

New Mid-term Plan, Super A&P-2004

ITOCHU has recently begun its new mid-term management plan “Super A&P-2004” for the two-year term from April 2003 to March 2005. Our primal goals are to double profits and further strengthen financial position by focusing on our Super A&P strategy based on the results of the previous mid-term plan, “A&P-2002.”

Super A&P Strategy

The Super A&P strategy deepens the initiatives that were implemented in the A&P strategy, further focusing on the A&P segments which we highlighted in the previous plan. We will strengthen our strategic allocation of management resources through aggressive selection and concentration.

Specifically, we have positioned the consumer and retail related sector and the Asian region centered on China as our growth engine. We plan to allocate more management resources to these segments throughout

the two years. In addition, we will actively develop new businesses including new technologies as one of our core businesses in the future (see page 13 for our China strategy and page 14 for our innovative technology related business strategy).

Numerical Plans for Super A&P-2004 (Consolidated-basis)

	Billions of Yen	
	Plans of the First Year of Super A&P-2004	Plans of the Second Year of Super A&P-2004
	2004	2005
P/L (For fiscal years):		
Net income	45.0	75.0
B/S (As of March 31):		
Total assets	4,450.0	4,400.0
Interest-bearing debts	2,500.0	2,350.0
Net interest-bearing debts	2,000.0	1,950.0
Stockholders' equity	470.0	540.0
Ratio (For fiscal years):		
ROA	1.0%	1.7%
ROE	9.6%	13.9%
Net DER	4.3 times	3.6 times
Equity ratio	10.6%	12.3%

Super Powerful: Consumer and retail related
Attractive: Information and multimedia, Natural resource development, Financial services, North America, Asia

Strategy for the Consumer and Retail Related Sector

