

# FY2010 Business Results Summary

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November 6, 2009  
Eizo Kobayashi, President and CEO  
ITOCHU Corporation

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# 1. Summary for the 1H of FY2010

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## 2. Forecast for FY2010

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## 3. Segment Information

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## Summary of the 1<sup>st</sup> Half of FY2010

- ✓ Net income attributable to ITOCHU decreased by ¥83.8 billion compared with the previous year 1<sup>st</sup> half to ¥55.3 billion.
- ✓ 2<sup>nd</sup> quarter net income attributable to ITOCHU increased by ¥14.5 billion compared with the 1<sup>st</sup> quarter.
- ✓ ITOCHU stockholders' equity was over ¥1 trillion and Net DER improved to 1.8 times.

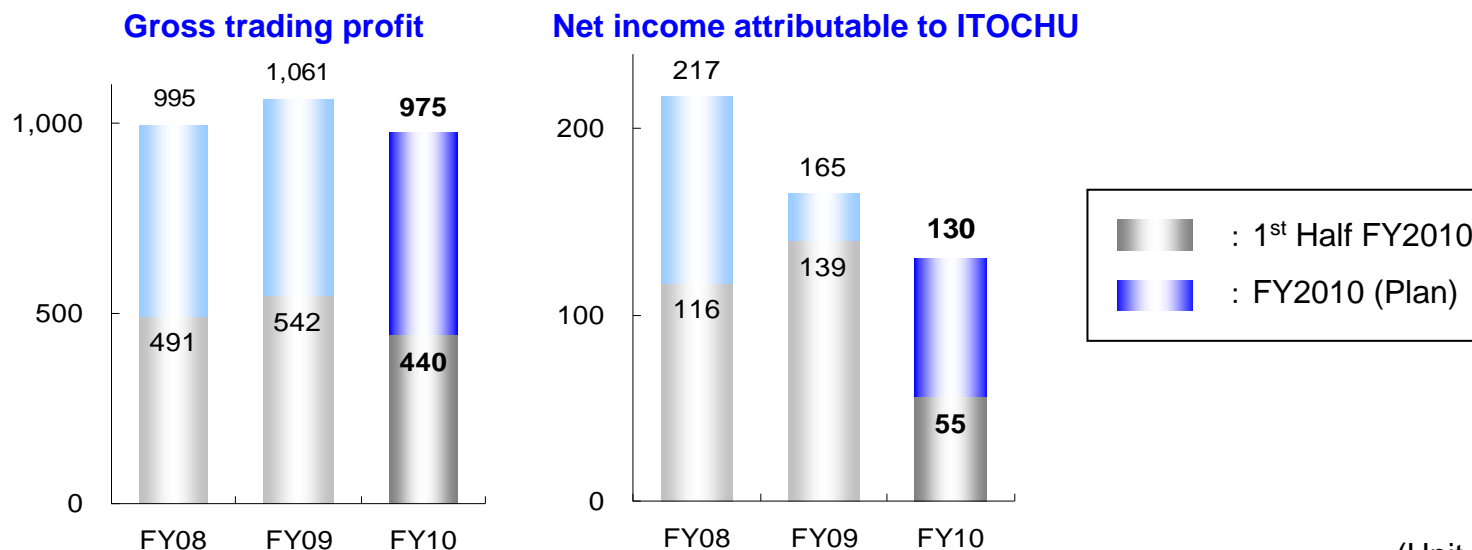
## Business Environment

- ✓ A gradual recovery of the world economy from its recession phase.
- ✓ Japanese economy also made a gradual recovery from the bottom.
- ✓ However, Chinese economy keeps sustainable growth rate, U.S. economy may recover next fiscal year.
- ✓ Commodity prices are in recovery phase after bottoming out in the latter of last fiscal year.
- ✓ But there is an anxiety for next bottom.

# Summary for the 1H of FY2010



	FY2009	FY2010	Increase/Decrease		FY2010	
	1 <sup>st</sup> Half	1 <sup>st</sup> Half	(b)-(a)	%	Original Plan	Progress
	(a)	(b)			(c)	(b)/(c)
Gross Trading Profit	542.1	440.0	-102.1	(19%)	975.0	45%
Trading Income	164.3	53.7	-110.6	(67%)	185.0	29%
Equity in earnings of associated companies	34.9	20.8	-14.1	(41%)	56.0	37%
Net income attributable to ITOCHU	139.1	55.3	-83.8	(60%)	130.0	43%
Adjusted Profit	214.9	76.0	-138.9	(65%)	236.0	32%



(Unit : billion yen)

# Financial Position and Cash Flows



## Financial position

	March 31, 2009	September 30, 2009	Increase/Decrease
Total assets	5,192.1	5,461.7	+269.6
Net interest-bearing debt	1,756.8	1,836.7	+80.0
ITOCHU stockholders' equity	849.4	1,007.2	+157.8
Net DER	2.1 times	1.8 times	Improved 0.2 points

## Cash flows

	FY2009 1 <sup>st</sup> Half	FY2010 1 <sup>st</sup> Half	Increase/Decrease
Operating activities	62.3	102.7	+40.4
Investing activities	-114.8	-134.6	-19.9
Financing activities	14.0	-56.0	-70.1

(Unit : billion yen)

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3. Segment Information

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# Original Plan and Forecast for FY2010



	FY2009 (Results)	FY2010 (Original Plan)	FY2010 (Forecast)
Gross Trading Profit	1,060.5	975.0	950.0
Trading Income	275.7	185.0	150.0
Equity in earnings of associated companies	41.3	56.0	47.0
Net income attributable to ITOCHU	165.4	130.0	130.0

Total assets	5,192.1	5,500.0	5,500.0
Net interest-bearing debt	1,756.8	1,900.0	1,900.0
ITOCHU stockholder's equity	849.4	950.0	1,000.0
Net DER	2.1 times	Less than 2.0	1.9 times

(Unit : billion yen)

# Net Income Attributable to ITOCHU by Segments



	FY2009 Results	FY2010 1 <sup>st</sup> Half	FY2010 Original Plan	FY2010 Forecast	FY2010 Forecast/Plan
<b>Textile</b>	<b>22.9</b>	<b>7.1</b>	<b>21.0</b>	<b>21.0</b>	<b>-</b>
<b>Machinery</b>	<b>-15.5</b>	<b>4.0</b>	<b>9.0</b>	<b>4.0</b>	<b>-5.0</b>
<b>ICT, Aerospace &amp; Electronics*</b>	<b>8.0</b>	<b>1.2</b>	<b>11.0</b>	<b>10.0</b>	<b>-1.0</b>
<b>Energy, Metals &amp; Minerals</b>	<b>114.7</b>	<b>26.1</b>	<b>60.0</b>	<b>60.0</b>	<b>-</b>
<b>Metals &amp; Minerals</b>	<b>83.8</b>	<b>16.7</b>	<b>42.5</b>	<b>35.0</b>	<b>-7.5</b>
<b>Energy</b>	<b>30.9</b>	<b>9.4</b>	<b>17.5</b>	<b>25.0</b>	<b>+7.5</b>
<b>Chemicals, Forest Products &amp; General Merchandise</b>	<b>19.0</b>	<b>8.1</b>	<b>20.0</b>	<b>17.0</b>	<b>-3.0</b>
<b>Forest Products &amp; General Merchandise</b>	<b>12.0</b>	<b>0.5</b>	<b>9.0</b>	<b>4.0</b>	<b>-5.0</b>
<b>Chemicals</b>	<b>7.0</b>	<b>7.6</b>	<b>11.0</b>	<b>13.0</b>	<b>+2.0</b>
<b>Food</b>	<b>20.2</b>	<b>18.5</b>	<b>25.0</b>	<b>26.0</b>	<b>+1.0</b>
<b>Finance, Realty, Insurance &amp; Logistics Services</b>	<b>-1.2</b>	<b>2.3</b>	<b>8.0</b>	<b>6.0</b>	<b>-2.0</b>
<b>Finance, Insurance &amp; Logistics Services</b>	<b>-4.4</b>	<b>3.4</b>	<b>6.0</b>	<b>4.0</b>	<b>-2.0</b>
<b>Construction &amp; Realty</b>	<b>3.2</b>	<b>-1.0</b>	<b>2.0</b>	<b>2.0</b>	<b>-</b>
<b>Other, Adjustments &amp; Eliminations</b>	<b>-2.8</b>	<b>-12.1</b>	<b>-24.0</b>	<b>-14.0</b>	<b>+10.0</b>
<b>Total</b>	<b>165.4</b>	<b>55.3</b>	<b>130.0</b>	<b>130.0</b>	<b>-</b>

\* FY09 result is for the Aerospace, Electronics & Multimedia Company.

(Unit : billion yen)



# Assumptions for FY2010



## Assumptions for FY2010 plan and forecast

	FY2009 Results	FY2010 Original Plan	FY2010 Forecast	FY2010 1 <sup>st</sup> Half Results	(Reference) Sensitivities on net income against the 2 <sup>nd</sup> half forecast
Exchange rate(YEN / \$)	101	90	93	96	(¥ 0.5 billion) (1 yen appreciation against US\$)
Interest(%)YEN TIBOR	0.8%	0.6%	0.6%	0.6%	(¥ 1.8 billion) (1% increase)
Crude oil(\$ / BBL)*	98	53**	60	53	± ¥ 0.1 billion (\$1 / BBL increase/decrease)
Iron ore(\$ / TON)*	90 (fine ore) 129 (lump ore)	N.A.	N.A.	N.A.	} Immaterial***
Hard coking coal(\$ / TON)*	300	128	128	128	
Thermal coal(\$ / TON)*	125	70	70	70	

\* Crude oil is Brent crude oil. Iron ore, hard coking coal and thermal coal are the benchmark prices for Japan.

\*\* Assumed crude oil prices for FY2010(targets) are US\$46 / BBL January – March, US\$55 / BBL from April onward.

\*\*\* Because most iron ore and coal sales are based on annual contracts, in principle the effect on net income of changes in market conditions during the fiscal year is limited.

As a reference, if the sales price per ton assumed in the business results forecast for fiscal 2010 varied by US\$1, the effect on net income would be as follows.

Iron ore: ± ¥0.3 billion, coal: ± ¥0.2 billion

(The above estimates vary according to changes in sales volume, foreign exchange and production costs.)

# Dividend Policy



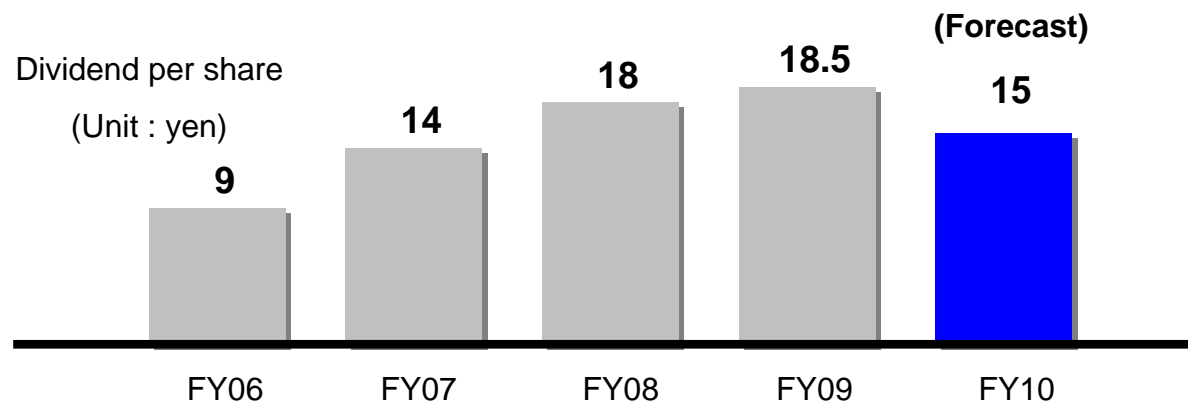
## Basic Dividend Policy

Although business conditions during the period of *Frontier<sup>e</sup> 2010* are extremely uncertain, we will uphold the following basic policies.

ITOCHU uses retained earnings to replenish stockholders' equity to promote its growth strategy as well as to maintain and reinforce its competitive power. ITOCHU's basic policy regarding dividend payments calls for giving consideration to consolidated performance and maintaining a stable distribution of returns to stockholders.

## Dividend for FY2010

ITOCHU has decided to pay ¥7.5 per share for the interim dividend of FY2010. And at present, ITOCHU intends to pay ¥7.5 per share for the dividend at the end of FY2010, meaning that annual total dividend per share is ¥15.0.



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1. Summary for the 1H of FY2010

2. Forecast for FY2010

**3. Segment Information**

# Net Income Attributable to ITOCHU by Segments

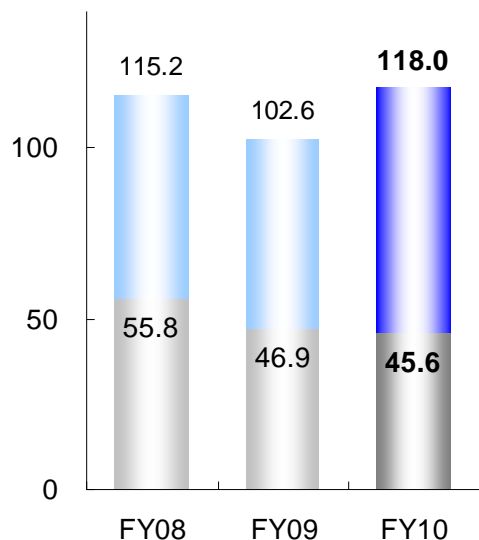


	FY2009 1st Half	FY2010 1st Half	Increase/ Decrease	FY2010 Original Plan	Progress	FY2010 Forecast
<b>Textile</b>	13.2	7.1	-6.1	21.0	34%	21.0
<b>Machinery</b>	3.7	4.0	+0.4	9.0	45%	4.0
<b>ICT, Aerospace &amp; Electronics*</b>	1.9	1.2	-0.7	11.0	11%	10.0
<b>Energy, Metals &amp; Minerals</b>	86.4	26.1	-60.3	60.0	43%	60.0
<b>Metals &amp; Minerals</b>	63.0	16.7	-46.3	42.5	39%	35.0
<b>Energy</b>	23.4	9.4	-14.1	17.5	54%	25.0
<b>Chemicals, Forest Products &amp; General Merchandise</b>	13.2	8.1	-5.1	20.0	41%	17.0
<b>Forest Products &amp; General Merchandise</b>	5.9	0.5	-5.4	9.0	6%	4.0
<b>Chemicals</b>	7.3	7.6	+0.3	11.0	69%	13.0
<b>Food</b>	12.4	18.5	+6.1	25.0	74%	26.0
<b>Finance, Realty, Insurance &amp; Logistics Services</b>	6.6	2.3	-4.3	8.0	29%	6.0
<b>Finance, Insurance &amp; Logistics Services</b>	3.8	3.4	-0.5	6.0	56%	4.0
<b>Construction &amp; Realty</b>	2.8	-1.0	-3.8	2.0	-	2.0
<b>Other, Adjustments &amp; Eliminations</b>	1.7	-12.1	-13.8	-24.0	50%	-14.0
<b>Total</b>	139.1	55.3	-83.8	130.0	43%	130.0

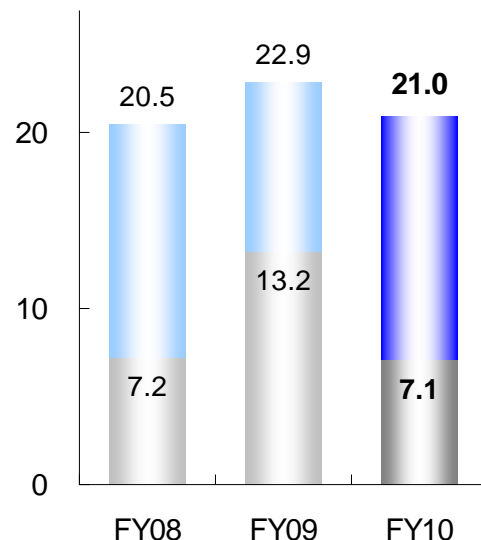
\* FY09 result is for the Aerospace, Electronics & Multimedia Company.

(Unit : billion yen)

## Gross trading profit



## Net income attributable to ITOCHU



■ : Full year (Results/Forecast)  
■ : 1st Half

## 1st Half of FY2010 Results

Slumping of textile market continues. Net income posted in the 1st half of FY2010 decreased by ¥6.1 billion from the 1st half of FY2009 due to decline of trading profit and the absence of non-recurring profit posted last year, despite contribution by newly acquired subsidiaries and affiliates.

## FY2010 Forecast

The initial target of ¥21 billion of net income is expected to be achieved thanks to contributions by newly acquired subsidiaries and affiliates even though textile market remains depressed.

## Profits / Losses from Major Group Companies

	1st Half		Full Year	
	FY09	FY10	FY09	FY10
JOI'X CORPORATION	-0.1	-0.5	0.4	0.2
SANKEI COMPANY LIMITED	*	0.1	0.1	2.0
Prominent Apparel Ltd.	0.3	0.2	0.6	0.6
ITOCHU TEXTILE (CHINA) CO., Ltd.	0.3	0.3	1.0	0.9

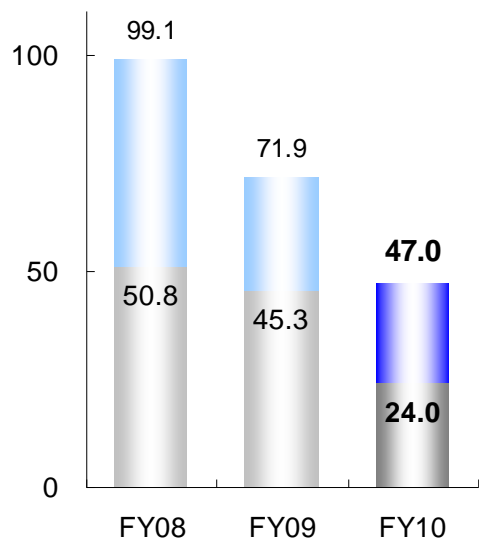
\* Non-Consolidated

(Unit : billion yen)

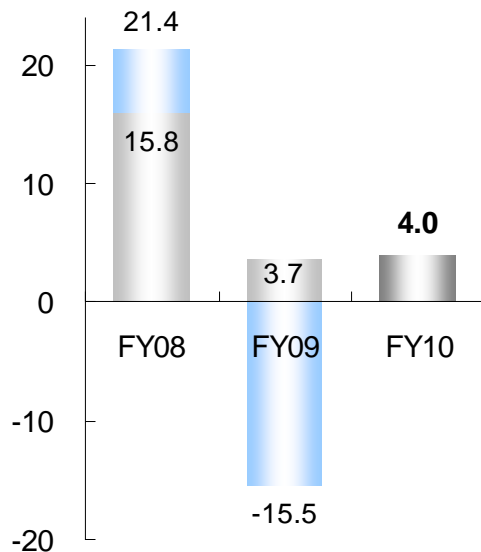
# Machinery



## Gross trading profit



## Net income attributable to ITOCHU



■ : Full year (Results/Forecast)  
■ : 1st Half

## 1st Half of FY2010 Results

Automobile and construction machinery business remains depressed overall. However, net income posted in the 1st half of FY2010 increased by ¥0.4 billion from the previous year thanks to the absence of provision for doubtful receivables recognized last year, and increase of equity in earnings of associated companies and gains on investment despite decline of gross trading profit.

## FY2010 Forecast

Forecast net income has been revised to ¥4 billion, which means decrease of ¥5 billion from the initial plan, since it takes time to move back to recovery process in automobile and construction machinery businesses.

## Profits / Losses from Major Group Companies

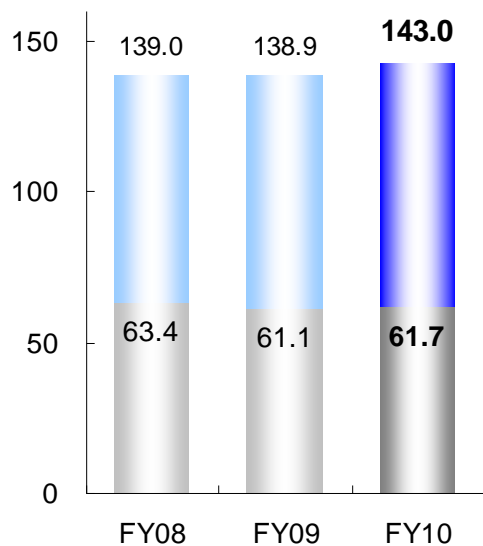
	1st Half		Full Year	
	FY09	FY10	FY09	FY10
ITOCHU Automobile America Inc.	-0.3	-0.3	-1.6	-0.3
MCL Group Limited	-0.2	-0.7	-2.5	-0.6
ITOCHU CONSTRUCTION MACHINERY CO., LTD.	0.4	0.1	0.4	0.5

(Unit : billion yen)

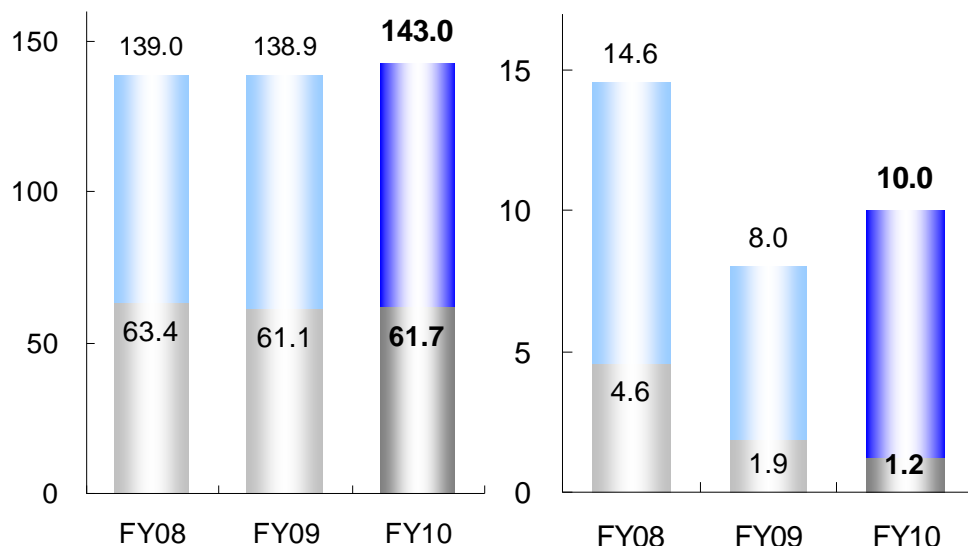
# ICT, Aerospace & Electronics



## Gross trading profit



## Net income attributable to ITOCHU



: Full year (Results/Forecast)  
 : 1st Half

## 1st Half of FY2010 Results

Net income posted in the 1st half of FY2010 decreased by ¥0.7 billion from the previous year due to the absence of gains on investment of last year, despite increase of trading profit by reducing operating expenses.

## FY2010 Forecast

Forecast net income has been revised to ¥10 billion, which is decrease of ¥1 billion from the initial plan of ¥11 billion, due to revision downward of expected gains on investment even though trading profit is expected to keep the same level with the initial plan.

## Profits / Losses from Major Group Companies

	1st Half		Full Year	
	FY09	FY10	FY09	FY10
ITOCHU Techno-Solutions Corporation	0.9	*	6.9	6.3**
ITC NETWORKS CORPORATION	0.6	0.9	1.6	1.5**
Excite Japan Co., Ltd.	-1.1	*	-1.4	0.1**
SPACE SHOWER NETWORKS INC.	0.1	0.0	0.1	0.1**

\* Not disclosed because financial results not yet announced

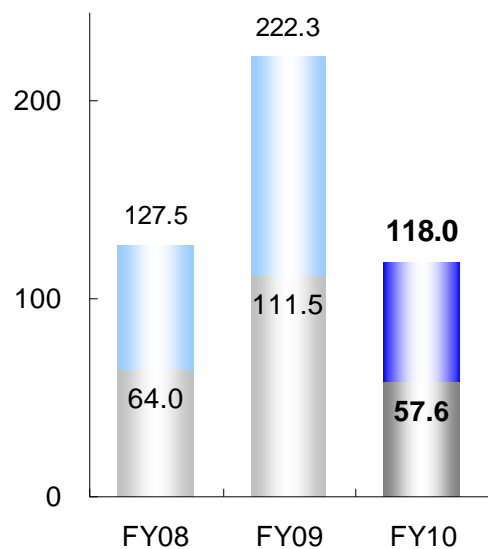
\*\* Annual forecasts announced by respective companies × share

(Unit : billion yen)

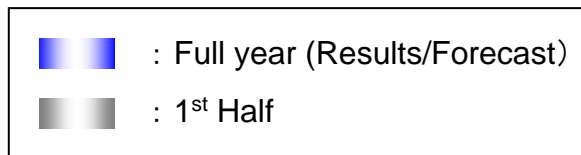
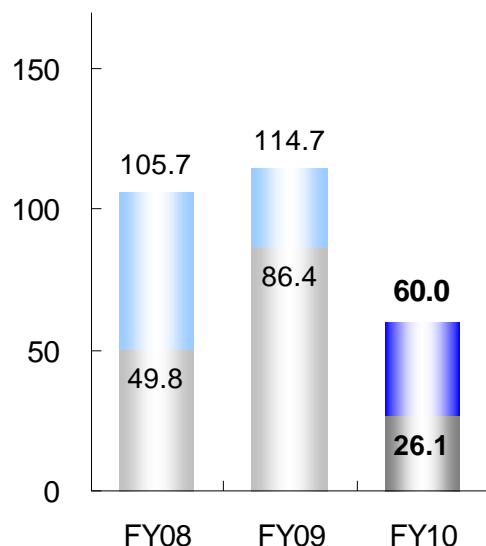
# Energy, Metals & Minerals



## Gross trading profit



## Net income attributable to ITOCHU



## 1st Half of FY2010 Results

Trading profit posted in the 1st half of FY2010 decreased due to falling prices in metal resources and crude oil. Net income decreased by ¥60.3 billion due to decline of dividends from LNG projects and equity in earnings of associated companies such as steel products trading company, in addition to the decrease of trading profit.

## FY2010 Forecast

The initial target of ¥60 billion for net income is expected to be achieved thanks to increase of production volume of coal and rise of crude oil price, despite decline of trading profit due to strong Australian dollar.

## Profits / Losses from Major Group Companies

	1st Half		Full Year	
	FY09	FY10	FY09	FY10
ITOCHU Minerals & Energy of Australia Pty Ltd	51.5	14.5	71.2	26.6
(Iron Ore)	(28.6)	(7.7)	(39.6)	N.A.
(Coal)	(24.8)	(5.8)	(35.1)	N.A.
Marubeni-Itochu Steel Inc.	10.1	-0.9	14.8	N.A.
ITOCHU Oil Exploration (Azerbaijan) Inc.	11.7	1.4	26.1	4.1
Dividend from LNG (PBT)	10.7	3.6	17.8	N.A.

	1st Half		Full Year	
	FY09	FY10	FY09	FY10
Metals & Minerals	63.0	16.7	83.8	35.0
Energy	23.4	9.4	30.9	25.0

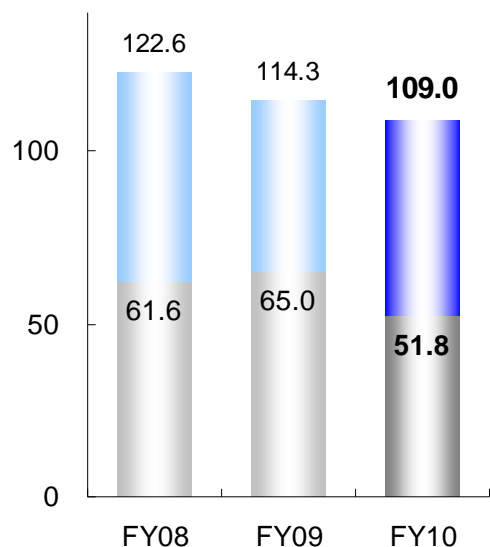
(Unit : billion yen)



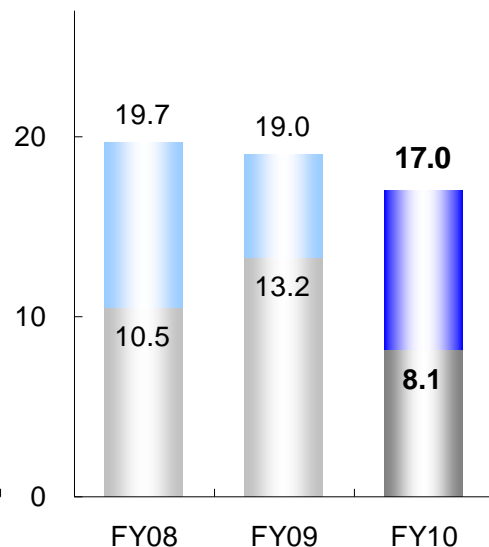
# Chemicals, Forest Products & General Merchandise



## Gross trading profit



## Net income attributable to ITOCHU



■ : Full year (Results/Forecast)  
■ : 1<sup>st</sup> Half

## 1<sup>st</sup> Half of FY2010 Results

In Forest Products & General Merchandise, market for housing materials in North America and Japan are depressed and pulp business shows lower performance due to weak market and strong local currency (Brazilian Real). In Chemicals, market conditions are still depressed, on the other hand, profit resulting from obtaining control in C.I.Kasei was posted. As segment total, net income in the 1st half of FY2010 decreased by ¥5.1 billion from the previous year.

## FY2010 Forecast

Forecast net income for FY2010 has been revised to ¥17 billion, which is decrease of ¥3 billion from the initial plan, due to slower start in the 1st half, especially in forest products and general merchandise, even though market conditions are in the recovery process in chemicals and pulp.

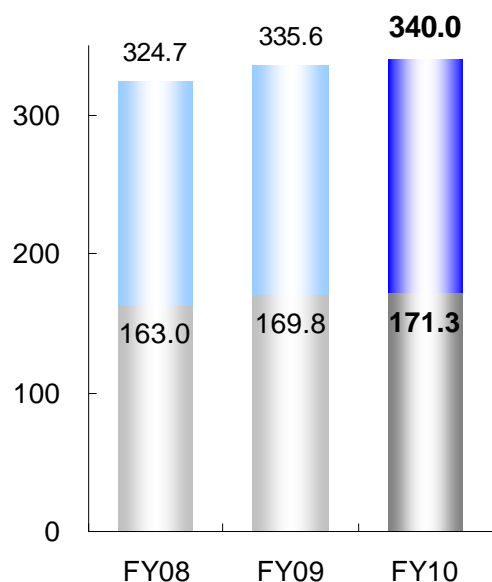
## Profits / Losses from Major Group Companies

	1 <sup>st</sup> Half		Full Year	
	FY09	FY10	FY09	FY10
PrimeSource Building Products, Inc.	3.9	1.5	8.3	N.A.
ITOCHU Kenzai Corp.	0.3	0.1	-1.0	0.0
Japan Brazil Paper and Pulp Resources Development Co., Ltd.	0.9	-1.4	4.9	N.A.
ITOCHU CHEMICAL FRONTIER Corporation	0.9	0.9	1.1	1.5
ITOCHU PLASTICS INC.	1.2	0.8	1.6	2.1
C.I.Kasei Co., Ltd.	0.2	1.8	-1.1	2.1

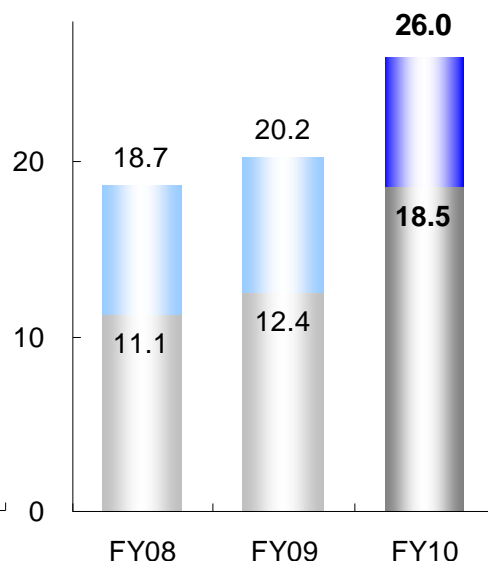
	1 <sup>st</sup> Half		Full Year	
	FY09	FY10	FY09	FY10
Forest Products & General Merchandise	5.9	0.5	12.0	4.0
Chemicals	7.3	7.6	7.0	13.0

(Unit : billion yen)

## Gross trading profit



## Net income attributable to ITOCHU



: Full year (Results/Forecast)  
 : 1st Half

## 1st Half of FY2010 Results

Net income in the 1st half of FY2010 increased by ¥6.1 billion from the previous year thanks to gain by disposition of beverage business in China and stable operation in food distribution business.

## FY2010 Forecast

Forecast net income has been revised to ¥26 billion, which is increase of ¥1 billion from the initial plan, because of stable operation of subsidiaries and affiliates and expected higher earnings of Ting-Hsin Holding, a newly acquired affiliate.

## Profits / Losses from Major Group Companies

	1st Half		Full Year	
	FY09	FY10	FY09	FY10
FamilyMart Co., Ltd.	3.5	3.1	5.3	4.7***
Yoshinoya Holdings Co., Ltd.	0.0	-0.1	-1.5	-0.3***
Al Beverage Holding Co., Ltd.	1.0	**	1.7	**
Fuji Oil Co., Ltd.	0.7	*	2.0	2.3***
TING HSIN (CAYMAN ISLANDS) HOLDING CORP.	**	1.1	**	N.A.

\* Not disclosed because financial results not yet announced

\*\* Non-Consolidated

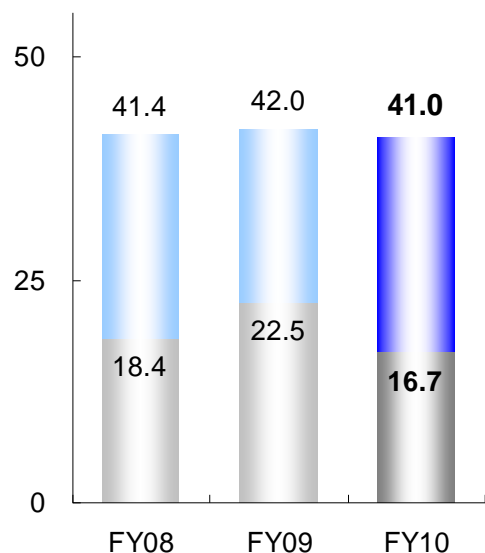
\*\*\* Annual forecasts announced by respective companies × share

(Unit : billion yen)

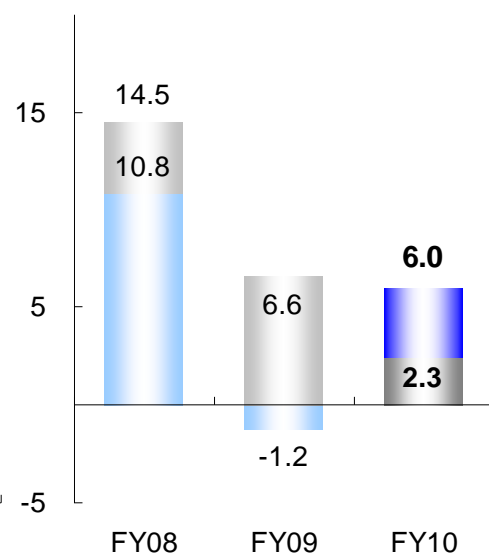
# Finance, Realty, Insurance & Logistics Services



## Gross trading profit



## Net income attributable to ITOCHU



■ : Full year (Results/Forecast)  
■ : 1<sup>st</sup> Half

## 1<sup>st</sup> Half of FY2010 Results

Net income in the 1st half of FY2010 decreased by ¥4.3 billion from the previous year due to decline of earnings by affiliate of financial services and the absence of a large-scale condominium sales, despite net profit resulting from obtaining control of i-LOGISTICS Corp.

## FY2010 Forecast

Forecast net income has been revised to ¥6 billion, which is decrease of ¥2 billion from the initial plan of ¥8 billion, due to decline of earnings by subsidiaries and affiliates of financial services.

## Profits / Losses from Major Group Companies

	1 <sup>st</sup> Half		Full Year	
	FY09	FY10	FY09	FY10
Orient Corporation	2.7	0.7	-2.7	*
C.I. Finance (CAYMAN) LTD.	-0.7	**	-3.0	**
ITOCHU Finance Corporation	0.4	-0.1	0.6	-0.9
FX PRIME Corporation	0.6	0.0	0.9	***
ITOCHU Property Development, Ltd.	1.0	-1.1	0.3	1.0
i-LOGISTICS CORP.	0.1	1.8	0.1	2.1

\* Not disclosed because in some cases there are discrepancies between figures calculated (using forecast announced by the company × share) and actual equity in earnings.

\*\* Non-Consolidated

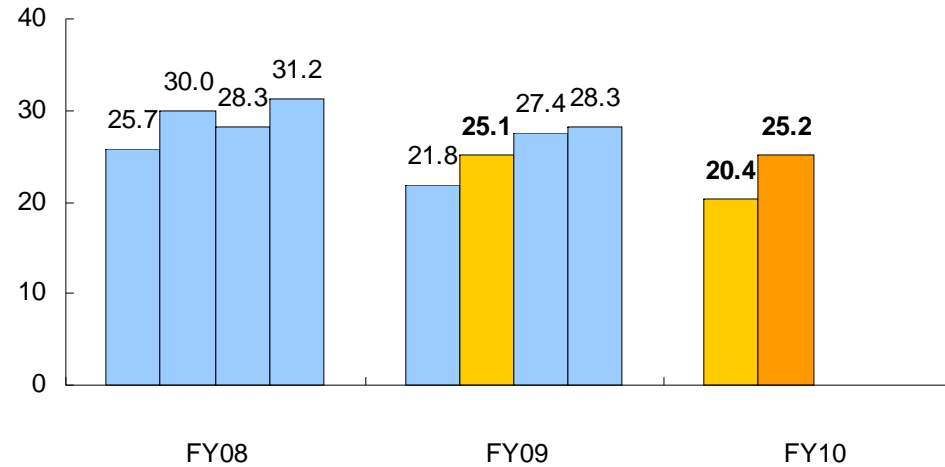
\*\*\* Not disclosed because the company does not disclose performance forecast as an individual company.

(Unit : billion yen)

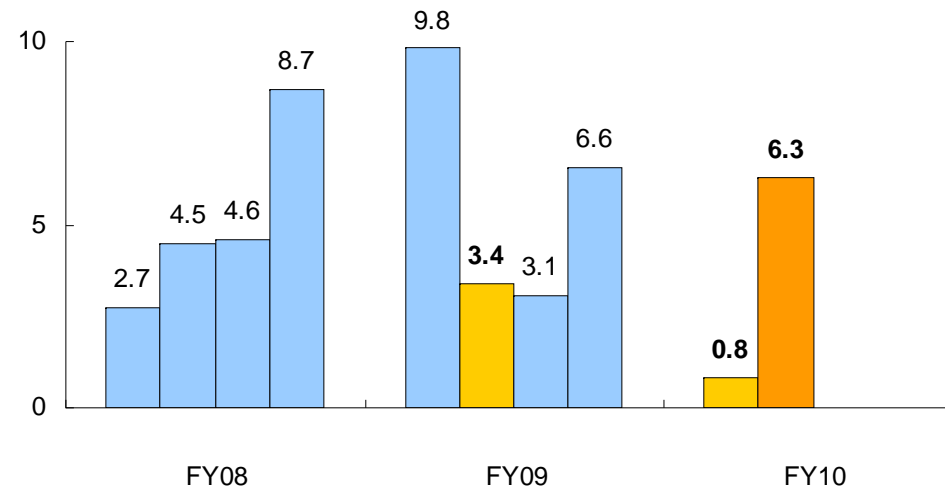
	1 <sup>st</sup> Half		Full Year	
	FY09	FY10	FY09	FY10
Finance, Insurance & Logistics	3.8	3.4	-4.4	4.0
Construction & Realty	2.8	-1.0	3.2	2.0

**【Exhibit】**

## Gross trading profit



## Net income attributable to ITOCHU

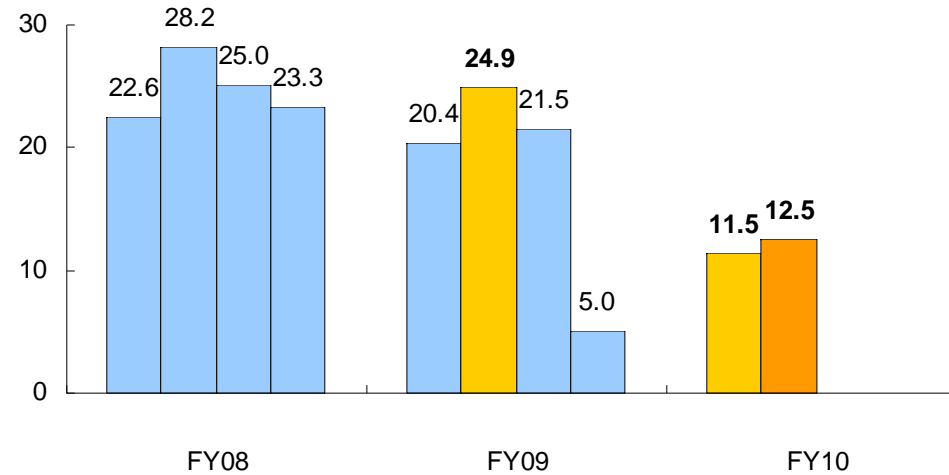


(Unit : billion yen)

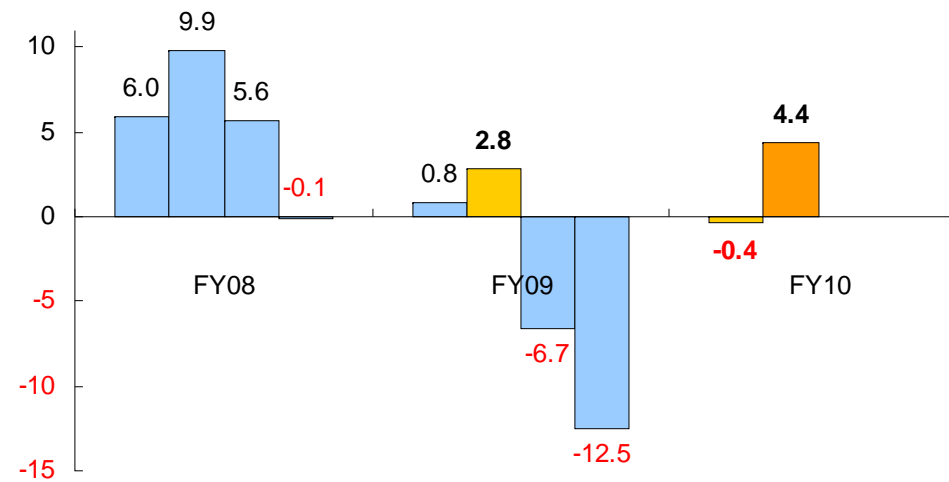
# Machinery



## Gross trading profit

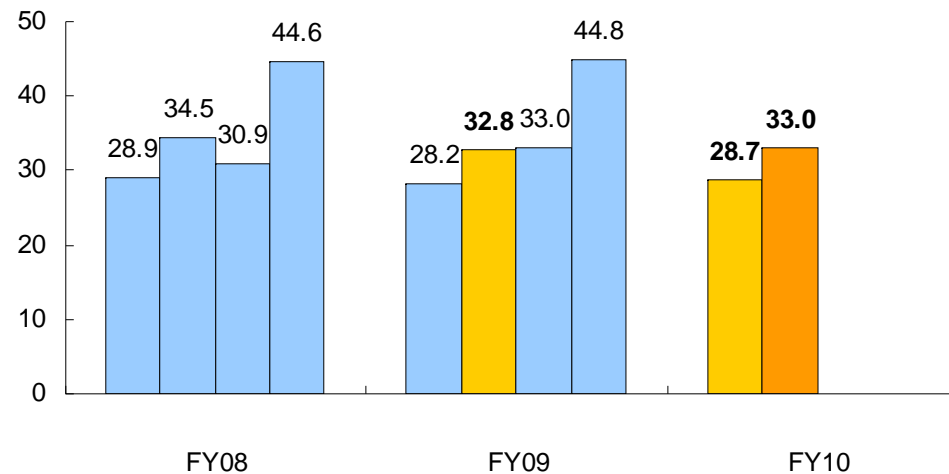


## Net income attributable to ITOCHU

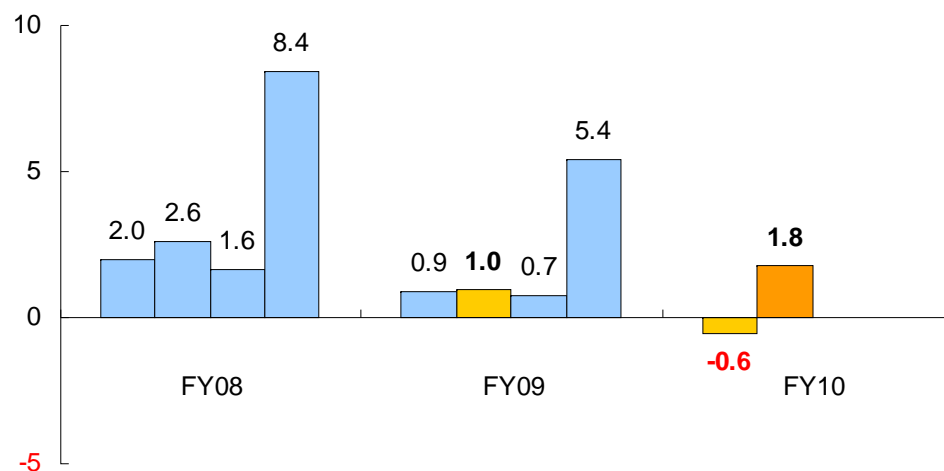


(Unit : billion yen)

## Gross trading profit



## Net income attributable to ITOCHU

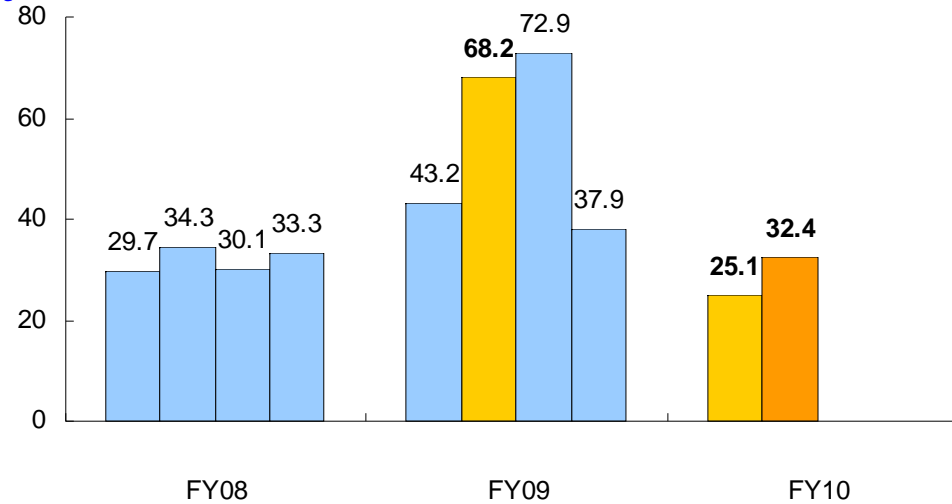


(Unit : billion yen)

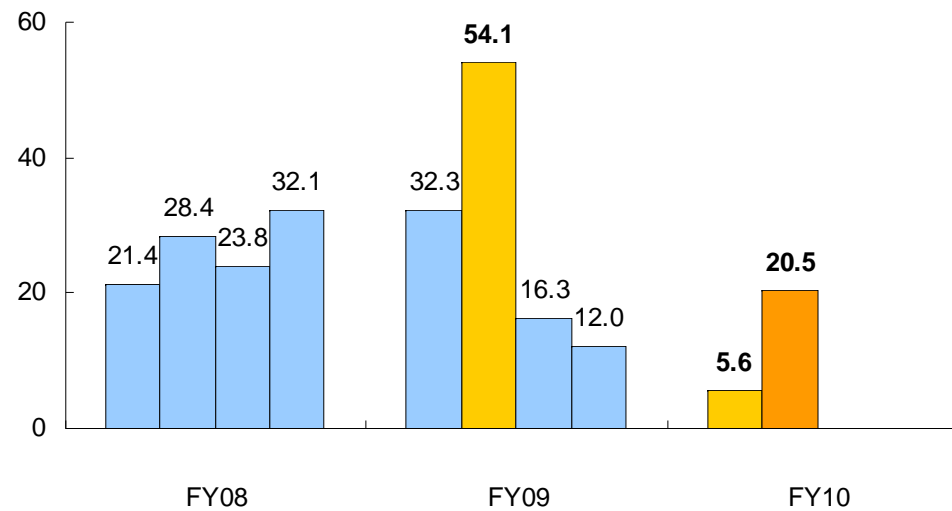
# Energy, Metals & Minerals



## Gross trading profit



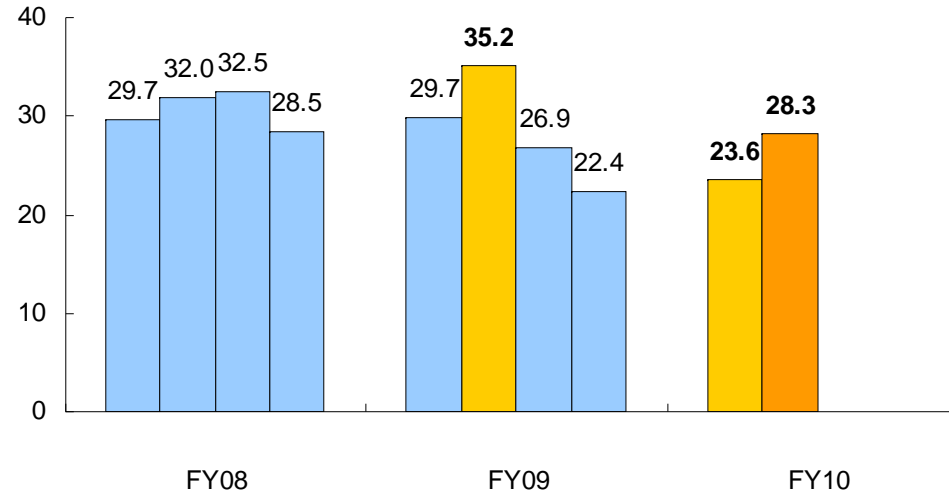
## Net income attributable to ITOCHU



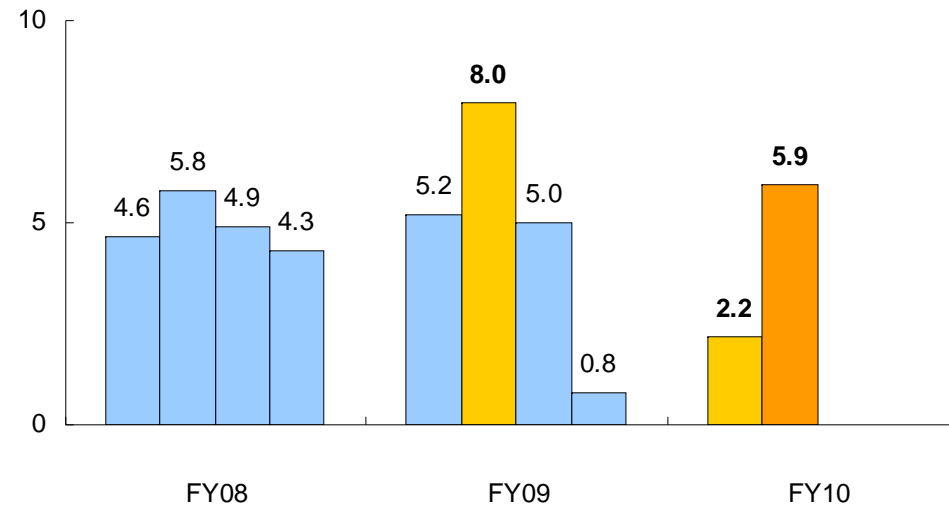
(Unit : billion yen)



## Gross trading profit

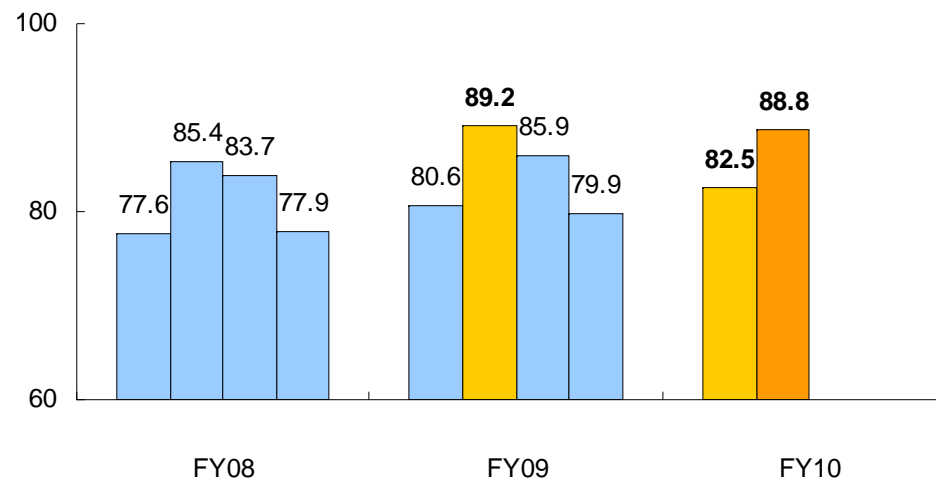


## Net income attributable to ITOCHU

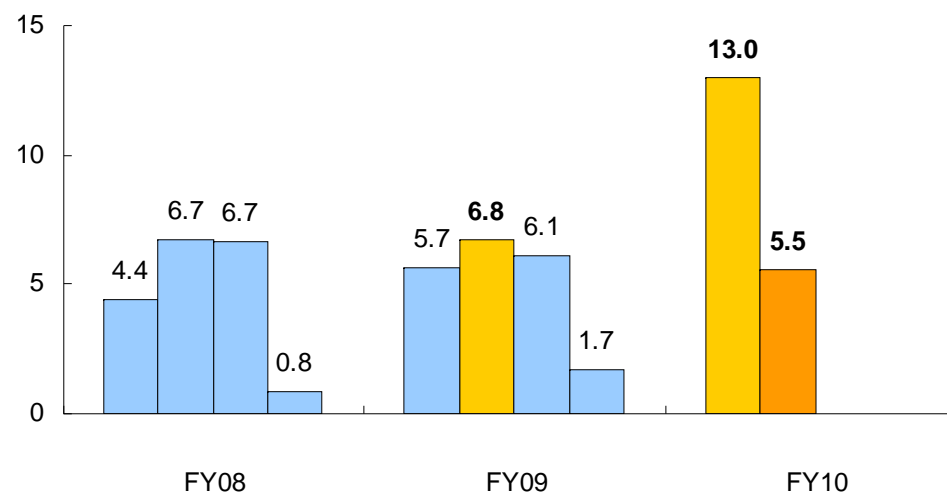


(Unit : billion yen)

## Gross trading profit



## Net income attributable to ITOCHU

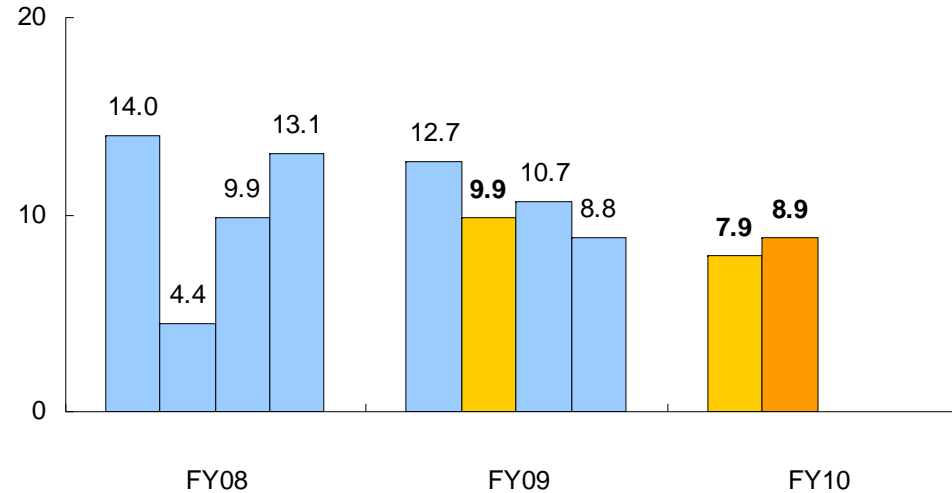


(Unit : billion yen)

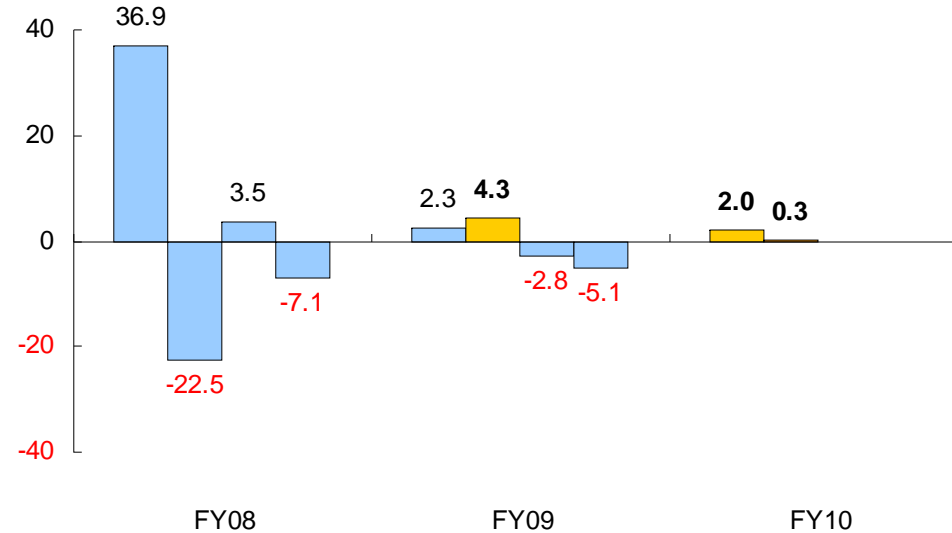
# Finance, Realty, Insurance & Logistics Services



## Gross trading profit



## Net income attributable to ITOCHU



(Unit : billion yen)

### Forward-Looking Statements:

This material 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 and financial instruments, 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.

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