

Highlights of Consolidated Financial Results for 1st-3rd Quarter of FY 2013 (U.S. GAAP)
(9 months from April 1, 2012 to December 31, 2012)

February 5, 2013
ITOCHU Corporation

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

Financial topics for the 1st-3rd Quarter (9 months) of FY 2013

• “Net income attributable to ITOCHU” decreased by ¥10.8 bil. to ¥208.1 bil. Progress toward the Outlook for FY 2013 of ¥280.0 bil. was 74.3%.

• For “Net income attributable to ITOCHU” by segment, “Textile,” “Machinery,” “Food,” and “ICT, General Products & Realty” achieved increases compared with the same period of the previous FY.

The earnings of “Metals & Minerals” decreased due to falls in iron ore and coal prices in addition to the absence of the gain on the acquisition of Brazil Japan Iron Ore Corporation for the same period of the previous FY. The earnings of “Energy & Chemicals” decreased due to 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 deterioration in earnings of associated companies. (Refer to Exhibit A-2)

• The share of the Natural Resources/Energy-Related Sector was 27% (earnings of ¥53.3 bil.) and the Non-Resource Sector was 73% (earnings of ¥141.0 bil.). Furthermore, the Non-Resource Sector posted an increase of ¥27.5 bil. (“Consumer-Related” +¥9.7 bil., “Machinery-Related” +¥10.2 bil., “Chemicals, Real Estate, and others” +¥7.7 bil.) to ¥141.0 bil. which was record high.

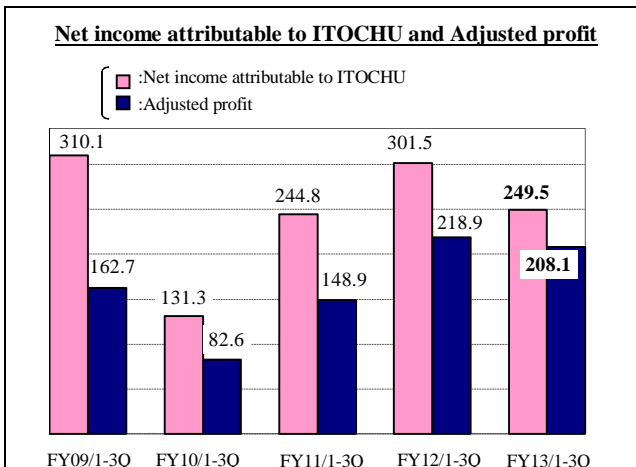
• “Total ITOCHU stockholders’ equity” increased ¥168.7 bil. from the previous FY end to ¥1,532.5 bil. due to an increase in Net income attributable to ITOCHU and increase in Accumulated other comprehensive income (loss) due to yen depreciation, which more than compensated for a decrease accompanying dividends payment.

The “Ratio of ITOCHU stockholders’ equity to total assets” rose 1.1 points from the previous FY end to 22.1%. NET DER improved to 1.4 times compared with the previous FY. Total equity was ¥1,860.1 bil. (Refer to Exhibit A-2)

Consolidated Financial Results of Operations	Apr.-Dec. FY 2013	Apr.-Dec. FY 2012	Increase (Decrease)	Summary of changes from the same period of the previous fiscal year	Outlook for FY 2013 (Announced on Nov 2, 2012)		
					940.0	71.0%	
Consolidated Statements of Income							
Revenue (Note 2)	3,247.3	2,922.5	324.8	<p>- Revenue: Increase mainly due to the acquisition of Kwik-Fit Group in the ICT, General Products & Realty Company and the acquisition of energy-related companies in the fourth quarter of the previous fiscal year in the Energy & Chemicals Company, which offset falls in iron ore and coal prices in the Metals & Minerals Company</p> <p>- Gross trading profit:</p> <p>Textile +2.2 (92.7 → 94.9): Increase due to acquisition of European apparel manufacturing and wholesale-related companies, and rise in apparel products transactions in Japan</p> <p>Machinery +1.9 (62.5 → 64.4): Increase due to acquisition of automobile-related companies, despite decrease in auto retail finance transactions in Indonesia</p> <p>Metals & Minerals -43.6 (99.9 → 56.2): Significant decrease mainly due to falls in iron ore and coal prices</p> <p>Energy & Chemicals +5.2 (111.1 → 116.4): Increase due to acquisition of energy-related companies as subsidiaries and increase in transactions for petroleum products, despite decline resulting from slump in China’s chemicals market</p> <p>Food +0.6 (153.7 → 154.3): Increase due to rise in transaction volume in food-distribution-related companies as well as rise in transactions for fresh food and food materials, despite deterioration in profitability of food-material-related subsidiaries and decrease resulting from conversion of existing consolidated subsidiaries into equity-method associated companies</p> <p>ICT, General Products & Realty +9.9 (162.2 → 172.1): Increase due to acquisition of Kwik-Fit Group for the previous fiscal year and higher transaction volume in domestic ICT-related companies, despite the conversion of existing consolidated subsidiaries into equity-method associated companies, the sales of subsidiaries, and slumping market prices for natural rubber</p> <p>- SG & A: Attributable to higher expenses accompanying a rise in revenue among existing consolidated companies and higher expenses resulting from the acquisition of new consolidated subsidiaries</p> <p>- Provision for doubtful receivables: Improve mainly due to a decrease in allowance for doubtful receivables and collections</p> <p>- Net financial income: Deteriorate in net interest expenses due to an increase in interest-bearing debt, despite lower debt cost, and decrease in dividends from LNG-related investments, resulting from a change of an investee’s dividend policy from a quarterly basis to a yearly basis</p> <p>- Gain on investments-net: Net gain on sales of investments +17.6 (4.6 → 22.2), Net of impairment losses and remeasuring gain on investments -5.8 (4.7 → -1.1), Losses on business disposals and others -0.2 (-0.6 → -0.8)</p> <p>- Loss on property and equipment-net: Increase in impairment losses on property and equipment -2.0 (-2.0 → -3.9), Net gain on sales of property and equipment and others -1.5 (1.2 → -0.2)</p> <p>- Gain on bargain purchase in acquisition: Gain on bargain purchase in the acquisition of Brazil Japan Iron Ore Corporation was recognized for the previous fiscal year</p> <p>- Other-net: Decrease mainly 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</p> <p>- Equity in earnings of assoc. co.: Contribution of new equity-method associated companies +10.8, New oil & gas development related business -6.4, Orient Corporation (Note 3) +3.5 (-1.0 → 2.5), FamilyMart Co., Ltd. +2.3 (5.8 → 8.1), Equity-method associated companies of China Foods Investment Corp. +1.0 (3.2 → 4.2), Equity-method associated companies of Brazil Japan Iron Ore Corporation -3.3 (16.7 → 13.5), Equity-method associated companies of ITOCHU Minerals & Energy of Australia Pty Ltd -2.5 (7.8 → 5.3)</p>			
Gross trading profit (Note 2)	667.7	698.8	(31.1)			940.0	71.0%
Selling, general and administrative expenses (Note 2)	(503.8)	(486.3)	(17.5)			(673.0)	74.9%
Provision for doubtful receivables	0.2	(3.7)	4.0			(2.0)	-
Net interest expenses	(10.7)	(9.3)	(1.4)			(17.0)	63.2%
Dividends received	11.5	16.9	(5.3)			25.0	46.1%
Net financial income	0.8	7.6	(6.8)			8.0	9.9%
Gain on investments-net	20.3	8.7	11.7			(*) 2.0	-
Loss on property and equipment-net	(4.2)	(0.8)	(3.4)				
Gain on bargain purchase in acquisition	-	10.5	(10.5)				
Other-net	9.5	16.6	(7.1)				
Total other-expenses	(477.1)	(447.5)	(29.7)			(665.0)	71.7%
Income before income taxes and equity in earnings of associated companies	190.6	251.3	(60.7)			275.0	69.3%
Income taxes	(51.2)	(98.3)	47.1			(105.0)	48.8%
Income before equity in earnings of associated companies	139.4	153.1	(13.7)			170.0	82.0%
Equity in earnings of associated companies	84.8	81.4	3.4			135.0	62.8%
Net income	224.2	234.5	(10.3)		305.0	73.5%	
Less: Net income attributable to the noncontrolling interest	(16.0)	(15.6)	(0.5)		(25.0)	64.2%	
Net income attributable to ITOCHU	208.1	218.9	(10.8)		280.0	74.3%	
(Reference)					12,900.0	71.9%	
Total trading transactions	9,273.9	8,825.9	448.0		7.3%		
Gross trading profit ratio	7.2%	7.9%	(0.7%)		410.0	60.9%	
Adjusted profit	249.5	301.5	(52.0)				

Consolidated Statements of Comprehensive Income			
Net income	224.2	234.5	(10.3)
Other comprehensive income (loss) (net of tax)			
Foreign currency translation adjustments	26.4	(142.3)	168.7
Pension liability adjustments	2.9	2.8	0.1
Unrealized holding gains (losses) on securities	2.6	(9.4)	12.1
Unrealized holding losses on derivative instruments	(2.4)	(2.1)	(0.2)
Total other comprehensive income (loss) (net of tax)	29.6	(151.1)	180.6
Comprehensive income (loss)	253.7	83.4	170.3
Comprehensive income (loss) attributable to the noncontrolling interest	(10.4)	4.3	(14.7)
Comprehensive income (loss) attributable to ITOCHU	243.3	87.7	155.6

Components of Net income attributable to ITOCHU	Apr.-Dec. FY 2013	Apr.-Dec. FY 2012	Increase (Decrease)
Parent company	135.8	102.4	33.4
Group companies	163.7	204.1	(40.4)
Overseas trading subsidiaries	17.4	16.6	0.8
Consolidation adjustments	(108.7)	(104.1)	(4.6)
Net income attributable to ITOCHU	208.1	218.9	(10.8)
Earnings from overseas businesses (Note 4)	87.9	148.0	(60.2)
Share of earnings from overseas businesses	42%	68%	



Dividend Information (Per Share)	
Annual (Planned)	40.0 yen
Interim (Paid) (Included above)	(20.0 yen)

Brand-new Deal 2012
Earn, Cut, Prevent

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Segment Information	Net income attributable to ITOCHU			[Net income attributable to ITOCHU] Summary of changes from the same period of the previous fiscal year
	Apr.-Dec. FY 2013	Apr.-Dec. FY 2012	Increase (Decrease)	
Textile	24.6	17.0	7.6	Increase in gross trading profit, improvement in SG&A and decrease in provision for doubtful receivables, as well as increase due to the contribution of equity-method associated companies including new companies
Machinery	22.4	16.5	5.9	Increase due to acquisition of automobile-related companies, rise in earnings of IPP-related and water-supply-related companies, recognition of gain on sales of investments, and absence of impairment losses on investments recognized for the same period of the previous fiscal year
Metals & Minerals	59.1	104.0	(44.9)	Significant decrease due to lower gross trading profit resulting from falls in prices of iron ore and coal and absence of unordinary gain recognized for the same period of the previous fiscal year in the acquisition of Brazil Japan Iron Ore Corporation
Energy & Chemicals	13.6	24.9	(11.3)	Decrease due to lower dividends received from LNG-related investments as a result of change of investee's dividend policy and deterioration in earnings of associated companies, despite increase in gross trading profit
Food	38.3	35.5	2.8	Increase due to higher gross trading profit, recognition of gain on sales of investments and rise in earnings of associated companies, despite absence of gain on sale of property and equipment and receipt of insurance for the same period of the previous fiscal year
ICT, General Products & Realty	36.2	21.0	15.2	Increase due to rise in gain on investments, significant increase in earnings of associated companies, and absence of a loss of reversal of deferred tax assets accompanying change in effective income tax rate for the same period of the previous fiscal year, despite increase in SG&A
Others, Adjustments & Eliminations	13.8	(0.1)	13.9	Improved due to improvement of income tax expense resulting from increase in foreign tax credit and realization of losses in tax basis, and absence of a loss of reversal of deferred tax assets accompanying change in effective income tax rate and impairment losses on investment securities recognized for the same period of the previous fiscal year
Total	208.1	218.9	(10.8)	

P/L of Group Companies Reporting Profits/Losses	Apr.-Dec. FY 2013	Apr.-Dec. FY 2012	Increase (Decrease)	Group Companies	Apr.-Dec. FY 2013	Apr.-Dec. FY 2012	Summary of changes from the same period of the previous fiscal year
Group co. reporting profits	196.3	234.3	(38.1)	ITOCHU Minerals & Energy of Australia Pty Ltd (C)	36.8	69.6	Decrease due to falls in coal and iron ore prices, despite flat sales volume for coal and higher sales volume for iron ore
Group companies reporting profits	178.8	217.6	(38.7)				
Overseas trading subsidiaries reporting profits	17.4	16.8	0.7	ITOCHU Oil Exploration (Azerbaijan) Inc. (C)	8.8	10.4	Decrease due to lower sales volume and fall in oil price
Group co. reporting losses	(15.2)	(13.6)	(1.5)				
Group companies reporting losses	(15.1)	(13.5)	(1.7)	NIPPON ACCESS, INC. (C)	8.7	6.6	Increase due to absence of expenses related to the Great East Japan Earthquake and increase in transactions of frozen foods and daily-delivery foods, despite absence of gain on sale of land and buildings recognized for the same period of the previous fiscal year
Overseas trading subsidiaries reporting losses	(0.0)	(0.2)	0.1				
Total	181.1	220.7	(39.6)	Marubeni-Itochu Steel Inc. (E)	8.4	9.6	Decrease due to slumping market domestically and overseas, despite favorable performance of steel pipe area
Share of group co. reporting profits	79.7%	78.9%	0.8%				
Number of group co. reporting profits (Note 5)	287	307	(20)	JD Rockies Resources Limited (C)	(7.7)	(0.2)	Deterioration due to recognition of drilling cost arising from the self-possessing shale oil development projects and impairment losses of oil and gas properties accompanying slumping gas prices for new associate oil-and-gas-development-related company
Total number of group co. reporting (Note 5)	360	389	(29)				

(Note 5)The number of companies directly invested by ITOCHU or its Overseas trading subsidiaries are shown above.

Financial Position	Dec. 2012	Mar. 2012	Increase (Decrease)	Summary of changes from the previous fiscal year end	Outlook for March 31, 2013
Interest-bearing debt	2,759.6	2,533.6	226.0		2,800.0
Net interest-bearing debt	2,211.7	2,014.9	196.8		2,300.0
Total ITOCHU stockholders' equity	1,532.5	1,363.8	168.7	- Total ITOCHU stockholders' equity: Increase in Net income attributable to ITOCHU and in Accumulated other comprehensive income (loss) due to yen depreciation, which more than compensated for a decrease accompanying dividends payment. "The Ratio of stockholders' equity to total assets" (Note 6) rose by 1.1 points to 22.1 % from March 31, 2012. NET DER (Note 6) improved to 1.4 times compared with March 31, 2012. Total equity, or the sum of "Total ITOCHU stockholders' equity" and Noncontrolling interest increased to ¥1,860.1 bil.	1,550.0
Total equity	1,860.1	1,696.1	163.9		1,900.0
Ratio of stockholders' equity to total assets (Note 6)	22.1%	21.0%	1.1%		22.1%
Net debt-to-equity ratio (times) (Note 6)	1.4	1.5	Improved		1.5

(Note 6)"Stockholders' equity" is equivalent to "ITOCHU stockholders' equity" and used in calculating "NET DER".

Cash Flows	Apr.-Dec. FY 2013	Apr.-Dec. FY 2012	Summary of Cash Flows for Apr.-Dec. FY 2013	Major Indicators	Apr.-Dec. FY 2013	Apr.-Dec. FY 2012	Variance	
								Operating activities
Investing activities	(187.2)	(420.2)						
Financing activities	76.5	104.3	- Investing: Net cash-outflow mainly due to new investments in pulp business in Europe, automobile-related companies, IPP-related and water-supply-related companies in the Non-resource Sector and additional capital expenditures in the natural resource development sector					
Cash and cash equivalents	524.5	405.0						
Increase (Decrease)	11.0	(228.8)	- Financing: Net cash-inflow due to proceeds from debt exceeding dividends payment	Interest	JPY TIBOR 3M, average (Apr.-Dec.)	0.329%	0.338%	(0.009%)
					US\$ LIBOR 3M, average (Apr.-Dec.)	0.402%	0.347%	0.055%
					Crude oil (Brent) (US\$/BBL) Average (Apr.-Dec.)	109.49	112.79	(3.30)
					Iron ore, fine (US\$/ton)	128	169	(41)
					Coking coal (US\$/ton)	200	310	(110)
					Thermal coal (US\$/ton)	115	130	(15)