

**Highlights of Consolidated Financial Results for the Third Quarter of FY 2009 (U.S. GAAP)**  
(from October 1, 2008 to December 31, 2008)

**Financial topics for the Third Quarter (3rd Q) of FY 2009**

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

- 3rd Q Net income decreased by ¥30.3 bil compared with the previous 3rd Q to ¥23.6 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.
- Net income of "Chem., FP & GM" stayed at the same level as the previous 3rd Q, but as for other segments, Net income of "Mach." and "Fin., Rlty, Insur. & LS" fell into the red, due to worsened gain (loss) on disposal of investments and marketable securities, and Net income of "Ener., Met. & Min." decreased due to impairment loss from suspension of Entrada Oil/Natural Gas Field development. Net income of "Textile", "Aero., Elec. & Mltimd" and "Food" also decreased.
- Gross trading profit increased by ¥34.5 bil compared with the previous 3rd Q to ¥282.5 bil due to rise in prices of metal resources and turning ITOCHU ENEX Co., LTD. into a consolidated subsidiary despite worsened market conditions in automobiles, construction machinery and chemicals, and that is the second highest to 2nd Q of FY2009.

Consolidated Financial Results of Operations	3rd Quarter FY 2009	3rd Quarter FY 2008	Increase (Decrease)		Summary of changes from the same period of the previous fiscal year	
				%		
Revenue	1,033.2	721.1	312.0	43.3%	<p>• <b>Revenue:</b> Increase resulting from turning ITOCHU ENEX CO., LTD. into a consolidated subsidiary and rise in prices of metal resources as well as expansion of food distribution business</p> <p>• <b>Gross trading profit: (Incr/Decr fields &amp; business)</b></p> <p><u>Textile /Decr:</u> 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</p> <p><u>Mach. /Decr:</u> Decrease in automobile and construction machinery business</p> <p><u>Aero, Elec. &amp; Mltimd /Incr:</u> Due to sales expansion in domestic mobile phones business and improvement resulting from absence of temporary factor in domestic IT-related business in the previous 3Q</p> <p><u>Ener., Met. &amp; Min. /Incr:</u> Due to rise in prices of metal resources and the contribution of turning ITOCHU ENEX CO., LTD. into a consolidated subsidiary</p> <p><u>Chem., FP &amp; GM /Decr:</u> Due to chemical market plunge and leaving of a subsidiary in U.S. despite steady growth in housing material business in North America</p> <p><u>Food /Incr:</u> Due to rise in sales volume of food distribution business</p> <p><u>Fin. Rlty, Insur. &amp; LS /Incr:</u> Due to sales increase in rental properties for investors</p> <p>• <b>SG&amp;A:</b> Increase mainly 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</p> <p>• <b>Net financial income (exp.):</b> Net interest expenses +0.5 (decline in US\$ interest rate)</p> <p>Dividends received from LNG-related investments (+1.8) and from a pipeline subsidiary (+1.2)</p> <p>• <b>Gain (loss) on disposal of inv. &amp; sec.:</b> Impairment loss -18.6, Net gain on sales and exchange of securities -7.2, others +0.9</p> <p>• <b>Loss on property and equipment-net:</b> Impairment loss on property and equipment -32.6 due to the impairment loss from suspension of Entrada Oil/Natural Gas Field development (-26.6)</p> <p>• <b>Other-net :</b> Loss from suspension of Entrada Oil/Natural Gas Field development -10.5</p> <p>• <b>Equity in earnings of assoc. co.:</b> Japan Brazil Paper and Pulp Resources Development Co. Ltd. +2.1, IPC (USA), Inc. +0.6, CIECO E&amp;P (Namibia) Co., Ltd. +0.5, AI Beverage Holding Co., Ltd. +0.4, Orient Corporation -2.4, Marubeni-Itochu Steel Inc. -0.6</p>	
Gross trading profit	282.5	248.0	34.5	13.9%		
Selling, general and administrative expenses	(204.7)	(184.3)	(20.5)	11.1%		
Provision for doubtful receivables	(0.1)	(0.6)	0.4	(76.4%)		
Net interest expenses	(7.6)	(8.1)	0.5	(6.1%)		
Dividends received	9.3	5.7	3.7	64.8%		
Net financial income (exp.)	1.8	(2.4)	4.2	-		
Gain (loss) on disposal of investments and marketable securities, net of write-down	(18.6)	6.2	(24.8)	-		
Loss on property and equipment-net	(34.3)	(0.7)	(33.7)	-		
Other-net	(7.1)	(0.4)	(6.6)	-		
Total other expenses	(263.1)	(182.1)	(81.0)	44.5%		
Income before income taxes	19.4	65.9	(46.5)	(70.6%)		
Income taxes	(8.8)	(24.4)	15.6	(63.9%)		
Income after income taxes	10.6	41.4	(30.9)	(74.5%)		
Minority interests	(2.8)	(3.1)	0.4	(11.5%)		
Equity in earnings of associated companies	15.7	15.5	0.2	1.3%		
Net income	23.6	53.9	(30.3)	(56.3%)		
(Reference)						
Total trading transactions	3,323.8	3,167.3	156.5	4.9%		
Gross trading profit ratio	8.5%	7.8%	0.7%			
Adjusted profit	95.2	76.9	18.4	23.9%		

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

Operating Segment Information	Gross trading profit (Note 1)			Net income			[Net income] Summary of changes from the same period of the previous fiscal year (Note 1) Refer to "Summary of changes from the same period of the previous fiscal year" in "Consolidated Financial Results of Operations"
	3rd Quarter FY 2009	3rd Quarter FY 2008	Increase (Decrease)	3rd Quarter FY 2009	3rd Quarter FY 2008	Increase (Decrease)	
Textile	27.4	28.3	(0.8)	3.1	4.6	(1.5)	Decrease due to reduced gross trading profit and impairment loss on investments and marketable securities
Machinery	21.5	25.0	(3.5)	(6.7)	5.6	(12.3)	Decrease due to impairment loss on investments and marketable securities and worsened equity in earnings of associated companies
Aerospace, Electronics & Multimedia	33.0	30.9	2.0	0.7	1.6	(0.9)	Decrease due to worsened gain on sales of investments and marketable securities
Energy, Metals & Minerals	72.9	30.1	42.8	16.3	23.8	(7.5)	Decrease due to impairment loss from suspension of Entrada Oil/Natural Gas Field development despite increase in gross trading profit
Chemicals, Forest Products & General Merchandise	26.9	32.5	(5.7)	5.0	4.9	0.1	Almost the same level as the previous 3Q due to increase in equity P/L from a pulp-related company in Brazil despite decrease in gross trading profit
Food	85.9	83.7	2.2	6.1	6.7	(0.6)	Decrease due to absence of gain on sales of inv. & sec. in the previous 3Q despite increase in gross trading profit
Finance, Realty, Insurance & Logistics Services	10.7	9.9	0.8	(2.8)	3.5	(6.3)	Decrease due to decrease in gain on sales of inv. & sec. and worsened equity in earnings of assoc. co. in finance-related business despite increase in gross trading profit
Other, Adjustments & Eliminations	4.2	7.5	(3.3)	1.7	3.1	(1.4)	Decrease mainly due to impairment loss on investments and marketable securities
<b>Total</b>	<b>282.5</b>	<b>248.0</b>	<b>34.5</b>	<b>23.6</b>	<b>53.9</b>	<b>(30.3)</b>	

Components of Consolidated Net Income	3rd Quarter FY 2009	3rd Quarter FY 2008	Increase (Decrease)	Consolidated net income		
				3rd Quarter FY 2009	3rd Quarter FY 2008	Increase (Decrease)
Parent company	(17.0)	37.5	(54.5)	23.6	53.9	(30.3)
Group companies	(*) 25.6	37.6	(11.9)	(*) 18.3	24.9	(6.6)
Overseas trading subsidiaries	6.0	6.2	(0.3)	78%	46%	
Consolidation adjustments	8.9	(27.4)	36.4			
Consolidated net income	23.6	53.9	(30.3)			

(\*) includes the tax effect relating to the loss relating to the Entrada Oil/Natural Gas Field.  
(\*\*) "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