

Highlights of Consolidated Financial Results for the 1st-3rd Quarter (Apr.-Dec.) of FY 2009 (U.S. GAAP)

Financial topics for the 1st-3rd Quarter of FY 2009 (Unit: billion yen, (losses, decrease))

- Though 1-3Q Net income decreased by ¥7.6 bil compared with the previous 1-3Q to ¥162.7 bil due to impairment loss from suspension of US Gulf of Mexico Entrada Oil/Natural Gas Field development and impairment loss on marketable securities accompanied by stock market plunge, still the second highest Net income to 1-3Q, FY 2008.
- Gross trading profit marked the highest for 4 consecutive years and also highest with Adjusted profit for 5 consecutive years.
- Net income of "Ener.,Met.&Min." increased by ¥29.1 bil to ¥102.7 bil, achieving over ¥100.0 bil record and also Net income increased in "Textile", "Chem.,FP&GM" and "Food" to ¥16.3 bil, ¥18.2 bil, and ¥18.5 bil respectively, while decreased in "Aero., Elec. & MltimD" and in "Fin., Rlty, Insur. & LS" (refer to Note 1), and recorded a loss in "Mach."
- Net income of Group companies increased by ¥13.6 bil to ¥133.0 bil. The earnings from overseas businesses increased by ¥22.3 bil to ¥100.1 bil, 62% of total Net income ¥162.7 bil.

(Note 1) Impacts of the special factors regarding the investment in Orient Corporation (hereafter "Orico") are as follows.

	FY 2008	Recognized items in Consolidated Financial Results of Operations		Net income
		Equity in earnings of assoc. companies	Income taxes	
Equity in earnings and its tax effect recognized regarding exemption from obligation to redeem preferred stocks, which was brought by the reverse split of the preferred stocks in Orico	1Q	52.2	(21.4)	30.8
Impairment loss and its tax effect related to Orico common stocks	2Q	(26.2)	10.7	(15.4)
	Total	26.1	(10.7)	15.4

Consolidated Financial Results of Operations	Apr.-Dec. 2008	Apr.-Dec. 2007	Increase (Decrease)	%
Revenue	2,529.9	2,144.3	385.6	18.0%
Gross trading profit	824.5	738.7	85.9	11.6%

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Selling, general and administrative expenses	(570.2)	(542.3)	(27.9)	5.1%
Provision for doubtful receivables	(12.5)	(0.7)	(11.8)	-
Net interest expenses	(22.1)	(23.9)	1.9	(7.7%)
Dividends received	27.2	19.5	7.7	39.3%
Net financial income (expenses)	5.1	(4.4)	9.5	-
Gain (loss) on disposal of investments & marketable securities, net of write-down	(13.6)	16.7	(30.3)	-
Loss on property and equipment-net	(35.1)	(0.4)	(34.7)	-
Other-net	(9.6)	1.9	(11.4)	-
Total other expenses	(635.9)	(529.2)	(106.7)	20.2%
Income before income taxes	188.7	209.5	(20.8)	(9.9%)
Income taxes	(70.3)	(97.0)	26.7	(27.6%)
Income after income taxes	118.4	112.4	6.0	5.3%
Minority interests	(6.4)	(8.1)	1.8	(21.7%)
Equity in earnings of associated companies	50.7	65.9	(15.3)	(23.1%)
Net income	162.7	170.2	(7.6)	(4.4%)

Summary of changes from the same period of the previous fiscal year	Outlook for FY 2009	The previous outlook for FY 2009	Changes
Revenue : Increase resulting from turning ITOCHU ENEX CO., LTD. into a consolidated subsidiary and rise in prices of metal and energy resources as well as expansion of food distribution business	1,065.0 77.4%	1,100.0 (35.0)	

Gross trading profit: (Incr/Decr fields & business)
Textile /Decr: Due to leaving of several subsidiaries as well as market slowdown in textile raw materials, fabrics and apparels despite the contribution of a newly consolidated subsidiary
Mach. /Decr: Decrease in automobile and construction machinery business despite increase in ship trading transactions
Aero., Elec. & MltimD /Unchanged: Due to sales increase in domestic mobile phones business offset by the absence of gain on disposal of leased aircraft
Ener., Met. & Min. /Incr: Rise in prices of metal and energy resources and the contribution of turning ITOCHU ENEX CO., LTD. into a consolidated subsidiary despite reduction of entitlement in the oil fields owned
Chem., FP & GM /Incr: Due to chemical market plunge and leaving of a subsidiary in U.S. despite steady growth in housing material business in North America

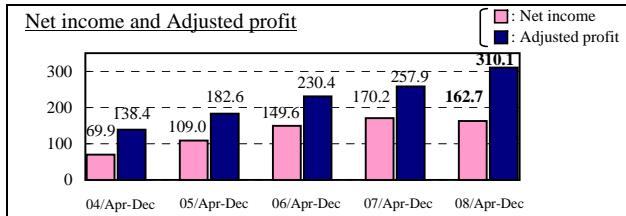
Food /Incr: Due to rise in sales volume in food distribution business and price rise in feed grains in this first half of this fiscal year
Fin., Rlty, Insur. & LS /Incr: Due to the absence of devaluation loss on real-estate business for long-term development recorded in the same period of the previous fiscal year

SG&A: Increase due to expansion of business and increase in pension cost as well as increase resulting from turning ITOCHU ENEX CO., LTD. into a consolidated subsidiary and newly joining of SANKEI CO., LTD.
Provision for doubtful receivables: Increase due to provision for doubtful receivables from Machinery-related customers in Mongolia -10.8
Net financial income (expenses): Net interest expenses +1.9 (decline in US dollars interest rate) Dividends received from LNG-related investments (+5.2), from an overseas financing subsidiary (+1.2), from a pipeline subsidiary (+1.2)
Gain (loss) on disposal inv. & sec.: Impairment loss -24.0, Net gain on sale and exchange of securities -8.9, others +2.6
Loss on property and equipment-net: Impairment loss on property and equipment -33.6 due to the impairment loss from suspension of Entrada Oil/Natural Gas Field development (-26.6)
Other-net: Loss from suspension of Entrada Oil/Natural Gas Field development -10.5
Equity in earnings of assoc. co.: Orico -24.4 [The absence of the special factors -26.1 (Note 1), increase in ordinary equity P/L +1.7], Japan Brazil Paper and Pulp Resources Development Co., Ltd. +2.5, DESCENTE, LTD. +2.2, equity-method associated companies of IMEA +2.1, Marubeni-Itochu Steel Inc. +1.3

(Reference)

Total trading transactions	9,936.1	9,053.0	883.1	9.8%
Gross trading profit ratio	8.3%	8.2%	0.1%	

Adjusted profit	310.1	257.9	52.2	20.3%
Adjusted profit = Gross trading profit + SG&A expenses + Net financial income + Equity in earnings of associated companies				

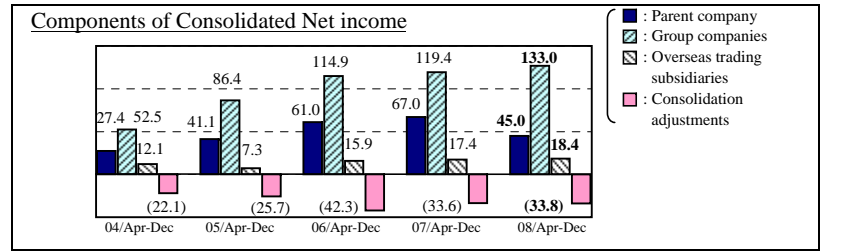


Operating Segment Information	Gross trading profit (Note 2)			Net income			[Net income] Summary of changes from the same period of the previous fiscal year		
	Apr.-Dec. 2008	Apr.-Dec. 2007	Increase (Decrease)	Apr.-Dec. 2008	Apr.-Dec. 2007	Increase (Decrease)	(Note 2) Refer to "Summary of changes from the same period of the previous fiscal year" in "Consolidated Financial Results of Operations."		
Textile	74.3	84.0	(9.7)	16.3	11.8	4.5	Increase due to improvement of gain on sales of investments and marketable securities in addition to contribution of a newly consolidated equity-method associated company		
Machinery	66.8	75.8	(9.0)	(3.0)	21.5	(24.5)	Decrease due to impairment loss on inv. & sec. and worsened equity in earnings of assoc. co. as well as provision for doubtful receivables from Machinery-related customers in Mongolia		
Aerospace, Electronics & Multimedia	94.0	94.3	(0.3)	2.6	6.2	(3.6)	Decrease due to increase in SG & A expenses despite improved equity in earnings of associated companies		
Energy, Metals & Minerals	184.4	94.1	90.3	102.7	73.6	29.1	Increase due to gross trading profit and dividends received from LNG-related investments despite impairment loss from suspension of Entrada Oil/Natural Gas Field development		
Chemicals, Forest Products & General Merchandise	91.8	94.2	(2.3)	18.2	15.4	2.9	Increase due to equity in earnings of associated companies despite decrease in gross trading profit		
Food	255.7	246.8	9.0	18.5	17.8	0.7	Increase due to gross trading profit and equity in earnings of associated companies despite worsened gain on sales of investments and marketable securities		
Finance, Realty, Insurance & Logistics Services	33.2	28.3	4.9	3.9	18.0	(14.1)	Decrease due to worsened gain on sales of inv. & sec. and the absence of the gain and loss regarding the capital restructuring and the impairment of Orico in the previous 1-3Q despite increase in gross trading profit		
Other Adjustments & Eliminations	24.2	21.2	3.0	3.4	6.0	(2.6)	Decrease due to impairment loss on investments and marketable securities and increased pension cost		
Total	824.5	738.7	85.9	162.7	170.2	(7.6)			

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Components of Consolidated Net Income	Apr.-Dec. 2008	Apr.-Dec. 2007	Increase (Decrease)
Parent company	45.0	67.0	(22.0)
Group companies	(*) 133.0	(**) 119.4	13.6
Overseas trading subsidiaries	18.4	17.4	1.0
Consolidation adjustments	(33.8)	(33.6)	(0.2)
Consolidated net income	162.7	170.2	(7.6)
Earnings from overseas businesses	(*) 100.1	77.8	22.3
Share of earnings from overseas businesses (***)	62%	46%	
Exclude Orico's special factors (Note 1)		50%	



(*) includes the tax effect relating to the loss relating to the Entrada Oil/Natural Gas Field. (***) includes the tax effect relating to the equity in investment in Orico.
 (***) "Earnings from overseas businesses" is the total of net incomes of overseas trading subsidiaries and overseas group companies, plus net incomes of overseas branch of parent company and domestic group companies substantially operating in overseas.

Share of Group Companies Reporting Profits	Apr.-Dec. 2008	Apr.-Dec. 2007	Increase (Decrease)
Share of group co. reporting profits	78.1%	78.5%	(0.4%)
Number of group co. reporting profits	550	497	53
Number of group co. reporting losses	154	136	18
Total	704	633	71

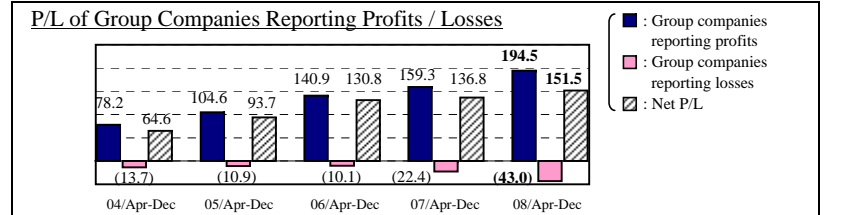
Group Companies	Apr.-Dec. 2008	Apr.-Dec. 2007	Summary of changes from the same period of the previous fiscal year
ITOCHU Minerals & Energy of Australia Pty Ltd (IMEA) (C)	64.6	22.9	Significant increase due to higher price in coal and iron ore as well as increased sales volume in iron ore
ITOCHU Oil Exploration (Azerbaijan) Inc. (C)	20.6	21.7	Decrease due to an effect of entitlement reduction even with higher crude oil price
Marubeni-Itochu Steel Inc. (MISI) (E)	13.9	12.6	Increase due to high steel price until this 2nd quarter despite impairment loss on investments and marketable securities
ITOCHU International Inc. (C)	8.0	7.7	Steady growth in housing material business despite an effect of decline in uranium market price and business in construction machinery

P/L of Group Companies Reporting Profits / Losses	Apr.-Dec. 2008	Apr.-Dec. 2007	Increase (Decrease)
Group co. reporting profits	194.5	(**) 159.3	35.2
Group co. reporting losses	(*) (43.0)	(22.4)	(20.6)
Total	151.5	136.8	14.6

(Group companies)	Apr.-Dec. 2008	Apr.-Dec. 2007	Increase (Decrease)
Group co. reporting profits	175.7	(**) 141.5	34.1
Group co. reporting losses	(*) (42.6)	(22.1)	(20.5)
Total of Group companies	133.0	119.4	13.6

(Major Group Companies Reporting Losses)	Apr.-Dec. 2008	Apr.-Dec. 2007	Summary of changes from the same period of the previous fiscal year
CIECO Energy (US) Limited (C)	(*) (21.5)	(1.1)	Significantly worsened due to the impairment loss from suspension of Entrada Oil/Natural Gas Field development
C.I. FINANCE (CAYMAN) LTD. (C)	(3.0)	0.9	Worsened by low performance of fund asset management

(Overseas trading subsidiaries)	Apr.-Dec. 2008	Apr.-Dec. 2007	Increase (Decrease)
Group co. reporting profits	18.8	17.7	1.1
Group co. reporting losses	(0.4)	(0.3)	(0.1)
Total of Overseas trading subsidiaries	18.4	17.4	1.0



Financial Position	December 31 2008	March 31 2008	Increase (Decrease)
Total assets	5,726.6	5,274.2	452.4
Interest-bearing debt	2,396.2	2,104.4	291.8
Net interest-bearing debt	1,917.0	1,654.5	262.5
Stockholders' equity	937.0	973.5	(36.5)
Net debt-to-equity ratio (times)	2.0	1.7	worsened 0.3

Summary of changes from the previous fiscal year end	New	Previous
Total assets	5,500.0	5,800.0
Interest-bearing debt	2,300.0	2,300.0
Net interest-bearing debt	1,900.0	1,900.0
Stockholders' Equity	900.0	1,180.0
Net debt-to-equity ratio	2.1	1.6

Cash Flows	Apr.-Dec. 2008	Apr.-Dec. 2007	Increase (Decrease)
Operating activities	112.7	18.1	94.6
Investing activities	(287.5)	(93.6)	(193.9)
Financing activities	214.7	(114.7)	329.4
Cash and cash equivalents	462.2	341.7	120.5

Condition of Cash Flows for FY 2009
Operating: Net cash-inflow due to good performances in operating revenue mainly in overseas natural resource-related business.
Investing: Net cash-outflow mainly due to investment in iron ore production and wholesale business, increased capital expenditure in overseas natural resource development sector and investment in new projects in Machinery.
Financing: Net cash-inflow (net borrowing) as a result of increased capital demand mainly due to business expansion.

Major Indicators	Apr.-Dec. 2008	Apr.-Dec. 2007	Changes	Major Indicators						
				Apr.-Dec. 2008	Apr.-Dec. 2007	Changes				
Foreign exchange (Yen/US\$)	Mar. closing	Average (Apr.-Dec.)	103.74	117.69	(13.95)	Interest, JPY TIBOR 3M, average (Apr.-Dec.)	0.851%	0.776%	0.075%	
	Dec. closing	December 31st	Dec-08 91.03	Mar-08 100.19	(9.16)	Interest, US\$ LIBOR 3M, average (Jan.-Sep.)	2.981%	5.386%	(2.405%)	
Foreign exchange (Yen/US\$)	Average (Jan.-Sep.)	Average (Jan.-Sep.)	106.47	119.74	(13.27)	Crude oil (Brent), average (US\$/BBL)	(Apr.-Dec.)	98.99	77.35	21.64
	September 30th	September 30th	Sep-08 103.57	Dec-07 114.15	(10.58)		(Jan.-Sep.)	112.10	67.32	44.78