

Highlights of Consolidated Financial Results for FY 2007 (U.S. GAAP)

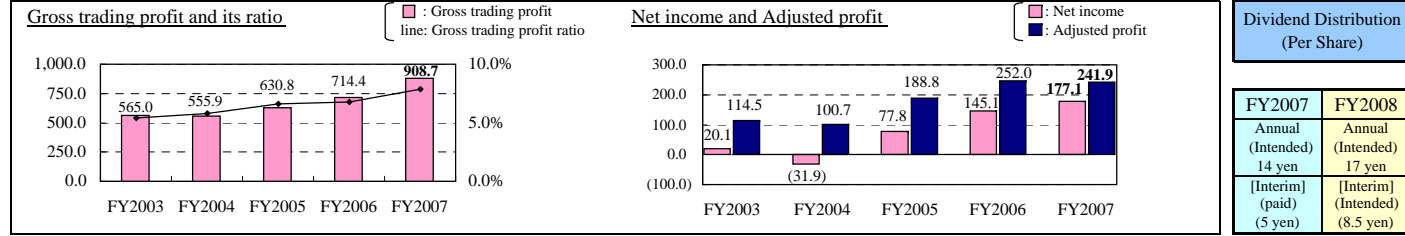
Financial topics for FY 2007

- Net income - Increased by ¥31.9 bil or 22% from prev. FY to ¥177.1 bil. Achieved the highest for three consecutive years. Renewed record highs in Gross trading profit and Income before taxes.
- Gross trading profit increased by ¥194.3 bil from prev. FY to ¥908.7 bil, and Income before taxes achieved ¥300 bil level for the first time.
- Net income by Segment - Ener., Met. increased greatly by 39% to ¥80.7 bil; Machinery (¥21.1bil) and Chem., FP&GM (¥24.8 bil) exceeded ¥20 bil. Textile: ¥17.1 bil, Food: ¥18.1 bil. Aero, Elec. & MltiMd decreased due to absence of gain on sales of investment securities, and Fin. Rlty. Insur.&LS recorded Net loss due to extraordinary loss in Orient Corporation.
- Net income of Parent co. increased by ¥40.3 bil to ¥94.6 bil (highest for three consecutive years). Net income of profit reporting co. increased by ¥33.7 bil to ¥182.3 bil (over ¥180 bil).
- Stockholders' equity - Increased by ¥169.4 bil from prev. FY to renewed highest-ever ¥896.2 bil. NET DER improved by 0.6 pts to 1.8 times. Financial structure steadily being strengthened.

Consolidated Financial Results of Operations	FY2007	FY2006	Increase (Decrease)		Summary of changes from the previous fiscal year	Outlook for FY2008	
				%			Increase (Decrease)
Revenue	2,647.2	2,218.2	429.0	19%	Revenue: Increase in Automobile transaction, energy development, FP & GM., and turning NIPPON ACCESS, INC. into a consolid. subs. Gross trading profit: (Increase fields/bus.) Textile /Incr: Brand-related business Mach./Incr: Plant, Ship, Automobile(EUR/US), Const. Mach.(US) Aero, Elec. & MltiMd /Incr: Domestic IT-related business, cellular phone sales business Ener.Met./Incr: Higher price in crude oil and expanding crude oil production scale Chem.,FP & GM /Incr: Domestic housing-building materials, and continuous high market prices of chemicals Food /Incr: Turning NIPPON ACCESS, INC. into a consolid. subs. Fin. Rlty. Insur.&LS /Decr: Turning a logistics group company into an associated company SG&A: Increase from business expansion and turning NIPPON ACCESS, INC. into a consolid. subs. Provision for doubtful receivables: FY2006: Loss on Iraq receivables -7.7 Net financial expenses: (i+ii) [+0.3(compare with FY2006)] (i)Net interest exp. -3.2 (Interest rates rise) (ii)LNG-related +2.0 Gain on disposal inv.& sec.: [Incr/Decr] Gains on exchange +3.5, Devaluation losses -4.6, Sales and others -3.6 Loss on property and equip.: [Incr/Decr] Sales -2.6, Impairment losses and others +3.8 Other-net: FY2006: Legal settlement -19.5 (Overseas trading subsidiary in the US) Equity in earnings (losses) of assoc.co.s: Equity loss arising from extraordinary loss in Orient Corporation due to revision of Moneylending Control Law in Japan Cumulative effect of an accounting change: Cumulative effect of accounting change for production stripping costs in the mining industry	975.0	66.3
Gross trading profit	908.7	714.4	194.3	27%		(700.0)	(60.9)
Selling, general and administrative expenses	(639.1)	(506.3)	(132.9)	26%		(5.0)	(0.1)
Provision for doubtful receivables	(4.9)	(14.7)	9.8	(66%)	(i)	(14.8)	
Interest income	16.1	13.4	2.7	20%	(ii)	(4.7)	
Interest expense	(45.3)	(39.4)	(5.9)	15%	(iii)	(36.2)	
Dividends received	21.7	18.2	3.4	19%			
Gain on disposal of investments and marketable securities, net of write-down	46.9	51.6	(4.8)	-			
Loss on property and equipment-net	(6.8)	(7.9)	1.1	-			
Other-net	3.1	(12.4)	15.5	-			
Total other expenses	(608.4)	(497.5)	(110.9)	22%			
Income before income taxes	300.2	216.9	83.4	38%			
Income taxes	(88.9)	(106.9)	18.0	(17%)			
Income after income taxes	211.3	109.9	101.4	92%			
Minority interests	(14.2)	(13.1)	(1.1)	8%			
Equity in earnings (losses) of associated companies	(20.1)	51.7	(71.8)	-			
Income before cumulative effect of an accounting change	177.1	148.6	28.5	19%			
Cumulative effect of an accounting change	-	(3.4)	3.4	-			
Net income	177.1	145.1	31.9	22%			

(Accordance with Japanese accounting practice)				Outlook for March 31, 2008		
Total trading transactions	11,579.1	10,473.9	1,105.2	11%	12,100.0	520.9
Gross trading profit ratio	7.8%	6.8%	1.0%		8.1%	0.2%
Adjusted profit	241.9	252.0	(10.1)	(4%)	367.0	125.1

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

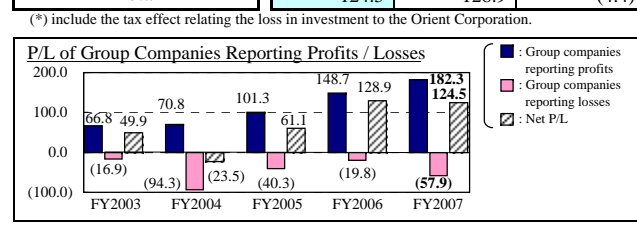


Operating Segment Information	Gross trading profit (Note 1)			Net income			[Net income] Summary of changes from the previous fiscal year (Note 1) Please refer to summary of changes from the previous fiscal year in "Consolidated Financial Results of Operations."
	FY2007	FY2006	Increase (Decrease)	FY2007	FY2006	Increase (Decrease)	
Textile	124.6	122.9	1.8	17.1	15.0	2.1	Increase due to increase of equity in earnings of associated companies in brand marketing related investment despite increase of net interest expenses.
Machinery	90.5	69.5	20.9	21.1	13.7	7.5	Increase due to increase in gain on sales of investment securities as well as gross trading profit despite increase of net interest expenses.
Aerospace, Electronics & Multimedia	133.5	116.4	17.1	11.2	17.2	(6.0)	Decrease due to the absence of the gain on sales of investment securities concerning the listing of a subs. in FY06 and the loss on impairment of investment securities in FY07 despite increase in gross trading profit.
Energy, Metals & Minerals	102.1	73.9	28.2	80.7	58.0	22.7	Increase in gross trading profit, gain on sales of investment securities concerning the listing of an associated company, and cumulative effect of an accounting change for stripping costs in the previous FY.
Chemicals, Forest Products & General Merchandise	126.2	111.1	15.1	24.8	18.6	6.1	Increase due to increased gross trading profit despite increased net interest expenses.
Food	264.6	142.6	122.1	18.1	19.4	(1.3)	Decrease due to absence of the gain on sales of investment securities in the previous FY despite increase in gross trading profit.
Finance, Realty, Insurance & Logistics Services	43.3	46.0	(2.7)	(28.3)	9.9	(38.2)	Significant decrease mainly due to recognition of the extraordinary loss in a finance-related associated company according to revision of the Moneylending Control Law in Japan.
Other, Adjustments & Eliminations	23.9	32.0	(8.2)	32.4	(6.6)	39.0	Steep rise due to decrease of income taxes brought by increase of foreign income tax credit amount, reduction of SG&A, improvement of net interest incomes, and absence of the loss on legal settlement of an US trading subs. in FY06.
Total	908.7	714.4	194.3	177.1	145.1	31.9	

Components of Consolidated Net Income	FY2007	FY2006	Increase (Decrease)
Parent company	94.6	54.4	40.3
Group companies	(*) 101.7	113.2	(11.5)
Overseas trading subsidiaries	22.8	15.7	7.1
Subtotal	(*) 219.1	183.3	35.9
Consolidation adjustments	(42.1)	(38.1)	(4.0)
Consolidated net income	177.1	145.1	31.9

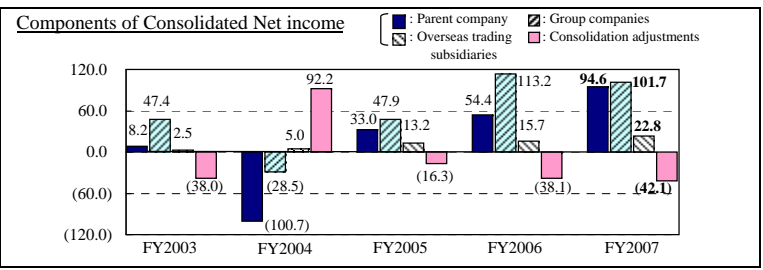
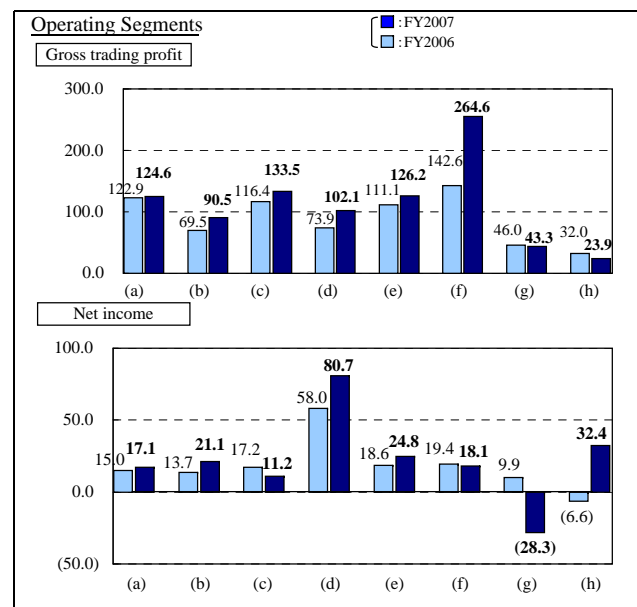
Share of Group Companies Reporting Profits	March 31 2007	March 31 2006	Increase (Decrease)
Share of group co. reporting profits	82.6%	81.4%	1.2%
Number of group co. reporting profits	538	530	8
Number of Group companies	651	651	-

P/L of Group Companies Reporting Profits / Losses	FY2007	FY2006	Increase (Decrease)
Group co. reporting profits	182.3	148.7	33.7
[Group companies]	[159.2]	[132.6]	[26.6]
Group co. reporting losses	(*) (57.9)	(19.8)	(38.1)
[Group companies]	(*) [(57.5)]	[(19.4)]	[(38.1)]
Total	(*) 124.5	128.9	(4.4)



Financial Position	March 31 2007	March 31 2006	Increase (Decrease)
Total assets	5,271.5	4,797.0	474.5
Interest-bearing debt	2,165.6	2,226.5	(60.8)
Net interest-bearing debt	1,630.9	1,724.3	(93.4)
Stockholders' equity	896.2	726.8	169.4
Net debt-to-equity ratio (times)	1.8	2.4	Improved 0.6

Cash Flow	FY2007	FY2006	Increase (Decrease)
CF from operating activities	235.9	185.1	50.8
CF from investing activities	(83.4)	(79.9)	(3.5)
CF from financing activities	(100.9)	(85.2)	(15.7)
Cash and cash equivalents	532.9	477.7	55.1



Group Companies	FY2007	FY2006	Summary of changes from the previous fiscal year
ITOCHU Minerals & Energy of Australia Pty Ltd (IMEA) (S)	28.9	25.9	Increase due to higher price in iron ore and effect of an accounting change in FY06 despite dropping price in coal
ITOCHU Oil Exploration (Azerbaijan) Inc. (S)	21.2	5.2	Increase in sales volume by higher oil price and oil production increase
Marubeni-Itochu Steel Inc. (A)	16.8	15.9	Good performance in domestic and export businesses
ITOCHU International Inc. (Note 2) (S)	12.8	7.9	Steady growth in group companies and the absence of the loss on legal settlement in the previous fiscal year
PrimeSource Building Products, Inc. (S)	7.4	7.7	Decrease with influence of declined number of house-building in US since the middle of the year
ITOCHU Petroleum Japan Ltd. (Note 3) (S)	5.1	2.5	Steady growth in crude & heavy oil trans. and gain on sale of investment securities concerning the listing of an affiliates
FamilyMart Co., Ltd. (A)	4.7	4.3	Decrease in non-ordinary loss
Chemoil Energy Limited (A)	3.5	2.5	Good performance in transactions of bunker oil
ITOCHU PLASTICS INC. (S)	3.2	2.6	Good performance in plastic and wrapping materials as well as gain on sale of investment securities

Summary of changes from the previous fiscal year end				Outlook for March 31, 2008
Total assets	5,800.0			5,800.0
Interest-bearing debt	2,250.0			2,250.0
Net interest-bearing debt	1,850.0			1,850.0
Stockholders' equity	1,080.0			1,080.0
NET DER	1.7			1.7

Condition of Cash Flow for FY 2007			
CF from operating activity:	Net inflow due to good results in operating revenue from overseas resource-related business.		
CF from investing activity:	Net outflow due to additional investments in NIPPON ACCESS, INC., automobile-related investment, and investment in plant of a resource development related subs.		
CF from financing activity:	Net outflow due to continuous efforts to reduce interest-bearing debt.		
Cash and cash equivalents:	Increased by 55.1 compared with Mar. 31, 2006.		

Major Indicators		FY2007	FY2006	Changes
Foreign exchange [Mar. closing]	Yen/US\$, average (Apr.-Mar.)	117.32	112.28	5.04
	Yen/US\$, at the end of the period	118.05	117.47	0.58
Foreign exchange [Dec. closing]	Yen/US\$, average (Jan.-Dec.)	116.68	109.03	7.65
	Yen/US\$, at the end of the period	119.11	118.07	1.04
Interest, TIBOR ¥3M, average (Apr.-Mar.)		0.431%	0.093%	0.338%
Interest, LIBOR US\$3M, average (Jan.-Dec.)		5.197%	3.567%	1.630%
Crude oil (Brent), average (US\$/BBL)	(Apr.-Mar.)	65.08	58.78	6.30
	(Jan.-Dec.)	66.09	55.07	11.02