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<p>This document is an English translation of a statement written initially in Japanese. The Japanese original should be considered the primary version.</p>
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Notice of Trade Receivables Outstanding in the Republic of Iraq Being Uncollectible

ITOCHU Corporation(ITOCHU) announced today that ITOCHU has accepted "Invitation to Tender for Exchange and Cancellation" dated November 16 2005 regarding ITOCHU's uncovered trade receivables outstanding in the Republic of Iraq.

Based on the acceptance, approximately 44.0 billion yen trade receivables, corresponding to 80% of the total amount of ITOCHU's trade receivables outstanding in Iraq, which is approximately 55.0 billion yen(principal: approximately 31.0 billion yen, penalty for delayed payment: 24.0 billion Japanese yen), have become uncollectible.

There is minimal impact on our operations and financial results regarding the uncollectible above, because ITOCHU has already booked provisions for doubtful receivables for the amount of the concerned receivable in the past fiscal year.