

# Two-Year Financial Highlights

ITOCHU Corporation and Subsidiaries  
Years ended March 31

	Millions of Yen (Unless otherwise specified)		Increase (Decrease) %	Millions of U.S. Dollars (Unless otherwise specified)	
	2004	2003		2004	2003
<b>For the fiscal year:</b>					
Total trading transactions	¥9,516,967	¥10,461,620	(9.0)%	\$90,046	
Gross trading profit	555,895	566,037	(1.8)	5,260	
Gross trading profit ratio (%)	5.84	5.41			
Trading income*	79,216	100,719	(21.3)	750	
Net income (loss)	(31,944)	20,078	—	(302)	
Adjusted profit*	100,676	115,524	(12.9)	953	
<b>At fiscal year-end:</b>					
Total assets	4,487,282	4,486,405	0.0	42,457	
Stockholders' equity	422,866	426,220	(0.8)	4,001	
Net interest-bearing debts*	1,977,048	2,025,048	(2.4)	18,706	
<b>Per share (Yen and U.S. Dollars):</b>					
Net income (loss)	(20.2)	13.1	—	(0.2)	
Stockholders' equity	267.3	269.5	(0.8)	2.5	
Cash dividends	—	5.0	—	—	
<b>Ratios:</b>					
ROA (%)	—	0.4			
Ratio of adjusted profit to total assets (%)	2.2	2.5			
ROE (%)	—	4.9			
Ratio of stockholders' equity to total assets (%)	9.4	9.5			
Net debt-to-equity ratio (net DER) (Times)	4.7	4.8			
Interest coverage* (Times)	2.7	2.7			

All figures are for fiscal years, which begin on April 1 of the years preceding and extend through March 31.

The Japanese yen amounts for the year ended March 31, 2004, have been translated into United States dollar amounts, solely for the convenience of the reader, at the rate of ¥105.69 = U.S.\$1, the official rate of The Bank of Tokyo-Mitsubishi, Ltd., as of March 31, 2004.

Total trading transactions and trading income are represented 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.

Net income (loss) per share and stockholders' equity per share are calculated by using the shares that exclude the number of treasury stock from that of common stock issued.

\*Trading income = Gross trading profit + Selling, general and administrative expenses\* + Provision for doubtful accounts

Calculation formula (Fiscal 2004: ¥ billion): 79.2 = 555.9 + (466.1) + (10.6)

\*Adjusted profit = Gross trading profit + Selling, general and administrative expenses\* + Net financial expenses + Equity in earnings of associated companies

Calculation formula (Fiscal 2004: ¥ billion): 100.7 = 555.9 + (466.1) + (14.2) + 25.1

\*Net interest-bearing debts = Interest-bearing debts – Cash, cash equivalents and time deposits

Calculation formula (Fiscal 2004: ¥ billion): 1,977.0 = 2,561.9 – 584.9

\*Interest coverage =  $\frac{\text{Gross trading profit} + \text{Selling, general and administrative expenses} + \text{Provision for doubtful accounts} + \text{Interest income} + \text{Dividends received}}{\text{Interest expenses}}$

Calculation formula (Fiscal 2004: ¥ billion): 2.7 =  $\frac{555.9 + (466.1) + (10.6) + 12.8 + 10.5}{37.6}$

\*Selling, general and administrative expenses in fiscal 2004 include the amount of net loss on settlement of substitutional portion of the Employees' Pension Fund of ¥3.2 billion (U.S.\$30 million).

