

**Highlights of Consolidated Financial Results for the First Quarter of FY 2011 (U.S. GAAP)**

**Financial topics for the First Quarter of FY 2011**

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

- 1Q "Net income attributable to ITOCHU" increased by ¥19.8bil. compared with the prev. 1Q to ¥40.2bil., achieved 25% of our Outlook for FY 2011 of ¥160.0bil. yen. Considering our profit structure having a last half earning sectors, "Textile" and "ICT & Aero., & Elec", this progress is satisfactory enough. Also, there is a great contribution from increase in adjusted profit despite deep decline in the items from "Gain (loss) on investment-net" to "Other-net"(See (\*) below).
- For "Net income attributable to ITOCHU" by segment, 5 segments increased compared with the prev. 1Q: "Ener. Met. & Min." increased by ¥20.6bil. to ¥26.2bil., "Chem., FP & GM" increased by ¥3.3bil. to ¥5.5bil., "ICT & Aero., & Elec" increased by ¥2.3bil. to ¥1.8bil., "Textile" increased by ¥1.7bil. to ¥2.6bil., and "Mach" increased by ¥0.7bil. to ¥0.3bil. despite impairment loss on listed investment securities, "Mach." and "ICT & Aero., & Elec", which recorded deficit in the prev. 1Q, turned a profit. "Food" and "Fin. Rlty. Insur. & LS" decreased due to the absence of gain on sales of investment and the absence of a temporal gain on acquisition in the prev. 1Q respectively.
- Share of "Net income attributable to ITOCHU" by sector: Natural Resource/Energy-Related, 65%(¥26.2bil.), Consumer-Related, 33%(¥13.1bil.), and Others, 2%(¥0.9bil.). Natural Resource/Energy-Related increased significantly, and Consumer-Related stayed at almost the same level due to improved "Textile" and "Chem., FP & GM" despite absence of a temporal gain in "Food".
- ITOCHU stockholders' equity decreased, including the negative effect of additional shares purchase of NIPPON ACCESS, INC., associated with the application of new accounting standards (\*1), by ¥23.5bil. to ¥1,074.9bil compared with the previous year end. NET DER worsened by 0.1point to 1.7times.

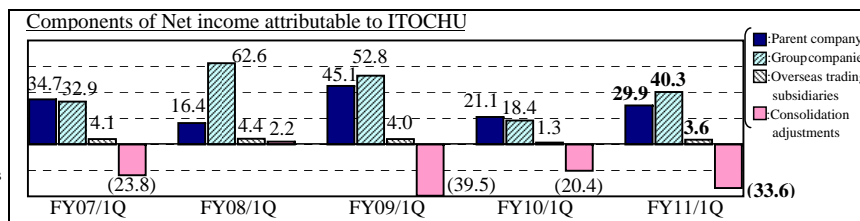
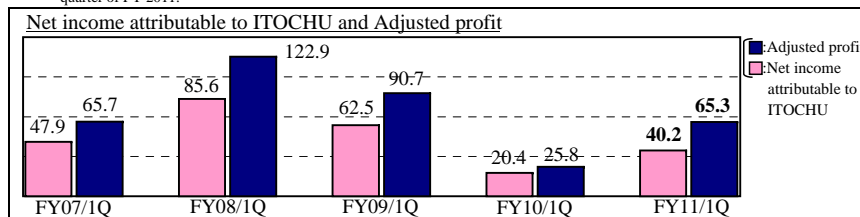
(\*1)Refer to Page 11 in the attached document.

Consolidated Financial Results of Operations	1st Quarter FY 2011	1st Quarter FY 2010	Increase (Decrease)	Summary of changes from the same period of the previous fiscal year	Outlook for FY 2011 (Disclosed on May 7, 2010)	
Revenue	827.6	767.2	60.3	<p>• <b>Revenue:</b> Increase in Textile resulting from acquisitions of companies in the last half of prev. year; in Energy, Metals &amp; Minerals due to rise in prices of mineral resources and oil &amp; gas and increase of transaction volume; and in Chemicals, Forest Products &amp; General Merchandise resulting from rise in prices and transaction volume increase of both natural rubber and pulp as well as rise in prices of chemicals compared with the same period of the prev. FY</p> <p>• <b>Gross trading profit: (Incr/Decr fields &amp; business)</b>                      Textile/Incr(20.4→29.4): Increase due to acquisitions of JAVA HOLDINGS CO., LTD. and LEILIAN CO., LTD.                      Machinery/Decr(11.5→11.3): Less transactions in new ships despite gradual recovery of automobile transactions                      ICT, Aerospace &amp; Electronics/Decr(28.7→27.9): Less transactions in domestic IT business                      Energy, Metals &amp; Minerals/Incr(25.1→49.8): Increase due to price rises in mineral resources, oil &amp; gas, and sales volume increase, despite poor operation in petroleum product transactions                      Chemicals, Forest Products &amp; General Merchandise/Incr(23.6→27.5): Increase supported by steady market in chemicals, also increase in forest products &amp; general merchandise due to price rises in pulp and slight recovery from the bottom of poor housing market condition in Japan and the U.S.                      Food/Decr(82.5→81.9): Less transactions in distribution sector resulting from slowdown in domestic consumption, and also due to the absence of good performance in fresh food materials in the same period of the previous fiscal year                      Finance, Realty, Insurance &amp; Logistics Services/Incr(7.9→8.1): Almost the same level resulting from turning into equity-method associated company of real-estate business offset by increase in finance business</p> <p>• <b>SG &amp; A:</b> Increase mainly due to the increase after acquisitions of above-mentioned two companies in Textile, despite pension cost decrease by improved pension asset management along with stock market recovery in the previous fiscal year, in addition to cost reduction in existing group subsidiaries and deconsolidation of subsidiaries</p> <p>• <b>Provision for doubtful receivables:</b> Decrease mainly due to decrease in allowance for doubtful receivables</p> <p>• <b>Net financial income (expenses):</b> Improvement of net interest expenses mainly due to decline in U.S. dollars interest rates, increase in dividends received mainly due to increase in dividends from LNG-related investments +1.2</p> <p>• <b>Gain (loss) on investments-net:</b> Impairment loss on investments -5.2, net gain on sales of investments -6.2, loss on business disposals and others +3.0</p> <p>• <b>Gain on property and equipment-net:</b> Decrease due to the absence of the gain on sales of properties recorded in the same period of the previous fiscal year</p> <p>• <b>Gain on bargain purchase in acquisition:</b> Decrease due to the absence of the temporal gain in the acquisitions of C.I.Kasei Co., Ltd. and ITOCHU LOGISTICS CORP. in the same period of the previous fiscal year</p> <p>• <b>Other-net:</b> Decreased foreign currency revaluation gains and losses for subsidiaries and miscellaneous loss</p> <p>• <b>Equity in earnings of assoc. co.:</b> Equity-method assoc. co. of IMEA +1.6, Japan Brazil Paper and Pulp Resources Development Co., Ltd. +1.3, Brazil Japan Iron Ore Corporation +0.7, equity-method assoc. co. of ITOCHU Automobile America Inc. +0.3, DAIKEN CORPORATION +0.3, GOODMAN CO., LTD. (Note 2)</p>	1,080.0	22.2%
Gross trading profit	239.5	206.3	33.2		(815.0)	23.5%
Selling, general and administrative expenses	(191.8)	(189.4)	(2.5)		(5.0)	9.7%
Provision for doubtful receivables	(0.5)	(3.9)	3.4		(25.0)	21.9%
Net interest expenses	(5.5)	(6.5)	1.0		(5.0)	-
Dividends received	7.0	5.9	1.1		(870.0)	22.9%
Net financial income (expenses)	1.5	(0.6)	2.1		210.0	19.3%
Gain (loss) on investments-net	(5.7)	2.8	(8.5)		(100.0)	14.7%
Gain on property and equipment-net	0.1	2.3	(2.2)		110.0	23.6%
Gain on bargain purchase in acquisition	-	9.1	(9.1)		65.0	24.8%
Other-net	(2.5)	1.6	(4.2)		175.0	24.0%
Total other expenses	(198.9)	(178.0)	(20.9)	(15.0)	12.1%	
Income before income taxes and equity in earnings of associated companies	40.6	28.4	12.3	11,500.0	23.7%	
Income taxes	(14.7)	(15.9)	1.2	9.4%		
Income before equity in earnings of associated companies	25.9	12.5	13.4	325.0	20.1%	
Equity in earnings of associated companies	16.1	9.4	6.7			
Net income	42.0	21.9	20.2			
Less: Net income attributable to the noncontrolling interest	(1.8)	(1.4)	(0.4)			
Net income attributable to ITOCHU	40.2	20.4	19.8			
<b>(Reference)</b>						
Total trading transactions	2,730.0	2,192.5	537.4			
Gross trading profit ratio	8.8%	9.4%	(0.6%)			
Adjusted profit (Note 1)	65.3	25.8	39.5			

**Consolidated Statements of Comprehensive Income**

	1st Quarter FY 2011	1st Quarter FY 2010	Increase (Decrease)
Net income	42.0	21.9	20.2
Other comprehensive income (loss) (net of tax)			
Foreign currency translation adjustments	(26.1)	63.9	(90.0)
Pension liability adjustments	1.1	0.7	0.5
Unrealized holding gains (losses) on securities	(6.0)	25.5	(31.6)
Unrealized holding gains (losses) on derivative instruments	(2.8)	0.2	(3.0)
Total other comprehensive income (loss) (net of tax)	(33.8)	90.3	(124.1)
Comprehensive income	8.3	112.2	(103.9)
Comprehensive income attributable to the noncontrolling interest	(1.4)	(3.3)	1.9
Comprehensive income (loss) attributable to ITOCHU	6.9	109.0	(102.0)

(Note 1) Adjusted profit = Gross trading profit + SG & A + Net financial income (expenses) + Equity in earnings of associated companies  
(Note 2) Refer to the result announced by the company, as its announcement date is on and after ITOCHU's announcement date of the first quarter of FY 2011.



Components of Net Income attributable to ITOCHU	1st Quarter FY 2011	1st Quarter FY 2010	Increase (Decrease)
Parent company	29.9	21.1	8.8
Group companies	40.3	18.4	21.9
Overseas trading subsidiaries	3.6	1.3	2.3
Consolidation adjustments	(33.6)	(20.4)	(13.2)
Net income attributable to ITOCHU	40.2	20.4	19.8

	1st Quarter FY 2011	1st Quarter FY 2010	Increase (Decrease)
Earnings from overseas businesses (Note 3)	33.5	9.8	23.7
Share of earnings from overseas businesses	83%	48%	35%

(Note 3) "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 branches of parent company and domestic group companies substantially operating in overseas.

Operating Segment Information	Net income attributable to ITOCHU			Summary of changes from the same period of the previous fiscal year
	1st Quarter FY 2011	1st Quarter FY 2010	Increase (Decrease)	
Textile	2.6	0.8	1.7	Increase due to contribution by new associated companies in addition to increase in gross trading profit
Machinery	0.3	(0.4)	0.7	Increase due to improved gross trading profit and increased dividends received despite impairment loss of marketable security
ICT, Aerospace & Electronics	1.8	(0.6)	2.3	Increase due to improved gain on sales of investments and equity in earnings of associated companies despite decrease in gross trading profit
Energy, Metals & Minerals	26.2	5.6	20.6	Significant increase due to dividends received from LNG business resulting from price rises in oil, and increase in equity in earnings of associated companies in addition to increased gross trading profit
Chemicals, Forest Products & General Merchandise	5.5	2.2	3.3	Increase in gross trading profit and equity in earnings of associated companies despite absence of gain on bargain purchase in acquisition of C.I. Kasei Co., Ltd. in the same period of the previous fiscal year
Food	7.8	13.0	(5.1)	Decrease due to the absence of gain on sales of investment in the same period of the previous fiscal year despite increase in gross trading profit
Finance, Realty, Insurance & Logistics Services	(1.5)	2.0	(3.5)	Decrease due to worsened equity in earnings of associated companies in addition to absence of gain on bargain purchase in acquisition of ITOCHU LOGISTICS CORP. in the same period of the previous fiscal year despite improved gross trading profit
Other, Adjustments & Eliminations	(2.5)	(2.2)	(0.3)	Decrease due to impairment loss of marketable securities resulting from stock price falls despite improved equity in earnings in life care business and improvement from increased foreign tax credit
<b>Total</b>	<b>40.2</b>	<b>20.4</b>	<b>19.8</b>	

P/L of Group Companies Reporting Profits / Losses	1st Quarter FY 2011	1st Quarter FY 2010	Increase (Decrease)	Group Companies	1st Quarter FY 2011	1st Quarter FY 2010	Summary of changes from the same period of the previous fiscal year
Group co. reporting profits	52.0	31.3	20.7	(Major Group Companies)			(C): Consolidated subsidiary, (E): Equity-method associated company
Group companies reporting profits	48.2	29.3	18.9	ITOCHU Minerals & Energy of Australia Pty Ltd (IMEA) (C)	22.9	6.6	Increase due to price rise and sales volume increase in mineral resources
Overseas trading subsidiaries reporting profits	3.7	1.9	1.8	FamilyMart Co., Ltd. (E)	1.3	1.2	Increase due to improved overseas business despite cost increase in Japan
Group co. reporting losses	(8.1)	(11.5)	3.5	Japan Brazil Paper and Pulp Resources Development Co., Ltd. (E)	1.0	(0.3)	Increase due to pulp price rise
Group companies reporting losses	(7.9)	(10.9)	3.0	ITOCHU Property Development, Ltd. (C)	(1.2)	(0.8)	Decrease due to poor performance in the sales of the suburban condominiums and houses in part
Overseas trading subsidiaries reporting losses	(0.2)	(0.6)	0.4	ITOCHU Petroleum Japan Ltd. (C)	(1.0)	0.5	Decrease due to poor operation in petroleum product transactions
<b>Total</b>	<b>43.9</b>	<b>19.7</b>	<b>24.2</b>				
Share of group co. reporting profits	66.7%	63.0%	3.6%				
Number of group co. reporting profits	274	266	8				
Total number of group co. reporting	411	422	(11)				

(Note 4) The number of companies directly invested by ITOCHU or its overseas trading subsidiaries are shown above.

Financial Position	Jun. 2010	Mar. 2010	Increase (Decrease)	Summary of changes from the previous fiscal year end	Outlook for March 31, 2011
Total assets	5,430.3	5,476.8	(46.6)	<p><b>Total assets:</b> Decrease due to decrease in Net property and equipment resulting from weakening of the Australian dollars despite additional capital expenditures in natural resource development sector in Energy, Metals &amp; Minerals, in addition to decrease in Trade receivables as a result of the collection of receivables at the end of the prev. FY in ICT, Aerospace &amp; Electronics, in Energy, Metals &amp; Minerals, and in Textile, despite some increase in Inventories with an allowance for the future demand in Energy, Metals &amp; Minerals, in Finance, Realty, Insurance &amp; Logistics Services, and in Food.</p> <p><b>ITOCHU stockholders' equity:</b> Decrease despite accumulation of Net income attributable to ITOCHU, due to decrease from dividend payment, deterioration in foreign currency translation adjustments because of yen's appreciation mainly against Australian dollars, decline in net unrealized holding gains on securities, and decrease in capital surplus due to the result of a tender offer for the common stock of NIPPON ACCESS, INC., a subsidiary, to purchase additional shares which was accounted for as equity transactions with noncontrolling interests. As a result, "Ratio of stockholder's equity to total assets" (Note 5) dropped by 0.3 points to 19.8% from March 31, 2010. "NET DER" (Note 5) worsened by 0.1 point compared with March 31, 2010 to 1.7 times.</p> <p>(Note 5) "Stockholders' equity" is equivalent to "ITOCHU stockholders' equity" and used in calculating "NET DER".</p>	5,800.0
Interest-bearing debt	2,211.1	2,209.3	1.8		2,500.0
Net interest-bearing debt	1,801.2	1,726.1	75.2		2,100.0
ITOCHU stockholders' equity	1,074.9	1,098.4	(23.5)		1,200.0
Total equity	1,277.2	1,311.4	(34.2)		1,430.0
Ratio of stockholders' equity to total assets	19.8%	20.1%	(0.3%)	20.7%	
Net debt-to-equity ratio (times)	1.7	1.6	0.1 worsened	1.75	

Cash Flows	1st Quarter FY 2011	1st Quarter FY 2010	Summary of Cash Flows for 1st Quarter of FY 2011
Operating activities	10.8	76.7	<p><b>Operating:</b> Net cash-inflow of 10.8 billion yen (122 million U.S. dollars) resulted from the steady performance in operating revenue in overseas natural resource-related business and food business, progress in collection of Trade receivables in ICT, Aerospace &amp; Electronics and Textile despite increase in inventories with allowance for the future demand in Energy, Metals &amp; Minerals and Food</p> <p><b>Investing:</b> Net cash-outflow mainly due to additional capital expenditures in the natural resource development sector and uranium related share purchase</p> <p><b>Financing:</b> Net cash-outflow due to a tender offer for the common stock of NIPPON ACCESS, INC., a subsidiary, and dividends payment</p>
Investing activities	(38.1)	(74.5)	
Financing activities	(41.4)	(35.1)	
Cash and cash equivalents	402.2	605.0	
Increase (Decrease)	(73.5)	(23.8)	

Major Indicators		1st Quarter FY 2011	1st Quarter FY 2010	Variance	Major Indicators		1st Quarter FY 2011	1st Quarter FY 2010	Variance	
Foreign exchange (Yen/US\$)	Mar. closing	Average (Apr.-Jun.)	91.77	97.51	(5.74)	Interest, JPY TIBOR 3M, average (Apr.-Jun.)	0.398%	0.596%	(0.198%)	
		June 30th	88.48	93.04	(4.56)		Interest, US\$ LIBOR 3M, average (Jan.-Mar.)	0.257%	1.240%	(0.983%)
	Dec. closing	Average (Jan.-Mar.)	90.19	90.93	(0.74)	Crude oil (Brent), average (US\$/BBL)	(Apr.-Jun.)	79.47	59.75	19.72
		Mar 31st	93.04	92.10	0.94		(Jan.-Mar.)	77.24	45.67	31.57