

ANNUAL FINANCIAL STATEMENTS

For years ended March 31, 2002 and 2001

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Management Policy

Establishment of new business models and management

ITOCHU has embarked on its medium-term plan “A&P-2002” (April 2001 –March 2003). According to this plan, these two years are identified as a period during which ITOCHU will discard conventional business models and develop new businesses based on the A&P (Attractive & Powerful) strategy. Two innovations – one in profit structure and one in the management system – are being tackled in order to pave the road for the creation of a corporate group with a consolidated net income of 100 billion yen, composed of companies outstanding in their respective business sectors.

Regarding the “reorganization of the profit structure” (creation of new business models), ITOCHU has aimed to establish profit models focused on the A&P segments (information and multimedia, consumer and retail-related, natural resource development, financial services and North America). The reallocation of assets, and the shifts of management resources to these strategic business areas also took place.

In the information and multimedia field, Space Shower Network Inc. was listed on JASDAQ (formerly Over-the-Counter market). In the consumer and retail-related sector, in order to strengthen the overall structure of the food business, ITOCHU established I-FOODS Co., Ltd., a sales company to handle the full range of raw materials. This reinforces intermediary distribution, which is at the core of the SIS (Strategic Integrated System) strategy. In the field of natural resource development, the Sakhalin oil field project has proceeded to the development phase. Also, ITOCHU has increased its stake in Brazilian pulp manufacturer Cenibra, thus dramatically increasing pulp transaction volume. In addition, in the iron and steel sector, ITOCHU established Marubeni-Itochu Steel Inc. last October, and this company is off to a good start.

As for the maximization of Group value, the GMC (Group Management Committee), whose members are major Group companies, was launched this year. The sharing of information and the application of Group management objectives have been driven home in order to lead to greater integrated power of the Group.

On the subject of improving our consolidated financial position, ITOCHU has reduced both total assets and interest-bearing debt, increased stockholders’ equity and thus improved its DER (Debt to Equity Ratio).

As regards the “restructuring of the management system”, a new backbone system has been implemented by introducing ERP (Enterprise Resource Planning) Package. Also, the Company’s risk management system has been reinforced and its policy has now been fully implemented at all group companies. Further, the “right person in the right place” personnel

policy has been promoted, and staff education has been boosted.

Tasks to be dealt with

Despite the harsh business environment, ITOCHU has put its strength into two large changes – in profit structure and management system – in order to fulfill our mid-term management plan “A&P-2002”.

The plan addresses the reorganization of the profit structure with the following three important policies.

First, with the continued implementation of the A&P strategy, ITOCHU will speed up the establishment of profit models in the A&P segments, the reallocation of assets, and the shifts of management resources to these strategic business domains.

Second, ITOCHU will further improve our financial position and maximize earnings on a consolidated basis, firmly putting in place consolidated group management. In concrete terms, ITOCHU will eliminate remaining underperforming operations and foster core subsidiaries, while establishing the proper consolidated expense structure.

Third, in implementing our regional and market strategies, ITOCHU will build up business models based on a global viewpoint, and to construct optimal management systems suited to particular regional and market conditions. Particularly, in addition to the reconstruction of earning power in North America, local and regional trade will be expanded in the newly added A&P region of Asia (which includes China), and ITOCHU will enhance profitability through new investments.

As regards innovation of management systems, ITOCHU will continue to concentrate on the four priority policies of strengthening corporate governance, establishing a management support structure, reinforcing risk management and cultivating human resources including systems.

In this way, ITOCHU plans to enhance its performance, and at the same time, continue to make contributions to regional and international communities by such means as actively addressing global environment issues.

Outlook for fiscal 2003

The recovery of the domestic economy for fiscal 2003 depends on the U.S. economic trend and fundamental reforms by the Japanese government and may possibly result in negative economic growth because of the difficulty of exiting from the deflation of Japan's economic condition despite the possible recovery of the U.S economy and a brighter global economic outlook.

The economic condition of the U.S. is expected to show a continuing recovery led by steady consumer spending in spite of uncertainties such as the rise in interest rates and oil price. There may also be seen a slow recovery in European and Asian economies due to the revival of the economy in the U.S.

Under these circumstances, ITOCHU is expecting consolidated trading transactions of 11 trillion yen for the fiscal year ending March 2003, with a consolidated net income of 50 billion yen.

Fiscal 2003 consolidate forecasts (April 2002 – March 2003)

	Full year	Changes from the previous fiscal year	Interim	Changes from the previous year's interim period
Total trading transactions	11 trillion yen	-3.5%	5.3 trillion yen	-10.1%
Net income	50 billion yen	+65.6%	20 billion yen	-20.7%

(Note)	Fiscal 2003 Forecasts	Fiscal 2002 Results
Exchange rate (Yen/US\$)	130.00	124.34
Crude oil price (US\$/BBL)	22.00	22.46

Distribution of current fiscal year's profit

ITOCHU plans to make a 5 (for the interim, 2.5) yen dividend payment per share for fiscal year ended March 2002. For fiscal year ending March 2003, ITOCHU intends to continue to make a dividend payment at 5 to 6 yen (for the interim, 2.5 to 3 yen dividend payment).

SUMMARY OF OPERATIONS

General Conditions

During fiscal 2002, ended March 31, 2002, the Japanese economy has further deteriorated in the deflationary condition with a decrease in the volume of exports and domestic production. A rise in the unemployment rate has led to a harsher environment in employment and earnings and thus consumer spending has slumped, which have caused a large drop in capital investments in the latter half of fiscal 2002.

The overseas economy showed signs of slight recovery after generally decelerating with the concerns about simultaneous world recession in the first half. The U.S. economy has improved in the latter half, escaping from a temporary fall of private consumption due to the terrorist attacks on September 11, 2001. In Europe and Asia, signs of recovery have also been noted in the latter half after the slowdown following the sluggish U.S. economy.

Trading Transactions

In fiscal 2002, total trading transactions decreased by 6.1%, or 734.8 billion yen from the last fiscal year, to 11,400.5 billion yen (85,557 million U.S. dollars). Domestic transactions decreased in the textile, chemical and construction & realty sectors due to weak private consumption and a drop in market price, in spite of an increase in the IT-related sector. Import transactions decreased in the energy sector with a fall of oil prices, and export transactions increased in the plant projects sector. The large plant transaction in the last fiscal year influenced a decrease in offshore transactions. In addition, transferring steel operations to a new equity-method affiliate, Marubeni-Itochu Steel Inc., has also had an impact to lower total trading transactions.

Income and Expenses

Gross trading profit decreased by 5.4% or 32.7 billion yen from the last fiscal year to 578.9 billion yen (4,344 million U.S. dollars) due to weak private consumption and the drop in market price, in addition to the sale of investments in U.S. leasing subsidiaries during the last fiscal year.

Trading income decreased by 11.1% or 12.1 billion yen to 96.5 billion yen (724 million U.S. dollars) due to an increase in pension expenses, and in selling, general and administrative expenses, mainly in IT-related subsidiaries.

Interest expenses improved in the wake of a decline in domestic and overseas interest rates and further reduction of interest-bearing debts, and which also resulted from the sale of investments in U.S. leasing subsidiaries during the last fiscal year. As a result, financial expenses drastically improved with an increase in dividends received mainly in the LNG sector.

Devaluation losses of securities were recognized, however, income before income taxes and equity in earnings decreased by 97.2 billion yen to 67.1 billion yen (504 million U.S. dollars) compared to the last fiscal year, in which the large profit on the sale of investments in the U.S. leasing subsidiaries was recorded.

Consequently, net income showed a decrease of 40.3 billion yen to 30.2 billion yen (227 million U.S. dollars) after including equity in earnings of associated companies of 11.4 billion yen (85 million U.S. dollars) that increased by 6.1 billion yen from fiscal 2001.

Financial Conditions

Total assets as of March 31, 2002 decreased by 405.2 billion yen to 4,752.3 billion yen (35,665 million U.S. dollars), due to collections of receivables and the effect of transferring the steel operations, in spite of an increase factor of the yen's depreciation and the adoption of Statement of Financial Accounting Standards No.133 and No.138 from this fiscal year.

Cash flows from operating activities recorded a net cash-inflow of 214.0 billion yen (1,606 million U.S. dollars), which was generated by collections of trade receivables. Net cash provided by investing activities was 223.0 billion yen (1,674 million U.S. dollars) mainly due to a decrease in time deposits and similar instruments. Continuous reduction of interest-bearing debts led to 238.6 billion yen (1,791 million U.S. dollars) of net cash-outflow in financing activities.

As a result, the current balance of cash and cash equivalents as of March 31, 2002 increased by 204.8 billion yen to 479.7 billion yen (3,600 million U.S. dollars) from March 31, 2001.

Note: The consolidated financial statements are expressed in yen, and solely for the convenience of the reader, have been translated into U.S. dollars at the rate of 133.25 yen = 1 U.S. dollars, the exchange rate prevailing on March 31, 2002.

Consolidated Balance Sheets (Assets)

ITOCHU Corporation and Subsidiaries

March 31, 2002 and 2001

Assets	Y e n (millions)		U.S. dollars (thousands)
	2002	2001	2002
Current assets:			
Cash and cash equivalents.....	479,734	274,936	3,600,255
Time deposits.....	18,599	258,732	139,580
Marketable securities.....	51,165	49,985	383,977
Trade receivables :			
Notes.....	184,957	292,166	1,388,045
Accounts.....	951,075	1,114,047	7,137,524
Allowance for doubtful receivables.....	(35,187)	(31,872)	(264,068)
Net trade receivables.....	1,100,845	1,374,341	8,261,501
Due from associated companies.....	96,477	106,591	724,030
Inventories	426,028	506,158	3,197,208
Advances to suppliers.....	52,785	44,824	396,135
Other current assets.....	293,420	292,088	2,202,027
Total current assets	2,519,053	2,907,655	18,904,713
Investments and non-current receivables:			
Investments in and advances to associated companies.....	453,490	362,097	3,403,302
Other investments.....	422,501	529,913	3,170,739
Other non-current receivables.....	574,990	792,458	4,315,122
Allowance for doubtful items.....	(240,724)	(311,183)	(1,806,559)
Net investments and non-current receivables	1,210,257	1,373,285	9,082,604
Property and equipment, at cost :			
Land.....	264,661	283,012	1,986,199
Buildings.....	307,057	318,135	2,304,368
Machinery and equipment.....	276,772	253,734	2,077,088
Furniture and fixtures.....	51,216	47,823	384,360
Construction in progress.....	6,870	9,493	51,557
	906,576	912,197	6,803,572
Less accumulated depreciation.....	277,888	271,450	2,085,463
Net property and equipment	628,688	640,747	4,718,109
Other assets and deferred charges.....	394,321	235,832	2,959,257
Total	4,752,319	5,157,519	35,664,683

Note :

1. Consolidated balance sheets have been prepared in conformity with United States generally accepted accounting principles.
2. ITOCHU Corporation and its subsidiaries have adopted Statement of Financial Accounting Standards No.133 "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133), and Statement of Financial Accounting Standards No.138, which was an amendment of SFAS 133, since this fiscal year.

Consolidated Balance Sheets (Liabilities and Stockholders' Equity)

ITOCHU Corporation and Subsidiaries

March 31, 2002 and 2001

Liabilities and Stockholders' Equity	Y e n (millions)		U.S. dollars (thousands)
	2002	2001	2002
Current liabilities:			
Short-term debt	504,616	679,039	3,786,987
Current installments of long-term debt.....	486,794	584,675	3,653,238
Trade payables :			
Notes and acceptances.....	196,301	293,769	1,473,178
Accounts.....	791,713	856,626	5,941,561
Total trade payables.....	988,014	1,150,395	7,414,739
Due to associated companies.....	36,799	29,611	276,165
Income taxes payable.....	20,050	27,628	150,469
Advances from customers.....	59,126	60,537	443,722
Other current liabilities.....	248,165	285,256	1,862,402
Total current liabilities	2,343,564	2,817,141	17,587,722
Long-term debt, excluding current installments.....	1,863,629	1,868,185	13,985,959
Accrued retirement and severance benefits.....	18,366	49,089	137,831
Deferred income taxes-non-current.....	12,600	7,647	94,559
Minority interests.....	116,492	98,517	874,237
Stockholders' equity:			
Authorized 3,000,000,000 shares ;			
Issued and outstanding			
1,425,363,749 shares	174,749	174,749	1,311,437
Capital surplus	111,348	112,691	835,632
Legal reserve	3,410	2,614	25,591
Retained earnings (deficit).....	128,468	108,421	964,113
Accumulated other comprehensive income (loss).....	(20,264)	(81,535)	(152,075)
Treasury stock	(43)	-	(323)
Total stockholders' equity	397,668	316,940	2,984,375
Total	4,752,319	5,157,519	35,664,683

The components of accumulated other comprehensive income (loss) are as follows;

	Y e n (millions)		U.S. dollars (thousands)
	2002	2001	2002
Foreign currency translation adjustment.....	(30,646)	(65,972)	(229,989)
Minimum pension liability adjustment.....	(739)	(37,668)	(5,546)
Unrealized gains (losses) on securities.....	17,446	22,105	130,927
Unrealized gains (losses) on derivative instruments.....	(6,325)	-	(47,467)

Consolidated Statements of Income
ITOCHU Corporation and Subsidiaries
Years ended March 31, 2002 and 2001

	Y e n (millions)		U.S. dollars (thousands)
	2002	2001	2002
Total trading transactions	11,400,471	12,135,261	85,557,006
Gross trading profit	578,867	611,600	4,344,218
Selling, general and administrative expenses	465,519	453,221	3,493,576
Provision for doubtful accounts	16,831	49,759	126,312
Trading income	96,517	108,620	724,330
Other income (expenses):			
Interest income	33,895	51,848	254,372
Interest expense	(68,834)	(115,848)	(516,578)
Dividends	12,997	8,465	97,539
Profit on disposal of investments and marketable securities, net of write-downs.....	13,502	117,065	101,328
Profit (loss) on property and equipment.....	(7,622)	2,611	(57,201)
Other-net, including minority interests.....	(13,353)	(8,456)	(100,210)
	(29,415)	55,685	(220,750)
Income before income taxes and equity in earnings	67,102	164,305	503,580
Income taxes :			
Current	38,227	67,117	286,882
Deferred	10,046	31,906	75,392
	48,273	99,023	362,274
Income before equity in earnings	18,829	65,282	141,306
Equity in earnings of associated companies	11,362	5,225	85,268
Net income	30,191	70,507	226,574
	Y e n	U.S.dollars	
	2002	2001	2002
Net income per ten common shares (basic)	212	495	1.59
Net income per ten common shares (diluted)	212	459	1.59

Note :

- Consolidated statements of income have been prepared in conformity with United States generally accepted accounting principles.
- ITOCHU Corporation and its subsidiaries have adopted Statement of Financial Accounting Standards No.133 "Accounting for Derivative Instruments and Hedging Activities"(SFAS 133), and Statement of Financial Accounting Standards No.138, which was an amendment of SFAS 133, since this fiscal year.
- Comprehensive income consists of net income and changes in accumulated amounts of foreign currency translation adjustments, minimum pension liability adjustments, unrealized gain or loss on investments and marketable securities and derivative instruments.
Comprehensive income for the years ended March 31, 2002 and 2001 were profit of 91,462 million yen (686 million U.S.dollars) and 35,559 million yen, respectively.

Consolidated Statements of Stockholders' Equity

ITOCHU Corporation and Subsidiaries

Years ended March 31, 2002 and 2001

	Yen (millions)		U.S. dollars (thousands)
	<u>2002</u>	<u>2001</u>	<u>2002</u>
Common stock:			
Balance at beginning of year	174,749	174,721	1,311,437
Conversion of convertible bonds	-	28	-
Balance at end of year	<u>174,749</u>	<u>174,749</u>	<u>1,311,437</u>
Capital surplus:			
Balance at beginning of year	112,691	222,462	845,711
Conversion of convertible bonds	-	28	-
Transfer to retained earnings (deficit).....	-	(109,799)	-
Redistribution arising from sale by parent of common stock of subsidiaries and associated companies	(1,343)	-	(10,079)
Balance at end of year.....	<u>111,348</u>	<u>112,691</u>	<u>835,632</u>
Legal reserve:			
Balance at beginning of year	2,614	20,243	19,617
Transfer from (to) retained earnings (deficit)	1,180	(17,506)	8,856
Redistribution arising from sale by parent of common stock of subsidiaries and associated companies	(384)	(123)	(2,882)
Balance at end of year	<u>3,410</u>	<u>2,614</u>	<u>25,591</u>
Retained earnings (deficit):			
Balance at beginning of year	108,421	(89,514)	813,666
Net income	30,191	70,507	226,574
Cash dividends.....	(10,691)	-	(80,232)
Transfer from capital surplus.....	-	109,799	-
Transfer from (to) legal reserve	(1,180)	17,506	(8,856)
Redistribution arising from sale by parent of common stock of subsidiaries and associated companies	1,727	123	12,961
Balance at end of year	<u>128,468</u>	<u>108,421</u>	<u>964,113</u>
Accumulated other comprehensive income (loss)			
Balance at beginning of year	(81,535)	(46,587)	(611,895)
Other comprehensive income (loss).....	61,271	(34,948)	459,820
Balance at end of year	<u>(20,264)</u>	<u>(81,535)</u>	<u>(152,075)</u>
Treasury stock			
Balance at end of year	(43)	-	(323)
Total	<u>397,668</u>	<u>316,940</u>	<u>2,984,375</u>
Comprehensive income (loss):			
Net income	30,191	70,507	226,574
Other comprehensive income (loss).....	61,271	(34,948)	459,820
Total.....	<u>91,462</u>	<u>35,559</u>	<u>686,394</u>

Consolidated Statements of Cash Flows

ITOCHU Corporation and Subsidiaries

Years ended March 31, 2002 and 2001

	Y e n (millions)		U.S. dollars (thousands)
	2002	2001	2002
Cash flows from operating activities :			
Net income	30,191	70,507	226,574
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	35,839	31,854	268,961
Provision for doubtful accounts	16,831	49,759	126,311
Net loss (profit) on marketable securities, investments, property and equipment	(5,880)	(119,676)	(44,128)
Undistributed losses (earnings) of associated companies	(4,566)	(1,133)	(34,266)
Deferred income taxes	10,046	31,906	75,392
Other non-cash charges	10,031	18,574	75,280
Change in assets and liabilities	124,011	78,544	930,664
Net cash provided by (used in) operating activities	216,503	160,335	1,624,788
Cash flows from investing activities :			
Net sale (purchase) of property and equipment	(26,404)	1,461	(198,154)
Net decrease (increase) in investments in and advances to associated companies	(50,895)	100,924	(381,951)
Net sale (purchase) of investments	(6,808)	202,617	(51,092)
Net collection (origination) of non-current receivables	54,480	109,164	408,856
Net decrease (increase) in time deposits and similar instruments	238,982	160,813	1,793,486
Net decrease (increase) in marketable securities.....	4,653	(10,272)	34,919
Net cash provided by (used in) investing activities	214,008	564,707	1,606,064
Cash flows from financing activities :			
Net proceeds from (repayments of) long-term debt	(137,745)	(589,302)	(1,033,734)
Net increase (decrease) in short-term debt	(86,856)	(133,616)	(651,827)
Other	(7,446)	5,316	(55,880)
Net cash provided by (used in) financing activities	(232,047)	(717,602)	(1,741,441)
Effect of exchange rate changes on cash and cash equivalents	6,334	3,309	47,535
Net increase (decrease) in cash and cash equivalents	204,798	10,749	1,536,946
Cash and cash equivalents at beginning of year	274,936	264,187	2,063,309
Cash and cash equivalents at end of year	479,734	274,936	3,600,255

Total Trading Transactions

ITOCHU Corporation and Subsidiaries

Years ended March 31, 2002 and 2001

Type of Transaction:	Yen (millions)		U.S.dollars (thousands)		
	2002	2001	2002	2001	
		%		%	
Domestic	6,416,315	56.3	6,874,898	56.7	48,152,458
Import	1,230,139	10.8	1,321,834	10.9	9,231,813
Export	1,316,217	11.5	1,129,587	9.3	9,877,801
Offshore	2,437,800	21.4	2,808,942	23.1	18,294,934
Total	11,400,471	100.0	12,135,261	100.0	85,557,006
Principal Products:					
		%		%	
Textile	880,105	7.7	944,021	7.8	6,604,916
Plant, Automobile & Industrial Machinery	1,937,312	17.0	2,149,468	17.7	14,538,927
Aerospace, Electronics & Multimedia	960,270	8.4	890,144	7.3	7,206,529
Energy, Metals & Minerals	2,740,037	24.0	3,106,731	25.6	20,563,129
Chemicals, Forest Products & General Merchandise	1,735,813	15.2	1,841,806	15.2	13,026,739
Food	2,445,209	21.5	2,404,702	19.8	18,350,537
Finance, Realty, Insurance & Logistics Services, & Other	701,725	6.2	798,389	6.6	5,266,229
Total	11,400,471	100.0	12,135,261	100.0	85,557,006

Segment Information

The Company and its subsidiaries are engaged in a wide range of diversified businesses which includes:
 general trading operations both domestic and overseas;
 providing financial services to customers and suppliers;
 planning, arranging and coordinating industrial projects in connection with general trading;
 and investing in fields of resource development, advanced technology, information and multimedia.

The Company and its subsidiaries have introduced the division company system, and information on operating segments (for 2002 and 2001) are stated according to this system. This system is used for decisions in operations or evaluations by the management.

Information concerning operations in different operating segments for the years ended March 31, 2002 and 2001 is as follows:

	2002								Yen (millions)
	Textile	Plant, Automobile & Industrial Machinery	Aerospace, Electronics & Multimedia	Energy, Metals & Minerals	Chemicals, Forest Products & General Merchandise	Food	Finance, Realty, Insurance & Logistics	Other, Adjustments & Eliminations	
Trading transactions:									
Unaffiliated customers and associated companies	880,105	1,937,312	960,270	2,740,037	1,735,813	2,445,209	455,292	246,433	11,400,471
Transfers between operating segments ...	2,584	268	3,181	1,374	17,942	149	2,313	(27,811)	-
Total trading transactions	<u>882,689</u>	<u>1,937,580</u>	<u>963,451</u>	<u>2,741,411</u>	<u>1,753,755</u>	<u>2,445,358</u>	<u>457,605</u>	<u>218,622</u>	<u>11,400,471</u>
Gross trading profit	<u>83,540</u>	<u>50,208</u>	<u>112,578</u>	<u>52,668</u>	<u>80,654</u>	<u>126,861</u>	<u>34,383</u>	<u>37,975</u>	<u>578,867</u>
Trading income (loss)	<u>18,055</u>	<u>(4,720)</u>	<u>28,233</u>	<u>17,240</u>	<u>15,753</u>	<u>24,543</u>	<u>(7,921)</u>	<u>5,334</u>	<u>96,517</u>
Net income (loss)	<u>8,308</u>	<u>1,298</u>	<u>36,321</u>	<u>9,522</u>	<u>(212)</u>	<u>9,608</u>	<u>(9,811)</u>	<u>(24,843)</u>	<u>30,191</u>
Identifiable assets at March 31	<u>384,147</u>	<u>588,062</u>	<u>526,177</u>	<u>401,628</u>	<u>532,734</u>	<u>665,071</u>	<u>773,374</u>	<u>881,126</u>	<u>4,752,319</u>
	2001								Yen (millions)
	Textile	Plant, Automobile & Industrial Machinery	Aerospace, Electronics & Multimedia	Energy, Metals & Minerals	Chemicals, Forest Products & General Merchandise	Food	Finance, Realty, Insurance & Logistics	Other, Adjustments & Eliminations	Consolidated
Trading transactions:									
Unaffiliated customers and associated companies	944,021	2,149,468	890,144	3,106,731	1,841,806	2,404,702	630,215	168,174	12,135,261
Transfers between operating segments ...	1,856	1,690	4,067	2,015	2,887	278	4,339	(17,132)	-
Total trading transactions	<u>945,877</u>	<u>2,151,158</u>	<u>894,211</u>	<u>3,108,746</u>	<u>1,844,693</u>	<u>2,404,980</u>	<u>634,554</u>	<u>151,042</u>	<u>12,135,261</u>
Gross trading profit	<u>81,335</u>	<u>55,619</u>	<u>110,480</u>	<u>67,592</u>	<u>82,412</u>	<u>127,419</u>	<u>22,828</u>	<u>63,915</u>	<u>611,600</u>
Trading income (loss).....	<u>22,115</u>	<u>(9,103)</u>	<u>41,173</u>	<u>20,652</u>	<u>18,807</u>	<u>22,582</u>	<u>(26,849)</u>	<u>19,243</u>	<u>108,620</u>
Net income (loss)	<u>7,224</u>	<u>(9,954)</u>	<u>90,662</u>	<u>6,865</u>	<u>2,377</u>	<u>8,191</u>	<u>(40,947)</u>	<u>6,089</u>	<u>70,507</u>
Identifiable assets at March 31.....	<u>383,156</u>	<u>648,993</u>	<u>518,606</u>	<u>702,256</u>	<u>573,594</u>	<u>696,824</u>	<u>827,095</u>	<u>806,995</u>	<u>5,157,519</u>
	2002								U.S.dollars (thousands)
	Textile	Plant, Automobile & Industrial Machinery	Aerospace, Electronics & Multimedia	Energy, Metals & Minerals	Chemicals, Forest Products & General Merchandise	Food	Finance, Realty, Insurance & Logistics	Other, Adjustments & Eliminations	Consolidated
Trading transactions:									
Unaffiliated customers and associated companies	6,604,916	14,538,927	7,206,529	20,563,129	13,026,739	18,350,537	3,416,826	1,849,403	85,557,006
Transfers between operating segments ...	19,392	2,011	23,873	10,311	134,649	1,118	17,359	(208,713)	-
Total trading transactions	<u>6,624,308</u>	<u>14,540,938</u>	<u>7,230,402</u>	<u>20,573,440</u>	<u>13,161,388</u>	<u>18,351,655</u>	<u>3,434,185</u>	<u>1,640,690</u>	<u>85,557,006</u>
Gross trading profit	<u>626,942</u>	<u>376,795</u>	<u>844,863</u>	<u>395,257</u>	<u>605,283</u>	<u>952,053</u>	<u>258,034</u>	<u>284,991</u>	<u>4,344,218</u>
Trading income (loss)	<u>135,497</u>	<u>(35,422)</u>	<u>211,880</u>	<u>129,381</u>	<u>118,221</u>	<u>184,188</u>	<u>(59,445)</u>	<u>40,030</u>	<u>724,330</u>
Net income (loss)	<u>62,349</u>	<u>9,741</u>	<u>272,578</u>	<u>71,460</u>	<u>(1,591)</u>	<u>72,105</u>	<u>(73,629)</u>	<u>(186,439)</u>	<u>226,574</u>
Identifiable assets at March 31	<u>2,882,904</u>	<u>4,413,224</u>	<u>3,948,795</u>	<u>3,014,094</u>	<u>3,998,004</u>	<u>4,991,152</u>	<u>5,803,932</u>	<u>6,612,578</u>	<u>35,664,683</u>

Information concerning operations in different geographical areas for the years ended March 31, 2002 and 2001 is as follows:

2002							Yen (millions)
	Japan	North America	Europe	Asia	Other Areas	Eliminations or Unallocated	Consolidated
Trading transactions:							
Unaffiliated customers							
and associated companies	9,077,174	616,618	176,949	1,331,048	198,682	-	11,400,471
Transfers between geographical areas	961,602	225,282	47,701	816,777	465,711	(2,517,073)	-
Total trading transactions	<u>10,038,776</u>	<u>841,900</u>	<u>224,650</u>	<u>2,147,825</u>	<u>664,393</u>	<u>(2,517,073)</u>	<u>11,400,471</u>
Trading income	<u>69,271</u>	<u>5,826</u>	<u>4,213</u>	<u>5,619</u>	<u>11,588</u>	<u>-</u>	<u>96,517</u>
Identifiable assets at March 31	<u>3,990,540</u>	<u>431,938</u>	<u>196,171</u>	<u>207,049</u>	<u>286,810</u>	<u>(360,189)</u>	<u>4,752,319</u>
2001							Yen (millions)
	Japan	North America	Europe	Asia	Other Areas	Eliminations or Unallocated	Consolidated
Trading transactions:							
Unaffiliated customers							
and associated companies	9,813,896	672,568	212,197	1,259,163	177,437	-	12,135,261
Transfers between geographical areas	1,088,782	260,441	52,106	980,711	503,896	(2,885,936)	-
Total trading transactions	<u>10,902,678</u>	<u>933,009</u>	<u>264,303</u>	<u>2,239,874</u>	<u>681,333</u>	<u>(2,885,936)</u>	<u>12,135,261</u>
Trading income	<u>55,068</u>	<u>33,570</u>	<u>9,465</u>	<u>3,181</u>	<u>7,336</u>	<u>-</u>	<u>108,620</u>
Identifiable assets at March 31	<u>4,313,819</u>	<u>459,601</u>	<u>213,885</u>	<u>266,058</u>	<u>286,317</u>	<u>(382,161)</u>	<u>5,157,519</u>
2002							U.S.dollars (thousands)
	Japan	North America	Europe	Asia	Other Areas	Eliminations or Unallocated	Consolidated
Trading transactions:							
Unaffiliated customers							
and associated companies	68,121,381	4,627,527	1,327,948	9,989,103	1,491,047	-	85,557,006
Transfers between geographical areas	7,216,525	1,690,672	357,981	6,129,659	3,495,017	(18,889,854)	-
Total trading transactions	<u>75,337,906</u>	<u>6,318,199</u>	<u>1,685,929</u>	<u>16,118,762</u>	<u>4,986,064</u>	<u>(18,889,854)</u>	<u>85,557,006</u>
Trading income	<u>519,858</u>	<u>43,722</u>	<u>31,617</u>	<u>42,169</u>	<u>86,964</u>	<u>-</u>	<u>724,330</u>
Identifiable assets at March 31	<u>29,947,767</u>	<u>3,241,561</u>	<u>1,472,203</u>	<u>1,553,839</u>	<u>2,152,420</u>	<u>(2,703,107)</u>	<u>35,664,683</u>

Forward Looking Statements

Statements in this financial reports with respect to ITOCHU's plans, strategies, forecasts and other statements that are not historical facts and forward-looking statements that are based on management's assumptions and beliefs based on information currently available and involve risks and uncertainties. Factors that could cause actual results to differ materially from such statements include, without limitation, global economic conditions, demand for and competitive pricing pressure on products and services, ITOCHU's ability to continue to win acceptance for its products and services in highly competitive markets, and currency exchange rate fluctuations.