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

## Financial topics for FY 2009

Total

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

• Net income decreased by ¥51.9 bil. compared with FY2008 to ¥165.4 bil. due to loss from withdrawal from Gulf of Mexico, Entrada Oil/Natural Gas Project and impairment loss on listed securities resulting from sluggish stock market. Gross trading profit amounted to ¥1,060.5 bil., achieved over ¥1 tril. for the first time. In addition, Gross trading profit marked the highest for 5 consecutive years and Adjusted profit also marked the highest for 2 consecutive years.

Net income of "Ener., Met. & Min." increased by ¥9 bil. to ¥114.7 bil., achieved over ¥100 bil. for 2 consecutive years, due to rise in prices of metal resources despite loss from withdrawal from Gulf of Mexico, Entrada Oil/Natural Gas Project. Also, increased in "Textile" and "Food" to ¥22.9 bil. and ¥20.2 bil. respectively, both achieved over ¥20 bil. Net income of "Chem., FP&GM" decreased, but amounted to ¥19 bil. "Aero., Elec.&Mltimd" also decreased to ¥8 bil., while "Mach." and "Fin., Rlty, Insur.&LS" recorded net loss Stockholders' equity decreased by ¥124.1bil. to ¥849.4 bil. due to worsening of Foreign currency translation adjustments through yen's appreciation, worsening of Unrealized holding gains on securities and Pension liability adjustments. NET DER worsened by 0.4 points to 2.1 times.

(Note 1) As announced dated January 28, 2009 in "Report on the Discovery of Delays in Collections of Receivables under the Tri-Nation Trade Transactions and the Uncovering of a Financial Assistance Scheme Disguised as Sales Transactions", the consolidated financial statements for the previous fiscal years have been restated.

Consolidated Financial	FY2009	FY2008	Increase (	Decrease)	Summary of changes from the previous fiscal year	Outlook fo	or FY2010
<b>Results of Operations</b>	F12009	F I 2008		%	Summary of changes from the previous fiscal year		Increase
							(Decrease
Revenue	3,419.1	2,859.9	559.2	19.6%	<u>Revenue</u> : Increase due to turning ITOCHU ENEX CO., LTD. into a consolidated		
Gross trading profit	1,060.5	994.5	66.0	6.6%	subsidiary, acquisition of SANKEI COMPANY LIMITED, and rise in prices of metal resources	975.0	(85.5
Selling, general and					<u>Gross trading profit: (Incr/Decr fields &amp; business)</u>		
administrative expenses	(768.1)	(723.4)	(44.7)	6.2%	<u>Textile / Decr</u> : Due to leaving of several subsidiaries as well as market slowdown in raw materials, fabrics and apparels despite the contribution of a newly consolidated	(785.0)	(16.9)
Provision for doubtful receivables	(16.7)	(6.0)	(10.8)	-	subsidiary	(5.0)	11.7
Net interest expenses	(29.5)	(32.2)	2.7	(8.4%)	<u>Mach. / Decr</u> : Decrease in automobile and construction machinery business due to demand shrink, as well as the effect of sharp drop of currencies for emerging	(35.0)	(5.5
Dividends received	35.0	24.4	10.6	43.3%	countries for automobile despite increase in ship trading transactions	25.0	(10.0)
Net financial income (expenses)	5.6	(7.7)	13.3	-	Aero., Elec. & MltiMd / Unchanged: Due to sales increase in domestic mobile phones	(10.0)	(15.6)
Gain (loss) on disposal of investments & marketable securities. net of write-down	(23.1)	16.4	(39.5)	-	business offset by decrease in airline-related and domestic IT-related business		
Gain (Loss) on property and equipment-net	(45.4)	6.7	(52.1)	-	Ener.,Met.&Min. / Incr: Due to rise in prices of metal resources and the contribution	(i) 0.0	45.4
Other-net	(4.5)	0.0	(4.5)	-	of turning ITOCHU ENEX CO., LTD. into a consolidated subsidiary despite reduction of entitlement in the oil fields owned		
Total other expenses	(852.3)	(714.0)	(138.2)	19.4%	Chem., FP & GM / Decr: Due to decline in chemical market and housing market	(800.0)	52.3
Income before income taxes	208.3	280.5	(72.3)	(25.8%)	since last autumn, and leaving of a subsidiary in U.S. despite steady performance in housing material business in North America	175.0	(33.3)
Income taxes	(72.8)	(121.1)	48.4	(39.9%)	Food / Incr: Due to rise in sales volume in food distribution business and sales	(85.0)	(12.2
Income after income taxes	135.5	159.4	(23.9)	(15.0%)	increase in feed grains in the first half of this fiscal year	90.0	(45.5)
Minority interests	(11.4)	(12.4)	0.9	(7.6%)	Fin., Rlty, Insur. & LS / Incr: Due to the absence of devaluation loss on real-estate		(4.6)
Equity in earnings of associated companies	41.3	70.2	(28.9)	(41.2%)	business for long-term development recorded in the previous fiscal year despite sales decrease in real estate for sale	56.0	14.7
Net income	165.4	217.3	(51.9)	(23.9%)	- SG&A: mainly due to increase in pension cost in addition to increase resulting from	130.0	(35.4)
		8			turning ITOCHU ENEX CO., LTD. into a consolidated subsidiary and acquisition of SANKEI CO., LTD. as a consolidated subsidiary	Refer to the S	
Reference)					<ul> <li>Provision for doubtful receivables: Increase due to provision for doubtful</li> </ul>	Outlook based SFAS160 form	
Total trading transactions	12,582.8	12,387.9	194.9	1.6%	receivables from customers in Mongolia of Machinery -10.8	10,500.0	(2,082.8)
Gross trading profit ratio	8.4%	8.0%	0.4%		Net financial income (expenses):	( 9.3%)	
				/	Net interest expenses +2.7 (decline in US dollars interest rate)	· · · · · · · · · · · · · · · · · · ·	/
Adjusted profit	339.3	333.7	5.6	1.7%	Dividends received from LNG-related investments +5.0, in a pipeline operator subsidiary +2.0, from an oil/gas-related investment +1.3, in a overseas financing subsidiary +1.2	236.0	(103.3)
Adjusted profit = Gross trading pro	ofit + SG&A e	xpenses + Net	financial inc	ome	• Gain (loss) on disposal inv. and sec.: Impairment loss -25.5,		
+ Equity in ear	nings of assoc	iated compani	es		Net gain on sales and exchange of securities -26.0, others +12.1		
					Gain (loss) on property and equipment-net :	Dividend I	nformation
Net income and Adjusted prof	fit		🚺 : Net in	ncome	Impairment loss on property and equipment -39.0 (-6.4 $\rightarrow$ -45.4) due to loss from		Share)
400			L 🔳 : Adju	sted profit	withdrawal from Entrada Oil/Natural Gas Project -29.2, Net gain (loss) on sales of property and equipment and others -13.1		
300 <u>251.2</u>		333.7	339.3		• Other-net: Loss from withdrawal from Entrada Oil/Natural Gas Project -7.1	FY2009	FY2010
188.2	175.9 240.8	217.3	65.4		• Equity in earnings of assoc. co.: Orient Corporation (hereafter "Orico")	Annual	Annual
77.1 144.2					[Absence of the special factors -26.1 Refer to"Note 2", Impairment loss on investment	(Planned) 18.5 yen	(Planned) 15.0 yen
					-10.8] / Marubeni-Itochu Steel Inc2.1 / Equity-method associated companies of	Interim	Interim
FY2005 FY2006	FY2007	FY2008	FY2009		ITOCHU Finance Corporation +6.5 / Japan Brazil Paper and Pulp Resources Development Co., Ltd. +3.1 / Equity-method associated companies of IMEA +1.5	(Paid) 10.5 yen	(Planned) 7.5 yen
						10.0 900	, ie jen
	Gross tra	ding profit (	Note 3)	ו	Net income [Net income] Summary of change	ges from	
Operating Segment	51000 114	B Pront (		1			

$\begin{array}{cccccccccccccccccccccccccccccccccccc$	240.8 175.9 FY2007		- <b>165.4</b> - FY2009		withdrawal from Entrada Oil/Natural Gas Project -7.1     FY2009     FY2010       f assoc. co.: Orient Corporation (hereafter "Orico")     Annual (Planned)     Annual (Planned)       actors -26.1 Refer to"Note 2", Impairment loss on investment     18.5 yen     15.0 yen       steel Inc2.1 / Equity-method associated companies of ration +6.5 / Japan Brazil Paper and Pulp Resources     Interim (Plaid)     Interim (Pland)       3.1 / Equity-method associated companies of IMEA +1.5     10.5 yen     7.5 yen				
Operating Segment	Gross trading profit (Note 3)			Net income			[Net income] Summary of changes from the previous fiscal year		
Information	FY2009	FY2008	Increase (Decrease)	FY2009	FY2008	Increase (Decrease)	(Note 3) Refer to "Summary of changes from the previous fiscal year" in "Consolidated Financial Results of Operations"		
· · · · · · · · · · · · · · · · · · ·									
Textile	102.6	115.2	(12.6)	22.9	20.5	2.4	Increase due to improvement of gain on sales of inv. & sec. in addition to contribution of a newly consolidated equity-method assoc. co. despite decrease in gross trading profit		
Machinery	71.9	99.1	(27.3)	(15.5)	21.4	(36.8)	Decrease due to impairment loss on inv. & sec. for automobile related business and worsened equity in earnings of assoc. co. as well as decrease in gross trading profit		
Aerospace, Electronics & Multimedia	138.9	139.0	(0.1)	8.0	14.6	(6.6)	Decrease due to decrease in gross trading profit and reducing gain on disposal of investments and marketable securities.		
Energy, Metals & Minerals	222.3	127.5	94.8	114.7	105.7	9.0	Increase due to gross trading profit and dividends received from LNG-related invest- ments, despite impairment loss from withdrawal from Entrada Oil/Natural Gas Project		
Chemicals, Forest Products & General Merchandise	114.3	122.6	(8.4)	19.0	19.7	(0.7)	Decrease due to impairment loss on fixed asset and the absence of gain on disposal of inv. & sec. in the previous FY despite improved equity in earnings of assoc. co.		
Food	335.6	324.7	10.9	20.2	18.7	1.5	Increase due to gross trading profit and equity in earnings of assocco, despite impairment loss or inv. sec. held by subsidiaries and the absence of gain on disposal of inv& sec. in the previous FY		
Finance, Realty, Insurance & Logistics Services	42.0	41.4	0.7	(1.2)	10.8	(12.0)	Decrease due to the absence of the special factors Refer to "Note 2", impairment loss on invest- ment in Orico and worsened performance of financial asset management in finance subsidiaries		
Other, Adjustments & Eliminations	33.0	25.1	7.9	(2.8)	6.0	(8.8)	Decrease due to worsened net interest expenses and increased taxation cost in addition to decrease in gross trading profit		

66.0

165.4

1,060.5

994.5

217.3 (51.9)

Components of Consolidated Net Income	FY2009	FY2008	Increase (Decrease)	Compon
				-
Parent company	64.4	77.1	(12.7)	32
Group companies (*)	139.7	160.9	(21.2)	
Overseas trading subsidiaries	20.3	23.1	(2.8)	
Consolidation adjustments	(59.0)	(43.7)	(15.3)	_
Consolidated net income	165.4	217.3	(51.9)	
Earnings from overseas businesses	111.6	111.2	0.4	(Note 2) Impac
(*)(**) Share of earnings from overseas businesses	67%	51%		Orico are as fo
) includes the tax effect relating to the los	s relating to the Entra	da Oil/Natural Gas Pi	oiect and equity in	Equity in earni

(\*) includes the tax effect relating to the loss relating to the Entrada Oil/Natural Gas Project and equity in investment in Orient Corporation. (\*\*) "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.

Share of Grou Reportin	1p Companies 1g Profits	FY2009	FY2008	Increase (Decrease)	Group C	ompanies	FY2009	FY2008	Summary of c the previous	-	
		-			(Major Group Con	npanies Reporting Pro	ofits) (C): Consolida	ted subsidiary, (E):	Equity-method assoc	iated compar	
Share of group co	o. reporting profits	79.0%	79.1%	(0.0%)	ITOCHU Minera	ls & Energy (C)	71.2	38.5	Significant increase price in coal and ire	•	
Number of group of	co. reporting profits	547	495	52	of Australia Pty I	Ltd (IMEA)	/1.2	36.5	increased sales volu	ume in iron o	
Number of group of	co. reporting losses	145	131	14	ITOCHU Oil Exp	ploration (C)	26.1	33.4	Decrease due to an ment reduction ever		
То	otal	692	626	66	(Azerbaijan) Inc.	(C)	20.1	55.4	annual-average-bas	•	
					Marubeni-Itochu	Steel Inc. (MISI)	14.8	16.9	Decrease due to impai stments and marketable		
P/L of Group Reporting Pr		FY2009	FY2008	Increase (Decrease)	ITOCHU Interna	(E)	8.6	10.9	the almost the same lev Decrease due to less profi business and decline in un	vel of trading t in machinery anium market p	
~		·	1					10.2	despite increased housing upturn in equipment mate		
	porting profits	218.9	(*) 220.6	(1.7)	(Major Group Con	npanies Reporting Lo	sses)	1	Significantly works	nad dua to l	
	porting losses	(*) (58.8)	(36.6)	(22.2)	CIECO Energy (	US) Limited (C)	(*) (22.4)	(1.4)	Significantly worse from withdrawal of		
То	otal	160.1	184.0	(23.9)				,	Oil/Natural Gas Pro		
(Group compa	nies)		1		C.I. FINANCE ( LTD.	CAYMAN) (C)	(3.0)	(0.0)	Worsened by low p fund asset manager		
Group co. rep	porting profits	198.1	(*) 197.0	1.1							
Group co. rep	porting losses	(*) (58.3)	(36.1)	(22.2)	P/L of Group	o Companies Rep	orting Profits /	Losses	Group c		
Total of Grou	up companies	139.7	160.9	(21.2)			182.3 220.6	184.0 <b>218.9</b>	reportin	g profits ompanies	
(Overseas trad	ing subsidiaries	3)			 101.3	<u>148.7</u> <u>128.9</u> 6 <u>1.1</u> - <u>128.9</u>			0.1 reportin □ : Net P/L	g losses	
Group co. rep	porting profits	20.8	23.6	(2.8)							
Group co. rep	porting losses	(0.5)	(0.5)	0.0	(40.3	(19.8)		6.6) ( <b>58.</b> 8	 3)		
Total of Overseas t	rading subsidiaries	20.3	23.1	(2.8)	FY200	05 FY2006	FY2007 FY	2008 FY200	09		
Financia	l Position	March 31 2009	March 31 2008	Increase (Decrease)	Sum	mary of changes	from the previo	ous fiscal year	end	Outlook March 31,	
Total assets		5,192.1	5,274.2	(82.1)	Total assets / Decreas			NC / 1.1.1.1	6 I. (P. 1.)	5,50	
Interest-bear	ring debt	2,389.3	2,104.4	284.9		y and equipment" in Texti vances to associated comp				2,40	
Net interest-	bearing debt	1,756.8	1,654.5	102.2			ents" and "Time deposits" <u>Decrease</u> : "Other investments" (decline in Ener., Met. & Min. and Chem., FP & GM				
Stockholder	-	849.4	973.5	(124.1)	Stockholders' equity /		., Met. & Mill. and Chen	n., FF & GW		95	
	uity ratio (times)	2.1	1.7	worsened 0.4		Decrease: Dividend paym ins on securities"; "Pensio				under 2	
Cash	Flows	FY2009	FY2008	Increase (Decrease)		Condi	tion of Cash Flo	ows for FY 20	09		
Operating ac	ctivities	276.9	65.6	211.3	<b>Operating:</b> Net ca	sh-inflow due to goo	d performances in op	perating revenue m	nainly in overseas n	atural	
Investing ac		(326.0)	(65.8)	(260.3)		isiness and food-relat h-outflow mainly due		n ore production a	nd wholesale busin	ess, increas	
myesting ac		258.3	(81.3)	339.6	capital expenditure	e in overseas natural r	esource developmen	-			
-					in a new equity-method associated company in Machinery. Financing: Net cash-inflow (net borrowing) as a result of increased capital demand mainly due to				business		
Financing ac	1	(20.0		1875	expansion.						
-	h equivalents	628.8	446.3	182.5	1						
Financing ac	*	l				Maior In	dicates	FY2009	FY2008	Chano	
Financing ac	h equivalents Major Indicate	es	FY2009	FY2008	Changes	Major In		FY2009	FY2008		
Financing ac	*	es Average (AprMar.)	FY2009 100.54	FY2008 115.56	Changes (15.02) In	terest, JPY TIBOR 3M	, average (AprMar.)	0.818%	0.794%	0.02	
Financing ac	Major Indicate	es Average (AprMar.) March 31st	FY2009	FY2008	Changes (15.02) In (1.96) In	5	, average (AprMar.) I, average (JanDec. )	0.818%	0.794%	0.02	
Financing ac Cash and cas Foreign	Major Indicate	es Average (AprMar.)	FY2009 100.54	FY2008 115.56	Changes (15.02) In (1.96) In (13.11)	terest, JPY TIBOR 3M	, average (AprMar.)	0.818%	0.794%	Change 0.024 (2.369 3	

## April 30, 2009 **ITOCHU** Corporation



	Recognized items in Consolidated Financial Results of				
(Note 2) Impacts of the special factors regarding the investment in	Operations				
Orico are as follows.	Equity in earnings of	Income taxes	Net income		
	assoc. companies	meome taxes	Net mcome		
Equity in earnings and its tax effect recognized regarding					
exemption from obligation to redeem preferred stocks, which was	52.2	(21.4)	30.8		
brought by the reverse split of the preferred stocks in Orico					
Impairment loss and its tax effect related to Orico common stocks	(26.2)	10.7	(15.4)		
Total	26.1	(10.7)	15.4		



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3	ummary	or	changes	nom	une	previous	fiscal	year er	nu