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This document is an English translation of a statement written initially in Japanese. The Japanese original should be considered the primary version.

### The change of forecasts for fiscal year ending March 2003

The revaluation losses and the losses on sale of investment securities will be realized because of recent declining of the stock market, restructuring of companies which ITOCHU Corporation invests in, etc. The revision of local tax law changes the tax rate applied for calculating the deferred tax assets and liabilities, and causes an adjustment of that amount. By these factors, although the net trading profit will be better than that in last fiscal year, ITOCHU Corporation has changed its forecasts for the fiscal year ending March 2003 as follows.

#### 1. Details of the change of forecasts for fiscal year ending March 2003

##### (1) Consolidated results (Unit: JPY billion)

Fiscal Year 2003 (April 1, 2002 – March 31, 2003)

	Total Trading Transaction	Net Income
Forecast (A)	11,000	50
Revision (B)	About 10,600	About 20
Change (B-A)	- 400	- 30
Decrease (%)	- 3.6%	- 60%

(Comparison with last fiscal year results) ( - 7.0%) ( - 33.8%)

(Reference) Results for fiscal year 2002 (April 1, 2001 – March 31, 2002)

	Total Trading Transaction	Net Income
Yearly total	11,400.5	30.2

##### Main reasons for changing forecasts (Unit: JPY billion)

Increase in losses on investment securities, etc. (Pre-tax losses)

	Forecast	Revision	Difference
Devaluation losses and losses on sale of investment securities	- 6	- 43	- 37
Losses for liquidating businesses	- 4	- 6	- 2
Goodwill impairment and others		- 5	- 5
Total	- 10	- 54	- 44

**(2) Non-consolidated results (Unit: JPY billion)**

**Fiscal Year 2003 (April 1, 2002 – March 31, 2003)**

	<b>Total Trading Transaction</b>	<b>Ordinary Income</b>	<b>Net Income</b>
<b>Forecast (A)</b>	<b>7,400</b>	<b>33</b>	<b>15</b>
<b>Revision (B)</b>	<b>About 6,900</b>	<b>About 31</b>	<b>About 7</b>
<b>Change (B-A)</b>	<b>-500</b>	<b>- 2</b>	<b>- 8</b>
<b>Decrease (%)</b>	<b>- 6.8%</b>	<b>- 6.1%</b>	<b>- 53.3%</b>

**(Comparison with last fiscal year results) ( - 15.1%) ( 0.0%) ( - 31.4%)**

**(Reference) Results for fiscal year 2002 (April 1,2001 – March 31, 2002)**

	<b>Total Trading Transaction</b>	<b>Ordinary Income</b>	<b>Net Income</b>
<b>Yearly Total</b>	<b>8,128.8</b>	<b>31.2</b>	<b>10.2</b>

**Main reasons for changing forecasts (Unit: JPY billion)**

**Increase in extraordinary losses (Pre-tax losses)**

	<b>Forecast</b>	<b>Revision</b>	<b>Difference</b>
<b>Losses for liquidating businesses</b>	<b>- 9</b>	<b>- 12</b>	<b>- 3</b>
<b>Devaluation losses and losses on sale of investment securities</b>	<b>- 9</b>	<b>- 37</b>	<b>- 28</b>
<b>Others</b>	<b>- 1</b>	<b>- 2</b>	<b>- 1</b>
<b>Profit on sale of investment securities</b>	<b>26</b>	<b>43</b>	<b>- 17</b>
<b>Total</b>	<b>7</b>	<b>- 8</b>	<b>- 15</b>

**Impact of lowering the effective tax rate - 2**