

June 16, 2011

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

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(Code No. 8001, Tokyo Stock Exchange, 1st Section)
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Announcement of Establishment of New Company to Invest in Colombian Coal Mines and Infrastructure Owned by US Drummond Company

ITOCHU Corporation (headquarters: Minato-ku, Tokyo; President & CEO: Masahiro Okafuji; hereinafter “ITOCHU”) announces it will enter into a partnership in which it will own 20% of the units of Drummond International, LLC (hereinafter “Drummond International”), a Delaware limited liability company, to be established in US, that will own the rights to coal mines and infrastructure in Colombia, currently 100%-owned by Drummond Company, Inc. (headquarters: Birmingham, Alabama, USA; Chairman & CEO: Garry N. Drummond; hereinafter “Drummond”) and affiliated companies. ITOCHU and Drummond agreed to consideration of US\$1.5235 billion, subject to certain adjustments, for this transaction.

Drummond and affiliated companies will own 80% and ITOCHU 20% of the units of Drummond International, which will own the rights to Colombian coal mines and infrastructure. ITOCHU is establishing a new company to hold the units of Drummond International it will acquire.

1. Purpose

The purpose of establishing the new company is to implement quick and proactive management judgment and administration of ITOCHU’s ownership interest in Drummond International.

2. Overview of new company

(1) Trade name	ITOCHU Coal Americas Inc. (ICA)
(2) Head office	2711 Centerville Road, Suite 400 Wilmington, DE 19808, USA
(3) Representative	To be dispatched from ITOCHU
(4) Principal businesses	Ownership interest in Drummond International
(5) Capital	US\$ 761.75 million

(6) Date of establishment	June 2011	
(7) Fiscal year-end	March 31	
(8) Ownership	ITOCHU (100%)	
(9) Relationship with ITOCHU	Capital	As per (8) above, ITOCHU will make a capital investment equivalent to 100% in the new company.
	Personnel	As per (3) above, the plan is for a representative to be dispatched from ITOCHU. Other staffing, including additional dispatching from ITOCHU, has yet to be determined.
	Transactional	There are no significant transactions between ITOCHU and the new company. In addition, there are no significant transactions between persons or companies affiliated with ITOCHU and persons or companies affiliated with the new company.

3. Schedule

(1) Date of establishment	June 2011
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4. Status of shares held

(1) Number of shares held before establishment	—
(2) Number of shares held after establishment	762 shares (Total number of voting rights : 762) (Ownership : 100%)

5. Future outlook

Within an estimated 2-3 months after making sufficient preparations and confirming legal compliance with all related legal authorities, ITOCHU will make its investment in Drummond International and Drummond International will be established by Drummond and ITOCHU as the owner and operator of the Colombian mines. Whereby Drummond international will be an equity method associated company and ITOCHU is currently determining the impact on ITOCHU's earnings for the fiscal year ending March 31, 2012 and will make a subsequent announcement after it is determined.