings (note 18):</b>				
Legal reserve:				
Balance at beginning of year .....	¥ 3,927	¥ 3,450	¥ 3,212	\$ 33
Transfer from other retained earnings .....	1,797	575	301	15
Redistribution arising from sale by parent of common				
stock of subsidiaries and associated companies .....	(57)	(98)	(63)	(0)
Balance at end of year .....	¥ 5,667	¥ 3,927	¥ 3,450	\$ 48
Other retained earnings:				
Balance at beginning of year .....	¥ 184,273	¥ 106,958	¥ 143,014	\$ 1,569
Net income (loss) .....	145,146	77,792	(31,944)	1,236
Cash dividends .....	(17,418)	—	(3,956)	(149)
Transfer to legal reserve .....	(1,797)	(575)	(301)	(15)
Redistribution arising from sale by parent of common				
stock of subsidiaries and associated companies .....	57	98	145	0
Balance at end of year .....	¥ 310,261	¥ 184,273	¥ 106,958	\$ 2,641
<b>Accumulated other comprehensive income (loss) (notes 2, 3, 12, 14, 19 and 20):</b>				
Balance at beginning of year .....	¥ (16,242)	¥ (25,982)	¥ (58,408)	\$ (138)
Other comprehensive income .....	89,131	9,740	32,426	758
Balance at end of year .....	¥ 72,889	¥ (16,242)	¥ (25,982)	\$ 620
<b>Treasury stock:</b>				
Balance at beginning of year .....	¥ (826)	¥ (716)	¥ (681)	\$ (7)
Net change in treasury stock .....	(451)	(110)	(35)	(4)
Balance at end of year .....	¥ (1,277)	¥ (826)	¥ (716)	\$ (11)
<b>Total .....</b>	<b>¥ 726,816</b>	<b>¥ 510,397</b>	<b>¥ 422,866</b>	<b>\$ 6,187</b>
<b>Comprehensive income (loss):</b>				
Net income (loss) .....	¥ 145,146	¥ 77,792	¥ (31,944)	\$ 1,236
Other comprehensive income (loss) (net of tax) (notes 2, 14 and 19):				
Net change in foreign currency translation adjustments during the year	37,618	4,348	(16,558)	320
Minimum pension liability adjustments (note 12) .....	(39)	(1,413)	794	(0)
Net change in unrealized holding gains (losses)				
on securities during the year (note 3) .....	44,943	7,093	46,034	382
Net change in unrealized holding gains (losses)				
on derivative instruments during the year (note 20) .....	6,609	(288)	2,156	56
Total other comprehensive income .....	89,131	9,740	32,426	758
<b>Total .....</b>	<b>¥ 234,277</b>	<b>¥ 87,532</b>	<b>¥ 482</b>	<b>\$ 1,994</b>

See notes to consolidated financial statements.