Highlights of Consolidated Financial Results for the Second Quarter of FY 2013 (U.S. GAAP)
(3 months from July 1, 2012 to September 30, 2012)

November 2, 2012
ITOCHU Corporation

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

Financial topics for the 2nd Quarter (3 months) of FY 2013

・“Net income attributable to ITOCHU” increased by ¥5.5 bil. to ¥71.6 bil. due to higher earnings from the Non-Resource Sector, which offset falls in iron ore and coal prices.
This is the highest level of earnings for a second quarter after the ¥76.7 bil. posted for the second quarter of FY 2009.

・For “Net income attributable to ITOCHU” by segment, “ICT, General Products & Realty” increased by ¥7.6 bil. to ¥15.0 bil.; “Machinery” rose by ¥5.6 bil. to ¥8.8 bil.; and “Textile” was up by ¥4.2 bil. to ¥9.5 bil.
“Food” was almost at the same level as the previous FY at ¥14.4 bil. The earnings of “Metals & Minerals” decreased by ¥14.1 bil. to ¥18.4 bil. due to falls in iron ore and coal prices.
“Energy & Chemicals” declined by ¥4.1 bil., to ¥6.7 bil., mainly as a result of a decrease in dividends received from LNG-related investments, which resulted from a change of an investee’s dividend policy from a quarterly basis to a yearly basis and decrease in earnings of associated companies.

Consolidated Financial Results of Operations

Consolidated Statements of Income

	2nd Quarter FY 2013	2nd Quarter FY 2012	Increase (Decrease)
Revenue (Note 2)	1,135.9	1,000.8	135.1
Gross trading profit (Note 2)	229.9	243.6	(13.8)
Selling, general and administrative expenses (Note 2)	(171.5)	(159.8)	(11.7)
Provision for doubtful receivables	(0.9)	(1.3)	0.5
Net interest expenses	(3.6)	(2.6)	(1.0)
Dividends received	2.0	6.4	(4.4)
Net financial income	*(1.6)*	*3.8*	*(5.4)*
Gain (loss) on investments-net	2.4	(6.6)	9.0
Gain (loss) on property and equipment-net	(2.2)	0.8	(3.1)
Other-net	3.4	6.5	(3.1)
Total other expenses	(170.4)	(156.6)	(13.8)
Income before income taxes and equity in earnings of associated companies	59.5	87.0	(27.5)
Income taxes	(12.5)	(40.3)	27.8
Income before equity in earnings of associated companies	47.0	46.8	0.3
Equity in earnings of associated companies	32.0	25.9	6.1
Net income	79.0	72.6	6.3
Less: Net income attributable to the noncontrolling interest	(7.4)	(6.6)	(0.8)
Net income attributable to ITOCHU	71.6	66.0	5.5
(Reference)			
Total trading transactions	3,079.8	3,112.4	(32.6)
Gross trading profit ratio	7.5%	7.8%	(0.4%)
Adjusted profit	88.7	113.5	(24.8)

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

Summary of changes from the same period of the previous fiscal year

・ **Revenue**: Attributable to higher revenue from the ICT, General Products & Realty Company, mainly due to the acquisition of Kwik-Fit Group for the previous fiscal year, and higher revenue from the Energy & Chemicals Company, mainly due to the effect of the acquisition of energy-related companies for the fourth quarter of the previous fiscal year

・ **Gross trading profit**:
Textile +1.0 (31.7 → 32.7): Increase due to rise accompanying acquisition of European apparel manufacturing and wholesale-related companies
Machinery +1.4 (21.7 → 23.1): Increase due to rise accompanying acquisition of automobile-related companies
Metals & Minerals -24.7 (39.9 → 15.2): Decrease mainly due to falls in iron ore and coal prices
Energy & Chemicals -2.1 (41.2 → 39.1): Decrease due to decline resulting from slumping market prices for chemicals and loss on energy-related derivatives
Food +0.6 (53.9 → 54.4): Increase due to rise in transaction volume in food-distribution-related companies, despite deterioration in profitability of food-resources-related subsidiaries and decrease resulting from conversion of existing consolidated subsidiaries into equity-method associated companies
ICT, General Products & Realty +9.7 (53.2 → 62.9): Increase due to rise resulting from the acquisition of Kwik-Fit Group, higher transactions in domestic ICT-related companies, and rise in sales of condominiums, despite decrease resulting from sale of consolidated subsidiary

・ **SG & A**: Attributable to the effect of newly consolidated subsidiaries

・ **Provision for doubtful receivables**: Improved compared to the same period of the previous fiscal year

・ **Net financial income**: Interest expense was approximately unchanged. Decrease in interest income in overseas subsidiaries and dividends from LNG-related investments, resulting from a change of an investee’s dividend policy from a quarterly basis to a yearly basis

・ **Gain (loss) on investments-net**: Net of impairment losses and remeasuring gain on investments +5.4 (-7.4 → -2.1), Net gain on sales of investments +3.2 (1.1 → 4.3), Losses on business disposals and others +0.4 (-0.2 → 0.1)

・ **Gain (loss) on property and equipment-net**: Impairment losses on property and equipment -2.2 (-0.1 → -2.4), Net gain on sales of property and equipment and others -0.9 (1.0 → 0.1)

・ **Other-net**: Decrease due to the absence of the receipt of insurance related to the Great East Japan Earthquake for the same period of the previous fiscal year and a loss on foreign currency translation

・ **Equity in earnings of assoc. co.**: Equity-method associated companies of Brazil Japan Iron Ore Corporation +5.2 (4.3 → 9.5), Contribution of newly joined equity-method associated companies +1.5, Japan Brazil Paper and Pulp Resources Development Co., Ltd. +1.0 (0.0 → 1.1), PT. KARAWANG TATABINA INDUSTRIAL ESTATE +0.6 (0.0 → 0.6), Equity-method associated companies of ITOCHU Minerals & Energy of Australia Pty Ltd. -2.0 (3.2 → 1.2)

(Note 1) In 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) With respect to distribution cost related to the ITOCHU Group's food distribution and marketing business, ITOCHU has made a change in presentation in the financial statements related to the ITOCHU Group's portion of operational cost arising at the distribution centers of the ITOCHU Group's customers, such as mass merchandisers, and delivery costs from the distribution centers to the customers' stores since the beginning of the fiscal year 2013. The aforementioned distribution cost for the same period of the previous fiscal year has been reclassified in the same manner.
(Note 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 branches of parent company and the companies established in Japan for specific overseas business whose sources of revenue are in overseas.

Consolidated Statements of Comprehensive Income

	2nd Quarter FY 2013	2nd Quarter FY 2012	Increase (Decrease)
Net income	79.0	72.6	6.3
Other comprehensive income (loss) (net of tax)			
Foreign currency translation adjustments	(46.4)	(44.0)	(2.4)
Pension liability adjustments	0.6	0.9	(0.3)
Unrealized holding losses on securities	(6.4)	(15.0)	8.6
Unrealized holding gains (losses) on derivative instruments	1.0	(3.9)	4.9
Total other comprehensive income (loss) (net of tax)	(51.1)	(62.0)	10.9
Comprehensive income (loss)	27.8	10.7	17.2
Comprehensive income (loss) attributable to the noncontrolling interest	4.5	(6.9)	11.4
Comprehensive income (loss) attributable to ITOCHU	32.4	3.8	28.6

Components of Net income attributable to ITOCHU

	2nd Quarter FY 2013	2nd Quarter FY 2012	Increase (Decrease)
Parent company	34.2	19.0	15.2
Group companies	56.9	69.6	(12.7)
Overseas trading subsidiaries	5.6	6.8	(1.2)
Consolidation adjustments	(25.2)	(29.4)	4.2
Net income attributable to ITOCHU	71.6	66.0	5.5
Earnings from overseas businesses (Note 3)	29.1	47.3	(18.1)
Share of earnings from overseas businesses	41%	72%	

Cash Flows

	2nd Quarter FY 2013	2nd Quarter FY 2012
Operating activities	97.8	76.6
Investing activities	(76.8)	(36.4)
Financing activities	18.0	0.0

Summary of Cash Flows for the 2nd Quarter of FY 2013

- **Operating**: Net cash-inflow resulting collections of trade receivables recognized for the first quarter and a decrease in inventories in the energy sector, in addition to the stable performance in operating revenue in the overseas natural resources and the food sectors
- **Investing**: Net cash-outflow mainly due to additional capital expenditures in the natural resource development sector, as well as an investment in automobile-related companies
- **Financing**: Net cash-inflow due to proceeds from debt

Segment Information

	Net income attributable to ITOCHU 2nd Quarter FY 2013	2nd Quarter FY 2012	Increase (Decrease)	[Net income attributable to ITOCHU] Summary of changes from the same period of the previous fiscal year
Textile	9.5	5.4	4.2	Increase in gross trading profit as well as increase in earnings of associated companies
Machinery	8.8	3.2	5.6	Increase due to rise accompanying acquisition of automobile-related companies, rise in earnings of IPP-related companies, and absence of impairment losses on investment securities recognized for the same period of the previous fiscal year
Metals & Minerals	18.4	32.4	(14.1)	Decrease mainly due to lower gross trading profit accompanying falls in iron ore and coal prices
Energy & Chemicals	6.7	10.7	(4.1)	Decrease due to lower gross trading profit, lower dividends received accompanying change in method of receiving in dividends from LNG-related investments, and decrease in earnings of associated companies resulting from sale of associated company for the previous fiscal year
Food	14.4	14.4	0.0	Almost the same level due to absence of gain on sale of property and equipment, and receipt of insurance for the same period of the previous fiscal year, despite increase in gross trading profit and gain on sales of investments
ICT, General Products & Realty	15.0	7.3	7.6	Increase due to higher gross trading profit, absence of loss on sale of investment securities and impairment losses on investment securities recognized for the same period of the previous fiscal year, and rise in equity in earnings of associated companies
Others, Adjustments & Eliminations	(1.2)	(7.5)	6.3	Improvement of income tax expense resulting from increase in foreign tax credit and absence of impairment losses on investment securities recognized for the same period of the previous fiscal year
Total	71.6	66.0	5.5	

Exhibit B