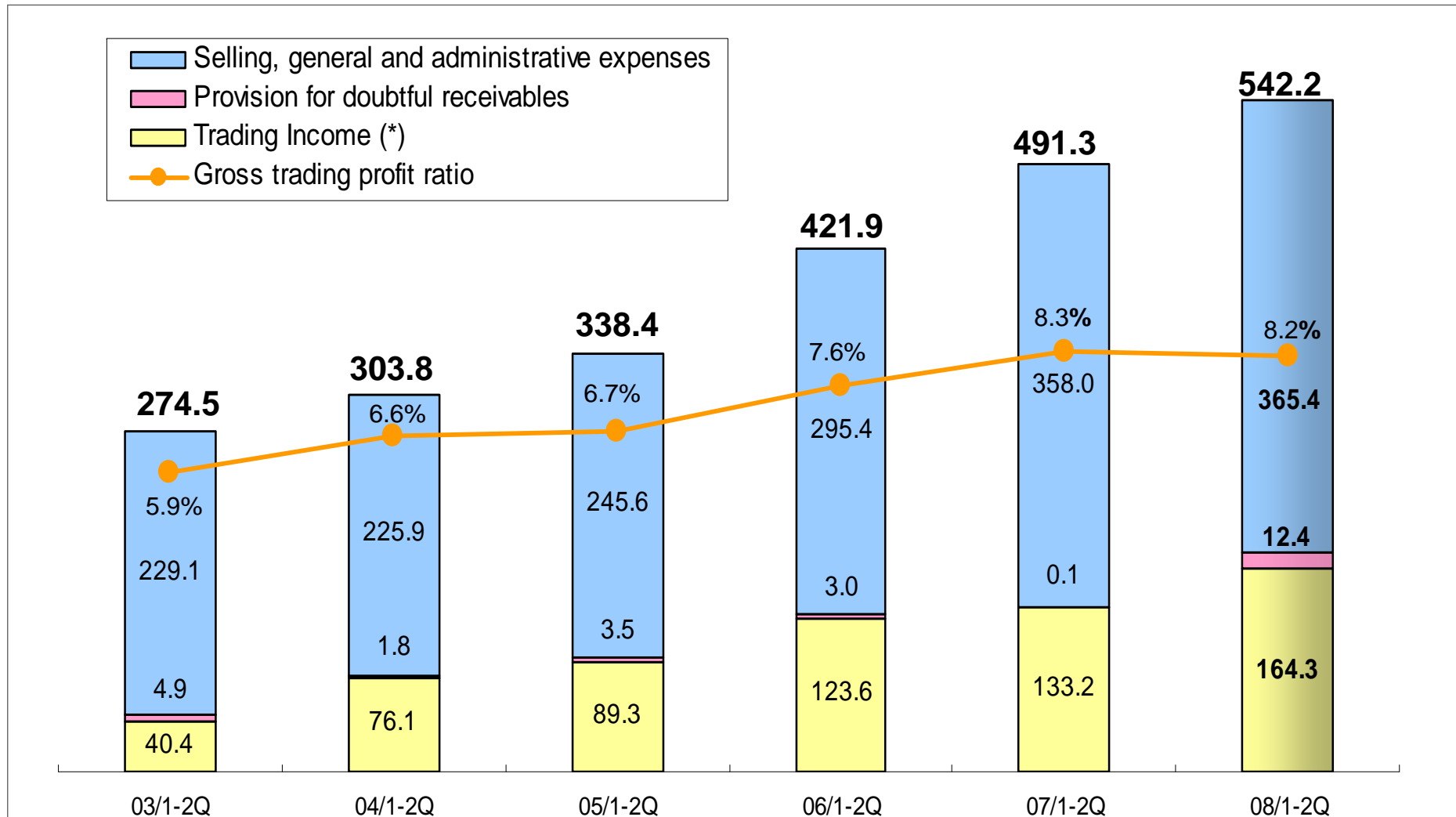


Consolidated Financial Report
for the First Half of Fiscal Year 2009
ending March 31, 2009

November 7th 2008

ITOCHU Corporation

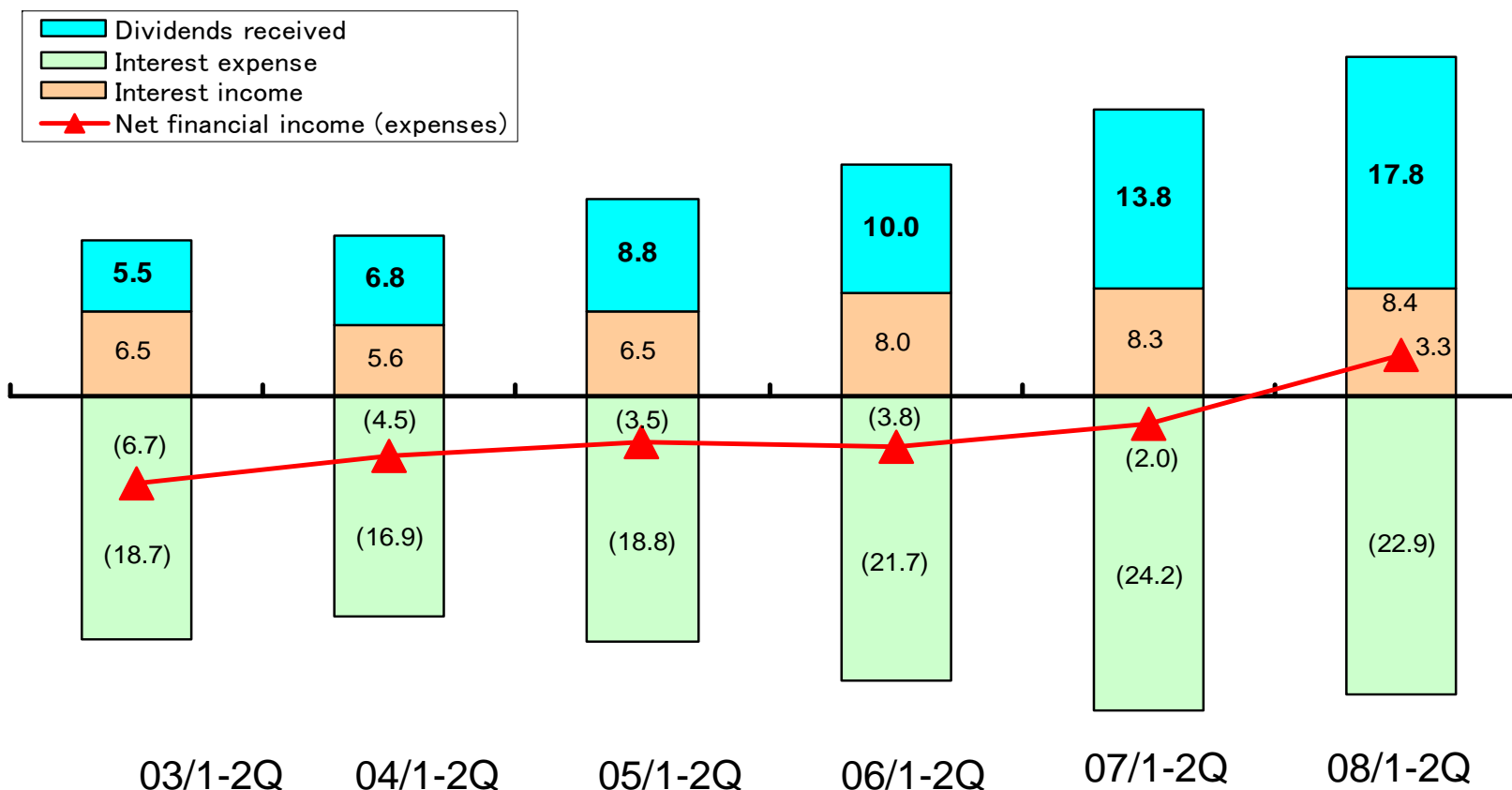
Gross trading profit /Trading income (unit:¥billion)



(*) Trading income = Gross trading profit + Selling, general and administrative expenses + Provision for doubtful receivables

Net financial income (expenses)

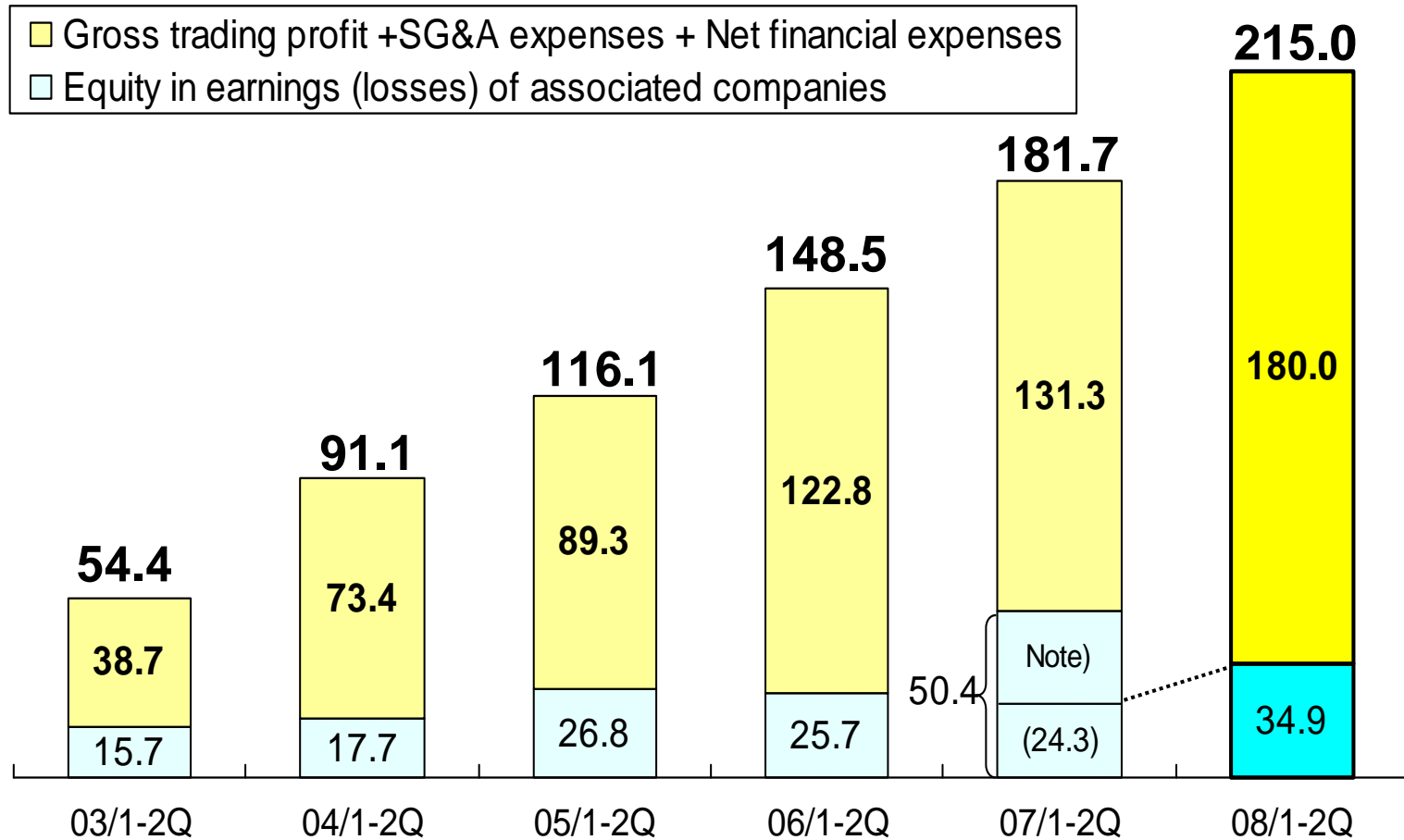
(unit: ¥billion)



Net interest-bearing debt (Average Apr.-Sep.)	2,533.8	2,453.7	2,370.8	2,209.6	2,127.0	2,113.9
Yen TIBOR 3M (Average Apr.-Sep.)	0.084%	0.084%	0.085%	0.324%	0.735%	0.848%

Adjusted profit

(Unit: ¥billion)



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

Note) Orico Related Profit and Loss : 26.1billion yen
(Include profit from consolidation of preferred stock 52.2bil.and impairment loss 26.2bil.)

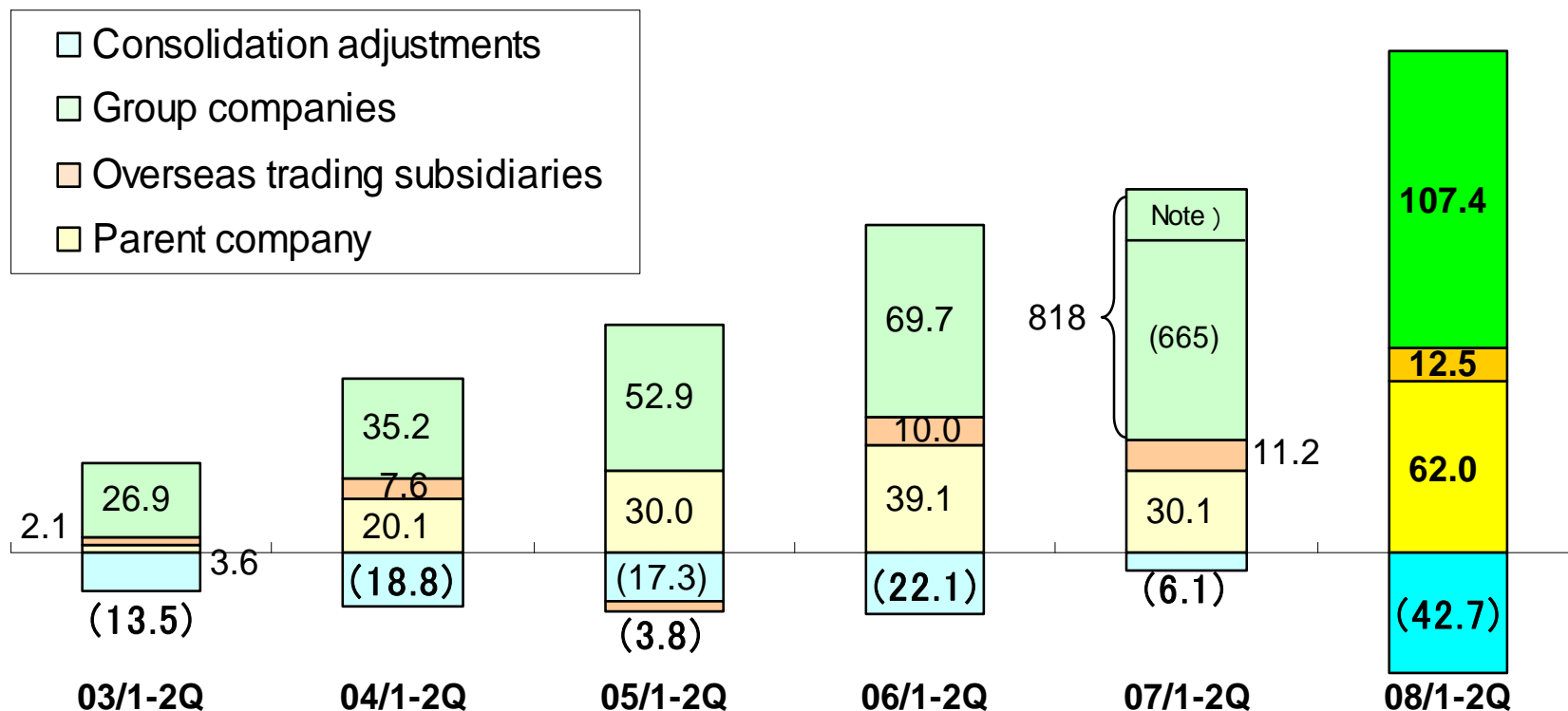
Net income from major Equity-method associated companies (Unit: ¥billion)



Name		08/1-2Q	07/1-2Q	Increase (Decrease)
Fin	Orient Corporation	4.5	(*) 26.5	(22.0)
	(Exclude 07/1-2Q special factors)	(4.5)	(0.4)	(+ 4.1)
Ene	(Associated companies of) ITOCHU Minerals & Energy of Australia Pty Ltd	5.0	2.3	2.7
Ene	Marubeni-Itochu Steel Inc.	10.1	8.2	1.9
Fod	FamilyMart Co., Ltd.	3.5	3.0	0.4
Che	Japan Brazil Paper and Pulp Resources Development Co.,Ltd	0.9	0.5	0.4
Mac	P.T. HEXINDO ADIPERKASA	0.3	0.0	0.3
Aer	On Demand TV, Inc.	-	(1.0)	1.0

(*) Include Orico related P/L26.1bil.(profit from consolidation of preferred stock 52.2bil.and impairment loss 26.2bil.)


Components of Consolidated Net Income (Unit: ¥billion)

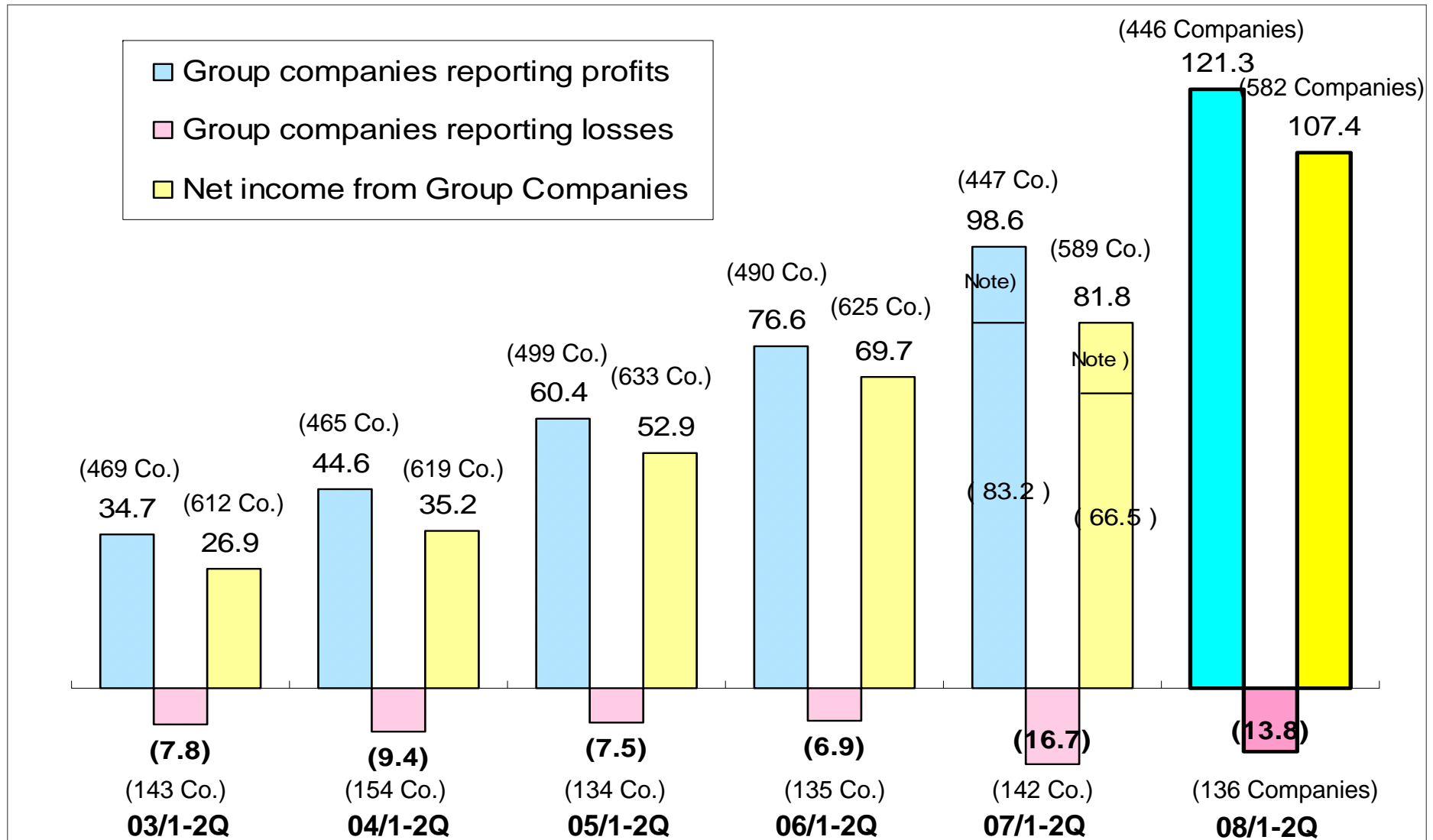


Net income	19.2	44.1	61.8	96.7	117.0	139.2
Number of Group Co.	656	661	675	669	632	625
Share of group co. reporting profits	76.5%	75.3%	79.1%	78.5%	77.4%	77.0%

Note) Include Orico related P/L 15.4bil. (profit from consolidation of preferred stock 30.8bil. and impairment loss 15.4bil.)

P/L of Group Companies Reporting Profits / Losses

(Unit: ¥billion) 



Note 1) Include Orico related P/L 15.4bil. (profit from consolidation of preferred stock 30.8bil. and impairment loss 15.4bil.)

Performance of Group Companies

(unit:¥billion)



【Major companies reporting increase of profit】

Name		Method of Consolidation	08/1-2Q	07/1-2Q	Increase (Decrease)
Ene	ITOCHU Minerals & Energy of Australia Pty Ltd	Consolidation	51.5	13.8	37.7
Fin	ITOCHU Property Development, Ltd.	Consolidation	1.0	(7.1)	8.1
Ene	Marubeni-Itochu Steel Inc.	Equity	10.1	8.2	1.9
Ove	ITOCHU Australia Ltd. (Include 3.7% of IMEA P/L)	Consolidation	2.2	0.7	1.5
Che	PrimeSource Building Products, Inc.	Consolidation	3.9	2.4	1.4
Fod	FamilyMart Co., Ltd.	Equity	3.5	3.0	0.4

【Major companies reporting decrease of profit / Increase of loss】

Ene	ITOCHU Oil Exploration (Azerbaijan) Inc.	Consolidation	11.7	16.0	(4.3)
Che	I.C.S Co., Ltd.	Consolidation	(2.0)	(0.6)	(1.4)
Fin	C.I. FINANCE (CAYMAN) LTD.	Consolidation	(0.7)	0.4	(1.1)
Mac	ITOCHU Automobile America Inc.	Consolidation	(0.3)	0.8	(1.1)

Detail of earnings from overseas businesses


(Unit:¥billion)



	Apr-Sep 2008	Apr-Sep 2007	Increase (Decrease)	Summary of changes from the same period of the previous fiscal year
North America	4.9	5.4	(0.5)	ITOCHU Automobile America Inc. -1.1(0.8→-0.3)
China	5.6	4.7	1.0	ITOCHU Finance (Asia) LTD. +1.2(0.1→1.3)
Asia	3.2	2.4	0.8	P.T. HEXINDO ADIPERKASA +0.3(0→0.3) ITOCHU Plastics Pte., Ltd. +0.2(0.2→0.3)
CIS	11.6	16.1	(4.5)	ITOCHU Oil Exploration (Azerbaijan) Inc. -4.3(16.0→11.7)
Oceania	52.1	14.3	37.8	ITOCHU Minerals & Energy of Australia Pty Ltd +37.7(13.8→51.5)
Europe	4.3	4.4	(0.1)	CIECO Energy (UK) Limited +1.2(0.5→1.7) 、 ITOCHU Finance (Europe) PLC. -0.4(-0.1→-0.5) 、 MCL Group Limited -0.2(0→-0.2)
Others	0.2	5.7	(5.5)	ITOCHU Petroleum Co., (Hong Kong) Ltd. -3.9(2.1→-1.8) 、 C.I. FINANCE (CAYMAN) LTD. -1.1(0.4→-0.7)
Total	81.8	52.9	28.9	

Share of earnings from Overseas businesses (59%) (45%)
(Exclude Orico's special factors) (52%)

(Reference)Orico Related Profit and Loss

(Unit: ¥ billion) 

Profit in 1Q		1 st half of FY2008		Impairment loss in 2Q	
PBT	52.2	PBT	26.1	PBT	(26.2)
Tax Effect	(21.4)	Tax Effect	(10.7)	Tax Effect	10.7
PAT	30.8	PAT	15.4	PAT	(15.4)

Consolidation [10 to 1]
of Preferred Shares 320 ⇒ 32

Profit from Waiver of Redemption 288

Impact on ITOCHU $288 \times 32\% \Rightarrow 92.2$
*: ITOCHU's share proportion to Orico

Loss from Orico after adjustment to U.S. GAAP at the end of FY2007	108.6
—) Book value at the end of FY2007	(68.6)
Loss carried over to FY2008	40.0

$92.2 - 40.0 = 52.2 \Rightarrow$ PBT in 1Q (PAT 30.8)

- ① No change of Orico's enterprise value
- ② Falling Orico's stock price
(Jun 4 ¥309, Sep 25 ¥86, Sep30 ¥114, Oct 31 ¥161)

Possible increase in number of Orico's common shares due to a moving strike clause of preferred shares

Dilution of fair value of investment per share