

## Outlook for Fiscal 2004, ending March 2004

The business environment for ITOCHU in fiscal 2004 is expected to largely depend on the U.S. economy, which is still fluid. Japan's economy continues to suffer from the effects of deflation and thus it is difficult to expect any sort of rapid recovery. The stock market also is unlikely to make any significant gains.

Under these circumstances, ITOCHU expects consolidated total trading transactions of 10 trillion yen for the fiscal year

ending March 2004, with net income of 45.0 billion yen.

These forecasts are forward-looking statements based on a number of assumptions and beliefs made by management in light of information currently available and thus involve certain risks and uncertainties. Actual results may differ materially depending on a number of factors, including changing economic conditions in major market and fluctuations in currency exchange rate.

Fiscal 2004 consolidated forecasts (April 2003 - March 2004)

Years ended March 31	Billions of Yen			
	Full year		Half year	
	2004 Forecasts	2003 Results	2004 Forecasts	2003 Results
Gross trading profit .....	¥ 600	566	290	274
<div style="border-left: 1px solid black; border-right: 1px solid black; padding: 0 5px;">                     Total trading transactions:                      2004 full year forecasts    ¥10,000                      2003 full year results     ¥10,462                      2004 half year forecasts    ¥ 4,800                      2003 half year results     ¥ 5,075                 </div>				
Selling, general and administrative expenses .....	(475)	(448)	(232)	(224)
Provision for doubtful accounts .....	(15)	(17)	(8)	(3)
Net interest expenses .....	(33)	(31)	(16)	(16)
Dividends .....	7	10	2	5
Other-net .....	(3)	(22)	(1)	4
Income before income taxes, minority interests and equity in earnings (losses) .....	81	58	35	40
Income taxes .....	(44)	(46)	(22)	(24)
Income before minority interests and equity in earnings (losses) .....	37	12	13	15
Minority interests .....	(13)	(11)	(5)	(4)
Equity in earnings (losses) of associated companies .....	21	19	7	11
Net income .....	¥ 45	20	15	22
Total assets .....	¥4,450	4,486		
Gross interest-bearing debts .....	2,500	2,574		
Net interest-bearing debts .....	2,000	2,025		
Total stockholders' equity .....	470	426		

(Note)	2004	2003
	Forecasts	Results
Yen to U.S. dollars rate .....	120.00	122.85
Crude oil price (U.S.dollars per BBL) .....	20-22	27.19

## Distribution of the last and current fiscal year's profit

ITOCHU will pay a total dividend of 5 yen per share for the fiscal year ended March 2003. The dividend for the first half of the year was 2.5 yen per share. For the fiscal year ending March 2004,

ITOCHU also intends to pay a total dividend of 5 yen per share, with the dividend for the first half of the year yet to be determined.