

# ANNUAL FINANCIAL STATEMENTS

For years ended March 31, 2010 and 2009

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- Unaudited -

**Consolidated Financial Results for Fiscal Year 2010 (Year ended March 31, 2010)**

[Prepared in conformity with accounting principles generally accepted in the United States of America]

Company name: ITOCHU Corporation  
 Stock exchange code: 8001 URL: <http://www.itochu.co.jp/en/ir/>  
 President and Chief Executive Officer: Masahiro Okafuji  
 General Manager of Corporate Communications Division: Tomoyuki Takada TEL: 81 - 3 - 3497 - 7291  
 The date of Shareholders' meeting: June 25, 2010 (Planned) The date of payout of dividend: June 28, 2010 (Planned)  
 The date of issue of audited financial statements: June 25, 2010 (Planned)

**1. Consolidated operating results for fiscal year 2010 (from April 1, 2009 to March 31, 2010)**

(1) Consolidated operating results (Summary) (%: Changes from the previous fiscal year)

	Total trading transactions		Trading income (*1)		Income before income taxes and equity in earnings of associated companies		Net income attributable to ITOCHU (*2)	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Fiscal year 2010	10,306,799	(14.6)	147,414	(46.5)	154,986	(25.6)	128,153	(22.5)
Fiscal year 2009	12,065,109	2.9	275,664	4.0	208,258	(25.8)	165,390	(23.9)

	Net income attributable to ITOCHU per share (basic) (*2)	Net income attributable to ITOCHU per share (diluted) (*2)	Ratio of net income attributable to ITOCHU to stockholders' equity (*2)	Please refer the below (*3)	Please refer the below (*4)
	yen	yen	%	%	%
Fiscal year 2010	81.09	80.91	13.2	2.9	1.4
Fiscal year 2009	104.64	103.94	18.1	4.0	2.3

(\*1) "Trading income" = "Gross trading profit" + "Selling, general and administrative expenses" + "Provision for doubtful receivables"

(\*2) "Net income" and "Net income per share" up to the fiscal year 2009 will replace to "Net income attributable to ITOCHU" and "Net income attributable to ITOCHU per share" respectively. Please refer to "New Accounting Pronouncements" on (8), page 33.

(\*3) Income before income taxes and equity in earnings of associated companies / Total assets

(\*4) Trading income / Total trading transactions

## (2) Consolidated financial position

	Total assets	Total equity	Total ITOCHU stockholders' equity (*5)	Ratio of ITOCHU stockholders' equity to total assets	ITOCHU stockholders' equity per share
	millions of yen	millions of yen	millions of yen	%	yen
March 31, 2010	5,476,847	1,311,353	1,098,419	20.1	694.98
March 31, 2009	5,192,092	1,037,355	849,411	16.4	537.43

(\*5) "Total ITOCHU stockholders' equity" = "Total equity" - "Noncontrolling interest"

Please refer to "New Accounting Pronouncements" on (8), page 33.

## (3) Consolidated cash flows information

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents
	millions of yen	millions of yen	millions of yen	millions of yen
Fiscal year 2010	295,376	(196,318)	(258,987)	475,674
Fiscal year 2009	276,854	(326,033)	258,322	628,820

**2. Dividend distribution**

	Dividend distribution per share					Total Dividend distribution (Annual)	Payout ratio (Consolidated)	Ratio of dividend distribution to ITOCHU stockholders' equity
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual			
	yen	yen	yen	yen	yen	millions of yen	%	%
Fiscal year 2009	-	10.50	-	8.00	18.50	29,262	17.7	3.2
Fiscal year 2010	-	7.50	-	7.50	15.00	23,727	18.5	2.4
Fiscal year 2011 (Planned)	-	9.00	-	9.00	18.00		17.8	

**3. Outlook of consolidated operating results for fiscal year 2011 (from April 1, 2010 to March 31, 2011)**

(%: Changes from the previous fiscal year)

	Total trading transactions		Trading income (*1)		Income before income taxes and equity in earnings of associated companies		Net income attributable to ITOCHU (*2)		Net income attributable to ITOCHU per share (basic) (*2)	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen	
Fiscal year 2011	11,500,000	11.6	260,000	76.4	210,000	35.5	160,000	24.9	101.23	

(\*1) "Trading income" = "Gross trading profit" + "Selling, general and administrative expenses" + "Provision for doubtful receivables"

(\*2) "Net income" and "Net income per share" up to the fiscal year 2009 will replace to "Net income attributable to ITOCHU" and "Net income attributable to ITOCHU per share" respectively. Please refer to "New Accounting Pronouncements" on (8), page 33.

#### 4. Other information

(1) Changes of classification of specified subsidiaries(\*) accompanied by changes in the consolidation scope during the fiscal year 2010: N/A

(\*) Specified subsidiaries: Major subsidiaries selected according to the Japanese Cabinet Office Ordinance

(2) Changes of accounting policies or presentation ways in the consolidated financial statements

(a) Changes due to amendment of accounting standards: Yes

(b) Other changes: N/A

Please refer to "New Accounting Pronouncements" on (8), page 33.

(3) Number of common shares issued

(a) Number of common shares outstanding: (including the number of treasury stock)	As of end of FY 2010	1,584,889,504	As end of FY 2009	1,584,889,504
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(b) Number of treasury stock:	As of end of FY 2010	4,379,005	As end of FY 2009	4,374,899
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(c) Average number of common shares outstanding:	For FY 2010	1,580,448,671	For FY 2009	1,580,579,472
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[Note]

1. This document is an English translation of a statement written initially in Japanese. The Japanese original should be considered the primary version.

2. The financial statements contain 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.

3. "Total trading transactions" and "Trading income" are presented in accordance with Japanese accounting practice.

- "Total trading transactions" in the consolidated statements of income consists of sales with respect to transactions in which the companies act as principal and the total amount of transactions in which the companies act as agent.

- "Trading income" = "Gross trading profit" + "Selling, general and administrative expenses" + "Provision for doubtful receivables"

4. The consolidated financial statements are expressed in yen and, solely for the convenience of the reader, have been translated into U.S. dollars at the rate of 93.04 yen = 1 U.S. dollar, the exchange rate prevailing on March 31, 2010. The translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at the above or any other rate.

5. In the first quarter of this fiscal year, "Statement of Financial Accounting Standards (SFAS)" No.160 was applied. It has been codified to "FASB Accounting Standards Codification™ (ASC)" Topic 810 (Consolidation). For details, please refer to "New Accounting Pronouncements" on (8), page 33.

6. "ITOCHU" in items of A/C on the consolidated financial statements represents ITOCHU Corporation.

## 1. Summary of Operations

### (1) General Economic Situations

In fiscal 2010, there was not a fully enough but continuously gradual recovery in the world economy from its deep recession phase caused by the financial crisis occurred mainly in developed countries, because of huge economic stimulus packages taken in various countries, eased monetary policies, and stabilized financial markets as well. In the United States of America, its economy started recovering after the last summer as its huge economic stimulus plans got effective. Also in Europe at the same time, economic policies worked effectively enough to recover economic situations in many countries, but the recovery pace was relatively slower than that in other regions. In emerging countries such as China, India, and Brazil, their economies steadily expanded with driving powers of increasing domestic demands supported by aggressive financial and monetary policies, and led the world economy. Such a recovery pace made the commodity prices rose like crude oil prices.

Japanese economy came out of recession in the last spring as exports mostly to Asian countries revived. Later on, though gradually, it continued recovering with the background of more increased shipments and stimulus packages for consumer durables by the government such as "ECO POINT" (reward for purchasing some specific energy-efficient home appliances) and "ECO-CAR GENZEI" (tax exemption for purchasing eco-cars). In harmony with the recovery, the Nikkei Stock Average rose from around 8,000 yen in last April to around 11,000 yen in the end of this March. In foreign exchange markets, yen got highly appreciated so as the exchange rate marked under 90 yen/USD in last November, due to the growing concerns about the budget deficit in the United States of America, and decreased inter-currency interest spread between Japan and the United States of America. However, after last December, as negative concerns for American financial deficit diminished and this made the spread increase, yen got so depreciated that the exchange rate marked over 90 yen per USD in the end of March.

### (2) Analysis of Operating Results

#### i) Operating results for fiscal 2010 (from April 1, 2009 to March 31, 2010)

**Revenue** for the fiscal 2010 ended March 31, 2010 decreased by 0.1% or 2.4 billion yen to 3,416.6 billion yen (36,722 million U.S. dollars) compared with the previous fiscal year, mainly due to, in Machinery, low transactions in automobiles and construction machinery; in Chemicals, Forest Products & General Merchandise, housing market slowdown in Japan and the U.S., and the effect from the deconsolidation by the sale of a subsidiary in the U.S. in the previous fiscal year; and in Food, price falls in food materials such as feed grains, oils and fats, even though it increased, in Energy, Metals & Minerals, due to the effect of an acquisition of ITOCHU ENEX CO., LTD. in the last third quarter despite the significant price falls on annual average in mineral resources and oil & gas.

**Gross trading profit** decreased by 12.8% or 136.2 billion yen to 924.4 billion yen (9,935 million U.S. dollars) compared with the previous fiscal year, mainly due to, in Energy, Metals & Minerals, significant price falls on annual average in mineral resources and oil & gas despite the positive effect from the acquisition of ITOCHU ENEX CO., LTD., and in Machinery, low transactions of automobiles and construction machinery, and the absence of multiple deliveries of newly built ships in the previous fiscal year.

**Selling, general and administrative expenses** increased by 0.2% or 1.8 billion yen to 769.9 billion yen (8,275 million U.S. dollars) compared with the previous fiscal year, mainly due to low performance of pension asset management and pension cost increase resulting from decrease in pension assets in the last fiscal year, in addition to the increase after the acquisitions of several companies including ITOCHU ENEX CO., LTD., even though it decreased due to cost reduction and deconsolidation in existing group subsidiaries.

**Provision for doubtful receivables** decreased by 57.9% or 9.7 billion yen to loss of 7.0 billion yen (76 million U.S. dollars) compared with the previous fiscal year, due to the absence of the provision for doubtful receivables from Machinery-related customers in Mongolia in the previous fiscal year, despite other provision for doubtful receivables.

**Net interest expenses** improved by 14.0% or 4.1 billion yen to expenses of 25.3 billion yen (272 million U.S. dollars) compared with the previous fiscal year mainly due to the upturn resulting from lower interest rates in U.S. dollars. **Dividends received** decreased by 17.5% or 6.1 billion yen to 28.9 billion yen (311 million U.S. dollars) compared with the previous fiscal year, mainly due to

decrease in dividends from LNG-related investments, despite increase in oil and gas-related investments. Therefore, **Net financial income (expenses)** or total of **Net interest expenses** and **Dividends received**, worsened by 2.0 billion yen to income of 3.6 billion yen (38 million U.S. dollars).

Concerning the other profits and losses, compared with the previous fiscal year, **Loss on investments-net** improved by 18.6 billion yen to loss of 4.5 billion yen (48 million U.S. dollars), due to significant decrease in devaluation loss with the gradual recovery of stock markets despite slight decrease in gain on sales of investments, and increase in loss on disposal of group companies as a result of the restructuring of some group companies. **Loss on property and equipment-net** improved by 36.9 billion yen to loss of 8.5 billion yen (92 million U.S. dollars), due to the absence of the loss arising from the Entrada Oil/Natural Gas Field Development Project in the U.S. Gulf of Mexico in the previous fiscal year in addition to decrease in impairment loss and gain on sales of properties in several subsidiaries. **Gain on bargain purchase in acquisition** recorded 14.0 billion yen (151 million U.S. dollars). This figure was recognized as at acquisitions of C.I.Kasei Co., Ltd., ITOCHU LOGISTICS CORP, and Leilian Co., LTD. (See Note 1). **Other-net** improved by 7.5 billion yen to gain of 3.0 billion yen (32 million U.S. dollars), due to the absence of the loss from the Entrada Oil/Natural Gas Field Development Project in the previous fiscal year in addition to improved gain (loss) on foreign currency translation.

As a result, **Income before income taxes and equity in earnings of associated companies** decreased by 25.6% or 53.3 billion yen to 155.0 billion yen (1,666 million U.S. dollars) compared with the previous fiscal year.

**Income taxes** decreased (improved) by 29.1% or 21.2 billion yen to 51.6 billion yen (555 million U.S. dollars) compared with the previous fiscal year.

**Equity in earnings of associated companies** worsened by 12.2% or 5.0 billion yen to gain of 36.3 billion yen (390 million U.S. dollars) compared with the previous fiscal year, due to decrease in steel products, mineral resources, and pulp-related companies, as well as impairment loss on investments in restaurant chain and finance-related associated companies as a result of the revaluation of their fair values and less equity in earnings from them, despite some increase in associated companies newly purchased or reorganized in Textile; Machinery; Energy, Metals & Minerals; and Food in addition to increase in existing associated companies as well in Machinery; and ICT , Aerospace & Electronics. Therefore, **Net income** decreased by 21.0% or 37.1 billion yen to 139.7 billion yen (1,501 million U.S. dollars) compared with the previous fiscal year.

As a result, **Net income attributable to ITOCHU**, calculated by **Net income** minus **Net income attributable to the noncontrolling interest**, 11.5 billion yen (124 million U.S. dollars), decreased by 22.5 % or 37.2 billion yen to 128.2 billion yen (1,377 million U.S. dollars) compared with the previous fiscal year.

(Note 1) The net impact for Net income attributable to ITOCHU is 6.2 billion yen (after income tax effect), which is total of Gain on bargain purchase in acquisition and loss on revaluation for pre-existing interests.

(Supplemental information)

"**Total trading transactions**" in accordance with Japanese accounting practice for fiscal 2010 decreased 14.6% or 1,758.3 billion yen to 10,306.8 billion yen (110,778 million U.S. dollars) mainly due to in Energy, Metals & Minerals, price falls on annual average in mineral resources and oil & gas despite an acquisition of ITOCHU ENEX CO., LTD.; in Machinery, the absence of multiple deliveries of newly built ships in the previous fiscal year in addition to low transactions in automobiles and construction machinery; in Chemicals, Forest Products & General Merchandise, price falls on annual average in chemicals, and housing market slowdown in Japan and the U.S.; and in Food the same reasons as mentioned in **Revenue**.

ii) Operating results for the three months ended March 31, 2010 (from January 1, 2010 to March 31, 2010)

**Revenue** for the three months ended March 31, 2010 increased by 1.5% or 13.5 billion yen to 902.7 billion yen (9,702 million U.S. dollars) compared with the same period of the previous fiscal year, mainly due to, in Finance, Realty, Insurance & Logistics Services, the sale of office properties and warehouses, the contribution of an acquisition of ITOCHU LOGISTICS CORP. in the first quarter;

and the gradual recovery of condominium sales compared with the same period of the previous fiscal year; and in Chemicals, Forest Products & General Merchandise, the recovery of chemical markets and the contribution of an acquisition of C.I.Kasei Co., Ltd., though there was some decrease in Energy, Metals & Minerals due to reduced LNG transactions caused; and in Machinery due to low transactions in automobiles and construction machinery.

**Gross trading profit** increased by 5.2% or 12.3 billion yen to 248.3 billion yen (2,669 million U.S. dollars) compared with the same period of the previous fiscal year, mainly due to, in Energy, Metals & Minerals, increased sales volume of coal, and price upturns in year-to-year comparison in mineral resources and oil & gas; in Machinery, the absence of impairment loss on inventory resulting from market slowdown in automobiles in the same period of the previous fiscal year; and in Chemicals, and Forest Products & General Merchandise, recovery trend of chemical market, besides an acquisition of C.I.Kasei Co., Ltd.

**Selling, general and administrative expenses** decreased by 3.1% or 6.2 billion yen to 191.8 billion yen (2,061 million U.S. dollars) compared with the same period of the previous fiscal year, mainly due to effects from continuous cost reduction in existing group subsidiaries, and yen's appreciation as well as deconsolidation of some companies, despite there was some increase resulting from an acquisition of C.I.Kasei Co., Ltd.

**Provision for doubtful receivables** decreased by 50.7% or 2.1 billion yen to loss of 2.1 billion yen (22 million U.S. dollars) compared with the same period of the previous fiscal year.

**Net interest expenses** improved by 12.4% or 0.9 billion yen to expenses of 6.5 billion yen (70 million U.S. dollars) compared with the same period of the previous fiscal year mainly due to the upturn resulting from lower interest rates in U.S. dollars. **Dividends received** improved by 84.6% or 6.7 billion yen to 14.5 billion yen (156 million U.S. dollars) compared with the same period of the previous fiscal year, mainly due to increase in dividends from oil and gas-related investments. Therefore, **Net financial income (expenses)** or total of **Net interest expenses** and **Dividends received**, increased by 7.6 billion yen to income of 8.1 billion yen (87 million U.S. dollars).

Concerning the other profits and losses, compared with the same period of the previous fiscal year, **Loss on investments-net** improved by 0.5 billion yen to loss of 8.9 billion yen (96 million U.S. dollars), due to decrease in devaluation loss and increase in gain on sales of investments despite increase in loss on business disposal as a result of the restructuring of group companies. **Loss on property and equipment-net** improved by 0.9 billion yen to loss of 9.4 billion yen (101 million U.S. dollars), due to decrease in impairment loss and increased gain on sales of properties. **Gain on bargain purchase in acquisition** recorded 4.9 billion yen (53 million U.S. dollars, see Note 2). **Other-net** worsened by 2.1 billion yen to gain of 2.9 billion yen (31 million U.S. dollars), compared with the same period of the previous fiscal year.

As a result, **Income before income taxes and equity in earnings of associated companies** increased by 32.4 billion yen to 52.0 billion yen (559 million U.S. dollars) compared with the same period of the previous fiscal year.

**Income taxes** decreased (improved) by 3.9 % or 0.1 billion yen to 2.4 billion yen (26 million U.S. dollars) compared with the same period of the previous fiscal year.

**Equity in earnings of associated companies** improved by 11.5 billion yen to gain of 2.1 billion yen (23 million U.S. dollars) compared with the same period of the previous fiscal year, due to increase in associated companies newly purchased or reorganized in Textile; Machinery; ICT, Aerospace & Electronics; Energy, Metals & Minerals; and Food as well as increase in existing associated companies in Textile; Machinery; ICT, Aerospace & Electronics; and Chemicals, Forest Products & General Merchandise, despite there was impairment loss on investments in restaurant chain and finance-related associated companies as a result of the revaluation of their fair values. Therefore, **Net income** increased by 43.9 billion yen to 51.7 billion yen (556 million U.S. dollars) compared with the same period of the previous fiscal year.

As a result, **Net income attributable to ITOCHU**, calculated by **Net income** minus **Net income attributable to the noncontrolling interest**, 4.2 billion yen (45 million U.S. dollars), increased by 44.8 billion yen to 47.5 billion yen (511 million U.S. dollars) compared with the same period of the previous fiscal year.

(Note 2) The effect on Net income attributable to ITOCHU from the bargain purchase transaction is 2.9 billion yen (after income tax effect).

(Supplemental information)

"**Total trading transactions**" in accordance with Japanese accounting practice for the three months ended March 31, 2010 increased 14.3% or 350.9 billion yen to 2,809.7 billion yen (30,198 million U.S. dollars) mainly due to in Energy, Metals & Minerals, price upturns in mineral resources and oil & gas; in Chemicals, Forest Products & General Merchandise and in Finance, Realty, Insurance & Logistics Services, the same reasons mentioned in **Revenue**, despite decrease in Machinery due to the absence of deliveries of ships and plants; and in Food with decreased food distribution transactions due to sluggish domestic consumption.

### (3) Analysis of Consolidated Financial Position

**Total assets** as of March 31, 2010, increased by 5.5 % or 284.8 billion yen compared with March 31, 2009, to 5,476.8 billion yen (58,866 million U.S. dollars), mainly due to new consolidation of some subsidiaries; in Chemicals, Forest Products & General Merchandise and in Energy, Metals & Minerals, increase in **Trade receivables** and **Inventories** associated with higher oil prices and chemical market recovery compared with the end of the previous fiscal year; and increase in investments and **Net property and equipment** resulting from the appreciations of Brazilian real and Australian dollar; as well as new investments in Textile and in Food.

**Interest-bearing debt** was 2,209.3 billion yen (23,745 million U.S. dollars), decreased by 7.5% or 180.1 billion yen, compared with March 31, 2009, despite the effect of new consolidation of some subsidiaries, and **Net interest-bearing debt** (interest-bearing debt after deduction **Cash and cash equivalents** and **Time deposits**) decreased by 1.7% or 30.7 billion yen compared with March 31, 2009, to 1,726.1 billion yen (18,552 million U.S. dollars).

**ITOCHU stockholders' equity**, which corresponds to **Total equity** before applying "Statement of Financial Accounting Standards" No.160 (codified to ASC Topic 810), increased by 29.3 % or 249.0 billion yen compared with March 31, 2009, to 1,098.4 billion yen (11,806 million U.S. dollars), due to dividend payment decrease, accumulation of Net income attributable to ITOCHU, improvement in **Foreign currency translation adjustments**, and improvement in **Unrealized holding gains on securities** and **Pension liability adjustments** resulting from recovery of stock market. As a result, **Ratio of stockholders' equity to total assets** (see Note 3) rose by 3.7 points compared with March 31, 2009, to 20.1%.

**Net DER** (Net Debt-to-Stockholders' Equity Ratio (see Note 3)) improved by 0.5 points compared with March 31, 2009, to 1.6 times.

**Total equity**, or total of **ITOCHU stockholders' equity** and **Noncontrolling interest**, which means the total equity of the entire Group, increased by 26.4% or 274.0 billion yen compared with March 31, 2009, to 1,311.4 billion yen (14,095 million U.S. dollars).

(Note 3) "Stockholders' equity" is equivalent to "ITOCHU stockholders' equity" which had been used until fiscal year 2009 and used in calculating "Ratio of stockholders' equity to total assets" and "NET DER".

#### (4) Consolidated Cash Flows Information

**Cash flows from operating activities** recorded net cash-inflow of 295.4 billion yen (3,175 million U.S. dollars) mainly due to good performance in operating revenue in overseas natural resource-related business, food, textile and chemicals business and reduction of inventories in automobile business.

**Cash flows from investing activities** recorded net cash-outflow of 196.3 billion yen (2,110 million U.S. dollars) mainly due to investments in the consumer-related sector, increased capital expenditure in overseas natural resource development sector (Energy, Metals & Minerals), and additional investments related to acquisitions of C.I.Kasei Co., Ltd. and ITOCHU LOGISTICS CORP.

**Cash flows from financing activities** recorded net cash-outflow (net repayment) of 259.0 billion yen (2,784 million U.S. dollars) mainly due to repayments of debt by the parent company and dividends payment. Consequently, Cash and cash equivalents as of December 31, 2009, decreased by 153.1 billion yen to 475.7 billion yen (5,113 million U.S. dollars) compared with March 31, 2009.

The trend of consolidated cash flow indices is as follows:

FY	2006	2007	2008	2009	2010
Ratio of stockholders' equity to total assets (%)	15.1%	16.9%	18.5%	16.4%	20.1%
Ratio of market capitalization to total assets (%)	33.2%	34.9%	29.5%	14.6%	23.7%
Years of debt redemption (years)	12.0yrs	9.2yrs	32.1yrs	8.6yrs	7.5yrs
Interest coverage ratio (times)	4.7	5.6	1.3	5.8	8.0

Consolidated cash flow indices are calculated as follows:

Ratio of stockholders' equity to total assets (%) = Stockholders' equity / Total assets

Ratio of market capitalization to total assets (%) = Market capitalization / Total assets

Years of debt redemption (years) = Interest-bearing debt / Cash flows from operating activities

Interest coverage ratio (times) = Cash flows from operating activities / Interest paid

## (5) Risk Information

ITOCHU Group is exposed to various risks such as market risks, credit risks and investment risks, due to the nature of a wide range of their businesses. These risks include unpredictable uncertainties and may have significant effects on their future business and financial performance.

ITOCHU Group has enhanced their risk management policy and risk management methodology to monitor and manage these risks, but it is impossible to completely avoid all these risks.

With respect to descriptions about future events, ITOCHU appropriately has determined its assumptions and estimates based on information currently available as of March 31, 2009.

### *i) Corporate Result Risks Due to Macroeconomic Factors*

ITOCHU Group involves a wide variety of business ranging from supply of raw materials to manufacturing and sale in each of their businesses areas. It conducts diverse types of commercial transactions such as purchase and sale of products in the domestic market, import/export trade between overseas affiliates as well as development of energy, metal resources and mineral resources. To give an overview of Group's main areas of business, trade in machinery such as plants, autos and construction machinery, trade in mineral resources, energy and chemical products, and investments in development are all largely dependent on economic trends in the world while the domestic economy has a relatively strong influence on the consumer and retail-related segments such as textiles and food. However, economic trends in the world have been more and more influential even on these consumer and retail-related segments as economic globalization proceeds. ITOCHU Group has conducted business and trade in many areas around the world including North America, China, and Asia which ITOCHU regards as priority areas. Consequently, the economic trends not only in world economy as a whole but also in specific overseas areas have a possibility to seriously affect the operations of the Group.

### *ii) Market Risk*

ITOCHU Group is exposed to market risks such as foreign exchange rate risks, interest rate risks, commodity price risks and stock price risks. The Group attempts to minimize risks related to market fluctuations such as changes in foreign exchange rates and interest rates by establishing risk management policy such as setting and controlling limits and by utilizing a variety of derivative instruments for hedging purposes.

#### *a) Foreign Exchange Rate Risk*

ITOCHU Group is exposed to foreign exchange rate risk related to transactions in foreign currencies due to their significant involvement in import/export trading. Therefore, ITOCHU is working to minimize foreign exchange rate risk by hedge transactions using derivatives such as forward exchange contracts. However, ITOCHU cannot guarantee a complete avoidance of such foreign exchange rate risk by utilizing these hedging techniques.

ITOCHU's investments in overseas businesses are exposed to the risk of stockholders' equity fluctuation through the accounting for foreign currency translation adjustments, due to changing foreign exchange rates. This foreign exchange rate risk has no impact on the business performance itself. In addition, a long period is generally needed to recover the cost of investments. Accordingly, ITOCHU does not hedge the foreign exchange rate risk, as the effectiveness provided by hedging is considered to be limited.

#### *b) Interest Rate Risk*

ITOCHU Group is exposed to interest rate risk in both raising and using money for financing, investing, and operating activities. Among the interest insensitive assets such as invested marketable securities or fixed assets, the part acquired using floating interest loans is considered to be the interest mismatch amount exposed to interest rate risk. ITOCHU is working to quantify the interest rate risk to control the fluctuation of gains and losses due to interest rate change properly.

To be specific, using the management method Earnings at Risk (EaR), ITOCHU has set a certain limit (Loss Cut Limit) as the highest acceptable interest expense and has executed hedging transactions primarily in the form of interest rate swaps to minimize interest rate risk.

However, ITOCHU still cannot guarantee a complete avoidance of interest rate risk, even having adopted these management methods.

#### *c) Commodity Price Risk*

As a trading company handling a diverse array of commodities, ITOCHU Group is exposed to commodity price risk due to such factors as market fluctuations. The Group has established a fundamental risk management policy on an individual Division Company basis, assessing purchase contracts, inventories, and sales contracts, etc. and sets and manages a balance limit and loss cut limit for each

individual product with conducting periodic reviews.

In addition, ITOCHU Group works to minimize commodity price risk by utilizing derivatives such as futures or forward contracts as means of hedging. Despite these measures, ITOCHU Group cannot guarantee a complete avoidance of commodity price risk.

ITOCHU Group also participates in resource development businesses such as the energy, metals and minerals sector and other manufacturing businesses. Production in these businesses is also exposed to the same commodity price risk noted above, and it is possible for the value of the businesses to deteriorate.

If this were to occur, it could seriously affect the financial position and results of operations of ITOCHU Group.

#### d) Stock Price Risk

ITOCHU Group holds available-for-sale securities which are vulnerable to price fluctuation. There is a risk that stockholders' equity may change in our consolidated financial statements along with the price fluctuations of these investments, and assuming that the fair value of these available-for-sale marketable securities decreased, the necessity of recognizing holding loss on securities may arise, and it could seriously affect the financial position and results of operations of ITOCHU Group.

#### iii) Credit Risks

ITOCHU Group conducts a vast array of commercial transactions with its trading partners, both domestically and overseas. ITOCHU therefore bears credit risk from the uncollectible trading receivables, loans, or credits for guaranty held by the Group due to the deteriorating credit status or insolvency of ITOCHU's partners, from assuming a responsibility to fulfill the contracts as an involved party is unable to continue its business and fulfill its obligations under the contracts.

In ITOCHU, the credit department, which is independent of the business departments, manages credit risk on both quantitative and qualitative bases. Each proposal submitted by a business division undergoes careful screening by the credit department, which then sets an appropriate credit limit upon the completion of review. Specific expiration dates are set for credit limits. These limits and the status of trade receivables are monitored on a periodic basis along with periodic reviews of the status of debt collections and delinquencies. The necessary reserves are determined and booked on this basis. With all these measures, however, the occurrence of credit risks cannot be completely avoided, and such occurrences could seriously affect the financial position and results of operations of ITOCHU Group.

#### iv) Country Risk

ITOCHU Group has trading relationships with many foreign countries. These include handling foreign goods and investments in foreign trading partners. ITOCHU Group therefore is exposed to country risk resulting from regulations imposed by foreign governments, political instability, or restrictions on the transfers of funds. In response to the country risk, in addition to taking appropriate countermeasures for each transaction, with the aim of avoiding a concentration of exposure, ITOCHU Group is endeavoring to manage risk by setting total limit guidelines and limits for each country and setting credit policies appropriate to each country.

ITOCHU Group does, however, have debts in countries and regions where there is a relatively high probability of country risk emerging, and those in which business activities are implemented through loans, investment and guarantees for monetary indebtedness. When those debts and business activities face events caused by political, economic, or social instability, ITOCHU Group cannot entirely deny the possibility that those events may have a significant impact on the debt collection and sustainability of ITOCHU Group's business activities in such countries and regions. Such occurrences could have a serious, adverse effect on the financial position and results of operations of ITOCHU Group.

#### v) Investment Risk

Investing in a variety of businesses is one of the major business activities of ITOCHU Group. In managing the Group's portfolio of investments strategically, ITOCHU Group faces serious decisions regarding the initiation of new investments that will produce profit commensurate with the attendant risk, or the withdrawal from investments that do not produce profits consistent with attendant risks.

However, in ITOCHU Group's engagement in investing activities, there may arise such cases that the Group is unable to achieve the Group's forecasted results from the invested businesses due to deteriorating management environment for the businesses in which the Group have invested or the deteriorating corporate results and financial standing of ITOCHU's partners, ITOCHU Group is unable to withdraw from a business or restructure the business under a timeframe or method that the Group desires due to the difference of business policy from the partners' or low liquidity of investments etc., the likelihood of investment recovery is lowered due to poor corporate results of investees, or stock prices is expected to drop below a specified level for a considerable period of time. In such cases, serious adverse influences on the future corporate results and financial standing of ITOCHU Group are possible including the necessities that the whole or partial investment is recognized as loss, and that the infusion of additional funds is required.

*vi) Risks Due to Impairment Loss on Fixed Assets*

ITOCHU Group is exposed to impairment loss risks on fixed assets held, such as real estate, aircraft, and ships. ITOCHU does not foresee at present any necessity for booking additional impairment losses.

However, ITOCHU Group might be required to recognize impairment losses should the economic value of fixed assets deteriorate due to decreased demand or deterioration in market conditions for each of the assets. Such an occurrence could seriously affect the financial position and results of operations of ITOCHU Group.

*vii) Risks Due to Fund Raising*

ITOCHU Group uses ALM (Asset Liability Management) to ensure the necessary funding for its businesses and to ensure liquidity through debt from domestic and international financial institutions, as well as the issuance of commercial papers and debentures. However, should ITOCHU's credit worthiness in the capital market deteriorate due to a significant lowering of the Company's credit rating, or should there be an upheaval in the financial systems in major financial markets, the Group could experience an inability to raise funds from financial institutions or investors when necessary or under desirable conditions and could consequently experience an increase in funding costs. This could exert a serious, adverse influence on the financial position and results of operations of ITOCHU Group.

*viii) Risks Due to Pension Cost and Projected Benefit Obligations*

The benefit expenses and benefit obligations of ITOCHU are calculated based on actuarial calculations that utilize a variety of assumptions such as the discount rate for benefit obligations and the expected rate of return on pension assets. However, should it become necessary to change the assumptions on which the actuarial calculations are based or should pension assets be affected by deterioration in the stock market, it is possible that pension cost and projected benefit obligations could increase and that additional contributions to pension assets might be necessary. The financial position and results of operations of ITOCHU Group could be seriously affected by such occurrences.

*ix) Risks Due to Deferred Taxes*

Deferred tax assets are an important factor in ITOCHU's consolidated balance sheets. Therefore, accounting judgment on evaluation of deferred tax assets has a substantial impact on ITOCHU's consolidated financial statements.

Considering the necessity of an allowance for deferred tax assets, ITOCHU Group reports the realizable amount of deferred tax assets, taking into consideration future taxable income and feasible tax planning strategies.

The management of ITOCHU Group believes these estimations of realizable amount of deferred tax assets are rational. However, allowance for deferred taxes may increase or decrease depending on changes in estimated taxable income during the tax planning period, changes in the tax system including changes in tax rates, and changes in tax planning strategies. In that case it could seriously affect the financial position and results of operations of ITOCHU Group.

*x) Risks Due to Competition*

Due to ITOCHU Group's involvement in many different industries and the fact that the Group handles a vast array of products and services, the Group is open to competition from many different companies, both domestic and foreign, including competition from other general trading companies. ITOCHU Group cannot deny the existence of other companies with superior experience, technology, and funding capacity, that are in a position to provide products and services that meet customer needs. Moreover, ever-greater competition from companies in newly developing countries like China exists in addition to ongoing competition from companies in European and North American industrialized countries due to the economic globalization. ITOCHU Group could also find its competitiveness unsustainable due to future events such as deregulation, changes in the business environment such as entering into other industries, and technological innovation. The advent of such risks could cause a corresponding loss in competitiveness for ITOCHU Group, giving major adverse impact on the financial position and results of operations of ITOCHU Group.

*xi) Risks Associated with Significant Lawsuits*

There is no significant, currently pending lawsuit, arbitration, or other legal proceeding that may materially affect the financial position or results of the operations of ITOCHU Group.

However, there shall be no assurance that domestic or overseas business activities of ITOCHU Group may not become subject to any of such lawsuits, arbitrations or other legal proceedings.

*xii) Risks Associated with Compliance*

a) Risks Related to Laws and Regulations

ITOCHU Group is subject to a number of diverse laws and regulations both domestically and overseas due to the vast array of products and services the Group provides.

To be specific, ITOCHU Group is required to adhere to laws and regulations such as companies act, financial instruments and exchange laws, tax laws, the laws for each industry, all laws pertaining to trade such as foreign exchange control laws, antitrust laws, intellectual property laws, waste disposal laws and the laws of each country in which ITOCHU Group conducts business overseas. ITOCHU Group is aware that the observance of laws and regulations is a serious obligation on the part of the Company and the Group has committed every effort into the observance of these laws and regulations by reinforcing the compliance system. With all these measures, however, there is a possibility of the situation where, including personal misconduct by directors and employees, risks associated with compliance or suffering social disgrace cannot be removed.

Also, ITOCHU cannot deny that unexpected, additional enactment or change in laws and regulations by legislative, judicial, and regulatory bodies are a possibility both domestically and overseas, and there are possibilities of major change in laws and regulations by political/economical changes. This could exert a serious, adverse influence on the financial position and results of operations of ITOCHU Group.

b) Risks Related to the Environment

ITOCHU Group has designated global environmental issues as one of the most important elements of its management policy. The Group is actively working on environmental issues designated by ITOCHU's environmental policy to deal with the risk of infringement of laws and regulations pertaining to the environment by each business, the destruction of the natural environment by investments such as natural resource development and real estate development, and goods handling and service delivery. Despite these efforts, ITOCHU Group cannot guarantee that the Group's business activities will not affect the world environment, and ITOCHU cannot completely avoid the possibility that the opposition of environmental protection groups will impede the business growth. Should such events occur, the ITOCHU Group could suffer the loss of public trust and could suffer serious adverse effects on the financial position and results of operations of ITOCHU Group.

*xiii) Risks Associated with Information Systems and Information Security*

In ITOCHU Group, a code of conduct concerning the handling of information is enforced on all directors and employees and high priority is placed on maintaining a high information security level. ITOCHU Group has established information systems to facilitate the sharing of information and to improve the efficiency of operations. In order to maintain a secure operation of its information systems, ITOCHU Group has established security guidelines and has developed crisis control measures.

Despite these measures, ITOCHU Group cannot completely avoid the possibility of unauthorized access from the outside, the leakage of sensitive company information due to computer viruses, or operational failure of the system due to damage to information system equipment arising from natural disasters or accidents or from trouble with telecommunications circuitry. If such events occur, this could cause a deterioration of operational efficiency, and depending on the seriousness of the damage, could result in a serious adverse effect on the financial position and results of operations of ITOCHU Group.

*xiv) Natural Disaster Risk*

Natural disasters such as earthquake or infectious diseases such as the new influenza may adversely affect the operations of ITOCHU Group. ITOCHU has implemented measures such as developing Business Continuity Plan (BCP) under a large-scale disasters or outbreak of the new influenza, introducing the safety confirmation system, creating a disaster manual, reinforcing earthquake resistance, and conducting emergency drill. Also, various measures have been implemented individually in each Group company. However, since ITOCHU Group operates business activities in a vast range of regions, damage from natural disasters or infectious diseases such as the new influenza cannot be completely avoided. Therefore, damage inflicted from natural disasters or infectious diseases such as the new influenza could seriously affect the financial position and results of operations of ITOCHU Group.

## 2. Performance of Group Companies attributable to ITOCHU

### Components of Consolidated Net Income attributable to ITOCHU

[Years ended March 31, 2010 and 2009]

(Unit: billion yen)	2010	2009	Increase (Decrease)
Parent company	63.5	64.4	(0.9)
Group companies excluding overseas trading subsidiaries	118.4	139.7	(21.3)
Overseas trading subsidiaries	7.9	20.3	(12.5)
Subtotal	189.8	224.4	(34.7)
Consolidation adjustments	(61.6)	(59.0)	(2.6)
Consolidated net income attributable to ITOCHU	128.2	165.4	(37.2)
Earnings from overseas businesses (*)	70.1	111.6	(41.5)
Share of earnings from overseas businesses	55%	67%	

[For the three months ended March 31, 2010 and 2009]

(Unit: billion yen)	2010 Jan.-Mar.	2009 Jan.-Mar.	Increase (Decrease)
Parent company	23.9	19.4	4.5
Group companies excluding overseas trading subsidiaries	36.5	6.7	29.8
Overseas trading subsidiaries	1.9	1.9	0.0
Subtotal	62.4	28.0	34.4
Consolidation adjustments	(14.8)	(25.3)	10.4
Consolidated net income attributable to ITOCHU	47.5	2.7	44.8
Earnings from overseas businesses(*)	28.7	11.5	17.2
Share of earnings from overseas businesses	60%	42.3%	

(\*) "Earnings from overseas businesses" is the total of net income attributable to ITOCHU of overseas trading subsidiaries and overseas group companies, plus net income attributable to ITOCHU of overseas branch of parent company and the companies established in Japan for specific overseas business whose sources of revenue are in overseas.

### Number of Group Companies

	March 31, 2010			March 31, 2009			Increase	Decrease	Changes within Group	Net changes	
	Domestic	Overseas	Total	Domestic	Overseas	Total					
Subsidiaries	105	152	257	106	157	263	+ 9	(16)	+ 3	(2)	(6)
Equity-method associated companies	65	91	156	70	87	157	+ 17	(17)	(3)	+ 2	(1)
Total	170	243	413	176	244	420	+ 26	(33)			(7)

(Note) From this first quarter, the criteria to count group companies is changed so that the number of companies directly invested by ITOCHU or its overseas trading subsidiaries are shown above.

Besides, the following shows the number of companies by the above mentioned method in the past two fiscal years end.

March 31, 2008 Subsidiaries:261, Equity-method associated companies:163, Total:424

March 31, 2007 Subsidiaries:279, Equity-method associated companies:155, Total:434

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

	(Unit: billion yen)								
	2010			2009			Increase (Decrease)		
	Profits	Losses	Total	Profits	Losses	Total	Profits	Losses	Total
Group companies excluding overseas trading subsidiaries	156.6	(38.2)	118.4	198.1	(58.3)	139.7	(41.5)	20.2	(21.3)
Overseas trading subsidiaries	9.7	(1.8)	7.9	20.8	(0.5)	20.3	(11.1)	(1.3)	(12.5)
Total	166.2	(40.0)	126.3	218.9	(58.8)	160.1	(52.6)	18.8	(33.8)

### Number/Share of Group Companies Reporting Profits

		(Unit: billion yen)								
		2010			2009			Increase (Decrease)		
		Profits	Losses	Total	Profits	Losses	Total	Profits	Losses	Total
Subsidiaries	Domestic	77	28	105	82	24	106	(5)	4	(1)
	Overseas	109	43	152	118	39	157	(9)	4	(5)
	Total	186	71	257	200	63	263	(14)	8	(6)
Equity-method associated companies	Share (%)	72.4%	27.6%	100.0%	76.0%	24.0%	100.0%	(3.7%)	3.7%	
	Domestic	49	16	65	48	22	70	1	(6)	(5)
	Overseas	62	29	91	61	26	87	1	3	4
Total	Total	111	45	156	109	48	157	2	(3)	(1)
	Share (%)	71.2%	28.8%	100.0%	69.4%	30.6%	100.0%	1.7%	(1.7%)	
	Domestic	126	44	170	130	46	176	(4)	(2)	(6)
Total	Overseas	171	72	243	179	65	244	(8)	7	(1)
	Total	297	116	413	309	111	420	(12)	5	(7)
	Share (%)	71.9%	28.1%	100.0%	73.6%	26.4%	100.0%	(1.7%)	1.7%	

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

		(Unit: billion yen)								
		2010			2009			Increase (Decrease)		
		Profits	Losses	Total	Profits	Losses	Total	Profits	Losses	Total
Subsidiaries	Domestic	48.1	(6.4)	41.8	40.6	(10.1)	30.4	7.6	3.8	11.4
	Overseas (**)	56.7	(14.4)	42.3	121.0	(35.6)	85.4	(64.3)	21.2	(43.1)
	Total	104.8	(20.7)	84.1	161.5	(45.8)	115.8	(56.7)	25.0	(31.7)
Equity-method associated companies	Domestic	38.1	(15.5)	22.7	37.6	(8.9)	28.8	0.5	(6.6)	(6.1)
	Overseas	23.3	(3.8)	19.5	19.7	(4.2)	15.5	3.6	0.4	4.0
	Total	61.4	(19.2)	42.2	57.3	(13.0)	44.3	4.1	(6.2)	(2.1)
Total	Domestic	86.3	(21.8)	64.4	78.2	(19.0)	59.2	8.0	(2.8)	5.2
	Overseas	80.0	(18.2)	61.8	140.7	(39.8)	100.8	(60.7)	21.7	(39.0)
	Total	166.2	(40.0)	126.3	218.9	(58.8)	160.1	(52.6)	18.8	(33.8)

(\*\*)Results of "Overseas trading subsidiaries" which are included in the above "Overseas" are as follows:

Overseas trading subsidiaries	2010			2009			Increase (Decrease)		
	Profits	Losses	Total	Profits	Losses	Total	Profits	Losses	Total
	9.7	(1.8)	7.9	20.8	(0.5)	20.3	(11.1)	(1.3)	(12.5)

### Major New Group Companies

Business Field	Name	Country	Voting Shares	Categories
Textile	MARUKO CO., LTD.	Japan	(26.5%)	Manufacturing and sales of women's underwear
Textile	T.KAWABE & CO., LTD.	Japan	(25.3%)	Manufacturing and sales of handkerchiefs
Textile	Leilian Co., LTD.	Japan	(61.1%)	Retail sales of ready-to-wear apparel for women
Energy	Nippon Uranium Resources (Australia) Pty Ltd	Australia	(100.0%)	Investment company in uranium development
General Merchandise	YOKOHAMA RUSSIA LLC	Russia	(20.0%)	Sales of tires
Chemicals	Toda America, Inc.	U.S.A.	(50.0%)	Manufacturing and sales of positive-electrode material for lithium-ion batteries
Chemicals	Toda Advanced Materials Inc.	Canada	(50.0%)	Manufacturing and sales of positive-electrode material for precursors
Food	TING HSIN (CAYMAN ISLANDS) HOLDING CORP.	Cayman	(20.0%)	Holding company of food manufacture and sales, restaurants, and retail businesses

**Performance of Group Companies (Impact of Net Income attributable to ITOCHU)**

Years ended March 31, 2010 and 2009

**Major Group Companies**

(Unit: billion yen)

	Name	Shares	Method of Consolidation	Net Income attributable to ITOCHU (*1)				Categories
				2010		2009		
				4Q		4Q		
Textile	JOFX CORPORATION	100.0%	Consolidation	0.6	0.1	0.4	0.4	Manufacture, retail and sale of men's apparel
	SANKEI CO., LTD.	90.5%	Consolidation	(0.3)	(0.1)	(0.2)	0.1	Sale of garment accessories
	ITOCHU Textile Prominent (ASIA) Ltd. (*4) (Hong Kong)	100.0%	Consolidation	0.2	0.5	0.2	0.6	Production control and wholesale of textile and apparel
	ITOCHU TEXTILE (CHINA) CO., Ltd. (*5) (China)	100.0%	Consolidation	0.4	0.9	0.3	1.0	Production control and wholesale of textile materials, fabrics and apparel
Machinery	ITOCHU CONSTRUCTION MACHINERY CO., LTD.	100.0%	Consolidation	0.2	0.5	0.0	0.4	Sale and rental of construction machinery
	MCL Group Limited (*6) (U.K.)	100.0%	Consolidation	0.2	(0.6)	(2.1)	(2.5)	Warehousing, retail and financing of motor vehicles
	ITOCHU Automobile America Inc. (U.S.A.)	100.0%	Consolidation	(0.7)	(1.0)	(1.2)	(1.6)	Retail, distribution, and trade of motor vehicles
	Century Tokyo Leasing Corporation	20.6%	Equity	(*2)	(*2)	0.0	1.0	Lease, installment sale, business lease and other
ICT, Aerospace & Electronics (*3)	ITOCHU Techno-Solutions Corporation	52.6%	Consolidation	3.7	6.8	5.0	6.9	Sale and maintenance of computer network systems, customized development of software, data center service, and support
	Excite Japan Co., Ltd.	58.8%	Consolidation	(*2)	(*2)	(0.2)	(1.4)	Providing services of Internet information
	ITC NETWORKS CORPORATION	60.7%	Consolidation	0.3	1.6	0.6	1.6	Sale of mobile phone units, mobile phones-related solution business
	NANO Media Inc.	51.3%	Consolidation	(*2)	(*2)	(0.1)	(0.6)	Content publishing, mobile site operation and application development
	SPACE SHOWER NETWORKS INC.	50.8%	Consolidation	(0.1)	(0.1)	(0.1)	0.1	Music channel on cable/satellite television
	ITOCHU Sanki Corporation (*7)	100.0%	Consolidation	0.1	0.2	0.3	0.4	Import/Export and domestic sale of industrial machinery
	JAMCO Corporation	33.3%	Equity	(*2)	(*2)	0.3	0.3	Maintenance of aircraft and manufacture of aircraft interior
	SUNCALL CORPORATION	26.4%	Equity	(*2)	(*2)	(0.1)	0.1	Manufacturing and sale of optical communication devices, electronic devices and assembly
Energy, Metals & Minerals	ITOCHU Metals Corporation	100.0%	Consolidation	0.3	0.8	0.1	1.4	Import/Export and wholesale of non-ferrous/light metals and recycle business mainly in metal products
	ITOCHU Petroleum Japan Ltd.	100.0%	Consolidation	(0.4)	0.8	(0.7)	5.0	Investment in companies of trade of crude oil and petroleum products
	ITOCHU ENEX CO., LTD.	53.7%	Consolidation	0.9	1.6	0.8	2.0	Wholesale of petroleum products and high-pressure gas
	ITOCHU Minerals & Energy of Australia Pty Ltd (*8) (Australia)	100.0%	Consolidation	10.7	34.1	6.6	71.2	Investment in projects of iron ore, coal and bauxite mining, manufacture of alumina and oil exploration
	ITOCHU Oil Exploration (Azerbaijan) Inc. (Cayman)	100.0%	Consolidation	2.5	6.9	5.5	26.1	Exploration and production of crude oil and gas
	Marubeni-Itochu Steel Inc.	50.0%	Equity	0.5	2.7	0.9	14.8	Import/Export and wholesale of steel products
	Brazil Japan Iron Ore Corporation	47.7%	Equity	1.7	4.0	0.0	0.0	Investment in projects of iron ore in Brazil
Chemicals, Forest Products & General Merchandise	ITOCHU Kenzai Corp.	87.3%	Consolidation	0.2	0.2	(0.8)	(1.0)	Wholesale of wood products and building materials
	ITOCHU Pulp & Paper Corp.	100.0%	Consolidation	0.0	0.2	(0.2)	0.1	Wholesale of paper, paperboards and various paper materials
	ITOCHU CHEMICAL FRONTIER Corporation	99.8%	Consolidation	0.5	1.9	0.2	1.1	Wholesale of fine chemicals and related raw materials
	ITOCHU PLASTICS INC.	100.0%	Consolidation	0.7	1.9	0.2	1.6	Wholesale of plastics and related products
	C.I.Kasei Co., Ltd. (*9)	97.6%	Consolidation	0.0	2.0	(1.0)	(1.1)	Manufacture and sale of plastic products
	DAIKEN CORPORATION	25.1%	Equity	(*2)	(*2)	0.0	0.1	Manufacture and sale of building materials
	TAKIRON Co., Ltd.	27.5%	Equity	(*2)	(*2)	(0.2)	(0.3)	Manufacture, processing and sale of plastic products
Food	ITOCHU SHOKUHIN Co., Ltd.	50.8%	Consolidation	(*2)	(*2)	(0.4)	0.7	Wholesale of foods and liquor
	NIPPON ACCESS, INC.	69.8%	Consolidation	(*2)	(*2)	1.3	3.7	Wholesale and distribution of foods
	Yoshinoya Holdings Co., Ltd. (*11)	21.0%	Equity	(3.8)	(4.3)	(1.3)	(1.5)	Wide-ranging operation of food service business
	Japan Foods Co., Ltd.	34.8%	Equity	0.0	0.1	0.0	0.0	Production on consignment and sale of soft drinks
	Fuji Oil Co., Ltd.	25.7%	Equity	(*2)	(*2)	0.6	2.0	Integrated manufacturer of cooking oil and soybean protein
	FamilyMart Co., Ltd.	31.5%	Equity	0.2	4.7	0.5	5.3	Operation of a convenience store chain
	Prima Meat Packers, Ltd.	39.8%	Equity	(*2)	(*2)	0.1	1.9	Production and sale of meat, ham, sausage and processed foods
Finance, Realty, Insurance & Logistics Services	ITOCHU Finance Corporation	99.1%	Consolidation	(1.5)	(1.7)	(1.0)	0.6	Loan and other finance-related business
	FX PRIME Corporation	55.0%	Consolidation	(*2)	(*2)	0.1	0.9	Foreign exchange margin trade
	ITOCHU LOGISTICS CORP. (*10)	99.0%	Consolidation	0.1	2.0	(0.1)	0.1	Comprehensive logistics services
	ITOCHU Property Development, Ltd.	99.9%	Consolidation	2.6	0.5	(0.5)	0.3	Development and sale of housing
	Orient Corporation (*11)	32.6%	Equity	(*2)	(*2)	(5.7)	(2.7)	Consumer credit
	eGuarantee, Inc.	31.7%	Equity	(*2)	(*2)	0.0	0.1	B to B credit guarantee service
Other	Century Medical, Inc.	100.0%	Consolidation	0.2	0.6	0.2	0.5	Import and wholesale of medical equipment and materials
Overseas trading subsidiaries	ITOCHU International Inc. (*12) (U.S.A.)	100.0%	Consolidation	(1.4)	(1.7)	0.7	8.6	U.S. trading subsidiary
	ITOCHU Europe PLC. (*6) (U.K.)	100.0%	Consolidation	0.4	0.3	0.5	0.3	Europe trading subsidiary
	ITOCHU Hong Kong Ltd. (*4) (Hong Kong)	100.0%	Consolidation	0.7	2.1	0.5	2.3	Hong Kong trading subsidiary
	ITOCHU (China) Holding Co., Ltd. (*5) (China)	100.0%	Consolidation	1.0	2.3	0.0	2.8	China trading subsidiary
	ITOCHU Australia Ltd. (*8) (Australia)	100.0%	Consolidation	0.5	1.5	0.3	3.0	Australia trading subsidiary

(\*1) Net income attributable to ITOCHU is the figure after adjusting to U.S. GAAP, which may be different from the figures each company announces.

(\*2) Refer to the results announced by each corresponding company, as their announcement dates are on and after ITOCHU's announcement date of Fiscal Year 2010.

(\*3) As of April 1, 2009, Aerospace, Electronics &amp; Multimedia Company was renamed to ICT, Aerospace &amp; Electronics Company.

(\*4) The above figure of ITOCHU Hong Kong Ltd. includes 40.0% of that of ITOCHU Textile Prominent (ASIA) Ltd.

(\*5) The above figure of ITOCHU (China) Holding Co., Ltd. includes 40.0% of that of ITOCHU TEXTILE (CHINA) CO., Ltd.

(\*6) The above figure of ITOCHU Europe PLC. includes 8.6% of that of MCL Group Limited.

(\*7) As of April 1, 2010, ITOCHU Sanki Corporation and ITOCHU MECHATRONICS CORPORATION were merged to be newly named as ITOCHU MACHINE-TECHNOS CORPORATION.

(\*8) The above figure of ITOCHU Australia Ltd. includes 3.7% of that of ITOCHU Minerals &amp; Energy of Australia Pty Ltd.

(\*9) C.I.Kasei Co., Ltd. has been acquired since this first quarter. The above figure of this company includes the profit resulting from the gain on bargain purchase in acquisition.

(\*10) i-LOGISTICS CORP. has been acquired since this first quarter. i-LOGISTICS CORP. changed its corporate name to ITOCHU LOGISTICS CORP. effective January 1, 2010.

The above figure of this company includes the profit resulting from the gain on bargain purchase in acquisition.

(\*11) The above figure of Orient Corporation and Yoshinoya Holdings Co., Ltd. include the related tax effect.

(\*12) The above figure of ITOCHU International Inc. includes 80.0% of that of PrimeSource Building Products, Inc.

## Performance of Group Companies (Impact of Net Income attributable to ITOCHU)

Years ended March 31, 2010 and 2009

### Major Group Companies Reporting Profits

(Unit: billion yen)

Name	Segment (*13)	Shares	Net Income attributable to ITOCHU (*1)			Main reasons for changes
			2010	2009	Increase (Decrease)	
[Domestic subsidiaries]						
ITOCHU Techno-Solutions Corporation	Ict	52.6%	6.8	6.9	(0.1)	Almost the same level due to reduced customer IT investments offset by cost reduction
Leilian Co., LTD.	Tex	61.1%	2.9	-	2.9	Started consolidation from this fourth quarter. Due to gain on bargain purchase in acquisition.
C.I.Kasei Co., Ltd.	(*9) Che	97.6%	2.0	(1.1)	3.1	Significant increase due to cost reduction, the absence of impairment loss of fixed assets and reversal of the deferred tax asset in the previous fiscal year, and net gain on bargain purchase in acquisition and revaluation for pre-existing interests in this first quarter.
ITOCHU LOGISTICS CORP.	(*10) Fin	99.0%	2.0	0.1	1.9	Increase due to net gain on bargain purchase in acquisition and revaluation for pre-existing interests in this first quarter.
ITOCHU CHEMICAL FRONTIER Corporation	Che	99.8%	1.9	1.1	0.8	Increase due to recovery of price and demand in this fiscal year, despite last fiscal year's significant price falls after the third quarter
ITOCHU PLASTICS INC.	Che	100.0%	1.9	1.6	0.3	Increase due to demand recovery of automobile, electronics, and semiconductor-related materials in addition to the absence of impairment loss on investments in the previous fiscal year
ITOCHU Oil Exploration Co.,Ltd.	Ene	100.0%	1.8	0.3	1.5	Increase due to significant increase in dividends received from Sakhalin Oil and Gas Development Co., Ltd.
ITOCHU ENEX CO., LTD.	Ene	53.7%	1.6	2.0	(0.4)	Decrease due to worsened profitability resulting from increasingly intense competition associated with demand shrink
ITC NETWORKS CORPORATION	Ict	60.7%	1.6	1.6	(0.1)	Sales decrease in mobile phones
[Overseas subsidiaries]						
ITOCHU Minerals & Energy of Australia Pty Ltd	(*8) (Australia) Ene	100.0%	34.1	71.2	(37.1)	Decrease due to price falls in mineral resources on annual average
ITOCHU Oil Exploration (Azerbaijan) Inc.	(Cayman) Ene	100.0%	6.9	26.1	(19.2)	Decrease due to oil price falls on annual average
PrimeSource Building Products, Inc.	(*12) (U.S.A.) Che	100.0%	4.7	8.3	(3.6)	Decrease due to housing market slowdown in North America
ITOCHU (China) Holding Co., Ltd.	(*5) (China) Ove	100.0%	2.3	2.8	(0.6)	Decrease due to reduced transactions in plastics and nonferrous metal transactions mainly for electronics and semiconductor sectors throughout the year despite increase in the fourth quarter
ITOCHU Hong Kong Ltd.	(*4) (Hong Kong) Ove	100.0%	2.1	2.3	(0.2)	Decreased profit from textile and finance businesses despite the absence of loss transactions resulting from price plunges in chemicals in the previous fiscal year
ITOCHU Singapore Pte, Ltd.	(Singapore) Ove	100.0%	1.7	1.0	0.6	Increase due to good performance in chemical trading for Asia
ITOCHU Oil Exploration (BTC) Inc.	(Cayman) Ene	51.4%	1.6	0.9	0.7	Increase in dividends received from Baku-Tbilisi-Ceyhan Pipeline Company
ITOCHU Australia Ltd.	(*8) (Australia) Ove	100.0%	1.5	3.0	(1.6)	Significant profit decrease from ITOCHU Mineral & Energy of Australia Pty Ltd. as a year-to-year comparison
I-Power Investment Inc.	(U.S.A.) Mac	100.0%	1.2	0.1	1.1	Increase due to sale of biomass power project in the fourth quarter in addition to good performance in IPP associated company whose equity pick-up started since this first quarter
[Domestic equity-method associated companies]						
FamilyMart Co., Ltd.	Fod	31.5%	4.7	5.3	(0.6)	Decrease due to lack of Taspo cards effect and sales decrease resulting from weak consumer spending
Brazil Japan Iron Ore Corporation	Ene	47.7%	4.0	0.0	4.0	Equity pick-up started since this first quarter. Steady growth after this first quarter.
Marubeni-Itochu Steel Inc.	Ene	50.0%	2.7	14.8	(12.1)	Reduced demand for steel products both in Japan and overseas as a year-to-year comparison
[Overseas equity-method associated companies]						
TING HSIN (CAYMAN ISLANDS) HOLDING CORP.	(Cayman) Fod	20.0%	8.7	-	8.7	Equity pick-up started since this first quarter, and some profit from food production business and gain on sale of securities were recognized.

### Major Group Companies Reporting Losses

(Unit: billion yen)

Name	Segment (*13)	Shares	Net Income attributable to ITOCHU (*1)			Main reasons for changes
			2010	2009	Increase (Decrease)	
[Domestic subsidiaries]						
ITOCHU Finance Corporation	Fin	99.1%	(1.7)	0.6	(2.3)	Worsened equity in earnings of card-related associated company, decrease resulting from reduced loan balance, and the absence of gain on sale of stocks in the previous fiscal year
ITOCHU ELECTRONICS CORP.	Ict	92.1%	(0.4)	(0.1)	(0.4)	Occurrence of an unprofitable project in system development
Daishin Plywood Co., Ltd.	Che	99.4%	(0.4)	(0.1)	(0.3)	Effect from reduced production resulting from weak domestic housing market
GANBARE JAPAN KIGYO FUND	Oth	30.6%	(0.3)	(0.2)	(0.1)	Increased impairment loss on investments
[Overseas subsidiaries]						
CIECO Energy (US) Limited	(U.S.A.) Ene	100.0%	(2.2)	(22.4)	20.2	Deficit due to impairment loss on oil and gas assets from low oil and gas prices despite significant improvement due to the absence of the loss from Entrada Oil/Natural Gas Field Development Project in the previous fiscal year
ITOCHU International Inc.	(*12) (U.S.A.) Ove	100.0%	(1.7)	8.6	(10.3)	Decrease due to low performance in housing material and construction machinery business in addition to significant decrease arising from price falls and poor demand in equipment material business
ITOCHU Automobile America Inc.	(U.S.A.) Mac	100.0%	(1.0)	(1.6)	0.6	Improved due to cost reduction and the absence of impairment loss on goodwill in the previous fiscal year despite deficit recorded due to continuous decreased automobile sales resulting from recession in the U.S. and reversal of deferred tax assets
MCL Group Limited	(*6) (U.K.) Mac	100.0%	(0.6)	(2.5)	1.9	Improved due to withdrawal from unprofitable retail business despite continuous deficit
ITOCHU AirLease B.V.	(Netherlands) Ict	100.0%	(0.4)	0.0	(0.4)	Deficit due to reduced profit from lease and loss from interest swap cancellation
[Domestic equity-method associated companies]						
Yoshinoya Holdings Co., Ltd.	(*11) Fod	21.0%	(4.3)	(1.5)	(2.8)	Impairment loss on investments in addition to poor performance in main and subsidiaries' business
Japan Brazil Paper and Pulp Resources Development Co., Ltd	Che	25.9%	(0.7)	4.9	(5.6)	Pulp price falls on annual average and exchange loss from Brazilian real
Japan Medical Dynamic Marketing, INC.	Oth	30.0%	(0.5)	0.5	(1.0)	Impairment loss of inventory in addition to the absence of the profit, gain on negative goodwill associated with new investment in the previous fiscal year

(\*13) Tex : Textile, Mac : Machinery, Ict : ICT, Aerospace & Electronics, Ene : Energy, Metals & Minerals, Che : Chemicals, Forest Products & General Merchandise, Fod : Food,

Fin : Finance, Realty, Insurance & Logistics Services, Ove : Overseas trading subsidiaries, Oth : Other

Note1 : Please refer to the bottom of page 13 for detail of (\*1)-(\*12)

## Performance of Group Companies (Impact of Net Income attributable to ITOCHU)

For the three months ended March 31, 2010 and 2009

### Major Group Companies Reporting Profits

(Unit: billion yen)

Name	Segment (*13)	Shares	Net Income attributable to ITOCHU (*1)			Main reasons for changes
			2010 Jan.-Mar.	2009 Jan.-Mar.	Increase (Decrease)	
[Domestic subsidiaries]						
ITOCHU Techno-Solutions Corporation	Ict	52.6%	3.7	5.0	(1.2)	Due to reduced customer IT investments
Leilian Co., LTD.	Tex	61.1%	2.9	-	2.9	Started consolidation from this fourth quarter. Due to gain on bargain purchase in acquisition.
C.I.Kasei Co., Ltd.	(*9) Che	97.6%	0.0	(1.0)	1.0	Increase due to cost reduction, and the absence of impairment loss of fixed assets and reversal of the deferred tax asset in the same period of the previous fiscal year
ITOCHU LOGISTICS CORP.	(*10) Fin	99.0%	0.1	(0.1)	0.2	Increase due to the absence of business loss related to the refrigerated warehouse business in the same period of the previous fiscal year
ITOCHU CHEMICAL FRONTIER Corporation	Che	99.8%	0.5	0.2	0.3	Recovery of price and demand this quarter compared with significant price falls in the same period of the previous fiscal year
ITOCHU PLASTICS INC.	Che	100.0%	0.7	0.2	0.4	Increase due to demand recovery of automobile, electronics, and semiconductor-related materials
ITOCHU Oil Exploration Co., Ltd.	Ene	100.0%	1.3	0.0	1.3	Significant increase in dividends received from Sakhalin Oil and Gas Development Co., Ltd.
ITOCHU ENEX CO., LTD.	Ene	53.7%	0.9	0.8	0.2	Improved profitability due to improved market environment
ITC NETWORKS CORPORATION	Ict	60.7%	0.3	0.6	(0.4)	Sales decrease in mobile phones
[Overseas subsidiaries]						
ITOCHU Minerals & Energy of Australia Pty Ltd	(*8) (Australia) Ene	100.0%	10.7	6.6	4.1	Increase due to sale of stocks and improved exchange gain (loss) resulting from higher Australian dollar
ITOCHU Oil Exploration (Azerbaijan) Inc.	(Cayman) Ene	100.0%	2.5	5.5	(3.0)	Decrease due to oil price falls
PrimeSource Building Products, Inc.	(*12) (U.S.A.) Che	100.0%	1.8	1.8	(0.1)	Almost the same level as the same period of the previous fiscal year, as the housing market in North America is still on recovery despite reversal of the provision for doubtful receivables
ITOCHU (China) Holding Co., Ltd.	(*5) (China) Ove	100.0%	1.0	0.0	1.0	Increase due to the absence of bad-debt loss in the same period of the previous fiscal year and gradually recovered transactions in plastics mainly related to electronics and semiconductor sectors, and increase from new equity investment in textile
ITOCHU Hong Kong Ltd.	(*4) (Hong Kong) Ove	100.0%	0.7	0.5	0.2	Increase due to increased profit from finance-related business by the comparison only of a fourth-quarter
ITOCHU Singapore Pte, Ltd.	(Singapore) Ove	100.0%	0.4	0.0	0.4	Increase due to good performance in chemical trading for Asia
ITOCHU Oil Exploration (BTC) Inc.	(Cayman) Ene	51.4%	0.6	0.4	0.1	Increase in dividends received from Baku-Tbilisi-Ceyhan Pipeline Company
ITOCHU Australia Ltd.	(*8) (Australia) Ove	100.0%	0.5	0.3	0.2	Increase in equity earnings of ITOCHU Mineral & Energy of Australia Pty Ltd.
I-Power Investment Inc.	(U.S.A.) Mac	100.0%	0.8	0.0	0.8	Increase due to sale of biomass power project in the fourth quarter in addition to good performance in IPP associated company whose equity pick-up started since this first quarter
[Domestic equity-method associated companies]						
FamilyMart Co., Ltd.	Fod	31.5%	0.2	0.5	(0.3)	Due to sales decrease resulting from weak consumer spending
Brazil Japan Iron Ore Corporation	Ene	47.7%	1.7	0.0	1.7	Equity pick-up started since this first quarter and was in due course as this third quarter.
Marubeni-Itochu Steel Inc.	Ene	50.0%	0.5	0.9	(0.4)	Decrease due to impairment loss on the fixed assets despite partial upturn of demand for steel products both in Japan and overseas
[Overseas equity-method associated companies]						
TING HSIN (CAYMAN ISLANDS) HOLDING CORP.	(Cayman) Fod	20.0%	6.5	-	6.5	Equity pick-up started since this first quarter, and there is some profit from food production business and gain on sale of securities

### Major Group Companies Reporting Losses

(Unit: billion yen)

Name	Segment (*13)	Shares	Net Income attributable to ITOCHU (*1)			Main reasons for changes
			2010 Jan.-Mar.	2009 Jan.-Mar.	Increase (Decrease)	
[Domestic subsidiaries]						
ITOCHU Finance Corporation	Fin	99.1%	(1.5)	(1.0)	(0.5)	Due to worsened equity in earnings of card-related associated company, and reduced loan balance
ITOCHU ELECTRONICS CORP.	Ict	92.1%	(0.1)	(0.1)	(0.0)	Almost the same level
Daishin Plywood Co., Ltd.	Che	99.4%	0.0	(0.1)	0.1	Due to the absence of reduced production resulting from weak domestic housing market in the same period of the previous fiscal year
GANBARE JAPAN KIGYO FUND	Oth	30.6%	(0.1)	(0.2)	0.1	Deficit despite the improvement due to reduced impairment loss on investments compared with the same period of the previous fiscal year
[Overseas subsidiaries]						
CIECO Energy (US) Limited	(U.S.A.) Ene	100.0%	(1.4)	(1.0)	(0.4)	Decrease due to impairment loss on oil and gas assets and low gas prices
ITOCHU International Inc.	(*12) (U.S.A.) Ove	100.0%	(1.4)	0.7	(2.1)	Decrease due to low performance in equipment material business and disposal of housing material-related business
ITOCHU Automobile America Inc.	(U.S.A.) Mac	100.0%	(0.7)	(1.2)	0.4	Improved due to cost reduction and the absence of impairment loss on goodwill in the same period of the previous fiscal year despite deficit recorded due to continuous decreased automobile sales resulting from weak economy in the U.S. and reversal of deferred tax asset
MCL Group Limited	(*6) (U.K.) Mac	100.0%	0.2	(2.1)	2.3	Improved due to withdrawal from unprofitable retail business in addition to the absence of impairment loss on fixed assets in the same period of the previous fiscal year
ITOCHU AirLease B.V.	(Netherlands) Ict	100.0%	(0.3)	0.0	(0.3)	Due to reduced profit from lease and loss from interest swap cancellation
[Domestic equity-method associated companies]						
Yoshinoya Holdings Co., Ltd.	(*11) Fod	21.0%	(3.8)	(1.3)	(2.4)	Decrease due to impairment loss on investments in addition to poor performance in main business and loss in a subsidiary
Japan Brazil Paper and Pulp Resources Development Co., Ltd	Che	25.9%	1.3	1.5	(0.3)	Decrease compared with the same period of the previous fiscal year despite pulp price on the rise
Japan Medical Dynamic Marketing, INC.	Oth	30.0%	0.1	0.1	0.1	Slight increase due to gain from the transfer of marketing authorization approval

(\*13) Tex : Textile, Mac : Machinery, Ict : ICT, Aerospace & Electronics, Ene : Energy, Metals & Minerals, Che : Chemicals, Forest Products & General Merchandise, Fod : Food,

Fin : Finance, Realty, Insurance & Logistics Services, Ove : Overseas trading subsidiaries, Oth : Other

Note1 : Please refer to the bottom of page 13 for detail of (\*1)-(\*12)

### **3. Management Policy**

#### Enhancing Corporate Value on the World Stage

In the two-year mid-term management plan, "Frontier<sup>c</sup> 2010 - Aspiring to be a Global Enterprise and Creating the Future" since the fiscal year commencing in April 2009, ITOCHU has worked based on its basic policy to review our base business grounds, and continue to challenge and change, aiming to steadily proceed for becoming "a highly attractive global enterprise", considering radical changes in world economy. The followings show apparent results in the fiscal year ended March 31, 2009 as the first year of "Frontier<sup>c</sup> 2010".

Consumer-related sector: in Textile, ITOCHU acquired JAVA HOLDINGS CO., LTD. which owns subsidiaries in clothing for young women and children, and Leilian Co., Ltd. which has strong sales bases in women's apparel mainly for married women. ITOCHU also promoted business and capital alliances with other major companies in each area including innerwear and life care. In Food, ITOCHU completed an investment in TING HSIN (CAYMAN ISLANDS) HOLDING CORP., which is a holding company of the Ting Hsin group, a major food distribution group in China and Taiwan, and made it an equity-method associated company. In Japan, ITOCHU concluded capital and business alliance with UNY Co., Ltd. and Izumiya Co., Ltd. ITOCHU also decided to purchase additional common stocks of NIPPON ACCESS, INC. through TOB, and completed the TOB in this April. Furthermore, Family Mart Co., Ltd., one of the equity-method associated companies, purchased all of the stocks of am/pm Japan Co., Ltd. to acquire the company, and the two companies merged after that. With these measures, ITOCHU is strengthening businesses in intermediate distribution area and retail area to promote global business deployment. In Forest Products and General Merchandise area, ITOCHU established a tire manufacturing company in Russia together with the Yokohama Rubber Company, Ltd., by which ITOCHU will make closer alliance with the company and expand production and sales of Yokohama tires in Russia.

Natural resource / energy-related sector: in Natural resource area, in RGP-4 and RGP-5 project in West Australia iron ore business with BHP Billiton Ltd., the capacity expansion work to annual production about 200 million tons is underway as initially planned for completion goal in 2011. In Energy area, ITOCHU has decided to invest in "Chirag Oil Project" in the ACG field in the Caspian Sea. The investment in the project will be 6 billion dollars in total and is planning to construct a new platform which is aiming at an operation start in 2013. This is to contribute to expanding ITOCHU's share of production significantly. ITOCHU established a joint company with a Malaysian world's largest palm oil producer, FELDA Palm Industries Sdn. Bhd. to build a plant for producing solid biomass fuel from empty fruit bunches, and started constructing the plant. The plant is planned to start operation in 2010 for producing 120 thousand tons a year, and to sell the produced fuel to power companies in Japan. ITOCHU also acquired 15% shares of a British resource related company, Kalahari Minerals plc. and agreed to be involved in the management of the company. The said company is a top stock holder of Extract Resources Ltd., holding 40% shares. Extract Resources Ltd. is an Australian company which holds the entire interest in a large uranium field in Namibia in Africa which is presumed to have world top class reserves of the resource, and it is planned to start production of uranium in the field in 2013. ITOCHU Group will make use of our position as one of the world top uranium trader for this project to supply stable uranium resource to Japan.

Other sectors: in Machinery, in bidding for the world largest scale seawater conversion project which is promoted by the government of Victoria, Australia in PPP form (the contract form where the public and the private sectors jointly get involved in a project), a consortium in which ITOCHU participates won the bid for the project right.

As part of the prioritized area for new business development, "L-I-N-E-s" (See Note), ITOCHU underwrote the allocation of new shares to a third party for U.S. Ener1 Inc. which controls a lithium-ion battery manufacturer, EnerDel, Inc. to strengthen the alliance in product sales and business, on the other hand, ITOCHU set forward business of storage battery by establishing a joint company with TODA KOGYO CORP. in the U.S. for manufacturing and selling positive-electrode materials for lithium-ion batteries and putting a positive-electrode material manufacturing subsidiary of the said company in Canada into a joint company.

<NOTE> "L-I-N-E-s" refers to the following four business areas plus "s" for synergy meaning cross-sectional business engagement: Life care (medical services and health related businesses), Infrastructure (functional infrastructure of IT, LT, and FT, and social infrastructure related businesses), New Technologies & Materials (bio- and nano-technologies), and Environment & New Energy (bioethanol and photovoltaic generation).

#### Further Promotion of the Mid-term Management Plan "Frontier<sup>e</sup> 2010"

In the fiscal year commencing April 2010, the last year of the mid-term management plan "Frontier<sup>e</sup> 2010 - Aspiring to be a Global Enterprise and Creating the Future", ITOCHU is going to continue the basic strategy since the previous fiscal year as well as to set up "Re-buildup of Workplace Power" in order to vitalize the workplace and increase the profitability.

First, "Expansion of revenue base by well-selected investments and restructuring of assets".

ITOCHU is going on focusing on engagement in L-I-N-E-s, which will be a pillar of revenue source in the future, especially in "Life Care" and "Environment & New Energy" areas. ITOCHU prioritizes "solar photovoltaic generation", "rechargeable batteries", and "aqua-related business", and above all, in order to reinforce solar power business, ITOCHU is steadily moving forward with business activities mainly led by Solar Business Department, a new organization set up in 2009. Also, ITOCHU continues to enhance overseas revenue bases, which will lead to sustainable growth in the future, as one of the most important operational measures, and promotes to develop projects and pursues revenue. Continuously in the fiscal year ending March 31, 2011, ITOCHU is planning to promote new investments with careful project organizing kept in mind, while to steadily conduct asset reshuffle through withdrawal of non-profitable businesses whose reasons to hold are no longer meaningful.

Second, "Strengthen financial standing and refine risk management". Though the world seems to turn the corner on the strict financial conditions, ITOCHU continues to increase stockholders' equity and well-manage the balance sheet to maintain the healthy level of main financial ratios. ITOCHU facilitates utilization of overseas group finance to do global finance controlling so as to steadily deal with out fund demand while improving fund efficiency.

Third, "Evolution of management systems". ITOCHU continuously promotes CSR, reinforces the corporate governance, as well as develops and implements effective internal control regarding compliance and financial reporting.

Fourth, "Roll out global human resource strategy in full-scale". ITOCHU focuses on global human resource strategy to conduct specific enhancement measures of human resources based on respective domestic staff members in line with the basic policy of global human resource strategy, "total optimum of the whole Group with global perspectives".

With all mentioned above, ITOCHU enhances corporate value to reward its stakeholders and proceed step-by-step toward a truly attractive global enterprise.

#### Dividend policy

ITOCHU maintains and reinforces its competitive power as well as increases stockholders' equity by retaining earnings to promote growth strategies. ITOCHU's basic policy regarding dividend payments is a consistent and stable distribution of returns to the stockholders considering its business performance. Through "Frontier<sup>e</sup> 2010", ITOCHU increases dividend amount gradually and aims to improve consolidated dividend payout ratio, while improving parent company's stockholders' equity.



## Major Group Companies' Forecasts of Fiscal Year 2011

ITOCHU's major group companies' forecasts of fiscal year 2011 are as follows.

[ Major Group Companies'(unlisted companies) forecasts of fiscal year 2011 ]

(Unit: billion yen)

Name		Shares	ITOCHU's share of Net income [Forecasts]	ITOCHU's share of Net income [FY 2010] (Note 2)
Textile	JOIX CORPORATION	100.0%	0.4	0.1
	SANKI COMPANY LIMITED	90.5%	1.4	(0.1)
	ITOCHU Textile Prominent (ASIA) Ltd. (Hong Kong)	100.0%	0.8	0.5
	ITOCHU TEXTILE (CHINA) CO., Ltd. (China)	100.0%	1.0	0.9
Machinery	ITOCHU CONSTRUCTION MACHINERY CO., LTD.	100.0%	0.5	0.5
	MCL Group Limited (U.K.)	100.0%	0.0	(0.6)
	ITOCHU Automobile America Inc. (U.S.A.)	100.0%	0.0	(1.0)
ICT, Aerospace & Electronics	ITOCHU MACHINE-TECHNOS (Note 4)	100.0%	0.3	0.2
Energy, Metals & Minerals	ITOCHU Metals Corporation	100.0%	0.9	0.8
	ITOCHU Petroleum Japan Ltd.	100.0%	1.3	0.8
	ITOCHU Minerals & Energy of Australia Pty Ltd (Australia)	100.0%	79.4	34.1
	ITOCHU Oil Exploration (Azerbaijan) Inc. (Cayman)	100.0%	10.5	6.9
	Marubeni-Itchu Steel Inc.	50.0%	(Note 3)	2.7
Chemicals, Forest Products & General Merchandise	ITOCHU Kenzai Corp.	87.3%	0.5	0.2
	ITOCHU Pulp & Paper Corp.	100.0%	0.3	0.2
	ITOCHU CHEMICAL FRONTIER Corporation	99.8%	2.1	1.9
	ITOCHU PLASTICS INC.	100.0%	2.1	1.9
	C.I.Kasei Co., Ltd.	97.6%	1.0	2.0
Finance, Realty, Insurance & Logistics Services	ITOCHU Finance Corporation	99.1%	0.4	(1.7)
	ITOCHU LOGISTICS CORP.	99.0%	0.5	2.0
	ITOCHU Property Development, Ltd.	99.9%	1.8	0.5
Other	Century Medical, Inc.	100.0%	0.6	0.6
Overseas	ITOCHU International Inc. (U.S.A.)	100.0%	3.6	(1.7)
	ITOCHU Europe PLC. (U.K.)	100.0%	0.8	0.3
	ITOCHU Hong Kong Ltd. (Hong Kong)	100.0%	2.5	2.1
	ITOCHU (China) Holding Co., Ltd. (China)	100.0%	4.0	2.3
	ITOCHU Australia Ltd. (Australia)	100.0%	3.2	1.5

[ Major Group Companies'(listed companies) forecasts of fiscal 2011 ]

(Unit: billion yen)

Name	(Expected) Date of Announcement	Companies' Forecasts	Shares	ITOCHU's share of Net income [Forecasts] (Note 1)	ITOCHU's share of Net income [FY 2010] (Note 2)	
Machinery	Century Tokyo Leasing Corporation	May.10	(Note 3)	(Note 3)	(Note 2)	
ICT, Aerospace & Electronics	ITOCHU Techno-Solutions Corporation	Apr.30	12.5	6.6	6.8	
	Excite Japan Co., Ltd.	May.7	(Note 3)	(Note 3)	(Note 2)	
	ITC NETWORKS CORPORATION	Apr.30	2.4	60.7%	1.4	1.6
	NANO Media Inc.	May.7	(Note 3)	51.3%	(Note 3)	(Note 2)
	SPACE SHOWER NETWORKS INC.	Apr.28	0.0	50.8%	0.0	(0.1)
	JAMCO Corporation	May.11	(Note 3)	33.3%	(Note 3)	(Note 2)
	SUNCALL CORPORATION	May.14	(Note 3)	26.4%	(Note 3)	(Note 2)
Energy, Metals & Minerals	ITOCHU ENEX CO., LTD.	Apr.30	3.8	53.7%	2.0	1.6
Chemicals, Forest Products & General Merchandise	DAIKEN CORPORATION	May.17	(Note 3)	25.1%	(Note 3)	(Note 2)
	TAKIRON Co., Ltd.	May.12	(Note 3)	27.5%	(Note 3)	(Note 2)
Food	ITOCHU SHOKUHIN Co., Ltd.	May.11	3.3	50.8%	(Note 5)	(Note 2)
	Yoshinoya Holdings Co., Ltd.	Apr.14	0.1	21.0%	0.0	(4.3)
	Japan Foods Co., Ltd.	Apr.28	0.5	34.8%	0.2	0.1
	Fuji Oil Co., Ltd.	May.7	(Note 3)	25.7%	(Note 3)	(Note 2)
	FamilyMart Co., Ltd.	Apr.8	16.4	31.5%	5.2	4.7
	Prima Meat Packers, Ltd.	May.14	(Note 3)	39.8%	(Note 3)	(Note 2)
Finance, Realty, Insurance & Logistics Services	FX PRIME Corporation	May.14	(Note 6)	55.0%	(Note 6)	(Note 2)
	Orient Corporation	May.11	(Note 7)	32.6%	(Note 7)	(Note 2)
	eGuarantee, Inc.	May.14	(Note 3)	31.7%	(Note 3)	(Note 2)

(Note 1) ITOCHU's share of Net income [Forecasts] for Major Group Companies' (listed companies) described above excludes U.S. GAAP adjustments.

(Note 2) ITOCHU's share of Net income [FY 2010] is the figures after adjusting to U.S. GAAP.As for listed group companies which are scheduled to announce their results on and after May 7, refer to the updated information to be released through ITOCHU website around end of May.

(Note 3) Please refer to the forecasts to be announced by the company.

(Note 4) On April 1, 2010, ITOCHU Sanki Corporation and ITOCHU MECHATRONICS CORPORATION, Ltd merged to form ITOCHU MACHINE-TECHNOS.

(Note 5) The fiscal year of ITOCHU SHOKUHIN Co., Ltd. ends in September, which is different from that of ITOCHU. As ITOCHU's accounting policy, the total of second half of the previous fiscal year and the first half of the current fiscal year for ITOCHU SHOKUHIN Co., Ltd. is recognized in the consolidated financial statements. Therefore, since the figure obtained by multiplying the company's announced annual estimated income by its share does not show the corresponding ITOCHU's estimated income for this fiscal year, ITOCHU refrains from describing the figure.

(Note 6) Although FX PRIME Corporation has announced its performance results, ITOCHU has declined to announce the figures in the above table since the company does not disclose performance forecast as an individual company.

(Note 7) ITOCHU has adopted U.S. GAAP, which prescribes a substantial number of different accounting treatments from Japanese GAAP with regard to financial transactions for consumer credit companies. Therefore, for Orient Corporation, ITOCHU has declined to announce the figures in the above table since a discrepancy may occur between the estimation announced by the company and that of ITOCHU, which is calculated by multiplying the figures after U.S. GAAP adjustments by the share.

#### 4. Consolidated Financial Statements

-Unaudited-

Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States of America.

##### (1) Consolidated Statements of Income-Annual [Condensed]

ITOCHU Corporation and Subsidiaries

Years ended March 31, 2010 and 2009

	Millions of Yen		Millions of U.S. dollars
	2010	2009	2010
<b>Revenue:</b>			
Sales revenue.....	¥ 2,885,598	¥ 2,821,553	\$ 31,014
Trading margins and commissions on trading transactions.....	531,039	597,508	5,708
Total revenue.....	3,416,637	3,419,061	36,722
Cost of sales.....	(2,492,271)	(2,358,540)	(26,787)
<b>Gross trading profit .....</b>	<b>924,366</b>	<b>1,060,521</b>	<b>9,935</b>
Selling, general and administrative expenses.....	(769,907)	(768,115)	(8,275)
Provision for doubtful receivables.....	(7,045)	(16,742)	(76)
Interest income.....	9,911	16,253	107
Interest expense.....	(35,249)	(45,710)	(379)
Dividends received.....	28,900	35,039	311
Loss on investments-net.....	(4,456)	(23,066)	(48)
Loss on property and equipment-net.....	(8,548)	(45,407)	(92)
Gain on bargain purchase in acquisition.....	14,015	-	151
Other-net.....	2,999	(4,515)	32
Total other-expenses.....	(769,380)	(852,263)	(8,269)
<b>Income before income taxes and equity in earnings of associated companies.....</b>	<b>154,986</b>	<b>208,258</b>	<b>1,666</b>
Income taxes.....	(51,571)	(72,757)	(555)
<b>Income before equity in earnings of associated companies.....</b>	<b>103,415</b>	<b>135,501</b>	<b>1,111</b>
Equity in earnings of associated companies.....	36,269	41,304	390
<b>Net income.....</b>	<b>139,684</b>	<b>176,805</b>	<b>1,501</b>
Less: Net income attributable to the noncontrolling interest.....	(11,531)	(11,415)	(124)
<b>Net income attributable to ITOCHU.....</b>	<b>¥ 128,153</b>	<b>¥ 165,390</b>	<b>\$ 1,377</b>

Note :

1."Total trading transactions" in accordance with Japanese accounting practice consists of sales with respect to transactions in which the companies act as principal and the total amount of transactions in which the companies act as agent.

Total trading transactions for the years ended March 31, 2010 and 2009 were 10,306,799 million yen (110,778 million U.S.dollars) and 12,065,109 million yen respectively.

2.In the first quarter of this fiscal year, SFAS160 (codified to ASC Topic 810) was applied. For details, please refer to "New Accounting Pronouncements" on (8), page 33.

3."Gain on bargain purchase in acquisition" has been separately stated in the Consolidated Statements of Income from this second quarter, which was previously included in "Other-net".

[Explanation for Consolidated Statements of Income]

	(Unit : billion yen)	2010	2009	Increase (Decrease)	
Revenue	Revenue	3,416.6	3,419.1	(2.4)	<u>Main reasons for changes</u> Decrease due to price falls on annual average in mineral resources, oil & gas, and food materials, reduced transactions in automobiles and construction machinery, and slowdown in housing market in Japan and the U.S. despite increase due to the several acquisitions including ITOCHU ENEX CO., LTD.
Gross trading profit	Gross trading profit	924.4	1,060.5	(136.2)	Decrease in revenue in ITOCHU Corporation and existing subsidiaries: -170.2 Increase due to acquisition of subsidiaries : +67.5 Decrease due to deconsolidation of subsidiaries : -9.2 Decrease due to exchange rate fluctuations : -24.3 Refer to "(9) Segment Information" on page 35-36
Selling, general and administrative expenses	Total of SG & A	(769.9)	(768.1)	(1.8)	Decrease in ITOCHU Corporation and existing subsidiaries : +28.2 [Increase in pension cost : -4.5]
	Personnel expenses	(316.3)	(298.2)	(18.1)	Increase due to acquisition of subsidiaries : -57.8
	(Pension cost)	(19.7)	(13.8)	(5.9)	[Increase in pension cost : -1.4]
	Other expenses	(453.6)	(469.9)	16.3	Decrease due to deconsolidation of subsidiaries : +10.0
	(Service charge, distribution costs)	(242.5)	(253.9)	11.4	Decrease due to exchange rate fluctuations : +17.8
	(Rent, depreciation and amortization)	(91.6)	(86.1)	(5.5)	
	(Travel expenses)	(18.9)	(25.3)	6.4	
	(Others)	(100.7)	(104.6)	4.0	
Provision for doubtful receivables	Provision for doubtful receivables	(7.0)	(16.7)	9.7	Absence of the provision for doubtful receivables from Machinery-related customers in Mongolia in the previous fiscal year +10.8 Increase due to allowance for other doubtful receivables -1.1
Net financial income	Net financial income	3.6	5.6	(2.0)	Decrease in dividends received, improvement of net interest expenses
	Interest income	9.9	16.3	(6.3)	
	Interest expense	(35.2)	(45.7)	10.5	Improvement of net interest expenses due to decline in U.S. dollars interest rate
	Net interest expense	(25.3)	(29.5)	4.1	Dividends received from LNG-related investments -8.9 (17.8→ 8.9)
	Dividends received	28.9	35.0	(6.1)	Dividends received from an oil and gas-related investment +5.5 (2.0→ 7.4)
Loss on investments-net	Loss on investments-net	Note.1 (4.5)	(23.1)	18.6	Impairment loss on investments +26.2 (-46.0→ -19.8) Net gain on sales of investments -2.1 (26.7→ 24.6) Loss on business disposals and others -5.5 (-3.9→ -9.3)
Loss on property and equipment-net	Loss on property and equipment-net	(8.5)	(45.4)	36.9	Absence of the loss from Entrada Oil/Natural Gas Field Development Project(i); and decrease in other impairment losses on property and equipment in the previous fiscal year(ii)+34.4 (-45.4→ -11.0) [(i):+29.2 / (ii):+5.2] Net gain on sales of property and equipment +2.5 (-0.0→ 2.5)
Gain on bargain purchase in acquisition	Gain on bargain purchase in acquisition	Note.1 14.0	-	14.0	Gain in the acquisitions of C.I.Kasei Co., Ltd. and ITOCHU LOGISTICS CORP. and Leilian Co., LTD. Note.1 Net gain recognized in the acquisition: Total of "Loss on investments-net (-3.5)" and "Gain on bargain purchase in acquisition (+14.0)" is +10.6 (+6.2 after income tax effect).
Other-net	Other-net	3.0	(4.5)	7.5	Absence of the loss from Entrada Oil/Natural Gas Field Development Project +7.1 (-7.1→ -) Foreign currency exchange gains and losses +3.4 (-3.1→ 0.3) Others -2.9 (5.7→ 2.7)
Income taxes	Income taxes	(51.6)	(72.8)	21.2	
Equity in earnings of associated companies	Equity in earnings of associated companies	36.3	41.3	(5.0)	(TING HSIN (CAYMAN ISLANDS) HOLDING CORP. +8.7 (- → 8.7) Century Tokyo Leasing Corporation>Note.2) [Net profit related to a merger +1.1] Brazil Japan Iron Ore Corporation +4.0 (0.0→ 4.0) Equity-method associated companies of I-Power Investment Inc. +2.2 (0.1→ 2.3) Marubeni-Itochu Steel Inc. -12.1 (14.8→ 2.7) Orient Corporation>Note.2) [Impairment loss on investment>Note.3) -1.2 (-10.8 → -11.9)] Japan Brazil Paper and Pulp Resources Development Co., Ltd. -5.6 (4.9→ -0.7) Yoshinoya Holdings Co., Ltd>Note.3) -3.3 (-2.6 → -5.9) Refer to "Performance of Group Companies" on page 14
					(Note.2) Refer to the results announced by each corresponding company, as their announcement dates are on and after ITOCHU's announcement date of Fiscal Year 2010. (Note.3) Income tax effect on the impairment loss is not included
Total trading transactions	Total trading transactions	10,306.8	12,065.1	(1,758.3)	Refer to "(9) Segment Information" on page 35-36
	Gross trading profit ratio	9.0%	8.8%	0.2%	Effect of exchange rate fluctuations: Approximately -400.0
Adjusted profit	Adjusted profit	194.3	339.3	(145.0)	Adjusted profit (-145.0)= Gross trading profit (-136.2)+ SG&A expenses (-1.8) + Net financial income (-2.0)+ Equity in earnings of associated companies (-5.0) The amount ( ) represents changes from the previous fiscal year

[Average exchange rate Yen/USD]  
[For March closing companies]

2010	2009	Changes
93.36	100.54	(7.18)
2009	2008	Changes
100.54	115.56	(15.02)

[For December closing companies]

2010	2009	Changes
93.54	105.10	(11.56)
2009	2008	Changes
105.10	118.21	(13.11)

[Average exchange rate Yen/AUD]  
[For March closing companies]

2010	2009	Changes
77.68	82.10	(4.42)
2009	2008	Changes
82.10	98.78	(16.68)

**(2) Consolidated Statements of Income-Quarterly [Condensed]**

-Unaudited-

ITOCHU Corporation and Subsidiaries

For the three months ended March 31, 2010 and 2009

	Millions of Yen		Millions of
	Jan.-Mar.2010	Jan.-Mar.2009	U.S. dollars
			Jan.-Mar.2010
<b>Revenue:</b>			
Sales revenue.....	¥ 764,782	¥ 742,575	\$ 8,220
Trading margins and commissions on trading transactions.....	137,906	146,597	1,482
Total revenue.....	902,688	889,172	9,702
Cost of sales.....	(654,390)	(653,195)	(7,033)
<b>Gross trading profit .....</b>	<b>248,298</b>	<b>235,977</b>	<b>2,669</b>
Selling, general and administrative expenses.....	(191,780)	(197,952)	(2,061)
Provision for doubtful receivables.....	(2,088)	(4,235)	(22)
Interest income.....	2,181	3,645	23
Interest expense.....	(8,652)	(11,029)	(93)
Dividends received.....	14,534	7,874	156
Loss on investments-net.....	(8,945)	(9,474)	(96)
Loss on property and equipment-net.....	(9,389)	(10,260)	(101)
Gain on bargain purchase in acquisition.....	4,886	-	53
Other-net.....	2,924	5,056	31
Total other-expenses.....	(196,329)	(216,375)	(2,110)
<b>Income before income taxes and equity in earnings of associated companies.....</b>	<b>51,969</b>	<b>19,602</b>	<b>559</b>
Income taxes.....	(2,368)	(2,464)	(26)
<b>Income before equity in earnings of associated companies.....</b>	<b>49,601</b>	<b>17,138</b>	<b>533</b>
Equity in earnings (losses) of associated companies.....	2,110	(9,365)	23
<b>Net income.....</b>	<b>51,711</b>	<b>7,773</b>	<b>556</b>
Less: Net income attributable to the noncontrolling interest.....	(4,173)	(5,058)	(45)
<b>Net income attributable to ITOCHU.....</b>	<b>¥ 47,538</b>	<b>¥ 2,715</b>	<b>\$ 511</b>

## Note :

1."Total trading transactions" in accordance with Japanese accounting practice consists of sales with respect to transactions in which the companies act as principal and the total amount of transactions in which the companies act as agent.  
Total trading transactions for the three months ended March 31, 2010 and 2009 were 2,809,668 million yen (30,198 million U.S.dollars) and 2,458,732 million yen respectively.

2.In the first quarter of this fiscal year, SFAS160 (codified to ASC Topic 810) was applied. For details, please refer to "New Accounting Pronouncements" on (8), page 33.

**Consolidated Statements of Comprehensive Income-Quarterly [Condensed]**

ITOCHU Corporation and Subsidiaries

For the three months ended March 31, 2010 and 2009

	Millions of Yen		Millions of
	Jan.-Mar.2010	Jan.-Mar.2009	U.S. dollars
			Jan.-Mar.2010
<b>Comprehensive income :</b>			
Net income.....	¥ 51,711	¥ 7,773	\$ 556
Other comprehensive income (loss) (net of tax):			
Foreign currency translation adjustments.....	23,436	(52,770)	252
Pension liability adjustments.....	15,518	(34,988)	167
Unrealized holding gains (losses) on securities.....	10,530	(8,938)	113
Unrealized holding gains on derivative instruments.....	2,221	3,222	24
Total other comprehensive income (loss) (net of tax).....	51,705	(93,474)	556
Comprehensive income (loss).....	103,416	(85,701)	1,112
Comprehensive income attributable to the noncontrolling interest.....	(5,857)	(1,914)	(63)
<b>Comprehensive income (loss) attributable to ITOCHU.....</b>	<b>¥ 97,559</b>	<b>¥ (87,615)</b>	<b>\$ 1,049</b>

Note : In the first quarter of this fiscal year, SFAS160 (codified to ASC Topic 810) was applied. For details, please refer to "New Accounting Pronouncements" on (8), page 33.

[Explanation for Consolidated Statements of Income -Quarterly]

	(Unit : billion yen)	Jan.-Mar.2010	Jan.-Mar.2009	Increase (Decrease)	
Revenue					
Revenue		902.7	889.2	13.5	<u>Main reasons for changes</u> Increase due to gradual recovery in condominium sales compared with the same period of the previous fiscal year in addition to the effect from the acquisitions of several companies
Gross trading profit					
Gross trading profit		248.3	236.0	12.3	Due to Increase in revenue in ITOCHU Corporation and existing subsidiaries : +4.0 Increase due to acquisition of subsidiaries : +10.2 Decrease due to deconsolidation of subsidiaries : -0.5 Decrease due to exchange rate fluctuations : -1.4 Refer to "(9) Segment Information" on page 37-38
Selling, general and administrative expenses					
Total of SG & A		(191.8)	(198.0)	6.2	Decrease in ITOCHU Corporation and existing subsidiaries : +6.0 [Decrease in pension cost : +0.3]
Personnel expenses		(82.7)	(77.7)	(5.0)	Increase due to acquisition of subsidiaries : -4.3
(Pension cost)		(4.7)	(4.7)	(0.0)	[Increase in pension cost : -0.3]
Other expenses		(109.1)	(120.2)	11.2	Decrease due to deconsolidation of subsidiaries : +2.2 Decrease due to exchange rate fluctuations : +2.3
(Service charge, distribution costs)		(55.6)	(62.3)	6.6	
(Rent, depreciation and amortization)		(22.9)	(24.3)	1.4	
(Travel expenses)		(4.6)	(5.7)	1.1	
(Others)		(25.9)	(28.0)	2.0	
Provision for doubtful receivables					
Provision for doubtful receivables		(2.1)	(4.2)	2.1	Mainly due to decrease in provision for doubtful receivables for domestic customers
Net financial income					
Net financial income		8.1	0.5	7.6	Increase in dividends received, improvement of net interest expenses
Interest income		2.2	3.6	(1.5)	
Interest expense		(8.7)	(11.0)	2.4	Improvement of net interest expenses due to decline in U.S. dollars interest rate
Net interest expense		(6.5)	(7.4)	0.9	Dividends received from an oil and gas-related investment +5.5 (2.0 → 7.4)
Dividends received		14.5	7.9	6.7	Dividends received from LNG-related investments +1.3 (1.6 → 3.0)
Loss on investments-net					
Loss on investments-net		(8.9)	(9.5)	0.5	Impairment loss on investments +5.1 (-10.2 → -5.1) Net gain on sales of investments +2.8 (1.5 → 4.2) Loss on business disposals and others -7.4 (-0.7 → -8.1)
Loss on property and equipment-net					
Loss on property and equipment-net		(9.4)	(10.3)	0.9	Absence of the loss from Entrada Oil/Natural Gas Field Development Project including the reclassification of +3.4 billion yen from Other-net (i); and increase of the other impairment losses on property and equipment in the same period of the previous fiscal year(ii) +0.6(-10.0 → -9.4) [(i):+2.6 / (ii): -2.0] Net gain on sales of property and equipment, and others +0.3 (-0.3 → -0.0)
Gain on bargain purchase in acquisition					
Gain on bargain purchase in acquisition		Note.1 4.9	-	4.9	Gain in the acquisition of Leilian Co., LTD. Note.1 Net after income tax effect: +2.9
Other-net					
Other-net		2.9	5.1	(2.1)	Absence of the loss from Entrada Oil/Natural Gas Field Development Project including the reclassification of -3.4 billion yen to Loss on property and equipment-net -3.4 (3.4 → -), Foreign currency exchange gains and losses +2.1 (0.0 → 2.1), Others -0.8 (1.6 → 0.8)
Income taxes					
Income taxes		(2.4)	(2.5)	0.1	
Equity in earnings (losses) of associated companies					
Equity in earnings (losses) of associated companies		2.1	(9.4)	11.5	TING HSIN (CAYMAN ISLANDS) HOLDING CORP. +6.5 (- → 6.5) Brazil Japan Iron Ore Corporation +1.7 (0.0 → 1.7) Equity-method associated companies of I-Power Investment Inc. +1.6 (0.0 → 1.5) Yoshinoya Holdings Co., Ltd (Note.2) -3.0 (-2.4 → -5.4) Orient Corporation (Note.3) [Impairment loss on investment (Note.2) -1.2 (-10.8 → 11.9) Refer to "Performance of Group Companies" on page 15
(Note.2) Income tax effect on the impairment loss is not included					
(Note.3) Refer to the results announced by each corresponding company, as their announcement dates are on and after ITOCHU's announcement date of Fiscal Year 2010.					
Total trading transactions					
Total trading transactions		2,809.7	2,458.7	350.9	Refer to "(9) Segment Information" on page 37-38
Gross trading profit ratio		8.8%	9.6%	(0.8%)	Effect of exchange rate fluctuations: Approximately -90.0
Adjusted profit					
Adjusted profit		66.7	29.2	37.5	Adjusted profit (+37.5)= Gross trading profit (+12.3)+ SG&A expenses (+6.2) + Net financial income (+7.6) + Equity in earnings of associated companies (+11.5) The amount ( ) represents changes from the previous fiscal year

**(3) Consolidated Balance Sheets (Assets) [Condensed]**

-Unaudited-

ITOCHU Corporation and Subsidiaries

As of March 31, 2010 and 2009

<b>Assets</b>	Millions of Yen		Millions of U.S. dollars
	<b>Mar. 2010</b>	Mar. 2009	<b>Mar. 2010</b>
<b>Current assets:</b>			
Cash and cash equivalents.....	¥ 475,674	¥ 628,820	\$ 5,113
Time deposits.....	7,523	3,738	81
Short-term investments.....	7,140	9,214	77
Trade receivables:			
Notes.....	153,694	161,533	1,652
Accounts.....	1,287,821	1,135,031	13,842
Allowance for doubtful receivables.....	(14,833)	(13,869)	(160)
Net trade receivables.....	1,426,682	1,282,695	15,334
Due from associated companies.....	96,279	106,934	1,035
Inventories.....	476,066	509,503	5,117
Advances to suppliers.....	72,870	91,871	783
Prepaid expenses.....	28,361	29,817	305
Deferred tax assets.....	45,759	40,556	491
Other current assets.....	257,127	235,046	2,763
Total current assets.....	2,893,481	2,938,194	31,099
<b>Investments and non-current receivables:</b>			
Investments in and advances to associated companies.....	938,689	754,062	10,089
Other investments.....	450,341	426,054	4,840
Other non-current receivables.....	163,515	155,427	1,758
Allowance for doubtful receivables.....	(59,876)	(60,704)	(644)
Total investments and net non-current receivables.....	1,492,669	1,274,839	16,043
<b>Property and equipment, at cost:</b>			
Land.....	164,522	145,881	1,768
Buildings.....	412,468	336,630	4,433
Machinery and equipment.....	420,640	328,940	4,521
Furniture and fixtures.....	82,871	69,907	891
Mineral rights.....	64,152	60,245	690
Construction in progress.....	30,838	16,846	331
Total property and equipment, at cost.....	1,175,491	958,449	12,634
Less accumulated depreciation.....	509,140	397,675	5,472
Net property and equipment.....	666,351	560,774	7,162
<b>Prepaid pension cost.....</b>	<b>7,603</b>	1,079	<b>82</b>
<b>Deferred tax assets, non-current.....</b>	<b>108,316</b>	136,389	<b>1,165</b>
<b>Other assets.....</b>	<b>308,427</b>	280,817	<b>3,315</b>
<b>Total.....</b>	<b>¥ 5,476,847</b>	¥ 5,192,092	<b>\$ 58,866</b>

Note:

In the first quarter of this fiscal year, SFAS160 (codified to ASC Topic 810) was applied. For details, please refer to "New Accounting Pronouncements" on (8), page 33.

**(3) Consolidated Balance Sheets (Liabilities and Stockholders' Equity) [Condensed]**

-Unaudited-

ITOCHU Corporation and Subsidiaries

As of March 31, 2010 and 2009

Liabilities and Equity	Millions of Yen		Millions of U.S. dollars
	Mar. 2010	Mar. 2009	Mar. 2010
<b>Current liabilities:</b>			
Short-term debt .....	¥ 229,236	¥ 538,161	\$ 2,464
Current maturities of long-term debt.....	60,728	90,631	653
Trade payables:			
Notes and acceptances.....	125,278	134,591	1,347
Accounts.....	1,092,321	907,149	11,740
Total trade payables.....	1,217,599	1,041,740	13,087
Due to associated companies.....	25,431	16,618	273
Accrued expenses.....	124,877	125,062	1,342
Income taxes payable.....	38,763	45,472	417
Advances from customers.....	80,030	96,769	860
Deferred tax liabilities.....	868	983	9
Other current liabilities.....	215,026	192,681	2,311
Total current liabilities .....	1,992,558	2,148,117	21,416
<b>Liabilities:</b>			
Long-term debt, excluding current maturities.....	2,107,589	1,934,421	22,652
Accrued retirement and severance benefits.....	43,314	54,697	466
Deferred tax liabilities, non-current.....	22,033	17,502	237
Total liabilities .....	4,165,494	4,154,737	44,771
<b>Equity:</b>			
Common stock:			
Authorized: 3,000,000,000 shares; issued:			
1,584,889,504 shares.....	202,241	202,241	2,174
Capital surplus.....	137,506	137,171	1,478
Retained earnings:			
Legal reserve.....	16,117	13,183	173
Other retained earnings .....	884,280	783,699	9,505
Total retained earnings.....	900,397	796,882	9,678
Accumulated other comprehensive income (loss) :			
Foreign currency translation adjustments.....	(90,088)	(185,363)	(968)
Pension liability adjustments.....	(86,479)	(106,013)	(930)
Unrealized holding gains on securities.....	40,544	13,686	436
Unrealized holding losses on derivative instruments.....	(3,015)	(6,482)	(33)
Treasury stock, at cost.....	(2,687)	(2,711)	(29)
Total ITOCHU stockholders' equity.....	1,098,419	849,411	11,806
Noncontrolling interest.....	212,934	187,944	2,289
Total equity.....	1,311,353	1,037,355	14,095
<b>Total.....</b>	<b>¥ 5,476,847</b>	<b>¥ 5,192,092</b>	<b>\$ 58,866</b>

[Explanation for Consolidated Balance Sheets]

**Assets**

	(Unit: billion yen)			Main reasons for changes:
	Mar.2010	Mar.2009	Increase (Decrease)	
Cash and cash equivalents, Time deposits	483.2	632.6	(149.4)	
Net trade receivables	1,426.7	1,282.7	144.0	Increase in Energy; and Chemicals, and decrease in Automobile
Due from associated companies	96.3	106.9	(10.7)	Decrease in Machinery
Inventories	476.1	509.5	(33.4)	Decrease in Automobile, and increase in Realty; and Energy
Other current assets	257.1	235.0	22.1	Increase in short-term loans receivables and derivative asset
Investments in and advances to associated companies	938.7	754.1	184.6	Increase due to Investment in TING HSIN (CAYMAN ISLANDS) HOLDING CORP. and in Textile; and Energy, Metals & Minerals
Net property and equipment	666.4	560.8	105.6	Increase due to acquisition of subsidiaries; and resulting from the appreciations of Australian dollar against the yen in Energy, Metals & Minerals
Deferred tax assets, non-current	108.3	136.4	(28.1)	Decrease in deferred tax assets due to an improvement in unrealized gains on shareholdings
Other assets	308.4	280.8	27.6	Increase in intangible assets
<b>Total assets</b>	<b>5,476.8</b>	<b>5,192.1</b>	<b>284.8</b>	

Net Trade receivables	35.0
Inventories	16.0
Net Property and equipment	53.5

Acquisition of C.I.Kasei Co.,Ltd.,  
 ITOCHU LOGISTICS CORP., JAVA  
 HOLDINGS CO.,LTD. and Leilian Co., LTD.

Total assets as of March 31, 2010, increased by 5.5% or 284.8 billion yen compared with March 31, 2009, to 5,476.8 billion yen (58,866 million U.S. dollars), due to increased Net trade receivables and Inventories associated with higher oil prices compared with March 31, 2009 and market recovery in chemicals, increased Investments and Net property and equipment resulting from the appreciations of Brazilian real and Australian dollar in Energy, Metals & Minerals as well as new investments in Textile and in Food.

**Liabilities**

	(Unit: billion yen)			Main reasons for changes:
	Mar.2010	Mar.2009	Increase (Decrease)	
Total trade payables	1,217.6	1,041.7	175.9	Increase in Energy; and Chemicals and decrease in Automobile
Other current liabilities	215.0	192.7	22.3	Increase in derivative liabilities and deposit received
<b>[Interest-bearing debt]</b>				
Short-term debt	229.2	538.2	(308.9)	Decrease due to repayment and shift from short-term to long-term interest-bearing debt
Current maturities of long-term debt excluding debentures	57.5	81.9	(24.5)	
Current maturities of debentures	3.3	8.7	(5.4)	
Short-term total	290.0	628.8	(338.8)	
Long-term debt	1,736.2	1,610.4	125.8	Shift from short-term to long-term interest-bearing debt
Debentures	183.1	150.2	33.0	
Long-term total	1,919.3	1,760.5	158.8	
<b>Total interest-bearing debt</b>	<b>2,209.3</b>	<b>2,389.3</b>	<b>(180.1)</b>	
Cash and cash equivalents, Time deposits	483.2	632.6	(149.4)	
Net interest-bearing debt	1,726.1	1,756.8	(30.7)	
Net debt-to-stockholders' equity ratio [times]*	1.6	2.1	0.5 improved	

Interest-bearing debt decreased by 7.5% or 180.1 billion yen compared with March 31, 2009, to 2,209.3 billion yen (23,745 million U.S. dollars), and Net interest-bearing debt (interest-bearing debt after deducting Cash and cash equivalents and Time deposits) decreased by 1.7% or 30.7 billion yen compared with March 31, 2009, to 1,726.1 billion yen (18,552 million U.S. dollars) despite some increase from several acquisitions of subsidiaries. NET DER (Net Debt-to-Stockholders' Equity Ratio) improved by 0.5 points compared with March 31, 2009, to 1.6 times.

**Equity**

	(Unit: billion yen)			Main reasons for changes:
	Mar.2010	Mar.2009	Increase (Decrease)	
Common stock	202.2	202.2	-	
Capital surplus	137.5	137.2	0.3	
Retained earnings:	900.4	796.9	103.5	
Legal reserve	16.1	13.2	2.9	
Other retained earnings	884.3	783.7	100.6	Net income attributable to ITOCHU +128.2, Dividend payment -24.5, Transfer to legal reserve and others -3.0
Accumulated other comprehensive income (loss):	(139.0)	(284.2)	145.1	
Foreign currency translation adjustments	(90.1)	(185.4)	95.3	Effect of mainly appreciation of Brazilian real and Australian dollar against the yen
Pension liability adjustments	(86.5)	(106.0)	19.5	
Unrealized holding gains on securities	40.5	13.7	26.9	Effect of stock market prices' recovery compared with March 31, 2009
Unrealized holding losses on derivative instruments	(3.0)	(6.5)	3.5	
Treasury stock, at cost	(2.7)	(2.7)	0.0	
Total ITOCHU stockholders' equity	1,098.4	849.4	249.0	
Ratio of stockholders' equity to total assets*	20.1%	16.4%	3.7%	
Noncontrolling interest	212.9	187.9	25.0	
<b>Total equity</b>	<b>1,311.4</b>	<b>1,037.4</b>	<b>274.0</b>	

ITOCHU stockholders' equity, which corresponds to Total equity before applying SFAS160 (codified to ASC Topic 810), increased by 29.3% or 249.0 billion yen compared with March 31, 2009, to 1,098.4 billion yen (11,806 million U.S. dollars), due to decrease from dividend payment, accumulation of Net income attributable to ITOCHU, improvement in Foreign currency translation adjustments, Pension liability adjustments and in Unrealized holding gains on securities resulting from recovery of stock market.

As a result, Ratio of stockholders' equity to total assets rose by 3.7 points compared with March 31, 2009, to 20.1%.

Total equity, or total of ITOCHU stockholders' equity and Noncontrolling interest, which means the total equity of the entire Group, increased by 26.4% or 274.0 billion yen compared with March 31, 2009, to 1,311.4 billion yen (14,095 million U.S. dollars)

(Note\*) "Stockholders' equity" is equivalent to "ITOCHU stockholders' equity" which had been used until fiscal year 2009 and used in calculating "Ratio of stockholders' equity to total assets" and "NET DER".

[Current exchange rate Yen/USD]			[Current exchange rate Yen/AUD]					
[For March closing companies]			[For December closing companies]			[For March closing companies]		
Mar.2010	Mar.2009	Changes	Dec.2009	Dec.2008	Changes	Mar.2010	Mar.2009	Changes
93.04	98.23	(5.19)	92.10	91.03	1.07	85.28	67.01	18.27
Mar.2009	Mar.2008	Changes	Dec.2008	Dec.2007	Changes	Mar.2009	Mar.2008	Changes
98.23	100.19	(1.96)	91.03	114.15	(23.12)	67.01	91.74	(24.73)

[The Nikkei Stock Average index]

Mar.2010	Mar.2009	Changes
11,089	8,109	2,980

**(4) Consolidated Statements of Equity [Condensed]**

-Unaudited-

ITOCHU Corporation and Subsidiaries

Years ended March 31, 2010 and 2009

	Millions of Yen		Millions of U.S. dollars
	2010	2009	2010
<b>Common stock:</b>			
Balance at beginning of year.....	¥ 202,241	¥ 202,241	\$ 2,174
Balance at end of year.....	¥ 202,241	¥ 202,241	\$ 2,174
<b>Capital surplus:</b>			
Balance at beginning of year.....	¥ 137,171	¥ 137,211	\$ 1,474
Deficit arising from retirement of treasury stock .....	-	(40)	-
Sale (purchase) of subsidiary shares to (from) noncontrolling interest.....	335	-	4
Balance at end of year.....	¥ 137,506	¥ 137,171	\$ 1,478
<b>Retained earnings:</b>			
Legal reserve:			
Balance at beginning of year.....	¥ 13,183	¥ 10,373	\$ 142
Transfer from other retained earnings.....	3,007	2,642	32
Redistribution arising from sale by parent company of common stock of subsidiaries and associated companies.....	(73)	168	(1)
Balance at end of year.....	¥ 16,117	¥ 13,183	\$ 173
Other retained earnings:			
Balance at beginning of year.....	¥ 783,699	¥ 652,757	\$ 8,423
Net income attributable to ITOCHU.....	128,153	165,390	1,377
Cash dividends.....	(24,516)	(31,636)	(263)
Transfer to legal reserve.....	(3,007)	(2,642)	(32)
Redistribution arising from sale by parent company of common stock of subsidiaries and associated companies.....	73	(168)	1
Deficit arising from retirement of treasury stock .....	(122)	(2)	(1)
Balance at end of year.....	¥ 884,280	¥ 783,699	\$ 9,505
<b>Accumulated other comprehensive income (loss):</b>			
Balance at beginning of year.....	¥ (284,172)	¥ (26,448)	\$ (3,055)
Other comprehensive income (loss).....	145,125	(257,724)	1,560
Sale (purchase) of subsidiary shares to (from) noncontrolling interest.....	9	-	0
Balance at end of year.....	¥ (139,038)	¥ (284,172)	\$ (1,495)
<b>Treasury stock:</b>			
Balance at beginning of year.....	¥ (2,711)	¥ (2,589)	\$ (29)
Net changes in treasury stock.....	24	(122)	0
Balance at end of year.....	¥ (2,687)	¥ (2,711)	\$ (29)
<b>Total ITOCHU stockholders' equity.....</b>	<b>¥ 1,098,419</b>	<b>¥ 849,411</b>	<b>\$ 11,806</b>
<b>Noncontrolling interest</b>			
Balance at beginning of year.....	187,944	145,618	2,020
Net income attributable to the noncontrolling interest.....	11,531	11,415	124
Other comprehensive income (loss) attributable to the noncontrolling interest.....	2,391	(4,781)	26
Cash dividends to noncontrolling interest.....	(7,177)	(7,067)	(77)
Contribution from (distribution to) noncontrolling interest.....	963	3,786	10
Sale (purchase) of subsidiary shares to (from) noncontrolling interest.....	(2,977)	(5,330)	(32)
Acquisitions (deconsolidation) of subsidiaries.....	20,259	44,303	218
Balance at end of year.....	¥ 212,934	¥ 187,944	\$ 2,289
<b>Total equity.....</b>	<b>¥ 1,311,353</b>	<b>¥ 1,037,355</b>	<b>\$ 14,095</b>
<b>Comprehensive income (loss):</b>			
Net income.....	¥ 139,684	¥ 176,805	\$ 1,501
Other comprehensive income (loss) (net of tax):			
Foreign currency translation adjustments.....	96,446	(162,751)	1,037
Pension liability adjustments.....	19,700	(33,759)	212
Unrealized holding gains (losses) on securities.....	27,868	(61,990)	299
Unrealized holding gains (losses) on derivative instruments.....	3,502	(4,005)	38
Total other comprehensive income (loss) (net of tax).....	147,516	(262,505)	1,586
Comprehensive income (loss).....	287,200	(85,700)	3,087
Comprehensive income attributable to the noncontrolling interest.....	(13,922)	(6,634)	(150)
<b>Comprehensive income (loss) attributable to ITOCHU.....</b>	<b>¥ 273,278</b>	<b>¥ (92,334)</b>	<b>\$ 2,937</b>

Note : In the first quarter of this fiscal year, SFAS160 (codified to ASC Topic 810) was applied. For details, please refer to "New Accounting Pronouncements" on (8), page 33.

[Explanation for Consolidated Statements of Equity ]

**Accumulated other comprehensive income (loss)**

Foreign currency translation adjustments

Foreign exchange differences in exchange rate between at invested to the overseas group companies and at the end of this period, are recognized as "Foreign currency translation adjustments".

(Unit: billion yen)	as of:	<u>Mar 2010</u>	<u>Mar 2009</u>	Increase (Decrease)
Balance		(90.1)	(185.4)	95.3
Exchange rate	as of:	<u>Dec 2009</u>	<u>Dec 2008</u>	<u>Changes</u>
	(Yen/US\$)	92.10	91.03	1.1
	as of:	<u>Mar 2010</u>	<u>Mar 2009</u>	<u>Changes</u>
	(Yen/US\$)	93.04	98.23	(5.2)
	as of:	<u>Mar 2010</u>	<u>Mar 2009</u>	<u>Changes</u>
	(Yen/A\$)	85.28	67.01	18.3

Pension liability adjustments

Difference between the projected benefit obligations and the plan assets is amortized according to the defined accounting standard, and the other unamortized balance (net of tax) is recognized as "Pension liability adjustments".

(Unit: billion yen)	as of:	<u>Mar 2010</u>	<u>Mar 2009</u>	Increase (Decrease)
Balance		(86.5)	(106.0)	19.5

Unrealized holding gains on securities

Available-for-sale securities are recorded at fair value at the end of this period, and differences (net of tax) between carrying amount and fair value are recognized as "Unrealized holding gains on securities".

(Unit: billion yen)	as of:	<u>Mar 2010</u>	<u>Mar 2009</u>	Increase (Decrease)
Balance		40.5	13.7	26.9

Unrealized holding losses on derivative instruments

Derivative transactions which are designated and qualified as 'cash flow hedges' are recorded at fair value at the end of this period, and differences (net of tax) between carrying amount and fair value are recognized as "Unrealized holding losses on derivative instruments".

(Unit: billion yen)	as of:	<u>Mar 2010</u>	<u>Mar 2009</u>	Increase (Decrease)
Balance		(3.0)	(6.5)	3.5

**(5) Consolidated Statements of Cash Flows [Condensed]**

ITOCHU Corporation and Subsidiaries

Years ended March 31, 2010 and 2009

-Unaudited-

	Millions of Yen		Millions of
	2010	2009	U.S. dollars
<b>Cash flows from operating activities :</b>			<b>2010</b>
Net income .....	¥ 139,684	¥ 176,805	\$ 1,501
Adjustments to reconcile net income to net cash provided by operating activities :			
Depreciation and amortization .....	76,377	64,988	821
Provision for doubtful receivables .....	7,045	16,742	76
Loss on investments-net .....	4,456	23,066	48
Loss on property and equipment-net .....	8,548	45,407	92
Gain on bargain purchase in acquisition .....	(14,015)	-	(151)
Equity in earnings of associated companies, less dividends received .....	(16,794)	(22,298)	(180)
Deferred income taxes .....	(3,555)	(22,816)	(38)
Changes in assets and liabilities, other-net .....	93,630	(5,040)	1,006
Net cash provided by operating activities .....	<u>295,376</u>	<u>276,854</u>	<u>3,175</u>
<b>Cash flows from investing activities :</b>			
Net purchases of property, equipment and other assets .....	(82,045)	(117,651)	(882)
Net increase in investments in and advances to associated companies .....	(88,672)	(174,365)	(953)
Net purchases of other investments .....	(28,967)	(17,746)	(311)
Net (origination) collections of other non-current loan receivables .....	4,191	(15,550)	45
Net increase in time deposits .....	(1,311)	(752)	(14)
Net decrease in marketable securities .....	486	31	5
Net cash used in investing activities .....	<u>(196,318)</u>	<u>(326,033)</u>	<u>(2,110)</u>
<b>Cash flows from financing activities :</b>			
Net proceeds of long-term debt .....	101,464	38,925	1,090
Net increase (decrease) in short-term debt .....	(325,677)	256,101	(3,500)
Other .....	(34,774)	(36,704)	(374)
Net cash provided by (used in) financing activities .....	<u>(258,987)</u>	<u>258,322</u>	<u>(2,784)</u>
<b>Effect of exchange rate changes on cash and cash equivalents .....</b>	<b>6,783</b>	<b>(26,634)</b>	<b>73</b>
<b>Net increase (decrease) in cash and cash equivalents .....</b>	<b>(153,146)</b>	<b>182,509</b>	<b>(1,646)</b>
<b>Cash and cash equivalents at beginning of year .....</b>	<b>628,820</b>	<b>446,311</b>	<b>6,759</b>
<b>Cash and cash equivalents at end of year .....</b>	<b>¥ 475,674</b>	<b>¥ 628,820</b>	<b>\$ 5,113</b>

(Note) In the first quarter of this fiscal year, SFAS160 (codified to ASC Topic 810) was applied. For details, please refer to

"New Accounting Pronouncements" on (8), page 33.

[Explanation for Consolidated Statements of Cash Flows]

Note :  
Explanation for indication

Cash-inflow : " + "  
Cash-outflow : " - "

"Decrease in assets" or "Increase in liabilities" : Cash-inflow  
"Increase in assets" or "Decrease in liabilities" : Cash-outflow

**Cash flows from operating activities**

(Unit: billion yen)

	<u>2010</u>	<u>2009</u>	Increase (Decrease)	Major items
Net income	139.7	176.8	(37.1)	
Non-cash charges of P/L	62.1 a	105.1 b	(43.0)	a : Depreciation and amortization +76.4 Equity in earnings of associated companies, less dividends received -16.8 Gain on bargain purchase in acquisition -14.0 b : Depreciation and amortization +65.0, Loss on property and equipment-net +45.4 Loss on investment-net +23.1 Deferred income taxes -22.8
Changes in assets and liabilities, other-net	93.6 a	(5.0) b	98.7	a : Inventories +49.3, Trade receivables / payables +26.6 Other +17.7 b : Trade receivables / payables +27.3, Inventories -7.2 Due from/to associated companies +4.5, Other -29.6
Net cash provided by operating activities	295.4	276.9	18.5	

**Cash flows from investing activities**

(Unit: billion yen)

	<u>2010</u>	<u>2009</u>	Increase (Decrease)	Major items
Net purchases of property, equipment and other assets	(82.0) a	(117.7) b	35.6	a : Purchases by natural resources development-related subsidiaries -27.6 Purchase by ship-related subsidiaries -11.6 Net purchase by food subsidiaries -8.1 Purchase by ITOCHU Corporation -7.9 b : Net purchases by natural resources development-related subsidiaries -51.7 Net purchases by food subsidiaries -14.8 Net purchases by airline-related subsidiaries -9.5
Net increase in investments in and advances to associated companies	(88.7) a	(174.4) b	85.7	a : Net increase in investments in food and textile business -71.6 Investment in leasing business -5.9 b : Investment in iron ore production and wholesale business -113.7 Net increase in investment and advances to associated companies in Machinery -35.3
Net purchases of other investments	(29.0) a	(17.7) b	(11.2)	a : Investment in natural resources development sector -11.5 Net purchases (by TOB) net of cash acquired in acquisitions of C.I.Kasei Co., Ltd. and ITOCHU LOGISTICS CORP. -8.7 b : Net purchases of investments in Machinery and energy-development sector -38.2 Effect of acquisition of subsidiaries in Energy, Metals & Minerals and in Textile +28.5
Net (origination) collections of other non-current loan receivables	4.2 a	(15.6) b	19.7	a : Net collections of loan receivables by ITOCHU Corporation +5.2 b : Net origination of loan receivables by Machinery subsidiaries -12.0
Net increase in time deposits	(1.3)	(0.8)	(0.6)	
Net decrease in marketable securities	0.5	0.0	0.5	
Net cash used in investing activities	(196.3)	(326.0)	129.7	

**Cash flows from financing activities**

(Unit: billion yen)

(Note)  
Changes in current maturities of long-term debt are included in "Net proceeds of long-term debt" on the statements of cash flows.

	<u>2010</u>	<u>2009</u>	Increase (Decrease)	Major items
Net proceeds of long-term debt	101.5 a	38.9 b	62.5	a : Net proceeds by ITOCHU Corporation +179.9 Net repayments by subsidiaries transferred to Intra-group Loan System -54.4 Net repayments by natural resources development-related subsidiaries -11.6 b : Net proceeds by ITOCHU Corporation +82.3 Net repayments by financing / realty subsidiaries -18.5 Net repayments by natural resources development-related subsidiaries -14.2
Net increase (decrease) in short-term debt	(325.7) a	256.1 b	(581.8)	a : Net decrease by ITOCHU Corporation -287.5 b : Net increase by ITOCHU Corporation +258.1
Other	(34.8) a	(36.7) b	1.9	a : Dividends paid -24.5, dividends paid to noncontrolling stockholders -7.2 b : Dividends paid -31.6, dividends paid to noncontrolling stockholders -7.1
Net cash provided by (used in) financing activities	(259.0)	258.3	(517.3)	

**(6) Assumption for Going Concern** N/A

**(7) Basis of the Consolidated Financial Statements**

i) Consolidated Subsidiaries and Equity-Method Associated Companies

[Major Group Companies]

Consolidated Subsidiaries

(Domestic:105 entities) JOIX CORPORATION, SANKEI CO., LTD, ITOCHU CONSTRUCTION MACHINERY CO., LTD,  
ITOCHU Techno-Solutions Corporation, Excite Japan Co., Ltd., ITC NETWORKS CORPORATION,  
NANO Media Inc., SPACE SHOWER NETWORKS INC., ITOCHU Sanki Corporation, ITOCHU Metals Corporation,  
ITOCHU Petroleum Japan Ltd., ITOCHU ENEX CO., LTD., ITOCHU Kenzai Corp., ITOCHU Pulp & Paper Corp.,  
ITOCHU CHEMICAL FRONTIER Corporation, ITOCHU PLASTICS INC., C.I.Kasei Co., Ltd,  
ITOCHU SHOKUHIN Co., Ltd., NIPPON ACCESS, INC., ITOCHU Finance Corporation, FX PRIME Corporation,  
ITOCHU LOGISTICS CORP., ITOCHU Property Development, Ltd., Century Medical, Inc.,  
(Overseas:152 entities) ITOCHU Textile Prominent (ASIA) LTD., ITOCHU TEXTILE (CHINA) CO., Ltd., LTD,  
MCL Group Limited [U.K.], ITOCHU Automobile America Inc., ITOCHU Minerals & Energy of Australia Pty Ltd,  
ITOCHU Oil Exploration (Azerbaijan) Inc.

(Note) Consolidated subsidiaries listed on the stock exchange markets in Japan

TSE 1st Section : ITOCHU Techno-Solutions Corporation, ITC NETWORKS CORPORATION ,  
ITOCHU ENEX CO., LTD., ITOCHU SHOKUHIN Co., Ltd.

JASDAQ : Excite Japan Co., Ltd., SPACE SHOWER NETWORKS INC., FX PRIME Corporation

Mothers: NANO Media Inc.

Equity-Method Associated Companies

(Domestic: 65 entities) Century Tokyo Leasing Corporation, JAMCO Corporation, SUNCALL CORPORATION,  
Marubeni-Itochu Steel Inc., Brazil Japan Iron Ore Corporation, DAIKEN CORPORATION, TAKIRON Co., Ltd.,  
Yoshinoya Holdings Co., Ltd., Japan Foods Co., Ltd., Fuji Oil Co., Ltd., FamilyMart Co., Ltd., Prima Meat Packers, Ltd.,  
Orient Corporation, eGuarantee, Inc.  
(Overseas: 91 entities) Chemoil Energy Limited [Hong Kong],

(Note1) As of April 1, 2010, ITOCHU Sanki Corporation and ITOCHU MECHATRONICS CORPORATION were merged to be newly named as ITOCHU MACHINE-TECHNOS CORPORATION.

(Note2) C.I.Kasei Co., Ltd. have been acquired since this first quarter.

(Note3) i-LOGISTICS CORP. have been acquired since this first quarter. i-LOGISTICS CORP. changed its corporate name to ITOCHU LOGISTICS CORP. effective January 1, 2010.

\* Investment entities which are to be considered as part of parent company substantially (151 entities as of the end of March, 2010) are excluded from the list above.

ii) Accounting Policies

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The summary of differences between the accounting policies adopted in the consolidated financial statements and accounting practice generally accepted in Japan is as follows:

a) Evaluation of investments

For evaluation of investments, ASC (Accounting Standards Codification) Topic320 "Investments-Debt and Equity Securities" (the pre-codification standards SFAS (Statement of Financial Accounting Standards) No.115 "Accounting for Certain Investments in Debt and Equity Securities" and SFAS No.115-1 and 124-1 "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments") is applied.

b) Share-to-share exchange without cash payment for cost-method equity securities

Exchange gains/losses on newly acquired cost-method equity securities by share-to-share transfer without cash payment are recognized at the time of the exchange according to ASC Topic 325 "Investments-Other" (the pre-codification standard EITF(Emerging Issues Task Force) No.91-5 "Nonmonetary Exchange of Cost-Method Investments" ).

c) Value reduction of fixed assets for Japanese tax purposes

The whole balance is reversed for preparation of the consolidated financial statements.

d) Post retirement benefit and pension plans

Costs of the employees' retirement and severance benefits are recognized based on the actuarial computation according to ASC Topic 715 "Retirement Benefits" (the pre-codification standards SFAS No. 87 "Employers' Accounting for Pensions" and SFAS No. 88 "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits").

In addition, according to ASC Topic 715 (the pre-codification standards SFAS No. 158 "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements No. 87, 88, 106, and 132(R)" ), the situation of the defined benefit pension plans (that is, difference between the fair value of the plan assets and the amount of the projected benefit obligations) as of the end of the period are recognized in the consolidated balance sheets, and net actuarial gain/loss (net of tax) and prior service cost (net of tax) are recorded in Accumulated other comprehensive income (loss).

e) Costs for issuance of new shares

Costs for issuance of new shares are recognized as subtraction item from Capital surplus.

f) Deferred income on installment sales

The whole income on installment sales is recognized at the time of sales.

g) Recognition and measurement of noncontrolling interest at obtaining subsidiaries

Noncontrolling interest at the acquisition in acquiree is recognized and measured at its fair value at the acquisition date, for newly business combination of obtaining control to acquiree in and after the beginning of the fiscal year.

h) Remeasurement of equity interest previously held by acquirer in the acquiree

The acquirer remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and recognizes the resulting gain or loss, if any, in earnings, for business combinations that acquirer sometimes obtains control of an acquiree in which it held an equity interest immediately before acquisition date in and after the beginning of the fiscal year.

i) Change in a parent's ownership interest rate in a subsidiary

Change in a parent's ownership interest while the parent retains its controlling financial interest in its subsidiary is no gain or loss recognized in consolidated net income or comprehensive income, but accounted for as equity transactions in and after the beginning of the fiscal year.

j) Remeasurement of remaining interest after deconsolidation

If a parent deconsolidates a subsidiary in and after the beginning of the fiscal year, a parent accounts for the deconsolidation of a subsidiary by recognizing a gain or loss in net income attributable to the parent, measured as the difference between the aggregate of the fair value of any consideration received, the fair value and carrying amount of any retained noncontrolling investment in the former subsidiary at the deconsolidation and the carrying amount of the former subsidiary's assets and liabilities.

k) Goodwill

Goodwill and non-amortized intangible assets with indefinite useful lives are not amortized, but are instead tested for impairment at the reporting unit level at least on annual basis or circumstances change that is more likely than not that the fair value is below the carrying amount in accordance with ASC Topic 350 "Good will and other" (the pre-codification standard SFAS No. 142 "Goodwill and Other Intangible Assets" ).

l) Derivative instruments

According to ASC Topic 815 "Derivative and Hedging" (the pre-codification standards SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities" and No. 138 "Accounting for Certain Derivative Instruments and Certain Hedging Activities-an amendment of FASB Statement No. 133" ), every derivative instruments is measured and presented at its fair value as of the end of the period in the consolidated balance sheets, and the changes in fair value from the end of the previous period are recognized as gains/losses of the current period or Accumulated other comprehensive income (loss) (net of tax), judging existence of the hedging purpose and the type of hedging activities.

## **(8) Changes of Basis of the Consolidated Financial Statements**

### New Accounting Pronouncements

#### FASB Accounting Standards Codification™ (ASC)

ITOCHU Corporation and its subsidiaries adopted SFAS168 "The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Statement No.162". It defined that the FASB Accounting Standards Codification™ (ASC) , which became effective on July 1, 2009, is the single source of US GAAP. Therefore every authoritative pronouncement already issued in US GAAP was replaced into ASC. In addition, SFAS168 itself was codified into ASC Topic 105 "Generally Accepted Accounting Principles".

#### Business Combinations (ASC Topic 805 "pre-codification standard No. SFAS141(R)" )and

##### Noncontrolling Interests in Consolidated Financial Statements (ASC Topic 810 "pre-codification standard No. SFAS160" )

ITOCHU Corporation and its subsidiaries adopted SFAS141(R) and SFAS160 on April 1, 2009, the beginning of the fiscal year ending March 31, 2010. Before the issuance of those new standards, it had been generally accepted that consolidated financial statements should present the substantial financial position and result of operations of parent company. However, those standards adopted the other different concept, that is, consolidated financial statements should reflect the financial position and result of operations of the consolidation group, or organically combined body consisted of parent company and its subsidiaries, with recognition that the consolidated group is a single economic entity separate from the parent company.

### a. Changes of accounting treatments

#### 1) Changes of accounting treatments of a business combination (ASC Topic 805)

Following the above mentioned new concept, the accounting treatments of a business combination are changed. ITOCHU Corporation and its subsidiaries apply the new treatments for business combination transactions on and after April 1, 2009, therefore change the accounting treatments into measuring noncontrolling interests at the fair value as of the business combination date as well as assets and liabilities of acquiree, and recognition of goodwill attributable to noncontrolling interests in addition to that attributable to stockholders of ITOCHU Corporation.

Further, for every business combination transaction at and after the beginning of fiscal year ending March 31, 2010, pre-existing interests held by the acquirer are remeasured at the fair value as of the business combination date, and difference between fair value and carrying amount pre-existing interests are recognized as gain or loss, Gain on investments-net.

In addition,for business combinations at and after the beginning of fiscal year ending March 31, 2010 under bargain purchase in acquisition, that is, for the transactions that the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed exceeds aggregate of the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree, the fair value of any noncontrolling interest in the acquiree and the consideration transferred, the difference amount between them is recognized as "gain on bargain purchase in acquisition" on Consolidated Statements of Income.

#### 2) Changes of accounting treatments of changes in a parent's ownership interest in a subsidiary under retaining control in the subsidiary (ASC Topic 810)

ITOCHU Corporation and its subsidiaries apply the new standards mentioned above for every change in their ownership interests in their subsidiaries under retaining control in them at and after the beginning of fiscal year ending March 31, 2010, therefore revise the accounting treatments into those as capital transactions without recognizing any gain nor loss, based on a standpoint that such transactions are just reclassification of ownership between ITOCHU Corporation's stockholders and noncontrolling stockholders, both of which are equity holders of the consolidation group.

#### 3) Changes of accounting treatments in a deconsolidation (ASC Topic 810)

In accordance with new concept mentioned above, accounting treatments of a deconsolidation are revised. ITOCHU Corporation and its subsidiaries apply the new standards for every deconsolidation at and after the beginning of fiscal year ending March 31, 2010, therefore changes the accounting treatments into not only recognizing gain or loss on disposal for disposed interests as before but also remeasuring remaining interests at the fair value as of the date of deconsolidation with recognition gain or loss for difference between the fair value and the carrying amount of the remaining interests.

### b. Revision of presentation of consolidated financial statements (ASC Topic 810)

In addition, the new standards revise presentation formats for consolidated financial statements and requires to present a reporting entity's financial position and result of operations including comparative financial statements for the same period of last fiscal year or the end of last fiscal year as below:

#### 1) Consolidated Statements of Income

Following the above mentioned new concept, the definition of "Net income" is adjusted as net income for the consolidation group itself, which includes net income attributable to noncontrolling interest as well as parent company. Therefore, the quarterly consolidated statements of income format has been revised in presenting first "Net income" under the new concept, deducting "Net income attributable to noncontrolling interest" (the previous "Minority interests") and displaying the remaining amount as "Net income attributable to ITOCHU" (the previous "Net income").

2) Consolidated Balance Sheets

In compliance with the new concept mentioned above, the basic policy for preparing consolidated balance sheets are changed: Equity in consolidated balance sheets should be presented that for the consolidation group itself, that is, equity in subsidiaries contributed from, or to be distributed to noncontrolling interests as well as held by parent company. Therefore, regarding the quarterly consolidated balance sheets format, the previous "Minority interests" has been renamed as "Noncontrolling interest" and presented as a component of Equity. (The definition of "stockholders' equity" is unchanged even after adoption of the new standards. That is, "Common stock", "Capital surplus", "Retained earnings", "Accumulated other comprehensive income (loss)" and "Treasury stock, at cost" displayed as components of "Total ITOCHU's stockholders' equity" present respective amount attributable to the stockholders of ITOCHU Corporation, while in "Noncontrolling interest" total of subsidiaries' equity amount attributable to noncontrolling interests is presented without disaggregating into each component.

3) Consolidated Statements of Equity and Consolidated Statements of Comprehensive Income

According to the new concept, just as well as Net income in consolidated statements of income, "Comprehensive income" in Consolidated Statements of Equity and consolidated statements of comprehensive income should be presented as the comprehensive income for the consolidation group. Therefore, regarding the revised Consolidated Statements of Equity and Consolidated Statements of Comprehensive income-quarterly format, "Comprehensive income (loss)" shows the entire increase or decrease of each comprehensive income component and then comprehensive income amount attributable to noncontrolling interests is deducted in "Comprehensive income attributable to noncontrolling interest" and the remaining amount is presented in "Comprehensive income (loss) attributable to ITOCHU".

4) Consolidated Statements of Cash Flows

Consolidated statements of cash flows are considered to display cash flow position as consolidation group itself even previously, however in accordance with the previous manner, "Net income" before adoption of the new standards (that is "Net income attributable to ITOCHU" after adoption of the new standards) was to be presented in presentation of Cash flows from operating activities, and accordingly reverse of "Minority interests" was to be included in "Adjustments to reconcile net income". After adoption of the new standards, the first line in presentation of Cash flows from operating activities should be "Net income" defined in new pronouncements, and accordingly it is no longer necessary to reverse Minority interests (or "Net income attributable to noncontrolling interest"). Such transactions at and after the beginning of fiscal year ending March 31, 2010, are classified as Cash flows from financing activities, which were previously included in Cash flows from investing activities.

**(9) Operating Segment Information**

ITOCHU Corporation and Subsidiaries  
Years ended March 31, 2010 and 2009

We, ITOCHU Corporation and its subsidiaries have a diverse palette of functions and expertise through investments in resources development operations and also as a strategic partner, as well as wide range of business activities such as trading, finance, logistics and coordinating the projects. By using this diverse palette and global networks, 7 division companies have been promoting and developing many kinds of business in textile, food and general merchandise as Consumer-related sector, metal resources, oil and gas as Natural resource / energy-related sector, chemical, machinery, information technology, finance and real-estate as Other sectors, besides life care, ecology and new energy as New business sector.

ITOCHU Corporation has introduced a division company system, and information on operating segments is prepared and presented according to this system.

This system is regularly used for decisions in operations, including resource allocations, and evaluations by the management.

As of April 1st, 2009, Aerospace, Electronics & Multimedia Company was renamed to "ICT, Aerospace & Electronics Company".

Information concerning operations in different operating segments for the years ended March 31, 2010 and 2009 is as follows:

For the year ended March 31, 2010 (April 1, 2009 -March 31, 2010)									Millions of Yen
Textile	Machinery	ICT, Aerospace & Electronics	Energy, Metals & Minerals	Chemicals, Forest Products & General Merchandise	Food	Finance, Realty, Insurance & Logistics Services	Other, Adjustments & Eliminations	Consolidated	
Total trading transactions:									
Unaffiliated customers									
and associated companies	¥ 516,808	¥ 751,896	¥ 607,839	¥ 3,272,623	¥ 1,795,544	¥ 3,032,399	¥ 166,921	¥ 162,769	¥ 10,306,799
Transfers between operating segments	567	1,332	6,353	437	21,055	1,782	15,950	(47,476)	-
Total trading transactions	517,375	753,228	614,192	3,273,060	1,816,599	3,034,181	182,871	115,293	10,306,799
Gross trading profit	102,733	43,257	136,432	141,591	110,073	335,487	35,642	19,151	924,366
Net income attributable to ITOCHU	22,401	3,692	6,017	65,661	19,270	27,808	(4,247)	(12,449)	128,153
[Equity in earnings of associated companies]	[8,019]	[10,489]	[2,063]	[9,186]	[1,629]	[13,015]	[(7,114)]	[(1,018)]	[36,269]
Identifiable assets at March 31, 2010	417,380	544,958	513,249	1,249,048	727,994	1,130,719	382,135	511,364	5,476,847

For the year ended March 31, 2009 (April 1, 2008 -March 31, 2009)									Millions of Yen
Textile	Machinery	ICT, Aerospace & Electronics	Energy, Metals & Minerals	Chemicals, Forest Products & General Merchandise	Food	Finance, Realty, Insurance & Logistics Services	Other, Adjustments & Eliminations	Consolidated	
Total trading transactions:									
Unaffiliated customers									
and associated companies	¥ 589,596	¥ 1,370,207	¥ 633,766	¥ 3,916,776	¥ 2,024,015	¥ 3,188,363	¥ 167,254	¥ 175,132	¥ 12,065,109
Transfers between operating segments	618	1,541	3,793	557	19,927	460	9	(26,905)	-
Total trading transactions	590,214	1,371,748	637,559	3,917,333	2,043,942	3,188,823	167,263	148,227	12,065,109
Gross trading profit	102,626	71,854	138,859	222,263	114,277	335,606	42,042	32,994	1,060,521
Net income attributable to ITOCHU	22,898	(15,457)	8,026	114,695	19,025	20,185	(1,212)	(2,770)	165,390
[Equity in earnings of associated companies]	[3,602]	[1,759]	[307]	[24,710]	[2,949]	[10,073]	[(2,880)]	[784]	[41,304]
Identifiable assets at March 31, 2009	360,431	639,939	490,159	1,016,596	611,375	1,054,127	381,800	637,665	5,192,092

For the year ended March 31, 2010 (April 1, 2009 -March 31, 2010)									Millions of U.S.dollars
Textile	Machinery	ICT, Aerospace & Electronics	Energy, Metals & Minerals	Chemicals, Forest Products & General Merchandise	Food	Finance, Realty, Insurance & Logistics Services	Other, Adjustments & Eliminations	Consolidated	
Total trading transactions:									
Unaffiliated customers									
and associated companies	\$ 5,555	\$ 8,082	\$ 6,533	\$ 35,174	\$ 19,299	\$ 32,592	\$ 1,794	\$ 1,749	\$ 110,778
Transfers between operating segments	6	14	68	5	226	20	171	(510)	-
Total trading transactions	5,561	8,096	6,601	35,179	19,525	32,612	1,965	1,239	110,778
Gross trading profit	1,104	465	1,466	1,522	1,183	3,606	383	206	9,935
Net income attributable to ITOCHU	241	40	64	706	207	299	(46)	(134)	1,377
[Equity in earnings of associated companies]	[86]	[113]	[22]	[99]	[17]	[140]	[(76)]	[(11)]	[390]
Identifiable assets at March 31, 2010	4,486	5,857	5,517	13,425	7,825	12,153	4,107	5,496	58,866

Note :

1. "Equity in earnings of associated companies" is included in Net income attributable to ITOCHU.

2. "Total trading transactions" is presented in accordance with Japanese accounting practice.

Total trading transactions consist of sales with respect to transactions in which the companies act as principal and the total amount of transactions in which the companies act as agent.

3. In the first quarter of this fiscal year, SFAS160 (codified to ASC Topic 810) was applied. For detail, please refer to "New Accounting Pronouncements" on (8), page 33.

[Explanation for Operating Segment Information]

**Trading transactions for unaffiliated customers and associated companies**

(Unit : billion yen)	Apr.-Mar. 2010	Apr.-Mar. 2009	Increase (Decrease)	Main reasons for changes
Textile	516.8	589.6	(72.8)	Decrease due to market slowdown in textile materials, fabrics and apparels despite increase from the acquisitions of SANKEI CO., LTD. and JAVA HOLDINGS CO., LTD.
Machinery	751.9	1,370.2	(618.3)	Decrease due to reduced transactions in automobile and construction machinery business as well as the absence of multiple deliveries of newly completed ships in the previous fiscal year
ICT, Aerospace & Electronics	607.8	633.8	(25.9)	Decrease due to overall low performance in aviation, Information and Communication Technology-related businesses
Energy, Metals & Minerals	3,272.6	3,916.8	(644.2)	Significant decrease due to price falls on annual average in metal resources, oil and gas despite increase from the acquisition of ITOCHU ENEX CO., LTD.
Chemicals, Forest Products & General Merchandise	1,795.5	2,024.0	(228.5)	Decrease due to price falls on annual average in chemicals and slowdown in housing market in Japan and the U.S. despite increase from the acquisition of C.I.Kasei Co., Ltd.
Food	3,032.4	3,188.4	(156.0)	Decrease due to price falls in food resources such as feed grains, oils and fats especially in the first half of this fiscal year
Finance, Realty, Insurance & Logistics Services	166.9	167.3	(0.3)	Almost the same level due to increase from the acquisition of ITOCHU LOGISTICS CORP. offset by decrease in finance-related business
Other, Adjustments & Eliminations	162.8	175.1	(12.4)	Decrease due to price falls in equipment material transactions in North America, low performance resulting from demand shrink, and effect of yen's appreciation, despite increase in LINE-related business
<b>Total</b>	<b>10,306.8</b>	<b>12,065.1</b>	<b>(1,758.3)</b>	

**Gross trading profit**

(Unit : billion yen)	Apr.-Mar. 2010	Apr.-Mar. 2009	Increase (Decrease)	Main reasons for changes
Textile	102.7	102.6	0.1	Almost the same level due to the acquisitions of SANKEI CO., LTD. and JAVA HOLDINGS CO., LTD. despite decrease due to market slowdown in textile materials, fabrics and apparels
Machinery	43.3	71.9	(28.6)	Decrease due to reduced transactions in automobile and construction machinery business and absence of ship trade in the previous fiscal year
ICT, Aerospace & Electronics	136.4	138.9	(2.4)	Decrease due to overall low performance in Information and Communication Technology-related business
Energy, Metals & Minerals	141.6	222.3	(80.7)	Significant decrease due to price falls on annual average in metal resources, oil and gas despite increase from the acquisition of ITOCHU ENEX CO., LTD.
Chemicals, Forest Products & General Merchandise	110.1	114.3	(4.2)	Decrease due to slowdown in housing market in Japan and the U.S., and sale of a subsidiary in the U.S. despite increase from the acquisition of C.I. Kasei Co., Ltd.
Food	335.5	335.6	(0.1)	Almost the same level due to profitability improved in food resources such as feed grains, oils and fats, offset by decrease in a food distribution subsidiary
Finance, Realty, Insurance & Logistics Services	35.6	42.0	(6.4)	Decrease in finance-related business and impairment loss of inventory in real-estate for sale despite increase from the acquisition of ITOCHU LOGISTICS CORP.
Other, Adjustments & Eliminations	19.2	33.0	(13.8)	Decrease due to price falls in equipment material transactions in North America, low performance resulting from demand shrink, and effect of yen's appreciation, despite increase in LINE-related business
<b>Total</b>	<b>924.4</b>	<b>1,060.5</b>	<b>(136.2)</b>	

**Net income attributable to ITOCHU**

(Unit : billion yen)	Apr.-Mar. 2010	Apr.-Mar. 2009	Increase (Decrease)	Main reasons for changes
Textile	22.4	22.9	(0.5)	Decrease in gross trading profit except the acquisitions of SANKEI CO., LTD. and JAVA HOLDINGS CO., LTD. and absence of gain on sales of investments in the previous fiscal year, despite gain on bargain purchase in acquisition of Leilian Co., LTD as well as addition of a new associated company
Machinery	3.7	(15.5)	19.1	Increase due to improved equity in earnings of associated companies, and the absence of provision for doubtful receivables and impairment loss on investments in the previous fiscal year
ICT, Aerospace & Electronics	6.0	8.0	(2.0)	Decrease due to impairment loss on investments and decreased gross trading profit despite increase in equity in earnings of associated companies
Energy, Metals & Minerals	65.7	114.7	(49.0)	Decrease in gross trading profit and decreased equity in earnings of associated companies despite the absence of the loss from Entrada Oil/Natural Gas Field Development Project in the previous fiscal year
Chemicals, Forest Products & General Merchandise	19.3	19.0	0.2	Increase due to net gain on the acquisition of C.I.Kasei Co., Ltd., and absence of impairment loss on and disposal of fixed assets in the previous fiscal year despite decreased gross trading profit and worsened equity in earnings of associated companies
Food	27.8	20.2	7.6	Increase due to decreased SG&A in a food distribution subsidiary and improved equity in earnings of associated companies
Finance, Realty, Insurance & Logistics Services	(4.2)	(1.2)	(3.0)	Decrease due to increased impairment loss on investments in finance-related associated company as a result of revaluation of their fair values and less equity in earnings and absence of profit from transfer of the business in overseas despite net gain on the acquisition of ITOCHU LOGISTICS CORP.
Other, Adjustments & Eliminations	(12.4)	(2.8)	(9.7)	Decrease in gross trading profit and equity in earnings of associated companies despite decreased local tax burden
<b>Total</b>	<b>128.2</b>	<b>165.4</b>	<b>(37.2)</b>	

**Identifiable assets**

(Unit : billion yen)	Mar. 2010	Mar. 2009	Increase (Decrease)	Main reasons for changes
Textile	417.4	360.4	56.9	Increase due to new investments and the acquisition of JAVA HOLDINGS CO., LTD and Leilian Co., LTD. despite decreased trade receivables resulting from sales decline
Machinery	545.0	639.9	(95.0)	Decrease in trade receivables and inventories in automobile and construction machinery
ICT, Aerospace & Electronics	513.2	490.2	23.1	Increase in industrial machinery-related business despite decrease in prepayment from delivery of large aircraft project
Energy, Metals & Minerals	1,249.0	1,016.6	232.5	Increase in trade receivables and inventories from higher oil price compared with the last fiscal year end, additional acquisitions of fixed assets, and appreciation of Australian dollar and Brazilian real to yen compared with the last fiscal year end
Chemicals, Forest Products & General Merchandise	728.0	611.4	116.6	Increase due to the acquisition of C.I.Kasei Co., Ltd. and increased trading receivables resulting from market recovery in chemicals
Food	1,130.7	1,054.1	76.6	Increase in new investments and fixed assets in food distribution sector
Finance, Realty, Insurance & Logistics Services	382.1	381.8	0.3	Almost the same level due to the acquisition of ITOCHU LOGISTICS CORP. and increase in condominium inventory despite decrease in deferred tax asset resulting from sale of subsidiaries
Other, Adjustments & Eliminations	511.4	637.7	(126.3)	Decrease in cash and cash equivalents
<b>Total</b>	<b>5,476.8</b>	<b>5,192.1</b>	<b>284.8</b>	

## ITOCHU Corporation and Subsidiaries

For the three months ended March 31, 2010 and 2009 (Fourth quarter of fiscal year 2010 and 2009)

Information concerning operations in different operating segments for the three months ended March 31, 2010 is as follows:

For the three months ended March 31, 2010 (January 1, 2010 -March 31, 2010)										Millions of Yen
	Textile	Machinery	ICT, Aerospace & Electronics	Energy, Metals & Minerals	Chemicals, Forest Products & General Merchandise	Food	Finance, Realty, Insurance & Logistics Services	Other, Adjustments & Eliminations	Consolidated	
Total trading transactions:										
Unaffiliated customers and associated companies .....	¥ 139,433	¥ 225,179	¥ 194,394	¥ 976,168	¥ 475,662	¥ 686,899	¥ 71,803	¥ 40,130	¥ 2,809,668	
Transfers between operating segments .....	163	59	1,853	154	5,663	403		(12,784)	-	
Total trading transactions .....	<u>139,596</u>	<u>225,238</u>	<u>196,247</u>	<u>976,322</u>	<u>481,325</u>	<u>687,302</u>	<u>76,292</u>	<u>27,346</u>	<u>2,809,668</u>	
Gross trading profit .....	<u>26,333</u>	<u>11,849</u>	<u>41,543</u>	<u>46,166</u>	<u>29,031</u>	<u>77,986</u>	<u>10,813</u>	<u>4,577</u>	<u>248,298</u>	
Net income attributable to ITOCHU.....	<u>9,226</u>	<u>1,935</u>	<u>5,607</u>	<u>23,240</u>	<u>6,595</u>	<u>1,907</u>	<u>(5,911)</u>	<u>4,939</u>	<u>47,538</u>	
[Equity in earnings of associated companies].....	<u>[1,894]</u>	<u>[4,426]</u>	<u>[1,483]</u>	<u>[2,162]</u>	<u>[1,844]</u>	<u>[1,779]</u>	<u>[(11,646)]</u>	<u>[168]</u>	<u>[2,110]</u>	
Identifiable assets at March 31, 2010.....	<u>417,380</u>	<u>544,958</u>	<u>513,249</u>	<u>1,249,048</u>	<u>727,994</u>	<u>1,130,719</u>	<u>382,135</u>	<u>511,364</u>	<u>5,476,847</u>	

For the three months ended March 31, 2009(January 1, 2009-March 31, 2009)										Millions of Yen
	Textile	Machinery	ICT, Aerospace & Electronics	Energy, Metals & Minerals	Chemicals, Forest Products & General Merchandise	Food	Finance, Realty, Insurance & Logistics Services	Other, Adjustments & Eliminations	Consolidated	
Total trading transactions:										
Unaffiliated customers and associated companies .....	¥ 148,337	¥ 262,630	¥ 200,484	¥ 670,171	¥ 387,154	¥ 709,895	¥ 44,187	¥ 35,874	¥ 2,458,732	
Transfers between operating segments .....	164	612	1,027	232	4,477	40	2	(6,554)	-	
Total trading transactions .....	<u>148,501</u>	<u>263,242</u>	<u>201,511</u>	<u>670,403</u>	<u>391,631</u>	<u>709,935</u>	<u>44,189</u>	<u>29,320</u>	<u>2,458,732</u>	
Gross trading profit .....	<u>28,283</u>	<u>5,048</u>	<u>44,842</u>	<u>37,869</u>	<u>22,434</u>	<u>79,863</u>	<u>8,834</u>	<u>8,804</u>	<u>235,977</u>	
Net income attributable to ITOCHU.....	<u>6,575</u>	<u>(12,466)</u>	<u>5,417</u>	<u>12,009</u>	<u>803</u>	<u>1,671</u>	<u>(5,084)</u>	<u>(6,210)</u>	<u>2,715</u>	
[Equity in earnings of associated companies].....	<u>[282]</u>	<u>[(201)]</u>	<u>[269]</u>	<u>[1,635]</u>	<u>[(681)]</u>	<u>[(836)]</u>	<u>[(10,274)]</u>	<u>[441]</u>	<u>[(9,365)]</u>	
Identifiable assets at March 31, 2009.....	<u>360,431</u>	<u>639,939</u>	<u>490,159</u>	<u>1,016,596</u>	<u>611,375</u>	<u>1,054,127</u>	<u>381,800</u>	<u>637,665</u>	<u>5,192,092</u>	

For the three months ended March 31, 2010 (January 1, 2010 -March 31, 2010)										Millions of U.S.dollars
	Textile	Machinery	ICT, Aerospace & Electronics	Energy, Metals & Minerals	Chemicals, Forest Products & General Merchandise	Food	Finance, Realty, Insurance & Logistics Services	Other, Adjustments & Eliminations	Consolidated	
Total trading transactions:										
Unaffiliated customers and associated companies .....	\$ 1,499	\$ 2,420	\$ 2,089	\$ 10,492	\$ 5,112	\$ 7,383	\$ 772	\$ 431	\$ 30,198	
Transfers between operating segments .....	1	1	20	2	61	4	48	(137)	-	
Total trading transactions .....	<u>1,500</u>	<u>2,421</u>	<u>2,109</u>	<u>10,494</u>	<u>5,173</u>	<u>7,387</u>	<u>820</u>	<u>294</u>	<u>30,198</u>	
Gross trading profit .....	<u>283</u>	<u>128</u>	<u>447</u>	<u>496</u>	<u>312</u>	<u>838</u>	<u>116</u>	<u>49</u>	<u>2,669</u>	
Net income attributable to ITOCHU.....	<u>99</u>	<u>21</u>	<u>60</u>	<u>250</u>	<u>71</u>	<u>21</u>	<u>(64)</u>	<u>53</u>	<u>511</u>	
[Equity in earnings of associated companies].....	<u>[20]</u>	<u>[48]</u>	<u>[16]</u>	<u>[23]</u>	<u>[20]</u>	<u>[19]</u>	<u>[(125)]</u>	<u>[2]</u>	<u>[23]</u>	
Identifiable assets at March 31, 2010.....	<u>4,486</u>	<u>5,857</u>	<u>5,517</u>	<u>13,425</u>	<u>7,825</u>	<u>12,153</u>	<u>4,107</u>	<u>5,496</u>	<u>58,866</u>	

## Note :

- "Equity in earnings of associated companies" is included in Net income attributable to ITOCHU.
- "Total trading transactions" is presented in accordance with Japanese accounting practice.  
Total trading transactions consist of sales with respect to transactions in which the companies act as principal and the total amount of transactions in which the companies act as agent.
- In the first quarter of this fiscal year, SFAS160 (codified to ASC Topic 810) was applied.  
For detail, please refer to "New Accounting Pronouncements" on (8), page 33.

[Explanation for Operating Segment Information]

**Trading transactions for unaffiliated customers and associated companies**

(Unit : billion yen)	Jan.-Mar. 2010	Jan.-Mar. 2009	Increase (Decrease)	Main reasons for changes
Textile	139.4	148.3	(8.9)	Decrease due to market slowdown in textile materials, fabrics and apparels despite increase from the acquisitions of JAVA HOLDINGS CO., LTD.
Machinery	225.2	262.6	(37.5)	Decrease due to absence of multiple deliveries of newly built ships and plants in the same period of the previous fiscal year
ICT, Aerospace & Electronics	194.4	200.5	(6.1)	Decrease due to overall low performance in aviation, Information and Communication Technology-related businesses
Energy, Metals & Minerals	976.2	670.2	306.0	Increase due to price upturns in oil and gas
Chemicals, Forest Products & General Merchandise	475.7	387.2	88.5	Increase due to market recovery in chemicals and the acquisition of C.I.Kasei Co., Ltd.
Food	686.9	709.9	(23.0)	Decrease in transactions in distribution sector resulting from slowdown in domestic consumption
Finance, Realty, Insurance & Logistics Services	71.8	44.2	27.6	Increase due to the acquisition of ITOCHU LOGISTICS CORP. in addition to the sale of investment office properties and warehouses, and the gradual recovery of condominium sales compared with the same period of the previous fiscal year
Other, Adjustments & Eliminations	40.1	35.9	4.3	Increase in LINES-related business despite price falls in equipment material transactions in North America, low performance resulting from demand shrink, and effect of yen's appreciation
<b>Total</b>	<b>2,809.7</b>	<b>2,458.7</b>	<b>350.9</b>	

**Gross trading profit**

(Unit : billion yen)	Jan.-Mar. 2010	Jan.-Mar. 2009	Increase (Decrease)	Main reasons for changes
Textile	26.3	28.3	(2.0)	Decrease due to market slowdown in textile materials, fabrics and apparels despite increase from the acquisition of JAVA HOLDINGS CO., LTD.
Machinery	11.8	5.0	6.8	Increase due to absence of inventory write-down resulting from sluggish automobile market in the same period of the previous fiscal year
ICT, Aerospace & Electronics	41.5	44.8	(3.3)	Decrease due to low performance in domestic IT and mobile phone businesses
Energy, Metals & Minerals	46.2	37.9	8.3	Increase in sales volume in coal and price upturns in oil and gas
Chemicals, Forest Products & General Merchandise	29.0	22.4	6.6	Increase due to the acquisition of C.I.Kasei Co., Ltd. in addition to market recovery in chemicals
Food	78.0	79.9	(1.9)	Decrease in a food distribution subsidiary
Finance, Realty, Insurance & Logistics Services	10.8	8.8	2.0	Increase due to the acquisition of ITOCHU LOGISTICS CORP. in addition to the sale of investment office properties and warehouses, and the gradual recovery of condominium sales compared with the same period of the previous fiscal year
Other, Adjustments & Eliminations	4.6	8.8	(4.2)	Decrease due to price falls in equipment material transactions in North America, low performance resulting from demand shrink, and effect of yen's appreciation, despite increase in LINES-related business
<b>Total</b>	<b>248.3</b>	<b>236.0</b>	<b>12.3</b>	

**Net income attributable to ITOCHU**

(Unit : billion yen)	Jan.-Mar. 2010	Jan.-Mar. 2009	Increase (Decrease)	Main reasons for changes
Textile	9.2	6.6	2.7	Increase due to addition of a new associated company as well as gain on bargain purchase in the acquisition of Leilian Co., LTD.
Machinery	1.9	(12.5)	14.4	Increase in gross trading profit and improved equity in earnings of associated companies
ICT, Aerospace & Electronics	5.6	5.4	0.2	Almost the same level due to improved gain on sales of investments and marketable securities and increased equity in earnings of associated companies despite decrease in gross trading profit
Energy, Metals & Minerals	23.2	12.0	11.2	Increase in gross trading profit and dividends received despite worsening from impairment loss on oil and gas assets in Energy
Chemicals, Forest Products & General Merchandise	6.6	0.8	5.8	Increase in gross trading profit and equity in earnings of associated companies
Food	1.9	1.7	0.2	Increase due to decreased SG&A in a food distribution subsidiary and improved equity in earnings of associated companies despite loss from business withdrawal and impairment loss on marketable securities
Finance, Realty, Insurance & Logistics Services	(5.9)	(5.1)	(0.8)	Decrease due to less equity in earnings in finance-related business and increased impairment loss on investments despite improved gross trading profit
Other, Adjustments & Eliminations	4.9	(6.2)	11.1	Increase due to improved interest expenses, gain on sales of investments and marketable securities, local tax and foreign tax credit despite decrease in gross trading profit
<b>Total</b>	<b>47.5</b>	<b>2.7</b>	<b>44.8</b>	

### (10) Per share Information

The following is the information on the ITOCHU stockholders' equity per share and net income attributable to ITOCHU per share for the years ended March 31, 2010 and 2009.

(Unit:Yen)

	2010	2009
ITOCHU stockholders' equity per share	694.98	537.43
Basic net income attributable to ITOCHU per share	81.09	104.64
Diluted net income attributable to ITOCHU per share	80.91	103.94

The base data to compute the basic and diluted net income attributable to ITOCHU per share computations for the years ended March 31, 2010 and 2009 are as follows:

(Numerator)

(Unit:Millions of yen)

	2010	2009
Net income attributable to ITOCHU	128,153	165,390
Effect of dilutive securities: Convertible preferred stock	(284)	(1,106)
Diluted net income attributable to ITOCHU	127,869	164,284

(Denominator)

	2010	2009
Average number of common shares outstanding	1,580,448,671	1,580,579,472

### (11) Material subsequent events

No material subsequent events have occurred.

## 5. Financial Highlights

### [Consolidated]

(Unit: Billion Yen)

	2006	2007	2008	2009	2010
Total trading transactions	10,456.7	11,556.8	11,729.1	12,065.1	10,306.8
Gross trading profit	713.5	907.5	994.5	1,060.5	924.4
Income before income taxes and equity in earnings of associated companies	215.3	298.2	280.5	208.3	155.0
Net income attributable to ITOCHU	144.2	175.9	217.3	165.4	128.2

	Mar. 2006	Mar. 2007	Mar. 2008	Mar. 2009	Mar. 2010
Total assets	4,809.8	5,288.6	5,274.2	5,192.1	5,476.8
Interest-bearing debt	2,226.5	2,165.6	2,104.4	2,389.3	2,209.3
(Cash and cash equivalents, Time deposits)	(502.2)	(534.7)	(449.9)	(632.6)	(483.2)
Net interest-bearing debt	1,724.3	1,630.9	1,654.5	1,756.8	1,726.1

ITOCHU stockholders' equity	724.4	892.6	973.5	849.4	1,098.4
ITOCHU stockholders' equity per share (Yen)	457.93	564.48	615.89	537.43	694.98

R O A (Return on assets)	3.1%	3.5%	4.1%	3.2%	2.4%
R O E (Return on equity)	23.4%	21.8%	23.3%	18.1%	13.2%
Net debt-to-equity ratio (times) (*)	2.4	1.8	1.7	2.1	1.6

(\*)Net debt-to-equity ratio: Net interest-bearing debt / ITOCHU stockholders' equity

### [Stock price information]

(Unit: Yen)

	2006	2007	2008	2009	2010
Stock price (Highest)	1,056	1,223	1,591	1,337	821
(Lowest)	484	837	804	380	486
(Closing)	1,011	1,168	984	478	819
(Reference) Nikkei Stock Average index(**)	17,059	17,287	12,525	8,109	11,089

(\*\*) Nikkei Stock Average index: Year-end price of each fiscal year

## [Quarterly Information on Consolidated Operating Results]

### Consolidated Statements of Income

(Unit: billion yen)

	Fiscal Year 2009 ended March 31, 2009					Fiscal Year 2010 ended March 31, 2010				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Revenue	728.9	767.9	1,033.2	889.2	3,419.1	767.2	883.8	862.9	902.7	3,416.6
Gross trading profit	247.7	294.4	282.5	236.0	1,060.5	206.3	233.7	236.1	248.3	924.4
Selling, general and administrative expenses	(178.9)	(186.5)	(204.7)	(198.0)	(768.1)	(189.4)	(192.6)	(196.1)	(191.8)	(769.9)
Provision for doubtful receivables	(0.7)	(11.7)	(0.1)	(4.2)	(16.7)	(3.9)	(0.5)	(0.6)	(2.1)	(7.0)
Interest income	4.4	3.9	4.2	3.6	16.3	2.5	2.7	2.5	2.2	9.9
Interest expense	(11.8)	(11.1)	(11.8)	(11.0)	(45.7)	(9.0)	(9.4)	(8.2)	(8.7)	(35.2)
Dividends received	10.4	7.5	9.3	7.9	35.0	5.9	4.4	4.0	14.5	28.9
Gain (loss) on investments-net	5.9	(0.9)	(18.6)	(9.5)	(23.1)	2.8	2.4	(0.7)	(8.9)	(4.5)
Gain (loss) on property and equipment-net	1.1	(1.9)	(34.3)	(10.3)	(45.4)	2.3	(0.4)	(1.1)	(9.4)	(8.5)
Gain on bargain purchase in acquisition	-	-	-	-	-	9.1	-	-	4.9	14.0
Other-net	(2.2)	(0.3)	(7.1)	5.1	(4.5)	1.6	1	(2.5)	2.9	3.0
Income before income taxes and equity in earnings (losses) of associated companies	75.9	93.4	19.4	19.6	208.3	28.4	41.3	33.4	52.0	155.0
Income taxes	(31.3)	(30.2)	(8.8)	(2.5)	(72.8)	(15.9)	(15.3)	(18.0)	(2.4)	(51.6)
Income before equity in earnings (losses) of associated companies	44.6	63.2	10.6	17.1	135.5	12.5	26.0	15.4	49.6	103.4
Equity in earnings (losses) of associated companies	18.9	16.0	15.7	(9.4)	41.3	9.4	11.4	13.4	2.1	36.3
Net income	63.5	79.2	26.3	7.8	176.8	21.9	37.3	28.8	51.7	139.7
Net income attributable to the noncontrolling interest	(1.0)	(2.6)	(2.8)	(5.1)	(11.4)	(1.4)	(2.4)	(3.5)	(4.2)	(11.5)
Net income attributable to ITOCHU	62.5	76.7	23.6	2.7	165.4	20.4	34.9	25.3	47.5	128.2
[Adjusted Profit]	[90.7]	[124.2]	[95.2]	[29.2]	[339.3]	[25.8]	[50.2]	[51.6]	[66.7]	[194.3]

### Segment Information

(Unit: billion yen)

	Fiscal Year 2009 ended March 31, 2009					Fiscal Year 2010 ended March 31, 2010				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Textile										
Gross trading profit	21.8	25.1	27.4	28.3	102.6	20.4	25.2	30.8	26.3	102.7
Net income attributable to ITOCHU	9.8	3.4	3.1	6.6	22.9	0.8	6.3	6.1	9.2	22.4
Machinery										
Gross trading profit	20.4	24.9	21.5	5.0	71.9	11.5	12.5	7.5	11.8	43.3
Net income attributable to ITOCHU	0.8	2.8	(6.7)	(12.5)	(15.5)	(0.4)	4.4	(2.3)	1.9	3.7
ICT, Aerospace & Electronics										
Gross trading profit	28.2	32.8	33.0	44.8	138.9	28.7	33.0	33.2	41.5	136.4
Net income attributable to ITOCHU	0.9	1.0	0.7	5.4	8.0	(0.6)	1.8	(0.8)	5.6	6.0
Energy, Metals & Minerals										
Gross trading profit	43.2	68.2	72.9	37.9	222.3	25.1	32.4	37.8	46.2	141.6
Net income attributable to ITOCHU	32.3	54.1	16.3	12.0	114.7	5.6	20.5	16.3	23.2	65.7
Metals & Minerals										
Gross trading profit	23.4	53.9	22.3	11.1	110.7	9.9	11.9	14.5	18.7	55.0
Net income attributable to ITOCHU	19.4	43.6	17.1	3.7	83.8	5.9	10.8	10.8	15.4	42.9
Energy										
Gross trading profit	19.9	14.3	50.6	26.8	111.6	15.2	20.5	23.4	27.5	86.6
Net income attributable to ITOCHU	12.9	10.6	(0.9)	8.3	30.9	(0.3)	9.7	5.5	7.9	22.8
Chemicals, Forest Products & General Merchandise										
Gross trading profit	29.7	35.2	26.9	22.4	114.3	23.6	28.3	29.2	29.0	110.1
Net income attributable to ITOCHU	5.2	8.0	5.0	0.8	19.0	2.2	5.9	4.5	6.6	19.3
Forest Products & General Merchandise										
Gross trading profit	16.3	20.8	16.7	12.2	66.0	9.9	12.4	13.9	14.1	50.3
Net income attributable to ITOCHU	1.6	4.3	5.1	1.0	12.0	(0.6)	1.2	1.2	2.9	4.7
Chemicals										
Gross trading profit	13.5	14.4	10.1	10.3	48.3	13.7	15.9	15.3	14.9	59.8
Net income attributable to ITOCHU	3.6	3.7	(0.1)	(0.2)	7.0	2.8	4.8	3.3	3.6	14.6
Food										
Gross trading profit	80.6	89.2	85.9	79.9	335.6	82.5	88.8	86.2	78.0	335.5
Net income attributable to ITOCHU	5.7	6.8	6.1	1.7	20.2	13.0	5.5	7.4	1.9	27.8
Finance, Realty, Insurance & Logistics Services										
Gross trading profit	12.7	9.9	10.7	8.8	42.0	7.9	8.9	8.1	10.8	35.6
Net income attributable to ITOCHU	2.3	4.3	(2.8)	(5.1)	(1.2)	2.0	0.3	(0.7)	(5.9)	(4.2)
Finance, Insurance & Logistics Services										
Gross trading profit	5.5	6.2	5.4	5.1	22.3	4.7	4.9	4.7	5.0	19.4
Net income attributable to ITOCHU	1.2	2.6	(1.7)	(6.6)	(4.4)	2.5	0.9	(0.4)	(8.8)	(5.8)
Realty										
Gross trading profit	7.2	3.6	5.2	3.8	19.8	3.1	4.0	3.3	5.8	16.2
Net income attributable to ITOCHU	1.1	1.7	(1.1)	1.5	3.2	(0.5)	(0.5)	(0.3)	2.9	1.6
Other, Adjustments & Eliminations										
Gross trading profit	11.0	9.0	4.2	8.8	33.0	6.7	4.7	3.2	4.6	19.2
Net income attributable to ITOCHU	5.4	(3.7)	1.7	(6.2)	(2.8)	(2.2)	(9.9)	(5.3)	4.9	(12.4)

Note:

- As of April 1st, 2009, Aerospace, Electronics & Multimedia Company was renamed to "ICT, Aerospace & Electronics Company".
- In the first quarter of this fiscal year, SFAS160 (codified ASC Topic 810) was applied. For detail, please refer to "New Accounting Pronouncements on (8), page 33.