

July 31, 2008

Consolidated Financial Results for the First Quarter of Fiscal 2009

For the three months ended June 30, 2008 and 2007

ITOCHU Corporation

Consolidated Financial Results for the First Quarter of Fiscal Year 2009 (Year ended March 31, 2009)

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

Company name: ITOCHU Corporation

Stock exchange code: 8001

URL: http://www.itochu.co.jp/main/ir/index_e.html

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General Manager of Corporate Communications Division: Yoshiharu Matsumoto TEL: 81 - 3 - 3497 - 7291

1. Consolidated operating results for the first quarter of fiscal year 2009 (from April 1, 2008 to June 30, 2008)

(1) Consolidated operating results (Summary)

(%: Changes from the same period of the previous fiscal year)

	Total trading transactions		Trading income		Income before income taxes, minority interests and equity in earnings of associated companies		Net income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
For the first quarter of Fiscal year 2009	3,122,194	12.8	68,262	11.0	76,172	3.2	62,637	(27.1)
Fiscal year 2008	2,767,939	7.4	61,491	14.8	73,835	14.3	85,920	78.5

	Net income per share (basic)	Net income per share (diluted)
	yen	yen
For the first quarter of Fiscal year 2009	39.63	39.31
Fiscal year 2008	54.34	54.17

(Reference) Equity in earnings of associated companies (millions of yen) 1st quarter of FY 2009 : 18,930 1st quarter of FY 2008 : 62,537

(2) Consolidated financial position

	Total assets	Stockholders' equity	Ratio of stockholders' equity to total assets	Stockholders' equity per share
	millions of yen	millions of yen	%	yen
June 30, 2008	5,304,682	1,011,543	19.1	639.95
March 31, 2008	5,255,420	978,471	18.6	619.01

2. Dividend distribution

(Effective date)	Dividend distribution per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	yen	yen	yen	yen	yen
Fiscal year 2008	-	8.50	-	9.50	18.00
Fiscal year 2009 (Planned)		10.50	-	10.50	21.00

(Note) No changes from the plan of dividend distribution previously announced on April 30, 2008

3. Outlook of consolidated operating results for fiscal year 2009 (from April 1, 2008 to March 31, 2009)

(%: Changes from the previous fiscal year)

	Total trading transactions		Trading income		Income before income taxes, minority interests and equity in earnings of associated companies		Net income		Net income per share (basic)	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen	
Fiscal year 2009	12,800,000	3.1	330,000	23.8	320,000	13.2	240,000	9.8	151.83	

(Note) No changes from the outlook previously announced on April 30, 2008

4. Other information

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

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

(2) Adoption of simplified or specific accounting methods for quarterly reporting: N/A

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

(a) Changes due to amendment of accounting standards: N/A

(b) Other changes: N/A

(4) Number of common shares issued

(a) Number of common shares outstanding : 1st quarter of FY 2009 1,584,889,504 Fiscal year 2008 1,584,889,504
(including the number of treasury stock)

(b) Number of treasury stock: 1st quarter of FY 2009 4,240,169 Fiscal year 2008 4,183,607

(c) Average number of common shares outstanding : 1st quarter of FY 2009 1,580,680,767 1st quarter of FY 2008 1,581,127,261

[Note]

1. This document is an English translation of a statement written initially in Japanese. The Japanese original should be considered the primary version.
2. The financial statements contains forward-looking statements regarding ITOCHU Corporation's corporate plans, strategies, forecasts, and other statements that are not historical facts. They are based on current expectations, estimates, forecasts and projections about the industries in which ITOCHU Corporation operates. As the expectations, estimates, forecasts and projections are subject to a number of risks, uncertainties and assumptions, including without limitation, changes in economic conditions; fluctuations in currency exchange rates; changes in the competitive environment; the outcome of pending and future litigation; and the continued availability of financing, financial instruments and financial resources, they may cause actual results to differ materially from those presented in such forward-looking statements. ITOCHU Corporation, therefore, wishes to caution that readers should not place undue reliance on forward-looking statements, and, further that ITOCHU Corporation undertakes no obligation to update any forward-looking statements as a result of new information, future events or other developments.
3. "Total trading transactions" and "Trading income" are presented in accordance with Japanese accounting practice.
 - "Total trading transactions" in the consolidated statements of operations consists of sales with respect to transactions in which the companies act as principal and the total amount of transactions in which the companies act as agent.
 - "Trading income" = "Gross trading profit" + "Selling, general and administrative expenses" + "Provision for doubtful receivables"
4. The consolidated financial statements are expressed in yen and, solely for the convenience of the reader, have been translated into U.S. dollars at the rate of 106.42 yen = 1 U.S. dollar, the exchange rate prevailing on June 30, 2008. The translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at the above or any other rate.

[Qualitative Information & Consolidated Financial Statements]

1. Qualitative Information on Consolidated Operating Results

Total trading transactions in accordance with Japanese accounting practice for the three months ended June 30, 2008 increased by 12.8% or 354.3 billion yen to 3,122.2 billion yen (29,338 million U.S. dollars) compared with the same period of the previous fiscal year, mainly due to [in Energy, Metals & Minerals] rise in prices of natural resources and energy, such as coal and crude oil, and expansion of sales volume of iron ore; [in Food] higher prices of, and increase in sales volume of grain and edible oil; and expansion of food distribution business, in spite of negative impact by yen's appreciation;

Revenue on U.S. GAAP basis increased by 8.8% or 59.0 billion yen to 729.0 billion yen (6,851 million U.S. dollars) compared with the same period of the previous fiscal year mainly through rise in prices of natural resources and energy; increase in grain and edible oil trade, and food distribution business; and growing number of delivery of condominiums in realty sales business.

Gross trading profit increased by 5.2% or 12.2 billion yen to 247.9 billion yen (2,329 million U.S. dollars) compared with the same period of the previous fiscal year, supported by rise in prices of natural resources and energy; and expansion of transaction volume of iron ore in Energy, Metals & Minerals; and increase in grain and edible oil trade, and food distribution business in Food, despite decrease due to leaving of several subsidiaries from group in Textile and sluggish performance in construction machinery business in North America in Machinery.

Selling, general and administrative expenses increased by 2.0% or 3.5 billion yen to 178.9 billion yen (1,681 million U.S. dollars) compared with the same period of the previous fiscal year, mainly due to expansion of business and increase in pension expenses, despite negative impact by leaving of several subsidiaries from group in Textile.

Provision for doubtful receivables worsened 2.0 billion yen to a loss of 0.7 billion yen (6 million U.S. dollars) due to the reaction of the reversal of the provision for doubtful receivables through collection in the same period of the previous fiscal year.

Net interest expenses improved by 2.9% or 0.2 billion yen to 7.3 billion yen (69 million U.S. dollars) compared with the same period of the previous fiscal year. There was a negative impact in yen loan caused by rise in yen's interest rate, however there was a positive effect in trade finance due to decline in U.S. dollar's interest rate, as well as improvement of yen interest income.

Dividends received increased by 27.9% or 2.3 billion yen to 10.4 billion yen (98 million U.S. dollars) compared with the same period of the previous fiscal year, mainly due to increase in dividends from LNG-related investments.

Concerning the other profits and losses, in a period-to-period comparison, **Gain on disposal of investments and marketable securities, net of write-down** decreased by 4.2 billion yen to 5.9 billion yen (55 million U.S. dollars), due to increase in loss on impairment accompanied by sluggish Japan stock market, despite increase in gain on disposal of investment. **Gain on property and equipment-net** increased 0.4 billion yen to 1.1 billion yen (10 million U.S. dollars). **Other-net** worsened 3.1 billion yen to a loss of 2.1 billion yen (20 million U.S. dollars), due to worsening of foreign currency exchange gains (losses) as well as increase in hedge cost provided for dividends from LNG-related investments.

As a result, **Income before income taxes, minority interests and equity in earnings of associated companies** increased by 3.2% or 2.3 billion yen to 76.2 billion yen (716 million U.S. dollars) compared with the same period of the previous fiscal year.

Equity in earnings of associated companies decreased by 69.7% or 43.6 billion yen to 18.9 billion yen (178 million U.S. dollars) compared with the same period of the previous fiscal year, due to decrease in Equity in earnings of associated companies from Orient Corporation (hereafter "Orico". Please also see (Note) below), in spite of increase in that from a steel-product-related associated company and a newly joining associated company in Textile.

As a result, **Net income** decreased by 27.1% or 23.3 billion yen to 62.6 billion yen (589 million U.S. dollars) compared with the same period of the previous fiscal year.

(Note) In the same period of the previous fiscal year, a gain of 52.2 billion yen in Equity in earnings of associated companies and a loss of 21.4 billion yen deferred income tax in Income taxes were recognized accompanied by a gain recognition regarding exemption from obligation to redeem preferred stocks, which was brought by the reverse split of the preferred stocks in Orico [=net impact 30.8 billion yen].

[Additional Information -Regarding iron ore price]

Regarding delivery price of iron ore produced by joint ventures in which an Australian subsidiary participates, a benchmark price was renewed among major customers all through the world in July 2008. Accordingly, new higher prices will be applied retroactively to the sales contracts which had already delivered since the beginning of the fiscal year, and this adjustment will be executed in this second quarter.

The best estimation at the moment of the impact of the price renewal against the sales contracts which had already delivered since the beginning of the fiscal year will be additional profit of approximately 7.0 billion yen (net of tax).

2. Qualitative Information on Consolidated Financial Position

(1) Consolidated Financial Position

Total assets as of June 30, 2008 increased by 0.9% or 49.3 billion yen compared with March 31, 2008, to 5,304.7 billion yen (49,847 million U.S. dollars). Though cash and time deposit (total of **Cash and cash equivalents** and **Time deposits**) decreased compared with the end of March 2008, **Trade receivables** increased in Energy, Metals & Minerals (caused by rise in prices of natural resources and energy) and in Food (caused by higher prices of grain and edible oil); **Inventories** increased mainly in Aerospace, Electronics & Multimedia; and **Net property and equipment** increased through adding a new consolidated subsidiary in Machinery.

Stockholders' equity increased by 3.4% or 33.1 billion yen compared with March 31, 2008, to 1,011.5 billion yen (9,505 million U.S. dollars) due to accumulation of Net income, improvement in Unrealized holding gains on securities through slight recovery of stock prices, despite distribution of dividends and worsening of Foreign currency translation adjustments through yen's appreciation.

As a result, **Ratio of stockholders' equity to total assets** improved by 0.5 points compared with March 31, 2008, to 19.1%.

Interest-bearing debt decreased by 3.9% or 82.0 billion yen compared with March 31, 2008, to 2,022.4 billion yen (19,004 million U.S. dollars), and **Net interest-bearing debt** (interest-bearing debt after deducting **Cash and cash equivalents** and **Time deposits**) decreased by 2.2% or 36.7 billion yen compared with March 31, 2008, to 1,617.8 billion yen (15,202 million U.S. dollars).

NET DER (Net Debt-to-Equity Ratio) improved by 0.1 points to 1.6 times compared with March 31, 2008.

(2) Consolidated Cash Flows Information

Cash flows from operating activities for the three months ended June 30, 2008 recorded net cash-inflow of 70.0 billion yen (658 million U.S. dollars) due to continuous good performances in operating revenue mainly in overseas natural resource related businesses.

Cash flows from investing activities recorded net cash-outflow of 38.4 billion yen (361 million U.S. dollars) mainly due to acquirement of new project in Machinery and capital expenditure in natural resource development sector.

Cash flows from financing activities recorded net cash-outflow of 66.9 billion yen (629 million U.S. dollars) mainly as a result of continuous efforts to reduce interest-bearing debt.

Consequently, the current balance of **Cash and cash equivalents** as of June 30, 2008 decreased by 43.4 billion yen to 402.9 billion yen (3,786 million U.S. dollars) compared with March 31, 2008.

3. Performance of Group Companies

For the three months ended June 30, 2008 and 2007

Components of Consolidated Net Income

(Unit : billion yen)	Increase		
	Apr-Jun 2008	Apr-Jun 2007	
Parent company	45.3	16.8	28.5
Group companies excluding overseas trading subsidiaries	52.8	(*) 62.6	(*) (9.8)
Overseas trading subsidiaries	4.0	4.4	(0.4)
Subtotal	102.2	83.8	18.4
Consolidation adjustments	(39.5)	2.2	(41.7)
Consolidated net income	62.6	85.9	(23.3)

(*) "Net Income of group companies excluding overseas trading subsidiaries" in Apr-Jun 2007 includes a gain recognized regarding exemption from obligation to redeem preferred stocks, which was brought by the reverse split of the preferred stocks in Orient Corporation, and that of income tax (net effect 30.8 billion yen). Therefore, leaving out these factors, Apr-Jun 2008 amount increased by 21.1 billion yen compared with Apr-Jun 2007.

Number of Group Companies

	June 30, 2008			March 31, 2008			Increase	Decrease	Changes within Group	Net changes
	Domestic	Overseas	Total	Domestic	Overseas	Total				
Subsidiaries	186	227	413	191	223	414	+ 8	(8)	0	(1)
Equity-method associated companies	94	113	207	94	118	212	+ 3	(9)	0	+ 1
Total	280	340	620	285	341	626	+ 11	(17)		(6)

Number of Direct Controlled Companies

	June 30, 2008			March 31, 2008			Increase	Decrease	Changes within Group	Net changes
	Domestic	Overseas	Total	Domestic	Overseas	Total				
Subsidiaries	107	143	250	111	141	252	+ 3	(4)	0	(1)
Equity-method associated companies	69	88	157	69	93	162	+ 2	(8)	0	+ 1
Total	176	231	407	180	234	414	+ 5	(12)		(7)

(Note) Direct controlled companies are monitored by ITOCHU Corporation to directly implement its group management strategy.

Share of Group Companies Reporting Profits

	Apr-Jun 2008			Apr-Jun 2007			Increase(Decrease)		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
Number of companies reporting profits	211	226	437	225	257	482	(14)	(31)	(45)
Number of group companies	280	340	620	306	336	642	(26)	4	(22)
Share of group companies reporting profits	75.4%	66.5%	70.5%	73.5%	76.5%	75.1%	1.8%	(10.0%)	(4.6%)

Profits / Losses of Group Companies Reporting Profits / Losses

	Apr-Jun 2008			Apr-Jun 2007			Increase(Decrease)		
	Profits	Losses	Total	Profits	Losses	Total	Profits	Losses	Total
Group companies excluding overseas trading subsidiaries	58.8	(5.9)	52.8	(*) 67.8	(5.2)	(*) 62.6	(*) (9.1)	(0.7)	(*) (9.8)
Overseas trading subsidiaries	4.4	(0.4)	4.0	4.5	(0.1)	4.4	(0.1)	(0.3)	(0.4)
Total	63.2	(6.3)	56.9	72.3	(5.3)	67.0	(9.1)	(1.0)	(10.1)

Major New Group Companies for the First Quarter of Fiscal 2009 (April 1, 2008 - June 30, 2008)

Segments	Name	Country	Shares	Categories
Textile	DESCENTE,LTD.	Japan	(20.0%)	Manufacture and sale of sportswear and related products
Machinery	TYR CHESAPEAKE, LLC	U.S.A	(100.0%)	Project of Independent Power Producer
Food	ITO EN ITOCHU Mineral Waters Co.	Japan	(35.0%)	Import/sale of mineral water and plan/implement structure of marketing and sale

Major Group Companies Reporting Profits (*1)

(Unit : billion yen)	Apr-Jun 2008	Apr-Jun 2007
<Subsidiaries>		
ITOCHU Minerals & Energy of Australia Pty Ltd(*2)	15.2	5.8
ITOCHU Oil Exploration (Azerbaijan) Inc.	12.4	7.1
ITOCHU Property Development, Ltd.	1.9	0.2
ITOCHU Petroleum Japan Ltd.	1.8	0.6
PrimeSource Building Products, Inc.(*3)	1.4	1.0
CIECO Energy (UK) Limited	0.7	0.2
ITOCHU PLASTICS INC.	0.6	0.7
ITOCHU CHEMICAL FRONTIER Corporation	0.4	0.4
ITOCHU Metals Corporation	0.4	0.3

<Equity-method associated companies>

	Apr-Jun 2008	Apr-Jun 2007
Marubeni-Itochu Steel Inc.	4.7	3.2
Orient Corporation	2.8	(*)4 30.4
DESCENTE,LTD.	1.8	-
FamilyMart Co., Ltd.	1.5	1.3
Japan Brazil Paper and Pulp Resources Development Co., Ltd.	1.0	0.4
AI Beverage Holding Co., Ltd.	0.6	0.5

Major Group Companies Reporting Losses (*1)

(Unit : billion yen)	Apr-Jun 2008	Apr-Jun 2007
<Subsidiaries>		
P.T. ANEKA BUMI PRATAMA	(0.5)	(0.2)
ITC Nuclear Fuel Service (Cayman) Ltd.	(0.3)	-
ITOCHU Financial Services, Inc.	(0.3)	0.0
I.C.S. Co., Ltd.	(0.2)	(0.1)
<Equity-method associated companies>		
CENTRAL ENGINEERING & CONSTRUCTION Co., Ltd.	(0.1)	0.0

Performance of Major Overseas Trading Subsidiaries

(Unit : billion yen)	Apr-Jun 2008	Apr-Jun 2007
ITOCHU International Inc.(*3)	0.9	1.0
ITOCHU Europe PLC.	(0.3)	0.4
ITOCHU Hong Kong Ltd.	0.6	0.9
ITOCHU (China) Holding Co., Ltd.	0.9	0.7
ITOCHU Australia Ltd.(*2)	0.7	0.5

(*1) ITOCHU's shares of net income are **the figures after adjusting to U.S. GAAP**, which can be different from the figures each company announces.

For listed group companies, the results of the companies whose announcement were on or before July 30 are represented.

(*2) The net income of ITOCHU Australia Ltd. includes 3.7% of that of ITOCHU Minerals & Energy of Australia Pty Ltd.

(*3) The net income of ITOCHU International Inc. includes 80.0% of that of PrimeSource Building Products Inc.

(*4) The net income of Orient Corporation in Apr-Jun 2007 includes income tax relating to the equity in investment.

4. Quarterly Consolidated Financial Statements

-Unaudited-

(1) Consolidated Statements of Operations [Condensed]

ITOCHU Corporation and Subsidiaries

For the three months ended June 30, 2008 and 2007

	Millions of Yen		Millions of U.S. dollars
	Apr.-Jun.2008	Apr.-Jun.2007	Apr.-Jun.2008
Revenue:			
Sales revenue.....	¥ 587,504	¥ 519,539	\$ 5,521
Trading margins and commissions on trading transactions.....	141,528	150,478	1,330
Total trading transactions :			
Apr.-Jun.2008: 3,122,194 million yen (29,338 million U.S.dollars)			
Apr.-Jun.2007: 2,767,939 million yen			
Total revenue.....	729,032	670,017	6,851
Cost of sales.....	(481,180)	(434,408)	(4,522)
Gross trading profit	247,852	235,609	2,329
Selling, general and administrative expenses.....	(178,933)	(175,468)	(1,681)
Provision for doubtful receivables.....	(657)	1,350	(6)
Interest income.....	4,436	4,049	42
Interest expense.....	(11,776)	(11,612)	(111)
Dividends received.....	10,376	8,111	98
Gain on disposal of investments and marketable securities, net of write-down.....	5,880	10,036	55
Gain on property and equipment-net.....	1,116	739	10
Other-net.....	(2,122)	1,021	(20)
	(171,680)	(161,774)	(1,613)
Income before income taxes, minority interests and equity in earnings of associated companies.....	76,172	73,835	716
Income taxes.....	(31,419)	(49,032)	(295)
Income before minority interests and equity in earnings of associated companies.....	44,753	24,803	421
Minority interests.....	(1,046)	(1,420)	(10)
Equity in earnings of associated companies.....	18,930	62,537	178
Net income.....	¥ 62,637	¥ 85,920	\$ 589
Comprehensive income :			
Net income.....	¥ 62,637	¥ 85,920	\$ 589
Other comprehensive income (loss) (net of tax):			
Net change in foreign currency translation adjustments during the period.....	(32,119)	12,326	(302)
Pension liability adjustments.....	(112)	1,498	(1)
Net change in unrealized holding gains on securities during the period.....	13,038	18,887	123
Net change in unrealized holding gains on derivative instruments during the period.....	4,723	2,351	44
Total other comprehensive income (loss) (net of tax).	(14,470)	35,062	(136)
Total.....	¥ 48,167	¥ 120,982	\$ 453

Note :

1. Consolidated statements of operations have been prepared in conformity with accounting principles generally accepted in the United States of America.
2. "Total trading transactions" is presented in accordance with Japanese accounting practice.
Total trading transactions in the consolidated statements of operations consist of sales with respect to transactions in which the companies act as principal and the total amount of transactions in which the companies act as agent.

[Explanation for Consolidated Statements of Operations]

Revenue	(Unit : billion yen)	<u>Apr-Jun 2008</u>	<u>Apr-Jun 2007</u>	Increase (Decrease)	Reasons for changes Rise in prices of natural and energy resources as well as increase in grain and edible oil trade, and food distribution business												
	Revenue	729.0	670.0	59.0													
Gross trading profit	(Unit : billion yen)	<u>Apr-Jun 2008</u>	<u>Apr-Jun 2007</u>	Increase (Decrease)	Increase due to good performance in ITOCHU Corporation and existing subsidiaries : +22.6 Increase in joining of subsidiaries : +0.1 Decrease due to leaving of subsidiaries : (5.0) Decrease due to exchange rate fluctuations : (5.5) Refer to page 12-13 "4.(4)Segment Information"												
	Gross trading profit	247.9	235.6	12.2													
Selling, general and administrative expenses	(Unit : billion yen)	<u>Apr-Jun 2008</u>	<u>Apr-Jun 2007</u>	Increase (Decrease)	Increase accompanied by expansion of business in ITOCHU Corporation and existing subsidiaries : (10.1) Increase in joining of subsidiaries : (0.4) Decrease due to leaving of subsidiaries : +4.4 Decrease due to exchange rate fluctuations : +2.6												
	Total of SG&A	(178.9)	(175.5)	(3.5)													
	Personnel expenses	(69.5)	(68.6)	(0.9)													
	Other expenses	(109.4)	(106.8)	(2.6)													
	(Service charge, distribution costs)	(59.5)	(56.2)	(3.3)													
	(Rent, depreciation and amortization)	(19.0)	(19.7)	0.7													
	(Travel expenses)	(6.2)	(6.2)	(0.0)													
(Others)	(24.8)	(24.8)	0.0														
Provision for doubtful receivables	(Unit : billion yen)	<u>Apr-Jun 2008</u>	<u>Apr-Jun 2007</u>	Increase (Decrease)	Decrease due to reaction of reversal of the provision for doubtful receivables through collection in the same period of the previous fiscal year.												
	Provision for doubtful receivables	(0.7)	1.4	(2.0)													
Net financial income	(Unit : billion yen)	<u>Apr-Jun 2008</u>	<u>Apr-Jun 2007</u>	Increase (Decrease)	Increase in dividends received, improvement of net interest expenses												
	Net financial income	3.0	0.5	2.5													
					<table border="1"> <thead> <tr> <th></th> <th><u>Apr-Jun 2008</u></th> <th><u>Apr-Jun 2007</u></th> <th><u>Changes</u></th> </tr> </thead> <tbody> <tr> <td>JPY TIBOR 3M, average(Apr.-Jun.)</td> <td>0.841%</td> <td>0.670%</td> <td>0.171%</td> </tr> <tr> <td>USD LIBOR 3M, average(Jan.-Mar.)</td> <td>3.289%</td> <td>5.355%</td> <td>(2.066%)</td> </tr> </tbody> </table>		<u>Apr-Jun 2008</u>	<u>Apr-Jun 2007</u>	<u>Changes</u>	JPY TIBOR 3M, average(Apr.-Jun.)	0.841%	0.670%	0.171%	USD LIBOR 3M, average(Jan.-Mar.)	3.289%	5.355%	(2.066%)
		<u>Apr-Jun 2008</u>	<u>Apr-Jun 2007</u>	<u>Changes</u>													
	JPY TIBOR 3M, average(Apr.-Jun.)	0.841%	0.670%	0.171%													
	USD LIBOR 3M, average(Jan.-Mar.)	3.289%	5.355%	(2.066%)													
	Interest income	4.4	4.0	0.4	Improvement of yen interest income; improvement of trade finance interest expenses due to declining US dollar interest rate, despite increase in yen loan interest expenses Dividends received from LNG-related investments +2.4 (3.7 → 6.1)												
Interest expense	(11.8)	(11.6)	(0.2)														
Net interest expenses	(7.3)	(7.6)	0.2														
Dividends received	10.4	8.1	2.3														
Gain on disposal of investments and marketable securities, net of write-down	(Unit : billion yen)	<u>Apr-Jun 2008</u>	<u>Apr-Jun 2007</u>	Increase (Decrease)	Net gains on disposal of securities +3.2 (11.1 → 14.2) Devaluation losses on securities (6.7) ((0.7) → (7.4)) Losses on withdrawal from affiliates and others (0.6) ((0.3) → (1.0))												
	Gain on disposal of investments and marketable securities, net of write-down	5.9	10.0	(4.2)													
Gain on property and equipment-net	(Unit : billion yen)	<u>Apr-Jun 2008</u>	<u>Apr-Jun 2007</u>	Increase (Decrease)	Net gains on disposal of property and equipment +0.4 (0.5 → 0.9)												
	Gain on property and equipment-net	1.1	0.7	0.4													
Other-net	(Unit : billion yen)	<u>Apr-Jun 2008</u>	<u>Apr-Jun 2007</u>	Increase (Decrease)	Due to worsening of foreign currency exchange gains (losses) and increase in hedge cost provided for dividends from LNG-related investments												
	Other-net	(2.1)	1.0	(3.1)													
Income taxes	(Unit : billion yen)	<u>Apr-Jun 2008</u>	<u>Apr-Jun 2007</u>	Increase (Decrease)	Refer to "Note"												
	Income taxes	(31.4)	(49.0)	17.6													
Minority interests	(Unit : billion yen)	<u>Apr-Jun 2008</u>	<u>Apr-Jun 2007</u>	Increase (Decrease)													
	Minority interests	(1.0)	(1.4)	0.4													
Equity in earnings of associated companies	(Unit : billion yen)	<u>Apr-Jun 2008</u>	<u>Apr-Jun 2007</u>	Increase (Decrease)	Orient Corporation (48.8) (51.6 → 2.8) (Refer to "Note") / DESCENTE, LTD. +1.8 (a new associated company) / Marubeni-Itochu Steel Inc. +1.5 (3.2 → 4.7) / Japan Brazil Paper and Pulp Resources Development Co., Ltd. +0.6 (0.4 → 1.0) Refer to page 4 "3.Performance of Group Companies"												
	Equity in earnings of associated companies	18.9	62.5	(43.6)													
(Note) The figures for Apr-Jun 2007 include 52.2 billion yen of equity in earnings of associated companies and 21.4 billion yen of income taxes recognized [net effect 30.8 billion yen] regarding exemption from obligation to redeem preferred stocks, which was brought by the reverse split of the preferred stocks in Orient Corporation.																	
Total trading transactions	(Unit : billion yen)	<u>Apr-Jun 2008</u>	<u>Apr-Jun 2007</u>	Increase (Decrease)	Refer to page 12-13 "4.(4)Segment Information"												
	Total trading transactions	3,122.2	2,767.9	354.3													
	Gross trading profit ratio	7.9%	8.5%	(0.6%)		Effect of exchange rate fluctuations: Approximately (199.0)											
Adjusted profit	(Unit : billion yen)	<u>Apr-Jun 2008</u>	<u>Apr-Jun 2007</u>	Increase (Decrease)	Refer to "Note" stated above.												
	Adjusted profit	90.9	123.2	(32.3)													
Adjusted profit (-32.3) = Gross trading profit (+12.2) + SG&A expenses (-3.5) + Net financial income (+2.5) + Equity in earnings of associated companies (-43.6) The amount () presents changes from the same period of the previous fiscal year																	
[Average exchange rate Yen/US\$]		[For March closing companies]			[For December closing companies]												
		<u>Apr-Jun 2008</u>	<u>Apr-Jun 2007</u>	<u>Changes</u>	<u>Jan-Mar 2008</u>	<u>Jan-Mar 2007</u>	<u>Changes</u>										
		102.19	119.21	(17.02)	109.18	119.78	(10.60)										
		<u>Apr-Jun 2007</u>	<u>Apr-Jun 2006</u>	<u>Changes</u>	<u>Jan-Mar 2007</u>	<u>Jan-Mar 2006</u>	<u>Changes</u>										
		119.21	115.49	+ 3.72	119.78	117.22	+ 2.56										

(2) Consolidated Balance Sheets (Assets) [Condensed]

-Unaudited-

ITOCHU Corporation and Subsidiaries

As of June 30, 2008 and March 31, 2008

Assets	Millions of Yen		Millions of U.S. dollars
	Jun. 2008	Mar. 2008	Jun. 2008
Current assets:			
Cash and cash equivalents.....	¥ 402,896	¥ 446,311	\$ 3,786
Time deposits.....	1,659	3,559	16
Marketable securities.....	27,910	30,776	262
Trade receivables:			
Notes.....	189,390	189,446	1,779
Accounts.....	1,401,304	1,391,211	13,168
Allowance for doubtful receivables.....	(14,051)	(15,781)	(132)
Net trade receivables.....	<u>1,576,643</u>	<u>1,564,876</u>	<u>14,815</u>
Due from associated companies.....	105,108	105,993	988
Inventories.....	552,100	531,534	5,188
Advances to suppliers.....	123,301	100,973	1,159
Prepaid expenses.....	36,083	29,797	339
Deferred tax assets.....	38,251	38,564	359
Other current assets.....	268,913	242,103	2,527
Total current assets.....	<u>3,132,864</u>	<u>3,094,486</u>	<u>29,439</u>
Investments and non-current receivables:			
Investments in and advances to associated companies.....	655,369	656,884	6,158
Other investments.....	550,659	547,790	5,175
Other non-current receivables.....	147,776	149,600	1,389
Allowance for doubtful receivables.....	(53,169)	(53,167)	(500)
Total investments and net non-current receivables.....	<u>1,300,635</u>	<u>1,301,107</u>	<u>12,222</u>
Property and equipment, at cost:			
Land.....	118,174	121,977	1,110
Buildings.....	299,682	303,790	2,816
Machinery and equipment.....	330,601	288,542	3,107
Furniture and fixtures.....	56,475	57,163	531
Mineral rights.....	87,383	85,396	821
Construction in progress.....	14,626	10,629	137
Total property and equipment, at cost.....	<u>906,941</u>	<u>867,497</u>	<u>8,522</u>
Less accumulated depreciation.....	<u>360,298</u>	<u>354,480</u>	<u>3,385</u>
Net property and equipment.....	<u>546,643</u>	<u>513,017</u>	<u>5,137</u>
Prepaid pension cost.....	29,625	30,077	278
Deferred tax assets, non-current.....	36,451	49,452	342
Other assets.....	258,464	267,281	2,429
Total.....	¥ 5,304,682	¥ 5,255,420	\$ 49,847

Note :

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

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

-Unaudited-

ITOCHU Corporation and Subsidiaries

As of June 30, 2008 and March 31, 2008

Liabilities and Stockholders' Equity	Millions of Yen		Millions of U.S. dollars
	Jun. 2008	Mar.2008	Jun. 2008
Current liabilities:			
Short-term debt	¥ 282,463	¥ 307,446	\$ 2,654
Current maturities of long-term debt.....	76,547	76,017	719
Trade payables:			
Notes and acceptances.....	159,767	152,041	1,501
Accounts.....	1,196,336	1,133,683	11,242
Total trade payables.....	1,356,103	1,285,724	12,743
Due to associated companies.....	18,052	19,382	170
Accrued expenses.....	133,181	135,430	1,252
Income taxes payable.....	36,507	46,898	343
Advances from customers.....	132,175	118,351	1,242
Deferred tax liabilities.....	1,847	908	17
Other current liabilities.....	228,880	199,302	2,151
Total current liabilities	2,265,755	2,189,458	21,291
Long-term debt, excluding current maturities.....	1,835,891	1,895,088	17,251
Accrued retirement and severance benefits.....	18,745	19,602	176
Deferred tax liabilities, non-current.....	29,861	27,183	281
Commitments and contingent liabilities			
Minority interests.....	142,887	145,618	1,343
Stockholders' equity:			
Common stock:			
Authorized: 3,000,000,000 shares; issued:			
1,584,889,504 shares.....	202,241	202,241	1,900
Capital surplus.....	137,214	137,211	1,289
Retained earnings:			
Legal reserve.....	12,136	10,373	114
Other retained earnings	703,529	657,683	6,611
Total retained earnings.....	715,665	668,056	6,725
Accumulated other comprehensive income (loss) :			
Foreign currency translation adjustments.....	(57,067)	(24,948)	(536)
Pension liability adjustments.....	(73,491)	(73,379)	(691)
Unrealized holding gains on securities.....	87,427	74,389	822
Unrealized holding gains (losses) on derivative instruments.....	2,213	(2,510)	21
Total accumulated other comprehensive income (loss).....	(40,918)	(26,448)	(384)
Treasury stock, at cost.....	(2,659)	(2,589)	(25)
Total stockholders' equity.....	1,011,543	978,471	9,505
Total.....	¥ 5,304,682	¥ 5,255,420	\$ 49,847

[Explanation for Consolidated Balance Sheets]

Total assets as of June 30, 2008 increased by 49.3 billion yen to 5,304.7 billion yen compared with March 31, 2008, due to, despite a decrease in cash and cash equivalents, an increase in property and equipment through adding a consolidated subsidiary; an increase of trade receivables in Energy, Metals & Minerals and Food caused by rise in prices of minerals, energy, grains and edible oil; and an increase in inventories in Aerospace, Electronics & Multimedia.

Assets

	(Unit: billion yen)			Reasons for changes:
	Jun 2008	Mar 2008	Increase (Decrease)	
Cash and cash equivalents	402.9	446.3	(43.4)	
Net trade receivables	1,576.6	1,564.9	11.8	... Increase in Metals, Mineral Resource & Coal, Energy and Food
Inventories	552.1	531.5	20.6	... Increase in Aerospace, Electronics & Multimedia
Advances to suppliers	123.3	101.0	22.3	... Increase in Machinery
Other current assets	268.9	242.1	26.8	... Increase in Energy
Net property and equipment	546.6	513.0	33.6	... Increase due to adding a new consolidated subsidiary in Machinery

Liabilities

	(Unit: billion yen)			Reasons for changes:
	Jun 2008	Mar 2008	Increase (Decrease)	
Total trade payables	1,356.1	1,285.7	70.4	... Increase in Metals, Mineral Resource & Coal, Energy and Food
Advances from customers	132.2	118.4	13.8	... Increase in Machinery
Other current liabilities	228.9	199.3	29.6	... Increase in Energy
[Interest-bearing debt]				
Short-term debt	282.5	307.4	(25.0)	
Current maturities of long-term debt	67.3	72.0	(4.7)	
Current maturities of debentures	9.2	4.0	5.2	
Short-term total	359.0	383.5	(24.5)	
Long-term debt	1,487.4	1,519.8	(32.5)	
Debentures	176.0	201.1	(25.1)	
Long-term total	1,663.4	1,720.9	(57.6)	
Total interest-bearing debt	2,022.4	2,104.4	(82.0)	
Cash, cash equivalents and time deposits	404.6	449.9	(45.3)	
Net interest-bearing debt	1,617.8	1,654.5	(36.7)	
Net debt-to-equity ratio [times]	1.6	1.7	0.1 improved	

Stockholders' equity

	(Unit: billion yen)			Reasons for changes:
	Jun 2008	Mar 2008	Increase (Decrease)	
Common stock	202.2	202.2	-	
Capital surplus	137.2	137.2	0.0	
Retained earnings:	715.7	668.1	47.6	
Legal reserve	12.1	10.4	1.8	
Other retained earnings	703.5	657.7	45.8	... Net income +62.6, Distribution of dividends (15.0), Transfer to legal reserve (1.8)
Accumulated other comprehensive income (loss):	(40.9)	(26.4)	(14.5)	
Foreign currency translation adjustments	(57.1)	(24.9)	(32.1)	... Worsened in December closing companies due to effect of yen's appreciation compared with previous fiscal year end
Pension liability adjustments	(73.5)	(73.4)	(0.1)	
Unrealized holding gains on securities	87.4	74.4	13.0	... Effect of recovery of stock prices compared with previous fiscal year end
Unrealized holding gains(losses) on derivative instruments	2.2	(2.5)	4.7	... Rise in yen's forward interest rate
Treasury stock, at cost	(2.7)	(2.6)	(0.1)	
Total stockholders' equity	1,011.5	978.5	33.1	
Ratio of stockholders' equity to total assets	19.1%	18.6%	0.5%	

[Current exchange rate Yen/US\$]

[For March closing companies]

[For December closing companies]

Jun 2008	Mar 2008	Changes	Mar 2008	Dec 2007	Changes
106.42	100.19	+ 6.23	100.19	114.15	(13.96)
Jun 2007	Mar 2007	Changes	Mar 2007	Dec 2006	Changes
123.26	118.05	+ 5.21	118.05	119.11	(1.06)

[The Nikkei stock average index]

June 2008	Mar 2008	Changes
13,481	12,525	+ 956

(3) Consolidated Statements of Cash Flows [Condensed]**-Unaudited-**

ITOCHU Corporation and Subsidiaries

For the three months ended June 30, 2008 and 2007

	Millions of Yen		Millions of U.S. dollars
	<u>Apr.-Jun. 2008</u>	Apr.-Jun. 2007	<u>Apr.-Jun. 2008</u>
Cash flows from operating activities :			
Net income	¥ 62,637	¥ 85,920	\$ 589
Adjustments to reconcile net income to net cash provided by (used in) operating activities :			
Depreciation and amortization	16,529	15,619	155
Provision for doubtful receivables	657	(1,350)	6
Gain on disposal of investments and marketable securities, net of write-down.....	(5,880)	(10,036)	(55)
Gain on property and equipment-net.....	(1,116)	(739)	(10)
Equity in earnings of associated companies, less dividends received	(7,318)	(52,733)	(69)
Deferred income taxes	1,601	22,298	15
Minority interests	1,046	1,420	10
Changes in assets and liabilities, other-net	1,843	(109,733)	17
Net cash provided by (used in) operating activities	<u>69,999</u>	<u>(49,334)</u>	<u>658</u>
Cash flows from investing activities :			
Net purchases of property, equipment and other assets	(16,379)	(25,492)	(154)
Net increase in investments in and advances to associated companies	(7,004)	(28,885)	(66)
Net purchases of other investments	(17,036)	(2,515)	(160)
Net collections of other non-current loan receivables	462	5,757	5
Net (increase) decrease in time deposits.....	1,418	(1,311)	13
Net (increase) decrease in marketable securities.....	112	(1,281)	1
Net cash used in investing activities	<u>(38,427)</u>	<u>(53,727)</u>	<u>(361)</u>
Cash flows from financing activities :			
Net repayments of long-term debt	(41,521)	(19,605)	(390)
Net decrease in short-term debt	(7,390)	(116,572)	(70)
Other	(18,005)	(18,265)	(169)
Net cash used in financing activities	<u>(66,916)</u>	<u>(154,442)</u>	<u>(629)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(8,071)</u>	1,213	<u>(76)</u>
Net decrease in cash and cash equivalents	<u>(43,415)</u>	(256,290)	<u>(408)</u>
Cash and cash equivalents at beginning of period	<u>446,311</u>	532,856	<u>4,194</u>
Cash and cash equivalents at end of period	<u>¥ 402,896</u>	<u>¥ 276,566</u>	<u>\$ 3,786</u>

Note :

Consolidated statements of cash flows have been prepared in conformity with accounting principles generally accepted in the United States of America.

[Explanation for Consolidated Statements of Cash Flows]

Note :
Explanation for indication

Cash-inflow : " + "
Cash-outflow : "()"

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

Cash flows from operating activities

(Unit: billion yen)

	<u>Apr-Jun 2008</u>	<u>Apr-Jun 2007</u>	<u>Increase (Decrease)</u>	<u>Reasons for increase/decrease</u>
Net income	62.6	85.9	(23.3)	
*Non-cash charges of P/L	5.5	(25.5)	31.0	Equity in earnings of associated companies, less dividends received +45.4 Deferred income taxes (20.7)
Changes in assets and liabilities, other-net	1.8	(109.7)	111.6	Trade receivables / payables +111.6, Inventories (5.8)
Net cash provided by (used in) operating activities	70.0	(49.3)	119.3	

* To eliminate non-cash P/L items such as depreciation/amortization expenses and provision for doubtful receivables,
and to transfer P/L on marketable securities, investment, property and equipment from operating activities to investing
or financing activities.

Cash flows from investing activities

(Unit: billion yen)

	<u>Apr-Jun 2008</u>	<u>Apr-Jun 2007</u>	<u>Increase (Decrease)</u>	
Net purchases of property, equipment and other assets	(16.4) a	(25.5) b	9.1	a : Purchases by natural resources development related subsidiaries (7.4), airline-related subsidiaries (5.4) b : Net purchases by natural resources development related subsidiaries (21.4)
Net increase in investments in and advances to associated companies	(7.0) a	(28.9) b	21.9	a : Net increase advances to associated companies in Machinery (6.2) b : Additional investment in Orient Corporation (30.0)
Net purchases of other investments	(17.0) a	(2.5)	(14.5)	a : Net of investment in Machinery and energy-development sector, and sales of stocks by ITOCHU Corporation (11.3)
Net collections of other non-current loan receivables	0.5	5.8 b	(5.3)	b : Net collections by financing subsidiaries +8.5
Net (increase) decrease in time deposits	1.4	(1.3)	2.7	
Net (increase) decrease in marketable securities	0.1	(1.3)	1.4	
Net cash used in investing activities	(38.4)	(53.7)	15.3	

Cash flows from financing activities

(Unit: billion yen)

	<u>Apr-Jun 2008</u>	<u>Apr-Jun 2007</u>	<u>Increase (Decrease)</u>	
Net repayments of long-term debt	(41.5) a	(19.6) b	(21.9)	a : Net repayments by ITOCHU Corporation (25.0) b : Net repayments by natural resources development related subsidiaries (10.8)
Net decrease in short-term debt	(7.4) a	(116.6) b	109.2	a : Net repayments by ITOCHU Corporation (39.5), net repayments by overseas trading subsidiaries +34.9 b : Net repayments by ITOCHU Corporation (15.9), financing subsidiaries (22.0), and food subsidiaries (19.7)
Other	(18.0) a	(18.3) b	0.3	a : Dividends paid (15.0), dividends paid to minority shareholders (3.7) b : Dividends paid (14.2), dividends paid to minority shareholders (3.9)
Net cash used in financing activities	(66.9)	(154.4)	87.5	

(Note)

Changes in current maturities of long-term debt are included in "Net repayments of long-term debt"
on the statements of cash flows.

(4) Segment Information

ITOCHU Corporation and Subsidiaries

For the three months ended June 30, 2008 and 2007

ITOCHU Corporation and its subsidiaries are engaged in a wide range of business activities such as worldwide trading operations in various commodities, financing for customers and suppliers, organizing and coordinating industrial projects, and investing in resource development, advanced technology, information and multimedia.

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

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

Information concerning operations in different operating segments for the three months ended June 30, 2008 and 2007 is as follows:

For the three months ended June 30, 2008 (April 1, 2008 -June 30, 2008)									Millions of Yen
	Textile	Machinery	Aerospace, Electronics & Multimedia	Energy, Metals & Minerals	Chemicals, Forest Products & General Merchandise	Food	Finance, Realty, Insurance & Logistics Services	Other, Adjustments & Eliminations	Consolidated
Total trading transactions:									
Unaffiliated customers and associated companies	¥ 131,452	¥ 336,010	¥ 128,837	¥ 1,096,164	¥ 542,271	¥ 798,800	¥ 45,052	¥ 43,608	¥ 3,122,194
Transfers between operating segments ..	142	298	1,185	93	4,777	116	1	(6,612)	-
Total trading transactions	<u>131,594</u>	<u>336,308</u>	<u>130,022</u>	<u>1,096,257</u>	<u>547,048</u>	<u>798,916</u>	<u>45,053</u>	<u>36,996</u>	<u>3,122,194</u>
Gross trading profit	<u>21,791</u>	<u>20,558</u>	<u>28,229</u>	<u>43,212</u>	<u>29,747</u>	<u>80,601</u>	<u>12,690</u>	<u>11,024</u>	<u>247,852</u>
Net income	<u>9,844</u>	<u>1,003</u>	<u>881</u>	<u>32,300</u>	<u>5,222</u>	<u>5,654</u>	<u>2,286</u>	<u>5,447</u>	<u>62,637</u>
[Equity in earnings of associated companies].....	<u>[2,157]</u>	<u>[544]</u>	<u>[97]</u>	<u>[7,162]</u>	<u>[1,585]</u>	<u>[3,865]</u>	<u>[3,417]</u>	<u>[103]</u>	<u>[18,930]</u>
Identifiable assets at June 30, 2008.....	<u>339,679</u>	<u>706,489</u>	<u>506,396</u>	<u>1,060,428</u>	<u>750,487</u>	<u>1,115,500</u>	<u>405,055</u>	<u>420,648</u>	<u>5,304,682</u>
For the three months ended June 30, 2007 (April 1, 2007 -June 30, 2007)									Millions of Yen
	Textile	Machinery	Aerospace, Electronics & Multimedia	Energy, Metals & Minerals	Chemicals, Forest Products & General Merchandise	Food	Finance, Realty, Insurance & Logistics Services	Other, Adjustments & Eliminations	Consolidated
Total trading transactions:									
Unaffiliated customers and associated companies	¥ 159,256	¥ 324,806	¥ 146,846	¥ 759,487	¥ 547,984	¥ 739,976	¥ 34,142	¥ 55,442	¥ 2,767,939
Transfers between operating segments ..	145	156	1,038	94	4,639	97	4	(6,173)	-
Total trading transactions	<u>159,401</u>	<u>324,962</u>	<u>147,884</u>	<u>759,581</u>	<u>552,623</u>	<u>740,073</u>	<u>34,146</u>	<u>49,269</u>	<u>2,767,939</u>
Gross trading profit	<u>25,737</u>	<u>22,847</u>	<u>28,924</u>	<u>29,657</u>	<u>29,658</u>	<u>77,635</u>	<u>13,973</u>	<u>7,178</u>	<u>235,609</u>
Net income	<u>2,706</u>	<u>6,297</u>	<u>1,966</u>	<u>21,414</u>	<u>4,642</u>	<u>4,440</u>	<u>36,946</u>	<u>7,509</u>	<u>85,920</u>
[Equity in earnings of associated companies].....	<u>[995]</u>	<u>[819]</u>	<u>[(825)]</u>	<u>[5,335]</u>	<u>[643]</u>	<u>[3,344]</u>	<u>[52,327]</u>	<u>[(101)]</u>	<u>[62,537]</u>
Identifiable assets at June 30, 2007.....	<u>380,832</u>	<u>652,732</u>	<u>536,584</u>	<u>796,333</u>	<u>801,586</u>	<u>1,176,436</u>	<u>572,232</u>	<u>415,377</u>	<u>5,332,112</u>
Identifiable assets at March 31, 2008.....	<u>364,349</u>	<u>690,929</u>	<u>513,870</u>	<u>916,571</u>	<u>766,790</u>	<u>1,064,825</u>	<u>420,501</u>	<u>517,585</u>	<u>5,255,420</u>
For the three months ended June 30, 2008 (April 1, 2008 -June 30, 2008)									Millions of U.S.dollars
	Textile	Machinery	Aerospace, Electronics & Multimedia	Energy, Metals & Minerals	Chemicals, Forest Products & General Merchandise	Food	Finance, Realty, Insurance & Logistics Services	Other, Adjustments & Eliminations	Consolidated
Total trading transactions:									
Unaffiliated customers and associated companies	\$ 1,235	\$ 3,157	\$ 1,211	\$ 10,300	\$ 5,096	\$ 7,506	\$ 423	\$ 410	\$ 29,338
Transfers between operating segments ..	2	3	11	1	44	1	-	(62)	-
Total trading transactions	<u>1,237</u>	<u>3,160</u>	<u>1,222</u>	<u>10,301</u>	<u>5,140</u>	<u>7,507</u>	<u>423</u>	<u>348</u>	<u>29,338</u>
Gross trading profit	<u>205</u>	<u>193</u>	<u>265</u>	<u>406</u>	<u>280</u>	<u>757</u>	<u>119</u>	<u>104</u>	<u>2,329</u>
Net income	<u>93</u>	<u>9</u>	<u>8</u>	<u>304</u>	<u>49</u>	<u>53</u>	<u>22</u>	<u>51</u>	<u>589</u>
[Equity in earnings of associated companies].....	<u>[20]</u>	<u>[5]</u>	<u>[1]</u>	<u>[67]</u>	<u>[15]</u>	<u>[37]</u>	<u>[32]</u>	<u>[1]</u>	<u>[178]</u>
Identifiable assets at June 30, 2008.....	<u>3,192</u>	<u>6,639</u>	<u>4,758</u>	<u>9,965</u>	<u>7,052</u>	<u>10,482</u>	<u>3,806</u>	<u>3,953</u>	<u>49,847</u>

Note :

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

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

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

[Explanation for Operating Segment Information]

<u>Total trading transactions</u>	(Unit : billion yen)			Increase	Reasons for changes
		<u>Apr-Jun 2008</u>	<u>Apr-Jun 2007</u>	<u>(Decrease)</u>	
Textile	...	131.5	159.3	(27.8)	... Decrease due to leaving of consolidated subsidiaries from group
Machinery	...	336.0	324.8	11.2	... Increase due to automobile transactions to emerging countries
Aerospace, Electronics & Multimedia	...	128.8	146.8	(18.0)	... Decrease due to adoption of new selling system of domestic mobile phone sales business
Energy, Metals & Minerals	...	1,096.2	759.5	336.7	... Increase due to rise in prices of natural resources and energy and expansion of sales volume of iron ore
Chemicals, Forest Products & General Merchandise	...	542.3	548.0	(5.7)	... Decrease due to housing market slowdown in Japan despite rise in prices of chemicals
Food	...	798.8	740.0	58.8	... Increase due to rise in prices of, and increase in sales volume of grain and edible oil and expansion of food distribution business
Finance, Realty, Insurance & Logistics Services	...	45.1	34.1	10.9	... Increase due to growing number of delivery of condominiums
Other, Adjustments & Eliminations	...	43.6	55.4	(11.8)	
Total		3,122.2	2,767.9	354.3	
<u>Gross trading profit</u>	(Unit : billion yen)			Increase	Reasons for changes
		<u>Apr-Jun 2008</u>	<u>Apr-Jun 2007</u>	<u>(Decrease)</u>	
Textile	...	21.8	25.7	(3.9)	... Decrease due to leaving of consolidated subsidiaries from group and apparel market slowdown
Machinery	...	20.6	22.8	(2.3)	... Decrease due to sluggish performance of construction machinery business in North America caused by construction market slowdown
Aerospace, Electronics & Multimedia	...	28.2	28.9	(0.7)	... Decrease due to absence of gain on disposal of airline-related assets in the same period of the previous fiscal year
Energy, Metals & Minerals	...	43.2	29.7	13.6	... Increase due to rise in prices of natural resources and energy and expansion of sales volume of iron ore
Chemicals, Forest Products & General Merchandise	...	29.7	29.7	0.1	... Stayed at the same level with rise in prices of chemicals despite housing market slowdown in Japan
Food	...	80.6	77.6	3.0	... Increase due to expansion of grain and edible oil trade business and food distribution business
Finance, Realty, Insurance & Logistics Services	...	12.7	14.0	(1.3)	... Decrease due to absence of gain on disposal of realty through real estate fund in the same period of the previous fiscal year despite increase in condominium sales business
Other, Adjustments & Eliminations	...	11.0	7.2	3.8	... Increase due to improvement in equipment materials transactions in North America
Total		247.9	235.6	12.2	
<u>Net income</u>	(Unit : billion yen)			Increase	Reasons for changes
		<u>Apr-Jun 2008</u>	<u>Apr-Jun 2007</u>	<u>(Decrease)</u>	
Textile	...	9.8	2.7	7.1	... Increase due to improvement of gain on disposal of investments and marketable securities and increase in equity in earnings of associated companies derived from adding a new associated company
Machinery	...	1.0	6.3	(5.3)	... Decrease due to decrease in gross trading profit and devaluation of investments and marketable securities in automobile-related business
Aerospace, Electronics & Multimedia	...	0.9	2.0	(1.1)	... Decrease due to decrease in gross trading profit and gain on disposal of investments and marketable securities despite improvement of equity in earnings of associated companies
Energy, Metals & Minerals	...	32.3	21.4	10.9	... Increase due to increase in gross trading profit, dividends received from LNG-related investments and increase in equity in earnings of associated companies
Chemicals, Forest Products & General Merchandise	...	5.2	4.6	0.6	... Increase due to increase in equity in earnings of associated companies
Food	...	5.7	4.4	1.2	... Increase due to increase in gross trading profit and equity in earnings of associated companies
Finance, Realty, Insurance & Logistics Services	...	2.3	36.9	(34.7)	... Decrease due to absence of recognition of equity in earnings of an associated company through the capital restructuring of a finance-business-related company in the same period of the previous fiscal year as well as decrease in gross trading profit and gain on disposal of investments and marketable securities
Other, Adjustments & Eliminations	...	5.4	7.5	(2.1)	... Decrease due to increase in pension expenses and Japanese local tax
Total		62.6	85.9	(23.3)	
<u>Identifiable assets</u>	(Unit : billion yen)			Increase	Reasons for changes
		<u>Jun. 2008</u>	<u>Mar. 2008</u>	<u>(Decrease)</u>	
Textile	...	339.7	364.3	(24.7)	... Decrease in trade receivables with seasonal factors
Machinery	...	706.5	690.9	15.6	... Increase in advances to suppliers in ship business and property and equipment in a new consolidated subsidiary
Aerospace, Electronics & Multimedia	...	506.4	513.9	(7.5)	... Decrease in trade receivables in domestic IT-related business
Energy, Metals & Minerals	...	1,060.4	916.6	143.9	... Increase in trade receivables with rise in prices of natural resources and energy
Chemicals, Forest Products & General Merchandise	...	750.5	766.8	(16.3)	... Decrease mainly in trade receivables with housing market slowdown in Japan
Food	...	1,115.5	1,064.8	50.7	... Increase mainly in trade receivables in grain and edible oil trade and food distribution business
Finance, Realty, Insurance & Logistics Services	...	405.1	420.5	(15.4)	... Decrease in trade receivables in domestic condominium sales business
Other, Adjustments & Eliminations	...	420.6	517.6	(96.9)	... Decrease in cash and cash equivalents
Total		5,304.7	5,255.4	49.3	

(5) Assumption for Going Concern N/A

(6) Significant Changes in Stockholders' Equity N/A