

April 8, 2008

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

ITOCHU Corporation
(Code No. 8001, Tokyo Stock Exchange, 1st Section)
Contact: Yoshiharu Matsumoto General Manager,
Corporate Communication Division
(TEL. +81-3-3497-7291)

Regarding accounting treatment concerning the announcement on March 27th 2008

ITOCHU, at the respective meeting of its Board of Directors held today, made a final decision as to what accounting treatment would be adopted for the purpose of fiscal-closing bulletins and securities reports required under the Financial Instruments and Exchange Law for the fiscal year ending March 2008 regarding the announcement on March 27th 2008 titled with “Improper Accounting Treatment by a Former Employee” as follows.

ITOCHU announced that the lump-sum reporting method^(*) would be adopted for the purpose of financial reports required under the Corporation Act in the announcement on March 27th 2008 titled with “Improper Accounting Treatment by a Former Employee”. It is decided that in the same manner as the financial reports, the lump-sum reporting method would be adopted with detail explanation for the purpose of financial-closing bulletins required by the stock exchanges and securities reports required under the Financial Instruments and Exchange Law primarily for the following reasons:

- Negligible impact for each of the past fiscal years in comparison with the past ITOCHU’s business result as explained in the announcement on March 27th 2008.
- Consistency with financial reports required under the Corporation Act.

^(*) Lump-sum reporting method: reporting cumulative amount of corrections for the past fiscal years in a lump-sum in the fiscal year in which the errors are discovered.

Accordingly, in financial-closing bulletins and securities reports for the fiscal year ending March 2008, the cumulative amount of corrections for the past fiscal years of (3,765 million yen), will be reflected in gross profit on sales on the income statement, inventory on the balance sheet in a lump-sum. As a final note, in reference to these disclosure documents, we are going to explain effect of the improper accounting including effect for each of the past fiscal years in more detail as needed.

Please refer to the announcement on March 27th 2008 titled with “Improper Accounting Treatment by a Former Employee” for further detail.