

Consolidated Financial Results for the First Half of Fiscal Year 2010 ending March 31, 2010

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Consolidated Financial Results for the First Half of Fiscal Year 2010 ending March 31, 2010

[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

President and Chief Executive Officer: Eizo Kobayashi

General Manager of Corporate Communications Division: Isamu Nakayama TEL: 81 - 3 - 3497 - 7291

The date of payout of dividend: Dec 2, 2009 (Planned)

1. Consolidated operating results for the first half of fiscal year 2010 (from April 1, 2009 to September 30, 2009)

(1) Consolidated operating results (Summary) (%: Changes from the same period of the previous fiscal year)

	Total trading transactions		Trading income (*)		Income before income taxes and equity in earnings of associated companies		Net income attributable to ITOCHU	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
For the first half of								
Fiscal year 2010	4,801,978	(25.3)	53,669	(67.3)	69,641	(58.9)	55,336	(60.2)
Fiscal year 2009	6,431,191	12.6	164,275	23.9	169,266	17.9	139,125	19.6

	Net income attributable to ITOCHU per share (basic)	Net income attributable to ITOCHU per share (diluted)
	yen	yen
For the first half of		
Fiscal year 2010	35.01	34.86
Fiscal year 2009	88.02	87.50

(Reference) Equity in earnings of associated companies (millions of yen) 1st half of FY 2010 : 20,776 1st half of FY 2009 : 34,921

(2) Consolidated financial position

	Total assets	ITOCHU Stockholders' equity	Ratio of stockholders' equity to total assets	Stockholders' equity per share
	millions of yen	millions of yen	%	yen
September 30, 2009	5,461,715	1,007,213	18.4	637.30
March 31, 2009	5,192,092	849,411	16.4	537.43

2. Dividend distribution

(Record 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 2009	-	10.50	-	8.00	18.50
Fiscal year 2010	-	7.50			
Fiscal year 2010 (Planned)			-	7.50 (Planned)	15.00 (Planned)

(Note) No changes from the plan of dividend distribution previously announced on April 30, 2009

3. Outlook of consolidated operating results for fiscal year 2010 (from April 1, 2009 to March 31, 2010)

(%: Changes from the previous fiscal year)

	Total trading transactions		Trading income		Income before income taxes and equity in earnings of associated companies		Net income attributable to ITOCHU		Net income attributable to ITOCHU per share (basic)	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen	
Fiscal year 2010	10,500,000	(13.0)	150,000	(45.6)	175,000	(16.0)	130,000	(21.4)	82.25	

(Note) Outlook of Trading income have been revised from the ones announced on April 30, 2009. For the details, please see the pages 7-8 "Outlook for Fiscal Year 2010".

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

4. Other information

(1) Changes of classification of specified subsidiaries(*) accompanied by changes in the consolidation scope during the first half of fiscal year 2010: N/A

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

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

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

(a) Changes due to amendment of accounting standards: Yes

(b) Other changes: N/A

Please refer to "New Accounting Pronouncements" on (11), page 22.

(4) Number of common shares issued

(a) Number of common shares outstanding: (including the number of treasury stock)	1st half of FY 2010	1,584,889,504	Fiscal Year 2009	1,584,889,504
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(b) Number of treasury stock:	1st half of FY 2010	4,445,748	Fiscal Year 2009	4,374,899
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(c) Average number of common shares outstanding:	1st half of FY 2010	1,580,479,217	1st half of FY 2009	1,580,634,061
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[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 contain 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 income 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 90.21 yen = 1 U.S. dollar, the exchange rate prevailing on September 30, 2009. 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.
5. In the first quarter of the fiscal year SFAS160 was applied. It has been codified to "FASB Accounting Standards Codification™ (ASC)" Topic 810 (Consolidation). For details, please refer to "New Accounting Pronouncements" on (11), page 22.
6. As announced dated January 28, 2009 in "(Revision) Announcement Regarding Revisions to Financial Statements of Past Fiscal Years", the consolidated financial statements for the same period of the previous fiscal years had been restated. In addition, "Total trading transactions", which is in accordance with Japanese accounting practice, for the same period of the previous fiscal years had reflected the figures-restatement in an overseas subsidiary operating international trade of crude oil and petroleum products.
7. "ITOCHU" in items of A/C on the consolidated financial statements represents ITOCHU Corporation.

[Qualitative Information & Consolidated Financial Statements]

1. Qualitative Information on Consolidated Operating Results

[The First Half of Fiscal Year 2010 (from April 1, 2009 to September 30, 2009)]

<General Economic Situations>

For the six months ended September 30, 2009, there was a gradual recovery of the world economy from its recession phase, because of positive effects from huge economic stimulus packages taken in major countries, and spread of actions to stabilize financial markets as well as results of inventory adjustments after a period of severe destocking. Regarding the crude oil price (based on WTI), it rose from 50 U.S. dollars at beginning to temporarily over 70 U.S. dollars in this period. However, the price fluctuated around 70 U.S. dollars, due to unclear visibility for the world economy outlook. For Japanese economy, it also made a gradual recovery, resulting from recovered export level caused by the world economy recovery and the termination of overseas inventory adjustment, and from the expanded public investments based on the extensive financial policy. Through those economical situations, the Nikkei Stock Average started from mid 8,000 yen level in April, then marked over 10,000 yen in the end of June. After that, it temporarily dropped to around 9,000 yen with the negative forecast about export companies' less profitability against yen's appreciation, however, through this six months, the trend about the Nikkei Stock Average hovered around 10,000 yen level with expectations of Japanese economy recovery. In foreign exchange markets, yen got more appreciated so as the exchange rate temporarily marked under 90 yen/USD at the period end, due to the upturned Japanese current-account surplus from the bottom, the growing concerns about the budget deficit in the United States of America, and decreased inter-currency interest spread.

<Consolidated Operating Results>

Revenue for the six months ended September 30, 2009, increased by 10.3% or 154.3 billion yen to 1,651.1 billion yen (18,303 million U.S. dollars) compared with the same period of the previous fiscal year, mainly due to increase brought by an acquisition of ITOCHU ENEX CO., LTD. despite the price falls in metal resources and energies, and sales volume decrease of iron ore in Energy, Metals & Minerals; in Machinery there was some decrease due to worse market conditions in automobiles and demand shrink in construction machinery; and in Chemicals, Forest Products & General Merchandise there was also some decrease due to price falls in chemicals continuously since last autumn and slowdown in housing market in Japan and the U.S.

Gross trading profit decreased by 18.8% or 102.1 billion yen to 440.0 billion yen (4,878 million U.S. dollars) compared with the same period of the previous fiscal year, mainly due to price falls in metal resources and energies, and sales volume decrease of iron ore, despite some increase from an acquisition of ITOCHU ENEX CO., LTD. in Energy, Metals & Minerals; reduced transactions of automobiles and construction machinery in Machinery; and due to price falls in chemicals since last autumn and slowdown in housing market in Japan and the U.S. in Chemicals, Forest Products & General Merchandise.

Selling, general and administrative expenses increased by 4.5% or 16.5 billion yen to 382.0 billion yen (4,235 million U.S. dollars) compared with the same period of the previous fiscal year, mainly due to low performance of pension asset management and increase in pension cost resulting from decrease in pension assets, in addition to the increase as the results of acquisitions of several companies including ITOCHU ENEX CO., LTD.

Provision for doubtful receivables decreased by 8.0 billion yen to 4.3 billion yen (48 million U.S. dollars) compared with the same period of the previous fiscal year, due to the absence of the provision for doubtful receivables recorded for Machinery-related customers in Mongolia in the same period of the previous fiscal year despite other provision for doubtful receivables in the current period.

Net interest expenses improved by 9.1% or 1.3 billion yen to expenses of 13.2 billion yen (146 million U.S. dollars) compared with the same period of the previous fiscal year mainly due to the upturn resulting from lower interest rates in U.S. dollar, **Dividends received** decreased by 41.9% or 7.5 billion yen to 10.4 billion yen (115 million U.S. dollars) compared with the same period of the previous fiscal year, mainly due to decrease in dividends from LNG-related investments. Therefore, **Net financial income (expenses)**, or total of Net interest expenses and **Dividends received**, worsened by 6.2 billion yen to expenses of 2.8 billion yen (31 million U.S. dollars).

Concerning the other profits and losses, compared with the same period of the previous fiscal year, **Gain on investments-net** increased by 0.2 billion yen to gain of 5.2 billion yen (57 million U.S. dollars) due to decrease in devaluation loss and loss on disposal of group companies, despite decrease in gain on sales of investments. Please note that the devaluation loss includes the remeasurement loss (3.5 billion yen) arising from obtaining control of C.I.Kasei Co., Ltd. and i-LOGISTICS CORP. **Gain on property and equipment-net** increased by 2.8 billion yen to 2.0 billion yen (22 million U.S. dollars), due to gain on sales of properties in subsidiaries. **Gain on bargain purchase in acquisition**(*) recorded 9.1 billion yen (101 million U.S. dollars). This gain was recognized when obtaining control of C.I.Kasei Co., Ltd. and i-LOGISTICS CORP. **Other-net** improves by 5.1 billion yen to gain of 2.6 billion yen (28 million U.S. dollars), due to improved gain (loss) on foreign currency translation.

As a result, **Income before income taxes and equity in earnings of associated companies** decreased by 58.9% or 99.6 billion yen to 69.6 billion yen (772 million U.S. dollars) compared with the same period of the previous fiscal year.

Income taxes decreased (improved) by 49.2% or 30.3 billion yen to 31.2 billion yen (346 million U.S. dollars) compared with the same period of the previous fiscal year, with the effect of decrease in income before income taxes and equity in earnings of associated companies.

Equity in earnings of associated companies decreased by 40.5% or 14.1 billion yen to 20.8 billion yen (230 million U.S. dollars) compared with the same period of the previous fiscal year, due to decrease in steel products, metal resources, pulp, and finance related associated companies, despite some increase in associated companies newly purchased in Textile; Machinery; Energy, Metals & Minerals; and Food. Therefore, **Net income** decreased by 58.5% or 83.5 billion yen to 59.2 billion yen (656 million U.S. dollars) compared with the same period of the previous fiscal year.

As a result, **Net income attributable to ITOCHU**, calculated by **Net income** minus **Net income attributable to the noncontrolling interest**, 3.9 billion yen (43 million U.S. dollars), decreased by 60.2% or 83.8 billion yen to 55.3 billion yen (613 million U.S. dollars) compared with the same period of the previous fiscal year.

(*) From this first half period, "Gain on bargain purchase in acquisition" is separately indicated. Note that the whole amount presented "Gain on bargain purchase in acquisition" was recognized in the first quarter and was included in "Other-net".

(Supplemental information)

"**Total trading transactions**" in accordance with Japanese accounting practice for the six months ended September 30, 2009 decreased 25.3% or 1,629.2 billion yen to 4,802.0 billion yen (53,231 million U.S. dollars) mainly due to decrease in Machinery; Chemicals, and Forest Products & General Merchandise; for the reasons mentioned in **Revenue**, and decrease in Food resulting from price falls in food materials such as feed grains, oils and fats, despite increase from an acquisition of ITOCHU ENEX CO., LTD.

[The Second Quarter of Fiscal Year 2010 (from July 1, 2009 to September 30, 2009)]

<General Economic Situations>

For the three months ended September 30, 2009, the world economy gradually recovered, because of not only increased investments for infrastructure and demand for automobile brought by the result of huge stimulus measures in major countries, but also improved funding environment due to stabilized financial markets. Regarding the crude oil price (based on WTI), its price fluctuated around 70 U.S. dollars, due to unclear visibility for the world economy outlook. Viewing Japanese economy, it also recovered even a gradual pace, resulting from recovered export as well as stimulus incentives for consumers to buy durable goods by the packages so-called "ECO POINT" (reward for purchasing some specific energy-efficient home appliances) and "ECO-CAR GENZEI" (tax exemption for purchasing eco-cars), and enhanced public-sector investments brought by huge fiscal policy. With expectations of Japanese economy recovery, the Nikkei Stock Average hovered around 10,000 yen level. Yen got more appreciated so as the exchange rate temporarily marked under 90 yen/USD at the period end, due to the fear of the budget deficit in the United States of America and the decreased inter-currency interest spread.

<Consolidated Operating Results>

Revenue for the three months ended September 30, 2009, increased by 15.1% or 116.0 billion yen to 883.8 billion yen (9,797 million U.S. dollars) compared with the same period of the previous fiscal year, mainly due to increase from an acquisition of ITOCHU ENEX CO., LTD. despite the price falls in metal resources and energies in Energy, Metals & Minerals; though there was some decrease in Machinery due to the absence of the effect from multiple deliveries of ships in the same period of the previous fiscal year, in addition to continuously poor market conditions in automobiles and demand shrink in construction machinery despite the progress in sales of existing inventory; and in Chemicals, Forest Products & General Merchandise due to price falls in chemicals continuously since last autumn and slowdown in housing market in Japan and the U.S.

Gross trading profit decreased by 20.6% or 60.7 billion yen to 233.7 billion yen (2,590 million U.S. dollars) compared with the same period of the previous fiscal year, mainly due to price falls in metal resources and energies in addition to the absence of retrospective price adjustment associated with the determination of raising iron ore price in the same period of the previous fiscal year despite some increase from an acquisition of ITOCHU ENEX CO., LTD. in Energy, Metals & Minerals; reduced transactions of automobiles and construction machinery in Machinery; and due to price falls in chemicals since last autumn and slowdown in housing market in Japan and the U.S. in Chemicals, Forest Products & General Merchandise.

Selling, general and administrative expenses increased by 3.3% or 6.1 billion yen to 192.6 billion yen (2,135 million U.S. dollars) compared with the same period of the previous fiscal year, mainly due to low performance of pension asset management in the previous fiscal year and increase in pension cost resulting from decreased pension assets, in addition to the increase from an acquisition of several companies including ITOCHU ENEX CO., LTD.

Provision for doubtful receivables decreased by 11.3 billion yen to 0.5 billion yen (5 million U.S. dollars) compared with the same period of the previous fiscal year, due to the absence of the provision for doubtful receivables recorded for Machinery-related customers in Mongolia in the same period of the previous fiscal year.

Net interest expenses improved by 7.1% or 0.5 billion yen to expenses of 6.7 billion yen (74 million U.S. dollars) compared with the same period of the previous fiscal year mainly due to the upturn resulting from lower interest rates in U.S. dollar, **Dividends received** decreased by 40.8% or 3.0 billion yen to 4.4 billion yen (49 million U.S. dollars) compared with the same period of the previous fiscal year, mainly due to decrease in dividends from LNG-related investments. Therefore, **Net financial income (expenses)**, or total of Net interest expenses and Dividends received, worsened by 2.5 billion yen to expenses of 2.2 billion yen (25 million U.S. dollars).

Concerning the other profits and losses, compared with the same period of the previous fiscal year, **Gain on investments-net** improved by 3.3 billion yen to gain of 2.4 billion yen (27 million U.S. dollars) due to increase in gain on sales of investments. **Loss on property and equipment-net** improved by 1.6 billion yen to a loss of 0.4 billion yen (4 million U.S. dollars), due to the absence of the impairment loss recorded in a subsidiary in the same period of the previous fiscal year. **Other-net** improved by 1.2 billion yen to gain of 0.9 billion yen (10 million U.S. dollars), due to improved gain (loss) on foreign currency translation.

As a result, **Income before income taxes and equity in earnings of associated companies** decreased by 55.8% or 52.1 billion yen to 41.3 billion yen (458 million U.S. dollars) compared with the same period of the previous fiscal year.

Income taxes decreased (improved) by 49.1% or 14.8 billion yen to 15.3 billion yen (170 million U.S. dollars) compared with the same period of the previous fiscal year.

Equity in earnings of associated companies decreased by 28.8% or 4.6 billion yen to 11.4 billion yen (126 million U.S. dollars) compared with the same period of the previous fiscal year, due to decrease in steel products, metal resources, pulp, and finance related associated companies, despite some increase in newly purchased associated companies in Textile; Energy, Metals & Minerals; and Food. Therefore, **Net income** decreased by 52.9% or 41.9 billion yen to 37.3 billion yen (414 million U.S. dollars) compared with the same period of the previous fiscal year.

As a result, **Net income attributable to ITOCHU**, calculated by **Net income** minus Net income attributable to the noncontrolling interest, 2.4 billion yen (27 million U.S. dollars), decreased by 54.5% or 41.7 billion yen to 34.9 billion yen (387 million U.S. dollars) compared with the same period of the previous fiscal year.

(Supplemental information)

“**Total trading transactions**” in accordance with Japanese accounting practice for the three months ended September 30, 2009 decreased 22.5% or 757.3 billion yen to 2,609.4 billion yen (28,926 million U.S. dollars) mainly due to decrease in Energy, Metals & Minerals resulting from price falls in metal resources and energies, and decrease in Machinery; Chemicals, and Forest Products & General Merchandise; for the reasons mentioned in **Revenue**, as well as decrease in Food resulting from price falls in food materials such as feed grains, oils and fats since last autumn, despite increase from an acquisition of ITOCHU ENEX CO., LTD.

2. Qualitative Information on Consolidated Financial Position

(1) Consolidated Financial Position

Total assets as of September 30, 2009, increased by 5.2% or 269.6 billion yen compared with March 31, 2009, to 5,461.7 billion yen (60,544 million U.S. dollars), mainly due to, in Energy, Metals & Minerals, increase in **Trade receivables** along with higher oil price and in **Net property and equipment** with capital expenditure, and increase caused by the appreciations of Australian dollar and Brazilian real; increase in **Trade receivables**, **Inventories**, and **Net property and equipment** resulting from an acquisition of C.I.Kasei Co., Ltd. in Chemicals, Forest Products & General Merchandise; as well as increase in new investment in Textile and Food.

Interest-bearing debt was 2,388.5 billion yen (26,477 million U.S. dollars), almost the same as on March 31, 2009, and **Net interest-bearing debt** (interest-bearing debt after deducting **Cash and Cash equivalents** and **Time deposits**) increased by 4.6% or 80.0 billion yen compared with March 31, 2009, to 1,836.7 billion yen (20,361 million U.S. dollars).

ITOCHU stockholders' equity, which corresponds to **Total equity** before applying “Statement of Financial Accounting Standards” No.160 (codified to ASC Topic 810), increased by 18.6% or 157.8 billion yen compared with March 31, 2009, to 1,007.2 billion yen (11,165 million U.S. dollars), due to decrease by dividend payment, accumulation of **Net income attributable to ITOCHU**, improvement in **Foreign currency translation adjustments**, and improvement in **Unrealized holding gains on securities** resulting from recovery of stock market. As a result, **Ratio of stockholders' equity to total assets** rose by 2.1 points compared with March 31, 2009, to 18.4%.

NET DER (Net Debt-to-Stockholders' Equity Ratio) improved by 0.2 points compared with March 31, 2009, to 1.8 times.

Total equity, or total of **ITOCHU stockholders' equity** and **Noncontrolling interest**, which means the total equity of the entire Group, increased by 15.6% or 162.1 billion yen compared with March 31, 2009, to 1,199.5 billion yen (13,297 million U.S. dollars).

(2) Consolidated Cash Flows Information

Cash flows from operating activities for the six months ended September 30, 2009, recorded net cash-inflow of 102.7 billion yen (1,138 million U.S. dollars) mainly due to progress in collection of Trade receivables in ICT, Aerospace & Electronics and in Textile.

Cash flows from investing activities recorded net cash-outflow of 134.6 billion yen (1,492 million U.S. dollars) mainly due to investments in the consumer-related sector, and additional investments related to acquisitions of C.I.Kasei Co., Ltd. and i-LOGISTICS CORP.

Cash flows from financing activities recorded net cash-outflow (net repayment) of 56.0 billion yen (621 million U.S. dollars) mainly due to dividends payment and repayments of debt by the parent company. Consequently, Cash and cash equivalents as of September 30, 2009, decreased by 81.1 billion yen to 547.7 billion yen (6,072 million U.S. dollars) compared with March 31, 2009.

3. Outlook for Fiscal Year 2010

Viewing the economic situation of the second half of this fiscal year 2010, the world economy is getting out of its worst period affected by the financial crisis since last year, and the move toward the recovery is in sight. It seems to turn gradually toward sustainable recovery supported by economic stimulus packages taken by major countries. However, we still need to pay enough attention to the concerns over the risk that the world economy may sink into a double-dip recession if such situation occurs as weakening effect of economic stimulus packages, resurgence of financial crisis due to increase of bad debts, or abrupt change in foreign exchange rates resulting from anxiety for U.S. dollar. Recovery of U.S. economy during this fiscal year seems to be difficult due to significant drop in housing investment and restricted personal consumption because of the fact that households have prioritized debt reduction. Economy in China, though export will be dropping due to recession in Europe and the U.S., is expected to maintain high growth as before since it is estimated that the government economic stimulus package is successful, and the investment in infrastructure and personal consumption is expected to increase. Focusing on Japan, although its economy had been in downturn due to significant drop in export and restrained capital investments, it has already ceased to fall resulting from the stimulus package taken by the government and it is expected to turn toward recovery for the next year.

Considering those economic circumstances and ITOCHU's performance of the first half of fiscal year 2010, ITOCHU expects the annual consolidated operating results in this fiscal year, as indicated in the following table.

For your attention, these forecasts are forward-looking statements that are based on management's assumptions and beliefs based on information currently available and involve risks and uncertainties. Thus, the actual results could be substantially different from the above statement due to such factors including, but not limited to, global economic and market conditions, and currency exchange rate fluctuations.

Consolidated	Results	Revised Forecast	Previous Forecast (Announced on Apr.30)	Results
	1st half of FY2010	FY2010	FY2010	FY2009
Total trading transactions	4.8 trillion yen	10.5 trillion yen	10.5 trillion yen	12.6 trillion yen
Gross trading profit	440.0 billion yen	950.0 billion yen	975.0 billion yen	1,060.5 billion yen
Selling, general and administrative expenses	382.0	(790.0)	(785.0)	(768.1)
Provision for doubtful receivables	(4.3)	(10.0)	(5.0)	(16.7)
Net interest expenses	(13.2)	(27.0)	(3.5)	(29.5)
Dividends received	10.4	27.0	2.5	35.0
Other-net	18.8	25.0	0.0	(73.0)
Income before income taxes and equity in earnings of associated	69.6	175.0	175.0	208.3
Income taxes	(31.2)	(77.0)	(85.0)	(72.8)
Income before equity in earnings of associated companies	38.4	98.0	90.0	135.5
Equity in earnings of associated companies	20.8	47.0	56.0	41.3
Net income	59.2	145.0	146.0	176.8
Less: Net income attributable to the noncontrolling interest	(3.9)	(15.0)	(16.0)	(11.4)
Net income attributable to ITOCHU	55.3	130.0	130.0	165.4
Net income per share (basic)	35.01 yen	82.25 yen	82.25 yen	104.64 yen
Total assets	5,461.7 billion yen	5,500.0 billion yen	5,500.0 billion yen	5,192.1 billion yen
Total interest-bearing debt	2,388.5	2,400.0	2,400.0	2,389.3
Net interest-bearing debt	1,836.7	1,900.0	1,900.0	1,756.8
Total equity	1,199.5	1,200.0	1,150.0	1,037.4
Total ITOCHU stockholders' equity	1,007.2	1,000.0	950.0	849.4

(Note)	Results 1st half of FY2010	Revised Forecast FY2010	Previous Forecast FY2010	Results FY2009
Foreign exchange rate (Yen/US\$)	96.34	93.00	90.00	100.54
Crude oil (Brent) (US\$/BBL)	52.71	60.00	53.00	98.36
	(Jan-Jun result)	(Jan-Dec forecast)	(Jan-Dec forecast)	(Jan-Dec result)
Iron ore, fine (US\$/ton)	(Note 2)	(Note 2)	(Note 2)	90.00
Iron ore, lump (US\$/ton)	(Note 2)	(Note 2)	(Note 2)	129.00
Coking coal (US\$/ton)	128.00	128.00	128.00	300.00
Thermal coal (US\$/ton)	70.00	70.00	70.00	125.00

(Note 1) In the first quarter of this fiscal year, SFAS160 (codified to ASC Topic 810) was applied. For details, please refer to "New Accounting Pronouncements" on (11), page 22.

(Note 2) The sales prices of iron ore produced in joint ventures owned by a subsidiary in Australia are not shown since it is uncertain at present.

Distribution of the current fiscal year's profit

For the interim dividend of the current fiscal year, ITOCHU Corporation has decided to pay 7.5 yen per share.

And at present, for the dividend at the end of the current fiscal year, ITOCHU Corporation intends to pay 7.5 yen (annual total of 15.0 yen) per share.

Major Group Companies' Forecasts of Fiscal Year 2010

ITOCHU's major group companies' forecasts of fiscal year 2010 are as follows.

As for listed group companies which are scheduled to announce their forecasts of fiscal year 2010 on and after October 30, refer to their own announcements.

The following list is to be updated after all major group companies finish announcement of their forecasts of fiscal year 2010 (scheduled around end of November), and is to be uploaded into ITOCHU website accordingly.

【 Major Group Companies' (unlisted companies) forecasts of fiscal year 2010 】

		(Unit: billion yen)		
Name	Shares	ITOCHU's share of Net income [Forecasts]	ITOCHU's share of Net income [1st half of FY 2010] (Note 2)	
Textile	JOIX CORPORATION	100.0%	0.2	(0.5)
	SANKEI COMPANY LIMITED	90.5%	2.0	0.1
	Prominent Apparel Ltd. (Hong Kong)	100.0%	0.6	0.2
	ITOCHU TEXTILE (CHINA) CO., Ltd. (China)	100.0%	0.9	0.3
Machinery	ITOCHU CONSTRUCTION MACHINERY CO., LTD.	100.0%	0.5	0.1
	MCL Group Limited (U.K.)	100.0%	(0.6)	(0.7)
	ITOCHU Automobile America Inc. (U.S.A.)	100.0%	(0.3)	(0.3)
ICT, Aerospace & Electronics (Note 5)	ITOCHU Sanki Corporation	100.0%	0.3	0.2
Energy, Metals & Minerals	ITOCHU Metals Corporation	100.0%	0.7	0.2
	ITOCHU Petroleum Japan Ltd.	100.0%	1.3	0.2
	ITOCHU Minerals & Energy of Australia Pty Ltd (Australia)	100.0%	26.6	14.5
	ITOCHU Oil Exploration (Azerbaijan) Inc. (Cayman)	100.0%	4.1	1.4
	Marubeni-Itochu Steel Inc.	50.0%	(Note 3)	(0.9)
Chemicals, Forest Products & General Merchandise	ITOCHU Kenzai Corp.	87.1%	0.0	0.1
	ITOCHU Pulp & Paper Corp.	100.0%	0.3	0.2
	ITOCHU CHEMICAL FRONTIER Corporation	99.8%	1.5	0.9
	ITOCHU PLASTICS INC.	100.0%	2.1	0.8
	C.I.Kasei Co., Ltd. (Note 4)	97.6%	2.1	1.8
Finance, Realty, Insurance & Logistics Services	ITOCHU Finance Corporation	99.1%	(0.9)	(0.1)
	i-LOGISTICS CORP. (Note 4)	97.0%	2.1	1.8
Other	Century Medical, Inc.	100.0%	0.6	0.2
Overseas	ITOCHU International Inc. (U.S.A.)	100.0%	1.6	0.6
	ITOCHU Europe PLC. (U.K.)	100.0%	0.4	(0.3)
	ITOCHU Hong Kong Ltd. (Hong Kong)	100.0%	2.0	0.9
	ITOCHU (China) Holding Co., Ltd. (China)	100.0%	2.7	0.7
	ITOCHU Australia Ltd. (Australia)	100.0%	1.0	0.6

【 Major Group Companies' (listed companies) forecasts of fiscal 2010 】

		(Unit: billion yen)					
Name	Date of Forecasts Announcement	Companies' Forecasts	Shares	ITOCHU's share of Net income [Forecasts] (Note 1)	ITOCHU's share of Net income [1st half of FY 2010] (Note 2)	(Expected) Date of Announcement	
Machinery	Century Tokyo Leasing Corporation	15.0	20.6%	(Note 6)	(Note 2)	Nov.9	
ICT, Aerospace & Electronics (Note 5)	ITOCHU Techno-Solutions Corporation	12.0	52.6%	6.3	(Note 2)	Nov.12	
	Excite Japan Co., Ltd.	0.1	58.8%	0.1	(Note 2)	Nov.6	
	ITC NETWORKS CORPORATION	2.4	60.7%	1.5	0.9	Oct.29	
	NANO Media Inc.	0.0	51.3%	0.0	(Note 2)	Nov.2	
	SPACE SHOWER NETWORKS INC.	0.1	50.8%	0.1	0.0	Oct.29	
	JAMCO Corporation	0.3	33.3%	0.1	(Note 2)	Nov.10	
	SUNCALL CORPORATION	0.2	25.8%	0.1	(Note 2)	Oct.30	
Energy, Metals & Minerals	ITOCHU ENEX CO., LTD.	4.3	52.3%	2.2	(Note 2)	Oct.30	
Chemicals, Forest Products & General Merchandise	DAIKEN CORPORATION	1.0	20.5%	0.2	(Note 2)	Oct.30	
	TAKIRON Co., Ltd.	1.5	27.1%	0.4	(Note 2)	Nov.10	
Food	ITOCHU SHOKUHIN Co., Ltd.	3.2	50.8%	(Note 7)	(Note 2)	Nov.12	
	Yoshinoya Holdings Co., Ltd.	(1.3)	21.0%	(0.3)	(0.1)	Oct.8	
	Japan Foods Co., Ltd.	0.5	34.8%	0.2	0.2	Oct.29	
	Fuji Oil Co., Ltd.	9.0	25.7%	2.3	(Note 2)	Nov.6	
	FamilyMart Co., Ltd.	15.0	31.5%	4.7	3.1	Oct.8	
	Prima Meat Packers, Ltd.	2.2	39.8%	0.9	(Note 2)	Nov.6	
Finance, Realty, Insurance & Logistics Services	CENTURY 21 REAL ESTATE OF JAPAN LTD.	0.5	59.2%	0.3	0.1	Oct.23	
	FX PRIME Corporation (Note 8)	(Note 8)	55.0%	(Note 8)	(Note 2)	Oct.30	
	Orient Corporation	0.3	32.6%	(Note 9)	0.7	Oct.29	
	eGuarantee, Inc.	0.3	31.7%	0.1	(Note 2)	Oct.30	

(Note 1) ITOCHU's share of Net income [Forecasts] for Major Group Companies'(listed companies) described above excludes U.S. GAAP adjustments.

(Note 2) ITOCHU's share of Net income [1st half of FY 2010] is the figures after adjusting to U.S. GAAP. As for listed group companies which are scheduled to announce their results on and after October 30, refer to the updated information to be released through ITOCHU website around end of November.

(Note 3) Please refer to the forecasts to be announced by the company.

(Note 4) C.I.Kasei Co. Ltd. and i-LOGISTICS CORP. became consolidated subsidiaries this 1st quarter. Note that C.I.Kasei Co. Ltd. was delisted from the first section of TSE on June 17, and i-LOGISTICS CORP. was delisted from the second section of TSE on July 10.

(Note 5) As of April 1, 2009, Aerospace, Electronics & Multimedia Company was renamed to ICT, Aerospace & Electronics Company.

(Note 6) There is some profit related to a merger of Century Tokyo Leasing Corporation. Therefore, since the figure obtained by multiplying the company's announced annual estimated income by its share does not show the corresponding ITOCHU's estimated income for this fiscal year, ITOCHU refrains from describing the figure.

(Note 7) The fiscal year of ITOCHU SHOKUHIN Co., Ltd. ends in September, which is different from that of ITOCHU. As ITOCHU's accounting policy, the total of second half of the previous fiscal year and the first half of the current fiscal year for ITOCHU SHOKUHIN Co., Ltd. is recognized in the consolidated financial statements. Therefore, since the figure obtained by multiplying the company's announced annual estimated income by its share does not show the corresponding ITOCHU's estimated income for this fiscal year, ITOCHU refrains from describing the figure.

(Note 8) Although FX PRIME Corporation has announced its performance results, ITOCHU has declined to announce the figures in the above table since the company does not disclose performance forecast as an individual company.

(Note 9) ITOCHU has adopted U.S. GAAP, which prescribes a substantial number of different accounting treatments from Japanese GAAP with regard to financial transactions for consumer credit companies. Therefore, for Orient Corporation, ITOCHU has declined to announce the figures in the above table since a discrepancy may occur between the estimation announced by the company and that of ITOCHU, which is calculated by multiplying the figures after U.S. GAAP adjustments by the share.

4. Consolidated Financial Statements

-Unaudited-

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

(1) Consolidated Statements of Income [Condensed]

ITOCHU Corporation and Subsidiaries

For the six months ended September 30, 2009 and 2008

	Millions of Yen		Millions of U.S. dollars
	Apr.-Sep.2009	Apr.-Sep.2008	Apr.-Sep.2009
Revenue:			
Sales revenue.....	¥ 1,389,037	¥ 1,190,136	\$ 15,398
Trading margins and commissions on trading transactions.....	262,013	306,585	2,905
Total revenue.....	1,651,050	1,496,721	18,303
Cost of sales.....	(1,211,043)	(954,629)	(13,425)
Gross trading profit	440,007	542,092	4,878
Selling, general and administrative expenses.....	(381,997)	(365,448)	(4,235)
Provision for doubtful receivables.....	(4,341)	(12,369)	(48)
Interest income.....	5,212	8,367	58
Interest expense.....	(18,388)	(22,867)	(204)
Dividends received.....	10,354	17,830	115
Gain on investments-net.....	5,158	5,002	57
Gain (loss) on property and equipment-net.....	1,957	(823)	22
Gain on bargain purchase in acquisition.....	9,129	—	101
Other-net.....	2,550	(2,518)	28
Total other-expenses.....	(370,366)	(372,826)	(4,106)
Income before income taxes and equity in earnings of associated companies.....	69,641	169,266	772
Income taxes.....	(31,199)	(61,458)	(346)
Income before equity in earnings of associated companies.....	38,442	107,808	426
Equity in earnings of associated companies.....	20,776	34,921	230
Net income.....	59,218	142,729	656
Less: Net income attributable to the noncontrolling interest.....	(3,882)	(3,604)	(43)
Net income attributable to ITOCHU.....	¥ 55,336	¥ 139,125	\$ 613

Note :

1. "Total trading transactions" in accordance with Japanese accounting practice 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.
Total trading transactions for the six months ended September 30, 2009 and 2008 were 4,801,978 million yen (53,231 million U.S.dollars) and 6,431,191 million yen respectively.
2. In the first quarter of this fiscal year, SFAS160 (codified to ASC Topic 810) was applied. For details, please refer to "New Accounting Pronouncements" on (11), page 22.
3. "Gain on bargain purchase in acquisition" has been separately stated in the Consolidated Statements of Income from this second quarter, which was previously included in "Other-net".

(2) Consolidated Statements of Comprehensive Income [Condensed]

ITOCHU Corporation and Subsidiaries

For the six months ended September 30, 2009 and 2008

	Millions of Yen		Millions of U.S. dollars
	Apr.-Sep.2009	Apr.-Sep.2008	Apr.-Sep.2009
Comprehensive income :			
Net income.....	¥ 59,218	¥ 142,729	\$ 656
Other comprehensive income (loss) (net of tax):			
Foreign currency translation adjustments	84,908	(41,776)	941
Pension liability adjustments	1,927	230	21
Unrealized holding gains (losses) on securities	29,095	(33,389)	323
Unrealized holding gains (losses) on derivative instruments	1,935	(6,366)	22
Total other comprehensive income (loss) (net of tax).....	117,865	(81,301)	1,307
Comprehensive income.....	177,083	61,428	1,963
Comprehensive income attributable to the noncontrolling interest.....	(6,464)	(2,591)	(72)
Comprehensive income attributable to ITOCHU.....	¥ 170,619	¥ 58,837	\$ 1,891

Note :

- In the first quarter of this fiscal year, SFAS160 (codified to ASC Topic 810) was applied. For details, please refer to "New Accounting Pronouncements" on (11), page 22.

[Explanation for Consolidated Statements of Income]

Revenue	(Unit : billion yen)	<u>Apr-Sep 2009</u>	<u>Apr-Sep 2008</u>	Increase (Decrease)	Reasons for changes												
Revenue		1,651.1	1,496.7	154.3	Increase due to the acquisition of several subsidiaries including ITOCHU ENEX CO., LTD., despite decrease due to price falls in metal resources and energies, poor market in automobiles and housing market slowdown in Japan and the U.S.												
Gross trading profit	(Unit : billion yen)	<u>Apr-Sep 2009</u>	<u>Apr-Sep 2008</u>	Increase (Decrease)	Decrease due to decrease in revenue in ITOCHU Corporation and existing subsidiaries : -121.6 [Energy, Metals & Minerals -77.3, Machinery -17.4, Chemicals, Forest Products & General Merchandise -11.4] Increase due to acquisition of subsidiaries : +44.8 Decrease due to deconsolidation of subsidiaries : -6.6 Decrease due to exchange rate fluctuations : -18.7 Refer to "(7) Segment Information" on page 18-19												
Gross trading profit		440.0	542.1	(102.1)													
Selling, general and administrative expenses	(Unit : billion yen)	<u>Apr-Sep 2009</u>	<u>Apr-Sep 2008</u>	Increase (Decrease)	Decrease in ITOCHU Corporation and existing subsidiaries : +9.4 [Increase in pension cost : -3.2] Increase due to acquisition of subsidiaries : -43.2 [Increase in pension cost : -1.0] Decrease due to deconsolidation of subsidiaries : +6.2 Decrease due to exchange rate fluctuations : +11.1												
Total of SG & A		(382.0)	(365.4)	(16.5)													
Personnel expenses		(153.6)	(140.7)	(12.9)													
(Pension cost)		(10.0)	(5.8)	(4.2)													
Other expenses		(228.4)	(224.7)	(3.7)													
(Service charge, distribution costs)		(122.6)	(124.6)	2.0													
(Rent, depreciation and amortization)		(45.3)	(38.0)	(7.4)													
(Travel expenses)		(10.7)	(13.0)	2.3													
(Others)		(49.7)	(49.1)	(0.6)													
Provision for doubtful receivables	(Unit : billion yen)	<u>Apr-Sep 2009</u>	<u>Apr-Sep 2008</u>	Increase (Decrease)	Absence of provision for doubtful receivables from customers in Mongolia of Machinery in the same period of the previous fiscal year +10.8 Increase due to allowance for other doubtful receivables -2.8												
Provision for doubtful receivables		(4.3)	(12.4)	8.0													
Net financial income (expense)	(Unit : billion yen)	<u>Apr-Sep 2009</u>	<u>Apr-Sep 2008</u>	Increase (Decrease)	Decrease in dividends received, improvement of net interest expense												
Net financial income (expense)		(2.8)	3.3	(6.2)													
					<table border="1"> <thead> <tr> <th></th> <th><u>Apr-Sep 2009</u></th> <th><u>Apr-Sep 2008</u></th> <th>Changes</th> </tr> </thead> <tbody> <tr> <td>JPY TIBOR 3M, average (Apr-Sep)</td> <td>0.574%</td> <td>0.848%</td> <td>(0.274%)</td> </tr> <tr> <td>USD LIBOR 3M, average (Jan-Jun)</td> <td>1.044%</td> <td>3.018%</td> <td>(1.974%)</td> </tr> </tbody> </table>		<u>Apr-Sep 2009</u>	<u>Apr-Sep 2008</u>	Changes	JPY TIBOR 3M, average (Apr-Sep)	0.574%	0.848%	(0.274%)	USD LIBOR 3M, average (Jan-Jun)	1.044%	3.018%	(1.974%)
	<u>Apr-Sep 2009</u>	<u>Apr-Sep 2008</u>	Changes														
JPY TIBOR 3M, average (Apr-Sep)	0.574%	0.848%	(0.274%)														
USD LIBOR 3M, average (Jan-Jun)	1.044%	3.018%	(1.974%)														
Interest income		5.2	8.4	(3.2)	Improvement of net interest expense due to decline in U.S. dollars interest rate Dividends received from LNG-related investments -7.1 (10.7 → 3.6)												
Interest expense		(18.4)	(22.9)	4.5													
Net interest expense		(13.2)	(14.5)	1.3													
Dividends received		10.4	17.8	(7.5)													
Gain on investments-net	(Unit : billion yen)	<u>Apr-Sep 2009</u>	<u>Apr-Sep 2008</u>	Increase (Decrease)	Remeasurement loss for pre-existing interests resulting from obtaining control -3.5 (- → -3.5) Impairment loss on investments +4.4 (-12.3 → -7.9) Net gain on sales of investments -3.0 (20.0 → 17.0) Loss on business disposals and others +2.3 (-2.7 → -0.4)												
Gain on investments-net		5.2	5.0	0.2													
Gain (loss) on property and equipment-net	(Unit : billion yen)	<u>Apr-Sep 2009</u>	<u>Apr-Sep 2008</u>	Increase (Decrease)	Net gain on sales of property and equipment +2.0 (0.6 → 2.7) Impairment loss on property and equipment, and others +0.8 (-1.5 → -0.7)												
Gain (loss) on property and equipment-net		2.0	(0.8)	2.8													
Gain on bargain purchase in acquisition	(Unit : billion yen)	<u>Apr-Sep 2009</u>	<u>Apr-Sep 2008</u>	Increase (Decrease)	Gain in the acquisitions of C.I.Kasei Co., Ltd. and i-LOGISTICS CORP.												
Gain on bargain purchase in acquisition		9.1	-	9.1													
Other-net	(Unit : billion yen)	<u>Apr-Sep 2009</u>	<u>Apr-Sep 2008</u>	Increase (Decrease)	Improvement of foreign currency exchange losses +3.2 (-4.1 → -0.9) others +1.9 (1.6 → 3.5)												
Other-net		2.6	(2.5)	5.1													
Income taxes	(Unit : billion yen)	<u>Apr-Sep 2009</u>	<u>Apr-Sep 2008</u>	Increase (Decrease)													
Income taxes		(31.2)	(61.5)	30.3													
Equity in earnings of associated companies	(Unit : billion yen)	<u>Apr-Sep 2009</u>	<u>Apr-Sep 2008</u>	Increase (Decrease)	Century Tokyo Leasing Corporation (Note) [Net profit related to a merger +1.1] TING HSIN (CAYMAN ISLANDS) HOLDING CORP. +1.1 (→ 1.1) Brazil Japan Iron Ore Corporation +1.0 (- → 1.0) Marubeni-Itochu Steel Inc. -11.0 (10.1 → -0.9) Equity-method associated companies of ITOCHU Minerals & Energy of Australia Pty Ltd -4.3 (5.0 → 0.7) / Orient Corporation -3.3 (4.5 → 1.3) Japan Brazil Paper and Pulp Resources Development Co., Ltd. -2.3 (0.9 → -1.4) Refer to "Performance of Group Companies" on page 26												
Equity in earnings of associated companies		20.8	34.9	(14.1)													
(Note) Refer to the results announced by each corresponding company, as their announcement dates are on and after ITOCHU's announcement date of the First Half of Fiscal Year 2010.																	
Total trading transactions	(Unit : billion yen)	<u>Apr-Sep 2009</u>	<u>Apr-Sep 2008</u>	Increase (Decrease)	Refer to "(7) Segment Information" on page 18-19 Effect of exchange rate fluctuations: Approximately -180.0												
Total trading transactions		4,802.0	6,431.2	(1,629.2)													
Gross trading profit ratio		9.2%	8.4%	0.7%													
Adjusted profit	(Unit : billion yen)	<u>Apr-Sep 2009</u>	<u>Apr-Sep 2008</u>	Increase (Decrease)	Adjusted profit (-138.9)= Gross trading profit (-102.1)+ SG&A expenses (-16.5) + Net financial income (-6.2)+ Equity in earnings of associated companies (-14.1) The amount () represents changes from the same period of the previous fiscal year												
Adjusted profit		76.0	214.9	(138.9)													

[Average exchange rate Yen/USD]

[For March closing companies]

<u>Apr-Sep 2009</u>	<u>Apr-Sep 2008</u>	Changes
96.34	105.11	(8.77)
<u>Apr-Sep 2008</u>	<u>Apr-Sep 2007</u>	Changes
105.11	119.73	(14.62)

[For December closing companies]

<u>Jan-Jun 2009</u>	<u>Jan-Jun 2008</u>	Changes
94.22	105.69	(11.47)
<u>Jan-Jun 2008</u>	<u>Jan-Jun 2007</u>	Changes
105.69	119.49	(13.80)

[Average exchange rate Yen/AUD]

[For March closing companies]

<u>Apr-Sep 2009</u>	<u>Apr-Sep 2008</u>	Changes
73.61	97.98	(24.37)
<u>Apr-Sep 2008</u>	<u>Apr-Sep 2007</u>	Changes
97.98	99.46	(1.48)

(3) Consolidated Statements of Income-Quarterly [Condensed]

ITOCHU Corporation and Subsidiaries

For the three months ended September 30, 2009 and 2008

	Millions of Yen		Millions of U.S. dollars
	Jul.-Sep.2009	Jul.-Sep.2008	Jul.-Sep.2009
Revenue:			
Sales revenue.....	¥ 748,321	¥ 602,632	\$ 8,295
Trading margins and commissions on trading transactions.....	135,490	165,228	1,502
Total revenue.....	883,811	767,860	9,797
Cost of sales.....	(650,137)	(473,449)	(7,207)
Gross trading profit	233,674	294,411	2,590
Selling, general and administrative expenses.....	(192,636)	(186,515)	(2,135)
Provision for doubtful receivables.....	(454)	(11,712)	(5)
Interest income.....	2,697	3,931	30
Interest expense.....	(9,351)	(11,091)	(104)
Dividends received.....	4,411	7,454	49
Gain (loss) on investments-net.....	2,402	(878)	27
Loss on property and equipment-net.....	(356)	(1,939)	(4)
Other-net.....	904	(291)	10
Total other-expenses.....	(192,383)	(201,041)	(2,132)
Income before income taxes and equity in earnings of associated companies	41,291	93,370	458
Income taxes.....	(15,335)	(30,152)	(170)
Income before equity in earnings of associated companies	25,956	63,218	288
Equity in earnings of associated companies.....	11,386	15,991	126
Net income	37,342	79,209	414
Less: Net income attributable to the noncontrolling interest.....	(2,438)	(2,558)	(27)
Net income attributable to ITOCHU	¥ 34,904	¥ 76,651	\$ 387

Note :

- "Total trading transactions" in accordance with Japanese accounting practice 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.
Total trading transactions for the three months ended September 30, 2009 and 2008 were 2,609,441 million yen (28,926million U.S.dollars) and 3,366,765 million yen respectively.
- In the first quarter of this fiscal year, SFAS160 (codified to ASC Topic 810) was applied. For details, please refer to "New Accounting Pronouncements" on (11), page 22.

(4) Consolidated Statements of Comprehensive income-Quarterly [Condensed]

ITOCHU Corporation and Subsidiaries

For the three months ended September 30, 2009 and 2008

	Millions of Yen		Millions of U.S. dollars
	Jul.-Sep.2009	Jul.-Sep.2008	Jul.-Sep.2009
Comprehensive income :			
Net income.....	¥ 37,342	¥ 79,209	\$ 414
Other comprehensive income (loss) (net of tax):			
Foreign currency translation adjustments	21,011	(8,882)	233
Pension liability adjustments.....	1,272	601	14
Unrealized holding gains (losses) on securities.....	3,549	(46,939)	39
Unrealized holding gains (losses) on derivative instruments	1,696	(10,915)	19
Total other comprehensive income (loss) (net of tax).....	27,528	(66,135)	305
Comprehensive income.....	64,870	13,074	719
Comprehensive income attributable to the noncontrolling interest.....	(3,204)	(2,241)	(35)
Comprehensive income attributable to ITOCHU	¥ 61,666	¥ 10,833	\$ 684

Note :

- In the first quarter of this fiscal year, SFAS160 (codified to ASC Topic 810) was applied. For details, please refer to "New Accounting Pronouncements" on (11), page 22.

[Explanation for Consolidated Statements of Income -Quarterly]

Revenue	(Unit : billion yen)			Increase													
	Revenue	<u>Jul-Sep 2009</u>	<u>Jul-Sep 2008</u>	(Decrease)	Reasons for changes												
		883.8	767.9	116.0	Increase due to the acquisition of several subsidiaries including ITOCHU ENEX CO., LTD., despite decrease due to price falls in metal resources and energies, poor market in automobiles and housing market slowdown in Japan and the U.S.												
Gross trading profit	(Unit : billion yen)			Increase													
	Gross trading profit	<u>Jul-Sep 2009</u>	<u>Jul-Sep 2008</u>	(Decrease)	Decrease due to decrease in revenue in ITOCHU Corporation and existing subsidiaries : -72.2 [Energy, Metals & Minerals -47.2, Machinery -10.9, Chemicals, Forest Products & General Merchandise -6.9]												
		233.7	294.4	(60.7)	Increase due to acquisition of subsidiaries : +23.5 Decrease due to deconsolidation of subsidiaries : -3.4 Decrease due to exchange rate fluctuations : -8.7 Refer to "(7) Segment Information" on page 20-21												
Selling, general and administrative expenses	(Unit : billion yen)			Increase													
	Total of SG & A	<u>Jul-Sep 2009</u>	<u>Jul-Sep 2008</u>	(Decrease)	Decrease in ITOCHU Corporation and existing subsidiaries : +8.3 [Increase in pension cost : -1.2]												
	Personnel expenses	(77.0)	(71.2)	(5.8)	Increase due to acquisition of subsidiaries : -21.6												
	(Pension cost)	(5.2)	(3.5)	(1.6)	[Increase in pension cost : -0.5]												
	Other expenses	(115.6)	(115.3)	(0.3)	Decrease due to deconsolidation of subsidiaries : +3.1												
	(Service charge, distribution costs)	(62.1)	(65.2)	3.1	Decrease due to exchange rate fluctuations : +4.1												
	(Rent, depreciation and amortization)	(22.5)	(19.0)	(3.5)													
	(Travel expenses)	(5.5)	(6.8)	1.3													
	(Others)	(25.5)	(24.3)	(1.2)													
Provision for doubtful receivables	(Unit : billion yen)			Increase													
	Provision for doubtful receivables	<u>Jul-Sep 2009</u>	<u>Jul-Sep 2008</u>	(Decrease)	Absence of provision for doubtful receivables from customers in Mongolia of Machinery in the same period of the previous fiscal year +10.8												
		(0.5)	(11.7)	11.3													
Net financial income (expense)	(Unit : billion yen)			Increase													
	Net financial income (expense)	<u>Jul-Sep 2009</u>	<u>Jul-Sep 2008</u>	(Decrease)	Decrease in dividends received, improvement of net interest expense												
		(2.2)	0.3	(2.5)													
					<table border="1"> <thead> <tr> <th></th> <th><u>Jul-Sep 2009</u></th> <th><u>Jul-Sep 2008</u></th> <th>Changes</th> </tr> </thead> <tbody> <tr> <td>JPY TIBOR 3M, average (Jul-Sep)</td> <td>0.553%</td> <td>0.854%</td> <td>(0.301%)</td> </tr> <tr> <td>USD LIBOR 3M, average (Apr-Jun)</td> <td>0.840%</td> <td>2.752%</td> <td>(1.912%)</td> </tr> </tbody> </table>		<u>Jul-Sep 2009</u>	<u>Jul-Sep 2008</u>	Changes	JPY TIBOR 3M, average (Jul-Sep)	0.553%	0.854%	(0.301%)	USD LIBOR 3M, average (Apr-Jun)	0.840%	2.752%	(1.912%)
	<u>Jul-Sep 2009</u>	<u>Jul-Sep 2008</u>	Changes														
JPY TIBOR 3M, average (Jul-Sep)	0.553%	0.854%	(0.301%)														
USD LIBOR 3M, average (Apr-Jun)	0.840%	2.752%	(1.912%)														
	Interest income	2.7	3.9	(1.2)													
	Interest expense	(9.4)	(11.1)	1.7													
	Net interest expense	(6.7)	(7.2)	0.5	Improvement of net interest expense due to decline in U.S. dollars interest rate												
	Dividends received	4.4	7.5	(3.0)	Dividends received from LNG-related investments -2.5 (4.6 → 2.1)												
Gain (loss) on investments-net	(Unit : billion yen)			Increase													
	Gain (loss) on investments-net	<u>Jul-Sep 2009</u>	<u>Jul-Sep 2008</u>	(Decrease)	Impairment loss on investments -0.1 (-4.9 → -5.0) Net gain on sales of investments +2.5 (5.8 → 8.3) Loss on business disposals and others +0.9 (-1.8 → -0.9)												
		2.4	(0.9)	3.3													
Loss on property and equipment-net	(Unit : billion yen)			Increase													
	Loss on property and equipment-net	<u>Jul-Sep 2009</u>	<u>Jul-Sep 2008</u>	(Decrease)	Impairment loss on property and equipment +1.0 (-1.9 → -0.9) Net gain on sales of property and equipment, and others +0.6 (-0.0 → 0.6)												
		(0.4)	(1.9)	1.6													
Other-net	(Unit : billion yen)			Increase													
	Other-net	<u>Jul-Sep 2009</u>	<u>Jul-Sep 2008</u>	(Decrease)	Improvement of foreign currency exchange gains (losses) +3.5 (-3.5 → 0.0) Deterioration of others -2.3 (3.2 → 0.9)												
		0.9	(0.3)	1.2													
Income taxes	(Unit : billion yen)			Increase													
	Income taxes	<u>Jul-Sep 2009</u>	<u>Jul-Sep 2008</u>	(Decrease)													
		(15.3)	(30.2)	14.8													
Equity in earnings of associated companies	(Unit : billion yen)			Increase													
	Equity in earnings of associated companies	<u>Jul-Sep 2009</u>	<u>Jul-Sep 2008</u>	(Decrease)	Brazil Japan Iron Ore Corporation +0.9 (- → 0.9) TING HSIN (CAYMAN ISLANDS) HOLDING CORP. +0.6 (- → 0.6) Marubeni-Itochu Steel Inc. -7.0 (5.4 → -1.6) Equity-method associated companies of ITOCHU Minerals & Energy of Australia Pty Ltd -2.9 (3.4 → 0.5) / Orient Corporation -1.1 (1.8 → 0.6) Japan Brazil Paper and Pulp Resources Development Co., Ltd. -1.0 (0.0 → -1.1) Refer to "Performance of Group Companies" on page 26												
		11.4	16.0	(4.6)													
Total trading transactions	(Unit : billion yen)			Increase													
	Total trading transactions	<u>Jul-Sep 2009</u>	<u>Jul-Sep 2008</u>	(Decrease)	Refer to "(7) Segment Information" on page 20-21												
	Gross trading profit ratio	9.0%	8.7%	0.2%	Effect of exchange rate fluctuations: Approximately -100.0												
		2,609.4	3,366.8	(757.3)													
Adjusted profit	(Unit : billion yen)			Increase													
	Adjusted profit	<u>Jul-Sep 2009</u>	<u>Jul-Sep 2008</u>	(Decrease)	Adjusted profit (-74.0)= Gross trading profit (-60.7)+ SG&A expenses (-6.1) + Net financial income (-2.5) + Equity in earnings of associated companies(-4.6) The amount () represents changes from the same period of the previous fiscal year												
		50.2	124.2	(74.0)													

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

-Unaudited-

ITOCHU Corporation and Subsidiaries

As of September 30, 2009 and March 31, 2009

Assets	Millions of Yen		Millions of U.S. dollars
	Sep. 2009	Mar. 2009	Sep. 2009
Current assets:			
Cash and cash equivalents.....	¥ 547,730	¥ 628,820	\$ 6,072
Time deposits.....	4,015	3,738	45
Short-term investments.....	6,653	9,214	74
Trade receivables:			
Notes.....	144,479	161,533	1,602
Accounts.....	1,187,091	1,135,031	13,159
Allowance for doubtful receivables.....	(17,125)	(13,869)	(190)
Net trade receivables.....	1,314,445	1,282,695	14,571
Due from associated companies.....	117,040	106,934	1,297
Inventories.....	547,923	509,503	6,074
Advances to suppliers.....	98,460	91,871	1,091
Prepaid expenses.....	34,387	29,817	381
Deferred tax assets.....	40,965	40,556	454
Other current assets.....	245,580	235,046	2,722
Total current assets.....	2,957,198	2,938,194	32,781
Investments and non-current receivables:			
Investments in and advances to associated companies.....	913,575	754,062	10,127
Other investments.....	449,012	426,054	4,977
Other non-current receivables.....	152,590	155,427	1,692
Allowance for doubtful receivables.....	(59,138)	(60,704)	(656)
Total investments and net non-current receivables.....	1,456,039	1,274,839	16,140
Property and equipment, at cost:			
Land.....	162,818	145,881	1,805
Buildings.....	401,609	336,630	4,452
Machinery and equipment.....	398,663	328,940	4,419
Furniture and fixtures.....	80,894	69,907	897
Mineral rights.....	69,054	60,245	765
Construction in progress.....	24,079	16,846	267
Total property and equipment, at cost.....	1,137,117	958,449	12,605
Less accumulated depreciation.....	487,336	397,675	5,402
Net property and equipment.....	649,781	560,774	7,203
Prepaid pension cost.....	1,166	1,079	13
Deferred tax assets, non-current.....	116,544	136,389	1,292
Other assets.....	280,987	280,817	3,115
Total.....	¥ 5,461,715	¥ 5,192,092	\$ 60,544

Note:

In the first quarter of this fiscal year, SFAS160 (codified to ASC Topic 810) was applied. For details, please refer to "New Accounting Pronouncements" on (11), page 22.

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

-Unaudited-

ITOCHU Corporation and Subsidiaries

As of September 30, 2009 and March 31, 2009

Liabilities and Equity	Millions of Yen		Millions of U.S. dollars
	Sep. 2009	Mar. 2009	Sep. 2009
Current liabilities:			
Short-term debt	¥ 377,463	¥ 538,161	\$ 4,184
Current maturities of long-term debt.....	91,753	90,631	1,017
Trade payables:			
Notes and acceptances.....	113,125	134,591	1,254
Accounts.....	1,023,441	907,149	11,345
Total trade payables.....	1,136,566	1,041,740	12,599
Due to associated companies.....	20,000	16,618	222
Accrued expenses.....	114,245	125,062	1,266
Income taxes payable.....	23,807	45,472	264
Advances from customers.....	106,855	96,769	1,185
Deferred tax liabilities.....	1,170	983	13
Other current liabilities.....	210,605	192,681	2,335
Total current liabilities	2,082,464	2,148,117	23,085
Liabilities:			
Long-term debt, excluding current maturities.....	2,103,046	1,934,421	23,313
Accrued retirement and severance benefits.....	51,186	54,697	567
Deferred tax liabilities, non-current.....	25,533	17,502	283
Total liabilities	4,262,229	4,154,737	47,248
Equity:			
Common stock:			
Authorized: 3,000,000,000 shares; issued:			
1,584,889,504 shares.....	202,241	202,241	2,242
Capital surplus.....	137,046	137,171	1,519
Retained earnings:			
Legal reserve.....	14,742	13,183	164
Other retained earnings	824,819	783,699	9,143
Total retained earnings.....	839,561	796,882	9,307
Accumulated other comprehensive income (loss) :			
Foreign currency translation adjustments.....	(101,807)	(185,363)	(1,129)
Pension liability adjustments.....	(103,990)	(106,013)	(1,153)
Unrealized holding gains on securities.....	41,481	13,686	460
Unrealized holding losses on derivative instruments.....	(4,567)	(6,482)	(51)
Treasury stock, at cost.....	(2,752)	(2,711)	(30)
Total ITOCHU stockholders' equity.....	1,007,213	849,411	11,165
Noncontrolling interest.....	192,273	187,944	2,131
Total equity.....	1,199,486	1,037,355	13,296
Total.....	¥ 5,461,715	¥ 5,192,092	\$ 60,544

[Explanation for Consolidated Balance Sheets]

Assets

	(Unit: billion yen)			Reasons for changes:
	Sep 2009	Mar 2009	Increase (Decrease)	
Cash and cash equivalents, Time deposits ...	551.7	632.6	(80.8)	
Net trade receivables ...	1,314.4	1,282.7	31.8	Increase in Energy, Metals & Minerals; and Chemicals, Forest Products & General Merchandise; and decrease in Machinery; and ICT, Aerospace & Electronics
Inventories ...	547.9	509.5	38.4	Increase in Energy, Metals & Minerals; and Realty; and decrease in Machinery
Other current assets ...	245.6	235.0	10.5	Increase in Other current assets
Investments in and advances to associated companies ...	913.6	754.1	159.5	Increase in Textile; Energy, Metals & Minerals; and Food
Other investments ...	449.0	426.1	23.0	Effect of 'stock market prices' recovery compared with March 31, 2009
Net property and equipment ...	649.8	560.8	89.0	Increase due to acquisitions of C.I.Kasei Co., Ltd. and i-LOGISTICS CORP.
Deferred tax assets, non-current ...	116.5	136.4	(19.8)	Decrease due to improvement of unrealized holding gains on investments
Total assets ...	5,461.7	5,192.1	269.6	Total assets as of September 30, 2009, increased by 5.2% or 269.6 billion yen compared with March 31, 2009, to 5,461.7 billion yen (60,544 million U.S. dollars), resulting from acquisitions in Chemicals, Forest Products & General Merchandise and in Finance, Realty, Insurance & Logistics; increase in Net trade receivables along with higher oil prices, in Inventories, in Net property and equipment resulting from capital investment, effect of appreciation of Australian dollar and Brazilian real against the yen in Energy, Metals & Mineral; and new investments in Textile and in Food despite decrease in Cash and cash equivalents, Time deposits.

Acquisition of C.I.Kasei Co., Ltd. and i-LOGISTICS CORP.	
Net Trade receivables	25.3
Inventories	10.9
Net Property and equipment	44.4

Liabilities

	(Unit: billion yen)			
	Sep 2009	Mar 2009	Increase (Decrease)	
Total trade payables ...	1,136.6	1,041.7	94.8	Increase in Energy, Metals & Minerals; Chemicals, Forest Products & General Merchandise; and Food; and decrease in Machinery
Other current liabilities ...	210.6	192.7	17.9	Increase in Other current liabilities
[Interest-bearing debt]				
Short-term debt ...	377.5	538.2	(160.7)	Decrease due to the shift from short-term to long-term in interest-bearing debt, despite increase due to an acquisition of C.I.Kasei Co., Ltd.
Current maturities of long-term debt excluding debentures ...	87.2	81.9	5.3	
Current maturities of debentures ...	4.5	8.7	(4.2)	
Short-term total ...	469.2	628.8	(159.6)	
Long-term debt ...	1,745.5	1,610.4	135.1	Increase due to acquisitions of C.I.Kasei Co., Ltd. and shift from short-term to long-term in interest-bearing debt
Debentures ...	173.8	150.2	23.6	
Long-term total ...	1,919.3	1,760.5	158.7	
Total interest-bearing debt ...	2,388.5	2,389.3	(0.9)	Interest-bearing debt remained almost the same level compared with March 31, 2009, at 2,388.5 billion yen (26,477 million U.S. dollars), and Net interest-bearing debt (interest-bearing debt after deducting Cash and cash equivalents and Time deposits) increased by 4.6% or 80.0 billion yen compared with March 31, 2009, to 1,836.7 billion yen (20,361 million U.S. dollars).
Cash and cash equivalents, Time deposits ...	551.7	632.6	(80.8)	
Net interest-bearing debt ...	1,836.7	1,756.8	80.0	NET DER (Net Debt-to-Stockholders' Equity Ratio) improved by 0.2 points compared with March 31, 2009, to 1.8 times.
Net debt-to-stockholders' equity ratio [times] ...	1.8	2.1	0.2 improved	

Equity

	(Unit: billion yen)			
	Sep 2009	Mar 2009	Increase (Decrease)	
Common stock ...	202.2	202.2	-	
Capital surplus ...	137.0	137.2	(0.1)	
Retained earnings:	839.6	796.9	42.7	
Legal reserve ...	14.7	13.2	1.6	
Other retained earnings ...	824.8	783.7	41.1	Net income attributable to ITOCHU +55.3, Dividend payment -12.7, Transfer to legal reserve and others -1.6
Accumulated other comprehensive income (loss):	(168.9)	(284.2)	115.3	
Foreign currency translation adjustments ...	(101.8)	(185.4)	83.6	Effect of mainly appreciation of Australian dollar and Brazilian real against the yen
Pension liability adjustments ...	(104.0)	(106.0)	2.0	
Unrealized holding gains on securities ...	41.5	13.7	27.8	Effect of 'stock market prices' recovery compared with March 31, 2009
Unrealized holding losses on derivative instruments ...	(4.6)	(6.5)	1.9	
Treasury stock, at cost ...	(2.8)	(2.7)	(0.0)	
Total ITOCHU stockholders' equity ...	1,007.2	849.4	157.8	ITOCHU stockholders' equity, which corresponds to Total equity before applying SFAS160 (codified to ASC Topic 810), increased by 18.6% or 157.8 billion yen compared with March 31, 2009, to 1,007.2 billion yen (11,165 million U.S. dollars), due to decrease from dividend payment, accumulation of Net income attributable to ITOCHU, improvement in Foreign currency translation adjustments, and improvement in Unrealized holding gains on securities resulting from recovery of stock market.
Ratio of stockholders' equity to total assets ...	18.4%	16.4%	2.1%	As a result, Ratio of stockholders' equity to total assets rose by 2.1 points compared with March 31, 2009, to 18.4%.
Noncontrolling interest ...	192.3	187.9	4.3	Total equity, or total of ITOCHU stockholders' equity and Noncontrolling interest, which means the total equity of the entire Group, increased by 15.6% or 162.1 billion yen compared with March 31, 2009, to 1,199.5 billion yen (13,297 million U.S. dollars).
Total equity ...	1,199.5	1,037.4	162.1	

[Current exchange rate Yen/USD]
[For March closing companies]

Sep 2009	Mar 2009	Changes
90.21	98.23	(8.02)
Sep 2008	Mar 2008	Changes
103.57	100.19	3.38

[The Nikkei Stock Average index]

Sep 2009	Mar 2009	Changes
10,133	8,109	2,024

[Current exchange rate Yen/AUD]
[For December closing companies] [For March closing companies]

Jun 2009	Dec 2008	Changes	Sep 2009	Mar 2009	Changes
96.01	91.03	4.98	78.96	67.01	11.95
Jun 2008	Dec 2007	Changes	Sep 2008	Mar 2008	Changes
106.42	114.15	(7.73)	82.87	91.74	(8.87)

(6) Consolidated Statements of Cash Flows [Condensed]

-Unaudited-

ITOCHU Corporation and Subsidiaries

For the six months ended September 30, 2009 and 2008

	Millions of Yen		Millions of
	<u>Apr.-Sep.2009</u>	<u>Apr.-Sep.2008</u>	<u>U.S. dollars</u>
Cash flows from operating activities :			Apr.-Sep.2009
Net income	¥ 59,218	¥ 142,729	\$ 656
Adjustments to reconcile net income to net cash provided by operating activities :			
Depreciation and amortization	34,908	35,979	387
Provision for doubtful receivables	4,341	12,369	48
Gain on investments-net	(5,158)	(5,002)	(57)
(Gain) loss on property and equipment-net.....	(1,957)	823	(22)
Gain on bargain purchase in acquisition.....	(9,129)	-	(101)
Equity in earnings of associated companies, less dividends received	(9,787)	(21,928)	(108)
Deferred income taxes	9,145	(3,727)	101
Changes in assets and liabilities, other-net	21,110	(98,923)	234
Net cash provided by operating activities	<u>102,691</u>	<u>62,320</u>	<u>1,138</u>
Cash flows from investing activities :			
Net purchases of property, equipment and other assets	(37,847)	(62,934)	(420)
Net increase in investments in and advances to associated companies	(79,054)	(10,977)	(876)
Net purchases of other investments	(20,428)	(26,038)	(226)
Net collections (origination) of other non-current loan receivables	2,337	(2,842)	26
Net increase in time deposits.....	(300)	(11,734)	(3)
Net decrease (increase) in marketable securities.....	660	(251)	7
Net cash used in investing activities	<u>(134,632)</u>	<u>(114,776)</u>	<u>(1,492)</u>
Cash flows from financing activities :			
Net proceeds (repayments) of long-term debt	148,177	(34,166)	1,642
Net (decrease) increase in short-term debt	(185,055)	65,409	(2,051)
Other	(19,150)	(17,200)	(212)
Net cash (used in) provided by financing activities	<u>(56,028)</u>	<u>14,043</u>	<u>(621)</u>
Effect of exchange rate changes on cash and cash equivalents	6,879	(8,501)	76
Net decrease in cash and cash equivalents	(81,090)	(46,914)	(899)
Cash and cash equivalents at beginning of year	628,820	446,311	6,971
Cash and cash equivalents at end of year	¥ 547,730	¥ 399,397	\$ 6,072

Note:

In the first quarter of this fiscal year, SFAS160 (codified to ASC Topic 810) was applied. For details, please refer to "New Accounting Pronouncements" on (11), page 22.

[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-Sep 2009</u>	<u>Apr-Sep 2008</u>	<u>Increase (Decrease)</u>	<u>Major items</u>
Net income	59.2	142.7	(83.5)	
Non-cash charges of P/L	22.4 a	18.5 b	3.8	a : Depreciation and amortization +34.9, Deferred income taxes +9.1 Equity in earnings of associated companies, less dividends received -9.8 Gain on bargain purchase in acquisition -9.1 b : Depreciation and amortization +36.0, Provision for doubtful receivables +12.4 Gain on investments-net -5.0 Equity in earnings of associated companies, less dividends received -21.9
Changes in assets and liabilities, other-net	21.1 a	(98.9) b	120.0	a : Trade receivables / payables +73.2, Increase in Inventories -17.1 Other -35.0 b : Increase in Inventories -87.3
Net cash provided by operating activities	102.7	62.3	40.4	

Cash flows from investing activities

(Unit: billion yen)

	<u>Apr-Sep 2009</u>	<u>Apr-Sep 2008</u>	<u>Increase (Decrease)</u>	
Net purchases of property, equipment and other assets	(37.8) a	(62.9) b	25.1	a : Purchases by natural resources development related subsidiaries -12.6 and by ITOCHU Corporation -4.2 b : Purchases by natural resources development related subsidiaries -31.2, airline-related subsidiaries -9.9
Net increase in investments in and advances to associated companies	(79.1) a	(11.0) b	(68.1)	a : Net increase in investments in food and textile business -67.0 Investment in leasing business -5.9 b : Net increase in loans provided to associated companies in Machinery -8.0
Net purchases of other investments	(20.4) a	(26.0) b	5.6	a : Net purchases (by TOB) net of cash acquired in acquisitions of C.I.Kasei Co., Ltd. and i-LOGISTICS CORP. -8.7 Investment in natural resources development sector -7.6 b : Net purchases of investment in Machinery and energy-development sector -28.9 Net sales of stocks by ITOCHU Corporation +12.2
Net collections (origination) of other non-current loan receivables	2.3 a	(2.8) b	5.2	a : Net collections of loan receivables by ITOCHU Corporation +3.9 b : Net origination of loan receivables by Machinery subsidiaries -4.9
Net increase in time deposits	(0.3)	(11.7) b	11.4	b : Net increase by natural resources development related subsidiary -13.7
Net decrease (increase) in marketable securities	0.7	(0.3)	0.9	
Net cash used in investing activities	(134.6)	(114.8)	(19.9)	

Cash flows from financing activities

(Unit: billion yen)

	<u>Apr-Sep 2009</u>	<u>Apr-Sep 2008</u>	<u>Increase (Decrease)</u>	
Net proceeds (repayments) of long-term debt	148.2 a	(34.2) b	182.3	a : Net proceeds by ITOCHU Corporation +182.0 b : Net repayments by ITOCHU Corporation -26.2
Net (decrease) increase in short-term debt	(185.1) a	65.4 b	(250.5)	a : Net decrease by ITOCHU Corporation -190.7 b : Net increase by ITOCHU Corporation +13.4 Net increase by overseas trading subsidiaries +55.5
Other	(19.2) a	(17.2) b	(2.0)	a : Dividends paid -12.7, dividends paid to noncontrolling stockholders -4.5 b : Dividends paid -15.0, dividends paid to noncontrolling stockholders -4.1
Net cash (used in) provided by financing activities	(56.0)	14.0	(70.1)	

(Note)
Changes in current maturities of long-term debt are included in "Net proceeds of long-term debt" on the statements of cash flows.

(7) Segment Information

ITOCHU Corporation and Subsidiaries

For the six months ended September 30, 2009 and 2008

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.

As of April 1st, 2009, Aerospace, Electronics & Multimedia Company has been renamed to "ICT, Aerospace & Electronics Company".

Information concerning operations in different operating segments for the six months ended September 30, 2009 and 2008 is as follows:

For the six months ended September 30, 2009 (April 1, 2009 -September 30, 2009)									Millions of Yen
Textile	Machinery	ICT, Aerospace & Electronics	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	¥ 244,334	¥ 351,071	¥ 277,277	¥ 1,379,233	¥ 850,338	¥ 1,556,578	¥ 66,702	¥ 76,445	¥ 4,801,978
Transfers between operating segments	295	1,148	2,825	156	10,053	187	6,253	(20,917)	—
Total trading transactions	244,629	352,219	280,102	1,379,389	860,391	1,556,765	72,955	55,528	4,801,978
Gross trading profit	45,551	23,953	61,655	57,583	51,849	171,255	16,749	11,412	440,007
Net income attributable to ITOCHU	7,106	4,018	1,216	26,084	8,145	18,505	2,349	(12,087)	55,336
[Equity in earnings (losses) of associated companies]	[4,843]	[5,108]	[293]	[2,727]	[(631)]	[7,181]	[2,173]	[(918)]	[20,776]
Identifiable assets at September 30, 2009	367,025	572,640	502,379	1,168,294	697,705	1,158,933	393,846	600,893	5,461,715

For the six months ended September 30, 2008 (April 1, 2008 -September 30, 2008)									Millions of Yen
Textile	Machinery	ICT, Aerospace & Electronics	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	¥ 287,144	¥ 763,060	¥ 286,038	¥ 2,147,437	¥ 1,139,502	¥ 1,639,773	¥ 74,058	¥ 94,179	¥ 6,431,191
Transfers between operating segments	316	595	2,221	199	10,169	299	4	(13,803)	—
Total trading transactions	287,460	763,655	288,259	2,147,636	1,149,671	1,640,072	74,062	80,376	6,431,191
Gross trading profit	46,896	45,324	61,067	111,457	64,968	169,834	22,543	20,003	542,092
Net income attributable to ITOCHU	13,239	3,661	1,874	86,413	13,203	12,410	6,627	1,698	139,125
[Equity in earnings (losses) of associated companies]	[2,086]	[1,952]	[334]	[15,076]	[2,000]	[6,947]	[6,020]	[506]	[34,921]
Identifiable assets at September 30, 2008	342,018	733,111	528,881	1,066,698	805,340	1,123,450	422,401	424,355	5,446,254
Identifiable assets at March 31, 2009	360,431	639,939	490,159	1,016,596	611,375	1,054,127	381,800	637,665	5,192,092

For the six months ended September 30, 2009 (April 1, 2009 -September 30, 2009)									Millions of U.S.dollars
Textile	Machinery	ICT, Aerospace & Electronics	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	\$ 2,709	\$ 3,892	\$ 3,074	\$ 15,289	\$ 9,426	\$ 17,255	\$ 739	\$ 847	\$ 53,231
Transfers between operating segments	3	12	31	2	112	2	70	(232)	—
Total trading transactions	2,712	3,904	3,105	15,291	9,538	17,257	809	615	53,231
Gross trading profit	505	266	683	638	575	1,898	186	127	4,878
Net income attributable to ITOCHU	79	45	13	289	90	205	26	(134)	613
[Equity in earnings (losses) of associated companies]	[54]	[57]	[3]	[30]	[(7)]	[79]	[24]	[(10)]	[230]
Identifiable assets at September 30, 2009	4,068	6,348	5,569	12,951	7,734	12,847	4,366	6,661	60,544

Note :

1. "Equity in earnings (losses) of associated companies" is included in Net income attributable to ITOCHU.

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.

3. In the first quarter of this fiscal year, SFAS160 (codified to ASC Topic 810) was applied. For detail, please refer to "New Accounting Pronouncements" on (11), page 22.

[Explanation for Operating Segment Information]

	(Unit : billion yen)				Reasons for changes
	Apr-Sep 2009	Apr-Sep 2008	Increase (Decrease)		
Trading transactions for unaffiliated customers and associated companies					
Textile	244.3	287.1	(42.8)	Decrease due to market slowdown in textile materials, fabrics and apparels despite increase from an acquisition of SANKEI CO., LTD.	
Machinery	351.1	763.1	(412.0)	Decrease due to reduced transactions in automobile and construction machinery business, and the absence of multiple deliveries of newly completed ships in the same period of the previous fiscal year	
ICT, Aerospace & Electronics	277.3	286.0	(8.8)	Decrease due to overall low performance in aviation, Information and Communication Technology related businesses	
Energy, Metals & Minerals	1,379.2	2,147.4	(768.2)	Decrease due to price falls in metal resources and energies as well as decrease in sales volume of iron ore despite increase from an acquisition of ITOCHU ENEX CO., LTD.	
Chemicals, Forest Products & General Merchandise	850.3	1,139.5	(289.2)	Decrease due to price falls in chemicals since last autumn and slowdown in housing market in Japan and the U.S., and deconsolidation of a subsidiary in the U.S. despite increase from an acquisition of C.I.Kasei Co., Ltd.	
Food	1,556.6	1,639.8	(83.2)	Decrease due to price falls in food resources such as feed grains, oils and fats despite increase in sales volume in food distribution business	
Finance, Realty, Insurance & Logistics Services	66.7	74.1	(7.4)	Decrease due to the absence of a large-scale condominium sale in the same period of the previous fiscal year and low performance in finance-related business despite increase from an acquisition of i-LOGISTICS CORP.	
Other, Adjustments & Eliminations	76.4	94.2	(17.7)	Decrease due to low performance in equipment material business in North America and effect of yen's appreciation	
Total	4,802.0	6,431.2	(1,629.2)		
Gross trading profit					
Textile	45.6	46.9	(1.3)	Decrease due to market slowdown in textile materials, fabrics and apparels despite increase from an acquisition of SANKEI CO., LTD.	
Machinery	24.0	45.3	(21.4)	Decrease due to reduced transactions in automobile and construction machinery business, and decrease in sales volume by the absence of ship trading transactions in the same period of the previous fiscal year	
ICT, Aerospace & Electronics	61.7	61.1	0.6	Almost the same level due to increase in domestic mobile phone business offset by overall low performance in aviation, Information and Communication Technology related businesses	
Energy, Metals & Minerals	57.6	111.5	(53.9)	Decrease due to price falls in metal resources and energies as well as decrease in sales volume of iron ore despite increase from an acquisition of ITOCHU ENEX CO., LTD.	
Chemicals, Forest Products & General Merchandise	51.8	65.0	(13.1)	Decrease due to price falls in chemicals since last autumn and slowdown in housing market in Japan and the U.S., and deconsolidation of a subsidiary in the U.S. despite increase from an acquisition of C.I.Kasei Co., Ltd.	
Food	171.3	169.8	1.4	Increase in sales volume in food distribution business and profitability improved in fresh food materials	
Finance, Realty, Insurance & Logistics Services	16.7	22.5	(5.8)	Decrease in condominium sales and low performance in finance-related business despite increase from an acquisition of i-LOGISTICS CORP.	
Other, Adjustments & Eliminations	11.4	20.0	(8.6)	Decrease due to low performance in equipment material business in North America and effect of yen's appreciation	
Total	440.0	542.1	(102.1)		
Net income attributable to ITOCHU					
Textile	7.1	13.2	(6.1)	Decrease due to the absence of gain on sales of investments in the same period of the previous fiscal year in addition to decreased gross trading profit despite increased equity in earnings of associated companies	
Machinery	4.0	3.7	0.4	Increase in equity in earnings of associated companies and gain on sales of investments and the absence of provision for doubtful receivables in the same period of the previous fiscal year despite decreased gross trading profit	
ICT, Aerospace & Electronics	1.2	1.9	(0.7)	Decrease in gain on sales of investments despite decrease in SG&A	
Energy, Metals & Minerals	26.1	86.4	(60.3)	Decrease in equity in earnings of associated companies in addition to significantly decreased gross trading profit	
Chemicals, Forest Products & General Merchandise	8.1	13.2	(5.1)	Decrease due to decreased gross trading profit and equity in earnings of associated companies despite profit from obtaining control of C.I.Kasei Co., Ltd. and improved gain (loss) on property and equipment-net	
Food	18.5	12.4	6.1	Significant increase due to gain on sales of investments in addition to increased gross trading profit	
Finance, Realty, Insurance & Logistics Services	2.3	6.6	(4.3)	Decrease due to decreased gross trading profit and equity in earnings of associated companies despite profit from obtaining control of i-LOGISTICS CORP.	
Other, Adjustments & Eliminations	(12.1)	1.7	(13.8)	Decrease due to decreased equity in earnings of associated companies and increased inter-company income tax caused by change of internal tax system in addition to decreased gross trading profit	
Total	55.3	139.1	(83.8)		
Identifiable assets					
Textile	Sep. 2009 367.0	Mar. 2009 360.4	Increase (Decrease) 6.6	Increase in new investments despite decrease in trade receivables due to decrease in sales volume and seasonal factors.	
Machinery	572.6	639.9	(67.3)	Decrease in trade receivables and inventories	
ICT, Aerospace & Electronics	502.4	490.2	12.2	Increase in industrial machinery related business despite decrease in domestic IT-related business	
Energy, Metals & Minerals	1,168.3	1,016.6	151.7	Increase in trade receivables from higher oil price compared with the last fiscal year end and net property and equipment in addition to appreciation of Australian dollar and Brazilian real to yen compared with the last fiscal year end	
Chemicals, Forest Products & General Merchandise	697.7	611.4	86.3	Increase due to an acquisition of C.I.Kasei Co., Ltd.	
Food	1,158.9	1,054.1	104.8	Increase in new investments, and net property and equipment in food distribution sector	
Finance, Realty, Insurance & Logistics Services	393.8	381.8	12.0	Increase due to an acquisition of i-LOGISTICS CORP. and increase in condominium inventory despite decrease in deferred tax asset resulting from sale of business	
Other, Adjustments & Eliminations	600.9	637.7	(36.8)	Decrease in cash and cash equivalents	
Total	5,461.7	5,192.1	269.6		

ITOCHU Corporation and Subsidiaries

For the three months ended September 30, 2009 and 2008 (Second quarter of fiscal year 2010 and 2009)

Information concerning operations in different operating segments for the second quarter of fiscal year 2010 and 2009 is as follows:

For the second quarter of fiscal year 2010 (July 1, 2009 -September 30, 2009)

									Millions of Yen
	Textile	Machinery	ICT, Aerospace & Electronics	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	¥ 134,696	¥ 184,585	¥ 146,899	¥ 821,591	¥ 454,167	¥ 788,168	¥ 37,687	¥ 41,648	¥ 2,609,441
Transfers between operating segments ...	143	185	1,900	85	5,343	75	5,081	(12,812)	-
Total trading transactions	134,839	184,770	148,799	821,676	459,510	788,243	42,768	28,836	2,609,441
Gross trading profit	25,157	12,489	32,979	32,435	28,284	88,775	8,878	4,677	233,674
Net income attributable to ITOCHU.....	6,266	4,409	1,766	20,497	5,946	5,530	342	(9,852)	34,904
[Equity in earnings (losses) of associated companies].....	[3,903]	[3,424]	[116]	[819]	[(503)]	[3,241]	[1,346]	[(960)]	[11,386]
Identifiable assets at September 30, 2009..	367,025	572,640	502,379	1,168,294	697,705	1,158,933	393,846	600,893	5,461,715

For the second quarter of fiscal year 2009 (July 1, 2008 -September 30, 2008)

									Millions of Yen
	Textile	Machinery	ICT, Aerospace & Electronics	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	¥ 155,692	¥ 430,057	¥ 157,201	¥ 1,106,034	¥ 597,231	¥ 840,973	¥ 29,006	¥ 50,571	¥ 3,366,765
Transfers between operating segments ...	174	297	1,036	106	5,392	183	3	(7,191)	-
Total trading transactions	155,866	430,354	158,237	1,106,140	602,623	841,156	29,009	43,380	3,366,765
Gross trading profit	25,105	24,937	32,838	68,245	35,221	89,233	9,853	8,979	294,411
Net income attributable to ITOCHU.....	3,395	2,821	993	54,113	7,981	6,756	4,341	(3,749)	76,651
[Equity in earnings (losses) of associated companies].....	[(71)]	[1,408]	[237]	[7,914]	[415]	[3,082]	[2,603]	[403]	[15,991]
Identifiable assets at September 30, 2008..	342,018	733,111	528,881	1,066,698	805,340	1,123,450	422,401	424,355	5,446,254

For the second quarter of fiscal year 2010 (July 1, 2009 -September 30, 2009)

									Millions of U.S.dollars
	Textile	Machinery	ICT, Aerospace & Electronics	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	\$ 1,493	\$ 2,046	\$ 1,628	\$ 9,107	\$ 5,035	\$ 8,737	\$ 418	\$ 462	\$ 28,926
Transfers between operating segments ...	2	2	21	1	59	1	56	(142)	-
Total trading transactions	1,495	2,048	1,649	9,108	5,094	8,738	474	320	28,926
Gross trading profit	279	138	366	360	313	984	98	52	2,590
Net income attributable to ITOCHU.....	69	49	20	227	66	61	4	(109)	387
[Equity in earnings (losses) of associated companies].....	[43]	[38]	[1]	[9]	[(5)]	[36]	[15]	[(11)]	[126]
Identifiable assets at September 30, 2009..	4,068	6,348	5,569	12,951	7,734	12,847	4,366	6,661	60,544

Note :

- "Equity in earnings (losses) of associated companies" is included in Net income attributable to ITOCHU.
- "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.
- In the first quarter of this fiscal year, SFAS160 (codified to ASC Topic 810) was applied.
For detail, please refer to "New Accounting Pronouncements" on (11), page 22.

[Explanation for Operating Segment Information]

Trading transactions for unaffiliated customers and associated companies	(Unit : billion yen)	Increase			Reasons for changes
		Jul-Sep 2009	Jul-Sep 2008	(Decrease)	
Textile	...	134.7	155.7	(21.0)	Decrease due to market slowdown in textile materials, fabrics and apparels despite increase from an acquisition of SANKEI CO., LTD.
Machinery	...	184.6	430.1	(245.5)	Decrease due to reduced transactions in automobile and construction machinery business, and the absence of multiple deliveries of newly completed ships in the same period of the previous fiscal year
ICT, Aerospace & Electronics	...	146.9	157.2	(10.3)	Decrease due to overall low performance in aviation, Information and Communication Technology related businesses
Energy, Metals & Minerals	...	821.6	1,106.0	(284.4)	Decrease due to price falls in metal resources and energies despite increase from an acquisition of ITOCHU ENEX CO., LTD.
Chemicals, Forest Products & General Merchandise	...	454.2	597.2	(143.1)	Decrease due to price falls in chemicals since last autumn and slowdown in housing market in Japan and the U.S., and deconsolidation of a subsidiary in the U.S. despite increase from an acquisition of C.I.Kasei Co., Ltd.
Food	...	788.2	841.0	(52.8)	Decrease due to price falls in food resources such as feed grains, oils and fats
Finance, Realty, Insurance & Logistics Services	...	37.7	29.0	8.7	Increase due to an acquisition of i-LOGISTICS CORP. and sales of rental apartment for investments despite low performance in finance-related business
Other, Adjustments & Eliminations	...	41.6	50.6	(8.9)	Decrease due to low performance in equipment material business in North America and effect of yen's appreciation
Total		2,609.4	3,366.8	(757.3)	
Gross trading profit	(Unit : billion yen)	Increase			Reasons for changes
		Jul-Sep 2009	Jul-Sep 2008	(Decrease)	
Textile	...	25.2	25.1	0.1	Almost the same level due to market slowdown in textile materials, fabrics and apparels despite increase from an acquisition of SANKEI CO., LTD.
Machinery	...	12.5	24.9	(12.4)	Decrease due to reduced transactions in automobile and construction machinery business, and decrease in sales volume by the absence of ship trading transactions in the same period of the previous fiscal year
ICT, Aerospace & Electronics	...	33.0	32.8	0.1	Almost the same level
Energy, Metals & Minerals	...	32.4	68.2	(35.8)	Significant decrease due to the absence of the retroactive adjustment of higher iron ore price determined in the same period of the previous fiscal year in addition to price falls in metal resources and energies despite increase from an acquisition of ITOCHU ENEX CO., LTD.
Chemicals, Forest Products & General Merchandise	...	28.3	35.2	(6.9)	Decrease due to price falls in chemicals since last autumn and slowdown in housing market in Japan and the U.S., and deconsolidation of a subsidiary in the U.S. despite increase from an acquisition of C.I.Kasei Co., Ltd.
Food	...	88.8	89.2	(0.5)	Decrease due to price falls in feed and grain materials
Finance, Realty, Insurance & Logistics Services	...	8.9	9.9	(1.0)	Decrease in finance-related business
Other, Adjustments & Eliminations	...	4.7	9.0	(4.3)	Decrease due to low performance in equipment material business in North America and effect of yen's appreciation
Total		233.7	294.4	(60.7)	
Net income attributable to ITOCHU	(Unit : billion yen)	Increase			Reasons for changes
		Jul-Sep 2009	Jul-Sep 2008	(Decrease)	
Textile	...	6.3	3.4	2.9	Increase due to the absence of impairment loss on an investment in the same period of the previous fiscal year and earnings from newly purchased associated companies despite decreased gross trading profit
Machinery	...	4.4	2.8	1.6	Increase in equity in earnings of associated companies
ICT, Aerospace & Electronics	...	1.8	1.0	0.8	Increase due to decrease in SG&A
Energy, Metals & Minerals	...	20.5	54.1	(33.6)	Decrease due to decreased equity in earnings of associated companies in addition to significant decrease in gross trading profit
Chemicals, Forest Products & General Merchandise	...	5.9	8.0	(2.0)	Decrease due to decreased gross trading profit and equity in earnings of associated companies despite increased gain (loss) on property and equipment-net and other-net
Food	...	5.5	6.8	(1.2)	Decrease due to impairment loss on investments despite increased gross trading profit
Finance, Realty, Insurance & Logistics Services	...	0.3	4.3	(4.0)	Decrease in dividends received from fund investment in the same period of the previous fiscal year and equity in earnings of associated companies in finance-related business, in addition to decreased gross trading profit
Other, Adjustments & Eliminations	...	(9.9)	(3.7)	(6.1)	Decrease due to decreased gross trading profit and equity in earnings of associated companies and increased inter-company income tax
Total		34.9	76.7	(41.7)	

(8) Assumption for Going Concern N/A

(9) Information Concerning Dividend Payment

(Dividends paid for the six months ended September 30, 2009)

(Resolution)	Stock type	Total dividend amount	Dividend per share	Record date	Effective date	Dividend resource
General meeting of stockholders on June 24, 2009	Common stock	millions of yen 12,654	yen 8.00	March 31, 2009	June 25, 2009	Retained earnings

(Dividends to be paid for the three months ended September 30, 2009, of which effective date is after September 30, 2009)

(Resolution)	Stock type	Total dividend amount	Dividend per share	Record date	Effective date	Dividend resource
Board of directors' meeting on October 30, 2009	Common stock	millions of yen 11,862	yen 7.50	September 30, 2009	December 2, 2009	Retained earnings

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

(11) New Accounting Pronouncements

FASB Accounting Standards Codification™ (ASC)

ITOCHU Corporation and its subsidiaries adopted SFAS168 "The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Statement No. 162". SFAS168 defined that the FASB Accounting Standards Codification™ (ASC), which became effective on July 1, 2009, is the single source of US GAAP. Therefore every authoritative pronouncement already issued in US GAAP was replaced into ASC. SFAS168 itself was codified into ASC Topic 105 "Generally Accepted Accounting Principles"

Business Combinations (ASC Topic 805: pre-codification standard No. SFAS141(R)) and Noncontrolling Interests in Consolidated Financial Statements (ASC Topic 810: pre-codification standard No. SFAS160)

ITOCHU Corporation and its subsidiaries adopted SFAS141(R) and SFAS160 on April 1, 2009, the beginning of the fiscal year ending March 31, 2010. Before the issuance of those new standards, it had been generally accepted that consolidated financial statements should present the substantial financial position and result of operations of parent company. However, those standards adopted the other different concept, that is, consolidated financial statements should reflect the financial position and result of operations of the consolidation group, or organically combined body consisted of parent company and its subsidiaries, with recognition that the consolidated group is a single economic entity separate from the parent company.

a. Changes of accounting treatments

1) Changes of accounting treatments of a business combination (ASC Topic 805)

Following the above mentioned new concept, the accounting treatments of a business combination are changed. ITOCHU Corporation and its subsidiaries apply the new treatments for business combination transactions on and after April 1, 2009, therefore changes the accounting treatments into measuring noncontrolling interests at the fair value as of the business combination date as well as assets and liabilities of acquiree, and recognition of goodwill attributable to noncontrolling interests in addition to that attributable to stockholders of ITOCHU Corporation. Further, for every business combination transaction at and after the beginning of fiscal year ending March 31, 2010, pre-existing interests which had been held by the acquirer are remeasured at the fair value as of the business combination date, and difference between fair value and carrying amount of pre-existing interests are recognized as gain or loss. Gain on investments-net.

2) Changes of accounting treatments of changes in a parent's ownership interest in a subsidiary under retaining control in the subsidiary (ASC Topic 810)

ITOCHU Corporation and its subsidiaries apply the new standards mentioned above for every change in their ownership interests in their subsidiaries under retaining control in them at and after the beginning of fiscal year ending March 31, 2010, therefore revise the accounting treatments into those as capital transactions without recognizing any gain nor loss, based on a standpoint that such transactions are just reclassification of ownership between ITOCHU Corporation's stockholders and noncontrolling stockholders, both of which are equity holders of the consolidation group.

3) Changes of accounting treatments in a deconsolidation (ASC Topic 810)

In accordance with new concept mentioned above, accounting treatments of a deconsolidation are revised. ITOCHU Corporation and its subsidiaries apply the new standards for every deconsolidation at and after the beginning of fiscal year ending March 31, 2010, therefore changes the accounting treatments into not only recognizing gain or loss on disposal for disposed interests as before but also remeasuring remaining interests at the fair value as of the date of deconsolidation with recognition gain or loss for difference between the fair value and the carrying amount of the remaining interests.

b. Revision of presentation of consolidated financial statements (ASC Topic 810)

In addition, the new standards revise presentation formats for consolidated financial statements and requires to present a reporting entity's financial position and result of operations including comparative financial statements for the same period of last fiscal year or the end of last fiscal year as below:

1) Consolidated Statements of Income

Following the above mentioned new concept, the definition of "Net income" is adjusted as net income for the consolidation group itself, which includes net income attributable to noncontrolling interest as well as parent company. Therefore, the quarterly consolidated statements of income format has been revised in presenting first "Net income" under the new concept, deducting "Net income attributable to noncontrolling interest" (the previous "Minority interests") and displaying the remaining amount as "Net income attributable to ITOCHU" (the previous "Net income").

2) Consolidated Balance Sheets

In compliance with the new concept mentioned above, the basic policy for preparing consolidated balance sheets are changed: Equity in consolidated balance sheets should be presented that for the consolidation group itself, that is, equity in subsidiaries contributed from, or to be distributed to noncontrolling interests as well as held by parent company. Therefore, regarding the quarterly consolidated balance sheets format, the previous "Minority interests" has been renamed as "Noncontrolling interest" and presented as a component of Equity. (The definition of "stockholders' equity" is unchanged even after adoption of the new standards. That is, "Common stock", "Capital surplus", "Retained earnings", "Accumulated other comprehensive income (loss)" and "Treasury stock, at cost" displayed as components of "Total ITOCHU's stockholders' equity" present respective amount attributable to the stockholders of ITOCHU Corporation, while in "Noncontrolling interest" total of subsidiaries' equity amount attributable to noncontrolling interests is presented without disaggregating into each component.

3) Consolidated Statements of Comprehensive Income

According to the new concept, just as well as Net income in consolidated statements of income, "Comprehensive income" in consolidated statements of comprehensive income should be presented that for the consolidation group itself. Therefore, regarding the revised quarterly consolidated statements of comprehensive income format, "Comprehensive income" shows the entire increase or decrease of each comprehensive income component and then comprehensive income amount attributable to noncontrolling interests is deducted in "Comprehensive income attributable to noncontrolling interest" and the remaining amount is presented in "Comprehensive income attributable to ITOCHU".

4) Consolidated Statements of Cash Flows

Consolidated statements of cash flows are considered to display cash flow position as consolidation group itself even previously, however in accordance with the previous manner, "Net income" before adoption of the new standards (that is "Net income attributable to ITOCHU" after adoption of the new standards) was to be presented in presentation of Cash flows from operating activities, and accordingly reverse of "Minority interests" was to be included in "Adjustments to reconcile net income". After adoption of the new standards, the first line in presentation of Cash flows from operating activities should be "Net income" defined in the new pronouncements, and accordingly it is no longer necessary to reverse Minority interests (or "Net income attributable to noncontrolling interest"). Such transactions at and after the beginning of fiscal year ending March 31, 2010, are classified as Cash flows from financing activities, which were previously included in Cash flows from investing activities.

5. Performance of Group Companies attributable to ITOCHU

For the six months ended September 30, 2009 and 2008

Components of Consolidated Net Income attributable to ITOCHU

【For the six months ended September 30】

(Unit: billion yen)	2009	2008	Increase
	Apr-Sep	Apr-Sep	(Decrease)
Parent company	21.5	62.0	(40.4)
Group companies excluding overseas trading subsidiaries	47.7	107.4	(59.7)
Overseas trading subsidiaries	4.4	12.5	(8.1)
Subtotal	73.6	181.9	(108.3)
Consolidation adjustments	(18.3)	(42.7)	24.5
Consolidated net income attributable to ITOCHU	55.3	139.1	(83.8)
Earnings from overseas businesses (*)	24.0	81.8	(57.8)
Share of earnings from overseas businesses	43%	59%	

【For the three months ended September 30】

(Unit: billion yen)	2009	2008	Increase
	Jul-Sep	Jul-Sep	(Decrease)
Parent company	0.4	16.8	(16.4)
Group companies excluding overseas trading subsidiaries	29.3	54.6	(25.3)
Overseas trading subsidiaries	3.1	8.5	(5.4)
Subtotal	32.8	79.9	(47.1)
Consolidation adjustments	2.1	(3.2)	5.3
Consolidated net income attributable to ITOCHU	34.9	76.7	(41.7)
Earnings from overseas businesses (*)	14.2	46.5	(32.3)
Share of earnings from overseas businesses	41%	61%	

(*) "Earnings from overseas businesses" is the total of net income attributable to ITOCHU of overseas trading subsidiaries and overseas group companies, plus net income attributable to ITOCHU of overseas branch of parent company and domestic group companies substantially operating in overseas.

Number of Group Companies

	September 30, 2009			March 31, 2009			Increase	Decrease	Changes within Group	Net changes
	Domestic	Overseas	Total	Domestic	Overseas	Total				
Subsidiaries	107	155	262	106	157	263	+ 2	(5)	+ 2	0
Equity-method associated companies	72	89	161	70	87	157	+ 11	(5)	(2)	0
Total	179	244	423	176	244	420	+ 13	(10)		+ 3

(Note) From this first quarter, the criteria to count group companies is changed so that the number of companies directly invested by ITOCHU or its overseas trading subsidiaries are shown above.

Besides, the following shows the number of companies by the above mentioned method in the same period of the previous fiscal year and in the past two fiscal years end.

September 30, 2008 Subsidiaries:265, Equity-method associated companies:156, Total:421

March 31, 2008 Subsidiaries:261, Equity-method associated companies:163, Total:424

March 31, 2007 Subsidiaries:279, Equity-method associated companies:155, Total:434

Profits/Losses of Group Companies Reporting Profits/Losses

	Apr - Sep 2009			Apr - Sep 2008			Increase (Decrease)		
	Profits	Losses	Total	Profits	Losses	Total	Profits	Losses	Total
	Group companies excluding overseas trading subsidiaries	64.0	(16.3)	47.7	121.3	(13.8)	107.4	(57.3)	(2.5)
Overseas trading subsidiaries	4.7	(0.3)	4.4	12.6	(0.1)	12.5	(7.9)	(0.2)	(8.1)
Total	68.7	(16.6)	52.1	133.9	(14.0)	119.9	(65.2)	(2.6)	(67.8)

Number/Share of Group Companies Reporting Profits

		Apr - Sep 2009			Apr - Sep 2008			Increase (Decrease)		
		Profits	Losses	Total	Profits	Losses	Total	Profits	Losses	Total
Subsidiaries	Domestic	72	35	107	82	25	107	(10)	10	0
	Overseas	100	55	155	121	37	158	(21)	18	(3)
	Total	172	90	262	203	62	265	(31)	28	(3)
	Share (%)	65.6%	34.4%	100.0%	76.6%	23.4%	100.0%	(11.0%)	11.0%	
Equity-method associated companies	Domestic	51	21	72	49	22	71	2	(1)	1
	Overseas	57	32	89	60	25	85	(3)	7	4
	Total	108	53	161	109	47	156	(1)	6	5
	Share (%)	67.1%	32.9%	100.0%	69.9%	30.1%	100.0%	(2.8%)	2.8%	
Total	Domestic	123	56	179	131	47	178	(8)	9	1
	Overseas	157	87	244	181	62	243	(24)	25	1
	Total	280	143	423	312	109	421	(32)	34	2
	Share (%)	66.2%	33.8%	100.0%	74.1%	25.9%	100.0%	(7.9%)	7.9%	

Profits/Losses of Group Companies Reporting Profits/Losses

		Apr - Sep 2009			Apr - Sep 2008			Increase (Decrease)		
		Profits	Losses	Total	Profits	Losses	Total	Profits	Losses	Total
Subsidiaries	Domestic	18.8	(5.4)	13.4	19.1	(4.9)	14.2	(0.3)	(0.5)	(0.8)
	Overseas (**)	23.1	(5.2)	17.9	76.1	(5.3)	70.8	(53.1)	0.2	(52.9)
	Total	41.9	(10.5)	31.3	95.2	(10.2)	85.0	(53.3)	(0.3)	(53.7)
Equity-method associated companies	Domestic	20.1	(4.3)	15.7	28.2	(1.0)	27.1	(8.1)	(3.3)	(11.4)
	Overseas	6.8	(1.7)	5.0	10.5	(2.7)	7.8	(3.8)	1.0	(2.7)
	Total	26.8	(6.1)	20.8	38.7	(3.8)	34.9	(11.9)	(2.3)	(14.1)
Total	Domestic	38.9	(9.7)	29.1	47.2	(5.9)	41.3	(8.4)	(3.8)	(12.2)
	Overseas	29.8	(6.9)	23.0	86.7	(8.1)	78.6	(56.8)	1.2	(55.6)
	Total	68.7	(16.6)	52.1	133.9	(14.0)	119.9	(65.2)	(2.6)	(67.8)

(**)Results of "Overseas trading subsidiaries" which are included in the above "Overseas" are as follows:

	Apr - Sep 2009			Apr - Sep 2008			Increase (Decrease)		
	Profits	Losses	Total	Profits	Losses	Total	Profits	Losses	Total
Overseas trading subsidiaries	4.7	(0.3)	4.4	12.6	(0.1)	12.5	(7.9)	(0.2)	(8.1)

Major New Group Companies

Business Field	Name	Country	Voting Shares	Categories
Textile	MARUKO CO., LTD.	Japan	(26.5 %)	Manufacturing and sales of women's underwear
Textile	T.KAWABE & CO., LTD.	Japan	(25.3 %)	Manufacturing and sales of handkerchiefs
Food	TING HSIN (CAYMAN ISLANDS) HOLDING CORP.	Cayman	(20.0 %)	Holding company of food manufacture and sales, restaurants, and retail businesses
General Merchandise	YOKOHAMA RUSSIA LLC	Russia	(20.0 %)	Sales of tires

Performance of Group Companies (Impact of Net Income attributable to ITOCHU)

For the six months ended September 30, 2009 and 2008

Major Group Companies

(Unit: billion yen)

	Name	Shares	Method of Consolidation	Net Income attributable to ITOCHU (*1)				Categories
				Apr-Sep 2009		Apr-Sep 2008		
				2Q		2Q		
Textile	JOIX CORPORATION	100.0%	Consolidation	(0.4)	(0.5)	(0.2)	(0.1)	Manufacture, retail and sale of men's apparel
	SANKEI COMPANY LIMITED	90.5%	Consolidation	0.4	0.1	-	-	Sale of garment accessories
	Prominent Apparel Ltd. (*4) (Hong Kong)	100.0%	Consolidation	0.2	0.2	0.1	0.3	Production control and wholesale of textile and apparel
	ITOCHU TEXTILE (CHINA) CO., Ltd. (*5) (China)	100.0%	Consolidation	0.2	0.3	0.2	0.3	Production control and wholesale of textile materials, fabrics and apparel
Machinery	ITOCHU CONSTRUCTION MACHINERY CO., LTD.	100.0%	Consolidation	0.2	0.1	0.3	0.4	Sale and rental of construction machinery
	MCL Group Limited (*6) (U.K.)	100.0%	Consolidation	(0.6)	(0.7)	0.0	(0.2)	Warehousing, retail and financing of motor vehicles
	ITOCHU Automobile America Inc. (U.S.A.)	100.0%	Consolidation	(0.1)	(0.3)	(0.2)	(0.3)	Retail, distribution, and trade of motor vehicles
	Century Tokyo Leasing Corporation (*7)	20.6%	Equity	(*2)	(*2)	0.4	0.8	Lease, installment sale, business lease and other
ICT, Aerospace & Electronics (*3)	ITOCHU Techno-Solutions Corporation	52.6%	Consolidation	(*2)	(*2)	0.8	0.9	Sale and maintenance of computer network systems, customized development of software, data center service, and support
	Excite Japan Co., Ltd.	58.8%	Consolidation	(*2)	(*2)	(1.0)	(1.1)	Providing services of Internet information
	ITC NETWORKS CORPORATION	60.7%	Consolidation	0.6	0.9	0.4	0.6	Sale of mobile phone units, mobile phones related solution business
	NANO Media Inc.	51.3%	Consolidation	(*2)	(*2)	(0.1)	(0.1)	Content publishing, mobile site operation and application development
	SPACE SHOWER NETWORKS INC.	50.8%	Consolidation	0.0	0.0	0.1	0.1	Music channel on cable/satellite television
	ITOCHU Sanki Corporation	100.0%	Consolidation	0.2	0.2	0.1	0.1	Import/Export and domestic sale of industrial machinery
	JAMCO Corporation	33.3%	Equity	(*2)	(*2)	0.0	0.0	Maintenance of aircraft and manufacture of aircraft interior
	SUNCALL CORPORATION	25.8%	Equity	(*2)	(*2)	0.1	0.2	Manufacturing and sale of optical communication devices, electronic devices and assembly
Energy, Metals & Minerals	ITOCHU Metals Corporation	100.0%	Consolidation	0.1	0.2	0.6	1.0	Import/Export and wholesale of non-ferrous/light metals and recycle business mainly in metal products
	ITOCHU Petroleum Japan Ltd.	100.0%	Consolidation	(0.3)	0.2	0.4	2.1	Investment in companies of trade of crude oil and petroleum products
	ITOCHU ENEX CO., LTD.	52.3%	Consolidation	(*2)	(*2)	0.4	1.0	Wholesale of petroleum products and high-pressure gas
	ITOCHU Minerals & Energy of Australia Pty Ltd (*8) (Australia)	100.0%	Consolidation	7.9	14.5	36.3	51.5	Investment in projects of iron ore, coal and bauxite mining, manufacture of alumina and oil exploration
	ITOCHU Oil Exploration (Azerbaijan) Inc. (Cayman)	100.0%	Consolidation	1.0	1.4	(0.8)	11.7	Exploration and production of crude oil and gas
	Marubeni-Itochu Steel Inc.	50.0%	Equity	(1.6)	(0.9)	5.4	10.1	Import/Export and wholesale of steel products
Chemicals, Forest Products & General Merchandise	ITOCHU Kenzai Corp.	87.1%	Consolidation	0.4	0.1	0.3	0.3	Wholesale of wood products and building materials
	ITOCHU Pulp & Paper Corp.	100.0%	Consolidation	0.1	0.2	0.1	0.2	Wholesale of paper, paperboards and various paper materials
	ITOCHU CHEMICAL FRONTIER Corporation	99.8%	Consolidation	0.5	0.9	0.5	0.9	Wholesale of fine chemicals and related raw materials
	ITOCHU PLASTICS INC.	100.0%	Consolidation	0.5	0.8	0.7	1.2	Wholesale of plastics and related products
	C.I.Kasei Co., Ltd. (*9)	97.6%	Consolidation	0.8	1.8	0.0	0.2	Manufacture and sale of plastic products
	DAIKEN CORPORATION	20.5%	Equity	(*2)	(*2)	0.0	0.0	Manufacture and sale of building materials
	TAKIRON Co., Ltd.	27.1%	Equity	(*2)	(*2)	0.0	0.0	Manufacture, processing and sale of plastic products
Food	ITOCHU SHOKUHIN Co., Ltd.	50.8%	Consolidation	(*2)	(*2)	0.3	0.4	Wholesale of foods and liquor
	NIPPON ACCESS, INC.	69.8%	Consolidation	(*2)	(*2)	1.6	2.2	Wholesale and distribution of foods
	Yoshinoya Holdings Co., Ltd.	21.0%	Equity	(0.1)	(0.1)	(0.1)	0.0	Wide-ranging operation of food service business
	Japan Foods Co., Ltd.	34.8%	Equity	0.1	0.2	0.1	0.1	Production on consignment and sale of soft drinks
	Fuji Oil Co., Ltd.	25.7%	Equity	(*2)	(*2)	0.3	0.7	Integrated manufacturer of cooking oil and soybean protein
	FamilyMart Co., Ltd.	31.5%	Equity	1.9	3.1	2.0	3.5	Operation of a convenience store chain
	Prima Meat Packers, Ltd.	39.8%	Equity	(*2)	(*2)	0.5	1.1	Production and sale of meat, ham, sausage and processed foods
Finance, Realty, Insurance & Logistics Services	ITOCHU Finance Corporation	99.1%	Consolidation	0.0	(0.1)	0.2	0.4	Loan and other finance-related business
	CENTURY 21 REAL ESTATE OF JAPAN LTD.	59.2%	Consolidation	0.1	0.1	0.0	0.1	Headquarters of real estate franchise system
	FX PRIME Corporation	55.0%	Consolidation	(*2)	(*2)	0.3	0.6	Foreign exchange margin trade
	i-LOGISTICS CORP. (*9)	97.0%	Consolidation	0.0	1.8	0.1	0.1	Comprehensive logistics services
	Orient Corporation (*10)	32.6%	Equity	0.4	0.7	1.0	2.7	Consumer credit
Other	eGuarantee, Inc.	31.7%	Equity	(*2)	(*2)	0.0	0.0	B to B credit guarantee service
	Century Medical, Inc.	100.0%	Consolidation	0.1	0.2	0.1	0.2	Import and wholesale of medical equipment and materials
Overseas trading subsidiaries	ITOCHU International Inc. (*11) (U.S.A.)	100.0%	Consolidation	0.9	0.6	3.4	4.3	U.S. trading subsidiary
	ITOCHU Europe PLC. (*6) (U.K.)	100.0%	Consolidation	0.0	(0.3)	0.4	0.1	Europe trading subsidiary
	ITOCHU Hong Kong Ltd. (*4) (Hong Kong)	100.0%	Consolidation	0.5	0.9	0.9	1.4	Hong Kong trading subsidiary
	ITOCHU (China) Holding Co., Ltd. (*5) (China)	100.0%	Consolidation	0.5	0.7	1.0	1.9	China trading subsidiary
	ITOCHU Australia Ltd. (*8) (Australia)	100.0%	Consolidation	0.4	0.6	1.5	2.2	Australia trading subsidiary

(*1) Net income attributable to ITOCHU is the figure after adjusting to U.S. GAAP, which may be different from the figures each company announcement.

(*2) Refer to the results announced by each corresponding company, as their announcement dates are on and after ITOCHU's announcement date of the first half of Fiscal Year 2010.

(*3) As of April 1, 2009, Aerospace, Electronics & Multimedia Company was renamed to ICT, Aerospace & Electronics Company.

(*4) The above figure of ITOCHU Hong Kong Ltd. includes 40.0% of that of Prominent Apparel Ltd. and 30.0% of that of ITOCHU Finance (Asia) LTD.

(*5) The above figure of ITOCHU (China) Holding Co., Ltd. includes 40.0% of that of ITOCHU TEXTILE (CHINA) CO., Ltd.

(*6) The above figure of ITOCHU Europe PLC. includes 8.6% of that of MCL Group Limited.

(*7) As of April 1, 2009, Century Leasing System, Inc. and Tokyo Leasing Co., Ltd. were merged to be newly named as Century Tokyo Leasing Corporation.

(*8) The above figure of ITOCHU Australia Ltd. includes 3.7% of that of ITOCHU Minerals & Energy of Australia Pty Ltd.

(*9) C.I.Kasei Co., Ltd. and i-LOGISTICS CORP. have been acquired since this first quarter. The above figures of these two companies include the profit resulting from the obtaining control.

(*10) The above figure of Orient Corporation includes the related tax effect.

(*11) The above figure of ITOCHU International Inc. includes 80.0% of that of PrimeSource Building Products, Inc.

Performance of Group Companies (Impact of Net Income attributable to ITOCHU)

For the six months ended September 30, 2009 and 2008

Major Group Companies Reporting Profits

(Unit: billion yen)

Name	Segment (*12)	Shares	Net Income attributable to ITOCHU (*1)			Reasons for Changes
			2009 Apr-Sep	2008 Apr-Sep	Increase (Decrease)	
[Domestic subsidiaries]						
C.I.Kasei Co., Ltd.	(*9) Che	97.6%	1.8	0.2	1.7	Increase due to net profit resulting from obtaining control in the first quarter
i-LOGISTICS CORP.	(*9) Fin	97.0%	1.8	0.1	1.7	Increase due to net profit resulting from obtaining control in the first quarter
ITC NETWORKS CORPORATION	Ict	60.7%	0.9	0.6	0.3	Increase due to high commissions gained from communication carriers
ITOCHU CHEMICAL FRONTIER Corporation	Che	99.8%	0.9	0.9	(0.0)	Almost the same level resulting from both factors, declined market prices and reduced demand in the first quarter, and price rise and demand recovery in the second quarter
ITOCHU PLASTICS INC.	Che	100.0%	0.8	1.2	(0.4)	Decrease due to reduced demand for materials of cars, electronics, and semiconductors
IMEX Co., Ltd.	Mac	100.0%	0.6	0.5	0.1	Almost the same level due to good performance in chartered ship business
ITOCHU Oil Exploration Co., Ltd.	Ene	98.3%	0.4	0.2	0.2	Increase in dividend received from Sakhalin I investment company
[Overseas subsidiaries]						
ITOCHU Minerals & Energy of Australia Pty Ltd	(*8) (Australia) Ene	100.0%	14.5	51.5	(37.0)	Decrease due to price falls in metal resources and decreased sales volume in iron ore
PrimeSource Building Products, Inc.	(*11) (U.S.A.) Che	100.0%	1.5	3.9	(2.3)	Decrease due to slowdown in housing market in North America
ITOCHU Oil Exploration (Azerbaijan) Inc.	(Cayman) Ene	100.0%	1.4	11.7	(10.2)	Decrease due to oil price fall, reduction of entitlement, yen's appreciation, and increased costs
ITOCHU Singapore Pte, Ltd.	(Singapore) Ove	100.0%	1.0	1.0	(0.0)	Almost the same level due to reduced transactions in construction materials despite steady transactions in chemicals in Asia
ITOCHU Hong Kong Ltd.	(*4) (Hong Kong) Ove	100.0%	0.9	1.4	(0.5)	Decrease in equity in earnings of financial-related associated companies
ITOCHU Oil Exploration (BTC) Inc.	(Cayman) Ene	51.4%	0.8	0.5	0.3	Increase in dividends received from BTC Co. (See Note2)
ITOCHU (China) Holding Co., Ltd.	(*5) (China) Ove	100.0%	0.7	1.9	(1.2)	Decrease due to reduced transactions in chemicals, coal, and iron ore
ITOCHU Australia Ltd.	(*8) (Australia) Ove	100.0%	0.6	2.2	(1.6)	Decrease due to reduced profit from ITOCHU Minerals & Energy of Australia Pty Ltd.(See above)
ITOCHU International Inc.	(*11) (U.S.A.) Ove	100.0%	0.6	4.3	(3.7)	Decrease due to low performance in housing material, equipment material, and construction machinery businesses
ITOCHU Finance (Asia) LTD.	(*4) (Hong Kong) Fin	100.0%	0.4	1.3	(0.9)	Decrease due to the absence of dividends received associated with sale of asset held by funds for China bloc in the same period of the previous fiscal year
[Domestic equity-method associated companies]						
FamilyMart Co., Ltd.	Fod	31.5%	3.1	3.5	(0.4)	Decrease due to sales decrease from gradually weakened effect of Taspo cards, and bad weather
Brazil Japan Iron Ore Corporation	Ene	47.7%	1.0	-	1.0	Equity pick-up started since the first quarter as demand in iron ore is low
Orient Corporation	(*10) Fin	32.6%	0.7	2.7	(1.9)	Decrease in gain on sales of investment securities in addition to decreased profit resulting from loan balance reduction
[Overseas equity-method associated companies]						
TING HSIN (CAYMAN ISLANDS) HOLDING CORP.	(Cayman) Fod	20.0%	1.1	-	1.1	Equity pick-up started since the first quarter, and food manufacturing business mainly contributed to the profit

Major Group Companies Reporting Losses

(Unit: billion yen)

Name	Segment (*12)	Shares	Net Income attributable to ITOCHU (*1)			Reasons for Changes
			2009 Apr-Sep	2008 Apr-Sep	Increase (Decrease)	
[Domestic subsidiaries]						
ITOCHU Property Development, Ltd.	Fin	99.9%	(1.1)	1.0	(2.1)	Deficit due to the absence of a large-scale condominium sale recorded in the same period of the previous fiscal year as well as decreased sales volume
JOIX CORPORATION	Tex	100.0%	(0.5)	(0.1)	(0.4)	Worsened due to market slowdown in apparels
Daishin Plywood Co., Ltd.	Che	99.4%	(0.4)	0.0	(0.4)	Effect from reduced production due to weak domestic housing market
ITOCHU ELECTRONICS CORP.	Ict	92.1%	(0.3)	0.0	(0.3)	Decrease due to unprofitable contracts occurred in system development projects
ITOCHU HOUSING Co., Ltd.	Fin	100.0%	(0.3)	0.1	(0.4)	Decrease due to the absence of a large-scale condominium sale recorded in the same period of the previous fiscal year
[Overseas subsidiaries]						
ITOCHU Petroleum Co., (Hong Kong) Ltd.	(Hong Kong) Ene	100.0%	(0.8)	(1.8)	1.0	Improve due to the absence of loss recorded resulting from application of lower-of-cost-or-market method for inventory in the same period of the previous fiscal year despite slowdown in the uranium market
MCL Group Limited	(*6) (U.K.) Mac	100.0%	(0.7)	(0.2)	(0.5)	Decrease due to loss recorded from withdrawal from retail business
CIECO Energy (US) Limited	(U.S.A.) Ene	100.0%	(0.6)	0.3	(0.9)	Decrease due to price falls in oil and gas
ITC Nuclear Fuel Service (Cayman) Ltd.	(Cayman) Ene	100.0%	(0.5)	(0.1)	(0.4)	Worsened sales profit due to slowdown in the uranium market
ITOCHU Europe PLC.	(*6) (U.K.) Ove	100.0%	(0.3)	0.1	(0.3)	Decrease due to reduced transactions in chemicals and automobiles
ITOCHU Automobile America Inc.	(U.S.A.) Mac	100.0%	(0.3)	(0.3)	0.0	Almost the same level due to cost reduction despite the continuous decreased car sales resulting from recession in the U.S.
[Domestic equity-method associated companies]						
Japan Brazil Paper and Pulp Resources Development Co., Ltd	Che	25.9%	(1.4)	0.9	(2.3)	Decrease due to price fall in pulp
Marubeni-Itochu Steel Inc.	Ene	50.0%	(0.9)	10.1	(11.0)	Significantly worsened due to reduced demand for steel products both in Japan and overseas
Japan Medical Dynamic Marketing, INC.	Oth	30.0%	(0.7)	0.4	(1.1)	Worsened due to disposal loss of inventory despite the profit associated with new acquisition in the same period of the previous fiscal year

(*12) Tex : Textile, Mac : Machinery, Ict : ICT, Aerospace & Electronics, Ene : Energy, Metals & Minerals, Che : Chemicals, Forest Products & General Merchandise, Fod : Food,

Fin : Finance, Realty, Insurance & Logistics Services, Ove : Overseas trading subsidiaries, Oth : Other

Note1 : Please refer to the bottom of page 24 for detail of (*1)-(*11)

Note2 : Baku-Tbilisi-Ceyhan Pipeline Company

Performance of Group Companies (Impact of Net Income attributable to ITOCHU)

For the three months ended September 30, 2009 and 2008

Major Group Companies Reporting Profits

(Unit: billion yen)

Name	Segment (*12)	Shares	Net Income attributable to ITOCHU (*1)			Reasons for Changes
			2009 Jul-Sep	2008 Jul-Sep	Increase (Decrease)	
[Domestic subsidiaries]						
C.I.Kasei Co., Ltd.	(*9) Che	97.6%	0.8	0.0	0.8	Increase resulting from CGS and SG&A reduction
i-LOGISTICS CORP.	(*9) Fin	97.0%	0.0	0.1	(0.1)	Decrease due to reduced transaction of freight
ITC NETWORKS CORPORATION	Ict	60.7%	0.6	0.4	0.2	Increase due to high commissions gained from communication carriers
ITOCHU CHEMICAL FRONTIER Corporation	Che	99.8%	0.5	0.5	0.0	Almost the same level despite demand recovery
ITOCHU PLASTICS INC.	Che	100.0%	0.5	0.7	(0.2)	Decrease due to reduced demand for materials of cars, electronics, and semiconductors
IMEX Co., Ltd.	Mac	100.0%	0.4	0.4	(0.0)	Almost the same level due to good performance in chartered ship business
ITOCHU Oil Exploration Co., Ltd.	Ene	98.3%	0.0	0.1	(0.1)	Almost the same level
[Overseas subsidiaries]						
ITOCHU Minerals & Energy of Australia Pty Ltd	(*8) (Australia) Ene	100.0%	7.9	36.3	(28.4)	Significant decrease due to price falls in metal resources in addition to retroactive adjustment of iron ore price determined in the same period of the previous fiscal year, despite improved foreign currency exchange gain/loss in energy sector
PrimeSource Building Products, Inc.	(*11) (U.S.A.) Che	100.0%	1.0	2.5	(1.5)	Decrease due to slowdown in housing market in North America
ITOCHU Oil Exploration (Azerbaijan) Inc.	(Cayman) Ene	100.0%	1.0	(0.8)	1.8	Increase in entitlement through concentrated deliveries in the second quarter, despite decrease in overall contractual entitlement
ITOCHU Singapore Pte, Ltd.	(Singapore) Ove	100.0%	0.4	0.5	(0.1)	Decrease due to reduced transactions in construction materials
ITOCHU Hong Kong Ltd.	(*4) (Hong Kong) Ove	100.0%	0.5	0.9	(0.3)	Decrease due to reduced transactions in chemicals, coal, and iron ore
ITOCHU Oil Exploration (BTC) Inc.	(Cayman) Ene	51.4%	0.6	0.5	0.0	Almost the same level due to steady dividends received from BTC Co. (See Note2)
ITOCHU (China) Holding Co., Ltd.	(*5) (China) Ove	100.0%	0.5	1.0	(0.5)	Decrease due to reduced transactions in chemicals, coal, and iron ore
ITOCHU Australia Ltd.	(*8) (Australia) Ove	100.0%	0.4	1.5	(1.1)	Decrease due to reduced profit from ITOCHU Minerals & Energy of Australia Pty Ltd.(See above)
ITOCHU International Inc.	(*11) (U.S.A.) Ove	100.0%	0.9	3.4	(2.5)	Decrease due to low performance in housing material, equipment material, and construction machinery businesses
ITOCHU Finance (Asia) LTD.	(*4) (Hong Kong) Fin	100.0%	0.0	1.3	(1.2)	Decrease due to the absence of dividends received associated with sale of asset held by funds for China bloc in the same period of the previous fiscal year
[Domestic equity-method associated companies]						
FamilyMart Co., Ltd.	Fod	31.5%	1.9	2.0	(0.1)	Decrease due to sales decrease from gradually weakened effect of Taspo cards, and bad weather
Brazil Japan Iron Ore Corporation	Ene	47.7%	0.9	-	0.9	Equity pick-up started since the first quarter as demand in iron ore is low
Orient Corporation	(*10) Fin	32.6%	0.4	1.0	(0.7)	Decrease in profit resulting from loan balance reduction
[Overseas equity-method associated companies]						
TING HSIN (CAYMAN ISLANDS) HOLDING CORP.	(Cayman) Fod	20.0%	0.6	-	0.6	Equity pick-up started since the first quarter, and food manufacturing business mainly contributed to the profit

Major Group Companies Reporting Losses

(Unit: billion yen)

Name	Segment (*12)	Shares	Net Income attributable to ITOCHU (*1)			Reasons for Changes
			2009 Jul-Sep	2008 Jul-Sep	Increase (Decrease)	
[Domestic subsidiaries]						
ITOCHU Property Development, Ltd.	Fin	99.9%	(0.3)	(0.9)	0.6	Deficit due to reduced sales volume despite improvement of condominium and land sales
JOYX CORPORATION	Tex	100.0%	(0.4)	(0.2)	(0.2)	Worsened due to market slowdown in apparels
Daishin Plywood Co., Ltd.	Che	99.4%	(0.2)	0.0	(0.2)	Effect from reduced production due to weak domestic housing market
ITOCHU ELECTRONICS CORP.	Ict	92.1%	(0.3)	0.0	(0.3)	Decrease due to unprofitable contracts occurred in system development projects
ITOCHU HOUSING Co., Ltd.	Fin	100.0%	(0.1)	0.0	(0.1)	Decrease due to reduced sales and service fees from low brokerage performance
[Overseas subsidiaries]						
ITOCHU Petroleum Co., (Hong Kong) Ltd.	(Hong Kong) Ene	100.0%	0.0	(1.8)	1.8	Improve due to the absence of loss recorded resulting from application of lower-of-cost-or-market method for inventory in the same period of the previous fiscal year
MCL Group Limited	(*6) (U.K.) Mac	100.0%	(0.6)	0.0	(0.6)	Decrease due to loss recorded from withdrawal from retail business
CIECO Energy (US) Limited	(U.S.A.) Ene	100.0%	(0.4)	0.3	(0.7)	Decrease due to price falls in oil and gas
ITC Nuclear Fuel Service (Cayman) Ltd.	(Cayman) Ene	100.0%	0.6	0.2	0.4	Increase due to good performance despite slowdown in the uranium market
ITOCHU Europe PLC.	(*6) (U.K.) Ove	100.0%	0.0	0.4	(0.4)	Decrease due to reduced transactions in chemicals and automobiles
ITOCHU Automobile America Inc.	(U.S.A.) Mac	100.0%	(0.1)	(0.2)	0.1	Almost the same level due to cost reduction despite the continuous decreased car sales resulting from recession in the U.S.
[Domestic equity-method associated companies]						
Japan Brazil Paper and Pulp Resources Development Co., Ltd	Che	25.9%	(1.1)	0.0	(1.1)	Decrease due to price fall in pulp
Marubeni-Itochu Steel Inc.	Ene	50.0%	(1.6)	5.4	(7.0)	Significantly worsened due to reduced demand for steel products both in Japan and overseas
Japan Medical Dynamic Marketing, INC.	Oth	30.0%	(0.7)	0.4	(1.1)	Worsened due to disposal loss of inventory despite the profit associated with new acquisition in the same period of the previous fiscal year

(*12) Tex : Textile, Mac : Machinery, Ict : ICT, Aerospace & Electronics, Ene : Energy, Metals & Minerals, Che : Chemicals, Forest Products & General Merchandise, Fod : Food,

Fin : Finance, Realty, Insurance & Logistics Services, Ove : Overseas trading subsidiaries, Oth : Other

Note 1 : Please refer to the below of page 24 for detail of (*1)-(*11)

Note 2 : Baku-Tbilisi-Ceyhan Pipeline Company

6. Quarterly Information on Consolidated Operating Results

Consolidated Statements of Income

(Unit: billion yen)

	Fiscal Year 2009 ended March 31, 2009					Fiscal Year 2010 ending March 31, 2010				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Revenue	728.9	767.9	1,033.2	889.2	3,419.1	767.2	883.8			1,651.1
Gross trading profit	247.7	294.4	282.5	236.0	1,060.5	206.3	233.7			440.0
Selling, general and administrative expenses	(178.9)	(186.5)	(204.7)	(198.0)	(768.1)	(189.4)	(192.6)			(382.0)
Provision for doubtful receivables	(0.7)	(11.7)	(0.1)	(4.2)	(16.7)	(3.9)	(0.5)			(4.3)
Interest income	4.4	3.9	4.2	3.6	16.3	2.5	2.7			5.2
Interest expense	(11.8)	(11.1)	(11.8)	(11.0)	(45.7)	(9.0)	(9.4)			(18.4)
Dividends received	10.4	7.5	9.3	7.9	35.0	5.9	4.4			10.4
Gain (loss) on investments-net	5.9	(0.9)	(18.6)	(9.5)	(23.1)	2.8	2.4			5.2
Gain (loss) on property and equipment-net	1.1	(1.9)	(34.3)	(10.3)	(45.4)	2.3	(0.4)			2.0
Gain on bargain purchase in acquisition	-	-	-	-	-	9.1	-			9.1
Other-net	(2.2)	(0.3)	(7.1)	5.1	(4.5)	1.6	0.9			2.6
Income before income taxes and equity in earnings of associated companies	75.9	93.4	19.4	19.6	208.3	28.4	41.3			69.6
Income taxes	(31.3)	(30.2)	(8.8)	(2.5)	(72.8)	(15.9)	(15.3)			(31.2)
Income before equity in earnings (losses) of associated companies	44.6	63.2	10.6	17.1	135.5	12.5	26.0			38.4
Equity in earnings (losses) of associated companies	18.9	16.0	15.7	(9.4)	41.3	9.4	11.4			20.8
Net income	63.5	79.2	26.3	7.8	176.8	21.9	37.3			59.2
Net income attributable to the noncontrolling interest	(1.0)	(2.6)	(2.8)	(5.1)	(11.4)	(1.4)	(2.4)			(3.9)
Net income attributable to ITOCHU	62.5	76.7	23.6	2.7	165.4	20.4	34.9			55.3

Segment Information

(Unit: billion yen)

	Fiscal Year 2009 ended March 31, 2009					Fiscal Year 2010 ending March 31, 2010				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Textile										
Gross trading profit	21.8	25.1	27.4	28.3	102.6	20.4	25.2			45.6
Net income attributable to ITOCHU	9.8	3.4	3.1	6.6	22.9	0.8	6.3			7.1
Machinery										
Gross trading profit	20.4	24.9	21.5	5.0	71.9	11.5	12.5			24.0
Net income attributable to ITOCHU	0.8	2.8	(6.7)	(12.5)	(15.5)	(0.4)	4.4			4.0
ICT, Aerospace & Electronics										
Gross trading profit	28.2	32.8	33.0	44.8	138.9	28.7	33.0			61.7
Net income attributable to ITOCHU	0.9	1.0	0.7	5.4	8.0	(0.6)	1.8			1.2
Energy, Metals & Minerals										
Gross trading profit	43.2	68.2	72.9	37.9	222.3	25.1	32.4			57.6
Net income attributable to ITOCHU	32.3	54.1	16.3	12.0	114.7	5.6	20.5			26.1
Metals & Minerals										
Gross trading profit	23.4	53.9	22.3	11.1	110.7	9.9	11.9			21.9
Net income attributable to ITOCHU	19.4	43.6	17.1	3.7	83.8	5.9	10.8			16.7
Energy										
Gross trading profit	19.9	14.3	50.6	26.8	111.6	15.2	20.5			35.7
Net income attributable to ITOCHU	12.9	10.6	(0.9)	8.3	30.9	(0.3)	9.7			9.4
Chemicals, Forest Products & General Merchandise										
Gross trading profit	29.7	35.2	26.9	22.4	114.3	23.6	28.3			51.8
Net income attributable to ITOCHU	5.2	8.0	5.0	0.8	19.0	2.2	5.9			8.1
Forest Products & General Merchandise										
Gross trading profit	16.3	20.8	16.7	12.2	66.0	9.9	12.4			22.3
Net income attributable to ITOCHU	1.6	4.3	5.1	1.0	12.0	(0.6)	1.2			0.5
Chemicals										
Gross trading profit	13.5	14.4	10.1	10.3	48.3	13.7	15.9			29.6
Net income attributable to ITOCHU	3.6	3.7	(0.1)	(0.2)	7.0	2.8	4.8			7.6
Food										
Gross trading profit	80.6	89.2	85.9	79.9	335.6	82.5	88.8			171.3
Net income attributable to ITOCHU	5.7	6.8	6.1	1.7	20.2	13.0	5.5			18.5
Finance, Realty, Insurance & Logistics Services										
Gross trading profit	12.7	9.9	10.7	8.8	42.0	7.9	8.9			16.7
Net income attributable to ITOCHU	2.3	4.3	(2.8)	(5.1)	(1.2)	2.0	0.3			2.3
Finance, Insurance & Logistics Services										
Gross trading profit	5.5	6.2	5.4	5.1	22.3	4.7	4.9			9.6
Net income attributable to ITOCHU	1.2	2.6	(1.7)	(6.6)	(4.4)	2.5	0.9			3.4
Realty										
Gross trading profit	7.2	3.6	5.2	3.8	19.8	3.1	4.0			7.1
Net income attributable to ITOCHU	1.1	1.7	(1.1)	1.5	3.2	(0.5)	(0.5)			(1.0)
Other, Adjustments & Eliminations										
Gross trading profit	11.0	9.0	4.2	8.8	33.0	6.7	4.7			11.4
Net income attributable to ITOCHU	5.4	(3.7)	1.7	(6.2)	(2.8)	(2.2)	(9.9)			(12.1)

Note:

In the first quarter of this fiscal year, SFAS160(codified ASC Topic 810) was applied. For detail, please refer to "New Accounting Pronouncements" on (11), page 22.