

July 27, 2007

Consolidated Financial Results for the First Quarter of Fiscal 2008

For the three months ended June 30, 2007 and 2006

ITOCHU Corporation

Consolidated Financial Results for the First Quarter of Fiscal Year 2008 (Year ended March 31, 2008)

[Consolidated financial results have been prepared in conformity with accounting principles generally accepted in the United States of America]

Company name ITOCHU Corporation

Stock exchange code 8001

URL http://www.itochu.co.jp/main/ir/index_e.html

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1. Consolidated operating results for the first quarter of fiscal year 2008 (from April 1, 2007 to June 30, 2007)

(1) Consolidated operating results (Summary)

(%: Changes from the same period of the previous fiscal year)

	Total trading transactions		Trading income		Income before income taxes, minority interests and equity in earnings of associated companies		Net income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
For the first quarter of								
Fiscal year 2008	2,767,939	7.4	61,491	14.8	73,835	14.3	85,920	78.5
Fiscal year 2007	2,577,522	6.2	53,586	45.9	64,603	57.0	48,141	62.1
Fiscal year 2007	11,579,059	-	264,621	-	300,230	-	177,059	-

	Net income per share (basic)	Net income per share (diluted)
	yen	yen
For the first quarter of		
Fiscal year 2008	54.34	54.17
Fiscal year 2007	30.44	-
Fiscal year 2007	111.95	-

(2) Consolidated financial position

	Total assets	Stockholders' equity (U.S. GAAP basis)	Ratio of stockholders' equity to total assets	Stockholders' equity per share
	millions of yen	millions of yen	%	yen
June 30, 2007	5,332,112	1,003,088	18.8	634.45
June 30, 2006	4,999,522	752,942	15.1	476.03
March 31, 2007	5,271,512	896,195	17.0	566.78

(3) Consolidated cash flows information

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents
	millions of yen	millions of yen	millions of yen	millions of yen
For the first quarter of				
Fiscal year 2008 (*)	(49,334)	(53,727)	(154,442)	276,566
Fiscal year 2007	235,917	(83,394)	(100,920)	532,856

(*) Started disclosure of quarterly consolidated cash flows information from this quarter.

2. Dividend information

Quarterly dividend distribution is not scheduled.

As for semi-annual and year-end dividend for fiscal year 2008, planned to distribute, as announced on April 27, 2007, as follows:

(Effective date)	Dividend distribution per share		
	End of 1st half	Year-end	Annual total
Fiscal year 2007	5.00 yen	9.00 yen	14.00 yen
Fiscal year 2008 (Planned)	8.50	8.50	17.00

3. Outlook of consolidated operating results for fiscal year 2008 (from April 1, 2007 to March 31, 2008) [Reference]

No change from the outlook of consolidated operating results announced on April 27, 2007 as follows:

(%: Changes from the same period of the previous fiscal year)

	Total trading transactions		Trading income		Income before income taxes, minority interests and equity in earnings of associated companies		Net income		Net income per share (basic)
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
Fiscal year 2008	12,100,000	4.5	270,000	2.0	250,000	(16.7)	210,000	18.6	132.81

4. Other information

(1) Changes of classification of Specified subsidiaries (**) in this period N/A

(2) Changes of accounting policy from the previous fiscal year N/A

(excluding adoption of new accounting standards)

(**) Specified subsidiaries: Major subsidiaries selected according to the Japanese Cabinet Office Ordinance

[Notes]

- This document is an English translation of a statement written initially in Japanese. The Japanese original should be considered the primary version.
- The financial statements contains forward-looking statements regarding ITOCHU Corporation's corporate plans, strategies, forecasts, and other statements that are not historical facts. They are based on current expectations, estimates, forecasts and projections about the industries in which ITOCHU Corporation operates. As the expectations, estimates, forecasts and projections are subject to a number of risks, uncertainties and assumptions, including without limitation, changes in economic conditions; fluctuations in currency exchange rates; changes in the competitive environment; the outcome of pending and future litigation; and the continued availability of financing, financial instruments and financial resources, they may cause actual results to differ materially from those presented in such forward-looking statements. ITOCHU Corporation, therefore, wishes to caution that readers should not place undue reliance on forward-looking statements, and, further that ITOCHU Corporation undertakes no obligation to update any forward-looking statements as a result of new information, future events or other developments.
- "Total trading transactions" and "Trading income" are presented in accordance with Japanese accounting practice.
 - "Total trading transactions" in the consolidated statements of operations consists of sales with respect to transactions in which the companies act as principal and the total amount of transactions in which the companies act as agent.
 - "Trading income" = "Gross trading profit" + "Selling, general and administrative expenses" + "Provision for doubtful receivables"
- The consolidated financial statements are expressed in yen and, solely for the convenience of the reader, have been translated into U.S. dollars at the rate of 123.26 yen = 1 U.S. dollar, the exchange rate prevailing on June 30, 2007. The translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at the above or any other rate.

Qualitative Information on Consolidated Operating Results and Financial Position

1. Qualitative Information on Consolidated Operating Results

Total trading transactions in accordance with Japanese accounting practice for the three months ended June 30, 2007 increased by 7.4% or 190.4 billion yen to 2,767.9 billion yen (22,456 million U.S. dollars) compared with the same period of the previous fiscal year, mainly due to increase in chemical products transactions; in energy development sector brought by expansion of production in crude oil fields owned; and increase from turning NIPPON ACCESS, INC. into a consolidated subsidiary [Note: Consolidation of profit & loss accounts by consolidation method in NIPPON ACCESS, INC. started from the 2nd quarter of the previous fiscal year.], despite decrease caused by withdrawal from inefficient business.

Revenue on U.S. GAAP basis increased by 19.7% or 110.3 billion yen to 670.0 billion yen (5,436 million U.S. dollars) from the same period of the previous fiscal year mainly through increase in energy development sector brought by expansion of production; increase in automobile transactions to Europe; and increase from turning NIPPON ACCESS, INC. into a consolidated subsidiary.

Gross trading profit increased by 30.4% or 54.9 billion yen to 235.6 billion yen (1,911 million U.S. dollars) compared with the same period of the previous fiscal year, supported by increase in energy development sector brought by expansion of production and positive trend in automobile transactions to Europe as well as increase in profit from real estate fund business and increase resulting from turning NIPPON ACCESS, INC. into a consolidated subsidiary.

Selling, general and administrative expenses increased by 37.8% or 48.1 billion yen to 175.5 billion yen (1,423 million U.S. dollars) compared with the same period of the previous fiscal year, mainly due to increase from turning NIPPON ACCESS, INC. into a consolidated subsidiary together with increase due to expansion of business.

Net financial income (expenses) improved 1.1 billion yen to a gain of 0.5 billion yen (5 million U.S. dollars) compared with the same period of the previous fiscal year, caused by increase in dividends received (increased by 34.5% or 2.1 billion to 8.1 billion yen (66 million U.S. dollars)) mainly from LNG related investments, despite increase in net interest expenses (worsened 14.5% or 1.0 billion yen to 7.6 billion yen (61 million U.S. dollars)) resulting from rising of interest rates.

Concerning the other profits and losses, in a period-to-period comparison, **Gain on disposal of investments and marketable securities, net of write-down** decreased by 0.5 billion yen to 10.0 billion yen (81 million U.S. dollars), **Gain (loss) on property and equipment-net** improved by 1.1 billion yen to a gain of 0.7 billion yen (6 million U.S. dollars), and **Other-net** decreased by 0.3 billion yen to 1.0 billion yen (8 million U.S. dollars).

As a result, **Income before income taxes, minority interests and equity in earnings of associated companies** increased by 14.3% or 9.2 billion yen to 73.8 billion yen (599 million U.S. dollars) compared with the same period of the previous fiscal year.

Equity in earnings of associated companies increased by 378.8% or 49.5 billion yen to 62.5 billion yen (508 million U.S. dollars) compared with the same period of the previous fiscal year, due to steep increase in that from Orient Corporation (hereinafter "Orico") accompanied by a significant gain recognition regarding exemption from obligation to redeem preferred stocks, which was brought by the reverse split of the preferred stocks in Orico. [Note: Accompanied by recognition of equity in earnings of associated companies from Orico stated above, reversal of deferred tax asset for equity in investment in Orico is recognized and is displayed in Income taxes.]

As a result, **Net income** increased by 78.5% or 37.8 billion yen to 85.9 billion yen (697 million U.S. dollars) compared with the same period of the previous fiscal year.

2. Qualitative Information on Consolidated Financial Position

(1) Consolidated Financial Position

Total assets as of June 30, 2007 increased by 1.1% or 60.6 billion yen compared with March 31, 2007, to 5,332.1 billion yen (43,259 million U.S. dollars). Though cash and time deposit (total of **Cash and cash equivalents** and **Time deposits**) decreased by 255.0 billion yen compared with the end of March 2007, **Trade receivables** and **Inventories** increased mainly in Chemicals, Forest Products & General Merchandise and in Food (Trade receivables increased by 116.4 billion yen and Inventories increased by 35.6 billion yen); **Investments in and advance to associated companies** increased by 78.5 billion yen, due to additional investment in Orico and increase in equity in earnings of associated companies this quarter; and **Other investments** increased by 50.0 billion yen due to increasing investment in energy development sector as well as increase of unrealized holding gains on securities.

Stockholders' equity increased by 11.9% or 106.9 billion yen compared with March 31, 2007, to 1,003.1 billion yen (8,138 million U.S. dollars) due to accumulation of Net income (85.9 billion yen), improvement in Foreign currency translation adjustments through yen's depreciation (12.3 billion yen), and increase of Unrealized holding gains on securities through rising of stock prices (18.9 billion yen), in spite of decrease through dividend payment (14.2 billion yen).

As a result, **Ratio of stockholders' equity to total assets** improved by 1.8 points compared with March 31, 2007, to 18.8%.

Interest-bearing debt decreased by 6.2% or 134.5 billion yen from March 31, 2007, to 2,031.1 billion yen (16,478 million U.S. dollars), while **Net interest-bearing debt** (interest-bearing debt after deducting Cash and cash equivalents and Time deposits) increased by 7.4% or 120.4 billion yen compared with March 31, 2007, to 1,751.4 billion yen (14,209 million U.S. dollars).

NET DER (Net Debt-to-Equity Ratio) improved by 0.1 points to 1.7 times compared with March 31, 2007.

(2) Consolidated Cash Flows Information

Cash flows from operating activities for the three months ended June 30, 2007 recorded net cash-outflow of 49.3 billion yen (400 million U.S. dollars) due to increase in inventories and income tax payment in the quarterly period, despite continuous good performance in operating revenue in mainly overseas natural resource related business.

Cash flows from investing activities recorded net cash-outflow of 53.7 billion yen (436 million U.S. dollars) mainly due to investment in such as energy development sector and additional investment in Orico.

Cash flows from financing activities recorded net cash-outflow of 154.4 billion yen (1,253 million U.S. dollars) mainly as a result of continuous efforts to reduce interest-bearing debt.

Consequently, the current balance of **Cash and cash equivalents** as of June 30, 2007 decreased by 256.3 billion yen to 276.6 billion yen (2,244 million U.S. dollars) compared with March 31, 2007.

Performance of Group Companies

For the three months ended June 30, 2007 and 2006

Components of Consolidated Net Income

(Unit : billion yen)			Increase	
	Apr-Jun 2007	Apr-Jun 2006	(Decrease)	
Parent company after consolidation adjustments	18.9	11.1	7.8	(*) include the tax effect accounting treatment relating to the equity in investment in Orient Corporation.
Group companies excluding overseas trading subsidiaries	(*) 62.6	32.9	29.7	
Overseas trading subsidiaries	4.4	4.1	0.3	
Consolidated net income	85.9	48.1	37.8	
Adjusted profit	123.2	65.8	57.4	(Note) Adjusted profit = Gross trading profit + SG&A expenses + Net financial expenses + Equity in earnings of associated companies

Number of Group Companies

	June 30, 2007			March 31, 2007			Increase	Decrease	Changes within Group	Net changes
	Domestic	Overseas	Total	Domestic	Overseas	Total				
Subsidiaries	204	224	428	212	226	438	4	(13)	0	(1)
Equity-method associated companies	102	112	214	102	111	213	8	(8)	0	1
Total	306	336	642	314	337	651	12	(21)		(9)

Number of Direct Controlled Companies

	June 30, 2007			March 31, 2007			Increase	Decrease	Changes within Group	Net changes
	Domestic	Overseas	Total	Domestic	Overseas	Total				
Subsidiaries	125	138	263	129	140	269	1	(7)	0	0
Equity-method associated companies	70	83	153	71	83	154	3	(4)	0	(1)
Total	195	221	416	200	223	423	4	(11)		(7)

(Note) Direct controlled companies are monitored by ITOCHU Corporation to directly implement its group management strategy.

Share of Group Companies Reporting Profits

	Apr-Jun 2007			Apr-Jun 2006			Increase(Decrease)		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	Number of companies reporting profits	225	257	482	238	254	492	(13)	3
Number of group companies	306	336	642	322	338	660	(16)	(2)	(18)
Share of group companies reporting profits	73.5%	76.5%	75.1%	73.9%	75.1%	74.5%	(0.4%)	1.3%	0.5%

Profits / Losses of Group Companies Reporting Profits / Losses

	Apr-Jun 2007			Apr-Jun 2006			Increase(Decrease)		
	Profits	Losses	Total	Profits	Losses	Total	Profits	Losses	Total
	Group companies excluding overseas trading subsidiaries	(*) 67.8	(5.2)	62.6	37.1	(4.2)	32.9	30.8	(1.1)
Overseas trading subsidiaries	4.5	(0.1)	4.4	4.5	(0.4)	4.1	0.0	0.3	0.3
Total	(*) 72.3	(5.3)	67.0	41.6	(4.6)	37.0	30.8	(0.7)	30.0

Major New Group Companies for the First Quarter of Fiscal 2008 (April 1, 2007 - June 30, 2007)

Segments	Name	Shares	Categories
Machinery	NAES Canada Ltd.	(100.0%)	Operation, maintenance and repair services of power plant
Machinery	Akebono Corporation (North America)	(20.0%)	Subsidiary controlling company in manufacturing brake units
Energy	CIECO E&P(Namibia) Co.,Ltd.	(100.0%)	Upstream development of crude oil & gas

Major Group Companies Reporting Profits (*1)

(Unit : billion yen)	Apr-Jun 2007	Apr-Jun 2006
<Subsidiaries>		
ITOCHU Oil Exploration (Azerbaijan) Inc.	7.1	3.8
ITOCHU Minerals & Energy of Australia Pty Ltd(*2)	5.8	7.4
ITOCHU Petroleum Co., (Hong Kong) Ltd.	2.2	0.0
PrimeSource Building Products, Inc.(*3)	1.0	1.8
ITOCHU PLASTICS INC.	0.7	0.6
ITOCHU Petroleum Japan Ltd.	0.6	1.2
ITOCHU CHEMICAL FRONTIER Corporation	0.4	0.4
ITOCHU Kenzai Corp.	0.4	0.5
ITC NETWORKS CORPORATION	0.4	0.3

<Equity-method associated companies>

	Apr-Jun 2007	Apr-Jun 2006
Marubeni-Itochu Steel Inc.	3.2	4.2
FamilyMart Co., Ltd.	1.3	1.1
AI Beverage Holding Co., Ltd.	0.5	0.5
Japan Brazil Paper and Pulp Resources Development Co., Ltd.	0.4	0.0
Yoshinoya D&C Co., Ltd.	0.3	0.0

Major Group Companies Reporting Losses (*1)

(Unit : billion yen)	Apr-Jun 2007	Apr-Jun 2006
<Subsidiaries>		
FASHION BUSINESS INVESTMENT CORPORATION	(0.2)	0.0
P.T. ANEKA BUMI PRATAMA	(0.2)	0.0
ITC VENTURES VIII, INC	(0.2)	0.0
Wellness Communications Corporation	(0.2)	—
<Equity-method associated companies>		
On Demand TV, Inc.	(0.5)	(0.4)

Performance of Major Overseas Trading Subsidiaries

(Unit : billion yen)	Apr-Jun 2007	Apr-Jun 2006
ITOCHU International Inc.(*3)	1.0	2.2
ITOCHU Europe PLC.	0.4	(0.3)
ITOCHU Hong Kong Ltd.	0.9	0.5
ITOCHU (China) Holding Co., Ltd.	0.7	0.6
ITOCHU Australia Ltd.(*2)	0.5	0.4

(*1) ITOCHU's share of net income are **the figures after adjusting to U.S. GAAP**, which can be different from the figures each company announces.

For listed group companies, the results of the companies whose announcement were on or before July 26 are represented.

(*2) The net income of ITOCHU Australia Ltd. includes 3.7% of that of ITOCHU Minerals & Energy of Australia Pty Ltd.

(*3) The net income of ITOCHU International Inc. includes 80.0% of that of PrimeSource Building Products, Inc..

Consolidated Statements of Operations [Condensed]

-Unaudited-

ITOCHU Corporation and Subsidiaries

For the three months ended June 30, 2007 and 2006

	Millions of Yen		Millions of U.S. dollars
	Apr.-Jun.2007	Apr.-Jun.2006	Apr.-Jun.2007
Revenue:			
Sales revenue.....	¥ 519,539	¥ 461,360	\$ 4,215
Trading margins and commissions on trading transactions.....	150,478	98,326	1,221
Total trading transactions : Apr.-Jun. 2007: 2,767,939 million yen (22,456 million U.S.dollars) Apr.-Jun. 2006: 2,577,522 million yen			
Total revenue.....	670,017	559,686	5,436
Cost of sales.....	(434,408)	(378,948)	(3,525)
Gross trading profit	235,609	180,738	1,911
Selling, general and administrative expenses.....	(175,468)	(127,380)	(1,423)
Provision for doubtful receivables.....	1,350	228	11
Interest income.....	4,049	3,579	33
Interest expense.....	(11,612)	(10,187)	(94)
Dividends received.....	8,111	6,032	66
Gain on disposal of investments and marketable securities, net of write-down.....	10,036	10,581	81
Gain (loss) on property and equipment-net.....	739	(358)	6
Other-net.....	1,021	1,370	8
	(161,774)	(116,135)	(1,312)
Income before income taxes, minority interests and equity in earnings of associated companies.....	73,835	64,603	599
Income taxes.....	(49,032)	(27,716)	(398)
Income before minority interests and equity in earnings of associated companies.....	24,803	36,887	201
Minority interests.....	(1,420)	(1,807)	(12)
Equity in earnings of associated companies.....	62,537	13,061	508
Net income.....	¥ 85,920	¥ 48,141	\$ 697
Comprehensive income :			
Net income.....	¥ 85,920	¥ 48,141	\$ 697
Other comprehensive income (net of tax):			
Net change in foreign currency translation adjustments during the period.....	12,326	1,925	100
Minimum pension liability adjustments.....	-	11	-
Pension liability adjustments.....	1,498	-	12
Net change in unrealized holding gains (losses) on securities during the period.....	18,887	(15,909)	154
Net change in unrealized holding gains (losses) on derivative instruments during the period.....	2,351	(12)	19
Total other comprehensive income (loss) (net of tax).	35,062	(13,985)	285
Total.....	¥ 120,982	¥ 34,156	\$ 982

Note :

1. Consolidated statements of operations have been prepared in conformity with accounting principles generally accepted in the United States of America.
2. "Total trading transactions" is presented in accordance with Japanese accounting practice.
Total trading transactions in the consolidated statements of operations consist of sales with respect to transactions in which the companies act as principal and the total amount of transactions in which the companies act as agent.

[Explanation for Consolidated Statements of Operations]

Revenue	(Unit : billion yen)	<u>Apr-Jun 2007</u>	<u>Apr-Jun 2006</u>	Increase (Decrease)	Reasons for changes Increase in energy development sector (expansion of production in crude oil fields owned), increase in automobile transactions to Europe, and increase from turning NIPPON ACCESS, INC. into a consolidated subsidiary		
	Revenue	670.0	559.7	110.3			
Gross trading profit	(Unit : billion yen)	<u>Apr-Jun 2007</u>	<u>Apr-Jun 2006</u>	Increase (Decrease)	Increase due to good performance in ITOCHU Corporation and existing subsidiaries, plus increase from turning NIPPON ACCESS, INC. into a consolidated subsidiary : +52.5 Effect from joining of subsidiaries : +1.5 Effect from leaving of subsidiaries : -2.4 Effect of exchange rate fluctuations : +3.3 Refer to page 12-13 "Operating Segment Information"		
	Gross trading profit	235.6	180.7	54.9			
Selling, general and administrative expenses	(Unit : billion yen)	<u>Apr-Jun 2007</u>	<u>Apr-Jun 2006</u>	Increase (Decrease)	Increase accompanied by expansion of business in ITOCHU Corporation and existing subsidiaries, plus increase from turning NIPPON ACCESS, INC. into a consolidated subsidiary : -47.3 Effect from joining of subsidiaries : -1.6 Effect from leaving of subsidiaries : +2.3 Effect of exchange rate fluctuations : -1.5		
	Personnel expenses	(68.6)	(57.9)	(10.7)			
	Service charge, distribution costs	(56.2)	(28.3)	(27.8)			
	Rent, depreciation and amortization	(19.7)	(15.3)	(4.4)			
	Travel expenses	(6.2)	(5.4)	(0.9)			
	Others	(24.8)	(20.4)	(4.3)			
Other expenses	(106.8)	(69.4)	(37.4)				
Total	(175.5)	(127.4)	(48.1)				
Provision for doubtful receivables	(Unit : billion yen)	<u>Apr-Jun 2007</u>	<u>Apr-Jun 2006</u>	Increase (Decrease)	Increase in reversal of the provision for doubtful receivables through collection		
Provision for doubtful receivables		1.4	0.2	1.1			
Net financial income (expenses)	(Unit : billion yen)	<u>Apr-Jun 2007</u>	<u>Apr-Jun 2006</u>	Increase (Decrease)	(Average) <u>Apr-Jun 2007</u> <u>Apr-Jun 2006</u> <u>Changes</u> JPY TIBOR 3M 0.670% 0.215% 0.455% USD LIBOR 3M 5.355% 4.765% 0.590%		
	Net financial income (expenses)	0.5	(0.6)	1.1			
Interest income	Interest income	4.0	3.6	0.5	Mainly effect of rising interest rate Dividends received from LNG-related investments +0.9 (2.8→3.7)		
	Interest expense	(11.6)	(10.2)	(1.4)			
	Net interest expenses	(7.6)	(6.6)	(1.0)			
	Dividends received	8.1	6.0	2.1			
Gain on disposal of investments and marketable securities, net of write-down	(Unit : billion yen)	<u>Apr-Jun 2007</u>	<u>Apr-Jun 2006</u>	Increase (Decrease)	Devaluation losses on securities -0.6 (-0.2→-0.7)		
Gain on disposal of investments and marketable securities, net of write-down		10.0	10.6	(0.5)			
Gain (loss) on property and equipment-net	(Unit : billion yen)	<u>Apr-Jun 2007</u>	<u>Apr-Jun 2006</u>	Increase (Decrease)	Net gain (loss) on sales of property and equipment +0.6 (-0.1→0.5) Rental income etc. +0.5 (-0.3→0.2)		
Gain (loss) on property and equipment-net		0.7	(0.4)	1.1			
Other-net	(Unit : billion yen)	<u>Apr-Jun 2007</u>	<u>Apr-Jun 2006</u>	Increase (Decrease)			
Other-net		1.0	1.4	(0.3)			
Minority interests	(Unit : billion yen)	<u>Apr-Jun 2007</u>	<u>Apr-Jun 2006</u>	Increase (Decrease)			
Minority interests		(1.4)	(1.8)	0.4			
Equity in earnings of associated companies	(Unit : billion yen)	<u>Apr-Jun 2007</u>	<u>Apr-Jun 2006</u>	Increase (Decrease)	Orient Corporation (Note1)/ Marubeni-Itochu Steel Inc.-1.0 (4.2→3.2)/ Mazda Canada Inc.(Note2) -0.8/ kabu.com Securities Co., Ltd.(Note2) -0.4/ Japan Brazil Paper and Pulp Resources Development Co., Ltd.+0.4 (0.0→0.4) Refer to page 4 "Performance of Group Companies"		
Equity in earnings of associated companies		62.5	13.1	49.5			
(Note 1) As announced by ITOCHU Corporation on June 4, a gain (net of tax) of 30.8 billion yen (Equity in earnings of associated companies : 52.2, Income tax : -21.4) was recognized upon exemption from obligation to redeem preferred stocks in Orient Corporation as a result of its capital restructuring program.							
(Note 2) ITOCHU Corporation ceased to pick-up equity profit (loss) of these companies for the three months ended June 30, 2007.							
Total trading transactions	(Unit : billion yen)	<u>Apr-Jun 2007</u>	<u>Apr-Jun 2006</u>	Increase (Decrease)	Refer to page 12-13 "Operating Segment Information" Effect of exchange rate fluctuations: Approximately +32.0		
	Total trading transactions	2,767.9	2,577.5	190.4			
Gross trading profit ratio		8.5%	7.0%	1.5%			
Adjusted profit	(Unit : billion yen)	<u>Apr-Jun 2007</u>	<u>Apr-Jun 2006</u>	Increase (Decrease)	The amount () presents changes from the same period of the previous fiscal year Adjusted profit(57.4)= Gross trading profit(+54.9) + SG&A expenses (-48.1) + Net financial income (expenses)(+1.1) + Equity in earnings of associated companies(+49.5)		
	Adjusted profit	123.2	65.8	57.4			
[Average exchange rate Yen/US\$]		[For March closing companies]			[For December closing companies]		
		<u>Apr-Jun 2007</u>	<u>Apr-Jun 2006</u>	<u>Changes</u>	<u>Jan-Mar 2007</u>	<u>Jan-Mar 2006</u>	<u>Changes</u>
		119.21	115.49	3.72	119.78	117.22	2.56
		<u>Apr-Jun 2006</u>	<u>Apr-Jun 2005</u>	<u>Changes</u>	<u>Jan-Mar 2006</u>	<u>Jan-Mar 2005</u>	<u>Changes</u>
		115.49	106.63	8.86	117.22	104.20	13.02

Consolidated Balance Sheets (Assets) [Condensed]

ITOCHU Corporation and Subsidiaries

As of June 30, 2007 and March 31, 2007

-Unaudited-

Assets	Millions of Yen		Millions of U.S. dollars
	Jun. 2007	Mar. 2007	Jun. 2007
Current assets:			
Cash and cash equivalents.....	¥ 276,566	¥ 532,856	\$ 2,244
Time deposits.....	3,161	1,845	26
Marketable securities.....	33,828	31,161	274
Trade receivables:			
Notes.....	211,526	163,449	1,716
Accounts.....	1,341,891	1,273,464	10,887
Allowance for doubtful receivables.....	(15,429)	(15,358)	(125)
Net trade receivables.....	1,537,988	1,421,555	12,478
Due from associated companies.....	106,659	105,884	865
Inventories.....	565,953	530,335	4,592
Advances to suppliers.....	112,075	98,604	909
Prepaid expenses.....	37,624	32,103	305
Deferred tax assets.....	40,023	37,898	325
Other current assets.....	254,957	274,664	2,068
Total current assets.....	2,968,834	3,066,905	24,086
Investments and non-current receivables:			
Investments in and advances to associated companies.....	686,665	608,121	5,571
Other investments.....	682,567	632,527	5,537
Other non-current receivables.....	137,925	143,628	1,119
Allowance for doubtful receivables.....	(55,225)	(66,450)	(448)
Total investments and net non-current receivables.....	1,451,932	1,317,826	11,779
Property and equipment, at cost:			
Land.....	162,634	160,620	1,319
Buildings.....	333,872	328,397	2,709
Machinery and equipment.....	284,641	276,368	2,309
Furniture and fixtures.....	58,413	57,594	474
Mineral rights.....	48,410	45,905	393
Construction in progress.....	17,245	16,090	140
Total property and equipment, at cost.....	905,215	884,974	7,344
Less accumulated depreciation.....	364,048	354,929	2,953
Net property and equipment.....	541,167	530,045	4,391
Prepaid pension cost.....	86,577	86,180	702
Deferred tax assets, non-current.....	11,563	31,612	94
Other assets.....	272,039	238,944	2,207
Total.....	¥ 5,332,112	¥ 5,271,512	\$ 43,259

Note :

1. Consolidated balance sheets have been prepared in conformity with accounting principles generally accepted in the United States of America.
2. ITOCHU Corporation and its subsidiaries adopt Statement of Financial Accounting Standards ("SFAS") No.158 "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans – an amendment of FASB Statements No. 87, 88, 106 and 132 (R) " from fiscal year 2007.

Consolidated Balance Sheets (Liabilities and Stockholders' Equity) [Condensed]

-Unaudited-

ITOCHU Corporation and Subsidiaries

As of June 30, 2007 and March 31, 2007

Liabilities and Stockholders' Equity	Millions of Yen		Millions of U.S. dollars
	Jun. 2007	Mar. 2007	Jun. 2007
Current liabilities:			
Short-term debt	¥ 259,499	¥ 373,723	\$ 2,105
Current maturities of long-term debt.....	131,959	144,317	1,071
Trade payables:			
Notes and acceptances.....	189,625	181,197	1,538
Accounts.....	1,192,101	1,143,422	9,672
Total trade payables.....	1,381,726	1,324,619	11,210
Due to associated companies.....	18,043	46,083	146
Accrued expenses.....	139,610	135,335	1,133
Income taxes payable.....	37,118	51,059	301
Advances from customers.....	122,835	107,308	997
Deferred tax liabilities.....	2,464	1,812	20
Other current liabilities.....	227,461	205,040	1,845
Total current liabilities	2,320,715	2,389,296	18,828
Long-term debt, excluding current maturities.....	1,808,329	1,795,333	14,671
Accrued retirement and severance benefits.....	21,472	21,748	174
Deferred tax liabilities, non-current.....	38,856	25,885	315
Commitments and contingent liabilities			
Minority interests.....	139,652	143,055	1,133
Stockholders' equity:			
Common stock:			
Authorized: 3,000,000,000 shares;			
issued:			
1,584,889,504 shares.....	202,241	202,241	1,641
Capital surplus.....	137,196	136,842	1,113
Retained earnings:			
Legal reserve.....	9,009	7,423	73
Other retained earnings	539,829	469,736	4,379
Total retained earnings.....	548,838	477,159	4,452
Accumulated other comprehensive income (loss) :			
Foreign currency translation adjustments.....	13,229	903	107
Pension liability adjustments.....	(39,837)	(41,335)	(323)
Unrealized holding gains on securities.....	141,623	122,736	1,149
Unrealized holding gains (losses) on derivative instruments.....	1,910	(441)	16
Total accumulated other comprehensive income.....	116,925	81,863	949
Treasury stock, at cost.....	(2,112)	(1,910)	(17)
Total stockholders' equity.....	1,003,088	896,195	8,138
Total.....	¥ 5,332,112	¥ 5,271,512	\$ 43,259

[Explanation for Consolidated Balance Sheets]

Total assets as of June 30, 2007 increased by 60.6 billion yen compared with March 31, 2007, to 5,332.1 billion yen. Though total of Cash and cash equivalents and Time deposits decreased, Trade receivables and Inventories increased in Forest Products & General Merchandise, Chemicals and Food. Investments in and advance to associated companies increased due to additional investment in Orient Corporation and increase of equity in earnings of associated companies this quarter. Other investments increased due to increasing investment in energy development sector as well as increase of unrealized holding gains on securities.

Assets

	(Unit: billion yen)			Reasons for changes:
	Jun 2007	Mar 2007	Increase (Decrease)	
Cash and cash equivalents	276.6	532.9	(256.3)	
Net trade receivables	1,538.0	1,421.6	116.4	Increase in Mineral Resource & Coal, Energy, Forest Products & General Merchandise, Chemicals and Food
Inventories	566.0	530.3	35.6	Increase in Textile, Aerospace, Electronics & Multimedia, Forest Products & General Merchandise and Food
Advances to suppliers	112.1	98.6	13.5	Increase in Machinery and Energy
Other current assets	255.0	274.7	(19.7)	Decrease in Aerospace, Electronics & Multimedia, Energy and Finance
Investments in and advances to associated companies	686.7	608.1	78.5	Increase in additional investment in Orient Corporation and increase of equity in earnings of associated companies of this quarter
Other investments	682.6	632.5	50.0	Increase in investment in energy development sector and due to increase of unrealized holding gains on securities
Net property and equipment	541.2	530.0	11.1	Increase in Mineral Resource & Coal
Other assets	272.0	238.9	33.1	Increase in Machinery, Aerospace, Electronics & Multimedia

Liabilities

	(Unit: billion yen)			Reasons for changes:
	Jun 2007	Mar 2007	Increase (Decrease)	
Total trade payables	1,381.7	1,324.6	57.1	Increase in Chemicals and Food
Due to associated companies	18.0	46.1	(28.0)	Decrease in deposit received
Advances from customers	122.8	107.3	15.5	Increase in Machinery, Aerospace, Electronics & Multimedia
Other current liabilities	227.5	205.0	22.4	Increase in Food
[Interest-bearing debt]				
Short-term debt	259.5	373.7	(114.2)	
Current maturities of long-term debt	126.4	138.5	(12.1)	
Current maturities of debentures	5.6	5.8	(0.2)	
Short-term total	391.5	518.0	(126.6)	
Long-term debt	1,438.4	1,456.3	(17.9)	
Debentures	201.2	191.2	10.0	
Long-term total	1,639.6	1,647.6	(7.9)	
Total interest-bearing debt	2,031.1	2,165.6	(134.5)	
Cash, cash equivalents and time deposits	279.7	534.7	(255.0)	
Net interest-bearing debt	1,751.4	1,630.9	120.4	
Net debt-to-equity ratio [times]	1.7	1.8	0.1 improved	

Stockholders' equity

	(Unit: billion yen)			Reasons for changes:
	Jun 2007	Mar 2007	Increase (Decrease)	
Common stock	202.2	202.2	-	
Capital surplus	137.2	136.8	0.4	
Retained earnings:	548.8	477.2	71.7	
Legal reserve	9.0	7.4	1.6	
Other retained earnings	539.8	469.7	70.1	Net income +85.9, Distribution of dividends -14.2, Transfer to legal reserve -1.6
Accumulated other comprehensive income (loss):	116.9	81.9	35.1	
Foreign currency translation adjustments	13.2	0.9	12.3	Effect of yen's depreciation compared with March 31, 2007
Pension liability adjustments	(39.8)	(41.3)	1.5	
Unrealized holding gains on securities	141.6	122.7	18.9	Effect of rise in stock prices compared with March 31, 2007
Unrealized holding gains (losses) on derivative instruments	1.9	(0.4)	2.4	
Treasury stock, at cost	(2.1)	(1.9)	(0.2)	
Total stockholders' equity	1,003.1	896.2	106.9	
Ratio of stockholders' equity to total assets	18.8%	17.0%	1.8%	

[Current exchange rate Yen/US\$]

[For March closing companies]

[For December closing companies]

Jun 2007	Mar 2007	Changes	Mar 2007	Dec 2006	Changes
123.26	118.05	5.21	118.05	119.11	(1.06)
Jun 2006	Mar 2006	Changes	Mar 2006	Dec 2005	Changes
115.24	117.47	(2.23)	117.47	118.07	(0.60)

Consolidated Statements of Cash Flows [Condensed]

 ITOCHU Corporation and Subsidiaries
 For the three months ended June 30, 2007

-Unaudited-

	Millions of Yen	Millions of U.S. dollars
	<u>Apr.-Jun. 2007</u>	<u>Apr.-Jun. 2007</u>
Cash flows from operating activities :		
Net income	¥ 85,920	\$ 697
Adjustments to reconcile net income to net cash used in operating activities :		
Depreciation and amortization	15,619	126
Provision for doubtful receivables	(1,350)	(11)
Gain on disposal of investments and marketable securities, net of write-down.....	(10,036)	(81)
Gain on property and equipment-net.....	(739)	(6)
Equity in earnings of associated companies, less dividends received	(52,733)	(428)
Deferred income taxes	22,298	181
Minority interests	1,420	12
Changes in assets and liabilities, other-net	(109,733)	(890)
Net cash used in operating activities	<u>(49,334)</u>	<u>(400)</u>
Cash flows from investing activities :		
Net purchases of property, equipment and other assets	(8,615)	(70)
Net increase in investments in and advances to associated companies	(28,885)	(234)
Net purchases of other investments	(19,392)	(157)
Net collections of other non-current loan receivables	5,757	47
Net increase in time deposits.....	(1,311)	(11)
Net increase in marketable securities.....	(1,281)	(11)
Net cash used in investing activities	<u>(53,727)</u>	<u>(436)</u>
Cash flows from financing activities :		
Net repayments of long-term debt	(19,605)	(159)
Net decrease in short-term debt	(116,572)	(946)
Other	(18,265)	(148)
Net cash used in financing activities	<u>(154,442)</u>	<u>(1,253)</u>
Effect of exchange rate changes on cash and cash equivalents	1,213	10
Net decrease in cash and cash equivalents	(256,290)	(2,079)
Cash and cash equivalents at beginning of period	532,856	4,323
Cash and cash equivalents at end of period	<u>¥ 276,566</u>	<u>\$ 2,244</u>

Note : Started disclosure of quarterly consolidated cash flows statement from this quarter.

[Explanation for Consolidated Statements of Cash Flows]

Note :	Cash-inflow : " + "
Explanation for indication	Cash-outflow : "()"
	"Decrease in assets" or "Increase in liabilities" : Cash-inflow
	"Increase in assets" or "Decrease in liabilities" : Cash-outflow
Cash flows from operating activities	(Unit: billion yen)
	<u>Apr-Jun 2007</u> <u>Major items</u>
Net income	85.9
*Non-cash charges of P/L	(25.5) Equity in earnings of associated companies, less dividends received (52.7) Gain on disposal of investments and marketable securities, net of write-down (10.0) Deferred income taxes +22.3, Depreciation and amortization +15.6
Changes in assets and liabilities, other-net	(109.7) Trade receivables/payables (62.5), Inventories (35.1)
Net cash used in operating activities	(49.3)
	* To eliminate non-cash P/L items such as depreciation/amortization expenses and provision for doubtful receivables, and to transfer P/L on marketable securities, investment, property and equipment from operating activities to investing or financing activities.
Cash flows from investing activities	(Unit: billion yen)
Net purchases of property, equipment and other assets	<u>Apr-Jun 2007</u> (8.6) Net purchases by natural resources development related subsidiaries (4.5)
Net increase in investments in and advances to associated companies	<u>Apr-Jun 2007</u> (28.9) Additional investment in Orient Corporation (30.0)
Net purchases of other investments	<u>Apr-Jun 2007</u> (19.4) Investment in energy development sector (20.8)
Net collections of other non-current loan receivables	<u>Apr-Jun 2007</u> 5.8 Net collections by financing subsidiary +8.5
Net increase in time deposits	<u>Apr-Jun 2007</u> (1.3)
Net increase in marketable securities	<u>Apr-Jun 2007</u> (1.3)
Net cash used in investing activities	(53.7)
Cash flows from financing activities	(Unit: billion yen)
	(Note) Changes in current maturities of long-term debt are included in "Net repayments of long-term debt" on the statements of cash flows.
Net repayments of long-term debt	<u>Apr-Jun 2007</u> (19.6) Net repayments by natural resources development related subsidiaries (10.8)
Net decrease in short-term debt	<u>Apr-Jun 2007</u> (116.6) Net repayments by ITOCHU Corporation (15.9), financing subsidiaries (22.0), and food subsidiaries (19.7)
Other	<u>Apr-Jun 2007</u> (18.3) Dividends paid (14.2), dividends paid to minority shareholders (3.9)
Net cash used in financing activities	(154.4)

Operating Segment Information

ITOCHU Corporation and Subsidiaries

For the three months ended June 30, 2007 and 2006

ITOCHU Corporation and its subsidiaries is engaged in a wide range of business activities such as worldwide trading operations in various commodities, financing for customers and suppliers, organizing and coordinating industrial projects, and investing in resource development, advanced technology, information and multimedia.

ITOCHU Corporation has introduced a division company system, and information on operating segments is prepared and presented according to this system.

This system is regularly used for decisions in operations, including resource allocations, and evaluations by the management.

Information concerning operations in different operating segments for the three months ended June 30, 2007 and 2006 is as follows:

For the three months ended June 30, 2007 (April 1, 2007 -June 30, 2007)									Millions of Yen
	Textile	Machinery	Aerospace, Electronics & Multimedia	Energy, Metals & Minerals	Chemicals, Forest Products & General Merchandise	Food	Finance, Realty, Insurance & Logistics Services	Other, Adjustments & Eliminations	Consolidated
Total trading transactions:									
Unaffiliated customers and associated companies	¥ 159,256	¥ 324,806	¥ 146,846	¥ 759,487	¥ 547,984	¥ 739,976	¥ 34,142	¥ 55,442	¥ 2,767,939
Transfers between operating segments ..	145	156	1,038	94	4,639	97	4	(6,173)	-
Total trading transactions	<u>159,401</u>	<u>324,962</u>	<u>147,884</u>	<u>759,581</u>	<u>552,623</u>	<u>740,073</u>	<u>34,146</u>	<u>49,269</u>	<u>2,767,939</u>
Gross trading profit	<u>25,737</u>	<u>22,847</u>	<u>28,924</u>	<u>29,657</u>	<u>29,658</u>	<u>77,635</u>	<u>13,973</u>	<u>7,178</u>	<u>235,609</u>
Net income	<u>2,706</u>	<u>6,297</u>	<u>1,966</u>	<u>21,414</u>	<u>4,642</u>	<u>4,440</u>	<u>36,946</u>	<u>7,509</u>	<u>85,920</u>
[Equity in earnings of associated companies].....	<u>[995]</u>	<u>[819]</u>	<u>[(825)]</u>	<u>[5,335]</u>	<u>[643]</u>	<u>[3,344]</u>	<u>[52,327]</u>	<u>[(101)]</u>	<u>[62,537]</u>
Identifiable assets at June 30, 2007.....	<u>380,832</u>	<u>652,732</u>	<u>536,584</u>	<u>796,333</u>	<u>801,586</u>	<u>1,176,436</u>	<u>572,232</u>	<u>415,377</u>	<u>5,332,112</u>
For the three months ended June 30, 2006 (April 1, 2006 -June 30, 2006)									Millions of Yen
	Textile	Machinery	Aerospace, Electronics & Multimedia	Energy, Metals & Minerals	Chemicals, Forest Products & General Merchandise	Food	Finance, Realty, Insurance & Logistics Services	Other, Adjustments & Eliminations	Consolidated
Total trading transactions:									
Unaffiliated customers and associated companies	¥ 176,439	¥ 352,509	¥ 145,357	¥ 758,679	¥ 493,058	¥ 541,463	¥ 50,601	¥ 59,416	¥ 2,577,522
Transfers between operating segments ..	174	100	589	124	4,125	91	416	(5,619)	-
Total trading transactions	<u>176,613</u>	<u>352,609</u>	<u>145,946</u>	<u>758,803</u>	<u>497,183</u>	<u>541,554</u>	<u>51,017</u>	<u>53,797</u>	<u>2,577,522</u>
Gross trading profit	<u>27,180</u>	<u>21,108</u>	<u>27,424</u>	<u>24,290</u>	<u>29,120</u>	<u>35,818</u>	<u>10,610</u>	<u>5,188</u>	<u>180,738</u>
Net income	<u>2,152</u>	<u>6,781</u>	<u>2,440</u>	<u>18,894</u>	<u>5,135</u>	<u>4,999</u>	<u>2,030</u>	<u>5,710</u>	<u>48,141</u>
[Equity in earnings of associated companies].....	<u>[311]</u>	<u>[1,909]</u>	<u>[(298)]</u>	<u>[6,414]</u>	<u>[21]</u>	<u>[2,603]</u>	<u>[2,129]</u>	<u>[(28)]</u>	<u>[13,061]</u>
Identifiable assets at June 30, 2006.....	<u>376,471</u>	<u>533,626</u>	<u>514,919</u>	<u>687,526</u>	<u>695,945</u>	<u>1,023,802</u>	<u>579,314</u>	<u>587,919</u>	<u>4,999,522</u>
Identifiable assets at March 31, 2007.....	<u>401,792</u>	<u>635,761</u>	<u>551,210</u>	<u>781,432</u>	<u>716,775</u>	<u>1,070,743</u>	<u>524,851</u>	<u>588,948</u>	<u>5,271,512</u>
For the three months ended June 30, 2007 (April 1, 2007 -June 30, 2007)									Millions of U.S.dollars
	Textile	Machinery	Aerospace, Electronics & Multimedia	Energy, Metals & Minerals	Chemicals, Forest Products & General Merchandise	Food	Finance, Realty, Insurance & Logistics Services	Other, Adjustments & Eliminations	Consolidated
Total trading transactions:									
Unaffiliated customers and associated companies	\$ 1,292	\$ 2,635	\$ 1,191	\$ 6,162	\$ 4,446	\$ 6,003	\$ 277	\$ 450	\$ 22,456
Transfers between operating segments ..	1	1	9	1	37	1	0	(50)	-
Total trading transactions	<u>1,293</u>	<u>2,636</u>	<u>1,200</u>	<u>6,163</u>	<u>4,483</u>	<u>6,004</u>	<u>277</u>	<u>400</u>	<u>22,456</u>
Gross trading profit	<u>209</u>	<u>185</u>	<u>235</u>	<u>240</u>	<u>241</u>	<u>630</u>	<u>113</u>	<u>58</u>	<u>1,911</u>
Net income	<u>22</u>	<u>51</u>	<u>16</u>	<u>174</u>	<u>37</u>	<u>36</u>	<u>300</u>	<u>61</u>	<u>697</u>
[Equity in earnings of associated companies].....	<u>[8]</u>	<u>[7]</u>	<u>[(7)]</u>	<u>[44]</u>	<u>[5]</u>	<u>[27]</u>	<u>[425]</u>	<u>[(1)]</u>	<u>[508]</u>
Identifiable assets at June 30, 2007.....	<u>3,090</u>	<u>5,296</u>	<u>4,353</u>	<u>6,461</u>	<u>6,503</u>	<u>9,544</u>	<u>4,642</u>	<u>3,370</u>	<u>43,259</u>

Note :

1. "Equity in earnings of associated companies" is included in Net income.

2. "Total trading transactions" is presented in accordance with Japanese accounting practice.

Total trading transactions consist of sales with respect to transactions in which the companies act as principal and the total amount of transactions in which the companies act as agent.

[Explanation for Operating Segment Information]

Total trading transactions	(Unit : billion yen)		Increase		Reasons for changes
	Apr-Jun 2007	Apr-Jun 2006	(Decrease)		
Textile	159.3	176.4	(17.2)	...	Decrease due to withdrawal from inefficient business
Machinery	324.8	352.5	(27.7)	...	Decrease due to automobile transaction decrease in North America
Aerospace, Electronics & Multimedia	146.8	145.4	1.5	...	Stayed at same level
Energy, Metals & Minerals	759.5	758.7	0.8	...	Stayed at same level with oil production volume expansion in crude oil fields owned despite lower oil price
Chemicals, Forest Products & General Merchandise	548.0	493.1	54.9	...	Increase due to continuous high market prices of chemicals despite sales volume decrease led by slowdown of house building materials demands in North America
Food	740.0	541.5	198.5	...	Increase mainly due to turning NIPPON ACCESS, INC. into a consolidated subsidiary
Finance, Realty, Insurance & Logistics Services	34.1	50.6	(16.5)	...	Decrease mainly due to absence of spot transactions in the same period of the previous fiscal year
Other, Adjustments & Eliminations	55.4	59.4	(4.0)		
Total	2,767.9	2,577.5	190.4		
Gross trading profit	(Unit : billion yen)		Increase		Reasons for changes
	Apr-Jun 2007	Apr-Jun 2006	(Decrease)		
Textile	25.7	27.2	(1.4)	...	Decrease due to leaving of a consolidated subsidiary from group
Machinery	22.8	21.1	1.7	...	Increase in automobile transactions to Europe and profit from a U.S. construction machinery distribution subsidiary acquired at the end of the previous first quarter
Aerospace, Electronics & Multimedia	28.9	27.4	1.5	...	Increase due to steady trend in domestic mobile phone sales
Energy, Metals & Minerals	29.7	24.3	5.4	...	Increase due to sales volume increase accompanied by oil production volume increase in crude oil fields owned
Chemicals, Forest Products & General Merchandise	29.7	29.1	0.5	...	Stayed at same level due to continuous high market prices of chemicals despite slowdown of house building material demands in North America
Food	77.6	35.8	41.8	...	Increase mainly due to turning NIPPON ACCESS, INC. into a consolidated subsidiary
Finance, Realty, Insurance & Logistics Services	14.0	10.6	3.4	...	Increase mainly in real estate fund business accompanied by sale of assets
Other, Adjustments & Eliminations	7.2	5.2	2.0		
Total	235.6	180.7	54.9		
Net income	(Unit : billion yen)		Increase		Reasons for changes
	Apr-Jun 2007	Apr-Jun 2006	(Decrease)		
Textile	2.7	2.2	0.6	...	Increase due to increase in equity in earnings of associated companies in brand marketing investment
Machinery	6.3	6.8	(0.5)	...	Decrease due to absence of the gain on sales of investments securities in the same period of the previous fiscal year and leaving of an automobile associated company from group despite increase in gross trading profit
Aerospace, Electronics & Multimedia	2.0	2.4	(0.5)	...	Decrease due to SG&A increase in domestic IT-related business despite increase in gain on disposal of investments and marketable securities
Energy, Metals & Minerals	21.4	18.9	2.5	...	Increase in gross trading profit and dividends received from LNG related investments despite decrease in equity in earnings of associated companies
Chemicals, Forest Products & General Merchandise	4.6	5.1	(0.5)	...	Decrease due to slowdown of house building material demands in North America despite increase in equity in earnings of associated companies
Food	4.4	5.0	(0.6)	...	Decrease due to increase in net interest expenses and decrease in gain on disposal of investments and marketable securities
Finance, Realty, Insurance & Logistics Services	36.9	2.0	34.9	...	Increase in gross trading profit, gain on disposal of investments and marketable securities and equity in earnings of associated companies from finance related companies
Other, Adjustments & Eliminations	7.5	5.7	1.8		
Total	85.9	48.1	37.8		
Identifiable assets	(Unit : billion yen)		Increase		Reasons for changes
	Jun 2007	Mar 2007	(Decrease)		
Textile	380.8	401.8	(21.0)	...	Decrease in trade receivables with seasonal factors
Machinery	652.7	635.8	17.0	...	Increase in advances to suppliers in ship business and in unrealized holding gains on domestic listed securities
Aerospace, Electronics & Multimedia	536.6	551.2	(14.6)		Decrease in domestic IT-related business
Energy, Metals & Minerals	796.3	781.4	14.9	...	Increase in investments in energy development sector
Chemicals, Forest Products & General Merchandise	801.6	716.8	84.8	...	Increase in trade receivables due to continuous high market prices of chemicals and increase in inventories
Food	1,176.4	1,070.7	105.7	...	Increase mainly in trade receivables and inventories in food distribution business
Finance, Realty, Insurance & Logistics Services	572.2	524.9	47.4	...	Increase due to additional investment to a finance related company and increase in equity in earnings of associated companies from finance related companies
Other, Adjustments & Eliminations	415.4	588.9	(173.6)	...	Decrease mainly due to decrease in cash and cash equivalents
Total	5,332.1	5,271.5	60.6		