## Financial topics for FY 2011

Net income attributable to ITOCHU increased by \forall 32.8 bil. to \forall 161.0 bil. Also, "Adjusted profit" increased by \forall 138.6 bil. or 1.7 times to \forall 332.9 bil. compared with the prev. FY. Losses from special factors in this fiscal year(after tax effect, net of related profits) includes business-related losses of ¥41.4 bil.(liquidation, fixed assets impairment, and impairment losses on investments and others), impairment losses on fixed assets and investments and others of ¥9.7 bil., and inventory-related and fixed-asset-related losses of ¥6.2 bil. due to the Great East Japan Earthquake. For the income by segment, "Ener., Met. & Min." increased by ¥43.6 bil. to ¥109.2 bil. "Chem., FP & GM," "ICT, Aero. & Elec.," and "Mach." increased to ¥26.0 bil., ¥9.8 bil., and ¥8.1 bil. compared with the prev. FY. "Textile" and "Food" decreased but still recorded ¥15.3 bil. and ¥22.4 bil. respectively. The result of "Food" includes the losses resulting from the Great East Japan

Earthquake. "Fin., Rlty., Insur. & LS" recorded net loss of ¥13.2 bil. Share of "Net income attributable to ITOCHU" by sector: Natural Resource/Energy-Related, 68% (¥109.2 bil.), Consumer-Related, 30% (¥49.2 bil.), and Others, 2% (¥2.6 bil.)

· Net income of subsidiaries and associated companies, total of group companies including overseas trading subsidiaries reached record-high ¥190.2 bil. Also, profits from group companies reporting profits reached record-high \(\frac{4}{227.8}\) bil.

• ITOCHU stockholders' equity increased by \(\frac{456.4}{256.4}\) bil. to \(\frac{41}{31.54.8}\) bil. compared with the prev. FY end. Ratio of stockholders' equity to total assets recorded 20.4%. NET DER recorded 1.4 times.

Consolidated Financial	ENGOLI	ENZONIO	Increase	G	Outlook for	FY 2012
Results of Operations	FY2011	FY2010	(Decrease)	Summary of changes from the previous fiscal year		Increase (Decrease)
D	2 (40 7	2.416.6	233.0	• Revenue: Increase in Ener., Met. & Min. due to higher prices for mineral resources and for oil &		(Decrease
Revenue	3,649.7	3,416.6	116.9	gas; and in Textile due to the acquisitions of JAVA HOLDINGS CO., LTD. and LEILIAN CO.,	1.050.0	0.7
Gross trading profit	1,041.3	924.4	116.9	LTD. in the 2nd half of the prev. FY; and in Chem., FP & GM due to strong transactions in	1,050.0	8.7
Selling, general and				chemicals and to higher prices for both natural rubber and pulp.		
administrative expenses	(775.8)	(769.9)	(5.9)	• Gross trading profit: (Incr/Decr fields & business)	(730.0)	45.8
Provision for doubtful receivables	(9.4)	(7.0)	(2.4)	Textile/Incr(102.7→128.3): Increase due to acquisitions of JAVA HOLDINGS CO., LTD. and LEILIAN CO., LTD.	-	9.4
Net interest expense	(16.7)	(25.3)	8.6	Machinery/Incr(43.3→51.1): Increase due to recovery in automobile transactions	(20.0)	(3.3
Dividends received	23.5	28.9	(5.4)	ICT, Aerospace & Electronics/Decr(136.4→134.0): Decrease due to less transactions in domestic	20.0	(3.5
Net financial income	6.8	3.6	3.2	ICT-related businesses	0.0	(6.8
,				Energy, Metals & Minerals/Incr(141.6→212.1): Increase due to higher prices for mineral resources	)	(0.0)
Loss on investments-net	(38.1)	(4.5)	(33.7)	and oil & gas		
Loss on property and equipment-net	(33.7)	(8.5)	(25.2)	Chemicals, Forest Products & General Merchandise/Incr(110.1→118.3): Increase due to strong	(*)(20.0)	60.8
Gain on bargain purchase in acquisition	-	14.0	(14.0)	transactions in chemicals, gains in prices for both natural rubber and pulp, and to higher		
Other-net	(8.9)	3.0	(11.9)	transactions for the sales of tyres in Europe Food/Almost the same level(335.5→335.9): Almost the same level due to increase in transaction		
Total other expenses	(859.2)	(769.4)	(89.8)	volume for food distribution sector, despite the inventory-related losses as a result of the Great East	(750.0)	109.
Income before income taxes and equity		/	, ,	Japan Earthquake	` ′	
in earnings of associated companies	182.1	155.0	27.1	Finance, Realty, Insurance & Logistics Services/Incr(35.6→37.9): Increase due to the improved	300.0	117.
Income taxes	(68.5)	(51.6)	(16.9)	losses on lower-of-cost-or-market of real-estate for sale and to the strong sales for condominiums,	(120.0)	(51.
Income before equity in earnings of associated companies	113.6	103.4	10.2	despite making a real estate-related subsidiary an equity-method associated company in the	180.0	66.4
Equity in earnings of associated companies	60.6	36.3	24.3	previous Fiscal year	80.0	19.4
Net income	174.2	139.7	34.5	<ul> <li><u>SG &amp; A</u>: Increase by ¥5.9 bil. due to the acquisitions of two companies mentioned above in the Textile Company, which offset cost reductions at existing consolidated companies, a reduction in</li> </ul>	260.0	85.3
Less: Net income attributable to	(13.2)	(11.5)	(1.7)	costs stemming from the de-consolidation of certain subsidiaries and a decline in pension cost	(20.0)	(6.3
the noncontrolling interest	_ ` /	<u> </u>	32.8	resulting from improved performance of pension asset management	_ ` ′	
Net income attributable to ITOCHU	161.0	128.2	32.8	• Provision for doubtful receivables: Increase due to write-off of loans accompanying disposal	240.0	79.
(Reference)				of regional enterprises in North America		
Total trading transactions	11,392.6	10,306.8	1,085.8	• Net financial income: Improvement of net interest expenses due to decline in U.S. dollars and	12,000.0	607.
Gross trading profit ratio	9.1%	9.0%	0.2%	yen interest rates, despite decrease by 7.4 in dividends received from oil & gas-related investments	(8.8%)	
Adjusted profit (Note 1)	332.9	194.3	138.6	<ul> <li>Loss on investments-net: Net gain (loss) on sales of investments -17.4, business-related losses and others(including impairment losses on investments in the preferred stocks which were</li> </ul>	400.0	67.
Note 1) Adjusted profit = Gross trading profit	it + SG&A expense	es + Net financial	income	issued by Orient Corporation (hereafter "Orico") -16.7, impairment loss on investments +0.5		
+ Equity in earnin	gs of associated co	mpanies		• Loss on property and equipment-net: Increase in impairment loss -25.2 due to impairment losses		
G 111 161 1 166				on oil & gas assets in Australia and the U.S., and other properties, losses due to the Great East		
Consolidated Statements of Comp			21.7	Japan Earthquake -3.4, net gain (loss) on sales of property and equipment and others +3.3	Dividend In	
Net income	174.2	139.7	34.5	Gain on bargain purchase in acquisition:  Absence of the non-recurring gain recorded due to the	(Per S	nare)
Other comprehensive income (loss) (net of tax)				acquisitions of three subsidiaries in the previous fiscal year	FY 2011	FY 201
Foreign currency translation adjustments	(64.2)	96.4	(160.6)	Other-net: Due to losses on disposal of three regional enterprises and business reconstruction costs on equipment-material-related businesses in North America	Annual	Annual
Pension liability adjustments	` ′	19.7	(27.3)	Equity in earnings of assoc. co.: Brazil Japan Iron Ore Corporation +8.9, Equity-method	(Planned)	(Planned)
, ,	(7.6)		` ′	associated companies of IMEA +6.5, Yoshinoya Holdings Co., Ltd[Absence of impairment loss on	18.0 yen	33.0 ye
Unrealized holding gains on securities	12.1	27.9	(15.7)	investment recorded in the prev. FY(Note.3)] +5.9, Orico(Note.2)[Net of impairment loss on	(Paid)	(Paid)
On securities Unrealized holding gains on derivative instruments	1.5	3.5	(2.0)	investment and gain on changes in equity interests(Note.3)] +4.8, Japan Brazil Paper and Pulp	9.0 yen	16.5 yes
Total other comprehensive income (loss) (net of tax)	(58.2)	147.5	(205.7)	Resources Development Co., Ltd. +4.1, Marubeni-Itochu Steel Inc. +4.1, Prima Meat Packers, Ltd.		
	116.0	287.2	(171.2)	(Note.2)[Impairment loss on investment recorded in this year(Note.3)] -5.6, TING HSIN		
Comprehensive income Comprehensive income attributable			` ′	(CAYMAN ISLANDS) HOLDING CORP2.8  (Note 2) Refer to the results to be announced by each corresponding company, as their announcement dates are on		
to the noncontrolling interest	(10.2)	(13.9)	3.7	and after ITOCHU's announcement date of FY 2011.		
Comprehensive income	105.8	273.3	(167.5)	(Note 3) Income tax effect on the impairment loss and gain on changes in equity interests is not included		

Components of Net income attributable to ITOCHU	FY2011	FY2010	Increase (Decrease)
Parent company	74.2	63.5	10.7
Group companies	181.3	118.4	62.9
Overseas trading subsidiaries	8.9	7.9	1.1
Consolidation adjustments	(103.5)	(61.6)	(41.8)
Net income attributable to ITOCHU	161.0	128.2	32.8

105.8

273.3 (167.5)

70.1 Share of earnings from overseas 83% 55% (Note 4)"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 branches of parent company and the companies established in Japan for

specific overseas business whose sources of revenue are in overseas.

Components of Net income attributable to ITOCHU (43.7) (59.0)(61.6)FY 2007 FY 2008 FY 2009 FY 2010 FY 2011

1943

128.

FY 2010

161.0

FY 2011

332.9 :Adjusted profi

attributable to

ITOCHU

(Note 3) Income tax effect on the impairment loss and gain on changes in equity interests is not included.

165.4

FY 2009

Net income attributable to ITOCHU and Adjusted profit

333.7

240.8

Operating Segment	Net income			
Information	FY2011	FY2010	Increase (Decrease)	
			· ·	D 1

## [Net income attributable to ITOCHU] Summary of changes from the previous fiscal year

			(Decrease)	
Textile	15.3	22.4	(7.1)	Decrease due to the absence of the non-recurring gain in the previous fiscal year and to the losses on liquidation of a subsidiary in apparel-related businesses
Machinery	8.1	3.7	4.4	Increase due to higher gross trading profit, despite a valuation loss on marketable securities and lower equity in earnings of associated companies
ICT, Aerospace & Electronics	9.8	6.0	3.8	Increase due to cost reductions and higher equity in earnings of associated companies
Energy, Metals & Minerals	109.2	65.7	43.6	Significant increase due to increase in gross trading profit in mineral resources, to increase in gain on property and equipment net from the sale of coal interests, and to higher equity in earnings of associated companies, despite the impairment losses on oil & gas assets in Australia and the U.S.
Chemicals, Forest Products & General Merchandise	26.0	19.3	6.7	Increase due to higher gross trading profit and higher equity in earnings of associated companies, despite the absence of the gain on bargain purchase in acquisition of C.I. Kasei Co., Ltd. in the previous fiscal year
Food	22.4	27.8	(5.4)	Decrease due to the losses as a result of the Great East Japan Earthquake and to lower equity in earnings of associated companies, despite increase in transaction volume for food distribution sector and cost reductions
Finance, Realty, Insurance & Logistics Services	(13.2)	(4.2)	(8.9)	Deterioration due to the impairment losses on common stock and preferred stock of Orico and to the restructuring of finance-related affiliates, despite increase in gross trading profit and cost reductions
Other, Adjustments & Eliminations	(16.7)	(12.4)	(4.2)	Deterioration due to the losses on disposal of three regional enterprises and business reconstruction costs on equipment-material-related businesses in North America as well as the impairment losses on investment securities, and the impairment losses on property and equipment-net, despite higher transactions for solar-related and life-care-related businesses and the improvement of personnel expenses including the pension costs
Total	161.0	128.2	32.8	

P/L of Group Companies Reporting Profits/Losses	FY2011	FY2010	Increase (Decrease)	<b>Group Companies</b>	FY2011	FY2010	
				(Major Group Companies)		(C): Consolidated	l sub
Group co. reporting profits	227.8	166.2	61.6	ITOCHU Minerals & Energy <sub>(C)</sub>	80.1	34.1	D
Group companies reporting profits	213.1	156.6	56.6	of Australia Pty Ltd (IMEA)	80.1	34.1	hi lo
Overseas trading subsidiaries reporting profits	14.7	9.7	5.0	Brazil Japan Iron Ore (E)	12.9	4.0	D
Group co. reporting losses	(37.6)	(40.0)	2.4	Corporation	12.9	4.0	pr
Group companies reporting losses	(31.9)	(38.2)	6.3	ITOCHU Oil Exploration	11.0	6.9	_
Overseas trading subsidiaries reporting losses	(5.7)	(1.8)	(3.9)	(Azerbaijan) Inc.	11.8	6.9	D
Total	190.2	126.3	63.9	ITOCHU International Inc. (C)	(5.6)	(1.7)	Du
Share of group co. reporting profits	78.1%	71.9%	6.2%	110CHU international inc. (C)	(5.6)	(1.7)	Am
Number of group co. reporting profits	307	297	10		(4.3)	(1.7)	D
Total number of group co. reporting	393	413	(20)	ITOCHU Finance Corporation(C)	(4.3)	(1.7)	re
(Note 5)The number of companies direct	ly invested by IT	OCHU or its ove	rseas trading subs	idiaries are shown above.		•	

the previous fiscal year bsidiary, (E): Equity-method associated company Due to higher prices for mineral resources and to igher unit sales of iron ore, despite impairment osses on oil & gas assets Due to higher sales volume as well as higher orices Due to higher oil prices

Due to losses on disposal of three regional enterprises and business econstruction costs on equipment-material-related businesses in North America, despite recovery of construction machinery-related business Due to losses accompanying operational

Summary of changes from

estructuring

Financial Position	Mar. 2011	Mar. 2010	Increase (Decrease)	Summary of changes from the previous fiscal year end	Outlook for March 31, 2012
Total assets	5,673.7	5,476.8	196.8	Total assets / Increased due to an increase in cash and cash equivalents, and increase in inventories and trade receivables	6,400.0
Interest-bearing debt	2,268.4	2,209.3	59.1	in Chem, FP & GM Co., and Food Co., due to improved market conditions, while there was a decrease in property and equipment due to impairment of fixed assets in energy and other fields. Also, investments increased due to new	2,700.0
Net interest-bearing debt	1,633.2	1,726.1	(92.9)	investments in resource companies with interests in uranium in Ener., Met. & Min. Co. and in automobile companies, and in power generation operations in North America, as well as to investments in Chinese food business through a joint	2,200.0
ITOCHU stockholders' equity	1,154.8	1,098.4	56.4	holding company, which was established as the Company's subsidiary with Asahi Breweries, Ltd.  ITOCHU stockholders' equity / Increased due to increase in Net income attributable to ITOCHU and in net unrealized	1,350.0
Total equity	1,397.5	1,311.4	86.2	holding gains on securities, despite decrease from dividends payment, deterioration in foreign currency translation adjustments because of the yen's appreciation, and decrease in Capital surplus due to the purchase of additional shares of	1,590.0
Ratio of stockholders' equity to total assets	20.4%	20.1%	0.3%	the common stock of NIPPON ACCESS, INC., a subsidiary, which was accounted for as an equity transaction. As a	21.1%
Net debt-to-equity ratio (times)	1.41	1.57	0.16 improved	result, "Ratio of stockholder's equity to total assets" (Note 6) increased by 0.3 points from March 31, 2010, to 20.4%, "NET DER"(Note 6) was 1.4 times.	1.6

Cash Flows	FY2011	FY2010	Summary of Cash Flows for FY 2011							
Operating activities	336.9	295.4	Operating: Net cash-inflow, which was attributable to strong operating revenue related to overseas natural resources and food							
			Investing: Net cash-outflow mainly due to additional capital expenditures and purchase of interests in overseas natural resource development							
Investing activities	(230.4)	(196.3)	sector, investments in resource companies with interests in uranium, as well as purchase of investment assets in relation to an establishment of a joint holding company with Asahi Breweries, Ltd. for Chinese food business							
Financing activities	52.9	(259.0)								
Cash and cash equivalents	630.7	475.7	Financing: Net cash-inflow mainly due to a cash-inflow of an equity transaction in relation to the establishment of the joint holding company mentioned above and increasing funding for new investments despite the purchase of shares of the common stock of NIPPON ACCESS, INC.,							
Increase (Decrease)	155.0	(153.1)	a subsidiary, and dividends payment.							

Major Indicates		FY2011	FY2010	Variances	Major Indicates		FY2011	FY2010	Variances
_ Mar. closing Average (AprMar.)		86.54	93.36	(6.82)	Interest, JPY T	Interest, JPY TIBOR 3M, average (AprMar.)		0.528%	(0.165%)
Foreign	March 31st	Mar11 83.15	Mar10 93.04	(9.89)	Interest, US\$ LIBOR 3M, average (JanDec.)		0.344%	0.686%	(0.342%)
exchange (Yen/US\$) Dec. closing	Average (JanDec.)	88.27	93.54	(5.27)	Crude oil (Brent),	(AprMar.)	87.24	70.39	16.85
	December 31st	Dec10 81.49	Dec09 92.10	(10.61)	average (US\$/BBL)	(JanDec.)	80.25	62.49	17.76