

Highlights of Consolidated Financial Results for FY 2008 (U.S. GAAP)

Financial topics for FY 2008

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

- Net income - Increased by ¥41.5 bil or 23.5% from prev. FY to ¥218.6 bil. Achieved the highest for 4 consecutive years. Also 4 consecutive record highs in Gross trading profit; and record high achieved in Equity in earnings (losses) of associated companies and Adjusted profit.
- Net income by Segment - Achieved surplus for all Companies; over ¥100 bil for Ener.,Met.(¥105.7 bil), over ¥20 bil for Machinery (¥22.6 bil) and Textile (¥20.5 bil), over ¥10 bil for Chem., FP&GM (¥19.7 bil), Food (¥18.7 bil), Aero.Elec. & MltiMd (¥14.6 bil) and Fin. Rlty. Insur.&LS (¥10.8 bil).
- Stockholders' equity - Increased by ¥82.3 bil from prev. FY to ¥978.5 bil despite yen's appreciation and stock price fall. Stockholders' equity ratio improved by 1.6 pts to 18.6%
- NET DER improved by 0.1 pts to 1.7 times. Financial structure is steadily being strengthened.

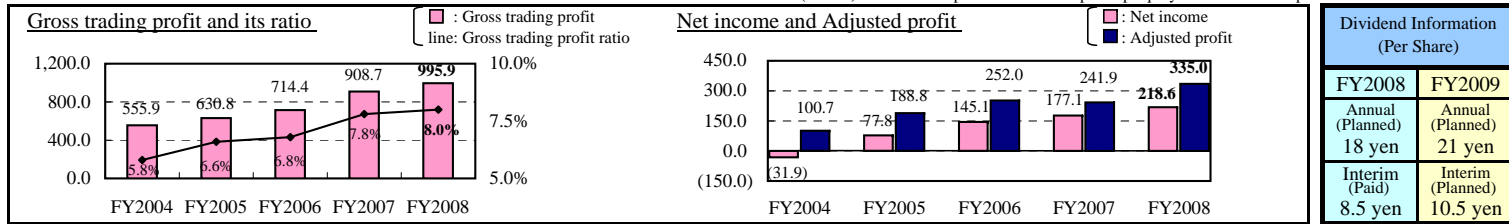
	FY2008			FY2007	Increase (Decrease)
	Profit	Loss	Total		
Profit accompanied by a gain recognition regarding exemption from obligation to redeem preferred stocks brought by the reverse split of the preferred stocks in Orico / Devaluation loss recognized against Orico common stocks held	52.2	(26.2)	26.1	-	94.7
Equity in loss caused by the extraordinary loss in Orico due to revision of Moneylending Control Law in Japan	-	-	-	(68.6)	
Tax effect on the above special factors	(21.4)	10.7	(10.7)	28.1	(38.7)
Impact on Net income	30.8	(15.4)	15.4	(40.6)	55.9

Consolidated Financial Results of Operations	FY2008	FY2007	Increase (Decrease)		Summary of changes from the previous fiscal year	Outlook for FY2009	
				%			Increase (Decrease)
Revenue	2,861.2	2,647.2	214.0	8.1%	• Revenue: Higher crude oil price and expansion of production in crude oil fields owned, automobile trans. to emerging countries, and turning NIPPON ACCESS, INC. into a consolid. subs.(Note 2)	1,100.0	104.1
Gross trading profit	995.9	908.7	87.2	9.6%	• Gross trading profit: (Incr/Decr fields & business) Textile /Decr: Leaving of consolid. subs. and slowdown of apparel market demands. (Please refer to "Operating Segment Information") Mach./Incr: Automobile transactions for emerging countries, ship trading, and construction machinery Aero. Elec. & MltiMd /Incr: Domestic mobile phone businesses and IT related businesses Ener.Met./Incr: Higher prices of natural resources and oil production / sales volume increase. Chem., FP & GM /Decr: Demands slowdown for house building materials in North America and Japan. Food /Incr: Turning NIPPON ACCESS, INC. into a consolid. subs. (Note 2) Fin. Rlty. Insur. & LS /Decr: Disposal/impairment loss on real estate for sale following the sales policy change for long-term development project.	(765.0)	(41.6)
Selling, general and administrative expenses	(723.4)	(639.1)	(84.3)	13.2%	• Provision for doubtful receivables: Increase in allowance for doubtful receivables in subsidiaries.	(5.0)	1.0
Provision for doubtful receivables	(6.0)	(4.9)	(1.0)	21.1%	• Net financial expenses (i+ii): [-0.2] (i)Net interest exp. -2.9 (Interest rates rise) (ii)+2.8 (LNG-related +0.9)	(i) (35.0)	(2.8)
Interest income	17.8	16.1	1.7	10.6%	• Gain on disposal inv.& sec.: Devaluation losses -11.1, Gains on sales and others -19.4	(ii) 25.0	0.6
Interest expense	(50.0)	(45.3)	(4.7)	10.3%	• Gain (loss) on property and equipment-net: Gain (loss) on sales +12.7 (coal mining interests & owned office buildings), Impairment loss and others +0.8	(iii) 0	(23.9)
Dividends received	24.4	21.7	2.8	12.9%	• Other-net: Due to worsened forex gains and losses -2.3	(780.0)	(66.8)
Gain on disposal of investments and marketable securities, net of write-down	16.4	46.9	(30.5)	-	• Equity in earnings (losses) of associated companies: Orico(Note 1), Equity in earnings of assoc. co. on IMEA +1.6 (higher price of iron ore), AI Beverage Holding Co., Ltd +0.4 (Favorable sales in tea drinks), Mazda Canada Inc. -1.5 (Note 3), kabu.com Securities Co., Ltd. -0.9 (Note 3), CIECO E&P(Namibia) Co.,Ltd. -1.0 (realization of drilling cost)	320.0	37.3
Gain (loss) on property and equipment-net	6.7	(6.8)	13.5	-	(Note 2) NIPPON ACCESS, INC. was turned into a consolidated subsidiary at the end of 1Q of the prev. FY and consolidation of P/L accounts by consolidation method started from 2Q of the prev. FY. (Note 3) ITOCHU Corporation ceased to pick-up equity P/L of these companies for FY 2008.	(127.0)	(5.0)
Other-net	0.8	3.1	(2.3)	-		193.0	32.3
Total other expenses	(713.2)	(608.4)	(104.8)	17.2%		(17.0)	(4.6)
Income before income taxes	282.7	300.2	(17.5)	(5.8%)		64.0	(6.2)
Income taxes	(122.0)	(88.9)	(33.1)	37.2%		240.0	21.4
Income after income taxes	160.7	211.3	(50.6)	(23.9%)		12,800.0	387.5
Minority interests	(12.4)	(14.2)	1.8	(12.8%)		8.6%	0.6%
Equity in earnings (losses) of associated companies	70.2	(20.1)	90.3	-		389.0	54.0
Net income	218.6	177.1	41.5	23.5%			

(Accordance with Japanese accounting practice)

	FY2008	FY2007	Increase (Decrease)	%
Total trading transactions	12,412.5	11,579.1	833.4	7.2%
Gross trading profit ratio	8.0%	7.8%	0.2%	
Adjusted profit	335.0	241.9	93.1	38.5%

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 4)			Net income			[Net income] Summary of changes from the previous fiscal year
	FY2008	FY2007	Increase (Decrease)	FY2008	FY2007	Increase (Decrease)	
Textile	115.2	124.6	(9.4)	20.5	17.1	3.4	Increase mainly due to gain on disposal of investments and marketable securities despite decrease of gross trading profit.
Machinery	100.5	90.5	10.0	22.6	21.1	1.5	Increase of gross trading profit and dividends received despite absence of gains on disposal of investments in the prev. FY.
Aerospace, Electronics & Multimedia	139.0	133.5	5.4	14.6	11.2	3.4	Increase due to increased gains on disposal of investments and marketable securities despite SG&A increase.
Energy, Metals & Minerals	127.5	102.1	25.4	105.7	80.7	25.0	Incr. of gr. trading profit, gain from sale of partial coal mining interests despite decr. of gain on disposal of inv. and equity in earnings of assoc. co.
Chemicals, Forest Products & General Merchandise	122.6	126.2	(3.5)	19.7	24.8	(5.1)	Decrease due to decreased gross trading profit and increased SG&A.
Food	324.7	264.6	60.0	18.7	18.1	0.6	Increase due to gain on disposal of investments despite decrease of gross trading profit and equity in earnings of assoc. co.
Finance, Realty, Insurance & Logistics Services	41.4	43.3	(1.9)	10.8	(28.3)	39.1	Increase due to profit improvement of finance related companies despite decrease in gross trading profit and gain on disposal of investments.
Other, Adjustments & Eliminations	25.1	23.9	1.2	6.0	32.4	(26.4)	Forex loss from yen's appreciation, decr. of gain on disposal of inv., development fund expenditure for overseas profit expansion, and SG&A increase.
Total	995.9	908.7	87.2	218.6	177.1	41.5	

Components of Consolidated Net Income	FY2008	FY2007	Increase (Decrease)
Parent company	78.3	94.6	(16.3)
Group companies	(*) 160.9	(*) 101.7	59.2
Overseas trading subsidiaries	23.1	22.8	0.3
Consolidation adjustments	(43.7)	(42.1)	(1.7)
Consolidated net income	218.6	177.1	41.5

(*) including the tax effect relating to the equity in investment in Orico.

Share of Group Companies Reporting Profits	March 31 2008	March 31 2007	Increase (Decrease)
Share of group co. reporting profits	79.1%	82.6%	(3.6%)
Number of group co. reporting profits	495	538	(43)
Number of group co. reporting losses	131	113	18
Total	626	651	(25)

P/L of Group Companies Reporting Profits / Losses	FY2008	FY2007	Increase (Decrease)
Group co. reporting profits	(*) 220.6	182.3	38.2
Group co. reporting losses	(36.6)	(*) (57.9)	21.3
Total	(*) 184.0	(*) 124.5	59.5

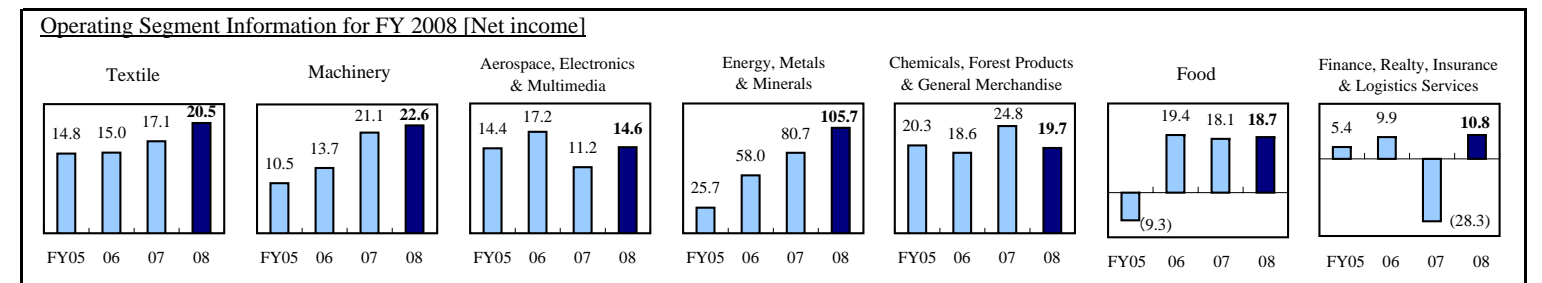
(*) including the tax effect relating to the equity in investment in Orico.

	FY2008	FY2007	Increase (Decrease)
(Group companies)			
Group co. reporting profits	(*) 197.0	159.2	37.7
Group co. reporting losses	(36.1)	(*) (57.5)	21.4
Total of Group companies	(*) 160.9	(*) 101.7	59.2
(Overseas trading subsidiaries)			
Group co. reporting profits	23.6	23.1	0.5
Group co. reporting losses	(0.5)	(0.3)	(0.2)
Total of Overseas trading subsidiaries	23.1	22.8	0.3

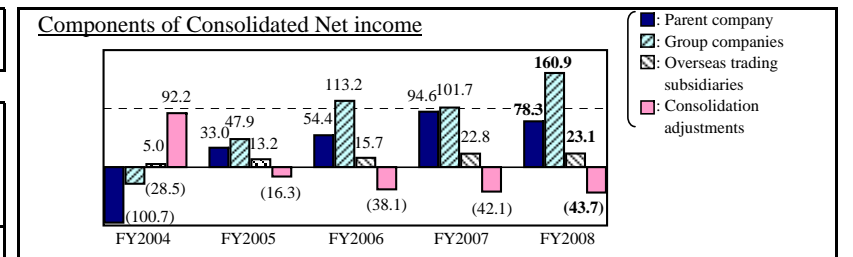
Financial Position	March 31 2008	March 31 2007	Increase (Decrease)
Total assets	5,255.4	5,271.5	(16.1)
Interest-bearing debt	2,104.4	2,165.6	(61.2)
Net interest-bearing debt	1,654.5	1,630.9	23.6
Stockholders' equity	978.5	896.2	82.3
Net debt-to-equity ratio (times)	1.7	1.8	Improved 0.1

Cash Flows	FY2008	FY2007	Increase (Decrease)
Operating activities	65.6	235.9	(170.4)
Investing activities	(65.8)	(83.4)	17.6
Financing activities	(81.3)	(100.9)	19.6
Cash and cash equivalents	446.3	532.9	(86.5)

Operating: Net inflow due to good performance in operating revenue from overseas resource-related business.
Investing: Net outflow from new inv. in metal resource/energy development and consumer & retail related area, additional inv. in Orico, which was offset by inflow from disposal of coal mining interests, office buildings/sec.
Financing: Net outflow as a result of continuous efforts to reduce interest-bearing debt.

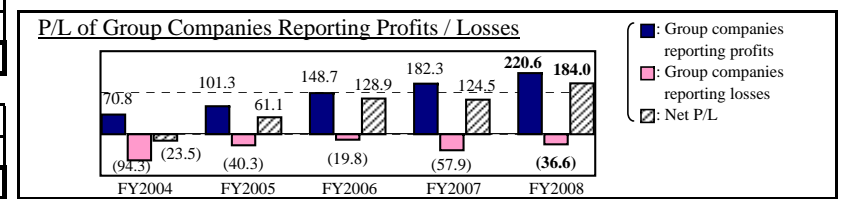


For additional information, as disclosed in "Improper Accounting Treatment by a Former Employee" (dated March 27th, 2008) and "Regarding accounting treatment concerning the announcement on March 27th, 2008" (dated April 8th, 2008), the cumulative loss of 3,765 million yen related with this incident is recognized as deduction items from Gross trading profit in the consolidated statements of operations of fiscal year 2008, applying lump-sum reporting method (and deduction from Inventories for balance sheet items).



Group Companies	FY2008	FY2007	Summary of changes from the previous fiscal year
(Major Group Companies Reporting Profits) (C):Consolidated subsidiary, (E):Equity-method associated company			
ITOCHU Minerals & Energy of Australia Pty Ltd (IMEA) (C)	38.5	28.9	Increase due to increased production of iron ore and sales of partial coal mining interests.
ITOCHU Oil Exploration (Azerbaijan) Inc. (C)	33.4	21.2	Increase of sales volume accompanied by oil production volume increase in addition to higher prices of crude oil.
Marubeni-Itochu Steel Inc. (MISI) (E)	16.9	16.8	Steady growth in automobiles, steel pipes ship production, and construction mach.
ITOCHU International Inc. (C)	10.2	12.8	Decrease due to less net income related to businesses in materials for facilities and residential houses.

Group Companies	FY2008	FY2007	Summary of changes from the previous fiscal year
(Major Group Companies Reporting Losses)			
ITOCHU Finance Corporation (C)	(7.0)	2.3	Significant decr. due to absence of gain on disposal of securities in the prev.FY in addition to impairment in securities on assoc. co. and bad debt loss.
ITOCHU Property Development, Ltd. (C)	(4.4)	0.7	Disposal/impairment loss on real estate for sale following the sales policy change for long-term development project.



[Summary of changes compared with the previous fiscal year end]				Outlook for March 31, 2009
Total assets / Decreased				5,800.0
Increase: "Trade receivables" (in Ener.Met., Chem.,FP & GM), "Mineral rights" arising from acquiring interests, "Investment in and advances to associated companies" caused by additional investment and increase in equity in investment in Orico.				2,300.0
Decrease: "Cash and cash equivalents", "Other investments" due to decrease of unrealized holding gains on securities along with stock price fall, "Land" and "Buildings" due to disposal of owned office buildings, as well as impact of yen's appreciation.				1,900.0
Stockholders' equity / Increased				1,180.0
Increase: Net income				1.6
Decrease: Dividend payment, "Foreign currency translation adjustments" through yen's appreciation, "Unrealized holding gains on securities" and "Pension liability adjustment" due to stock price fall				
Ratio of stockholders' equity / Improved by 1.6pts to 18.6%				