

August 6, 2003

Consolidated Results for the First Quarter of Fiscal 2004

For three months ended June 30, 2003 and 2002

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ITOCHU Corporation
Code Number 8001
1-3, Kyutaromachi, 4-chome,
Chuo-ku, Osaka
(Tokyo) Corporate Communications Division
81-3-3497-7291 Mr. Yoshiharu Matsumoto

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

**Consolidated Results for the First Quarter of Fiscal 2004,
the Year Ending March 2004**

1. Consolidated results for the first quarter of fiscal 2004 (April 1, 2003 - June 30, 2003)

<Reference>

	Yen (millions)			Yen (millions)
	First quarter of fiscal 2004 (Apr. 1 2003-Jun. 30 2003)	First quarter of fiscal 2003 (Apr. 1 2002-Jun. 30 2002)	Changes from the same period of fiscal 2003	Forecasts for fiscal 2004 (Apr. 1 2003-Mar. 31 2004)
Total trading transactions	2,289,981	2,402,819	(112,838)	10,000,000
Gross trading profit	126,136	125,303	833	600,000
Trading income	10,660	12,187	(1,527)	110,000
Net income	10,055	9,225	830	45,000

	First quarter-end of fiscal 2004 (June 30, 2003)	End of fiscal 2003 (March 31, 2003)	Changes from March 31, 2003	Forecasts for fiscal 2004 year-end (March 31, 2004)
Total assets	4,456,929	4,486,405	(29,476)	4,450,000
Interest-bearing debts	2,551,625	2,574,420	(22,795)	2,500,000
Net interest-bearing debts (less cash, cash equivalents and time deposits)	2,098,188	2,025,048	73,140	2,000,000
Stockholders' equity	450,610	426,220	24,390	470,000

- Note: 1. Consolidated results have been prepared in conformity with United States generally accepted accounting principles.
2. Figures for the first quarter of fiscal 2004 and 2003 have not been audited by independent auditors.
3. Total trading transactions and trading income are presented in accordance with Japanese accounting practice.
Total trading transactions in the consolidated statements of income consist of sales with respect to transactions in which the companies act as principal and the total amount of transactions in which the companies act as agent.
4. Impairment losses and provision for revaluated assets were not reviewed for the first quarter of fiscal 2004 and 2003.
5. The results of this first quarter included 468 consolidated subsidiaries and 188 equity-method associated companies.

2. Summary of consolidated results (April 1, 2003 - June 30, 2003)

Total trading transactions for the three months ended June 30, 2003 decreased by 4.7% or 112.8 billion yen to 2,290.0 billion yen (19,115 million U.S. dollars) from the same period of the last fiscal year. Although energy division recorded an increase due to high market prices of crude oil and oil products, low-efficient transactions were reduced in segments such as Textile; Plant, Automobile & Industrial Machinery; Aerospace, Electronics & Multimedia; and Chemicals, Forest Products & General Merchandise. In addition, effect of the higher yen also pushed total trading transactions down on a period-to-period basis. Gross trading profit slightly increased by 0.7% or 0.8 billion yen to 126.1 billion yen (1,053 million U.S. dollars), primarily because of an increase in brand-related, domestic IT-related, and chemicals & general merchandise-related business, despite a fall in metals & minerals and food fields due to stagnant markets.

Selling, general and administrative expenses, with an increase in pension costs, was up 2.2% or 2.4 billion yen to 115.1 billion yen (961 million U.S. dollars).

As a result, trading income decreased by 12.5% or 1.5 billion yen to 10.7 billion yen (89 million U.S. dollars).

Net interest expenses improved by 14.4% or 1.1 billion yen in period-to-period comparison, following the continuous reduction of interest-bearing debts and a decline in interest rates. With an increase in dividends earned from the LNG-related investments, net financial expenses improved by 36.5% or 1.6 billion yen compared with the same period of the last fiscal year.

Consequently, trading income after net financial expenses remained almost the same on a period-to-period basis, as the improvement of net financial expenses offset the decrease in trading income.

Profit on disposal of investments and marketable securities, net of write-downs, dropped by 84.1% or 4.5 billion yen, as a result of a decrease in gains on sales of stocks. Meanwhile, other-net income and loss improved by 5.3 billion yen compared to the same period before when exchange losses for receivables and payables in foreign currency at period-end were recorded due to a stronger yen.

As a result, income before income taxes, minority interests and equity in earnings (losses) increased by 9.8% or 0.9 billion yen to 10.2 billion yen (85 million U.S. dollars) from the previous first quarter. After income taxes, minority interests and equity in earnings (losses) of associated companies, net income for the period stood at 10.1 billion yen (84 million U.S. dollars), increased by 9.0% or 0.8 billion yen from the previous first quarter.

3. Outlook of consolidated results for fiscal 2004

With unclear prospects for the U.S. economy, Japan's economy is still fluid while signs of stock market recovery have been seen. Under these circumstances, ITOCHU has not changed its outlook for the first half and the full year of fiscal 2004 as announced at the beginning of this fiscal year.

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 119.80 yen = 1 U.S. dollars, exchange rate prevailing on June 30, 2003.

Consolidated Statements of Income

ITOCHU Corporation and Subsidiaries

For the three months ended June 30, 2003 and 2002

	Y e n (millions)		U.S. dollars (thousands)
	Apr.-Jun. 2003	Apr.-Jun. 2002	Apr.-Jun. 2003
Gross trading profit	126,136	125,303	1,052,888
(Total trading transactions : Apr.-Jun. 2003: 2,289,981 million yen (19,115,033 thousand U.S.dollars) Apr.-Jun. 2002: 2,402,819 million yen)			
Selling, general and administrative expenses	(115,146)	(112,711)	(961,152)
Provision for doubtful accounts	(330)	(405)	(2,754)
Trading income	10,660	12,187	88,982
Interest income	3,604	5,384	30,083
Interest expense	(10,017)	(12,873)	(83,614)
Dividends	3,603	3,066	30,075
Profit (loss) on disposal of investments and marketable securities, net of write-downs.....	854	5,375	7,128
Profit (loss) on property and equipment.....	288	257	2,404
Other-net	1,201	(4,110)	10,025
Income before income taxes, minority interests and equity in earnings (losses)	10,193	9,286	85,083
Income taxes.....	(6,303)	(5,576)	(52,612)
Income before minority interests and equity in earnings (losses)	3,890	3,710	32,471
Minority interests	(870)	(1,278)	(7,262)
Equity in earnings (losses) of associated companies	7,035	6,793	58,723
Net income	10,055	9,225	83,932

Note:

1. Consolidated statements of income have been prepared in conformity with United States generally accepted accounting principles.
2. Figures for the first quarter of fiscal 2004 and 2003 have not been audited by independent auditors.
3. Comprehensive income for the first quarter of fiscal 2004 and 2003 were a profit of 28,352 million yen (237 million U.S. dollars) and a profit of 3,122 million yen, respectively.
4. Total trading transactions and trading income are presented in accordance with Japanese accounting practice.
Total trading transactions in the consolidated statements of income consist of sales with respect to transactions in which the companies act as principal and the total amount of transactions in which the companies act as agent.

Consolidated Balance Sheets (Assets)

ITOCHU Corporation and Subsidiaries

June 30, 2003 and March 31, 2003

Assets	Y e n		U.S. dollars
	(millions)		(thousands)
	Jun. 2003	Mar. 2003	Jun. 2003
Current assets:			
Cash and cash equivalents.....	439,358	534,156	3,667,429
Time deposits.....	14,079	15,216	117,521
Marketable securities.....	43,870	40,879	366,194
Trade receivables :			
Notes.....	187,990	145,764	1,569,198
Accounts.....	876,213	907,315	7,313,965
Allowance for doubtful receivables.....	(24,891)	(24,816)	(207,771)
Net trade receivables.....	1,039,312	1,028,263	8,675,392
Due from associated companies.....	109,319	98,157	912,513
Inventories	417,010	402,242	3,480,885
Advances to suppliers.....	43,580	40,398	363,773
Deferred income taxes	30,921	31,812	258,105
Other current assets.....	208,499	214,055	1,740,392
Total current assets	2,345,948	2,405,178	19,582,204
Investments and non-current receivables:			
Investments in and advances to			
associated companies.....	472,158	447,155	3,941,219
Other investments.....	363,154	339,527	3,031,336
Other non-current receivables.....	456,979	465,548	3,814,516
Allowance for doubtful items.....	(204,727)	(206,050)	(1,708,907)
Net investments and non-current receivables	1,087,564	1,046,180	9,078,164
Property and equipment, at cost :			
Land.....	265,004	264,825	2,212,054
Buildings.....	301,948	298,215	2,520,434
Machinery and equipment.....	256,627	250,107	2,142,129
Furniture and fixtures.....	50,521	49,467	421,711
Construction in progress.....	9,248	6,322	77,195
	883,348	868,936	7,373,523
Less accumulated depreciation.....	288,205	276,439	2,405,718
Net property and equipment	595,143	592,497	4,967,805
Deferred income taxes, non-current	82,380	89,585	687,645
Other assets and deferred charges.....	345,894	352,965	2,887,262
Total	4,456,929	4,486,405	37,203,080

Note:

1. Consolidated balance sheets have been prepared in conformity with United States generally accepted accounting principles.
2. Figures for June 30, 2003 have not been audited by independent auditors.

Consolidated Balance Sheets (Liabilities and Stockholders' Equity)

ITOCHU Corporation and Subsidiaries

June 30, 2003 and March 31, 2003

Liabilities and Stockholders' Equity	Y e n (millions)		U.S. dollars (thousands)
	Jun. 2003	Mar. 2003	Jun. 2003
Current liabilities:			
Short-term debt	489,680	465,108	4,087,479
Current installments of long-term debt.....	385,718	525,831	3,219,683
Trade payables :			
Notes and acceptances.....	160,881	168,310	1,342,913
Accounts.....	748,100	769,403	6,244,574
Total trade payables.....	908,981	937,713	7,587,487
Due to associated companies.....	35,742	36,058	298,348
Income taxes payable.....	11,422	19,505	95,342
Advances from customers.....	52,208	44,164	435,793
Other current liabilities.....	230,091	232,853	1,920,626
Total current liabilities	2,113,842	2,261,232	17,644,758
Long-term debt, excluding current installments.....	1,727,007	1,637,916	14,415,751
Accrued retirement and severance benefits.....	22,677	22,383	189,290
Deferred income taxes, non-current.....	11,881	9,528	99,174
Minority interests.....	130,912	129,126	1,092,755
Stockholders' equity:			
Common stock :			
Authorized 3,000,000,000 shares ;			
Issued and outstanding			
1,583,487,736 shares	202,241	202,241	1,688,155
Capital surplus	136,841	136,842	1,142,245
Legal reserve	3,424	3,212	28,581
Retained earnings (deficit).....	148,902	143,014	1,242,922
Accumulated other comprehensive income (loss).....	(40,111)	(58,408)	(334,816)
Treasury stock	(687)	(681)	(5,735)
Total stockholders' equity	450,610	426,220	3,761,352
Total	4,456,929	4,486,405	37,203,080

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

	Y e n (millions)		U.S. dollars (thousands)
	Jun. 2003	Mar. 2003	Jun. 2003
Foreign currency translation adjustments.....	(47,363)	(51,209)	(395,350)
Minimum pension liability adjustments.....	(1,428)	(1,428)	(11,920)
Unrealized gains (losses) on securities.....	13,172	(381)	109,950
Unrealized gains (losses) on derivative instruments.....	(4,492)	(5,390)	(37,496)

Segment Information

ITOCHU Corporation and Subsidiaries

For the three months ended June 30, 2003 and 2002

ITOCHU Corporation and its subsidiaries are engaged in a wide range of diversified businesses which include:
 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.

ITOCHU Corporation and its subsidiaries have introduced the division company system, and information on operating segments 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 three months ended June 30, 2003 and 2002 was as follows:

	First quarter of fiscal 2004 (April 1, 2003 - June 30, 2003)								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	178,652	339,631	131,032	524,015	403,206	619,062	42,757	51,626	2,289,981
Transfers between operating segments..	432	11	201	199	2,090	54	673	(3,660)	-
Total trading transactions	179,084	339,642	131,233	524,214	405,296	619,116	43,430	47,966	2,289,981
Gross trading profit	21,278	10,363	22,098	6,633	21,110	31,112	6,429	7,113	126,136
Trading income (loss)	3,256	(579)	2,992	2,613	4,528	4,849	(603)	(6,396)	10,660
Net income (loss)	1,722	910	663	4,528	2,608	2,876	(1,251)	(2,001)	10,055
Identifiable assets at June 30.....	358,371	459,614	441,096	434,149	562,018	699,023	683,974	818,684	4,456,929

	First quarter of fiscal 2003 (April 1, 2002 - June 30, 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	Consolidated
Trading transactions:									
Unaffiliated customers									
and associated companies	195,129	383,651	172,013	497,576	426,139	624,158	45,615	58,538	2,402,819
Transfers between operating segments..	758	10	62	234	1,930	52	182	(3,228)	-
Total trading transactions	195,887	383,661	172,075	497,810	428,069	624,210	45,797	55,310	2,402,819
Gross trading profit	19,841	10,834	20,710	8,072	20,120	32,373	6,623	6,730	125,303
Trading income (loss)	2,692	(905)	2,004	3,274	3,926	6,554	(689)	(4,669)	12,187
Net income (loss)	1,045	(921)	2,097	3,073	661	3,832	(1,643)	1,081	9,225
Identifiable assets at June 30.....	375,570	544,365	485,820	408,857	585,990	735,094	740,019	807,343	4,683,058
Identifiable assets at March 31, 2003.....	370,802	490,076	484,255	391,551	524,644	654,377	692,656	878,044	4,486,405

	First quarter of fiscal 2004 (April 1, 2003 - June 30, 2003)								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	1,491,252	2,834,983	1,093,756	4,374,082	3,365,659	5,167,463	356,903	430,935	19,115,033
Transfers between operating segments..	3,606	92	1,678	1,661	17,446	450	5,618	(30,551)	-
Total trading transactions	1,494,858	2,835,075	1,095,434	4,375,743	3,383,105	5,167,913	362,521	400,384	19,115,033
Gross trading profit	177,613	86,503	184,457	55,367	176,210	259,700	53,664	59,374	1,052,888
Trading income (loss)	27,179	(4,833)	24,975	21,811	37,796	40,476	(5,033)	(53,389)	88,982
Net income (loss)	14,374	7,596	5,534	37,796	21,770	24,007	(10,442)	(16,703)	83,932
Identifiable assets at June 30.....	2,991,411	3,836,511	3,681,937	3,623,948	4,691,302	5,834,916	5,709,299	6,833,756	37,203,080