

**Highlights of Consolidated Financial Results for the Fourth Quarter of FY 2012 (U.S. GAAP)**  
**(3 months from January 1, 2012 to March 31, 2012)**

May 8, 2012  
 ITOCHU Corporation

**Financial topics for the 4th Quarter (3 months) of FY 2012**

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

- 4th Quarter "Net income attributable to ITOCHU" increased by ¥69.4 bil. compared with the previous 4th Quarter to ¥81.6 bil. -The highest earnings as an individual 4th Quarter and the third highest ever quarterly earnings.
- For "Net income attributable to ITOCHU" by segment, all segments achieved earnings increases compared with the previous 4th Quarter. "Ener., Met. & Min." increased by ¥24.9 bil. to ¥47.1 bil.; "ICT & Mach." increased by ¥10.2 bil. to ¥12.9 bil.; "Food" increased by ¥13.3 bil. to ¥8.3 bil. due to the absence of losses of the Great East Japan Earthquake aftermath as well as impairment losses on investment; "Chem., FP & GM" increased by ¥3.0 bil. to ¥8.0 bil.; "Textile" increased by ¥4.8 bil. to ¥7.3 bil.; "Const. & Rlty." increased by ¥2.3 bil. to ¥4.7 bil.; and "Fin. & IS, LS" increased by ¥5.4 bil. to ¥1.5 bil. due to the absence of losses accompanying restructuring of Group companies in the previous 4th Quarter.
- Share of "Net income attributable to ITOCHU" by sector: Natural Resource/Energy-Related 58%, Consumer-Related 24%, Machinery-Related 16%, and Chemicals, Construction & Realty and Others 2%.

Consolidated Financial Results of Operations	Summary of changes from the same period of the previous fiscal year		
	4th Quarter FY 2012	4th Quarter FY 2011	Increase (Decrease)
<b>Consolidated Statements of Income</b>			
Revenue	1,292.5	1,004.4	288.0
Gross trading profit (Note 2)	275.5	256.0	19.5
Selling, general and administrative expenses (Note 2)	(210.5)	(179.2)	(31.3)
Provision for doubtful receivables	(1.2)	(5.4)	4.2
Net interest expenses	(3.5)	(3.4)	(0.1)
Dividends received	11.1	5.9	5.2
Net financial income	7.6	2.5	5.1
Gain (loss) on investments-net	12.3	(10.2)	22.5
Loss on property and equipment-net	(6.0)	(32.2)	26.3
Gain on bargain purchase in acquisition	5.4	-	5.4
Other-net	6.7	(2.8)	9.5
Total other expenses	(185.7)	(227.3)	41.6
Income before income taxes and equity in earnings of associated companies	89.8	28.7	61.1
Income taxes	(23.8)	(20.7)	(3.1)
Income before equity in earnings of associated companies	66.1	8.0	58.1
Equity in earnings of associated companies	21.3	9.0	12.3
Net income	87.4	17.0	70.4
Less: Net income attributable to the noncontrolling interest	(5.8)	(4.8)	(1.1)
Net income attributable to ITOCHU	81.6	12.2	69.4
<b>(Reference)</b>			
Total trading transactions	3,096.3	2,874.9	221.4
Gross trading profit ratio	8.9%	8.9%	(0.0%)
Adjusted profit	94.0	88.3	5.6

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

• **Revenue:** Increase in the Energy, Metals & Minerals Company (the acquisition of energy-related companies, rise in prices for oil & gas compared with the same period of the previous fiscal year), in the Chemicals, Forest Product & General Merchandise Company (the acquisition of Kwik-Fit Group), and in the Construction & Realty Division (sales to investors of real estate for leasing and higher sales of condominiums)

• **Gross trading profit:**  
 Textile/ Incr (33.6→34.9): Due to brisk sales of certain apparel brands as well as strong sales on domestic demand in China  
 ICT & Machinery/ Incr (54.8→59.5): Due to higher transaction volume in construction-machinery-related companies, acceptance in healthcare-related businesses  
 Energy, Metals & Minerals/ Decr (62.9→51.0): Due to lower coal sales volume and a fall in iron ore prices, despite increase due to acceptance in solar-related business  
 Chemicals, Forest Products & General Merchandise/ Incr (30.0→47.9): Due to the acquisition of Kwik-Fit Group  
 Food/ Incr (62.4→64.8): Due to increase in transaction volume in food-distribution-related companies  
 Construction & Realty/ Incr (7.6→10.1): Due to higher sales of condominiums and sales to investors of real estate for leasing  
 Financial & Insurance Services, Logistics Services/ Decr (4.5→4.4): Due to transfer as a result of reorganization, despite increase in transactions at distribution companies

• **SG & A:** Attributable to an increase accompanying a rise in revenue among existing consolidated companies and the acquisition of Kwik-Fit Group, which offset decreases in the effect of cost reductions and the de-consolidation of certain subsidiaries

• **Provision for doubtful receivables:** Due to the absence of write-off of loans accompanying disposal of enterprises in North America in the same period of the previous fiscal year

• **Net financial income:** Increase in dividends received

• **Gain (loss) on investments-net:** Net gain on sales of investments +14.7, Impairment losses +4.3, Losses on business disposals and others +3.5

• **Loss on property and equipment-net:** Impairment losses +24.5 [substantial decrease in impairment losses on property and equipment and oil & gas assets in the same period of the previous fiscal year], Net loss on sales of property and equipment and others +1.8

• **Gain on bargain purchase in acquisition:** Additional gain on the acquisition of Brazil Japan Iron Ore Corporation

• **Other-net:** Due to an improvement in miscellaneous gain (loss) and the absence of ship-related losses in the same period of the previous fiscal year

• **Equity in earnings of assoc. co.:** Prima Meat Packers, Ltd. (Note 3) [the absence of impairment loss on investment recorded in the same period of the previous fiscal year (Note 4) +5.6] Marubeni-Itochu Steel Inc. +2.1, ITOCHU Coal Americas Inc. +2.1, ASAHI BREWERIES ITOCHU (HOLDINGS) LTD. +1.3

(Note 1) In the 4th quarter of the fiscal year ended March 31, 2012, certain subsidiaries changed their fiscal periods. The effect of these changes has been reflected in figures of certain items for the same period of the previous fiscal year.  
 (Note 2) As a result of the ITOCHU Group's integration of food distribution and marketing business, the items in which distribution cost related to these operations has been included were changed from the beginning of fiscal year 2012. The relevant amounts for the same period of the previous fiscal year were reclassified based on this new classification.  
 (Note 3) Refer to the results to be announced by each corresponding company, as their announcement dates are on or after ITOCHU's announcement date of Fiscal Year 2012.  
 (Note 4) Income tax effect is not included.

**Consolidated Statements of Comprehensive Income**

Net income	87.4	17.0	70.4
Other comprehensive income (loss) (net of tax)			
Foreign currency translation adjustments	70.1	(2.8)	72.9
Pension liability adjustments	(7.4)	(8.4)	1.0
Unrealized holding gains (losses) on securities	22.9	(3.0)	26.0
Unrealized holding gains on derivative instruments	0.4	0.4	0.1
Total other comprehensive income (loss) (net of tax)	86.1	(13.9)	100.0
Comprehensive income (loss)	173.5	3.1	170.4
Comprehensive income (loss) attributable to the noncontrolling interest	(11.2)	(3.3)	(7.9)
Comprehensive income (loss) attributable to ITOCHU	162.3	(0.2)	162.5

Components of Net income attributable to ITOCHU	Summary of Cash Flows for the 4Q of FY 2012		
	4th Quarter FY 2012	4th Quarter FY 2011	Increase (Decrease)
Parent company	28.7	33.8	(5.2)
Group companies	67.3	26.0	41.3
Overseas trading subsidiaries	7.1	1.3	5.8
Consolidation adjustments	(21.4)	(48.9)	27.5
Net income attributable to ITOCHU	81.6	12.2	69.4
Earnings from overseas businesses	46.2	22.5	23.7
Share of earnings from overseas businesses (Note 5)	57%	184%	

Cash Flows	4th Quarter FY 2012	4th Quarter FY 2011
Operating activities	118.7	192.7
Investing activities	3.9	(2.1)
Financing activities	(19.6)	77.5

• **Operating:** Net cash-inflow resulting from decrease in inventories in the Energy, Metals & Minerals and the Construction & Realty, in addition to the steady performance in operating revenue in overseas natural resources

• **Investing:** Net cash-inflow mainly due to sales of investments in natural resource development sector

• **Financing:** Net cash-outflow due to repayment of debt

(Note 5) "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 branches of parent company and the companies established in Japan for specific overseas business whose sources of revenue are in overseas.

Operating Segment Information	Net income attributable to ITOCHU		
	4th Quarter FY 2012	4th Quarter FY 2011	Increase (Decrease)
<b>Textile</b>			
	7.3	2.5	4.8
<b>ICT &amp; Machinery</b>			
	12.9	2.7	10.2
<b>Energy, Metals &amp; Minerals</b>			
	47.1	22.2	24.9
<b>Chemicals, Forest Products &amp; General Merchandise</b>			
	8.0	5.0	3.0
<b>Food</b>			
	8.3	(4.9)	13.3
<b>Construction &amp; Realty</b>			
	4.7	2.3	2.3
<b>Financial &amp; Insurance Services, Logistics Services</b>			
	1.5	(4.0)	5.4
<b>Adjustments &amp; Eliminations and others</b>			
	(8.2)	(13.6)	5.4
<b>Total</b>	<b>81.6</b>	<b>12.2</b>	<b>69.4</b>

[Net income attributable to ITOCHU]  
 Summary of changes from the same period of the previous fiscal year

Increase due to the absence of losses on liquidation of subsidiary in apparel-related business recognized in the previous fiscal year-end

Increase due to increase in gross trading profit, gain on sale of some businesses and increase in equity in earnings of associated companies, as well as the absence of losses on investment securities and ship-related losses recognized in the same period of the previous fiscal year

Increase due to rise in dividends received, gain on sale of investment securities and gain on the acquisition of Brazil Japan Iron Ore Corporation (gain on bargain purchase in acquisition), as well as due to substantial decrease of impairment losses on oil & gas assets, despite decrease in gross trading profit

Increase due to gain on sale of tire wholesale business used to subsidiaries and the absence of losses on property and equipment-net in the same period of the previous fiscal year, despite decrease due to unordinary cost for restructuring of Kwik-Fit Group and lower equity in earnings of associated companies due to sluggish pulp market

Upturn due to the absence of losses on property and equipment-net as a result of the effect of the Great East Japan Earthquake in the same period of previous fiscal year, as well as increase in equity in earnings of associated companies due to the absence of impairment losses

Increase due to rise in gross trading profit and the absence of impairment losses on property and equipment-net recognized in the same period of the previous fiscal year, as well as increase in equity in earnings of associated companies

Upturn due to the absence of losses accompanying restructuring of finance-related Group companies in the same period of previous fiscal year as well as cost reduction and collection of the allowance for doubtful receivables of the previous fiscal year

Improvement due to rise in gross trading profit and the absence of impairment losses on property and equipment-net in the same period of the previous fiscal year, as well as increase in equity in earnings of associated companies due to the absence of impairment losses