(4.6)

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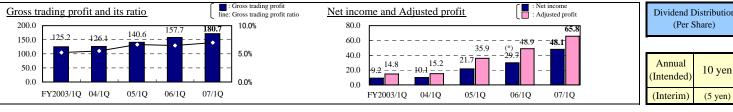
## Highlights of Consolidated Financial Results for the First Quarter of FY 2007 (U.S. GAAP)

## Financial topics for the First Quarter of FY 2007



- Net income increased by 18.4 bil. yen or 1.6 times to 48.1 bil. yen, compared to the previous 1st quarter. Achieved the highest-ever Net income among all 1st quarters and furthermore all quarters since quarterly financial disclosure started in FY 2001. Achieved the highest-ever Gross trading profit, Equity in earnings of assoc. co. and Adjusted profit among all 1st quarters. Holding a good trend to make the highest-ever profit for the last two consecutive years and making a steady progress with the outlook of major P/L items for FY 2007.
- Marked the highest-ever Net income of both Parent and Group companies among all 1st quarters; well-balanced profit expansion of both Parent and Group companies.
- Stockholders' equity increased by 26.1 bil. yen to highest-ever 752.9 bil. yen. NET DER: 2.4 times and Stockholders' equity ratio: 15.1% maintained as same level as March 31, 2006.

Consolidated Financial Results of Operations	1st Quarter FY 2007	1st Quarter FY 2006	Increase (Decrease)  %		Summary of changes from the same period of the previous fiscal year	Outlook for FY200' (Disclosed as of April 28, 2006)	
Init: billion yen, (loss))							Progress(
Revenue	559.7	487.0	72.7	14.9	· Revenue:		
Gross trading profit	180.7	157.7	23.0	14.6	Incr. in automobile; resource-related; building material-related in NA	760.0	23
					- Gross trading profit: (Increase fields/business)		
Selling, general and administrative expenses	(127.4)	(120.5)	(6.9)	(6.9) 5.7 <pre><textile> Brand-related business</textile></pre>		(525.0)	24
Provision for doubtful receivables	0.2	(0.4)	0.7	-	<machinery> Plant, Ships, Automobile(ERP/US), Const. Mach.(US)</machinery>	(10.0)	
Interest income	3.6	3.0	0.6	19.0	<aero, &="" electro.="" multi.=""> Domestic IT industry-related business</aero,>	(*) (22.0)	20
Interest expense (i)	(10.2)	(8.9)	(1.3)	14.7	<ener.met.> Higher prices and full-scale production of crude oil</ener.met.>	(i) (33.0)	20
Dividends received (ii)	6.0	5.1	0.9	17.7	<chem., &="" fp="" gm=""> Building material-related (NA/JP), Chem. Subsidiaries(JP)</chem.,>	(ii) 17.0	35
Gain on disposal of investments and marketable securities, net of write-down	10.6	4.2	6.4	151.7	<food> Food distribution</food>	` ′	
Gain (loss) on property and equipment-net (iii)	(0.4)	0.7	(1.1)	-	<fin. &="" insur.="" ls="" realty.=""> Finance-related business</fin.>	(iii) 17.0	68
Other-net	1.4	0.3	1.1	437.3	· SG&A:	` '	
Total other expenses	(116.1)	(116.5)	0.4	(0.4)	Increase from business expansion	(534.0)	21
Income from operations before income taxes	64.6	41.1	23.5	57.0	· Provision for doubtful receivables:	226.0	28
Income taxes	(27.7)	(18.6)	(9.1)	49.2	Appropriation due to collection of receivables	(112.0)	24
Income from operations	36.9	22.6	14.3	63.4	• Net financial expenses: (i+ii) [Incr/(Decr)]	114.0	32
Minority interests	(1.8)	(1.9)	0.1	(5.0)	(i)Net interest expenses -0.7(Interest rates rise), (ii)LNG-related +0.7	(13.0)	13
uity in earnings of associated companies 13.1		12.5	0.6	4.8	• Gain on disposal inv.& sec.: [Incr/(Decr)]	54.0	24
Income before cumulative effect of an accounting change	48.1	(*) 33.1	15.0	45.3	Sales +2.7, Gain on exchange +3.5	155.0	31
Cumulative effect of an accounting change	_	(*) (3.4)	3.4	-	• Gain (loss) on property and equip.: [Incr/(Decr)]	-	
Net income	48.1	(*) 29.7	18.4	62.1	Sales -0.6, Impairment losses and others -0.4	155.0	31
Accordance with Japanese accounting	g practice)	<u> </u>	<u> </u>		· Other-net:		
Total trading transactions	2,577.5	2,428.1	149.5	6.2	Increase in miscellaneous-net	10,800.0	23
Gross trading profit ratio	7.0%	6.5%	0.5%		• Equity in earnings of assoc.co.s:	7.0%	
• •		<u> </u>			Good performance in international petroleum products trading		
					· Cumulative effect of an accounting change:		
Adjusted profit	65.8	48.9	16.9	34.7	FY2006/1Q: Production stripping costs in mining industry	273.0	24



Net income

[Net income] Summary of changes from the same

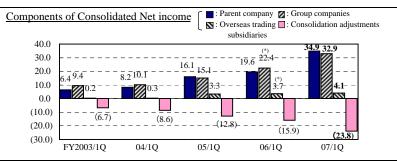
period of the previous fiscal year

Gross trading profit(\*\*)

**Operating Segment** 

Information	1st Quarter FY 2007	1st Quarter FY 2006	Increase (Decrease)	1st Quarter FY 2007	1st Quarter FY 2006	Increase (Decrease)	(**) Summary of changes from the same period of the previous fiscal year in "Consolidated Financial Results of Operations"
(Unit : billion yen)							
Textile	27.2	26.8	0.4	2.2	2.6	(0.5)	Decrease due to increase in SG&A despite increase in gross trading profit
Machinery	21.1	15.0	6.1	6.8	2.8	4.0	Increase in gains on sales of investment securities and gross trading profit
Aerospace, Electronics & Multimedia	27.4	23.5	4.0	2.4	2.2	0.3	Increase due to good performance in domestic IT industry-related business despite increase in SG&A
Energy, Metals & Minerals	24.3	15.5	8.8	18.9	(*) 10.7	8.2	Increase in gross trading profit and effects of retroactively accounting for stripping costs in the first quarter of FY 2006
Chemicals, Forest Products & General Merchandise	29.1	25.2	3.9	5.1	4.5	0.7	Increase in gross trading profit despite decrease in equity in earnings of associated companies
Food	35.8	34.7	1.1	5.0	4.0	1.0	Increase in equity in earnings of associated companies despite increase in SG&A
Finance, Realty, Insurance & Logistics Services	10.6	9.9	0.7	2.0	1.8	0.2	Slight increase in gross trading profit despite decrease due to the absence of sale of property and equip. of insurance-related subsidiary at 1Q FY2006
Other, Adjustments & Eliminations	5.2	7.2	(2.0)	5.7	1.1	4.6	Increase in gain from exchange on the investment security despite decrease in gross trading profit
Total	180.7	157.7	23.0	48.1	(*) 29.7	18.4	

Components of Consolidated Net Income	1st Quarter FY 2007	1st Quarter FY 2006	Increase (Decrease)	
(Unit: billion yen)		•	_	
Parent company	34.9	19.6	15.4	
Group companies	32.9	(*) 22.4	10.5	
Overseas trading subsidiaries	4.1	(*) 3.7	0.4	
Subtotal	71.9	45.6	26.3	
Consolidation adjustments	(23.8)	(15.9)	(7.9)	
Consolidated net income	48.1	(*) 29.7	18.4	



Share of Group Companies Reporting Profits	June 30 2006	June 30 2005	Increase (Decrease)	Group Companies	1st Quarter FY 2007	1st Quarter FY 2006	Summary of changes from the same period of the previous fiscal year
				(Major Group Companies Repo	rting Profits)	_	(Unit: billion yen, (loss)
Share of group co. reporting profits	74.5%	75.4%	(0.9%)	ITOCHU Minerals & Energy	7.4	(*) 4.1	Incr. due to effect of stripping costs in the same period of prev. FY, higher price of
Number of group co. reporting profits	492	507	(15)	of Australia Pty Ltd (IMEA)	7.4	(*) 4.1	iron ore and incr. of shipment amount
Number of group co. reporting losses	168	165	3	Marubeni-Itochu Steel Inc.	4.2	4.4	Good performance mainly in trades of steel and tubular products
Number of group co.	660	672	(12)	ITOCHU Oil Exploration	3.8	0.7	Increase due to strong crude oil market, and sales amount by full-scale production
			·	(Azerbaijan) Inc.	3.0	0.7	of crude oil
P/L of Group Companies	1st Quarter	1st Quarter	Increase	ITOCHU International Inc.	2.2	1.8	Steady growth in group co.
Reporting Profits / Losses	FY 2007	FY 2006	(Decrease)	PrimeSource Building	1.8	1.2	Increase due to strong building market in the U.S. and diversified
(Unit: billion yen, (loss))				Products, Inc.	1.0	1.2	product line
Group co. reporting profits	41.6	(*) 30.7	10.9	(Major Group Companies Repo	rting Losses)		
Group co. reporting losses	(4.6)	(4.7)	0.1	ITOCHU Property Development, Ltd.	(0.3)	0.0	Absence of unusual large delivery in the previous 1st quarter
Total	37.0	(*) 26.0	10.9	ITOCHU Europe PLC.	(0.3)	(0.2)	Low performance in chem. and food
(Group companies)							
P/L of Group co. reporting profits	37.1	(*) 26.8	10.3	P/L of Group Companies Reporti	ng Profits / Loss	ses	: Group companies reporting profits
P/L of Group co. reporting losses	(4.2)	(4.5)	0.3	45.0		4	: Group companies
Total of Group co.	32.9	(*) 22.4	10.5	30.0	<del>23.4-</del> - <del>18.4</del>	(*) 26.0	reporting losses  : Net P/L
(Overseas trading subsidiaries	5)		-	15.8 16.5	.4		
P/L of Group co. reporting profits	4.5	(*) 3.9	0.6				

Financial Position	June 30 2006	Mar 31 2006	Increase (Decrease)	Summary of changes from the previous fiscal year end	March 31 2007 (Disclosed as of April 28, 2006)
(Unit: billion yen)	_		_		
Total assets	4,999.5	4,797.0	202.5	Total assets incr. with an incr. in assets due to NIPPON ACCESS classified from an assoc. co.	5,200.0
Interest-bearing debt	2,215.6	2,226.5	(10.9)	to a subsidiary and an incr. in trade receivables related to higher market price and expansion of trans. in Energy, FP & GM and chem.s despite a decr. in cash and cash equivalents.	2,350.0
Net interest-bearing debt	1,815.5	1,724.3	91.2	Stockholders' equity incr. due to an accumulation of Net income despite distribution of	1,950.0
Stockholders' equity	752.9	726.8	26.1	dividends and decr. in unrealized holding gains on securities through decline in stock prices.  Stockholders' equity ratio maintained 15.1% as same level as Mar-06.	850.0
Net debt-to-equity ratio (times)	2.4	2.4	Same level		2.3
				•	

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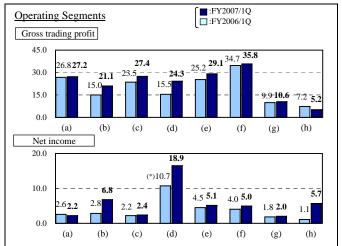
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(0.2)

4.1

(0.2)

0.4



P/L of Group co. reporting losses

Total of Overseas trading subsidia

(b)

(d)

(f)

(g)

	Major Indice	s	1st Quarter FY 2007	1st Quarter FY 2006	Changes	
		age (AprJun.)	115.49	106.63	8.86	
[Mar. closing]	exchange [Mar. closing] Yen/US\$, at the		Jun-06 115.24	Mar-06 117.47	(2.23)	
Foreign	Yen/US\$, avera	age (JanMar.)	117.22	104.20	13.02	
exchange [Dec. closing]	Yen/US\$, at the	e end of the period	Mar-06 117.47	Dec-05 118.07	(0.60)	
Interest, TIBO	R Yen3M, ave	rage(AprJun.)	0.215%	0.080%	0.135%	
Interest, LIBO	R US\$3M, ave	rage(JanMar.)	4.765%	2.840%	1.925%	
Crude oil (Brent	), average	(AprJun.)	70.43	52.80	17.63	
(US\$/BBL)		(JanMar.)	62.68	47.87	14.81	

(\*)ITOCHU Corporation and its subsidiaries early adopted EITF No.04-6 in fiscal year 2006. In accordance with U.S. GAAP, the cumulative effect of the accounting change is retroactively reflected on the former announced figures in the first quarter of fiscal year 2006.