

## Highlights of Consolidated Financial Results for the First Half of FY 2009 (U.S. GAAP)

### Financial topics for the First Half (1st H) of FY 2009

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

- 1st H Net income increased by ¥22.2 bil compared with the previous 1st H to ¥139.2 bil, the highest for 4 consecutive years, with the progress of 58% for ¥240.0 bil in outlook FY 2009. In addition, 1st H Gross trading profit marked the highest for 4 consecutive years, also highest with 1st H Adjusted profit for 5 years, and 1st H Income before income taxes for 3 years in a row.
- 1st H Net income in "Ener., Met. & Min.", "Textile", "Chem., FP & GM" and "Food" increased compared with the previous 1st H, though decreased in "Mach.", "Aero., Elec. & Mltim", and "Fin., Rlty, Insur. & LS" (refer to Note 1). Increase amount for "Ener., Met. & Min." is ¥36.6 bil and ¥10.4 bil for Consumer-Related sector (Total of "Textile", "Food" and "FP & GM").
- 1st H Net income of Group co. increased by ¥25.6 bil compared with the previous 1st H to ¥107.4 bil. The Net income of Overseas subsidiaries increased by ¥1.3 bil to ¥12.5 bil. Share of Group co. reporting profit is 77%, almost at the same level compared with the previous 1st H. The earnings from overseas businesses amounted to ¥81.8 bil, achieving 59% of Net income ¥139.2 bil.
- Stockholders' equity increased by ¥43.7 bil to ¥1,022.2 bil. Ratio of stockholders' equity to total assets increased by 0.1% to 18.8%. NET DER stays at the same level of 1.7 times as March 31, 2008.

(Note 1) Impacts of the special factors regarding the investment in Orient Corporation (hereafter "Orico") are as follows.

	FY 2008	Recognized items in Consolidated Financial Results of Operations			
		Equity in earnings of assoc. companies	Income taxes	Net income	
Equity in earnings and its tax effect recognized regarding exemption from obligation to redeem preferred stocks, which was brought by the reverse split of the preferred stocks in Orico	1Q		52.2	(21.4)	30.8
Impairment loss and its tax effect related to Orico common stocks	2Q		(26.2)	10.7	(15.4)
	Total		26.1	(10.7)	15.4

Consolidated Financial Results of Operations	1st Half FY 2009	1st Half FY 2008	Increase (Decrease)		Summary of changes from the same period of the previous fiscal year	Outlook for FY 2009	The previous outlook for FY 2009 (Announced on April 30, 2008)
				%			

	1st Half FY 2009	1st Half FY 2008	Increase (Decrease)	%
Revenue	1,496.8	1,423.8	73.0	5.1%
Gross trading profit	542.2	491.3	50.8	10.3%
Selling, general and administrative expenses	(365.4)	(358.0)	(7.4)	2.1%
Provision for doubtful receivables	(12.4)	(0.1)	(12.3)	-
Net interest expenses	(14.5)	(15.9)	1.4	(8.6%)
Dividends received	17.8	13.8	4.0	28.8%
Net financial income (expenses)	3.3	(2.0)	5.4	-
Gain on disposal of investments and marketable securities, net of write-down	5.0	10.5	(5.5)	-
Gain (loss) on property and equipment-net	(0.8)	0.2	(1.1)	-
Other-net	(2.5)	2.8	(5.2)	-
Total other expenses	(372.8)	(346.6)	(26.2)	7.5%
Income before income taxes	169.4	144.7	24.7	17.1%
Income taxes	(61.5)	(73.0)	11.5	(15.8%)
Income after income taxes	107.9	71.7	36.2	50.6%
Minority interests	(3.6)	(5.0)	1.4	(28.0%)
Equity in earnings of associated companies	34.9	50.4	(15.5)	(30.7%)
Net income	139.2	117.0	22.2	18.9%

- Revenue:** Rise in prices of metal resources and energy as well as expansion of food distribution business. Refer to "Operating Segment Information".
- Gross trading profit:** (Incr/Decr fields & business)
  - Textile /Decr: Leaving of several subsidiaries
  - Mach. /Decr: Sluggish performance of automobile and construction machinery business
  - Aero., Elec. & Mltim /Decr: Sluggish domestic IT-related business
  - Ener., Met. & Min. /Incr: Rise in prices of metal resources and energy
  - Chem., FP & GM /Incr: Rise in prices of chemicals
  - Food /Incr: Expansion of food resources such as feed grains, oilseeds, oils and fats trade and food distribution business
  - Fin., Rlty, Insur. & LS /Incr: Absence of devaluation loss on real-estate business recorded in the same period of the previous fiscal year
- SG&A:** Increase due to expansion of business and increase in pension cost
- Provision for doubtful receivables:** Increase due to provision for doubtful receivables from Machinery-related customers in Mongolia -10.8
- Net financial income (expenses):** Net interest expenses +1.4 (declined US dollars interest rate) Dividends received +4.0 (LNG-related +3.4)
- Gain on disposal inv. & sec.:** Net gain on disposal -1.8 Impairment loss -5.5, Loss on business disposal and others +1.7
- Gain (loss) on property and equipment-net:** Impairment loss of property and equipment -1.0
- Other-net:** Foreign currency exchange losses -5.2
- Equity in earnings of assoc. co.:** Orico (Note 1), Equity in earnings of associated companies on IMEA +2.7, MISI +1.9, FamilyMart Co., Ltd +0.4, Japan Brazil Paper and Pulp Resources Development Co., Ltd +0.4

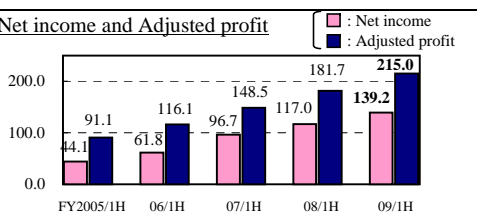
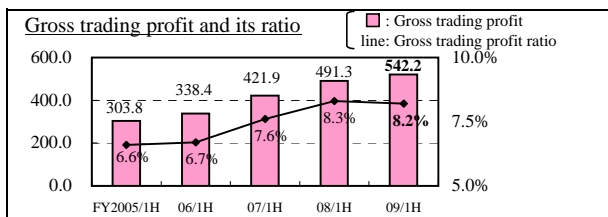
	1st Half FY 2009	1st Half FY 2008	Increase (Decrease)	%
Revenue	1,100.0	49.3%	1,100.0	-
Gross trading profit	(755.0)	48.4%	(765.0)	10.0
SG&A	(15.0)	82.5%	(5.0)	(10.0)
Provision for doubtful receivables	(35.0)	41.4%	(35.0)	-
Net interest expenses	38.0	46.9%	25.0	13.0
Dividends received	3.0	111.0%	(10.0)	13.0
Net financial income (expenses)	(i)(13.0)	-	(i) 0.0	(13.0)
Gain (loss) on disposal inv. & sec.	(780.0)	47.8%	(780.0)	-
Gain (loss) on property and equipment-net	320.0	52.9%	320.0	-
Other-net	(127.0)	48.4%	(127.0)	-
Net income	193.0	55.9%	193.0	-
Equity in earnings of associated companies	(17.0)	21.2%	(17.0)	-
Net income	64.0	54.6%	64.0	-
Net income	240.0	58.0%	240.0	-

(Reference)

Total trading transactions	6,613.5	5,898.0	715.5	12.1%
Gross trading profit ratio	8.2%	8.3%	(0.1%)	

Adjusted profit	215.0	181.7	33.3	18.3%
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Adjusted profit = Gross trading profit + SG&A expenses + Net financial income + Equity in earnings of associated companies



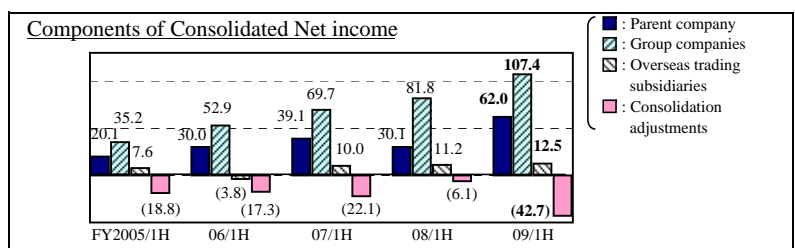
Dividend Information (Per Share)		Dividend Information (Per Share)	
Annual (Planned)	21 yen	Annual (Planned)	21 yen
Interim	10.5 yen	Interim	10.5 yen

Operating Segment Information	Gross trading profit (Note 2)			Net income			[Net income] Summary of changes from the same period of the previous fiscal year (Note 2) Refer to "Summary of changes from the same period of the previous fiscal year" in "Consolidated Financial Results of Operations"
	1st Half FY 2009	1st Half FY 2008	Increase (Decrease)	1st Half FY 2009	1st Half FY 2008	Increase (Decrease)	

Textile	46.9	55.8	(8.9)	13.2	7.2	6.0	Increase due to substantial improvement of gain on disposal of investments and marketable securities
Machinery	45.4	51.4	(6.0)	3.7	16.5	(12.8)	Decrease due to decrease in gross trading profit, increase in provision for doubtful receivables
Aerospace, Electronics & Multimedia	61.1	63.4	(2.3)	1.9	4.6	(2.7)	Decrease due to decrease in gross trading profit and gain on disposal of investments and marketable sec.
Energy, Metals & Minerals	111.5	64.0	47.5	86.4	49.8	36.6	Increase due to increase in gross trading profit, dividends received from LNG-related investments
Chemicals, Forest Products & General Merchandise	65.0	61.6	3.3	13.2	10.5	2.8	Increase due to increase in gross trading profit
Food	169.8	163.0	6.8	12.4	11.1	1.3	Increase due to increase in gross trading profit and equity in earnings of associated companies
Finance, Realty, Insurance & Logistics Services	22.5	18.4	4.1	6.6	14.5	(7.8)	Decrease due to significant decrease in equity in earnings of associated companies
Other, Adjustments & Eliminations	20.0	13.7	6.3	1.7	2.9	(1.2)	Decrease due to foreign currency exchange losses despite increase in gross trading profit
<b>Total</b>	<b>542.2</b>	<b>491.3</b>	<b>50.8</b>	<b>139.2</b>	<b>117.0</b>	<b>22.2</b>	

Major Indicators		1st Half FY 2009	1st Half FY 2008	Changes	Major Indicators		1st Half FY 2009	1st Half FY 2008	Changes
Foreign exchange (Yen/US\$)	Mar. closing	Average (Apr.-Sep.)	105.11	119.73	(14.62)	Interest, JPY TIBOR 3M, average (Apr.-Sep.)	0.848%	0.735%	0.113%
	September 30th	Sep-08	103.57	100.19	3.38	Interest, US\$ LIBOR 3M, average (Jan.-Jun.)	3.018%	5.357%	(2.339%)
Dec. closing	Average (Jan.-Jun.)	105.69	119.49	(13.80)	Crude oil (Brent), average (US\$/BBL)	119.91	71.67	48.24	
	June 30th	Jun-08	106.42	114.15	(7.73)		109.72	63.65	46.07

Components of Consolidated Net Income	1st Half FY 2009	1st Half FY 2008	Increase (Decrease)
Parent company	62.0	30.1	31.9
Group companies	107.4	(*) 81.8	25.6
Overseas trading subsidiaries	12.5	11.2	1.3
Consolidation adjustments	(42.7)	(6.1)	(36.6)
Consolidated net income	139.2	117.0	22.2



(\*) includes the tax effect relating to the equity in investment in Orico.  
 (\*\*\*) "Earnings from overseas businesses" is the total of net incomes of overseas trading subsidiaries and overseas group companies, plus net incomes of overseas branch of parent company and domestic group companies substantially operating in overseas.  
 (\*\*\*) Refer to (Note 1) for the special factors on Orico included in the same period of the previous fiscal year.

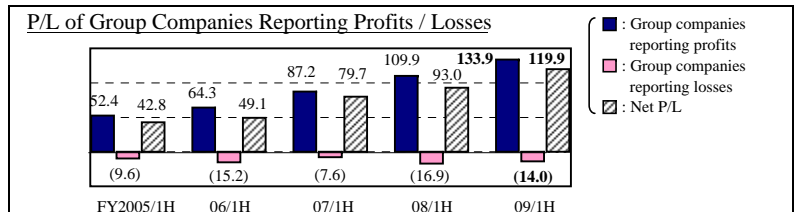
Share of Group Companies Reporting Profits	1st Half FY 2009	1st Half FY 2008	Increase (Decrease)
Share of group co. reporting profits	77.0%	77.4%	(0.4%)
Number of group co. reporting profits	481	489	(8)
Number of group co. reporting losses	144	143	1
Total	625	632	(7)

Group Companies	1st Half FY 2009	1st Half FY 2008	Summary of changes from the same period of the previous fiscal year
ITOCHU Minerals & Energy of Australia Pty Ltd (IMEA) (C)	51.5	13.8	Significant increase due to higher price in coal and iron ore as well as increased sales volume in iron ore
ITOCHU Oil Exploration (Azerbaijan) Inc. (C)	11.7	16.0	Decrease due to reduction of entitlement
Marubeni-Itochu Steel Inc.(MISI) (E)	10.1	8.2	Increase due to steady growth in domestic business and building material business in North America
ITOCHU International Inc. (C)	4.3	4.7	Decrease due to worse uranium market and poor business in construction machinery

P/L of Group Companies Reporting Profits / Losses	1st Half FY 2009	1st Half FY 2008	Increase (Decrease)
Group co. reporting profits	133.9	(*) 109.9	23.9
Group co. reporting losses	(14.0)	(16.9)	2.9
Total	119.9	93.0	26.9

Major Group Companies Reporting Losses			
I.C.S. Co., Ltd. (C)	(2.0)	(0.6)	Worsened by recognized loss due to store-closing or shutdown, and assignment of a number of stores
ITOCHU Petroleum Co., (Hong Kong) Ltd. (C)	(1.8)	2.1	Worsened due to recognized product devaluation loss with market price fall in uranium

(Group companies)	1st Half FY 2009	1st Half FY 2008	Increase (Decrease)
Group co. reporting profits	121.3	(*) 98.6	22.7
Group co. reporting losses	(13.8)	(16.7)	2.9
Total of Group companies	107.4	81.8	25.6



Financial Position	September 30 2008	March 31 2008	Increase (Decrease)
Total assets	5,451.2	5,255.4	195.8
Interest-bearing debt	2,123.3	2,104.4	18.9
Net interest-bearing debt	1,711.2	1,654.5	56.6
Stockholders' equity	1,022.2	978.5	43.7
Net debt-to-equity ratio (times)	1.7	1.7	Same level

Summary of changes from the previous fiscal year end		Outlook for March 31, 2009
Total assets / Increase:	"Trade receivables" in Ener., Met. & Min. (caused by rise in prices of metal resources and energy) and in Food (caused by expansion of food distribution business); "Inventories" in Aero., Elec. & Mltim, in Mach., and in Realty; "Net property and equipment" due to joining of a subsidiary in Mach.	5,800.0
Interest-bearing debt / Decrease:	"Cash and cash equivalents", "Other investments" due to sluggish stock market	2,300.0
Net interest-bearing debt / Increase:	"Net income"	1,900.0
Stockholders' equity / Decrease:	Dividend payment, "Unrealized holding gains on securities" through stock market slowdown, "Foreign currency translation adjustments" through yen's appreciation.	1,180.0
Ratio of stockholders' equity / Improved:	Improved by 0.1pts to 18.8%	1.6

Cash Flows	1st Half FY 2009	1st Half FY 2008	Increase (Decrease)
Operating activities	63.9	16.6	47.3
Investing activities	(116.4)	(92.1)	(24.2)
Financing activities	14.0	(107.9)	121.9
Cash and cash equivalents	399.4	352.4	47.0

**Operating:** Net cash-inflow due to continuous good performances in operating revenue mainly in overseas natural resource related businesses.  
**Investing:** Net cash-outflow mainly due to acquisition of new project in Machinery and payment of increased capital expenditure in overseas natural resource development sector in spite of cash received from sale of assets.  
**Financing:** Net cash-inflow as a result of increased capital demand mainly due to business expansion.

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