

# Highlights of Consolidated Financial Results for FY 2009 (U.S. GAAP)

## Financial topics for FY 2009

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

- Net income decreased by ¥51.9 bil. compared with FY2008 to ¥165.4 bil. due to loss from withdrawal from Gulf of Mexico, Entrada Oil/Natural Gas Project and impairment loss on listed securities resulting from sluggish stock market. Gross trading profit amounted to ¥1,060.5 bil., achieved over ¥1 tril. for the first time. In addition, Gross trading profit marked the highest for 5 consecutive years and Adjusted profit also marked the highest for 2 consecutive years.
- Net income of "Ener., Met. & Min." increased by ¥9 bil. to ¥114.7 bil., achieved over ¥100 bil. for 2 consecutive years, due to rise in prices of metal resources despite loss from withdrawal from Gulf of Mexico, Entrada Oil/Natural Gas Project. Also, increased in "Textile" and "Food" to ¥22.9 bil. and ¥20.2 bil. respectively, both achieved over ¥20 bil. Net income of "Chem., FP&GM" decreased, but amounted to ¥19 bil. "Aero., Elec.&MltimD" also decreased to ¥8 bil., while "Mach." and "Fin., Rlty, Insur.&LS" recorded net loss.
- Stockholders' equity decreased by ¥124.1bil. to ¥849.4 bil. due to worsening of Foreign currency translation adjustments through yen's appreciation, worsening of Unrealized holding gains on securities and Pension liability adjustments. NET DER worsened by 0.4 points to 2.1 times.

(Note 1) As announced dated January 28, 2009 in "Report on the Discovery of Delays in Collections of Receivables under the Tri-Nation Trade Transactions and the Uncovering of a Financial Assistance Scheme Disguised as Sales Transactions", the consolidated financial statements for the previous fiscal years have been restated.

## Consolidated Financial Results of Operations

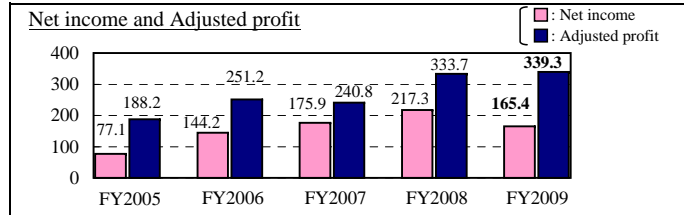
	FY2009	FY2008	Increase (Decrease)	
				%
Revenue	3,419.1	2,859.9	559.2	19.6%
Gross trading profit	1,060.5	994.5	66.0	6.6%
Selling, general and administrative expenses	(768.1)	(723.4)	(44.7)	6.2%
Provision for doubtful receivables	(16.7)	(6.0)	(10.8)	-
Net interest expenses	(29.5)	(32.2)	2.7	(8.4%)
Dividends received	35.0	24.4	10.6	43.3%
Net financial income (expenses)	5.6	(7.7)	13.3	-
Gain (loss) on disposal of investments & marketable securities, net of write-down	(23.1)	16.4	(39.5)	-
Gain (Loss) on property and equipment-net	(45.4)	6.7	(52.1)	-
Other-net	(4.5)	0.0	(4.5)	-
Total other expenses	(852.3)	(714.0)	(138.2)	19.4%
Income before income taxes	208.3	280.5	(72.3)	(25.8%)
Income taxes	(72.8)	(121.1)	48.4	(39.9%)
Income after income taxes	135.5	159.4	(23.9)	(15.0%)
Minority interests	(11.4)	(12.4)	0.9	(7.6%)
Equity in earnings of associated companies	41.3	70.2	(28.9)	(41.2%)
Net income	165.4	217.3	(51.9)	(23.9%)

## (Reference)

	FY2009	FY2008	Increase (Decrease)	%
Total trading transactions	12,582.8	12,387.9	194.9	1.6%
Gross trading profit ratio	8.4%	8.0%	0.4%	

	FY2009	FY2008	Increase (Decrease)	%
Adjusted profit	339.3	333.7	5.6	1.7%

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



## Summary of changes from the previous fiscal year

	FY2009	FY2008	Increase (Decrease)
Revenue	975.0	(85.5)	
Textile / Decr:	(785.0)	(16.9)	
Machinery / Decr:	(5.0)	11.7	
Aerospace, Electronics & Multimedia / Decr:	(35.0)	(5.5)	
Energy, Metals & Minerals / Decr:	25.0	(10.0)	
Chemicals, Forest Products & General Merchandise / Decr:	(10.0)	(15.6)	
Food / Incr:	(i)	0.0	45.4
Finance, Realty, Insurance & Logistics Services / Incr:			45.4
Other-net	(800.0)	52.3	
Income before income taxes	175.0	(33.3)	
Income taxes	(85.0)	(12.2)	
Income after income taxes	90.0	(45.5)	
Minority interests	(16.0)	(4.6)	
Equity in earnings of associated companies	56.0	14.7	
Net income	130.0	(35.4)	

Refer to the Statement for Outlook based on SFAS160 format.

	FY2009	FY2008	Increase (Decrease)
Net income	10,500.0	(2,082.8)	
Adjusted profit	(9.3%)		

	FY2009	FY2008	Increase (Decrease)
Adjusted profit	236.0	(103.3)	

## Dividend Information (Per Share)

	FY2009	FY2010
Annual (Planned)	18.5 yen	15.0 yen
Interim (Paid)	10.5 yen	7.5 yen

## [Net income] Summary of changes from the previous fiscal year

(Note 3) Refer to "Summary of changes from the previous fiscal year" in "Consolidated Financial Results of Operations".

Operating Segment	Gross trading profit (Note 3)		Net income		[Net income] Summary of changes from the previous fiscal year	
	FY2009	FY2008	Increase (Decrease)	FY2009	FY2008	Increase (Decrease)
Textile	102.6	115.2	(12.6)	22.9	20.5	2.4
Machinery	71.9	99.1	(27.3)	(15.5)	21.4	(36.8)
Aerospace, Electronics & Multimedia	138.9	139.0	(0.1)	8.0	14.6	(6.6)
Energy, Metals & Minerals	222.3	127.5	94.8	114.7	105.7	9.0
Chemicals, Forest Products & General Merchandise	114.3	122.6	(8.4)	19.0	19.7	(0.7)
Food	335.6	324.7	10.9	20.2	18.7	1.5
Finance, Realty, Insurance & Logistics Services	42.0	41.4	0.7	(1.2)	10.8	(12.0)
Other, Adjustments & Eliminations	33.0	25.1	7.9	(2.8)	6.0	(8.8)
Total	1,060.5	994.5	66.0	165.4	217.3	(51.9)

Components of Consolidated Net Income	FY2009	FY2008	Increase (Decrease)
Parent company	64.4	77.1	(12.7)
Group companies (*)	139.7	160.9	(21.2)
Overseas trading subsidiaries	20.3	23.1	(2.8)
Consolidation adjustments	(59.0)	(43.7)	(15.3)
Consolidated net income	165.4	217.3	(51.9)

	FY2009	FY2008	Increase (Decrease)
Earnings from overseas businesses (**)	111.6	111.2	0.4
Share of earnings from overseas businesses	67%	51%	

(\*) includes the tax effect relating to the loss relating to the Entrada Oil/Natural Gas Project and equity in investment in Orient Corporation.  
(\*\*) "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	FY2009	FY2008	Increase (Decrease)
Share of group co. reporting profits	79.0%	79.1%	(0.0%)
Number of group co. reporting profits	547	495	52
Number of group co. reporting losses	145	131	14
Total	692	626	66

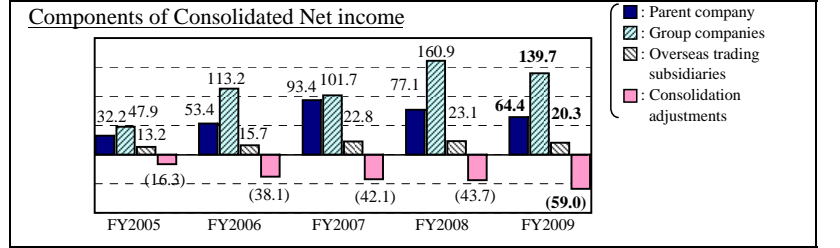
P/L of Group Companies Reporting Profits / Losses	FY2009	FY2008	Increase (Decrease)
Group co. reporting profits	218.9	(*) 220.6	(1.7)
Group co. reporting losses	(*) (58.8)	(36.6)	(22.2)
Total	160.1	184.0	(23.9)

(Group companies)	FY2009	FY2008	Increase (Decrease)
Group co. reporting profits	198.1	(*) 197.0	1.1
Group co. reporting losses	(*) (58.3)	(36.1)	(22.2)
Total of Group companies	139.7	160.9	(21.2)

(Overseas trading subsidiaries)	FY2009	FY2008	Increase (Decrease)
Group co. reporting profits	20.8	23.6	(2.8)
Group co. reporting losses	(0.5)	(0.5)	0.0
Total of Overseas trading subsidiaries	20.3	23.1	(2.8)

## Financial Position

	March 31 2009	March 31 2008	Increase (Decrease)
Total assets	5,192.1	5,274.2	(82.1)
Interest-bearing debt	2,389.3	2,104.4	284.9
Net interest-bearing debt	1,756.8	1,654.5	102.2
Stockholders' equity	849.4	973.5	(124.1)
Net debt-to-equity ratio (times)	2.1	1.7	worsened 0.4



(Note 2) Impacts of the special factors regarding the investment in Orico are as follows.

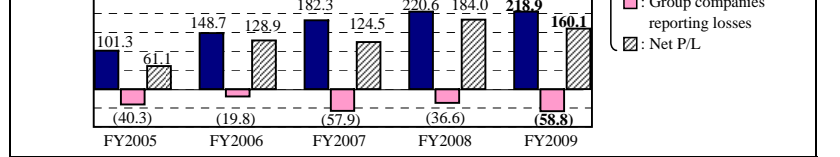
Recognized items in Consolidated Financial Results of Operations	Equity in earnings of assoc. companies	Income taxes	Net income
Equity in earnings and its tax effect recognized regarding exemption from obligation to redeem preferred stocks, which was brought by the reverse split of the preferred stocks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

## Group Companies

Group Companies	FY2009	FY2008	Summary of changes from the previous fiscal year
ITOCHU Minerals & Energy of Australia Pty Ltd (IMEA) (C)	71.2	38.5	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)	26.1	33.4	Decrease due to an effect of entitlement reduction even with higher annual-average-base crude oil price
Marubeni-Itochu Steel Inc. (MISI) (E)	14.8	16.9	Decrease due to impairment loss on investments and marketable securities despite the almost the same level of trading profit
ITOCHU International Inc. (C)	8.6	10.2	Decrease due to less profit in machinery business and decline in uranium market price despite increased housing material business and upturn in equipment material business

(Major Group Companies Reporting Losses)	FY2009	FY2008	Summary of changes from the previous fiscal year
CIECO Energy (US) Limited (C)	(*) (22.4)	(1.4)	Significantly worsened due to loss from withdrawal of Entrada Oil/Natural Gas Project
C.I. FINANCE (CAYMAN) LTD. (C)	(3.0)	(0.0)	Worsened by low performance of fund asset management

## P/L of Group Companies Reporting Profits / Losses



## Summary of changes from the previous fiscal year end

	FY2009	FY2008	Increase (Decrease)
Total assets / Decreased	5,192.1	5,274.2	(82.1)
Increase: "Net property and equipment" in Textile, Mach., Ener., Met. & Min. (newly joining of subsidiaries); "Investments in and advances to associated companies" (resulting from investment in iron ore production and wholesale business); "Cash and cash equivalents" and "Time deposits" Decrease: "Other investments" (decline in stock market prices); "Trade receivables" in Ener., Met. & Min. and Chem., FP & GM	2,389.3	2,104.4	284.9
Stockholders' equity / Decreased	849.4	973.5	(124.1)
Increase: Net income; Decrease: Dividend payment; "Foreign currency translation adjustments" (yen's appreciation) "Unrealized holding gains on securities"; "Pension liability adjustments"; NET DER worsened by 0.4 points to 2.1	1,756.8	1,654.5	102.2
Net debt-to-equity ratio (times)	2.1	1.7	worsened 0.4

## Operating Segment Information

Operating Segment	Gross trading profit (Note 3)		Net income			
	FY2009	FY2008	Increase (Decrease)	FY2009	FY2008	Increase (Decrease)
Textile	102.6	115.2	(12.6)	22.9	20.5	2.4
Machinery	71.9	99.1	(27.3)	(15.5)	21.4	(36.8)
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Other, Adjustments & Eliminations	33.0	25.1	7.9	(2.8)	6.0	(8.8)
Total	1,060.5	994.5	66.0	165.4	217.3	(51.9)

## Cash Flows

	FY2009	FY2008	Increase (Decrease)
Operating activities	276.9	65.6	211.3
Investing activities	(326.0)	(65.8)	(260.3)
Financing activities	258.3	(81.3)	339.6
Cash and cash equivalents	628.8	446.3	182.5

## 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 and food-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 (Energy, Metals & Minerals), and investment in a new equity-method associated company in Machinery.  
**Financing:** Net cash-inflow (net borrowing) as a result of increased capital demand mainly due to business expansion.

Major Indicators	FY2009			FY2008			Changes		
	Mar. closing	Mar. closing	Mar. closing	Mar. closing	Mar. closing	Mar. closing			
Foreign exchange (Yen/US\$)	Average (Apr.-Mar.)	100.54	115.56	(15.02)	Interest, JPY TIBOR 3M, average (Apr.-Mar.)	0.818%	0.794%	0.024%	
	March 31st	Mar-09 98.23	Mar-08 100.19	(1.96)	Interest, US\$ LIBOR 3M, average (Jan.-Dec.)	2.928%	5.297%	(2.369%)	
	Average (Jan.-Dec.)	105.10	118.21	(13.11)	Crude oil (Brent), average (US\$/BBL)	(Apr.-Mar.)	85.66	82.13	3.53
	December 31st	Dec-08 91.03	Dec-07 114.15	(23.12)		(Jan.-Dec.)	98.36	72.67	25.69