TEXTILE COMPANY

In fiscal 2012, the Textile Company will proactively seek new opportunities. We will continue to strengthen alliances with our leading partners and expand our business areas, maintaining a consistent focus on adding value for our customers while remaining competitive.

Hitoshi Okamoto
President, Textile Company

Net Income Attributable to ITOCHU

Fiscal 2011
¥15.3 billion

Fiscal 2012 Plan
¥21.0 billion

Up 37.3%

Business Activities

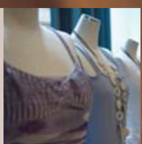
Textile Materials & Fabrics

We are active in a broad spectrum of business areas ranging from textile materials and fabrics made from natural and synthetic fibers to products such as denim, shirts, and casual wear. In these areas, we will continue our legacy as ITOCHU's founding business through the pursuit of adding value and the implementation of strategic global initiatives.

Industrial Textiles

This group is developing a wide range of businesses in areas extending from textiles for applications in automobiles, aircrafts, and electronics to textiles for furniture, window treatments and other interior design items and other lifestyle-related products. We are also expanding activities to the Life & Healthcare business area, such as linen supplies for hospitals and other health and welfare facilities.

Apparel Products



In all types of apparel, including men's wear, women's wear, innerwear, sportswear, and uniforms, ITOCHU provides high-quality products and develops businesses ranging from production to sales in order to meet our customers' diverse needs. In addition, while using capital resources efficiently and partnering with leaders in each area of business, we are working to further enhance the quality of our products and services.

Brand Business

We have established the No. 1 position in the industry by anticipating change and creating a business model that considers brands as a key initiative for growth. We are extending our business areas from a wide range of clothing, fashion goods, and accessories including luxury, casual, and sports brands, to the entire area of lifestyle categories, while implementing global development initiatives.

Main Products and Services

- Textile materials
- Fabrics
- Apparel products
- Fashion goods and accessories
- Industrial textiles
- Branded products based on total lifestyle-theme including apparel, food, and living

Organizational Structure

Textile Company

- Textile Material & Fabric Division
- Apparel Division
- Brand Marketing Division 1
- Brand Marketing Division 2

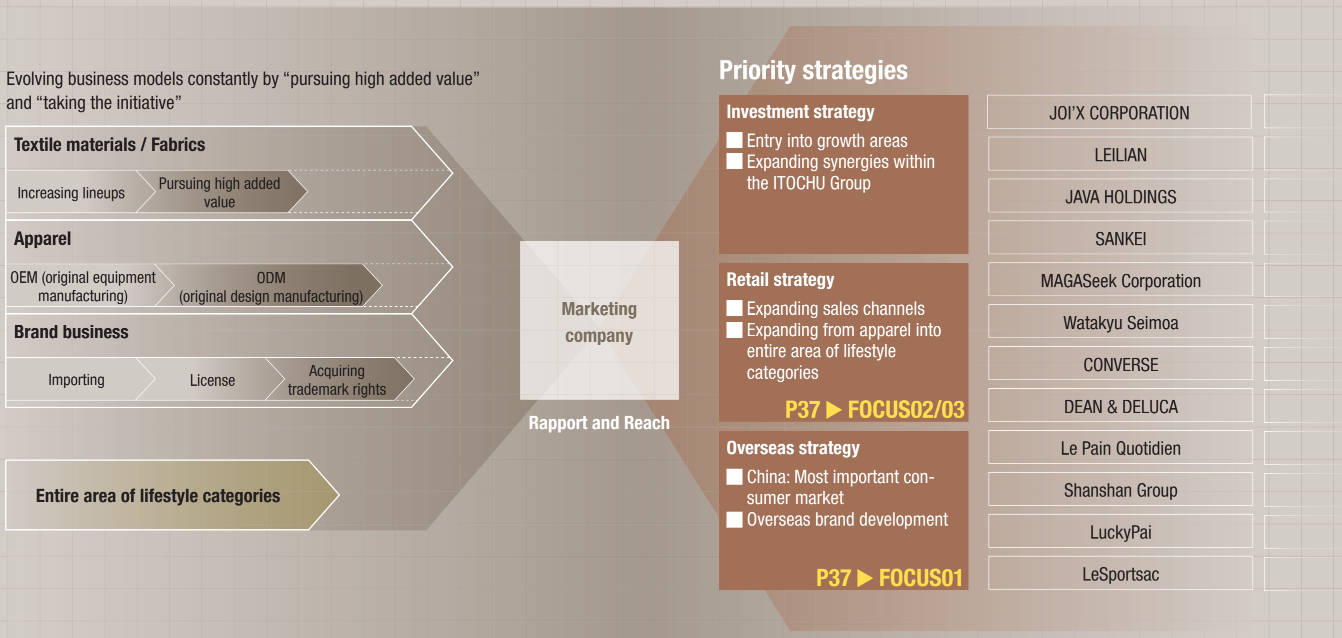
Hideo Nakanishi
Chief Operating Officer, Textile Material & Fabric Division

Yozo Kubo
Chief Operating Officer, Apparel Division

Masahiro Morofuji
Chief Operating Officer, Brand Marketing Division 1

Kazunori Ishii
Chief Operating Officer, Brand Marketing Division 2

The Growth Strategies of the Textile Company



Rapport and Reach

The Textile Company has inherited the founding business of ITOCHU.

As a customer-focused marketing company, we have maintained a position as an industry leader utilizing a flexible business model that extends from textile materials to a diverse array of end products.

In Japan, by utilizing our expertise in developing brands, we are expanding further into the retail area, and broadening our business, from fashion and apparel to the entire area of lifestyle categories. Furthermore, we are developing businesses in the Life & Healthcare business area.

Moving forward, our activities in consumer-related businesses will be centered on China, which has an overwhelming presence as a major consumer market. Here, we will accelerate business development, including brand business and retail area initiatives with leading partners, and also accelerate business development using new sales channels, such as e-commerce and TV home shopping.

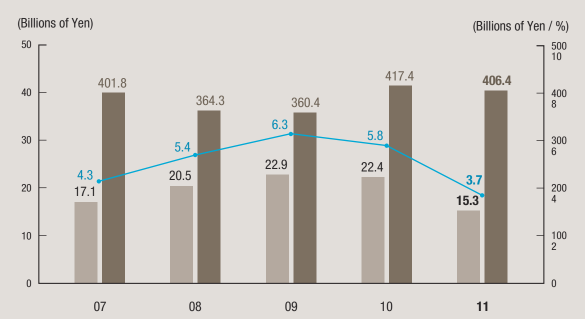
Overview of Fiscal 2011 Results

The Japanese domestic textile market continued to contract due to unseasonable weather such as a heat wave, and sales reductions in retailing caused by the Great East Japan Earthquake, which occurred near the end of the fiscal year. On the other hand, initiatives in China to expand internal demand had a positive effect, and consumer spending remained strong.

The Textile Division Company has positioned the rapidly growing China market as its most important region and has greatly increased the number of cooperative ventures with partner companies. ITOCHU has expanded the scope of its projects with Shanshan Group Co., Ltd., which extend across many of ITOCHU's Division companies. In addition to joint initiatives for the ELLE brand and retail store development for StompStamp high-end children's wear stores in fashion areas, other cooperative ventures extend to cathode materials for lithium-ion batteries and projects with real estate-related businesses. In addition, we have taken steps to open new sales channels, such as TV home shopping and e-commerce, through investments in LuckyPai (China) and Fortune Link (Hong Kong).

In fiscal 2011, with contributions from newly consolidated subsidiaries, gross trading profit increased 24.9%, to ¥128.3 billion. However, due to the absence of non-recurring gains reported in the previous fiscal year and to losses from the liquidation of a subsidiary this year, net income attributable to ITOCHU was down 31.7%, to ¥15.3 billion.

Net Income Attributable to ITOCHU / Total Assets / ROA



■ Net Income Attributable to ITOCHU (left)
■ Total Assets (above right)
◆ ROA (%) (below right)

Business Results

Billions of Yen

	07	08	09	10	11
Gross trading profit	¥ 124.6	¥ 115.2	¥ 102.6	¥ 102.7	¥ 128.3
Equity in earnings of associated companies	1.5	2.0	3.6	8.0	5.9
Net income attributable to ITOCHU	17.1	20.5	22.9	22.4	15.3

Years ended March 31

Net Income from Major Group Companies

Billions of Yen

	07	08	09	10	11
ITOCHU Textile Prominent (ASIA) Ltd.	¥ 0.6	¥ 0.6	¥ 0.6	¥ 0.5	¥ 0.0
ITOCHU TEXTILE (CHINA) CO., LTD.	0.9	0.9	1.0	0.9	0.8
JOI'X CORPORATION	1.1	0.9	0.4	0.1	0.5

Years ended March 31

* For a more detailed analysis of results, please see pages 87 to 109, Management's Discussion and Analysis of Financial Condition and Results of Operations.

MESSAGE FROM THE DIVISION COMPANY PRESIDENT

As the only general trading company that keeps "textile" as an independent business segment, ITOCHU has made continued progress in textiles and fashion and built a strong industry presence. ITOCHU has distinctive strengths in the consumer-related sector, and competitive strengths and earning power that have help drive the Textile Company's growth. Its operations have been supported by the ongoing creation and reform of a business model that focuses on the customer with a commitment to the front-lines.

In fiscal 2012, the first year of Brand-new Deal 2012, we will be even more proactive, seeking new opportunities and work to expand the scope of our operations through investments. China will play an especially important role in these initiatives. In China, the middle class is growing rapidly, and as a result, the business environment is steadily developing in which consumers are increasingly looking for high value added products, the specialty of the Textile Company. We will further strengthen business and capital tie-ups with leading companies, and will take steps to build and expand a foundation for local sales. We will strive to lead the way among Japanese companies seeking to develop businesses in this market, and will work to expand business opportunities. The "non-store" retail market, including TV home shopping and e-commerce, is growing rapidly. We will work to bolster our businesses in these rapidly expanding retail channels, centered on two companies in which we invested in fiscal 2011.

We will also strive to further strengthen consolidated management. The Textile Company will aim to uncover new sales channels for Group companies, share know-how and managerial resources with our Group companies, and strengthen ties throughout the ITOCHU Group, in order to maximize earnings.

Moving forward, the Textile Company will maintain its customer focus and create new businesses. On that basis, we will provide ITOCHU's distinctive functions to create and add value, and maintain an indispensable presence for Group companies, business partners and consumers.

Hitoshi Okamoto

President, Textile Company

FOCUS INITIATIVES TO IMPLEMENT OUR GROWTH STRATEGY

01 Brand Business and Retail Store Development with the Shanshan Group

In February 2009, ITOCHU entered a capital and business tie-up with the Shanshan Group. Working together, we are advancing a range of activities that extend throughout ITOCHU operations, including the production of cathode materials for lithium-ion batteries and the operation of outlet malls. In textiles, in September 2010 we introduced women's wear under the French brand ELLE and began developing stores in major cities in China, including Shanghai and Guangzhou, targeting fashion-oriented women between the age of 25 and 35. As of the end of March 2011, there were a total of 34 stores. We also moved ahead with StompStamp high-end children's wear stores, which originated in Japan. The first StompStamp store in China opened in Shanghai in December 2010. Targeting fashion-conscious families, these operations represent our entry into a new format, a shop that offers one-stop access to European and North American brands. Going forward, we will continue to accelerate brand development in China with leading local partners.

First StompStamp store in China (Shanghai)

ELLE shop (Guangzhou)

02 Entering TV Home Shopping and e-Commerce in China

Accompanying the growth of the consumer market in China, sales channels have begun to diversify. In August 2010, ITOCHU and the LOTTE Group in Korea, made a joint investment in LuckyPai Ltd., one of China's leading TV home shopping companies, with a strong network extending throughout the country. The TV home shopping market in China is very promising, with growth expected to be about 30% a year. In addition, in e-commerce, we invested in Fortune Link (Global) Holdings Ltd. in Hong Kong, in November 2010.

We will continue to utilize these new sales and distribution channels to further expand our operations in the consumer-related sector in China.

LuckyPai Ltd.


Studio at LuckyPai Ltd.

03 Expanding from Apparel to the Entire Area of Lifestyle Categories, Utilizing Our Expertise in Brand Business: Le Pain Quotidien

Following the introduction of DEAN & DELUCA, which we launched in 2003, in March 2010 we obtained an exclusive store license in Japan for Le Pain Quotidien, a premium bakery-restaurant, based in Belgium and expanding globally. In addition, we have also acquired exclusive import and sales rights and exclusive production and sales rights. Partnering with HOKKOKU Co., Ltd., we have launched this premium bakery-restaurant business. We opened the first Le Pain Quotidien restaurant in Japan in Tokyo Shiba Koen in January 2011. Moving forward we will steadily add new restaurants. Le Pain Quotidien's history dates back to 1990 when founding chef Alain Coumont opened a simple, elegant organic bakery-restaurant in Brussels, Belgium. Today, Le Pain Quotidien boasts a global network of 152 restaurants in 21 countries. In the future, the Textile Company will continue to introduce highly individual, topical lifestyle brands to the market.



First Le Pain Quotidien bakery-restaurant in Japan (Shiba Koen, Tokyo)

ICT & MACHINERY COMPANY

Created through the merger of two previous Division Companies, the ICT & Machinery Company made a new start this fiscal year. Moving forward, we will work to support ITOCHU's earnings by acquiring superior assets and building a stable earnings platform.

Toru Matsushima
President, ICT & Machinery Company

Net Income Attributable to ITOCHU

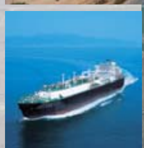
Fiscal 2011
¥18.0 billion

Fiscal 2012 Plan
¥25.0 billion

Up 38.9%

Business Activities

Plant Project & Marine



The Plant Project & Marine Division provides appropriate solutions for projects in a broad range of business areas, including large-scale plant projects in such areas as natural gas, petrochemicals, and electric power; social infrastructure, including railways, roads, bridges, and water resources; and ships. In recent years, the division has expanded into businesses related to the environment, as well as renewable and alternative energies. The division has also stepped up its investment in such areas as IPP.

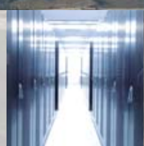
Automobile & Construction Machinery

In automobiles, the Automobile & Construction Machinery Division is leveraging its global network and strong relationships with strategic partners to expand earnings throughout the range of automobile-related businesses, such as trade business, retail, auto retail finance, and parts manufacturing. In construction machinery, the division is working to expand its business in emerging countries.

Aerospace & Industrial Systems

In aerospace, the Aerospace & Industrial Systems Division offers one-stop solutions that cover an extensive range of areas, from aircraft trade to aircraft interior equipment. In industrial systems, the division is expanding its business to such areas as solar cells and lithium-ion batteries.

Information & Communication Technology



The Information & Communication Technology Division's business covers a broad range of areas, including IT services, Internet-related businesses, and mobile-related businesses. The division, which has industry-leading affiliates in each of its business fields, is focusing on expanding cloud services, mobile phone related business, and others. In addition, the division is also working to develop new fields of business, such as environmental IT and green technologies.

Life & Healthcare

Under the "medical value chain concept," the Healthcare Business Department is taking steps to expand the scope of its business in areas ranging from the distribution of medical devices in domestic and overseas markets to services for hospitals.

Main Products and Services

- Oil refineries; natural gas and petrochemical plants
- Power generation / transmission facilities
- Rolling stock / systems
- Sea water desalination & distribution / environmental related facilities
- Facilities related to renewable and alternative energy
- Project development, investment, operational management, and maintenance related to IPP / IWPP (independent power producer / independent water power producer) projects and other social / industrial infrastructure
- Ship trading, offshore equipments, ship charter and own-ship operation
- Automobiles
- Construction machinery
- Aircraft and in-flight equipment
- Air transportation management systems
- Space-related equipment
- Security equipment
- Industrial machinery
- Semiconductor equipment
- Electronic devices / electronics-related equipment
- IT solution business
- Internet services
- TV Home / Internet Shopping business
- Energy management business
- Venture investment & VC business
- Human resources / educational services
- Retail distribution & services of mobile equipment
- Communications and media business
- Medical devices and pharmaceuticals

Organizational Structure

ICT & Machinery Company

- Plant Project & Marine Division
- Automobile & Construction Machinery Division
- Aerospace & Industrial Systems Division
- Information & Communication Technology Division
- Healthcare Business Department

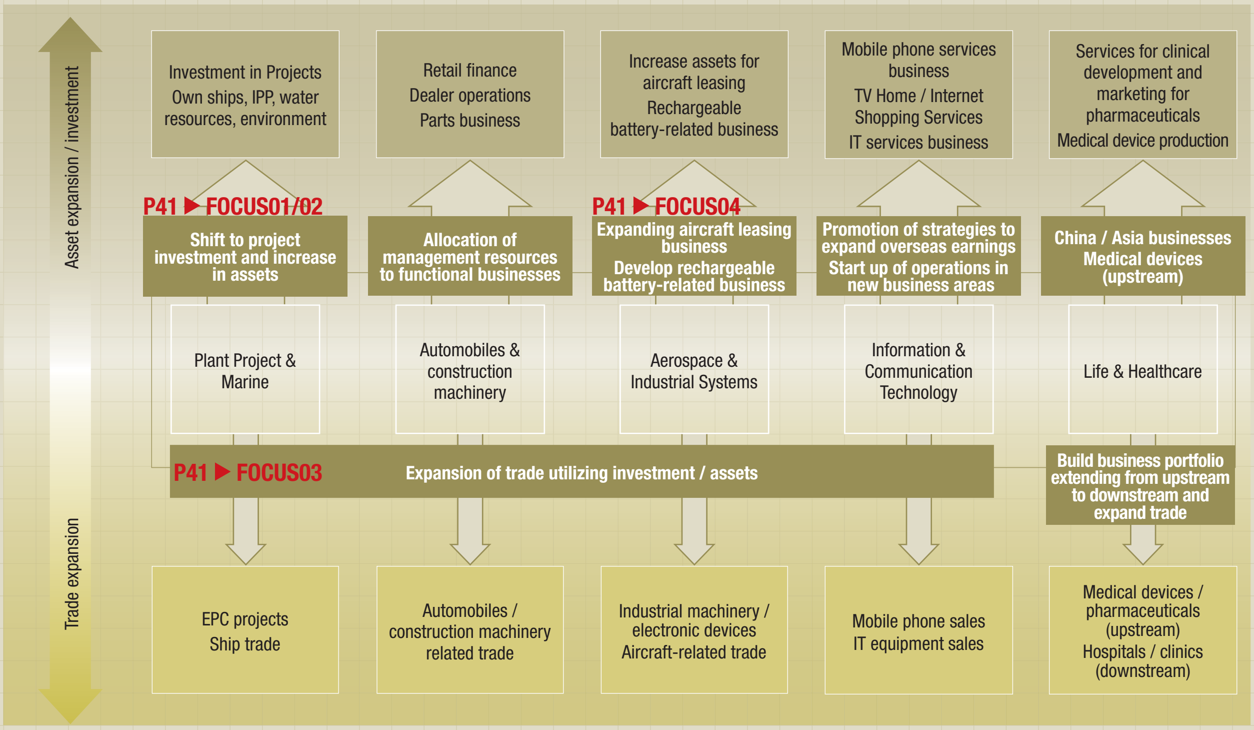
Masahiro Imai
Chief Operating Officer, Plant Project & Marine Division

Kazutaka Yoshida
Chief Operating Officer, Automobile & Construction Machinery Division

Nobuyuki Kasagawa
Chief Operating Officer, Aerospace & Industrial Systems Division

Takahiro Susaki
Chief Operating Officer, Information & Communication Technology Division

The Growth Strategies of the ICT & Machinery Company



The ICT & Machinery Company will aggressively acquire assets in the machinery-related sector, which is one of the four business sectors targeted for increased assets under the new medium-term management plan. We will acquire assets in infrastructure projects in the plant project & marine business, in retail finance in the automobile & construction machinery business, and in aircraft leasing in the aerospace business. At the same time, in growth business areas that will become future earnings bases, such as rechargeable battery-related operations and TV Home / Internet Shopping business, we will bolster and accelerate our operational initiatives. Moreover, we will strive to steadily expand our earnings from trade related / peripheral to acquired assets and investment. In Life & Healthcare, under the medical value chain concept, we will further expand trade in domestic and overseas markets.

Overview of Results in Fiscal 2011

Overseas, marked growth was seen in infrastructure-related and renewable energy areas, centered on emerging countries. In addition, with further growth in the economies of emerging countries and recoveries in the economies of industrialized countries, automobile demand followed a recovery trend. In Japan, the penetration of smartphones grew at a rapid pace, and we benefited from the resulting pickup in the mobile phone market.

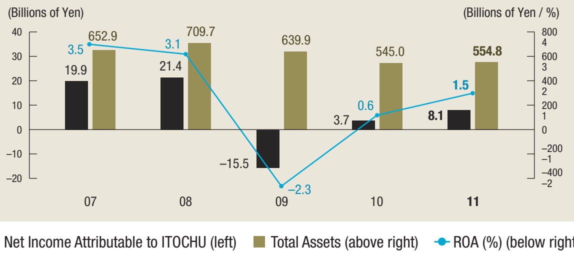
The former Machinery Company acquired assets that will offer stable earnings and be less susceptible to fluctuations in business conditions, such as assets in the areas of IPP in North America and renewable energy. In China, joint initiatives with local partners in such areas as transportation infrastructure were aggressively advanced.

The former ICT, Aerospace & Electronics Company liquidated unprofitable businesses and took steps to improve profitability, centered on media and Internet businesses and on civil aviation.

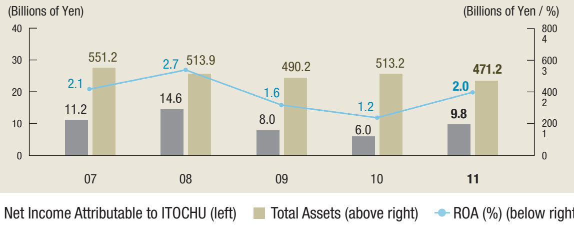
At the same time, a key focus was the shift of management resources to growth areas—such as the lithium-ion battery business and green technologies utilizing ICT—and to such growth markets as China.

In fiscal 2011, earnings were supported by a recovery in emerging country demand for automobiles and construction machinery, as well as by a strong performance in mobile phone related services. As a result, gross trading profit was up 3.0%, to ¥185.1 billion, and net income attributable to ITOCHU increased by 85.0%, to ¥18.0 billion.

Net Income Attributable to ITOCHU / Total Assets / ROA
(formerly Machinery Company)



Net Income Attributable to ITOCHU / Total Assets / ROA
(formerly ICT, Aerospace & Electronics Company)



Business Results
Billions of Yen

	07	08	09	10	11
Gross trading profit	¥ 222.8	¥ 238.1	¥ 210.7	¥ 179.7	¥ 185.1
(Machinery)	89.3	99.1	71.9	43.3	51.1
(ICT, Aerospace & Electronics)	133.5	139.0	138.9	136.4	134.0
Equity in earnings of associated companies	4.3	3.5	2.1	12.6	12.1
(Machinery)	5.8	4.8	1.8	10.5	8.2
(ICT, Aerospace & Electronics)	(1.5)	(1.2)	0.3	2.1	3.9
Net income attributable to ITOCHU	31.1	35.9	(7.4)	9.7	18.0
(Machinery)	19.9	21.4	(15.5)	3.7	8.1
(ICT, Aerospace & Electronics)	11.2	14.6	8.0	6.0	9.8

Years ended March 31

Net Income from Major Group Companies
Billions of Yen

	07	08	09	10	11
ITOCHU Automobile America Inc.	¥ 1.2	¥ 0.6	¥ (1.6)	¥ (1.0)	¥ 0.3
Century Tokyo Leasing Corporation	1.6	1.5	1.0	6.8	4.0
ITOCHU Techno-Solutions Corporation	7.4	8.1	6.9	6.8	6.3
ITC NETWORKS CORPORATION	1.8	1.7	1.6	1.6	1.4
Century Medical, Inc.	0.2	0.2	0.5	0.6	0.8

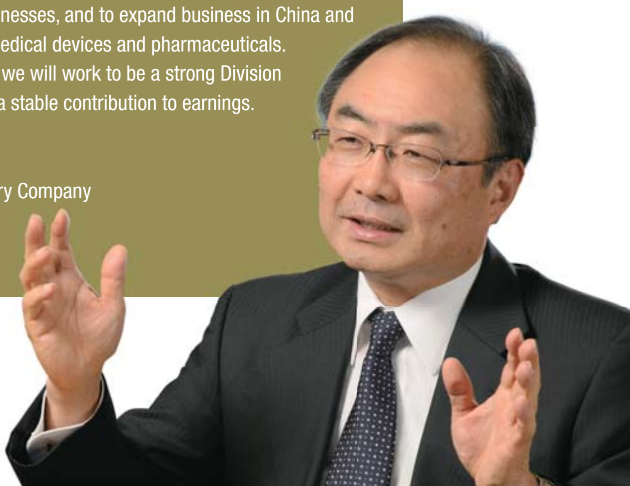
Years ended March 31

* For a more detailed analysis of results, please see pages 87 to 109, Management's Discussion and Analysis of Financial Condition and Results of Operations.

MESSAGE FROM THE DIVISION COMPANY PRESIDENT

From April 2011, we have made a new start as the ICT & Machinery Company. Created through the merger of the former Machinery Company and the former ICT, Aerospace & Electronics Company, we are ITOCHU's largest Division Company, with 780 managerial career track employees. In addition, the ICT & Machinery Company has been assigned a key role in Brand-new Deal 2012. We cover a wide range of business areas through the Plant Project & Marine Division, the Automobile & Construction Machinery Division, the Aerospace & Industrial Systems Division, the Information & Communication Technology Division, and the Healthcare Business Department. The industries served by these businesses encompass a range of different operating environments, and many of these areas hold great promise for the future. Leveraging our abundant resources, we will work to acquire superior assets and expand earnings, while aggressively replacing assets. Specifically, we will work to develop the wind power generation business through collaboration with leading partner companies; to make progress in overseas IPP operations, centered on North America; to enhance automobile-related operations, which have a broad value chain, to strategically expand information and communications-related businesses, to further advance rechargeable battery businesses, and to expand business in China and Asia in areas related to medical devices and pharmaceuticals. Through these initiatives, we will work to be a strong Division Company that can make a stable contribution to earnings.

Toru Matsushima
President, ICT & Machinery Company



FOCUS INITIATIVES TO IMPLEMENT OUR GROWTH STRATEGY

01 North American IPP

As part of our strategy to increase solid IPP assets in North America, together with CHUBU Electric Power Co., Inc., we acquired partial interests in five gas-fired power generation assets from Tenaska, Inc. This acquisition was made through our U.S. subsidiary Tyr Energy, Inc.

Moving forward, we will make full use of the know-how of the ITOCHU Group, including Tyr Energy's investment and operational administration functions, and work to enhance the value of the acquired assets.

Kiowa power plant

02 Wind Power Generation Business

We have entered into a collaboration and cooperation agreement with General Electric Company (GE) to identify co-investment opportunities in renewable energy worldwide. Together with GE, we made a joint investment in the CPV Keenan II wind farm in Oklahoma and the Shepherds Flat wind farm in Oregon, which will be the world's largest wind farm. At the CPV Keenan II wind farm, NAES Corporation, a U.S. subsidiary of ITOCHU, is providing operation and maintenance services.

Keenan II power plant

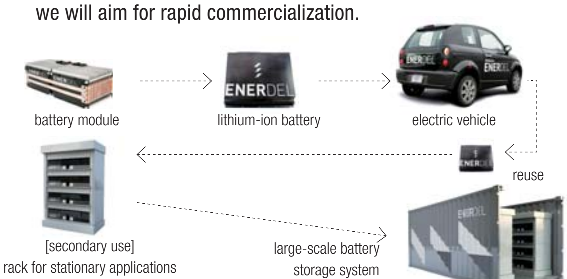
03 Infrastructure-Related Business in China

In cooperation with CSR Qingdao Sifang Locomotive & Rolling Stock Corporation Limited, an affiliate of China South Locomotive & Rolling Stock Corporation Limited, which is China's largest rolling stock manufacturer, we received a series of orders from Guangzhou Metro Corporation. Specifically, these orders comprise 196 linear subway cars for Line 6 and 192 linear subway cars for Line 5.

Subway car for Guangzhou Metro Line 6 (image)

04 Tie-up with the Largest Electric Power Holding Company in the United States in the Lithium-ion Energy Storage Device Business

In November 2010, ITOCHU Corporation and Duke Energy Corporation, a major U.S. electric power holding company, signed an agreement to collaborate in the areas of smart grids and renewable energy. As the first step, we have begun considering a business model under which lithium-ion batteries that have been used in electric vehicles for a certain period of time will be reused in home or commercial applications. In the state of Indiana, in the United States, we will test applications for these batteries and their influence on the existing power grid. For these tests, we will use electric vehicle lithium-ion batteries made by Ener1, Inc., a U.S. battery manufacturer in which we have invested. Working together with Duke Energy, we will aim for rapid commercialization.



Model for the reuse of lithium ion batteries

ENERGY, METALS & MINERALS COMPANY

Moving forward, the Energy, Metals & Minerals Company will work to expand its business by finding and acquiring highly profitable equity interests with a more aggressive approach, and by achieving further increases in earnings through synergies between natural resource development and trade.

Ichiro Nakamura
President, Energy, Metals & Minerals Company

Net Income Attributable to ITOCHU

Fiscal 2011
¥109.2 billion

Fiscal 2012 Plan
¥154.0 billion

Up 41.0%

Business Activities

Mineral Resources

We are developing mineral resources and conducting trade, such as iron ore and non-ferrous metals. The iron ore business, which holds highly profitable equity interests in western Australia and Brazil, is in the top ranks of general trading companies in equity interests and in trade for Japan.

Metal Products

We have built a strong network in the metal products business, centered on Marubeni-Itochu Steel Inc., and we are developing business in the sale and processing of steel products. Also, centered on ITOCHU Metals Corporation, we are advancing business in non-ferrous metals products and steel scrap and other recycling-related businesses.

Energy

We have built a supply chain that seamlessly links development of energy resources, such as oil and gas, with trade. The scope of our business places us in the top ranks of general trading companies.

New Energy & Coal

In coal, we are working to advance development of new projects and expand our equity interests. In new energy, we are moving forward with activities in a wide range of areas, such as the biomass and photovoltaic power generation / solar thermal power generation businesses.

Main Products and Services

- Iron ore
- Coal
- Aluminum
- Steel scrap
- Steel products
- Crude oil
- Petroleum products
- LPG
- LNG
- Nuclear fuel
- Bioethanol
- Natural gas
- Emission credits
- Biomass
- Solar power-related parts and products
- Solar power generation system integrator business
- Solar power generation / solar thermal power generation businesses

Yutaka Washizu
Chief Operating Officer,
Metals & Minerals Division

Harutoshi Okita
Chief Operating Officer,
New Energy & Coal Division

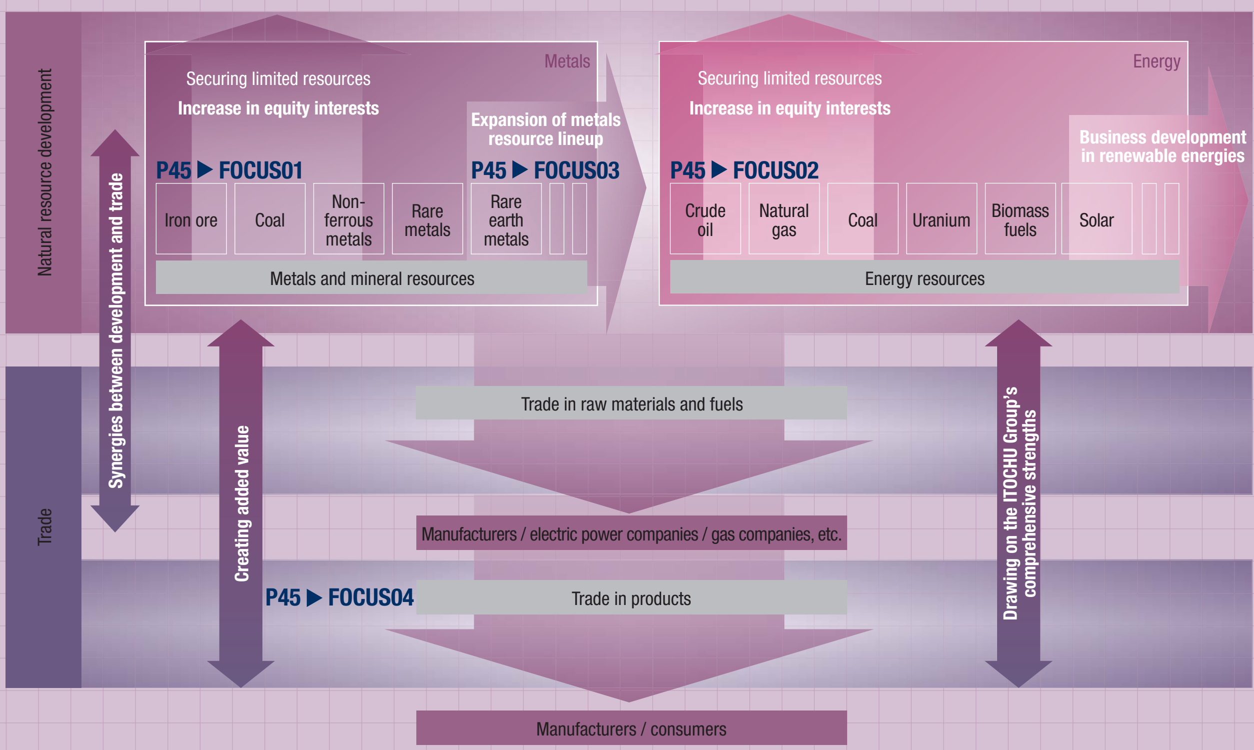
Masanori Toyoshima
Chief Operating Officer,
Energy Division

Organizational Structure

Energy, Metals & Minerals Company

- Metals & Minerals Division
- New Energy & Coal Division
- Energy Division

The Growth Strategies of the Energy, Metals & Minerals Company



Demand for natural resources continues to grow in China and other emerging countries. In this environment, the Energy, Metals & Minerals Company is working to expand its equity interests in order to secure stable supplies of natural resources and energy. In addition, we are working to build value chains based on equity interests and to create added value in trade business by leveraging the ITOCHU Group's comprehensive strengths.

Moving forward, we will strive to secure non-ferrous metals, rare metals, rare earth metals, and other natural resources that have become increasingly difficult to procure in recent years. At the same time, in response to growing international concern with environmental problems, we will step up our activities in such areas as environmental businesses, including the trading of greenhouse gas emissions credits, as well as renewable energies, such as biomass and solar.

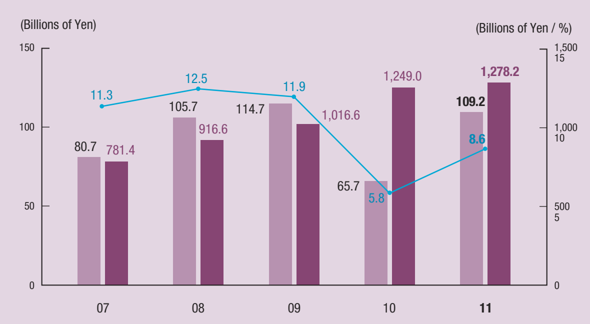
Overview of Results in Fiscal 2011

Against a background of economic growth in emerging countries, led by China, demand for metals, mineral resources, and energy increased. In the second half of the fiscal year, due to such factors as the chaos in the Middle East and the increase in financial market liquidity that started with quantitative easing in the United States, energy prices strengthened.

In iron ore, coal, and energy, we worked to advance trade business and to steadily meet growing demand. In addition, we implemented a range of forward-focused initiatives. These included follow-on investments in existing projects, acquisition of new projects, and participation in development projects, including non-ferrous metals and other mining projects as well as shale oil projects. In new energy and environment-related areas, we made an additional investment in a new uranium mine development project and launched an integrated recycling project in China.

In fiscal 2011, the Energy, Metals & Minerals Company recorded gross trading profit of ¥212.1 billion, an increase of ¥70.5 billion (49.8%) from the previous fiscal year. We recorded a loss due to impairment of oil and gas production and development projects in the United States and Australia. However, we also recorded an increase in gain on sales of property and equipment from the sale of coal interests and an increase in equity in earnings of associated companies. Net income attributable to ITOCHU recorded a substantial gain, rising by ¥43.6 billion (66.3%), to ¥109.2 billion.

Net Income Attributable to ITOCHU / Total Assets / ROA



■ Net Income Attributable to ITOCHU (left)
■ Total Assets (above right)
◆ ROA (%) (below right)

Business Results

Billions of Yen

	07	08	09	10	11
Gross trading profit	¥ 102.1	¥ 127.5	¥ 222.3	¥ 141.6	¥ 212.1
(Metals & Minerals)	46.5	50.0	110.7	55.0	124.6
(Energy)	55.6	77.5	111.6	86.6	87.5
Equity in earnings of associated companies	27.1	25.5	24.7	9.2	28.5
Net income attributable to ITOCHU	80.7	105.7	114.7	65.7	109.2
(Metals & Minerals)	43.5	55.9	73.5	42.9	111.0
(Energy)	37.2	49.8	30.8	22.8	(1.8)

Years ended March 31

Net Income from Major Group Companies

Billions of Yen

	07	08	09	10	11
ITOCHU Metals Corporation	¥ 1.2	¥ 1.4	¥ 1.4	¥ 0.8	¥ 1.2
ITOCHU Minerals & Energy of Australia Pty Ltd	28.9	38.5	71.2	34.1	80.1
ITOCHU Oil Exploration (Azerbaijan) Inc.	21.2	33.4	26.1	6.9	11.8
ITOCHU PETROLEUM CO., (SINGAPORE) PTE. LTD.*2	5.1	3.6	5.0	0.8	0.0
Marubeni-Itochu Steel Inc.	16.8	16.9	14.8	2.7	6.8
Brazil Japan Iron Ore Corporation	—	—	0.0	4.0	12.9

Years ended March 31

*1 For a more detailed analysis of results, please see pages 87 to 109, Management's Discussion and Analysis of Financial Condition and Results of Operations.

*2 Figures for fiscal 2007 to fiscal 2009 are the figures for ITOCHU Petroleum Japan Ltd., a holding company.

MESSAGE FROM THE DIVISION COMPANY PRESIDENT

Under Brand-new Deal 2012, to increase highly profitable equity interests, we will focus on proactively seeking new opportunities, and will work to expand earnings through synergies between natural resource development and trade. In this way, we will strive to continue to make a strong contribution to ITOCHU's companywide earnings.

With support from continued strong economic growth in emerging countries, demand for natural resources and energy is expected to remain firm. On the other hand, we must continue to carefully track the mineral resources and energy industries, where the operating environments change daily with many unstable elements. For example, the threat posed by such natural phenomenon as the torrential rains that occurred in Australia and the natural disaster that struck Japan have had major impacts on supply and demand for natural resources and energy. To contribute to the stable procurement of natural resources and energy and to the development of environment-friendly new energies, we will take a long-term perspective and strive to advance natural resource and energy development and trade in all regions of the world.

Making full use of the distinctive capabilities of a general trading company, the Energy, Metals & Minerals Company will target the achievement of results that are highly evaluated on both the supply and consumption sides.

Ichiro Nakamura
President, Energy, Metals & Minerals Company

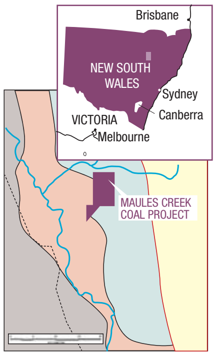
FOCUS INITIATIVES TO IMPLEMENT OUR GROWTH STRATEGY

01 Acquisition of Interest in Maules Creek Coal Project in Australia

Through ITOCHU Minerals & Energy of Australia Pty Ltd, an Australian subsidiary, we acquired a 15% interest in the Maules Creek Coal Project that is being developed by Aston Resources Limited, an Australian coal resource development company. At the same time, we also acquired an exclusive right to sell coal from the project to the Japanese market and a preferred right to sell coal to other markets. The coal reserves at the Maules Creek Coal Project are among the largest and highest-quality minable reserves in Australia. A feasibility study is currently underway. Aston Resources plans to start production of coal for coke making (semi-soft coking coal) and high-quality fuel coal in 2012.

MAULES CREEK COAL
MANAGED BY ASTON RESOURCES LIMITED

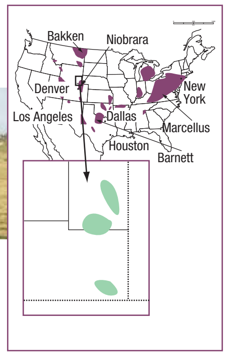
Maules Creek Coal Project Site



02 Participation in Niobrara Shale Oil Project in the United States

Through U.S. subsidiary JD Rockies Resources Limited, we have commenced participation in a shale oil development project. We acquired a 25% working interest in the emerging DJ Basin Niobrara, covering approximately 88,000 net acres of oil and gas leases pertaining to this deal located in the state of Wyoming, in the United States, from Fidelity Exploration & Production Company, a U.S. oil and natural gas company. Plans call for drilling and subsequent production to begin in 2011. We will continue to acquire quality energy resources to add to our balanced portfolio.

Niobrara Shale Oil Project Site



03 Integrated Recycling Operation at Dalian Changxing Island Harbor Industrial Zone in China

ITOCHU Corporation and two of its wholly owned subsidiaries—ITOCHU (China) Holding Co., Ltd., in China, and ITOCHU Metals Corporation—have established Dalian New Green Recycle & Resources Corporation. This integrated recycling operation, which is located in the Dalian Changxing Island Harbor Industrial Zone in China, handles recycling of steel, non-ferrous scrap, consumer electronic and home appliances, and plastics. As the only recycling company licensed by the Chinese government at Dalian Changxing Island Harbor Industrial Zone, the new company is planning to install one of the most sophisticated facilities in the world as well as Japanese advanced environmental technologies. We will continue to work on the establishment of the first ever Integrated Recycling Operation, seeking to be a model in this recycling industry in China.

DNG Dalian New Green Recycle & Resources Corporation
大连新绿再生资源加工有限公司

Conceptual drawing of completed facility

04 Investment and Participation in Petroleum Products Downstream Business in Guam and Saipan

Through our subsidiary ITOCHU PETROLEUM CO., (SINGAPORE) PTE. LTD., we acquired newly allocated interest in IP&E Holdings, LLC, which comprises 25% of the equity after capital increase. IP&E, which acquired Shell's petroleum products retail business in Guam and Saipan in November 2009, has high presence on the business such as gasoline and diesel retail at service stations and fuel sale to commercial and aviation companies. As a part of our strategy in petroleum products trading, we have worked to diversify our sources of profits through participation in the overseas downstream business.

Board Meeting of IP&E Holdings, LLC

CHEMICALS, FOREST PRODUCTS & GENERAL MERCHANDISE COMPANY

We will aim to move up to the next stage by building a solid, stable earnings base and by cultivating new earnings drivers.

Satoshi Kikuchi
President, Chemicals, Forest Products & General Merchandise Company

Net Income Attributable to ITOCHU

Fiscal 2011
26.0 billion

Fiscal 2012 Plan
30.0 billion

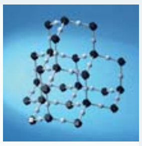
Up 15.4%

Business Activities

Forest Products & General Merchandise

The Forest Products & General Merchandise Division, which has adopted "the home and living" as its keywords, has established strong global value chains in a range of areas, such as building products & materials, pulp and paper, and rubber and tires. The division includes leading affiliates and is highly competitive in each of its areas of business. The building products & materials business, for example, has a strong market presence in North America and Japan, while the pulp and paper business has leveraged its cost competitiveness and sales capabilities to build leading market positions. The division's natural rubber handling and processing business is among the largest of any general trading company, and the tire business has established a global sales network.

Chemicals



The Chemicals Division is dedicated to expand its trade business in a wide range of products, such as basic chemicals, plastics, electronic materials, and pharmaceutical raw materials. In addition, the division plans to extend its business portfolio from upstream to downstream in various areas. With highly competitive affiliates, the division boasts industry-leading profitability. Also, the division is making steady progress in new areas of business, such as methanol production, materials for lithium-ion batteries, and pharmaceutical projects.

Main Products and Services

- Building materials
- Logs and lumber
- Woodchips, pulp, paper
- Biomass fuels (woodchips, pellets, etc.)
- Natural rubber, tires
- Cement, glass, ceramic products
- Shoes
- Basic chemicals
- Fine chemicals
- Pharmaceutical products
- Inorganic chemicals
- Plastics
- Various consumer products
- Rechargeable-battery-related materials

Tomofumi Yoshida
Chief Operating Officer,
Forest Products & General Merchandise Division

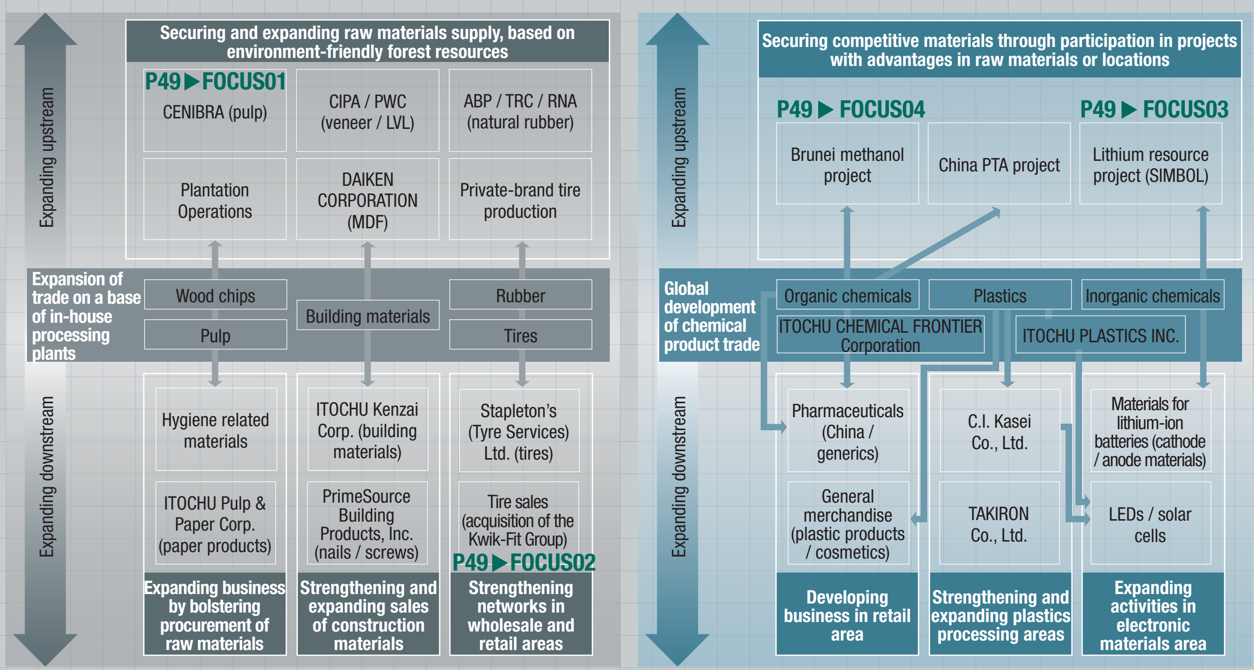
Yuji Fukuda
Chief Operating Officer,
Chemicals Division

Organizational Structure

Chemicals, Forest Products & General Merchandise Company

- Forest Products & General Merchandise Division
- Chemicals Division

The Growth Strategies of the Chemicals, Forest Products & General Merchandise Company



Forest Products & General Merchandise Division:
This division's basic strategy is "niche, low-tech, and dominant." Aiming to expand businesses that contribute to the environment, the division will expand its investment in upstream areas, such as the plantation-based production of materials for papermaking (pulp and wood chips) and the production of natural rubber. In addition, in midstream and downstream areas, the division will expand its investment in distributors, based on such areas as tires, building materials, and paper.

Chemicals Division:
Based on world-wide trading operations in the areas of organic chemicals, plastics, and inorganic chemicals, the division will advance projects in upstream areas to secure competitive resources. At the same time, in downstream areas the division will take steps to expand its business to bolster its supply chains, especially in the retail, plastics processing, and electronic materials areas.

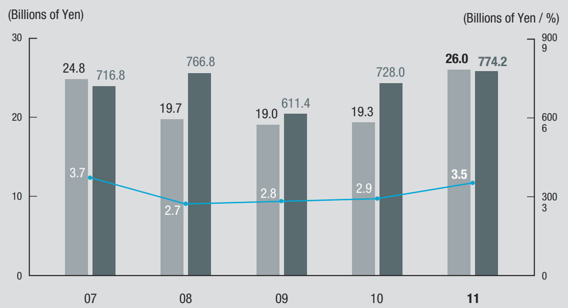
Overview of Results in Fiscal 2011

Demand for tires increased due to severe winter conditions in demand centers and to the expansion of low-priced product markets in China and South Korea. In addition, against a background of higher demand in emerging countries, natural rubber and pulp prices increased, and conditions in markets for petrochemical products and plastics were strong throughout the year.

The Chemicals, Forest Products & General Merchandise Company made steady progress with asset replacement, including the liquidation of five unprofitable/non-core companies, thereby reinforcing its earnings structure. In general merchandise, we moved ahead with a large-scale project in the overseas tire business, and in chemicals, we invested aggressively in materials related to lithium-ion batteries. In these ways, we made steady progress in planting seeds for the future.

In fiscal 2011, conditions in the markets for chemicals were favorable. In addition, natural rubber and pulp prices increased, and sales of tires rose. As a result, gross trading profit was up 7.5%, to ¥118.3 billion, and net income attributable to ITOCHU increased by 34.9%, to ¥26.0 billion.

Net Income Attributable to ITOCHU / Total Assets / ROA



■ Net Income Attributable to ITOCHU (left)
■ Total Assets (above right)
ROA (%) (below right)

Business Results

Billions of Yen

	07	08	09	10	11
Gross trading profit	¥ 126.2	¥ 122.6	¥ 114.3	¥ 110.1	¥ 118.3
(Forest Products & General Merchandise)	79.4	74.3	66.0	50.3	54.8
(Chemicals)	46.8	48.3	48.3	59.8	63.6
Equity in earnings of associated companies	2.3	2.0	2.9	1.6	6.4
Net income attributable to ITOCHU	24.8	19.7	19.0	19.3	26.0
(Forest Products & General Merchandise)	13.7	8.3	12.0	4.7	11.5
(Chemicals)	11.1	11.4	7.0	14.6	14.5

Years ended March 31

Net Income from Major Group Companies

Billions of Yen

	07	08	09	10	11
ITOCHU Kenzai Corp.	¥ 2.4	¥ 0.3	¥ (1.0)	¥ 0.2	¥ 0.0
ITOCHU Pulp & Paper Corp.	0.8	0.6	0.1	0.2	0.2
ITOCHU CHEMICAL FRONTIER Corporation	1.8	1.8	1.1	1.9	2.0
ITOCHU PLASTICS INC.	3.2	3.1	1.6	1.9	2.2

Years ended March 31

* For a more detailed analysis of results, please see pages 87 to 109, Management's Discussion and Analysis of Financial Condition and Results of Operations.

MESSAGE FROM THE DIVISION COMPANY PRESIDENT

In fiscal 2011, we achieved a sharp year-on-year increase in net income, which rose from about ¥20.0 billion a year earlier to ¥26.0 billion. During the two years of Brand-new Deal 2012, we will strive to move up to the ¥30.0 billion level by building a stable earnings base through the further reinforcement of our trading business and asset replacement. In the areas of both general merchandise and chemicals, we will steadily establish new core businesses, thereby aiming to move our operations to the next level.

In general merchandise, we will target regions and areas in which we can generate synergies with businesses that we are developing overseas. In our tire business, we have acquired the Kwik-Fit Group, the largest U.K. tire retailer. The tire business now has the potential to join North American building materials and pulp as our third major earnings pillar.

In chemicals, we will focus on business areas in which we can add value by leveraging the knowledge that we have cultivated in existing trade businesses. One example is our business in materials related to lithium-ion batteries, which we have strengthened in recent years. In addition to the production of cathode and anode materials, we will take steps to secure upstream resources and expand business opportunities.

Under Brand-new Deal 2012, with a vision of "dramatic growth," we will aggressively take on business challenges.

Satoshi Kikuchi
President, Chemicals, Forest Products & General Merchandise Company

FOCUS INITIATIVES TO IMPLEMENT OUR GROWTH STRATEGY

01 Pulp Business

In upstream areas, our basic strategy is to secure raw materials, based on environment-friendly forest resources, and to expand trade against that background. In the pulp business, with eucalyptus pulp from CENIBRA, of Brazil, as our core cargo, we will expand our sales network, principally to China, Europe, and North America. In fiscal 2011, we had the highest transaction volume among the world's major pulp traders. Moving forward, we will expand investment to secure raw materials, and implement our strategy to become the world's No. 1 pulp trader.

CENIBRA plant and plantation

02 Tire Business

In downstream areas, we will step up our initiatives targeting the wholesale and retail areas in conjunction with stable raw materials procurement. We expanded investment in the tire business to further strengthen our existing global sales network. In particular, in the strategically important U.K. market, through Stapleton's (Tyre Services) Ltd., we expanded the wholesale business and increased the number of retail outlets. In addition, we acquired the Kwik-Fit Group, which is developing the retail tire sales business in Europe, based in the United Kingdom. Moving forward, expanding the wholesale and retail tire business in Russia and the United States is one of the most important strategies of the Forest Products & General Merchandise Division.

Kwik-Fit (image)

03 Securing Lithium Resources

Demand for lithium products is expected to grow rapidly as the use of electric vehicles and hybrid vehicles expands. Accordingly, to secure their supplies we made an investment in Simbol Mining Corp., a U.S. resource development company. Simbol Mining Corp. uses original technology to recover lithium from geothermal brine that has been used at geothermal power generation facilities in southern California. Simbol Mining Corp. is advancing the production of lithium compounds and is preparing for the start of commercial production within a few years. We have acquired comprehensive sales agent rights for Simbol Mining Corp.'s products in the Asian region, and will supply them in such markets as Japan, China, and South Korea.

Product image (lithium compound)

04 Methanol Project in Brunei

In a joint venture with MITSUBISHI GAS CHEMICAL COMPANY, INC., and Brunei National Petroleum Company Sdn. Bhd., we established BRUNEI METHANOL COMPANY SDN. BHD. Operations at the joint venture's plant, which commenced in April 2010, will have annual production of 850,000 tons of methanol. This project is located in the center of the rapidly growing Asian market, which will be a key asset in distribution. Through this joint venture, we will further enhance our global competitiveness in the methanol business.

Exterior view of plant

FOOD COMPANY

Aiming to be the leading food company in Japan, China, and Asia, we will accelerate the implementation of the global SIS (Strategic Integrated System (vertical integration from upstream area to downstream area)) strategy.

Yoshihisa Aoki
President, Food Company

Net Income Attributable to ITOCHU

Fiscal 2011
¥22.4 billion

Fiscal 2012 Plan
¥30.0 billion

Up 33.9%

Business Activities

Food Resources

With supply bases in North America, Asia, China, Australia, South America, and other regions, we procure a diverse range of food ingredients, including grains, fats and oils, sugar, coffee beans, and livestock products for trade with Japan as well as other countries.

Product Processing

In Japan, we are developing our businesses centered on affiliates processing raw materials and manufacturing intermediary products. Overseas, we are working to expand our businesses through investment in companies that manufacture products intended for the local market as well as for Japan.

Marketing and Distribution

Centered on comprehensive food distributors such as ITOCHU SHOKUHIN Co., Ltd., and NIPPON ACCESS, INC., our food wholesaling business is among the largest in Japan. We have established a strong competitive edge by enhancing our capabilities and implementing low cost operations, so that we can respond to diversifying needs.

Retail

The SIS strategy is the fundamental strategy of the Food Company. SIS starts with the needs of customers, and the information that we obtain from them is used as the basis for our business activities, from product development and manufacturing to the supply and procurement of ingredients. Through our comprehensive efforts in the retail sector—including capital and business tie-ups with FamilyMart Co., Ltd., UNY Co., Ltd., IZUMIYA Co., Ltd., and other retailers—we are creating a supply and demand system with customer needs as the starting point.

Main Products and Services

- Wheat and barley
- Vegetable oils
- Soybeans and corn
- Beverage materials (juice, coffee)
- Sugar, sweeteners
- Dairy products
- Marine, livestock, and agri products
- Frozen foods
- Processed foods and pet foods
- Soft drinks and liquor

Organizational Structure

Food Company

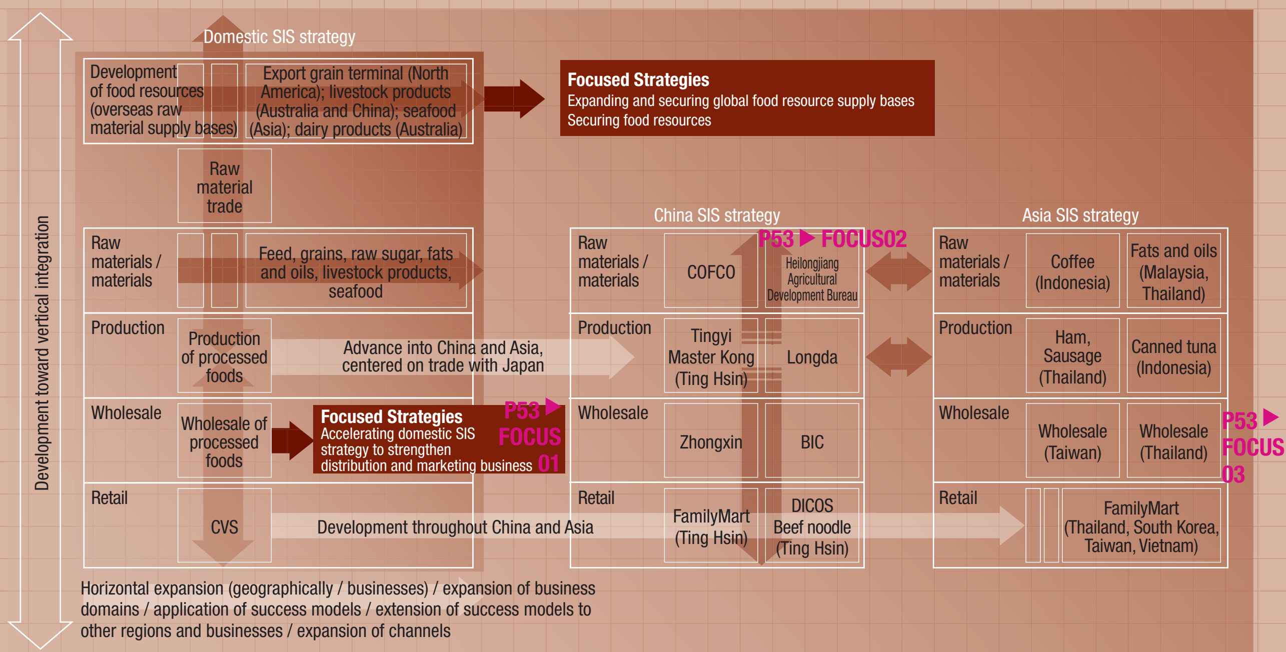
- Provisions Division
- Fresh Food & Food Business Solutions Division
- Food Products Marketing & Distribution Division
- China Business Development Department

Isamu Nakayama
Chief Operating Officer,
Provisions Division

Naoto Chiba
Chief Operating Officer,
Fresh Food & Food
Business Solutions Division

Masahiko Kameoka
Chief Operating Officer,
Food Products Marketing &
Distribution Division

The Growth Strategies of the Food Company



In the implementation of the domestic SIS strategy, we are further accelerating our initiatives, including capital and business alliances in the retail area and integration of Group companies in the distribution and marketing area. In addition to Japan, under Brand-new Deal 2012, one of our key measures remains the same, the implementation of the global SIS strategy, focusing on China and Asia. In China, we have made TING HSIN (CAYMAN ISLANDS) HOLDING CORP. our affiliate and implemented initiatives centered on strategic partnerships with such companies as Longda Foodstuff Group Co., Ltd., and COFCO Limited. In this way, we are building a foundation for the SIS strategy. In Asia, we will further advance and develop the SIS strategy, centered on the continued cultivation of existing projects and the implementation of joint initiatives with strategic partners. In particular, in countries around the world we will step up our efforts to secure and expand bases for the supply of food resources, which will be an important element in the implementation of the global SIS strategy.

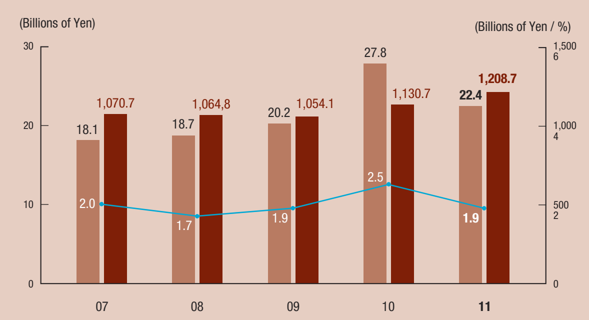
Overview of Results in Fiscal 2011

In fiscal 2011, consumer spending in Japan remained sluggish and competition in the domestic retail and distribution industries intensified further. On the other hand, consumer spending was firm in China and other Asian countries.

The Food Company approached the domestic trend toward accelerating industry reorganization as an opportunity and took steps to advance its food distribution strategy and to strengthen its operations in the area of fresh food materials. In distribution and marketing, four affiliates agreed to integrate their operations in order to further enhance their competitiveness. Overseas, we moved ahead with the global SIS strategy focusing on China and Asia. In China, we accelerated joint initiatives with leading local and Japanese partners.

In fiscal 2011, we recorded inventory losses due to the Great East Japan Earthquake, but due to such factors as increased transaction volume in food distribution-related areas, gross trading profit increased slightly from the previous fiscal year, to ¥335.9 billion. However, net income attributable to ITOCHU was down 19.5%, to ¥22.4 billion, due to the recording of losses from the Great East Japan Earthquake.

Net Income Attributable to ITOCHU / Total Assets / ROA



■ Net Income Attributable to ITOCHU (left)
■ Total Assets (above right)
-◆- ROA (%) (below right)

Business Results

Billions of Yen

	07	08	09	10	11
Gross trading profit	¥ 264.6	¥ 324.7	¥ 335.6	¥ 335.5	**¥ 335.9**
Equity in earnings of associated companies	10.2	8.0	10.1	13.0	**11.7**
Net income attributable to ITOCHU	18.1	18.7	20.2	27.8	**22.4**

Years ended March 31

Net Income from Major Group Companies

Billions of Yen

	07	08	09	10	11
NIPPON ACCESS, INC.	¥ 2.4	¥ 2.6	¥ 3.7	¥ 4.5	**¥ 4.7**
ITOCHU SHOKUHIN Co., Ltd.	1.4	1.3	0.7	1.7	**1.8**
FamilyMart Co., Ltd.	4.7	4.9	5.3	4.7	**4.0**

Years ended March 31

* For a more detailed analysis of results, please see pages 87 to 109, Management's Discussion and Analysis of Financial Condition and Results of Operations.

MESSAGE FROM THE DIVISION COMPANY PRESIDENT

As under the previous medium-term management plan, under Brand-new Deal 2012 our management policy is to "aim to be the leading food company in Japan, China, and Asia." Our quantitative objectives include the achievement of ¥30.0 billion in net income in fiscal 2012, which is one year ahead of the original schedule. It is because of the difficult conditions that have followed the earthquake that we have challenged ourselves with this target. We will take steps to further accelerate the improvement of our earnings structure, striving to generate net income in fiscal 2014 of ¥40.0 billion, the amount originally slated for fiscal 2016. Our key measures will continue to center on "advancing the global SIS strategy in China and Asia," and "securing and expanding supply bases for food resources." For the SIS strategy, we are steadily reinforcing our foundation in China, centered on such partners as the Ting Hsin Group. Moving forward, we will also aggressively implement this strategy in other parts of Asia. In addition, to meet demand in the giant markets of China and Asia in the years ahead we believe that it will become increasingly important to secure and expand food resource supply bases. We consider foodstuffs to be a "resource," and through alliances with overseas partners, we will work to secure supply sources around the world, and to build a framework for the stable procurement of safe, secure food materials. On the other hand, we expect competition in Japan to intensify as the domestic market continues to shrink. In each area of business, we will work to implement thorough reforms targeting the enhancement of capabilities and the achievement of low-cost operations.

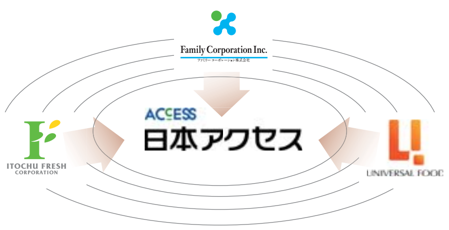
Yoshihisa Aoki
President, Food Company

FOCUS INITIATIVES TO IMPLEMENT OUR GROWTH STRATEGY

01 Integration of Four Food Distribution and Marketing Subsidiaries

In September 2010, discussions about a business restructuring were started by four of ITOCHU's food distribution and marketing subsidiaries—NIPPON ACCESS, INC., Family Corporation Inc., ITOCHU Fresh Corporation Inc., and Universal Food Co., Ltd. In December 2010, the four companies agreed to integrate their operations.

This business integration will help us ensure more tightly controlled, effective utilization of our management resources in the food distribution and marketing business, which plays a key role in the value chain under the Food Company's SIS strategy. With competition in the food distribution and marketing industry intensifying, the integration will help boost our competitiveness by expanding the scale of our operations and strengthening our capabilities in such areas as logistics and fresh foods. We expect the integration to lead to (1) enhancement of customer satisfaction, (2) expansion and improvement of our earnings platforms in the food distribution and marketing business, and (3) acceleration of the overseas expansion of our food distribution and marketing business.



NIPPON ACCESS chilled distribution center

02 Targeting Stable Supply of Agricultural Products in China

In June 2010, we signed two business alliance agreements, one with Heilongjiang Agricultural Development Bureau, which manages a vast national farm in Heilongjiang Province, one of China's leading producers of vegetables and food grains, and the other with Heilongjiang Academy of Agricultural Sciences, a specialist research organization for agricultural products.

Through these alliances, prior to shipping, vegetables and food grains produced at farms under the control of Heilongjiang Agricultural Development Bureau will be inspected for safety at facilities operated by Heilongjiang Academy of Agricultural Sciences. Through the addition of cultivation management and local inspection systems to the existing domestic and international marketing functions and distribution networks, we will work to build a stable supply system for safer, more-secure agricultural products and to further strengthen and advance the SIS strategy in China.

Exchange ceremony for business alliance agreements

Farm operated by Heilongjiang Agricultural Development Bureau

03 Entry into Food Distribution Business in Vietnam

In February 2011, we reached an agreement with PHU THAI GROUP JOINTSTOCK COMPANY (PTG), a leading distribution company in Vietnam, to invest in a new food distribution company.

PTG has a top-class distribution network that covers all areas of Vietnam. PTG handles a wide range of products, including foodstuffs, household products, and clothing and is also developing convenience store operations through a tie-up with FamilyMart. We have positioned Vietnam's food distribution market as a place for trade from the ASEAN region and as a consumer market that is expected to grow further. On that basis, we will take steps to build a cornerstone for food distribution. We will strive to move ahead of the expected inroads of other Japanese companies in Vietnam and to develop a food distribution network in Vietnam.

Exchange ceremony for joint-venture contract

DESIGNATED BUSINESS DIVISION / HEADQUARTERS BUSINESS ORGANIZATION

Kenji Okada
Chief Executive for Construction & Realty; Chief Executive for Financial & Insurance Services, Logistics Services

Construction & Realty Division

Overview of Operations

The Construction & Realty Division provides high-value-added solutions that leverage the distinctive strengths of a general trading company, such as an extensive network, information capabilities, and planning capabilities. Our activities, which are centered on real estate development related business utilizing real estate securitization schemes and residential business, include providing real estate consulting and brokerage services, private finance initiative (PFI) related services, and construction equipment and materials trading. We are also aggressively developing business overseas, principally in Asia.

Overview of Results in Fiscal 2011

In fiscal 2011, following the global financial slump, the condominium business began to follow a course of recovery. Nonetheless, a full-scale recovery was not reached in real estate securitization and other areas. In this environment, we worked to build new business models that can secure stable earnings. In real estate securitization, we strengthened our financial position through a capital increase at Advance Residence Investment Corporation, and advanced asset replacement to reinforce our earning power. Overseas, we achieved the listing of a private placement fund specializing in BTS (build-to-suit)-type logistics facilities, and in China we moved forward with the development of commercial facilities.

In fiscal 2011, partially due to favorable conditions in the residential market, gross trading profit was up ¥2.5 billion, or 15.4%, to ¥18.7 billion. Net income attributable to ITOCHU was up ¥1.1 billion, or 69.0%, to ¥2.7 billion, partially due to the sale of real estate overseas.

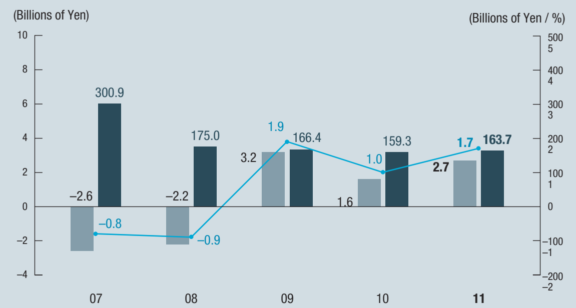
Operating Strategy under Brand-new Deal 2012

We will work to expand our earnings by leveraging our strengths as the construction and real estate arm of a general trading company. Specifically, we will take steps to reinforce our earnings platform in the domestic market and implement full-scale development of overseas real estate business.

Domestic: In Japan, we will strive to expand earnings by increasing assets in real estate securitization and condominium businesses and by strengthening the capabilities of our affiliates.

Overseas: In Asia, centered on China, we will focus on building new business models by enhancing the promotional organizations at our overseas bases and bolstering our tie-ups with local and domestic partners.

Net Income Attributable to ITOCHU / Total Assets / ROA



■ Net Income Attributable to ITOCHU (left) ■ Total Assets (above right) ROA (%) (below right)

Business Results

Billions of Yen

	07	08	09	10	11
Gross trading profit	¥ 22.9	¥ 19.9	¥ 19.8	¥ 16.2	**¥ 18.7**
Net income attributable to ITOCHU	(2.6)	(2.2)	3.2	1.6	**2.7**

Years ended March 31

Net Income from Major Group Companies

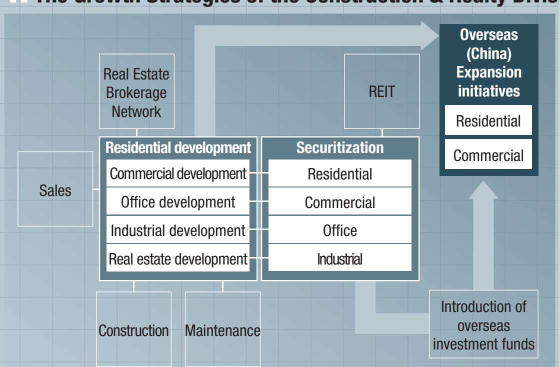
Billions of Yen

	07	08	09	10	11
ITOCHU Property Development, Ltd.	¥ 0.7	¥ (4.4)	¥ 0.3	¥ 0.5	**¥ 1.7**

* For a more detailed analysis of results, please see pages 87 to 109, Management's Discussion and Analysis of Financial Condition and Results of Operations.

Years ended March 31

The Growth Strategies of the Construction & Realty Division



The Construction & Realty Division conducts real estate businesses, centered on the development capabilities of ITOCHU Corporation and ITOCHU Property Development, Ltd.

We also have the facilities management capabilities of ITOCHU Urban Community Ltd., the real estate sales capabilities of ITOCHU HOUSING Co., Ltd., the residential development and reform capabilities of ITOHPIA HOME Co., Ltd., the real estate brokerage network of CENTURY 21 REAL ESTATE OF JAPAN LTD., and the construction and engineering capabilities of CENTRAL ENGINEERING & CONSTRUCTION Co., Ltd. Leveraging these capabilities, we have actively developed homes, commercial facilities, office buildings, and industrial facilities, and advanced real estate securitization, centered on Advance Residence Investment Corporation, a J-REIT.

Moving forward, we will utilize the real estate development know-how that we have accumulated in Japan and overseas investment funds to expand our businesses to overseas real estate markets, centered on China.

Nobuyuki Kizukuri
Chief Operating Officer, Construction & Realty Division

Environment-Friendly Condominium Concept: CREVIA MO+ECO

In the construction and real estate area, condominium developer ITOCHU Property Development, Ltd., is advancing CREVIA MO+ECO as the new standard concept in environment-friendly condominiums.

MO+ECO Logo

MO+Eco. 1:
[More Efficient]
We achieve comfortable energy conservation through the proactive use of water- and energy-saving equipment in the condominium.

MO+Eco. 2:
[More Environment Friendly]
Through such measures as the utilization of sunlight and rainwater and the use of plants for greening, we will propose condominiums that are more friendly to the environment.

MO+Eco. 3:
[More Comfortable]
We provide more comfortable residences that facilitate environment-friendly lifestyles with more convenience and fun.

Rather than simply increasing the energy-saving functionality of residences, we take steps to make energy conservation activities fun, and provide residences making forward-looking use of energy conservation devices in easy-to-use formats.

Headquarters Business Organization
Financial & Insurance Services Department / Logistics Services Department

Prior to the April 2011 organizational changes, the Financial & Insurance Services Division and the Logistics Services Division were part of the Finance, Realty, Insurance & Logistics Services Company. Following the organizational changes, these two divisions were reorganized into the Headquarters business organization not belonging to any specific Division Company, and renamed the Financial & Insurance Services Department and the Logistics Services Department, respectively. This step was taken to strengthen the operational capabilities and rapidly improve the earnings of the two departments.

Overview of Results in Fiscal 2011

In fiscal 2011, the Financial & Insurance Services Division expanded its retail finance business in major cities in China. In addition, the division started reinsurance broking business in Singapore, and worked to further strengthen the business in Asia.

The Logistics Services Division strengthened its alliance with ITOCHU LOGISTICS CORP., and opened a large-scale logistics center in Shanghai in order to enhance its logistics business in China.

Gross trading profit in fiscal 2011 was ¥19.2 billion, about the same as in the previous fiscal year. However, net loss attributable to ITOCHU worsened by ¥10.1 billion, to ¥15.9 billion. This was mainly due to impairment losses on stocks of Orient Corporation as well as the restructuring losses of finance-related affiliates.

Operating Strategy under Brand-new Deal 2012

In financial services, we will develop our businesses focusing on China and Asia. In early fiscal 2012, we formed a comprehensive strategic alliance with the CITIC Group, and as the first step we acquired 25% of CITIC International Assets Management Limited (CIAM). CIAM operates debt/equity financing business for growth companies and businesses in China and the asset management business. On the other hand, in existing businesses, United Asia Finance Limited, which conducts retail finance business in Hong Kong and mainland China, has grown significantly, with net income reaching around US$100 million in fiscal 2011. CENTURY TOKYO LEASING CHINA CORPORATION, a joint venture with Century Tokyo Leasing Corporation also has gradually expanded the scope of their business activities. In addition, consumer finance business in Thailand and the United Kingdom has contributed to our profits.

In Japan, we will pursue stable earnings from Orient Corporation, which posted significant impairment losses in fiscal 2011, and from POCKETCARD Co., Ltd. which acquired Famima Credit Corporation.

In insurance services, we will pursue stable earnings through insurance agency business in Japan and reinsurance business overseas. In addition, under circumstances where insurance has been drawing attention due to the Great East Japan Earthquake, we will strengthen our insurance know-how and work to expand our earnings. Specifically, we will continue working with reinsurance fund business, in which we invested in fiscal 2010. Moreover, as the first Japan-affiliated firm registered as a Lloyd's broker, we have built one of the largest insurance broker networks among Japanese companies, in such regions as the United Kingdom and Asia. With the use of this network, we also focus on reinsurance brokering business for large projects in machinery, natural resources and energy business worldwide and in rapidly growing Asian countries.

In logistics services, through integrated management with ITOCHU LOGISTICS CORP., which became a subsidiary in July 2009 through a take over bid, we strengthened our consolidated management foundation as ITOCHU Logistics Group. We will expand earnings by leveraging our capabilities in ITOCHU Group through the close cooperation with ITOCHU LOGISTICS CORP., enhancing third-party logistics (3PL) business, and accelerating overseas development.

Overseas, especially in China we will pursue further earnings mainly from ITOCHU LOGISTICS (CHINA) CO., LTD., and TINGTONG (CAYMAN ISLANDS) HOLDING CORP., and will enlarge the logistics business in other emerging countries in Asia.

Comprehensive Strategic Alliance with the CITIC Group

We formed the comprehensive strategic alliance with the CITIC Group, a state-owned company in which the Chinese government holds 100% stakes. The CITIC Group is one of China's largest conglomerates with a wide range of business activities. By cooperating in pursuit of synergies in a wide range of business areas through this strategic alliance, CITIC and ITOCHU will further expand and develop mutual businesses, and provide more competitive services in Chinese businesses.

The meeting between CITIC Chairman Chang Zhenming and ITOCHU President & CEO Masahiro Okafuji prior to the signing ceremony.