

## Financial topics for FY 2011

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

- Net income attributable to ITOCHU increased by ¥32.8 bil. to ¥161.0 bil. Also, "Adjusted profit" increased by ¥138.6 bil. or 1.7 times to ¥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 ¥8.1bil. 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 ¥227.8 bil.
- ITOCHU stockholders' equity increased by ¥56.4 bil. to ¥1,154.8 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 Results of Operations

	FY2011	FY2010	Increase (Decrease)
Revenue	3,649.7	3,416.6	233.0
Gross trading profit	1,041.3	924.4	116.9
Selling, general and administrative expenses	(775.8)	(769.9)	(5.9)
Provision for doubtful receivables	(9.4)	(7.0)	(2.4)
Net interest expense	(16.7)	(25.3)	8.6
Dividends received	23.5	28.9	(5.4)
Net financial income	6.8	3.6	3.2
Loss on investments-net	(38.1)	(4.5)	(33.7)
Loss on property and equipment-net	(33.7)	(8.5)	(25.2)
Gain on bargain purchase in acquisition	-	14.0	(14.0)
Other-net	(8.9)	3.0	(11.9)
Total other expenses	(859.2)	(769.4)	(89.8)
Income before income taxes and equity in earnings of associated companies	182.1	155.0	27.1
Income taxes	(68.5)	(51.6)	(16.9)
Income before equity in earnings of associated companies	113.6	103.4	10.2
Equity in earnings of associated companies	60.6	36.3	24.3
Net income	174.2	139.7	34.5
Less: Net income attributable to the noncontrolling interest	(13.2)	(11.5)	(1.7)
Net income attributable to ITOCHU	161.0	128.2	32.8

(Reference)

	FY2011	FY2010	Increase (Decrease)
Total trading transactions	11,392.6	10,306.8	1,085.8
Gross trading profit ratio	9.1%	9.0%	0.2%
Adjusted profit (Note 1)	332.9	194.3	138.6

(Note 1) Adjusted profit = Gross trading profit + SG&amp;A expenses + Net financial income + Equity in earnings of associated companies

## Consolidated Statements of Comprehensive Income

	FY2011	FY2010	Increase (Decrease)
Net income	174.2	139.7	34.5
Other comprehensive income (loss) (net of tax)	(64.2)	96.4	(160.6)
Foreign currency translation adjustments	(64.2)	96.4	(160.6)
Pension liability adjustments	(7.6)	19.7	(27.3)
Unrealized holding gains on securities	12.1	27.9	(15.7)
Unrealized holding gains on derivative instruments	1.5	3.5	(2.0)
Total other comprehensive income (loss) (net of tax)	(58.2)	147.5	(205.7)
Comprehensive income	116.0	287.2	(171.2)
Comprehensive income attributable to the noncontrolling interest	(10.2)	(13.9)	3.7
Comprehensive income attributable to ITOCHU	105.8	273.3	(167.5)

## 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

Earnings from overseas businesses (Note 4)	133.8	70.1	63.7
Share of earnings from overseas businesses	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.

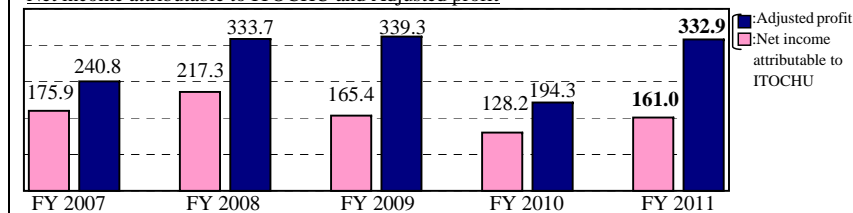
## Summary of changes from the previous fiscal year

- Revenue:** Increase in Ener., Met. & Min. due to higher prices for mineral resources and for oil & gas; and in Textile due to the acquisitions of JAVA HOLDINGS CO., LTD. and LEILIAN CO., LTD. in the 2nd half of the prev. FY; and in Chem., FP & GM due to strong transactions in chemicals and to higher prices for both natural rubber and pulp.
- Gross trading profit: (Incr/Decr fields & business)**  
Textile/Incr(102.7→128.3): Increase due to acquisitions of JAVA HOLDINGS CO., LTD. and LEILIAN CO., LTD.  
Machinery/Incr(43.3→51.1): Increase due to recovery in automobile transactions  
ICT, Aerospace & Electronics/Decr(136.4→134.0): Decrease due to less transactions in domestic ICT-related businesses  
Energy, Metals & Minerals/Incr(141.6→212.1): Increase due to higher prices for mineral resources and oil & gas  
Chemicals, Forest Products & General Merchandise/Incr(110.1→118.3): Increase due to strong transactions in chemicals, gains in prices for both natural rubber and pulp, and to higher 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 volume for food distribution sector, despite the inventory-related losses as a result of the Great East Japan Earthquake  
Finance, Realty, Insurance & Logistics Services/Incr(35.6→37.9): Increase due to the improved losses on lower-of-cost-or-market of real-estate for sale and to the strong sales for condominiums, despite making a real estate-related subsidiary an equity-method associated company in the previous Fiscal year
- SG & A:** 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 costs stemming from the de-consolidation of certain subsidiaries and a decline in pension cost resulting from improved performance of pension asset management
- Provision for doubtful receivables:** Increase due to write-off of loans accompanying disposal of regional enterprises in North America
- Net financial income:** Improvement of net interest expenses due to decline in U.S. dollars and yen interest rates, despite decrease by 7.4 in dividends received from oil & gas-related investments
- 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 issued by Orient Corporation (hereafter "Orico") -16.7, impairment loss on investments +0.5
- Loss on property and equipment-net:** Increase in impairment loss -25.2 due to impairment losses on oil & gas assets in Australia and the U.S., and other properties, losses due to the Great East Japan Earthquake -3.4, net gain (loss) on sales of property and equipment and others +3.3
- Gain on bargain purchase in acquisition:** Absence of the non-recurring gain recorded due to the acquisitions of three subsidiaries in the previous fiscal year
- Other-net:** Due to losses on disposal of three regional enterprises and business reconstruction costs on equipment-material-related businesses in North America
- Equity in earnings of assoc. co.:** Brazil Japan Iron Ore Corporation +8.9, Equity-method associated companies of IMEA +6.5, Yoshinoya Holdings Co., Ltd[Absence of impairment loss on investment recorded in the prev. FY(Notes.3)] +5.9, Orico(Notes.2)[Net of impairment loss on investment and gain on changes in equity interests(Notes.3)] +4.8, Japan Brazil Paper and Pulp Resources Development Co., Ltd. +4.1, Marubeni-Itochu Steel Inc. +4.1, Prima Meat Packers, Ltd. (Notes.2)[Impairment loss on investment recorded in this year(Notes.3)] -5.6, TING HSIN (CAYMAN ISLANDS) HOLDING CORP. -2.8

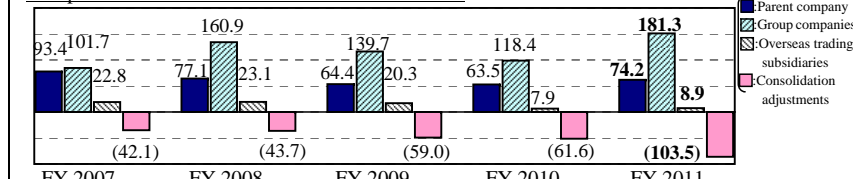
(Note 2) Refer to the results to be announced by each corresponding company, as their announcement dates are on and after ITOCHU's announcement date of FY 2011.

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

## Net income attributable to ITOCHU and Adjusted profit



## Components of Net income attributable to ITOCHU



## Operating Segment Information

Operating Segment Information	Net income attributable to ITOCHU			Summary of changes from the previous fiscal year
	FY2011	FY2010	Increase (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 expense including the pension costs
<b>Total</b>	<b>161.0</b>	<b>128.2</b>	<b>32.8</b>	

## P/L of Group Companies Reporting Profits/Losses

	FY2011	FY2010	Increase (Decrease)
Group co. reporting profits	227.8	166.2	61.6
Group companies reporting profits	213.1	156.6	56.6
Overseas trading subsidiaries reporting profits	14.7	9.7	5.0
Group co. reporting losses	(37.6)	(40.0)	2.4
Group companies reporting losses	(31.9)	(38.2)	6.3
Overseas trading subsidiaries reporting losses	(5.7)	(1.8)	(3.9)
<b>Total</b>	<b>190.2</b>	<b>126.3</b>	<b>63.9</b>
Share of group co. reporting profits	78.1%	71.9%	6.2%
Number of group co. reporting profits	307	297	10
Total number of group co. reporting	393	413	(20)

(Note 5) The number of companies directly invested by ITOCHU or its overseas trading subsidiaries are shown above.

## Financial Position

	Mar. 2011	Mar. 2010	Increase (Decrease)
Total assets	5,673.7	5,476.8	196.8
Interest-bearing debt	2,268.4	2,209.3	59.1
Net interest-bearing debt	1,633.2	1,726.1	(92.9)
ITOCHU stockholders' equity	1,154.8	1,098.4	56.4
Total equity	1,397.5	1,311.4	86.2
Ratio of stockholders' equity to total assets	20.4%	20.1%	0.3%
Net debt-to-equity ratio (times)	1.41	1.57	0.16 improved

## Cash Flows

	FY2011	FY2010
Operating activities	336.9	295.4
Investing activities	(230.4)	(196.3)
Financing activities	52.9	(259.0)
Cash and cash equivalents	630.7	475.7
Increase (Decrease)	155.0	(153.1)

Major Indicators		FY2011	FY2010	Variances	Major Indicators		FY2011	FY2010	Variances
Foreign exchange (Yen/US\$)	Mar. closing	Average (Apr.-Mar.)	86.54	93.36	(6.82)	Interest, JPY TIBOR 3M, average (Apr.-Mar.)	0.363%	0.528%	(0.165%)
		March 31st	83.15	93.04	(9.89)		Interest, US\$ LIBOR 3M, average (Jan.-Dec.)	0.344%	0.686%
	Dec. closing	Average (Jan.-Dec.)	88.27	93.54	(5.27)	Crude oil (Brent), average (US\$/BBL)	87.24	70.39	16.85
		December 31st	81.49	92.10	(10.61)		80.25	62.49	17.76

## Group Companies

Group Companies	FY2011	FY2010	Summary of changes from the previous fiscal year
(Major Group Companies)			
ITOCHU Minerals & Energy of Australia Pty Ltd (IMEA) (C)	80.1	34.1	Due to higher prices for mineral resources and to higher unit sales of iron ore, despite impairment losses on oil & gas assets
Brazil Japan Iron Ore Corporation (E)	12.9	4.0	Due to higher sales volume as well as higher prices
ITOCHU Oil Exploration (Azerbaijan) Inc. (C)	11.8	6.9	Due to higher oil prices
ITOCHU International Inc. (C)	(5.6)	(1.7)	Due to losses on disposal of three regional enterprises and business reconstruction costs on equipment-material-related businesses in North America, despite recovery of construction machinery-related business
ITOCHU Finance Corporation (C)	(4.3)	(1.7)	Due to losses accompanying operational restructuring

(C): Consolidated subsidiary, (E): Equity-method associated company

(Note 6) "Stockholders' equity" is equivalent to "ITOCHU stockholders' equity" and used in calculating "NET DER".

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