

**Highlights of Consolidated Financial Results for the First Half of FY 2010 (U.S. GAAP)**

**Financial topics for the First Half (1st H) of FY 2010**

(Unit: billion yen, (losses, decrease))

1st H "Net income attributable to ITOCHU" decreased by ¥83.8 bil. compared with the previous 1st H to ¥55.3 bil., achieved 43% of our Outlook for FY2010 of ¥130.0 bil. Among the income ¥55.3 bil., 1st Q contributed ¥20.4 bil. and 2nd Q contributed ¥34.9 bil., therefore, 2nd Q improved by ¥14.5 bil. compared with 1st Q, which shows a recovery trend.

Although the income in "Ener. Met. & Min." (worsened significantly), "Textile", "ICT & Aero., & Elec.", "Chem., FP & GM", and "Fin. Rlty, Insur. & LS", all decreased with exceptions of "Food" and "Mach." which increased. (See "Operating Segment Information")

The income by segment for 2nd Q compared with 1st Q also recovered. (See "Operating Segment Information" on another paper "Exhibit B" named "Highlights of Consolidated Financial Results for the Second Quarter of FY 2010 (U.S.GAAP).") Changes in the income for 2nd Q of each segment compared with 1st Q were ¥5.4 bil. in "Textile", ¥4.8 bil. in "Mach.", ¥2.3 bil. in "ICT & Aero., Elec.", ¥14.9 bil. in "Ener., Met. & Min.", ¥3.7 bil. in "Chem., FP & GM", ¥ -7.4 bil. in "Food", and ¥ -1.7 bil. in "Fin., Rlty, Insur. & LS."

Each ratio of "Net income attributable to ITOCHU" by sector was Natural resource / energy, 47%; Consumer, 47%; and Others, 6%.

ITOCHU stockholders' equity increased by ¥157.8 bil. to ¥1,007.2 bil. due to improvement in Foreign currency translation adjustments, and in Unrealized holding gains on securities resulting from recovery of stock market. Ratio of stockholders' equity to total assets rose by 2.1 points to 18.4%. NET DER improved by 0.2 points to 1.8 times.

**Consolidated Financial Results of Operations**

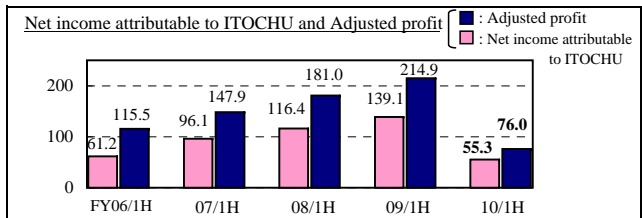
|   | 1st Half FY 2010 | 1st Half FY 2009 | Increase (Decrease) |         |
|---|------------------|------------------|---------------------|---------|
|   |                  |                  |                     | %       |
| Revenue   | 1,651.1          | 1,496.7          | 154.3               | 10.3%   |
| Gross trading profit  | 440.0            | 542.1            | (102.1)             | (18.8%) |
| Selling, general and administrative expenses                              | (382.0)          | (365.4)          | (16.5)              | 4.5%    |
| Provision for doubtful receivables  | (4.3)            | (12.4)           | 8.0                 | (64.9%) |
| Net interest expense  | (13.2)           | (14.5)           | 1.3                 | (9.1%)  |
| Dividends received  | 10.4             | 17.8             | (7.5)               | (41.9%) |
| Net financial income (expense)  | (2.8)            | 3.3              | (6.2)               | -       |
| Gain on investments-net   | 5.2              | 5.0              | 0.2                 | -       |
| Gain (loss) on property and equipment-net                                 | 2.0              | (0.8)            | 2.8                 | -       |
| Gain on bargain purchase in acquisition                                   | 9.1              | -                | 9.1                 | -       |
| Other-net   | 2.6              | (2.5)            | 5.1                 | -       |
| Total other expenses  | (370.4)          | (372.8)          | 2.5                 | (0.7%)  |
| Income before income taxes and equity in earnings of associated companies | 69.6             | 169.3            | (99.6)              | (58.9%) |
| Income taxes  | (31.2)           | (61.5)           | 30.3                | (49.2%) |
| Income before equity in earnings of associated companies                  | 38.4             | 107.8            | (69.4)              | (64.3%) |
| Equity in earnings of associated companies                                | 20.8             | 34.9             | (14.1)              | (40.5%) |
| Net income  | 59.2             | 142.7            | (83.5)              | (58.5%) |
| Less: Net income attributable to the noncontrolling interest              | (3.9)            | (3.6)            | (0.3)               | 7.7%    |
| Net income attributable to ITOCHU   | 55.3             | 139.1            | (83.8)              | (60.2%) |

(Reference)

|                            |         |         |           |         |
|----------------------------|---------|---------|-----------|---------|
| Total trading transactions | 4,802.0 | 6,431.2 | (1,629.2) | (25.3%) |
| Gross trading profit ratio | 9.2%    | 8.4%    | 0.7%      |         |

|                 |      |       |         |         |
|-----------------|------|-------|---------|---------|
| Adjusted profit | 76.0 | 214.9 | (138.9) | (64.7%) |
|-----------------|------|-------|---------|---------|

Adjusted profit = Gross trading profit + SG&A expenses + Net financial income + Equity in earnings of associated companies



**Summary of changes from the same period of the previous fiscal year**

**Revenue:** Increase due to the acquisition of several subsidiaries including ITOCHU ENEX CO., LTD., despite decrease due to price falls in metal resources and energies, poor market in automobiles and housing market slowdown in Japan and the U.S.

**Gross trading profit: (Incr/Decr fields & business)**  
**Textile/Decr:** Due to market slowdown in textile materials, fabrics, apparels despite increase from an acquisition of SANKEI CO., LTD.  
**Mach./Decr:** Due to reduced transactions in automobile and construction machinery business, and decrease in sales volume by the absence of ship trading transactions in the previous 1st H  
**ICT, Aero. & Elec./Unchanged:** Due to increase in domestic mobile phone business offset by overall low performance in aviation, Information and Communication Technology related businesses  
**Ener., Met. & Min./Decr:** Due to price falls in metal resources and energies as well as decrease in sales volume of iron ore despite increase from an acquisition of ITOCHU ENEX CO., LTD.  
**Chem., FP & GM/Decr:** Due to price falls in chemicals since last autumn and slowdown in housing market in Japan and the U.S., and deconsolidation of a subsidiary in the U.S. despite increase from an acquisition of C.I.Kasei Co., Ltd.  
**Food/Incr:** Increase in sales volume in food distribution business and profitability improved in fresh food materials  
**Fin., Rlty, Insur. & LS/Decr:** Decrease in condominium sales and low performance in finance-related business despite increase from an acquisition of i-LOGISTICS CORP.

**SG&A:** Mainly due to increase in pension cost resulting from worsened pension asset management in addition to increase brought by an acquisition of ITOCHU ENEX CO., LTD.

**Provision for doubtful receivables:** Absence of provision for doubtful receivables from customers in Mongolia of Machinery in the same period of the previous FY

**Net financial income (expense):**  
 Net interest expenses +1.3 (decline in US dollars interest rate)  
 Dividends received from LNG-related investments -7.1  
**Gain on investments-net:** Remeasurement loss for pre-existing interests resulting from obtaining control -3.5, Impairment loss +4.4, Net gain on sale -3.0, others +2.3

**Gain (loss) on property and equipment-net:**  
 Net gain on sales of property and equipment +2.0, others +0.8

**Gain on bargain purchase in acquisition:** Gain in the acquisitions of C.I.Kasei Co., Ltd. and i-LOGISTICS CORP. +9.1

**Other-net:** Improvement of foreign currency exchange losses +3.2, others +1.9

**Equity in earnings of assoc. co.:**  
 Century Tokyo Leasing Corporation (Note1) [Net profit related to a merger +1.1] / TING HSIN (CAYMAN ISLANDS) HOLDING CORP. +1.1 / Brazil Japan Iron Ore Corporation +1.0 / MISI -11.0 / Equity-method associated companies of IMEA -4.3 / Orient Corporation -3.3 / Japan Brazil Paper and Pulp Resources Development Co., Ltd. -2.3

|          |       |          |        |
|----------|-------|----------|--------|
| 10,500.0 | 45.7% | 10,500.0 | -      |
| 9.0%     |       | 9.3%     |        |
| 207.0    | 36.7% | 236.0    | (29.0) |

|                 |      |       |         |         |
|-----------------|------|-------|---------|---------|
| Adjusted profit | 76.0 | 214.9 | (138.9) | (64.7%) |
|-----------------|------|-------|---------|---------|

| Dividend Information (Per Share) |         | Dividend Information (Per Share) |         |
|----------------------------------|---------|----------------------------------|---------|
| Annual (Planned)                 | 15 yen  | Annual (Planned)                 | 15 yen  |
| Interim                          | 7.5 yen | Interim                          | 7.5 yen |

(Note1) Refer to the results announced by each company, as their announcement dates are on and after Oct. 30, 2009

**Operating Segment Information**

|  | Gross trading profit (Note 2) |                  |                     | Net income attributable to ITOCHU |                  |                     |              |
|--|-------------------------------|------------------|---------------------|-----------------------------------|------------------|---------------------|--------------|
|  | 1st Half FY 2010              | 1st Half FY 2009 | Increase (Decrease) | 1st Half FY 2010                  | 1st Half FY 2009 | Increase (Decrease) | Progress (%) |
| Textile  | 45.6                          | 46.9             | (1.3)               | 7.1                               | 13.2             | (6.1)               | 34%          |
| Machinery  | 24.0                          | 45.3             | (21.4)              | 4.0                               | 3.7              | 0.4                 | 45%          |
| ICT, Aerospace & Electronics                     | 61.7                          | 61.1             | 0.6                 | 1.2                               | 1.9              | (0.7)               | 11%          |
| Energy, Metals & Minerals                        | 57.6                          | 111.5            | (53.9)              | 26.1                              | 86.4             | (60.3)              | 43%          |
| Chemicals, Forest Products & General Merchandise | 51.8                          | 65.0             | (13.1)              | 8.1                               | 13.2             | (5.1)               | 41%          |
| Food   | 171.3                         | 169.8            | 1.4                 | 18.5                              | 12.4             | 6.1                 | 74%          |
| Finance, Realty, Insurance & Logistics Services  | 16.7                          | 22.5             | (5.8)               | 2.3                               | 6.6              | (4.3)               | 29%          |
| Other, Adjustments & Eliminations                | 11.4                          | 20.0             | (8.6)               | (12.1)                            | 1.7              | (13.8)              | 50%          |
| <b>Total</b>                                     | <b>440.0</b>                  | <b>542.1</b>     | <b>(102.1)</b>      | <b>55.3</b>                       | <b>139.1</b>     | <b>(83.8)</b>       | <b>43%</b>   |

**[Net income attributable to ITOCHU]**  
 Summary of changes from the same period of the previous fiscal year  
 (Note 2) Refer to "Summary of changes from the same period of the previous fiscal year" in "Consolidated Financial Results of Operations"

Decrease due to the absence of gain on sales of investments in the previous 1st H and decreased gross trading profit despite increased equity in earnings of associated companies  
 Increase in equity in earnings of assoc. co., gain on sales of investments and the absence of provision for doubtful receivables in the previous 1st H despite decreased gross trading profit

Decrease in gain on sales of investments despite decrease in SG&A

Decrease in equity in earnings of associated companies in addition to significantly decreased gross trading profit

Decrease due to decreased gross trading profit and equity in earnings of assoc. co. despite profit from obtaining control of C.I.Kasei Co., Ltd. and improved gain(loss) on property & equipment-net

Significant increase due to gain on sales of investments in addition to increased gross trading profit

Decrease due to decreased gross trading profit and equity in earnings of associated companies despite profit from obtaining control of i-LOGISTICS CORP.

Decrease due to decreased equity in earnings of assoc. co. & increased inter-company income tax caused by change of internal tax system in addition to decreased gross trading profit

**Components of Net Income attributable to ITOCHU**

|                                   | 1st Half FY 2010 | 1st Half FY 2009 | Increase (Decrease) |
|-----------------------------------|------------------|------------------|---------------------|
| Parent company                    | 21.5             | 62.0             | (40.4)              |
| Group companies                   | 47.7             | 107.4            | (59.7)              |
| Overseas trading subsidiaries     | 4.4              | 12.5             | (8.1)               |
| Consolidation adjustments         | (18.3)           | (42.7)           | 24.5                |
| Net income attributable to ITOCHU | 55.3             | 139.1            | (83.8)              |

|  |      |      |        |
|--|------|------|--------|
| Earnings from overseas businesses (*)      | 24.0 | 81.8 | (57.8) |
| Share of earnings from overseas businesses | 43%  | 59%  |        |

**Share of Group Companies Reporting Profits**

|                                       | 1st Half FY 2010 | 1st Half FY 2009 | Increase (Decrease) |
|---------------------------------------|------------------|------------------|---------------------|
| Share of group co. reporting profits  | 66.2%            | 74.1%            | (7.9%)              |
| Number of group co. reporting profits | 280              | 312              | (32)                |
| Number of group co. reporting losses  | 143              | 109              | 34                  |
| Total                                 | 423              | 421              | 2                   |

**P/L of Group Companies Reporting Profits / Losses**

|                             | 1st Half FY 2010 | 1st Half FY 2009 | Increase (Decrease) |
|-----------------------------|------------------|------------------|---------------------|
| Group co. reporting profits | 68.7             | 133.9            | (65.2)              |
| Group co. reporting losses  | (16.6)           | (14.0)           | (2.6)               |
| Total                       | 52.1             | 119.9            | (67.8)              |

(Group companies)

|                             |        |        |        |
|-----------------------------|--------|--------|--------|
| Group co. reporting profits | 64.0   | 121.3  | (57.3) |
| Group co. reporting losses  | (16.3) | (13.8) | (2.5)  |
| Total of Group companies    | 47.7   | 107.4  | (59.7) |

(Overseas trading subsidiaries)

|  |       |       |       |
|--|-------|-------|-------|
| Group co. reporting profits            | 4.7   | 12.6  | (7.9) |
| Group co. reporting losses             | (0.3) | (0.1) | (0.2) |
| Total of Overseas trading subsidiaries | 4.4   | 12.5  | (8.1) |

**Financial Position**

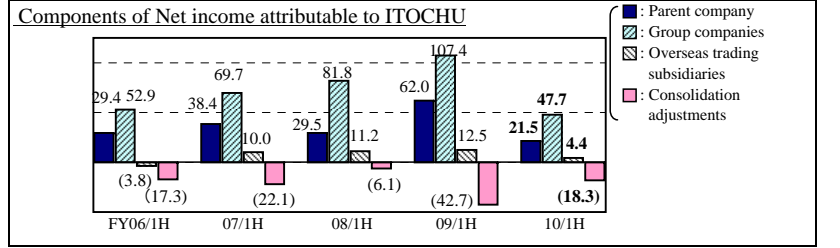
|                                  | September 30 2009 | March 31 2009 | Increase (Decrease) |
|----------------------------------|-------------------|---------------|---------------------|
| Total assets                     | 5,461.7           | 5,192.1       | 269.6               |
| Interest-bearing debt            | 2,388.5           | 2,389.3       | (0.9)               |
| Net interest-bearing debt        | 1,836.7           | 1,756.8       | 80.0                |
| ITOCHU stockholders' equity      | 1,007.2           | 849.4         | 157.8               |
| Net debt-to-equity ratio (times) | 1.8               | 2.1           | improved 0.2        |

**Cash Flows**

|                           | 1st Half FY 2010 | 1st Half FY 2009 | Increase (Decrease) |
|---------------------------|------------------|------------------|---------------------|
| Operating activities      | 102.7            | 62.3             | 40.4                |
| Investing activities      | (134.6)          | (114.8)          | (19.9)              |
| Financing activities      | (56.0)           | 14.0             | (70.1)              |
| Cash and cash equivalents | 547.7            | 399.4            | 148.3               |
| Increase (Decrease)       | (81.1)           | (46.9)           | (34.2)              |

**Major Indicates**

|                             |                     | 1st Half FY 2010 | 1st Half FY 2009 | Changes |
|-----------------------------|---------------------|------------------|------------------|---------|
| Foreign exchange (Yen/US\$) | Average (Apr.-Sep.) | 96.34            | 105.11           | (8.77)  |
|                             | Mar. closing        | 90.21            | 98.23            | (8.02)  |
|                             | September 30th      | 90.21            | 98.23            | (8.02)  |
|                             | June 30th           | 96.01            | 91.03            | 4.98    |



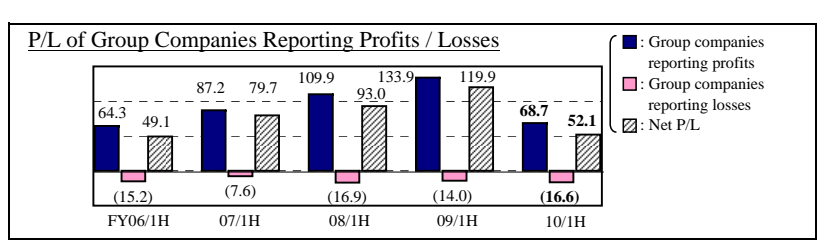
(\*) "Earnings from overseas businesses" is the total of net income attributable to ITOCHU of overseas trading subsidiaries and overseas group companies, plus net income attributable to ITOCHU of overseas branch of parent company and domestic group companies substantially operating in overseas.

**Group Companies**

|  | 1st Half FY 2010 | 1st Half FY 2009 | Summary of changes from the same period of the previous fiscal year                              |
|--|------------------|------------------|--|
| ITOCHU Minerals & Energy of Australia Pty Ltd (IMEA) (C) | 14.5             | 51.5             | Decrease due to price falls in metal resources and decreased sales volume in iron ore            |
| ITOCHU Oil Exploration (Azerbaijan) Inc. (C)             | 1.4              | 11.7             | Decrease due to oil price fall, reduction of entitlement, yen's appreciation and increased costs |
| FamilyMart Co., Ltd. (E)                                 | 3.1              | 3.5              | Decrease due to sales decrease from gradually weakened effect of Taspo card, and bad weather     |
| PrimeSource Building Products, Inc. (C)                  | 1.5              | 3.9              | Decrease due to slowdown in housing market in North America                                      |

(Major Group Companies Reporting Losses)

|  |       |      |  |
|--|-------|------|--|
| Marubeni-Itochu Steel Inc. (MISI) (E)                          | (0.9) | 10.1 | Significantly worsened due to reduced demand for steel products both in Japan and overseas |
| Japan Brazil Paper and Pulp Resources Development Co., Ltd (E) | (1.4) | 0.9  | Decrease due to price fall in pulp   |



**Summary of changes from the previous fiscal year end**

|  | New     | Previous  |
|--|---------|-----------|
| Total assets / Increase  | 5,500.0 | 5,500.0   |
| Net trade receivables, Inventories, Net property and equipment, effect of appreciation of Australian dollar and Brazilian Real against the yen in Ener., Met. & Min.; new investments in Textile and in Food; Decrease: Cash and cash equivalents, Time deposits   | 2,400.0 | 2,400.0   |
| ITOCHU stockholders' Equity / Increase: Accumulation of "Net income attributable to ITOCHU", improvement in "Foreign currency translation adjustments", and improvement in "Unrealized holding gains on securities" resulting from recovery of stock market; Decrease: Dividend payment; "NET DER" improved by 0.2 points to 1.8 times | 1,900.0 | 1,900.0   |
|  | 1,000.0 | 950.0     |
|  | 1.9     | under 2.0 |

**Condition of Cash Flows for FY 2010**

**Operating:** Net cash-inflow mainly due to progress in collection of Trade receivables in ICT, Aerospace & Electronics and in Textile.

**Investing:** Net cash-outflow mainly due to investments in the consumer-related sector, and additional investments related to acquisitions of C.I.Kasei Co., Ltd. and i-LOGISTICS CORP.

**Financing:** Net cash-outflow (net repayment) mainly due to dividends payment and repayments of debt by the parent company

**Major Indicates**

|   |  | 1st Half FY 2010 | 1st Half FY 2009 | Changes  |
|---|--|------------------|------------------|----------|
| Interest, JPY TIBOR 3M, average (Apr.-Sep.) | 0.574%                                       | 0.848%           | (0.274%)         |          |
|   | Interest, US\$ LIBOR 3M, average (Jan.-Jun.) | 1.044%           | 3.018%           | (1.974%) |
|   | Crude oil (Brent), average (US\$/BBL)        | 64.37            | 119.91           | (55.54)  |
|   | (Apr.-Sep.)                                  | 52.71            | 109.72           | (57.01)  |