Contents

| Two-Year Financial Highlights | 1 |
|---|-----|
| Profile | 2 |
| ITOCHU's Diverse Functions | 3 |
| Dear Stockholders and Customers (Eizo Kobayashi, President and C.E.O.) | 4 |
| Looking Back at Six Years as President (Uichiro Niwa, Chairman of the Board) | 8 |
| Achieving Our Super A&P-2004 Mid-term Plan | 10 |
| A&P (Attractive & Powerful) Segments | 14 |
| Early Application of Impairment Accounting for Fixed Assets under Japan GAAP and | |
| the Treatment for Our Consolidated Financial Statements | 15 |
| Special Feature | 16 |
| ITOCHU's China Strategy | 16 |
| Creating New Businesses with Innovative Technologies | 17 |
| Group Company Management and Strategies | 18 |
| Results of Retirement Pension Plan Reform | 19 |
| Division Companies | 20 |
| Division Companies at a Glance | 20 |
| Textile Company | 22 |
| Machinery Company | 24 |
| Aerospace, Electronics & Multimedia Company | 26 |
| Energy, Metals & Minerals Company | 28 |
| Chemicals, Forest Products & General Merchandise Company | 30 |
| Food Company | 32 |
| Finance, Realty, Insurance & Logistics Services Company | 34 |
| Overseas Operations | 36 |
| Chief Operating Officer, Division Companies Operation, and Chief Administration Officer | 38 |
| Corporate Governance and Corporate Social Responsibility (CSR) | 40 |
| Corporate Governance | 40 |
| ITOCHU's Concept of Corporate Social Responsibility | 43 |
| Corporate Ethics and Compliance | 44 |
| Proactively Tackling Environmental Issues | 45 |
| Social Contributions | 46 |
| Providing Comfortable Working Conditions for Our Employees | 47 |
| Corporate Officers | 48 |
| Major Subsidiaries and Associated Companies | 50 |
| Global Network/Bank List | 54 |
| Organization | 56 |
| Financial Section | 57 |
| Six-Year Summary | 58 |
| Management's Discussion and Analysis of Financial Condition and Results of Operations | 59 |
| Consolidated Balance Sheets | 86 |
| Consolidated Statements of Income | 88 |
| Consolidated Statements of Stockholders' Equity | 89 |
| Consolidated Statements of Cash Flows | 90 |
| Notes to Consolidated Financial Statements | 91 |
| | 121 |
| Independent Auditors' Report Stock Information | 121 |
| Corporate Information | 123 |
| The former "Dignt, Automobile and Industrial Machinery Company" changed its name in English to "Machinery Company" on April 1, 2004 | IZJ |