Highlights of Consolidated Financial Results for the First Quarter of FY 2012 (U.S. GAAP)

Financial topics for the First Quarter of FY 2012

Share of earnings from

overseas businesses

83%)

FY08/1Q

FY09/1Q

60%)

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.

(Unit: billion yen, (losses, decrease)

• 1Q "Net income attributable to ITOCHU" increased by 2.25 times compared with the prev. 1Q, or ¥50.1 bil. to ¥90.3 bil.—the highest ever quarterly earnings. Progress toward the Outlook for FY 201: of ¥240.0 bil. was 38%. Similarly, Income before income taxes and equity in earnings of associated companies, the earnings of companies reporting profits, and net income attributable to ITOCHU from subsidiaries and equity-method associated companies reached record-high. Adjusted profit increased by ¥17.5 bil. to ¥82.8 bil.

• For "Net income attributable to ITOCHU" by segment, all segments increased compared with the prev. 1Q. "Ener., Met & Min." increased significantly by ¥21.6 bil. to ¥47.9 bil. The 3 segments of "ICT & Mach.", "Food" and "Chem., FP & GM" achieved ¥12.7 bil. ¥12.4 bil. and ¥10.6 bil. to be over ¥10.0 bil. profits. "Textile" increased by ¥1.4 bil. to ¥4.0 bil. and "Fin. & IS, LS" increased by ¥1.6 bil. to ¥1.6 bil. respectively. "Const & Rlty" recorded small loss but improved by ¥1.1 bil.

• Share of "Net income attributable to ITOCHU" by sector: Natural Resource/Energy-Related 53% (¥47.9 bil.), Consumer-Related 23% (¥20.8 bil.), Machinery-Related 14% (¥12.7 bil.), and Chemicals Construction & Realty and Others 10% (¥8.9 bil.).

• Total ITOCHU stockholders' equity increased by ¥64.3 bil. to ¥1.219.1 bil. from the previous FY end. Ratio of stockholders' equity to total assets was 20.2%. NET DER recorded 1.57 times

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Consolidated Financial Results of Operations	1st Quarter FY 2012	1st Quarter FY 2011	Increase (Decrease)	Summary of changes from the same period of the previous fiscal year	Outlook fo (Disclosed on			
Consolidated Statements of Incom	e					Progress(%		
Revenue	898.3	827.6	70.7	• Revenue: In the Energy, Metals & Minerals Company, revenue increased due to higher				
Gross trading profit (Note 1)	227.4	224.4	3.0	prices for iron ore and for oil & gas, despite a decrease in revenue due to lower coal production volume. In the Chemicals, Forest Products & General Merchandise	1,050.0	21.7%		
Selling, general and				Company, revenue increased due to higher prices for both natural rubber and				
administrative expenses (Note 1)	(174.4)	(176.8)	2.3	chemicals. In the Food Company, revenue increased due to higher market prices for food materials, such as feed grains and others, and to increase in transactions volume	(730.0)	23.9%		
Provision for doubtful receivables	(1.1)	(0.5)	(0.6)	for food distribution related subsidiaries	-			
Net interest expenses	(3.3)	(5.5)	2.2	• Gross trading profit: (Incr/Decr fields & business) Textile/ Decr (29.4→27.9): Decrease due to the absence of liquidated subsidiary in	(20.0)	16.5%		
Dividends received	7.3	7.0	0.3	apparel-related businesses and weak textile markets, despite strong transactions in	20.0	36.6%		
Net financial income	4.0	1.5	2.5	textile materials ICT & Machinery/ Incr (39.2—42.9): Increase in the strong transactions of domestic	0.0	-		
Gain (loss) on investments-net	20.0	(5.7)	25.7	ICT-related businesses, as well as acceptance in healthcare-related businesses as a result of reorganization				
Gain on property and equipment-net (*)	0.0	0.1	(0.1)	Energy, Metals & Minerals/ Decr (49.8—49.4): Decrease due to lower production	(*) (20.0)	-		
Gain on bargain purchase in acquisition	10.5	-	10.5	volume in coal, despite recovery of operation in energy transactions and higher price for iron ore				
Other-net	9.3	(2.5)	11.8	Chemicals, Forest Products & General Merchandise/ Incr (27.5→31.1): Increase due				
Total other expenses	(131.7)	(183.8)	52.1	to higher in prices for both natural rubber and chemicals, as well as strong market conditions for plywood	(750.0)	17.6%		
Income before income taxes and equity in earnings of associated companies	95.7	40.6	55.1	Food/ Decr (66.8→65.6): Decrease due to aftermath from the Great East Japan	300.0	31.9%		
Income taxes	(28.2)	(14.7)	(13.5)	Earthquake <u>Construction & Realty/ Incr (2.6→3.4)</u> : Increase due to the absence of the losses on	(120.0)	23.5%		
Income before equity in earnings	67.6	25.9	41.7	lower-of-cost-or-market of real-estate for sales in the same period of the previous year,	180.0	37.6%		
of associated companies Equity in earnings of associated	25.8	16.1	9.7	as well as sales of real estates for leasing to investors Financial & Insurance Services, Logistics Services/ Decr (5.5→3.6): Decrease due to	80.0	32.3%		
Net income	93.4	42.0	51.4	the sale of the travel-related domestic subsidiary, despite increase in transaction volume for logistics-related business	260.0	35.9%		
Less: Net income attributable to the noncontrolling interest	(3.1)	(1.8)	(1.2)	• SG & A: Due to cost reductions stemming from the de-consolidation of certain	(20.0)	15.3%		
Net income attributable to ITOCHU	90.3	40.2	50.1	subsidiaries, which offset increase accompanying an increase in revenue among existing consolidated companies	240.0	37.6%		
Reference)				Provision for doubtful receivables: Increase due to increase in allowance for doubtful				
Total trading transactions	2,861.4	2,730.0	131.5	receivables	12,000.0	23.8%		
Gross trading profit ratio	7.9%	8.2%	(0.3%)	 Net financial income: Improved mainly due to a decline in yen interest rates and to increase in dividends from LNG-related investments 	(8.8%)			
Adjusted profit	82.8	65.3	17.5	• Gain (loss) on investments-net: Net of impairment losses and a remeasuring gain on	400.0	20.7%		
Adjusted profit = Gross trading profit + S	G&A expenses +			investments +24.1, Net gain on sales of investments +1.5, Gain (loss) on business disposals and others +0.1				
+ Equi	ny in cariffigs of	аээнгагей сөт	oantes	• Gain on property and equipment-net: Almost the same level because no special gain and loss arose				
Consolidated Statements of Comp	$\overline{}$			• Gain on bargain purchase in acquisition: Recognized at acquisition of Brazil Japan	Dividend Ir			
Net income	93.4	42.0	51.4	Iron Ore Corporation • Other-net: Improvement in gain (loss) on foreign currency translation and the receipt	(Per S	nare)		
Other comprehensive income (loss) (net of tax)				of insurance claims related to the Great East Japan Earthquake	Annual	33.0 yen		
Foreign currency translation adjustments	(18.4)	(26.1)	7.7	• Equity in earnings of assoc. co.: Brazil Japan Iron Ore Corporation +3.0 (Note.2), Marubeni-Itochu Steel Inc. +2.2, Unordinary gain on the purchase of additional	(Planned)			
Pension liability adjustments	1.3	1.1	0.1	common shares in Century Tokyo Leasing Corporation +1.5 (Note.3), Equity-method	Interim	16.5 yen		
Unrealized holding gains (losses) on securities	6.1	(6.0)	12.1	associated companies of IMEA +1.0, TING HSIN (CAYMAN ISLANDS) HOLDING CORP. +0.4	(Planned)	10.5 yel		
Unrealized holding gains (losses) on derivative instruments	0.3	(2.8)	3.0	(Note.1) As a result of the ITOCHU Group's integration of food distribution and marketing busine	ess the items in w	hich		
Total other comprehensive income (loss) (net of tax)	(10.7)	(33.8)	23.0	distribution cost related to these operations has been included were changed from the three-month	period ended Jun	e 30, 2011.		
Comprehensive income (loss)	82.7	8.3	74.4	The relevant amounts for the same period of the previous fiscal year were reclassified based on thi (Note.2) Equity method had been applied until the end of this first quarter.	s new classificati	on.		
Comprehensive income (loss) attributable to the noncontrolling interest	(3.9)	(1.4)	(2.5)	(Note.3) Refer to the result to be announced by the company, as the announcement date is after ITe	OCHU's announc	ement date		
Comprehensive income (loss) attributable to ITOCHU	78.8	6.9	71.9	of the first quarter of Fiscal Year 2012.				
attributable to FFOCHU	, 0.0	0.7						
Components of Net income	1st Quarter	1st Quarter	Increase	Net income attributable to ITOCHU and Adjusted profit				
attributable to ITOCHU	FY 2012	FY 2011	(Decrease)	122.9		djusted profit et income		
					1,00	ttributable to		
Parent company	52.2	29.9	22.3	85.6 62.5 65.3	.3 82.8 II	ГОСНИ		
Group companies	74.0	40.3	33.6					
Overseas trading subsidiaries	5.0	3.6	1.4	25.8				
Consolidation adjustments	(40.9)	(33.6)	(7.2)	20.4				
Net income attributable to ITOCHU	90.3	40.2	50.1	FY08/1Q FY09/1Q FY10/1Q FY11/1Q FY	12/1Q			
Earnings from overseas businesses (Note 4)	54.3	33.5	20.8	Components of Net income attributable to ITOCHU	(= :Pi	arent company		
Share of earnings from				62.6 45.152.8 52.2	74.0 ⊠ :G	roup companie		

August 1, 2011 ITOCHU Corporation

Operating Segment	Net income attributable to ITOCHU					
Information		_				
imormation	1st Quarter	1st Quarter	Increase			
	FY 2012	FY 2011	(Decrease)			

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

Information				Summary of changes from the same period of the previous fiscal year							
ino mation	1st Quarter	1st Quarter Increase		iges from the	e sume perio	d of the previous fiscal year					
	FY 2012	FY 2011	(Decrease)								
Textile	4.0	2.6	1.4	Increase due to the absence of the losses on liquidations in apparel-related businesses and higher equity in earnings of associated companies							
ICT & Machinery	12.7	2.1	10.6	Increase in the strong transactions of domestic ICT-related-businesses and higher equity in earnings of associated companies, as well as improvement in tax and others							
Energy, Metals & Minerals	47.9	26.2	21.6	Significant increase due to the gain on bargain purchase and remeasuring the fair value of previously held equity interests in acquisition of Brazil Japan Iron Ore Corporation, despite decrease gross trading profit							
Chemicals, Forest Products & General Merchandise	10.6	5.5	5.1	Increase due to increase in gross trading profits and higher equity in earnings of associated companies							
Food	12.4	7.8	4.6	Increase due to the improvements of net financial expense and of gain and loss on investments, as well as higher equity in earnings of associated companies, the absence of the losses on assets retirement obligations in the same period of the previous year and income on insurance claims, despite decrease in gross trading profits							
Construction & Realty	(0.4)	(1.5)	1.1	Improvement due to increase gross trading profits and others							
Financial & Insurance Services, Logistics Services	1.6	0.0	1.6	Increase due to gain on sale of investments and others							
Adjustments & Eliminations and others	1.5	(2.5)	4.1	Turnaround due to the absence of impairment losses on investment securities in the same period of the previous year and personnel expenses reduction							
Total	90.3	40.2	50.1								
P/L of Group Companies Reporting Profits/Losses	1st Quarter FY 2012	1st Quarter FY 2011	Increase (Decrease)	Group Companies	1st Quarter FY 2012	1st Quarter FY 2011	Summary of changes from the same period of the previous fiscal year				
-	-			(Major Group Companies)	_	(C): Consolidated	subsidiary, (E): Equity-method associated compan				
Group co. reporting profits	84.0	52.0	32.0	ITOCHU Minerals & Energy (C)	22.0	22.9	Due to lower coal production volume despite				
Group companies reporting profits	78.7	48.2	30.4	of Australia Pty Ltd (IMEA)			higher prices for mineral resources				
Overseas trading subsidiaries reporting profits	5.3	3.7	1.6	Brazil Japan Iron Ore Corporation (C)	20.0	0.8	Due to gains accompanying acquisition as well higher sales volume and prices				
Group co. reporting losses	(5.0)	(8.1)	3.1	Corporation							
Group companies reporting losses Overseas trading subsidiaries reporting losses	(0.3)	(7.9)	(0.1)	Marubeni-Itochu Steel Inc. (E)	2.9	0.7	Due to recovery in demand for steel products in Asia and U.S.				
Total	79.0	43.9	35.1			_	Due to decrease in profit from energy-related				
hare of group co. reporting profits	72.7%	66.7%	6.0%	IPC EUROPE LTD. (C)	(0.8)	0.2	businesses and low performance for gas oil				
Jumber of group co. reporting profits	287	274	13	Oniont Companyion	(0.5)	(0.4)	Due to decrease in energting profit				
Total number of group co. reporting	395	411	(16)	Orient Corporation (E)	(0.5)	(0.4)	Due to decrease in operating profit				
Note 5)The number of companies direc	tly invested by ITO	CHU or its Overse	eas trading subsidi	aries are shown above.							
Financial Position	Jun. 2011	Mar 2011	Increase	Summary of ch	anges from th	e previous fis	cal year end				

Total assets	6,046.3	5,673.7	372.6
Interest-bearing debt	2,335.9	2,268.4	67.5
Net interest-bearing debt	1,910.9	1,633.2	277.7
Total ITOCHU stockholders' equity	1,219.1	1,154.8	64.3
Total equity	1,559.7	1,397.5	162.2
Ratio of stockholders' equity to total assets	20.2%	20.4%	(0.2%
Net debt-to-equity ratio (times)	1.57	1.41	0.15 up

Jun. 2011 Mar. 2011

1st Quarter 1st Quarter

FY 2012 FY 2011

(Decrease)

Total assets: Increases in Inventories with an allowance for the future demand in the Ener.,

Met & Min. Co. and the Food Co. Also, Investments increased due to acquisition of Brazil

Japan Iron Ore Corporation; and increases in Inventories, Net property and equipment and

other assets due to acquisition of the Kwik-Fit Group in the Chem., FP & GM Co.

Summary of changes from the previous fiscal year end

Total ITOCHU stockholders' equity: On one hand, Net income attributable to ITOCHU increased and there was an increase in Net unrealized holding gains on securities. On the other hand, there were decreases from dividends payment and deterioration in Foreign currency translation adjustments. As a result, "Ratio of stockholders' equity to total assets" (Note 6) declined by 0.2 points to 20.2% from March 31, 2011. "NET DER" (Note 6) was 1.57 times

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

	2,700.0
	2,200.0
	1,350.0
	1,590.0
	21.1%
	1.6
DE	R".

March 31, 2012

6,400.0

Operating activities	(21.2)	10.8
Investing activities	(145.8)	(38.1)
Financing activities	(44.0)	(41.4)
Cash and cash equivalents	420.2	402.2
Increase (Decrease)	(210.6)	(73.5)

Financial Position

Cash Flows

:Consolidation

(40.<u>9)</u>

(20.4)

FY11/1Q

FY10/1Q

Operating: Net cash-outflow, which resulted from an increase in inventories with an allowance for the future demand in Energy, Metals & Minerals and Food, despite the steady performance in operating revenue in overseas natural resources

Summary of Cash Flows for the 1st Quarter of FY 2012

Investing: Net cash-outflow mainly due to purchase of additional shares of Brazil Japan Iron Ore Corporation and an investment in IPP in North America, as well as additional capital expenditures and purchase of interests in natural resource development sector

Financing: Net cash-outflow due to repayment of debt and dividends payment

Major Indicates		1st Quarter FY 2012	1st Quarter FY 2011	Variance	Major Indicates		1st Quarter FY 2012	1st Quarter FY 2011	Variance	
Mar. closing		Average (AprJun.)	82.04	91.77	(9.73)	Interest, JPY TIBOR 3M, average (AprJun.)		0.340%	0.398%	(0.058%)
Foreign	iviai. Closing	June 30th	Jun11 80.73	Mar11 83.15	(2.42)	Interest, US\$ LIBOR 3M, average (JanMar.)		0.308%	0.257%	0.051%
exchange (Yen/US\$)	Dog aloging	Average (JanMar.)	83.25	90.19	(6.94)	Crude oil (Brent),	(AprJun.)	117.17	79.47	37.70
	Dec. closing	March 31st	Mar11 83.15	Dec10 81.49	1.66	average (US\$/BBL)	(JanMar.)	105.20	77.24	27.96