

2) Consolidated Net Income Structure with Special Emphasis on Net Income from Group Companies

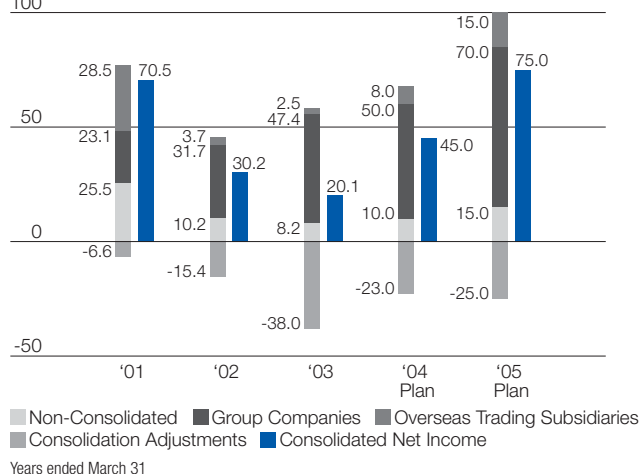
Since we have to a great extent achieved the restructuring of unprofitable companies during the period of A&P-2002, our current focus is shifting to the maximization of profit from profitable companies. To achieve this, we will strengthen the businesses of core companies with profit contribution of over ¥1 billion, and semi-core companies from ¥0.3 to ¥1 billion. At the same time, we will consolidate the overall profitability of overseas trading subsidiaries, by recovering profitability of businesses in North America, particularly in the fields of consumer and retail related and other services as well as expanding profits from Asian operations. ITOCHU also plans to continue to ensure an adequate level of profitability on a non-consolidated basis to pay dividends consistently and stably.

3) Improving the Financial Position

We plan to improve the net DER to 3.6 times, by reducing total assets to ¥4,400 billion and net interest-bearing debts to ¥1,950 billion as of March 2005, and on the other hand, increasing stockholders' equity to ¥540 billion by retaining earnings.

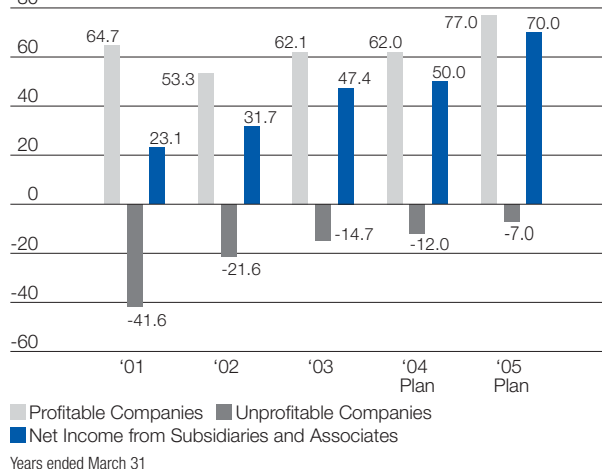
Structure of Consolidated Net Income

Billions of Yen
100



Net Income from Group Companies

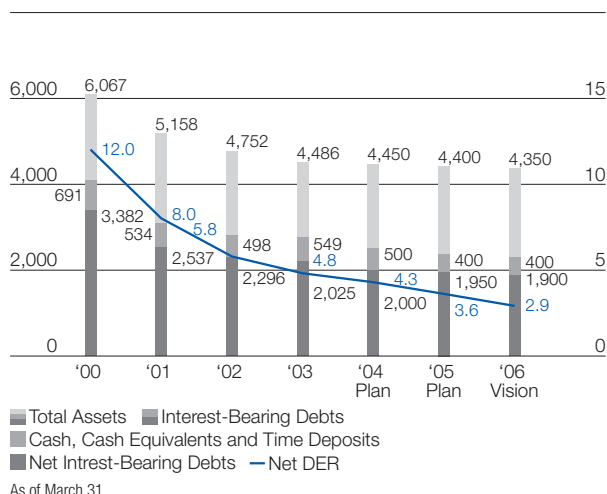
Billions of Yen
80



Total Assets, Interest-Bearing Debts and Net DER

Billions of Yen

Times



Stockholders' Equity and Ratio of Stockholders' Equity to Total Assets

Billions of Yen
800

%
20

