

	Thousands of U.S. dollars		
	2003		
	Guarantees for Monetary indebtedness	Other Guarantees	Total
Guarantees for subsidiaries:			
Maximum potential amount of future payments .....	\$4,375,765	947,604	5,323,369
Amount of substantial risk .....	2,989,883	618,012	3,607,895
Guarantees for associated companies:			
Maximum potential amount of future payments .....	1,631,231	1,226,864	2,858,095
Amount of substantial risk .....	969,884	83,535	1,053,419
Guarantees for customers:			
Maximum potential amount of future payments .....	1,665,391	50,474	1,715,865
Amount of substantial risk .....	922,080	44,509	966,589
Total:			
Maximum potential amount of future payments .....	\$7,672,387	2,224,942	9,897,329
Amount of substantial risk .....	4,881,847	746,056	5,627,903

The carrying amount of the liability recognized for guarantees was ¥1,469 million (\$12,221 thousand) and ¥688 million at March 31, 2003 and 2002, respectively.

Other than the above guarantees, some guarantees are issued between the Company and its subsidiaries for the purpose of sharing the risks, of which the maximum potential amount of future payments was ¥38,893 million (\$323,569 thousand) and ¥51,428 at March 31, 2003 and 2002, respectively.

The amounts that can be recovered from third parties have been included in determining maximum potential amount of future payments. The amounts recoverable were ¥138,990 million (\$1,156,323 thousand) and ¥114,105 million at March 31, 2003 and 2002, respectively.

Guarantees with the longest term for indebtedness of subsidiaries, associated companies and customers issued by the Company and its subsidiaries will expire on December 31, 2037.

The major associated companies and customers guaranteed and substantial risk of the guarantees for monetary indebtedness at March 31, 2003 and 2002 were as follows:

	Millions of Yen	Thousands of U.S. dollars		Millions of Yen
	2003			2002
Marubeni-Itochu Steel Inc. ....	¥38,753	\$322,404	Marubeni-Itochu Steel Inc. ....	¥70,700
Marubeni-Itochu Steel America Inc. ....	16,670	138,686	Marubeni-Itochu Steel America Inc. ....	22,585
Japan Brazil Paper and Pulp Resources Development Co., Ltd. ....	12,022	100,017	Japan Brazil Paper and Pulp Resources Development Co., Ltd. ....	14,417
Tokyo Humania Enterprise Inc. ....	9,534	79,318	Tokyo Humania Enterprise Inc. ....	9,558
Quatro World Maritime S.A. ....	6,431	53,502	Quatro World Maritime S.A. ....	7,129
P.T. PANTJA MOTOR ....	6,000	49,917	Digital Telecommunications Phils. ....	7,099
Digital Telecommunications Phils. ....	5,829	48,494	STAR CHANNEL, INC. ....	6,000
Chemoil Corporation ....	4,793	39,875	P.T. PANTJA MOTOR ....	6,000
Bontang Train •G Project ....	4,643	38,627	Bontang Train •G Project ....	5,981
Kawasaki Kisen Kaisha, Ltd. ....	3,215	26,747	Tycoon Corporation ....	5,811

The Company and its subsidiaries were contingently liable relating to ¥4,538 million (\$37,754 thousand) and ¥3,342 million of trade notes receivable endorsed to suppliers in the settlement of accounts payable and ¥54,750 million (\$455,491 thousand) and ¥54,720 million of export bills of exchange discounted with banks in the ordinary course of business at March 31, 2003 and 2002, respectively.

## 23. Subsequent Events

The Company issued in Japan 0.79% Yen Bonds due 2008 in an aggregate principal amount of ¥15,000 million (\$124,792 thousand) on April 30, 2003, 0.41% Yen Bonds due 2006 in an aggregate principal amount of ¥10,000 million (\$83,195 thousand) on May 27, 2003, 0.87% Yen Bonds due 2010 in an

In July 2001, Citibank, N.A. and Citibank Canada filed a lawsuit in the federal district court in New York City against ITOCHU International Inc. (the Company's U.S. subsidiary), with regards to sale of all the stock of Copelco Capital, Inc., an ultimate subsidiary of ITOCHU International Inc., to the plaintiffs in May 2000. Because of the early stage of the proceedings and the inherent uncertainty of litigation, it is not possible to predict the ultimate outcome.

aggregate principal amount of ¥10,000 million (\$83,195 thousand) on May 27, 2003 and 0.47% Yen Bonds due 2007 in an aggregate principal amount of ¥10,000 million (\$83,195 thousand) on June 23, 2003, in accordance with an approved resolution of the Board of Directors held on July 5, 2002.