
Consolidated Financial Report
for the First Half of Fiscal Year 2011
ending March 31, 2011

November 5, 2010
ITOCHU Corporation

Highlights

(unit: ¥billion)



	1st Half FY 2011	1st Half FY 2010	Increase (Decrease)	Outlook for FY 2011	Progress (%)
Gross trading profit	505.3	440.0	65.3	1,080.0	47%
Trading income (* 1)	115.9	53.7	62.2	260.0	45%
Income before income taxes	111.5	69.6	41.8	210.0	53%
Equity in earnings of associated companies	37.7	20.8	16.9	65.0	58%
Net income attributable to ITOCHU	103.0	55.3	47.6	160.0	64%
Adjusted profit (* 2)	157.6	76.0	81.6	325.0	48%

	Sep 30, 2010	March 31, 2010	Increase (Decrease)	Outlook for March 31, 2011
Total assets	5,459.8	5,476.8	(17.1)	5,800.0
Interest-bearing debt	2,192.7	2,209.3	(16.6)	2,500.0
Net Interest-bearing debt	1,722.9	1,726.1	(3.2)	2,100.0
ITOCHU stockholders' equity	1,119.4	1,098.4	21.0	1,200.0
Ratio of ITOCHU stockholders' equity to total assets	20.5%	20.1%	0.4%	20.7%
NET DER (times)	1.54	1.57	0.03improved	1.75

(* 1) Trading income = Gross trading profit + SG&A expenses + Provision for doubtful receivables

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

Consolidated Financial Results of Operations

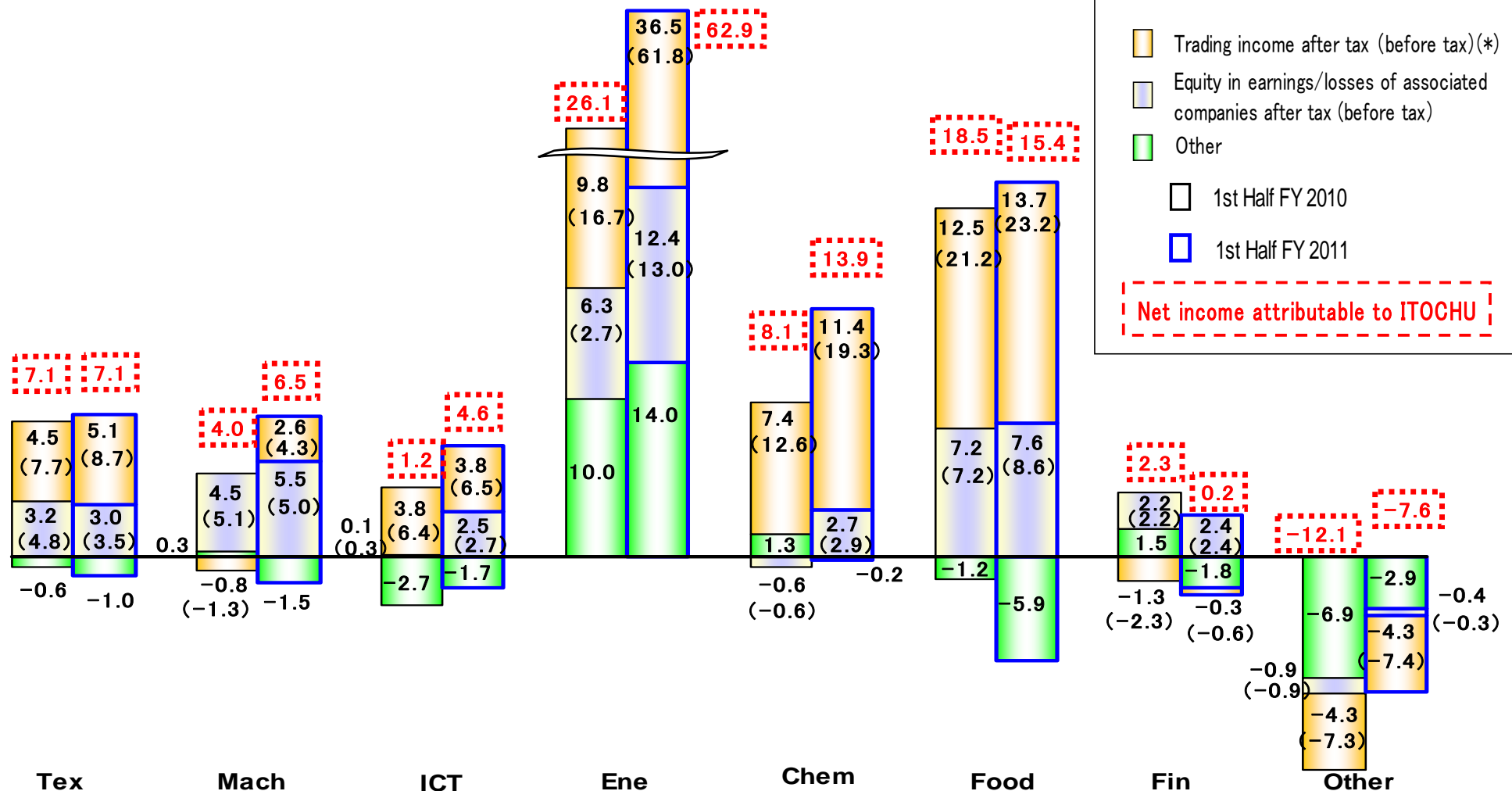
(unit: ¥billion)



			1st Half	1st Half	Increase	(Reference)	
	2nd Quarter FY2011	1st Quarter FY2011	FY 2011	FY 2010	(Decrease)	4th Quarter FY2010	3rd Quarter FY2010
Revenue	890.1	827.6	1,717.7	1,651.1	66.6	902.7	862.9
Gross trading profit	265.9	239.5	505.3	440.0	65.3	248.3	236.1
Trading income	68.7	47.2	115.9	53.7	62.2	54.4	39.3
Net financial income(expenses)	1.5	1.5	3.0	(2.8)	5.8	8.1	(1.7)
Other-net	0.7	(8.1)	(7.4)	18.8	(26.2)	(10.5)	(4.3)
Income before income taxes	70.9	40.6	111.5	69.6	41.8	52.0	33.4
Income taxes	(26.4)	(14.7)	(41.1)	(31.2)	(9.9)	(2.4)	(18.0)
Income before equity in earnings of associated companies	44.4	25.9	70.4	38.4	31.9	49.6	15.4
Equity in earnings of associated companies	21.5	16.1	37.7	20.8	16.9	2.1	13.4
Net income	66.0	42.0	108.0	59.2	48.8	51.7	28.8
Less:Net income attributable to the noncontrolling interest	(3.2)	(1.8)	(5.0)	(3.9)	(1.2)	(4.2)	(3.5)
Net income attributable to ITOCHU	62.7	40.2	103.0	55.3	47.6	47.5	25.3
Adjusted profit	92.3	65.3	157.6	76.0	81.6	66.7	51.6

Operating Segment (1H FY2011 & 1H FY2010)

(unit: ¥billion)

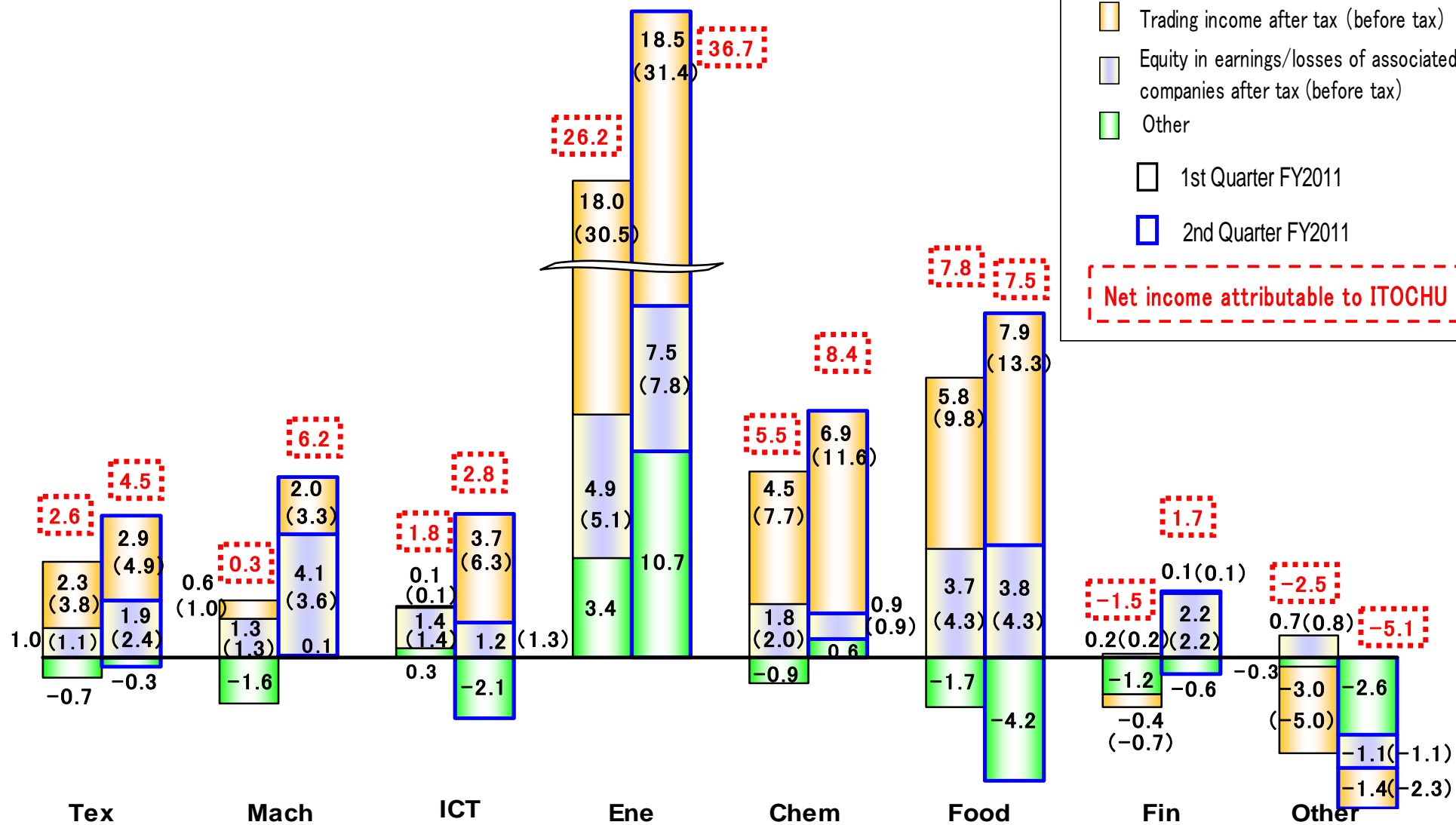


(*) Trading income = Gross trading profit + SG&A expenses + Provision for doubtful receivables

Tex : Textile, Mach : Machinery, ICT : ICT, Aerospace & Electronics, Ene : Energy, Metals & Minerals, Chem : Chemicals, Forest Products & General Merchandise, Food : Food, Fin : Finance, Realty, Insurance & Logistics Services

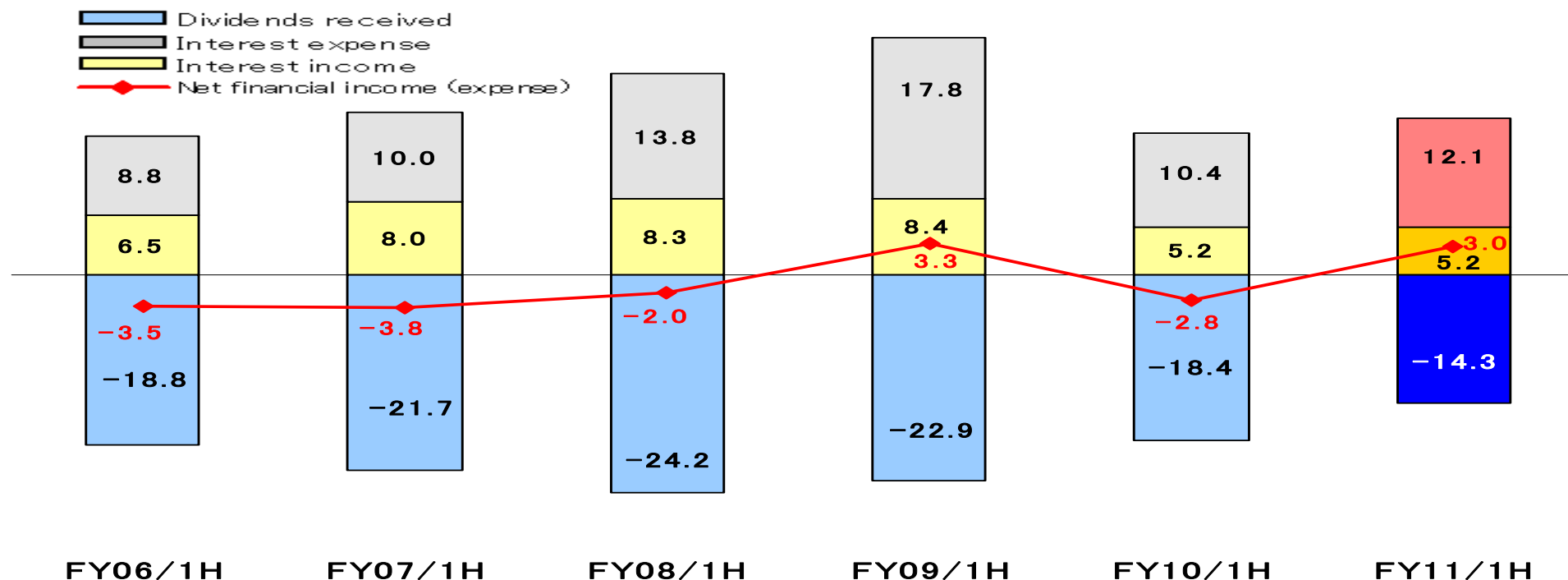
Operating Segment (1st & 2nd Quarter)

(unit: ¥billion)



Net Financial Income (Expenses)

(unit: ¥billion)

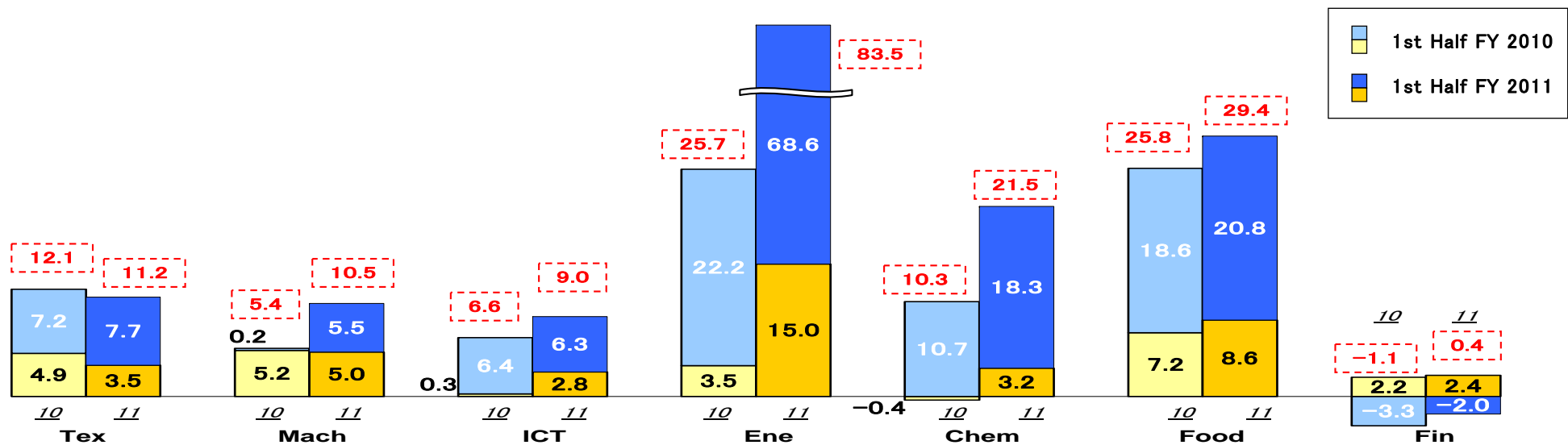
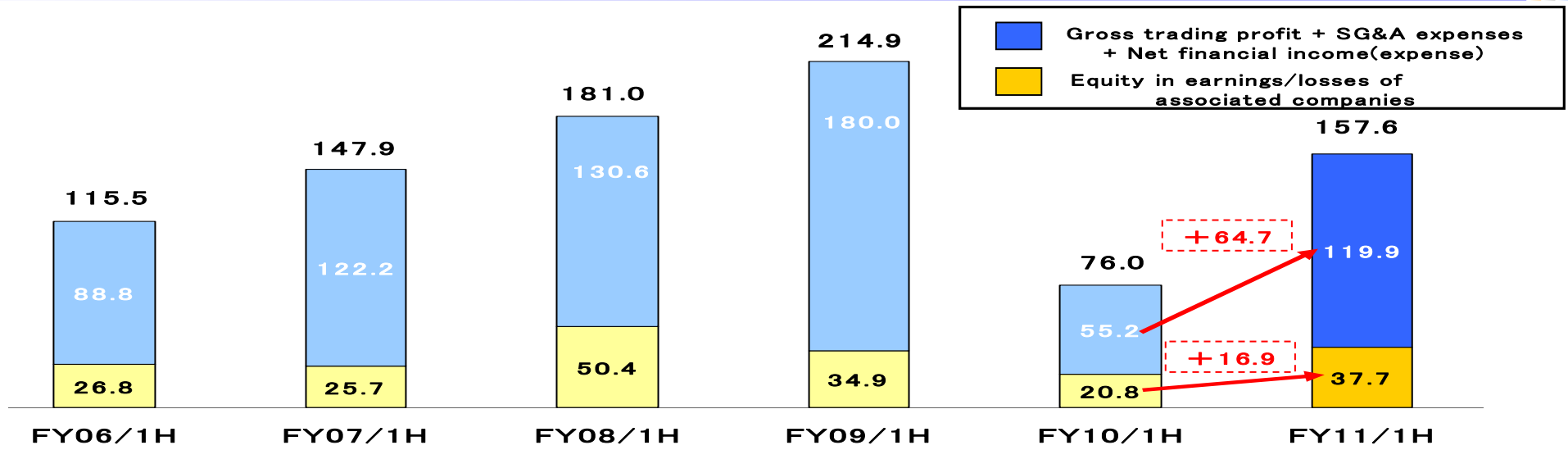


	FY06/1H	FY07/1H	FY08/1H	FY09/1H	FY10/1H	FY11/1H
Net interest-bearing debt *	2,370.8	2,209.5	2,127.0	2,113.9	2,388.9	2,201.0
(Foreign currency balances included)	(333.3)	(333.6)	(364.9)	(432.7)	(340.4)	(316.1)
JPY TIBOR 3M (Average Apr.-Sep.)	0.085%	0.324%	0.735%	0.848%	0.574%	0.385%
USD LIBOR 3M (Average Jan.-Jun.)	3.067%	4.989%	5.357%	3.018%	1.044%	0.346%

* Average Apr.-Sep.

Adjusted Profit

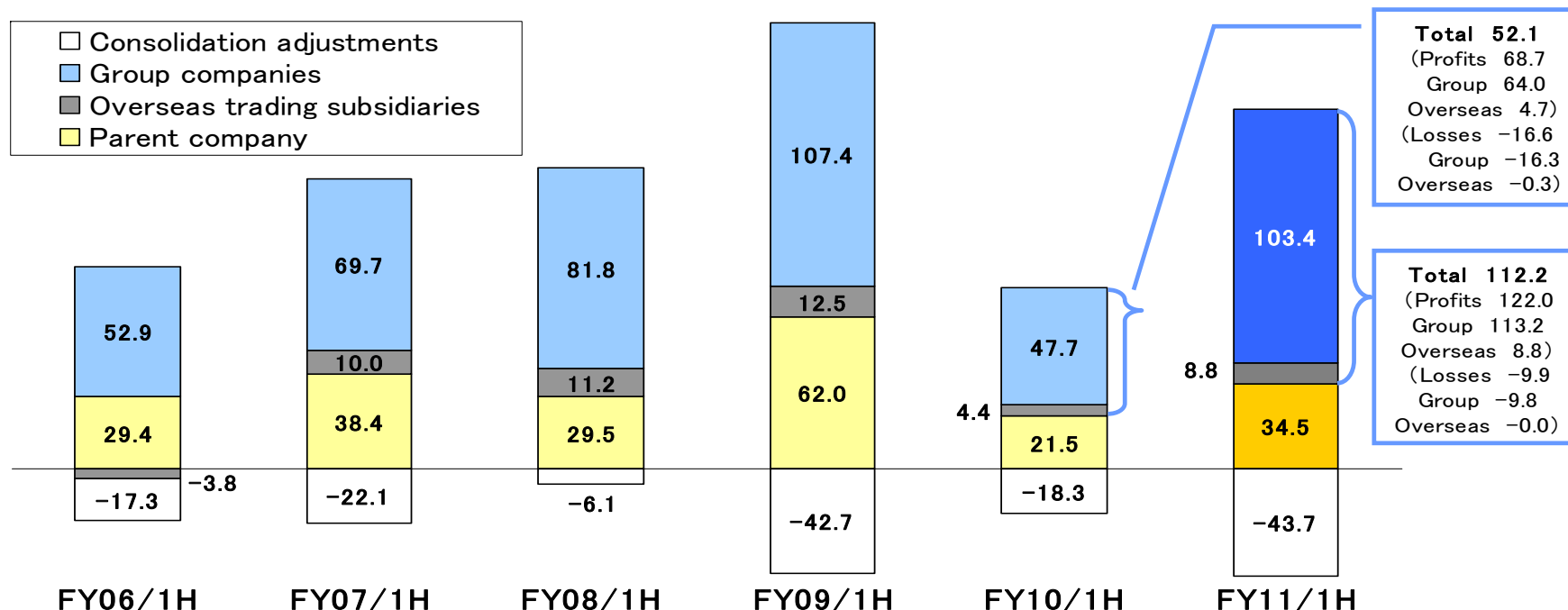
(unit: ¥billion)



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

Components of Net Income Attributable to ITOCHU

(unit: ¥billion)



Net income attributable to ITOCHU	61.2	96.1	116.4	139.1	55.3	103.0
Number of Group Companies	456	451	426	421	423	408
Share of Group Companies Reporting Profits	74%	75%	74%	74%	66%	73%
Natural Resource/ Energy-Related Sector	25.3 (41%)	35.7 (37%)	49.8 (43%)	86.4 (62%)	26.1 (47%)	62.9 (61%)
Consumer-Related Sector	21.6 (35%)	25.1 (26%)	21.1 (18%)	31.5 (23%)	26.1 (47%)	29.1 (28%)
Other	14.3 (24%)	35.3 (37%)	45.4 (39%)	21.2 (15%)	3.1 (6%)	10.9 (11%)

Performance of Group Companies

(unit: ¥billion)



【 Subsidiaries 】

Name		1st Half FY 2011	1st Half FY 2010	Increase (Decrease)
Ene	ITOCHU Minerals & Energy of Australia Pty Ltd	47.0	14.5	32.5
Ene	ITOCHU Oil Exploration (Azerbaijan) Inc.	5.3	1.4	3.9
Other	ITOCHU Australia Ltd.	2.0	0.6	1.3
Other	ITOCHU International Inc.	1.7	0.6	1.2
Fin	ITOCHU LOGISTICS CORP.	0.4	(*) 1.8	(1.4)
Chem	C.I. Kasei Co., Ltd.	0.8	(*) 1.8	(1.0)
Fin	ITOCHU Property Development, Ltd.	(2.1)	(1.1)	(1.0)
Ene	ITOCHU Petroleum Japan Ltd.	(0.6)	0.2	(0.8)

(*) Includes the profit resulting from the net gain on bargain purchase in acquisition.

【 Associated companies 】

Name		1st Half FY 2011	1st Half FY 2010	Increase (Decrease)
Ene	Marubeni-Itochu Steel Inc.	3.2	(0.9)	4.1
Chem	Japan Brazil Paper and Pulp Resources Development Co., Ltd.	1.9	(1.4)	3.3
Ene	Brazil Japan Iron Ore Corporation	3.7	1.0	2.7
Mach	Century Tokyo Leasing Corporation	2.1	(*) 3.3	(1.2)
Fin	Orient Corporation	0.5	0.7	(0.3)
Food	Yoshinoya Holdings Co., Ltd.	(0.2)	(0.1)	(0.1)

(*) Includes the profit related to a merger.

Performance of Group Companies by Segment

(unit: ¥billion)

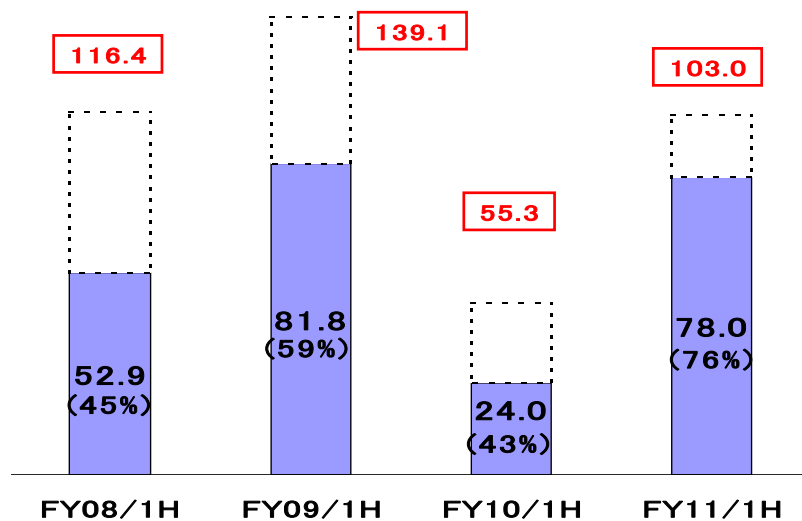


	1st Half FY 2011		1st Half FY 2010		Increase (Decrease)	Summary of changes
		(*)		(*)		
Textile	5.5	81.6%	4.2	77.5%	1.3	Increase in earnings for garment accessories business and attribute to the new consolidated subsidiaries
Machinery	6.5	80.0%	4.4	70.7%	2.1	Increase due to recovery in automobile-related and construction machinery-related business
ICT, Aerospace & Electronics	5.1	52.8%	3.1	56.1%	2.0	Increase in earnings for mobile insurance business and decrease in losses for sale of video distribution service-related business
Energy, Metals & Minerals	64.7	67.9%	18.5	65.5%	46.2	Increase in earnings for steel products-related business as well as favorable operating in natural resource development-related business
Chemicals, Forest Products & General Merchandise	13.6	73.3%	6.8	61.3%	6.7	Due to recovery in building materials-related business in North America and increase in earnings for natural rubber, pulp and chemical-related businesses because of higher prices
Food	16.9	71.1%	13.3	76.6%	3.6	Increase due to favorable operating in food distribution sector and CVS business, and rising prices of feed materials, oils and fats
Finance, Realty, Insurance & Logistics Services	0.8	77.8%	2.6	63.8%	(1.8)	Decrease in earnings for real estate development business and absence of net gain on bargain purchase in acquisition of logistics business in the same period of the previous fiscal year
Other, Adjustments & Eliminations	(0.9)	75.0%	(0.9)	63.8%	0.0	Almost the same level due to increase in healthcare-related business, despite decrease in solar-related and North American materials-related business
Total	112.2	73.3%	52.1	66.2%	60.1	

(*) Share of Group Companies Reporting Profits

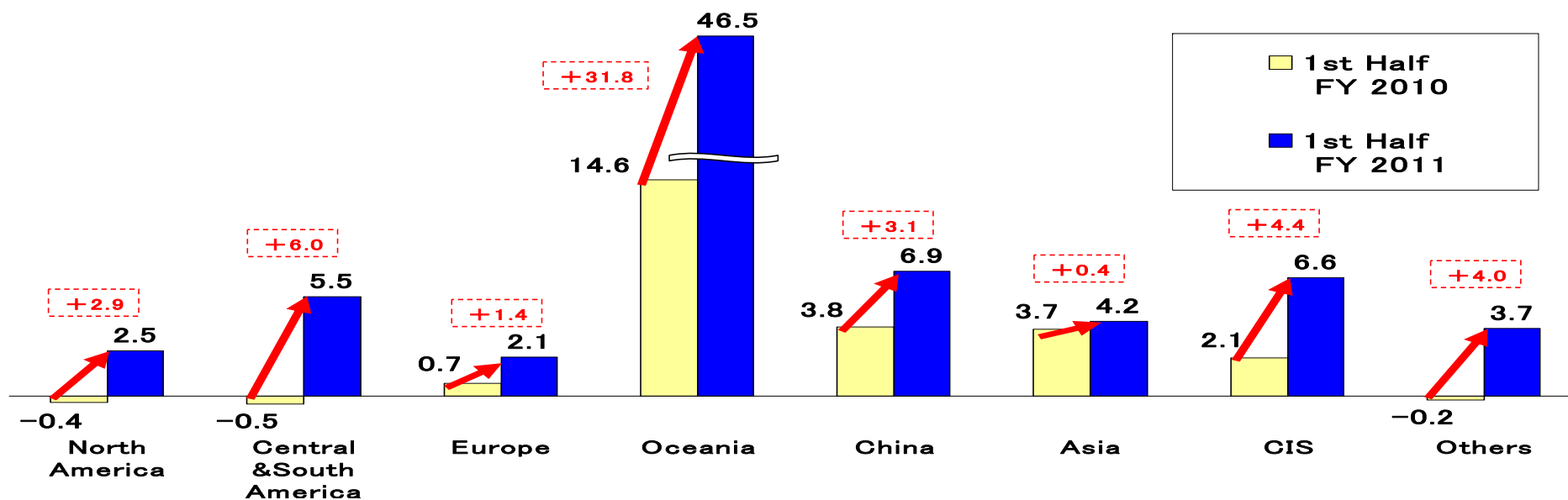
Earnings From Overseas Businesses

(unit: ¥billion)



Net income attributable to ITOCHU

■ Earnings from overseas businesses
(Share of earnings from overseas businesses)



Outlook for FY2011

(unit: ¥billion)



	1st Half FY 2011	Outlook for FY 2011	Progress (%)
Total trading transactions	5,668.8	11,500.0	49%
Gross trading profit	505.3	1,080.0	47%
Trading income	115.9	260.0	45%
Net financial income(expenses)	3.0	(5.0)	—
Other-net	(7.4)	(45.0)	—
Income before income taxes	111.5	210.0	53%
Income taxes	(41.1)	(100.0)	41%
Income before equity in earnings of associated companies	70.4	110.0	64%
Equity in earnings of associated companies	37.7	65.0	58%
Net income	108.0	175.0	62%
Less:Net income attributable to the noncontrolling interest	(5.0)	(15.0)	34%
Net income attributable to ITOCHU	103.0	160.0	64%
Adjusted profit	157.6	325.0	48%

【Net income attributable to ITOCHU by Segment】

	1st Half FY 2011	Outlook for FY 2011	Progress (%)
Textile	7.1	21.0	34%
Machinery	6.5	8.0	81%
ICT, Aerospace & Electronics	4.6	10.0	46%
Energy, Metals & Minerals	62.9	115.0	55%
Chemicals, Forest Products & General Merchandise	13.9	20.0	69%
Food	15.4	27.0	57%
Finance, Realty, Insurance & Logistics Services	0.2	5.0	4%
Other, Adjustments & Eliminations	(7.6)	(46.0)	17%
Total	103.0	160.0	64%

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