



# **FY2017 1<sup>st</sup> Quarter Business Results Summary**

**August 2, 2016**  
**ITOCHU Corporation**



### Forward-Looking Statements:

This material contains 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 and 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.



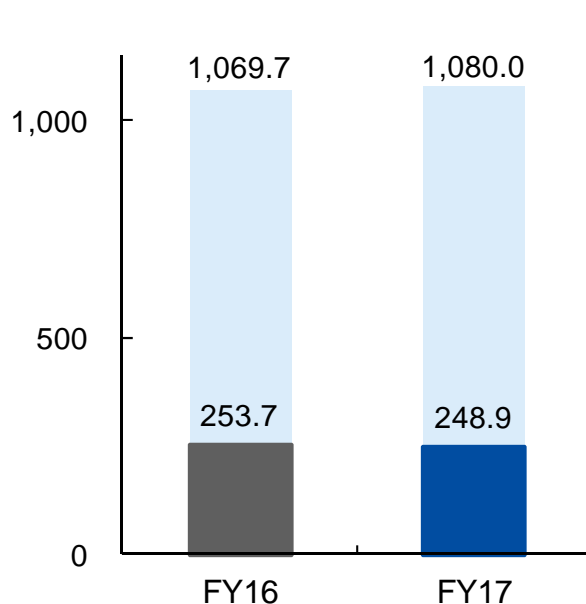
# Summary of FY2017 1<sup>st</sup> Quarter



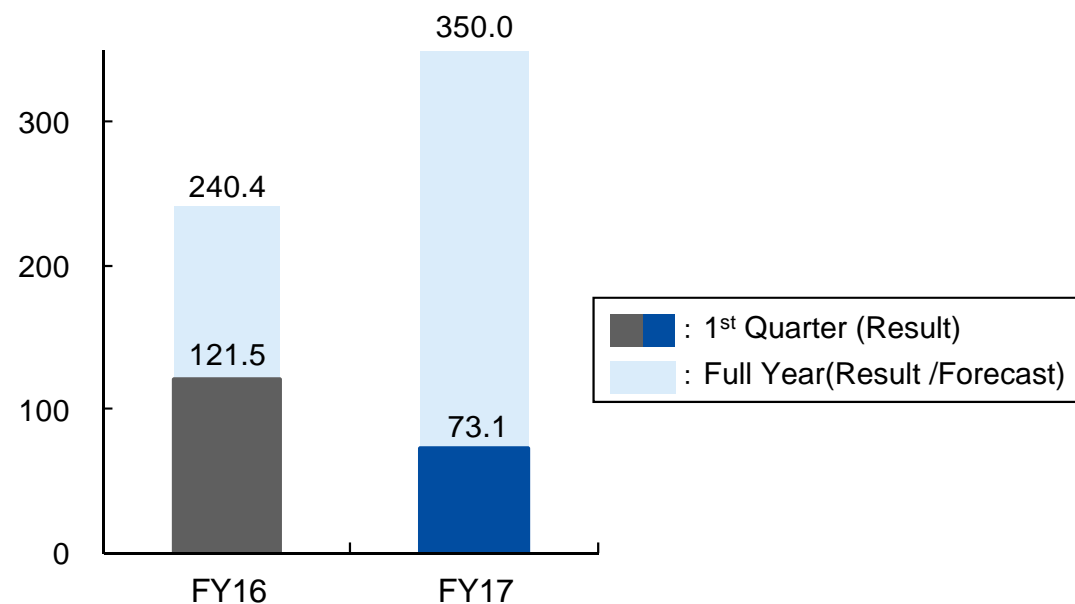
I am One with Infinite Missions

|   | FY2016<br>1st Quarter<br>Result<br>(a) | FY2017<br>1st Quarter<br>Result<br>(b) | Increase/Decrease |       | FY2017<br>Forecast<br>(as of May, 6)<br>(c) | Progress<br>(b/c) |
|---|--|--|-------------------|-------|---|-------------------|
|   |  |  | (b-a)             | %     |   |                   |
| Gross trading profit                                | 253.7                                  | 248.9                                  | - 4.8             | - 2%  | 1,080.0                                     | 23%               |
| Trading income                                      | 46.7                                   | 48.4                                   | + 1.8             | + 4%  | 240.0                                       | 20%               |
| Equity in earnings of associates and joint ventures | 37.8                                   | 37.1                                   | - 0.7             | - 2%  | 180.0                                       | 21%               |
| Profit before tax                                   | 124.0                                  | 97.2                                   | - 26.8            | - 22% | 463.0                                       | 21%               |
| Net profit attributable to ITOCHU                   | 121.5                                  | 73.1                                   | - 48.4            | - 40% | 350.0                                       | 21%               |

Gross trading profit



Net profit attributable to ITOCHU



(Unit : billion yen)

# Gross Trading Profit by Segment



I am One with Infinite Missions

|                                       | FY2016<br>1st Quarter<br>Result<br>(a) | FY2017<br>1st Quarter<br>Result<br>(b) | Increase/<br>Decrease<br>(b-a) | FY2017<br>Forecast<br>(as of May, 6)<br>(c) | Progress<br>(b/c) |
|---------------------------------------|--|--|--------------------------------|---|-------------------|
| Textile                               | 31.8                                   | 31.0                                   | - 0.8                          | 146.0                                       | 21%               |
| Machinery                             | 27.3                                   | 25.5                                   | - 1.9                          | 105.0                                       | 24%               |
| Metals & Minerals                     | 9.6                                    | 11.1                                   | + 1.5                          | 27.0  | 41%               |
| Energy & Chemicals                    | 42.5                                   | 38.2                                   | - 4.3                          | 181.0                                       | 21%               |
| Energy                                | 24.1                                   | 20.2                                   | - 3.9                          | 105.0                                       | 19%               |
| Chemicals                             | 18.4                                   | 18.1                                   | - 0.4                          | 76.0  | 24%               |
| Food                                  | 63.6                                   | 67.1                                   | + 3.4                          | 277.0                                       | 24%               |
| General Products & Realty             | 41.1                                   | 37.2                                   | - 3.9                          | 154.0                                       | 24%               |
| Forest Products & General Merchandise | 30.4                                   | 26.3                                   | - 4.1                          | 106.0                                       | 25%               |
| Construction, Realty & Logistics      | 10.6                                   | 10.8                                   | + 0.2                          | 48.0  | 23%               |
| ICT & Financial Business              | 34.6                                   | 35.5                                   | + 0.9                          | 180.0                                       | 20%               |
| ICT                                   | 31.4                                   | 32.4                                   | + 1.0                          | 164.0                                       | 20%               |
| Financial & Insurance Business        | 3.2                                    | 3.0                                    | - 0.2                          | 16.0  | 19%               |
| Others, Adjustments & Eliminations    | 3.1                                    | 3.3                                    | + 0.3                          | 10.0  | -                 |
| Total                                 | 253.7                                  | 248.9                                  | - 4.8                          | 1,080.0                                     | 23%               |

(Unit : billion yen)

Brand-new Deal 2017

# Net Profit Attributable to ITOCHU by Segment

|                                       | FY2016<br>1st Quarter<br>Result<br>(a) | FY2017<br>1st Quarter<br>Result<br>(b) | Increase/<br>Decrease<br>(b-a) | FY2017<br>Forecast<br>(as of May, 6)<br>(c) | Progress<br>(b/c) |
|---------------------------------------|--|--|--------------------------------|---|-------------------|
| Textile                               | 4.7                                    | 4.2                                    | - 0.5                          | 33.0  | 13%               |
| Machinery                             | 12.5                                   | 16.5                                   | + 4.0                          | 60.0  | 27%               |
| Metals & Minerals                     | 14.3                                   | 8.4                                    | - 5.9                          | 13.0  | 64%               |
| Energy & Chemicals                    | 32.5                                   | 4.5                                    | - 27.9                         | 21.0  | 22%               |
| Energy                                | 28.8                                   | -2.9                                   | - 31.7                         | 0.0   | -                 |
| Chemicals                             | 3.7                                    | 7.5                                    | + 3.8                          | 21.0  | 36%               |
| Food                                  | 10.2                                   | 12.8                                   | + 2.6                          | 60.0  | 21%               |
| General Products & Realty             | 32.3                                   | 9.1                                    | - 23.2                         | 43.0  | 21%               |
| Forest Products & General Merchandise | 29.6                                   | 6.5                                    | - 23.1                         | 29.0  | 22%               |
| Construction, Realty & Logistics      | 2.7                                    | 2.6                                    | - 0.1                          | 14.0  | 19%               |
| ICT & Financial Business              | 9.5                                    | 8.4                                    | - 1.0                          | 52.0  | 16%               |
| ICT                                   | 7.3                                    | 5.9                                    | - 1.4                          | 25.0  | 24%               |
| Financial & Insurance Business        | 2.2                                    | 2.5                                    | + 0.4                          | 27.0  | 9%                |
| Others, Adjustments & Eliminations    | 5.5                                    | 9.1                                    | + 3.6                          | 68.0  | -                 |
| Total                                 | 121.5                                  | 73.1                                   | - 48.4                         | 350.0                                       | 21%               |

(Unit : billion yen)



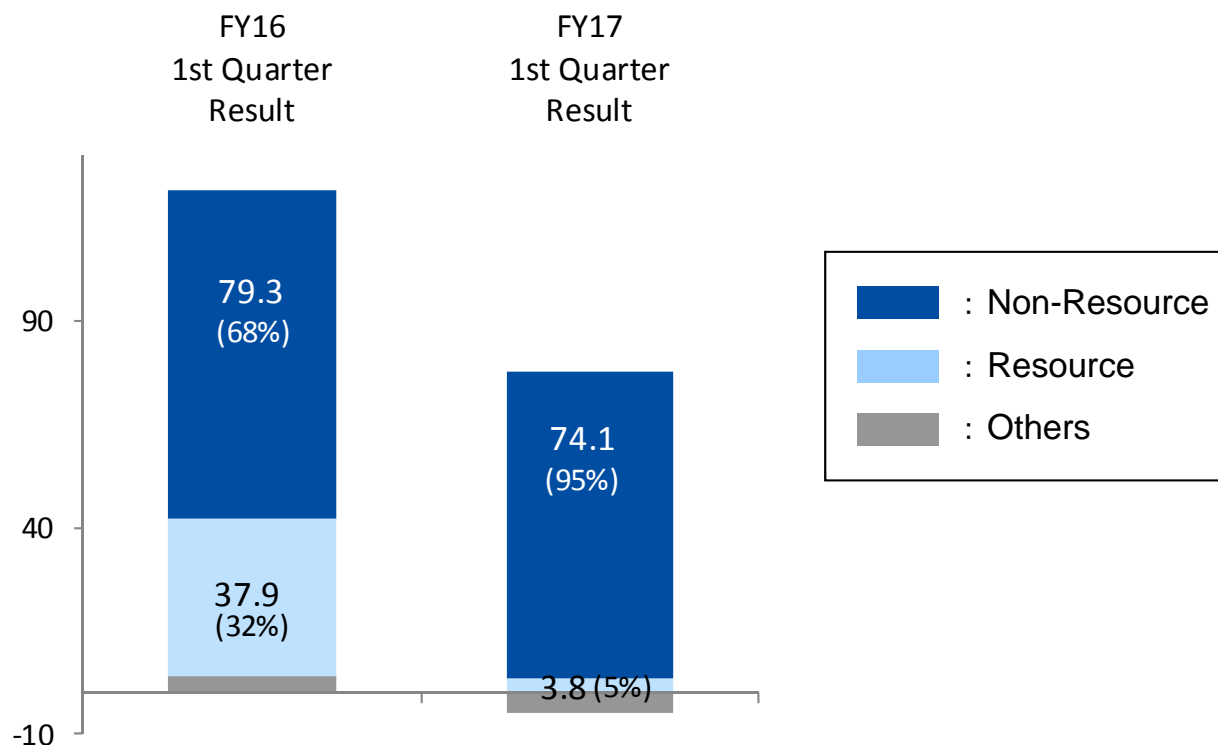
# Earnings from Non-Resource and Resource



I am One with Infinite Missions

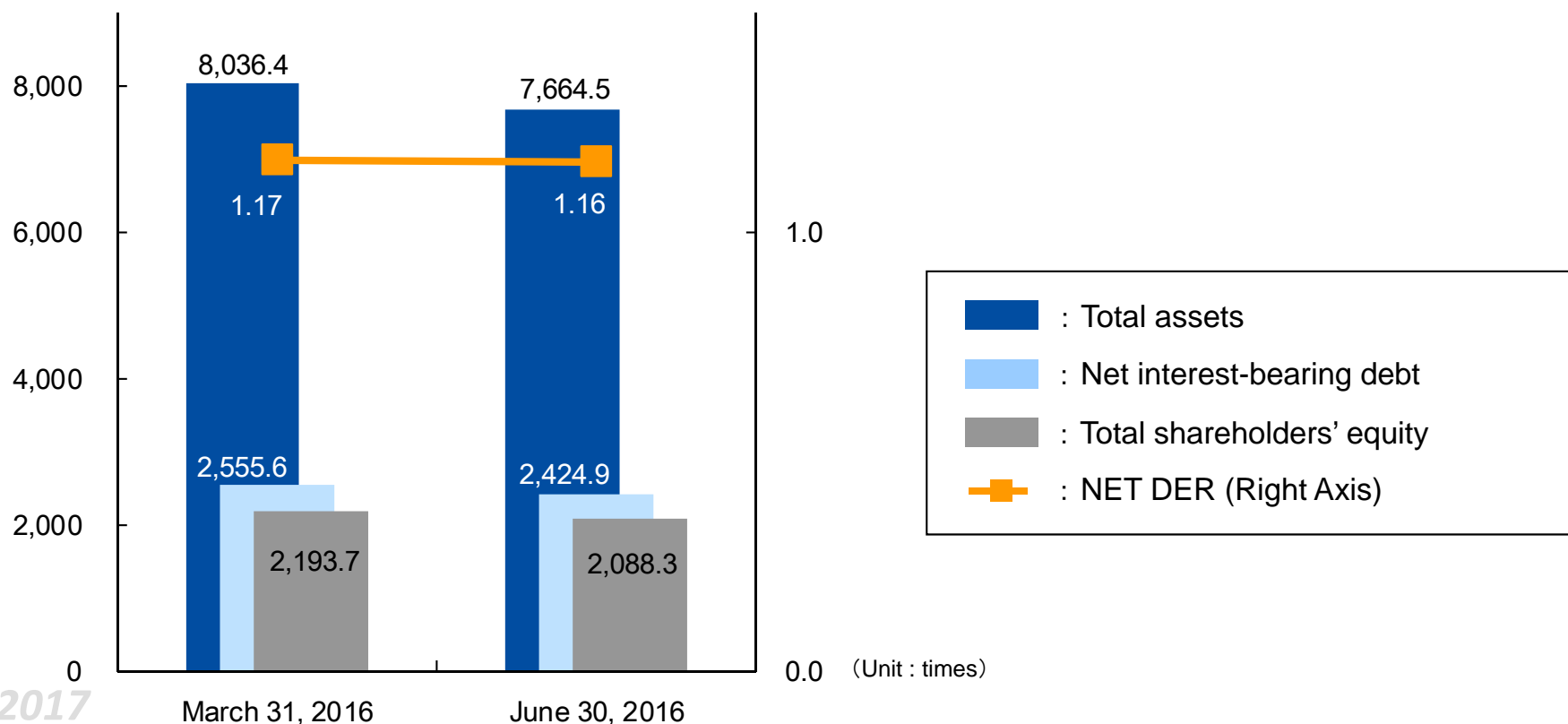
|                         | FY2016<br>1st Quarter<br>Result | FY2017<br>1st Quarter<br>Result | Increase/Decrease |
|-------------------------|---------------------------------|---------------------------------|-------------------|
| Non-Resource            | 79.3                            | 74.1                            | - 5.2             |
| Resource                | 37.9                            | 3.8                             | - 34.1            |
| Others                  | 4.2                             | - 4.8                           | - 9.0             |
| Total                   | 121.5                           | 73.1                            | - 48.4            |
| Non-Resource / Resource | 68% / 32%                       | 95% / 5%                        | 27% / -27%        |

Note:% composition is calculated using the total of Non-Resource and Resource sectors as 100%



(Unit : billion yen)

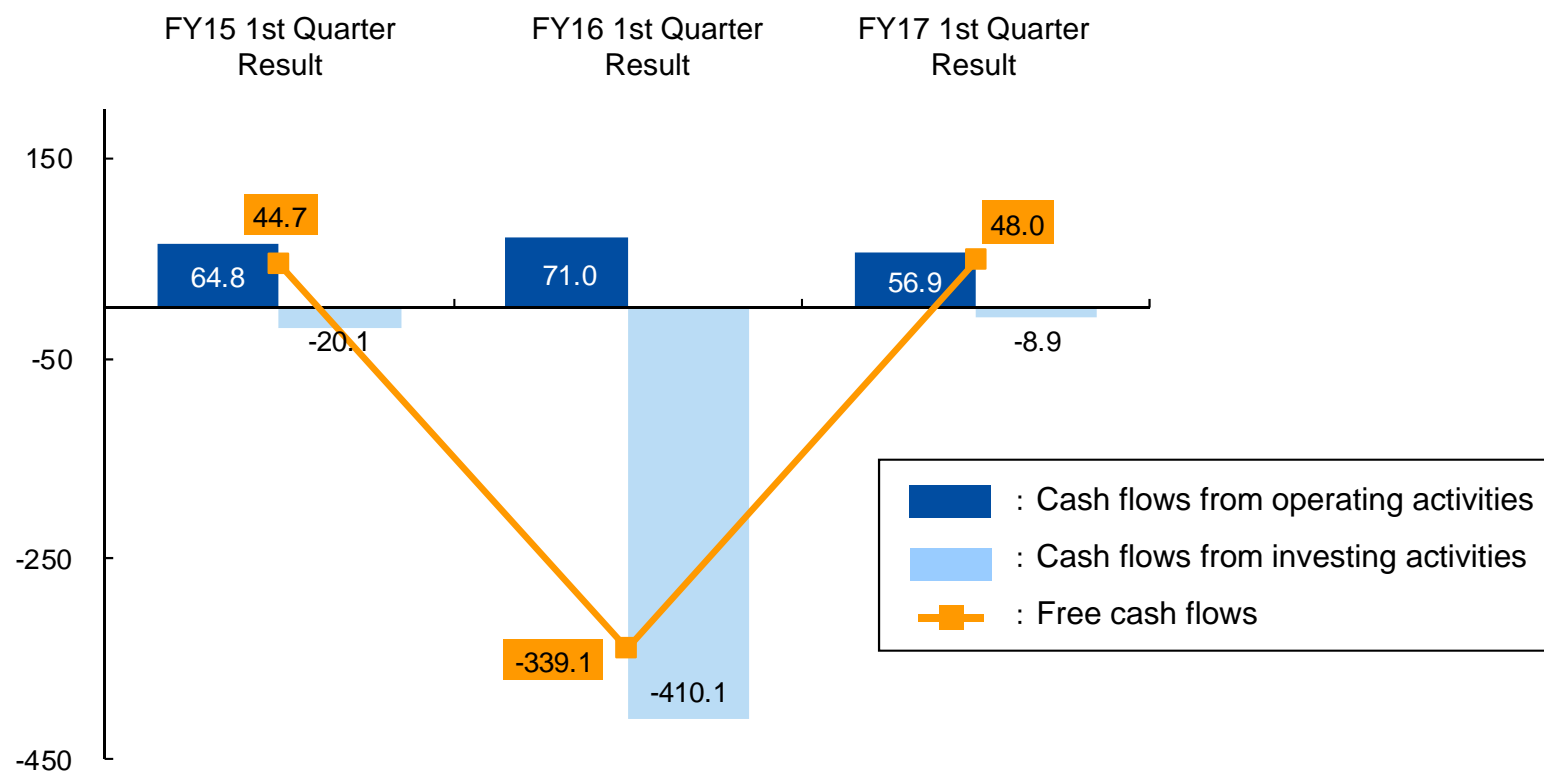
|   | March 31, 2016<br>Result | June 30, 2016<br>Result | Increase<br>/Decrease |
|---|--------------------------|-------------------------|-----------------------|
| Total assets                                  | 8,036.4                  | 7,664.5                 | - 371.9               |
| Interest-bearing debt                         | 3,196.2                  | 3,075.4                 | - 120.8               |
| Net interest-bearing debt                     | 2,555.6                  | 2,424.9                 | - 130.7               |
| Total shareholders' equity                    | 2,193.7                  | 2,088.3                 | - 105.4               |
| Ratio of shareholders' equity to total assets | 27.3%                    | 27.2%                   | - 0.1pt               |
| NET DER                                       | 1.17 times               | 1.16 times              | Nearly Same Level     |



(Unit : billion yen)

(Unit : times)

|                                      | FY2016<br>1 <sup>st</sup> Quarter<br>Result | FY2017<br>1 <sup>st</sup> Quarter<br>Result | Increase/Decrease |
|--------------------------------------|---|---|-------------------|
| Cash flows from operating activities | 71.0  | 56.9  | - 14.1            |
| Cash flows from investing activities | - 410.1                                     | - 8.9                                       | + 401.2           |
| Cash flows from financing activities | 226.3                                       | - 22.2                                      | - 248.4           |
| Free cash flows                      | - 339.1                                     | 48.0  | + 387.1           |



(Unit : billion yen)



# Investments (based on Cash Flows)

## FY2016 Result

### Major New Investments

|                                       |                                       |              |
|---------------------------------------|---------------------------------------|--------------|
| <b>Consumer-related Sector</b>        | ◆ Familymart additional acquisition   |              |
|                                       | ◆ Bosideng                            |              |
|                                       | ◆ Provence Huiles                     |              |
|                                       | ◆ Prima Meat Packers capital increase |              |
|                                       | ◆ Metsa Fibre Loan etc.               |              |
|                                       |                                       | 140 bln yen  |
| <b>Basic Industry-related Sector</b>  |                                       | 55 bln yen   |
| <b>Non-Resource</b>                   |                                       | 195 bln yen  |
| <b>Resource-related Sector</b>        | ◆ IMEA Expansion                      |              |
|                                       | ◆ ACG Investment                      |              |
|                                       | ◆ BTC Pipeline Investment etc.        |              |
| <b>Resource</b>                       |                                       | 50 bln yen   |
| <b>subtotal</b>                       |                                       | 245 bln yen  |
| <b>EXIT</b>                           |                                       | -280 bln yen |
| <b>New investment excl. CITIC</b>     |                                       | -35 bln yen  |
| <b>CITIC</b>                          | ◆ CITIC Limited                       | 600 bln yen  |
| <b>Total of Major New Investments</b> |                                       | 845 bln yen  |
| <b>Net Investment Amount</b>          |                                       | 565 bln yen  |

## FY2017 1st Quarter Result

### Major New Investments

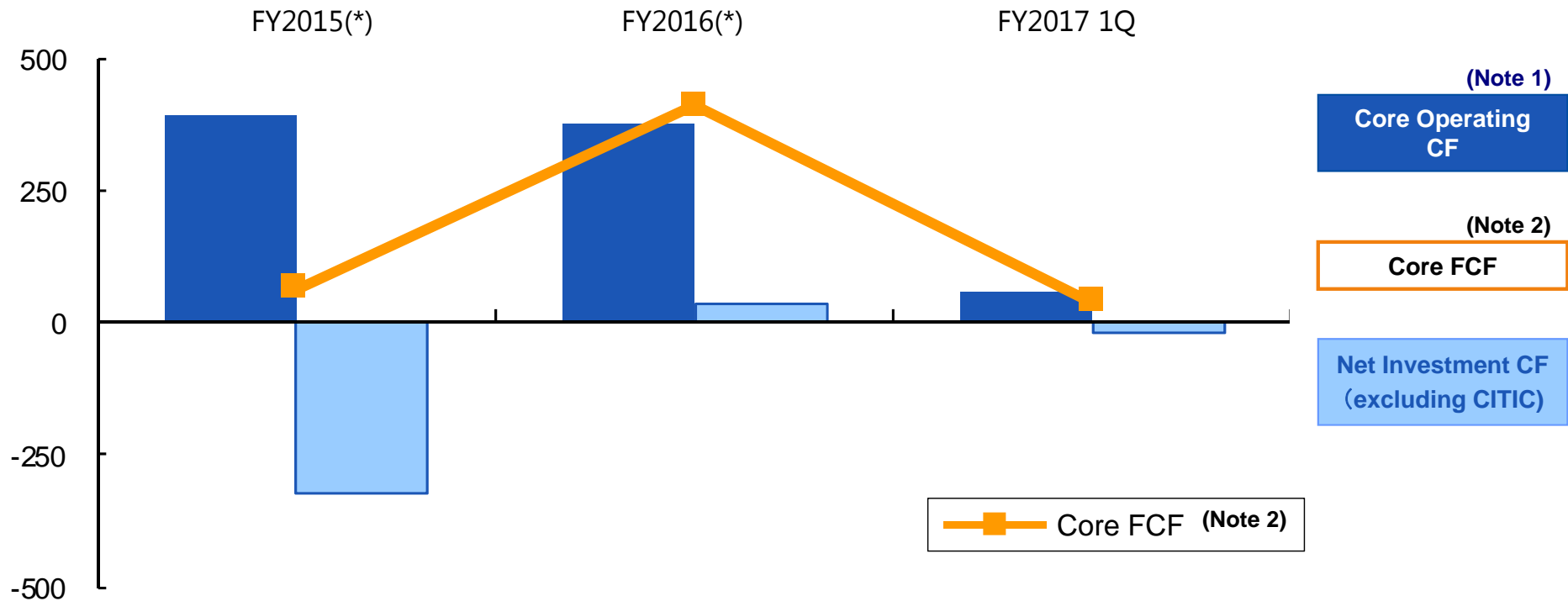
|                                       |                                     |             |
|---------------------------------------|-------------------------------------|-------------|
| <b>Consumer-related Sector</b>        | ◆ Familymart additional acquisition |             |
|                                       | etc.                                |             |
|                                       |                                     | 30 bln yen  |
| <b>Basic Industry-related Sector</b>  |                                     | 15 bln yen  |
| <b>Non-Resource</b>                   |                                     | 45 bln yen  |
| <b>Resource-related Sector</b>        |                                     |             |
| <b>Resource</b>                       |                                     | 5 bln yen   |
| <b>EXIT</b>                           |                                     | -30 bln yen |
| <b>Total of Major New Investments</b> |                                     | 50 bln yen  |
| <b>Net Investment Amount</b>          |                                     | 20 bln yen  |



# Core Free Cash Flows



I am One with Infinite Missions



| Year                                  |                                 | FY2015  | FY2016 | FY2017 1Q | FY2017 Image |
|---------------------------------------|---------------------------------|---------|--------|-----------|--------------|
| Operating CF                          |                                 | 403.6   | 419.4  | 56.9      |              |
| a                                     | Core Operating CF (Note 1)      | 390.0   | 375.0  | 60.0      |              |
| b                                     | Net Investment CF (excl. CITIC) | - 325.0 | 35.0   | - 20.0    |              |
| a+b                                   | Core FCF (Note 2)               | 65.0    | 410.0  | 40.0      | Over 100.0   |
| Cash Dividends                        |                                 | - 78.0  | - 75.0 | - 39.5    |              |
| Core FCF after deduction of dividends |                                 | - 13.0  | 335.0  | 0.5       | Positive     |

Note1: "Operating Cash Flows" minus "increase/decrease of working capital"

Note2: Exclude investment into CITIC Limited and increase/decrease of working capital

(Unit : billion yen)



# Quantitative Forecast



I am One with Infinite Missions

|   | FY2016<br>Annual<br>Result | FY2017<br>1 <sup>st</sup> Quarter<br>Result<br>(a) | FY2017<br>Forecast<br>(as of May,6)<br>(b) | Progress<br>(a/b) |
|---|----------------------------|--|--|-------------------|
| Gross trading profit                                | 1,069.7                    | 248.9  | 1,080.0                                    | 23%               |
| Trading income                                      | 226.4                      | 48.4   | 240.0                                      | 20%               |
| Equity in earnings of associates and joint ventures | 147.7                      | 37.1   | 180.0                                      | 21%               |
| Profit before tax                                   | 322.7                      | 97.2   | 463.0                                      | 21%               |
| Net profit attributable to ITOCHU                   | 240.4                      | 73.1   | 350.0                                      | 21%               |

|   |            |            |           | Increase/<br>Decrease<br>(a-b) |
|---|------------|------------|-----------|--------------------------------|
| Total assets                                  | 8,036.4    | 7,664.5    | 8,200.0   | - 535.5                        |
| Interest-bearing debt                         | 3,196.2    | 3,075.4    | 3,150.0   | - 74.6                         |
| Net interest-bearing debt                     | 2,555.6    | 2,424.9    | 2,500.0   | - 75.1                         |
| Total shareholders' equity                    | 2,193.7    | 2,088.3    | 2,400.0   | - 311.7                        |
| Ratio of shareholders' equity to total assets | 1.17 times | 1.16 times | 1.0 times | +0.16 pt                       |
| ROE   | 10.4%      | —          | 15.2%     | —                              |

(Unit : billion yen)

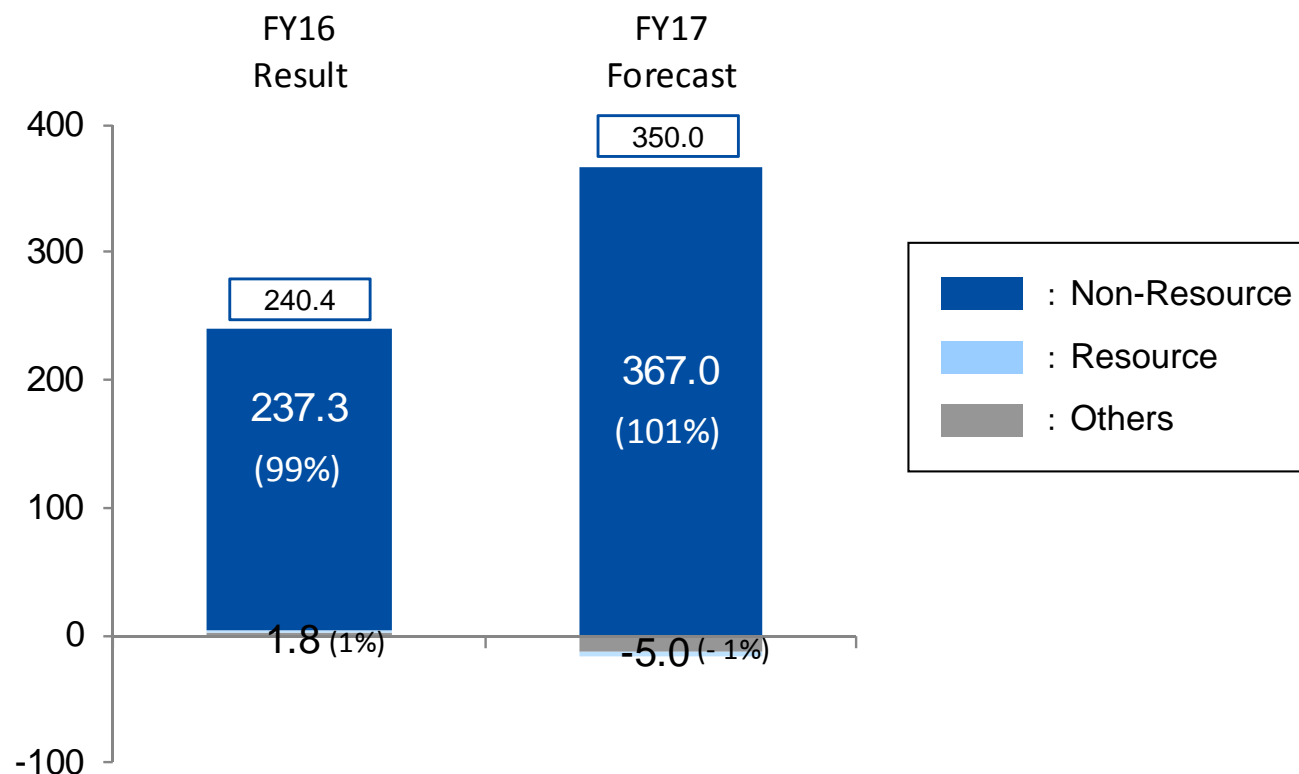
Brand-new Deal 2017



# Earnings from Non-Resource and Resource

|                         | FY2016<br>Annual<br>Result | FY2017<br>Forecast<br>(as of May,6) | Increase/Decrease |
|-------------------------|----------------------------|-------------------------------------|-------------------|
| Non-Resource            | 237.3                      | 367.0                               | + 129.7           |
| Resource                | 1.8                        | - 5.0                               | - 6.8             |
| Others                  | 1.3                        | - 12.0                              | - 13.3            |
| Total                   | 240.4                      | 350.0                               | + 109.6           |
| Non-Resource / Resource | 99% / 1%                   | 101% / - 1%                         | + 2pt / - 2pt     |

Note:% composition is calculated using the total of Non-Resource and Resource sectors as 100%



(Unit : billion yen)

|                                      | FY2016<br>Result | FY2017<br>Plan | FY2017<br>1Q<br>Result | (Reference)<br>Sensitivities on net profit attributable to<br>ITOCHU for FY2017 2 <sup>nd</sup> —4 <sup>th</sup> quarter<br>against forecast |
|--------------------------------------|------------------|----------------|------------------------|--|
| Exchange rate (YEN / US\$)           | <b>121</b>       | <b>110</b>     | <b>110</b>             | Approx. ¥ -1.1billion yen<br>(1 yen appreciation against US\$)   |
| Interest(%) YEN TIBOR 3M,<br>average | <b>0.16%</b>     | <b>0.20%</b>   | <b>0.07%</b>           | Approx. ¥ - 3.5billion yen<br>(1% increase)  |
| Crude Oil (US\$/BBL)*                | <b>49</b>        | <b>35</b>      | <b>47</b>              | ±¥ 0.13billion yen   |
| Iron Ore (US\$/TON)(fine ore)        | <b>53**</b>      | <b>N.A.***</b> | <b>39**</b>            | ±¥ 0.84billion   |
| Hard coking coal (US\$/TON)          | <b>93**</b>      | <b>N.A.***</b> | <b>84**</b>            | ±¥ 0.21billion   |
| Thermal coal (US\$/TON)              | <b>67.8**</b>    | <b>N.A.***</b> | <b>61.6**</b>          |  |

(The above effect varies according to changes in sales volume, foreign exchange rates and production costs.)

\* The price of crude oil is the price of Brent crude oil.

\*\* FY2016 and FY2017 1<sup>st</sup> quarter prices for iron ore, hard coking coal and thermal coal are prices that ITOCHU regards as general transaction prices based on the market.

\*\*\* In the prices for iron ore, hard coking coal and thermal coal used in the FY2017 plan, the prices for FY2017 1<sup>st</sup> quarter are assumed based on the prices that major suppliers and customers have agreed on regarding shipments and current spot prices, and the prices for FY2017 2<sup>nd</sup> to 4<sup>th</sup> quarter are assumed based on the prices agreed on the 1<sup>st</sup> quarter. However, the actual sales prices are decided based on negotiations with each customer, ore type and coal type.

## CITIC related profit for FY2017 1Q and Annual Projections

- CITIC related profit for FY2017 1Q was ¥12.6 billion. The annual projection has not changed from the initial plan of approx. ¥70.0 billion.

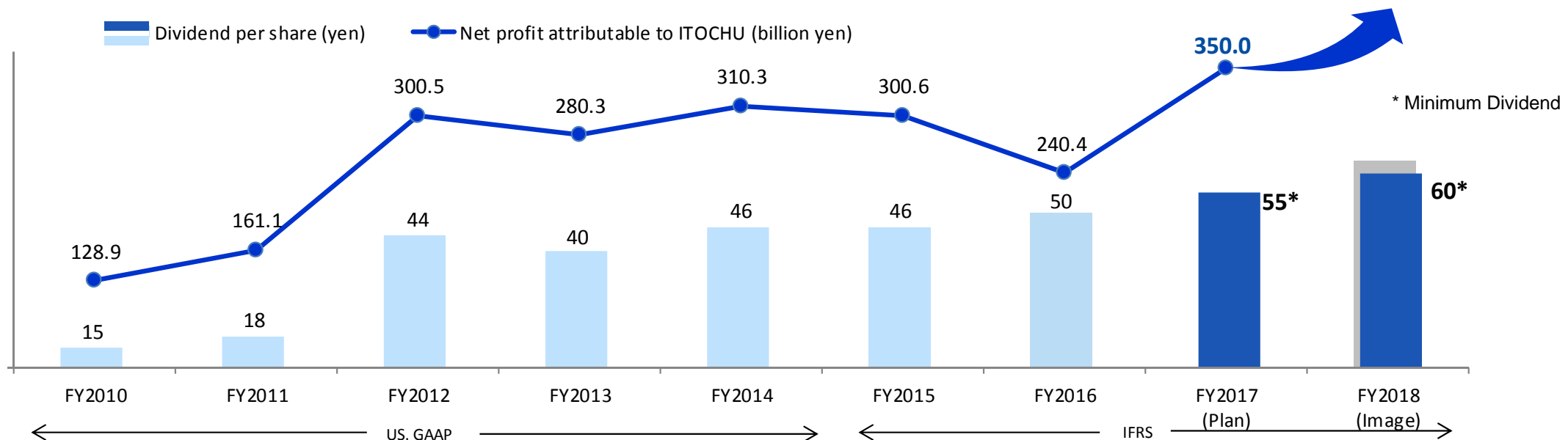
## Progress on Joint Projects

- To generate synergies between CITIC & CP Group in various fields, tri-party discussion about potential trades and investment opportunities continues among all levels of each company.
- In the Consumer-related sector, deliberation of synergies on growing business segments in China such as Fin-tech and Cross Border E-Commerce led to small cap investments.
- In the Oil and Gas development sector, an MOU was signed between CITIC Resources Holdings and started discussion on future potential joint acquisitions.
- Based on the “Tri-party Memorandum of Enhanced Human Resources Synergies” signed in January 2016, CP, CITIC & ITOCHU held the first joint seminar in Japan. The business themes of medical matters; seeds, fertilizers and agricultural products; and evolving convenience stores were selected to promote synergy and provide the participants an opportunity to build personal networks.



**FY2017 Dividend Policy remains unchanged from Brand-new Deal 2017 dividend policy, as below.**

- We will continue to make our best efforts to share the growth and generated profit with our shareholders and to increase shareholder returns.
- During Brand-new Deal 2017, we will seek to annually surpass our record high dividends. In order to achieve the above, whilst continuing our current dividend policy of **a payout ratio of 20% for Net profit attributable to ITOCHU up to ¥200.0 billion and approx. 30% on the portion of Net profit attributable to ITOCHU exceeding ¥200.0 billion, we will guarantee a minimum dividend per share of ¥50 for FY2016, ¥55 for FY2017 and ¥60 for FY2018.**

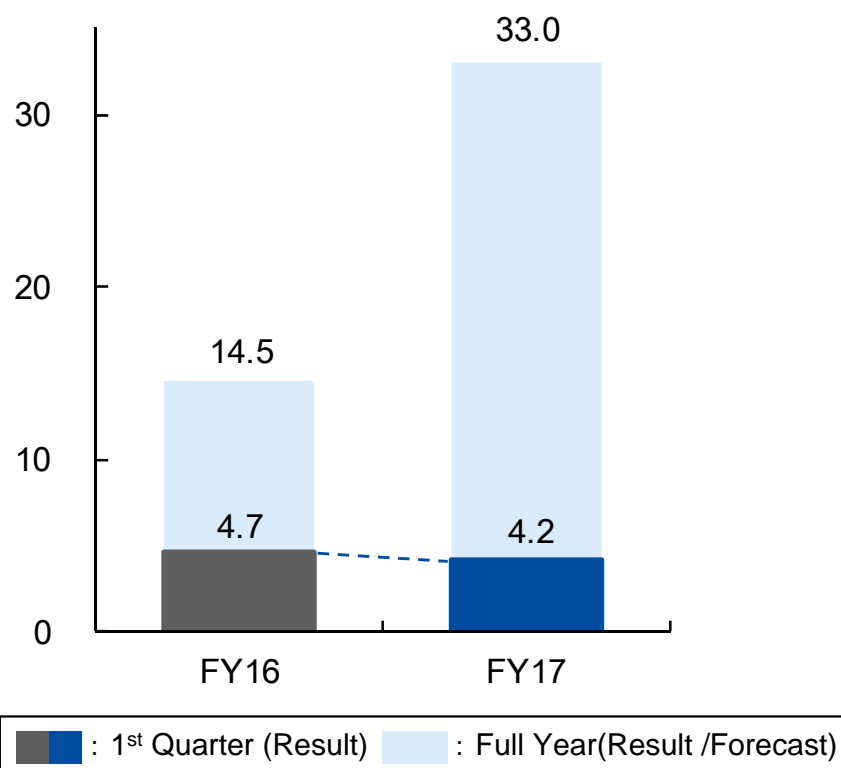


## <FY2017 1<sup>st</sup> Quarter Result>

Despite higher trading income, due to the discontinued recognition of investments by the equity method of China-related companies in the previous fiscal year, net profit attributable to ITOCHU posted in the 1st Quarter of FY2017 was ¥4.2 billion, a decrease of ¥0.5 billion from the 1st Quarter of FY2016.

### <Net profit attributable to ITOCHU>

### <Profits / Losses from Major Group Companies etc.>



(Unit : billion yen)

|  | 1 <sup>st</sup> Quarter |        | Full Year |                          |
|--|-------------------------|--------|-----------|--------------------------|
|  | FY2016                  | FY2017 | FY2016    | FY2017 Forecast (May, 6) |

|                                      |     |     |     |     |
|--------------------------------------|-----|-----|-----|-----|
| JOI'X CORPORATION                    | 0.1 | 0.1 | 1.1 | 1.2 |
| SANKEI CO., LTD.                     | 0.3 | 0.5 | 1.0 | 1.8 |
| ITOCHU Textile Prominent (ASIA) Ltd. | 0.3 | 0.1 | 0.9 | 1.7 |
| ITOCHU TEXTILE (CHINA) CO., LTD.     | 0.1 | 0.2 | 0.9 | 1.1 |

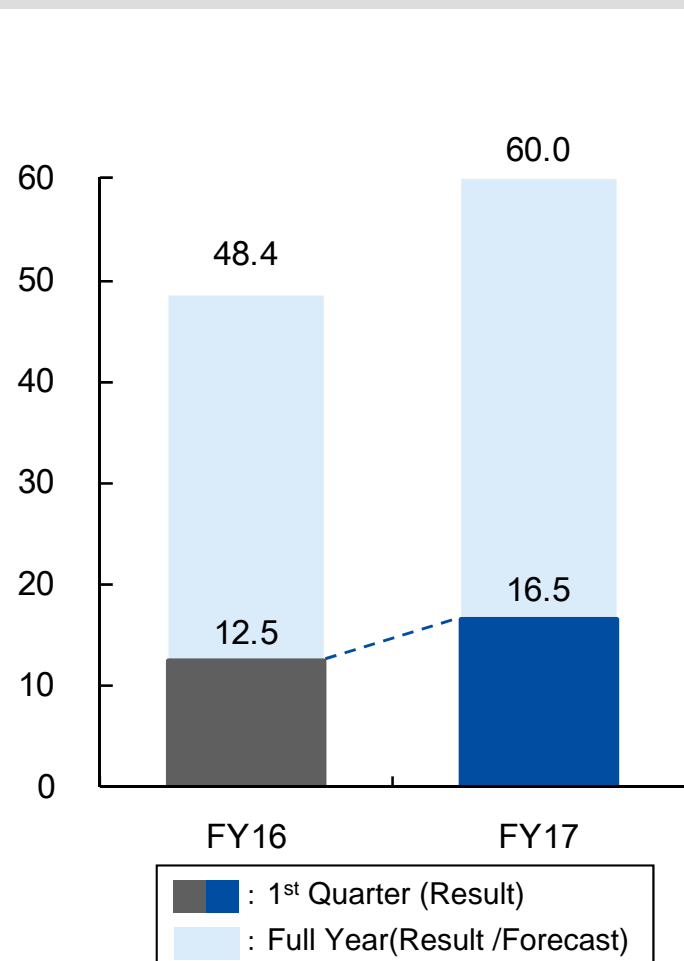


## <FY2017 1<sup>st</sup> Quarter Result>

Despite trading income remaining nearly at the same level compared with the previous fiscal year, due to the gain on sales of a medical-device-related company, net profit attributable to ITOCHU posted in the 1st Quarter of FY2017 was ¥16.5 billion, an increase of ¥4.0 billion from the 1st Quarter of FY2016. .

### <Net profit attributable to ITOCHU>

### <Profits / Losses from Major Group Companies etc.>



(Unit : billion yen)

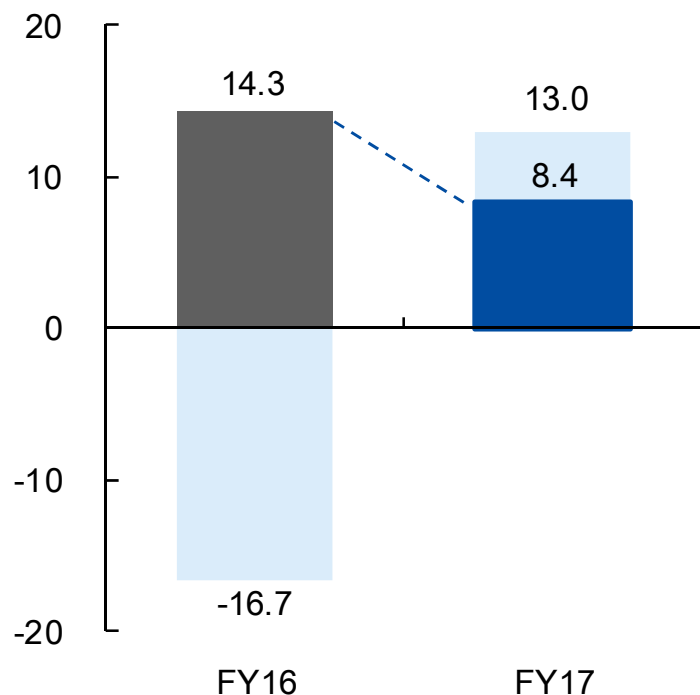
|   | 1st Quarter |        | Full Year |                          |
|---|-------------|--------|-----------|--------------------------|
|   | FY2016      | FY2017 | FY2016    | FY2017 Forecast (May, 6) |
| I-Power Investment, Inc.                    | 0.4         | 0.4    | 2.1       | 0.9                      |
| IMECS Co., Ltd.                             | 0.4         | 1.4    | 1.6       | 1.1                      |
| JAMCO Corporation                           | 0.6         | *      | 1.5       | 1.1                      |
| JAPAN AEROSPACE CORPORATION                 | 0.1         | 0.1    | 1.0       | 1.1                      |
| SUNCALL CORPORATION                         | 0.2         | *      | 0.4       | 0.3                      |
| YANASE & CO., LTD.                          | -           | -      | 1.8       | *                        |
| Auto Investment Inc.                        | 0.2         | 0.2    | 0.7       | 0.6                      |
| I.C. Autohandles Beteiligungen GmbH         | 0.0         | 0.0    | 0.1       | 0.2                      |
| Other overseas automobile dealer businesses | 0.3         | 0.3    | 1.4       | 1.2                      |
| ITOCHU CONSTRUCTION MACHINERY CO., LTD.     | 0.2         | 0.0    | 0.8       | 0.6                      |
| ITOCHU MACHINE-TECHNOS CORPORATION          | -0.2        | -0.1   | 0.7       | 0.9                      |
| Century Medical, Inc.                       | 0.2         | 0.0    | 0.3       | 0.4                      |
| ITOCHU SysTech Corporation                  | -0.1        | -0.2   | 0.3       | 0.4                      |
| Century Tokyo Leasing Corporation           | 2.4         | *      | 9.6       | 10.7                     |

\* Not disclosed because the financial results not yet announced.

## <FY2017 1<sup>st</sup> Quarter Result>

Despite the reduction of costs in the iron ore and coal-related companies, due to the discontinued recognition of investments by the equity method of a Brazilian iron ore company in the previous fiscal year, net profit attributable to ITOCHU posted in the 1st Quarter of FY2017 was ¥8.4 billion, a decrease of ¥5.9 billion from the 1st Quarter of FY2016.

### <Net profit attributable to ITOCHU>



■ : 1<sup>st</sup> Quarter (Result) ■ : Full Year (Result / Forecast)

(Unit : billion yen)

### <Profits / Losses from Major Group Companies etc.>

|  | 1 <sup>st</sup> Quarter |        | Full Year |                             |
|--|-------------------------|--------|-----------|-----------------------------|
|  | FY2016                  | FY2017 | FY2016    | FY2017 Forecast<br>(May, 6) |
| <b>ITOCHU Minerals &amp; Energy of Australia Pty Ltd</b> | 6.8                     | 6.9    | -22.6     | 6.1                         |
| Iron ore   | 8.0                     | 7.2    | 24.6      | *                           |
| Coal   | -1.2                    | -0.1   | -47.4     | *                           |
| <b>Brazil Japan Iron Ore Corporation</b>                 | 5.9                     | 0.0    | -0.9      | *                           |
| <b>ITOCHU Coal Americas Inc.</b>                         | -0.6                    | -0.6   | -2.3      | *                           |
| <b>Marubeni-Itochu Steel Inc.</b>                        | 2.4                     | 2.1    | 6.6       | *                           |
| <b>ITOCHU Metals Corporation</b>                         | 0.3                     | 0.3    | 2.0       | 1.4                         |

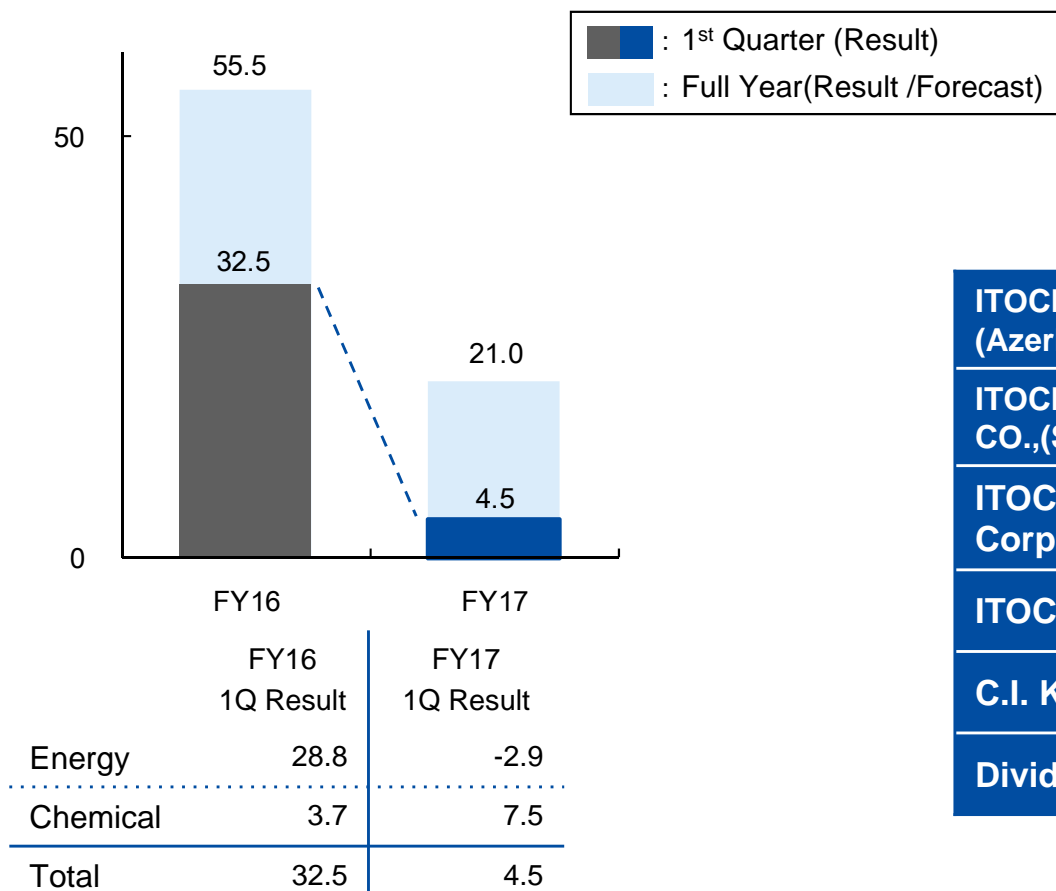
\* Due to the relationship with investees and partners, forecast is not presented.

## <FY2017 1<sup>st</sup> Quarter Result>

Due to lower trading income, and the absence of the improvement in tax expenses accompanying the disposal of a U.S. oil and gas development company in the same period of the previous fiscal year, net profit attributable to ITOCHU posted in the 1st Quarter of FY2017 was ¥4.5 billion, a decrease of ¥27.9 billion from the 1st Quarter of FY2016.

### <Net profit attributable to ITOCHU>

### <Profits / Losses from Major Group Companies etc.>



|  | 1 <sup>st</sup> Quarter |        | Full Year |                          |
|--|-------------------------|--------|-----------|--------------------------|
|  | FY2016                  | FY2017 | FY2016    | FY2017 Forecast (May, 6) |

|   |     |      |     |      |
|---|-----|------|-----|------|
| ITOCHU Oil Exploration (Azerbaijan) Inc.  | 0.7 | -1.9 | 5.0 | -1.0 |
| ITOCHU PETROLEUM CO.,(SINGAPORE) PTE. LTD | 0.9 | 0.5  | 2.3 | 1.8  |
| ITOCHU CHEMICAL FRONTIER Corporation      | 0.9 | 0.7  | 3.1 | 3.3  |
| ITOCHU PLASTICS INC.                      | 1.0 | 0.9  | 3.5 | 3.8  |
| C.I. Kasei Co., Ltd                       | 0.1 | 2.5  | 1.3 | 3.3  |
| Dividend from LNG Projects                | 0.1 | 0.1  | 4.8 | 2.3  |

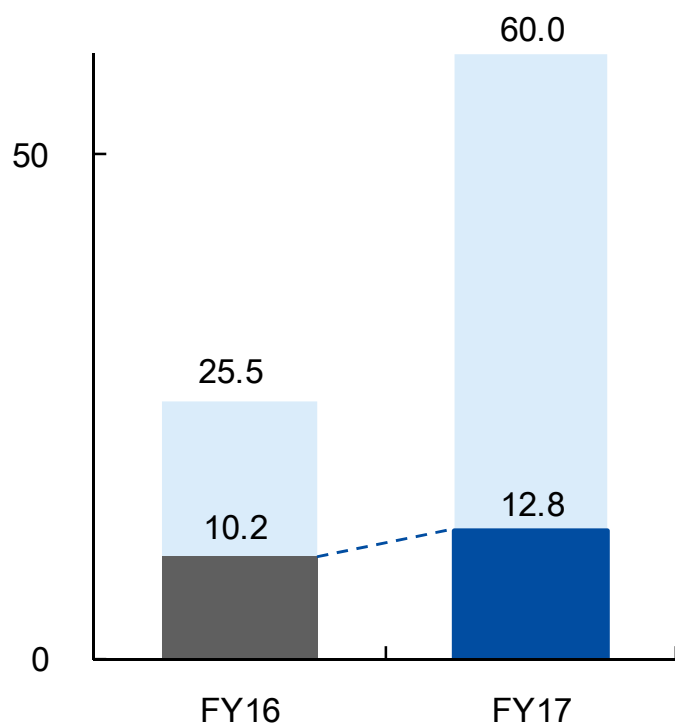
(Unit : billion yen)

## <FY2017 1<sup>st</sup> Quarter Result>

Due to the improvement in profitability in the food-distribution-related companies and in the fresh food companies, and the increase in equity in earnings of associates and joint ventures in fresh food-related companies, net profit attributable to ITOCHU posted in the 1st Quarter of FY2017 was ¥12.8 billion, an increase of ¥2.6 billion from the 1st Quarter of FY2016.

### <Net profit attributable to ITOCHU>

### <Profits / Losses from Major Group Companies etc.>



■ : 1<sup>st</sup> Quarter (Result)    ■ : Full Year (Result / Forecast)

|  | 1 <sup>st</sup> Quarter |        | Full Year |                          |
|--|-------------------------|--------|-----------|--------------------------|
|  | FY2016                  | FY2017 | FY2016    | FY2017 Forecast (May, 6) |

|  | 1 <sup>st</sup> Quarter |        | Full Year |                          |
|--|-------------------------|--------|-----------|--------------------------|
|  | FY2016                  | FY2017 | FY2016    | FY2017 Forecast (May, 6) |
| <b>Fuji Oil Holdings Inc.</b>            | 0.5                     | *      | 2.4       | 2.6                      |
| <b>Dole International Holdings, Inc.</b> | 2.1                     | 3.0    | -16.9     | 5.8                      |
| <b>Prima Meat Packers, Ltd.</b>          | 0.5                     | 0.7    | 2.6       | 2.1                      |
| <b>FamilyMart Co., Ltd.</b>              | 1.3                     | 1.3    | 6.1       | 9.1**                    |
| <b>NIPPON ACCESS, INC.</b>               | 1.0                     | 2.2    | 8.9       | 10.8                     |

\* Not disclosed because the financial results not yet announced.

\*\*The figure is the company's forecasts multiplied by ITOCHU's shares, excluding IFRS adjustment.

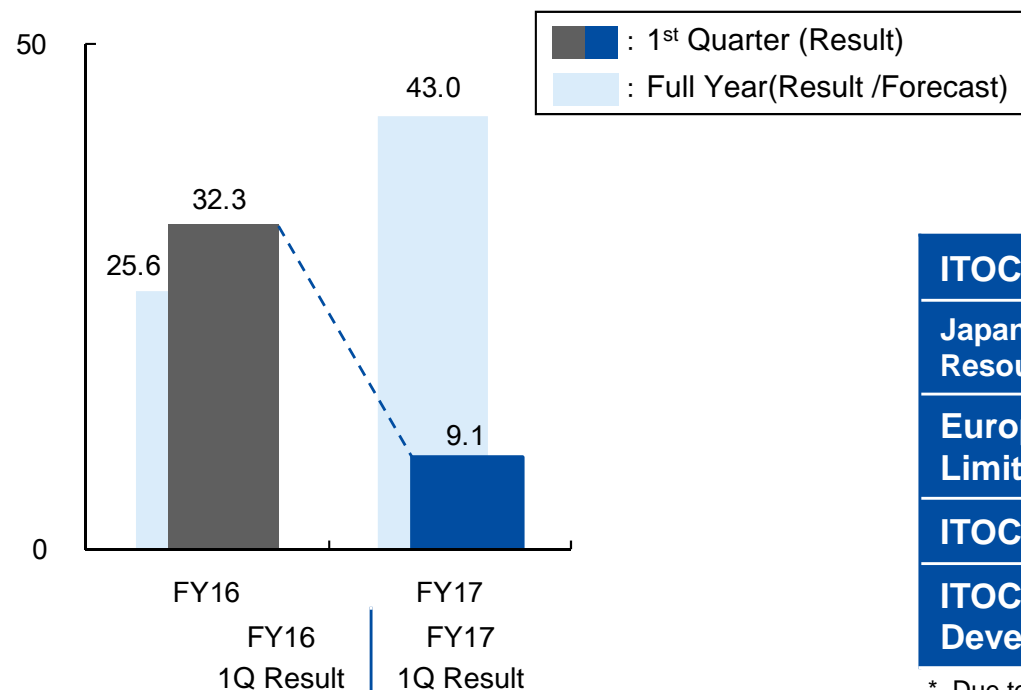
(Unit : billion yen)

## <FY2017 1<sup>st</sup> Quarter Result>

Due to lower trading income and the decrease in equity in earnings of associates and joint ventures in foreign pulp-related companies, and the absence of the gain on sales of a housing-materials-related company in the U.S. in the previous fiscal year, net profit attributable to ITOCHU posted in the 1st Quarter of FY2017 was ¥9.1 billion, a decrease of ¥23.2 billion from the 1st Quarter of FY2016.

### <Net profit attributable to ITOCHU>

### <Profits / Losses from Major Group Companies etc.>



|                                       | FY16<br>1Q Result | FY17<br>1Q Result |
|---------------------------------------|-------------------|-------------------|
| Forest Products & General Merchandise | 29.6              | 6.5               |
| Construction, Realty & Logistics      | 2.7               | 2.6               |
| <b>Total</b>                          | <b>32.3</b>       | <b>9.1</b>        |

|  | 1 <sup>st</sup> Quarter | Full Year                |
|--|-------------------------|--------------------------|
|  | FY2016                  | FY2017                   |
|  | FY2016                  | FY2017 Forecast (May, 6) |

|  |     |      |       |     |
|--|-----|------|-------|-----|
| <b>ITOCHU Kenzai Corp.</b>   | 0.3 | 0.5  | 1.7   | 2.4 |
| <b>Japan Brazil Paper and Pulp Resources Development Co., Ltd.</b> | 2.2 | 0.6  | 3.7   | *   |
| <b>European Tyre Enterprise Limited</b>                            | 1.2 | 1.0  | -29.9 | 4.5 |
| <b>ITOCHU FIBRE LIMITED</b>  | 1.9 | 1.0  | 6.9   | *   |
| <b>ITOCHU Property Development, Ltd.</b>                           | 0.4 | -0.3 | 2.8   | 2.8 |

\* Due to the relationship with investees and partners, forecast is not presented.

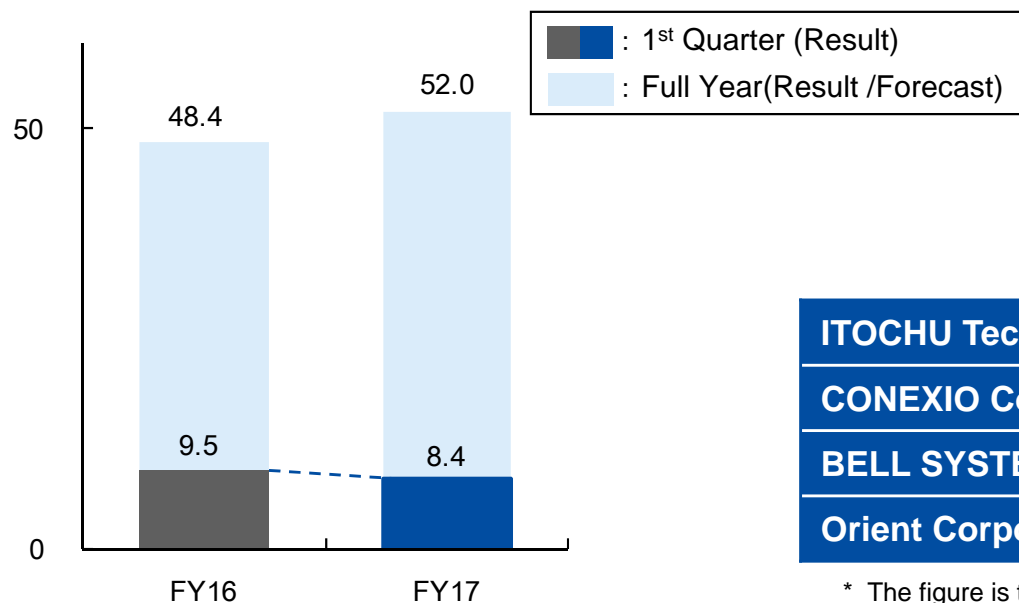
(Unit : billion yen)

## <FY2017 1<sup>st</sup> Quarter Result>

Despite higher trading income, due to the decrease in equity in earnings of associates and joint ventures, net profit attributable to ITOCHU posted in the 1st Quarter of FY2017 was ¥8.4 billion, a decrease of ¥1.0 billion from the 1st Quarter of FY2016.

### <Net profit attributable to ITOCHU>

### <Profits / Losses from Major Group Companies etc.>



|  | 1 <sup>st</sup> Quarter |        | Full Year |                          |
|--|-------------------------|--------|-----------|--------------------------|
|  | FY2016                  | FY2017 | FY2016    | FY2017 Forecast (May, 6) |
| <b>ITOCHU Techno-Solutions Corporation</b> | 0.7                     | 0.7    | 10.4      | 11.4*                    |
| <b>CONEXIO Corporation</b>                 | 0.7                     | 0.5    | 3.7       | 3.4*                     |
| <b>BELL SYSTEM24 Holdings, Inc</b>         | 2.6                     | 0.9    | 3.4       | 2.2*                     |
| <b>Orient Corporation</b>                  | 0.6                     | 1.2    | 2.6       | **                       |

\* The figure is the company's forecasts multiplied by ITOCHU's shares, not including IFRS adjustment.

\*\* ITOCHU recognizes the equity in earnings (losses) calculated by multiplying the figures after IFRS adjustments by Shares. Not announced the figures since a discrepancy may occur between the forecast announced by the company and that of ITOCHU.

|                                | FY16<br>1Q Result | FY17<br>1Q Result |
|--------------------------------|-------------------|-------------------|
| ICT                            | 7.3               | 5.9               |
| Financial & Insurance Business | 2.2               | 2.5               |
| <b>Total</b>                   | <b>9.5</b>        | <b>8.4</b>        |

(Unit : billion yen)

# ITOCHU's Equity Share (Sales Result)

| FY2016   |            |            |            |               |               | FY2017     | FY2017            |
|--|------------|------------|------------|---------------|---------------|------------|-------------------|
|  | 1Q         | 2Q         | 3Q         | 4Q            | Full Year     | 1Q         | Forecast (May, 6) |
| <b>Oil &amp; Gas</b><br>(1,000BBL/day*)  |            |            |            |               | <b>30</b>     |            | <b>34</b>         |
| * Natural Gas converted to crude oil is equivalent to 6,000cf = 1 BBL                            |            |            |            |               |               |            |                   |
| <b>Iron ore (million t)</b>  | <b>5.0</b> | <b>5.2</b> | <b>5.1</b> | <b>4.7</b>    | <b>20.0</b>   | <b>5.3</b> | <b>21.5</b>       |
| IMEA   | 4.9        | 5.0        | 4.7        | 4.6           | 19.2          | 4.8        | 19.2              |
| Brazil Iron Ore Corporation**  | 0.1        | 0.2        | 0.3        | 0.2           | 0.8           | 0.5        | 2.3               |
| **Figures of Brazil Iron Ore Corporation is the sales results of NAMISA in FY2016, CM in FY2017. |            |            |            |               |               |            |                   |
| <b>Coal (million t)</b>  | <b>3.0</b> | <b>3.3</b> | <b>3.3</b> | <b>3.8</b>    | <b>13.4</b>   | <b>2.8</b> | <b>11.8</b>       |
| IMEA   | 1.7        | 2.0        | 1.7        | 2.1           | 7.5           | 1.3        | 5.4               |
| ICA  | 1.3        | 1.4        | 1.6        | 1.7           | 5.9           | 1.5        | 6.5               |
| <b>【Reference】 IMEA Profit Result (billion yen)</b>  |            |            |            |               |               |            |                   |
| <b>IMEA</b>  | <b>6.8</b> | <b>6.3</b> | <b>2.8</b> | <b>- 38.5</b> | <b>- 22.6</b> | <b>6.9</b> | <b>6.1</b>        |
| Iron, ore  | 8.0        | 8.1        | 4.7        | 3.9           | 24.6          | 7.2        | N.A.              |
| Coal   | - 1.2      | - 1.8      | - 1.9      | - 42.5        | - 47.4        | - 0.1      | N.A.              |

※ IMEA : ITOCHU Minerals & Energy of Australia Pty Ltd

CM : CONGONHAS MINÉRIOS S.A.

ICA : ITOCHU Coal Americas Inc.



# Quarterly Gross Trading Profit by Segment



I am One with Infinite Missions

|   |                                       | FY2016       |              |              |              | FY2017         |
|---|---------------------------------------|--------------|--------------|--------------|--------------|----------------|
|   |                                       | 1Q           | 2Q           | 3Q           | 4Q           | Full year      |
|   |                                       |              |              |              |              | 1Q             |
| <b>Textile</b>                                |                                       | <b>31.8</b>  | <b>35.6</b>  | <b>36.6</b>  | <b>33.4</b>  | <b>137.5</b>   |
| <b>Machinery</b>                              |                                       | <b>27.3</b>  | <b>30.0</b>  | <b>31.3</b>  | <b>28.7</b>  | <b>117.3</b>   |
| <b>Metals &amp; Minerals</b>                  |                                       | <b>9.6</b>   | <b>9.3</b>   | <b>6.3</b>   | <b>7.2</b>   | <b>32.5</b>    |
| <b>Energy &amp; Chemicals</b>                 |                                       | <b>42.5</b>  | <b>50.6</b>  | <b>45.7</b>  | <b>46.2</b>  | <b>185.1</b>   |
|   | Energy                                | 24.1         | 31.6         | 27.7         | 28.5         | 111.9          |
|   | Chemicals                             | 18.4         | 19.1         | 18.0         | 17.7         | 73.2           |
| <b>Food</b>                                   |                                       | <b>63.6</b>  | <b>64.0</b>  | <b>67.8</b>  | <b>66.7</b>  | <b>262.2</b>   |
| <b>General Products &amp; Realty</b>          |                                       | <b>41.1</b>  | <b>40.8</b>  | <b>36.9</b>  | <b>41.5</b>  | <b>160.3</b>   |
|   | Forest Products & General Merchandise | 30.4         | 30.8         | 27.7         | 25.6         | 114.6          |
|   | Construction, Realty & Logistics      | 10.6         | 10.0         | 9.2          | 15.8         | 45.7           |
| <b>ICT &amp; Financial Business</b>           |                                       | <b>34.6</b>  | <b>38.0</b>  | <b>38.9</b>  | <b>53.8</b>  | <b>165.4</b>   |
|   | ICT                                   | 31.4         | 34.7         | 35.5         | 50.5         | 152.1          |
|   | Financial & Insurance Business        | 3.2          | 3.3          | 3.5          | 3.3          | 13.3           |
| <b>Others, Adjustments &amp; Eliminations</b> |                                       | <b>3.1</b>   | <b>2.5</b>   | <b>2.2</b>   | <b>1.7</b>   | <b>9.6</b>     |
| <b>Total</b>                                  |                                       | <b>253.7</b> | <b>270.9</b> | <b>265.9</b> | <b>279.3</b> | <b>1,069.7</b> |
|   |                                       |              |              |              |              | <b>248.9</b>   |



# Quarterly Net Profit Attributable to ITOCHU by Segment

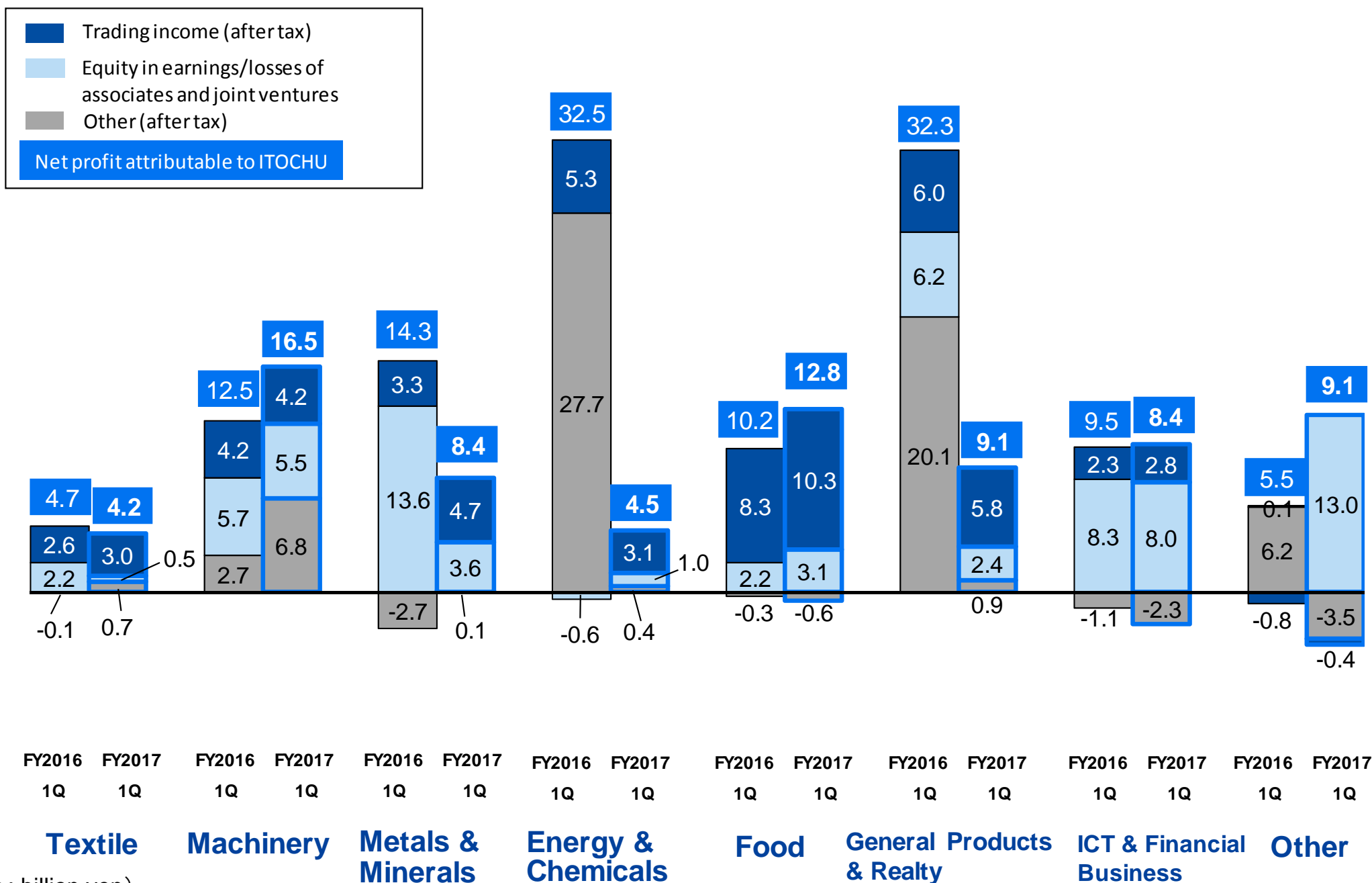
|   |                                       | FY2016       |             |              |               | FY2017        |
|---|---------------------------------------|--------------|-------------|--------------|---------------|---------------|
|   |                                       | 1Q           | 2Q          | 3Q           | 4Q            | Full year     |
|   |                                       |              |             |              |               | 1Q            |
| <b>Textile</b>                                |                                       | <b>4.7</b>   | <b>11.4</b> | <b>7.1</b>   | <b>- 8.7</b>  | <b>14.5</b>   |
| <b>Machinery</b>                              |                                       | <b>12.5</b>  | <b>14.5</b> | <b>13.3</b>  | <b>8.0</b>    | <b>48.4</b>   |
| <b>Metals &amp; Minerals</b>                  |                                       | <b>14.3</b>  | <b>6.9</b>  | <b>- 1.2</b> | <b>- 36.7</b> | <b>- 16.7</b> |
| <b>Energy &amp; Chemicals</b>                 |                                       | <b>32.5</b>  | <b>11.4</b> | <b>2.0</b>   | <b>9.6</b>    | <b>55.5</b>   |
|   | Energy                                | 28.8         | 6.6         | - 4.9        | 6.3           | 36.7          |
|   | Chemicals                             | 3.7          | 4.9         | 6.8          | 3.3           | 18.7          |
| <b>Food</b>                                   |                                       | <b>10.2</b>  | <b>11.8</b> | <b>12.8</b>  | <b>- 9.4</b>  | <b>25.5</b>   |
| <b>General Products &amp; Realty</b>          |                                       | <b>32.3</b>  | <b>10.6</b> | <b>3.9</b>   | <b>- 21.1</b> | <b>25.6</b>   |
|   | Forest Products & General Merchandise | 29.6         | 7.9         | 2.6          | - 25.3        | 14.8          |
|   | Construction, Realty & Logistics      | 2.7          | 2.6         | 1.3          | 4.1           | 10.8          |
| <b>ICT &amp; Financial Business</b>           |                                       | <b>9.5</b>   | <b>18.7</b> | <b>8.6</b>   | <b>11.6</b>   | <b>48.4</b>   |
|   | ICT                                   | 7.3          | 4.7         | 7.0          | 10.7          | 29.7          |
|   | Financial & Insurance Business        | 2.2          | 14.0        | 1.6          | 0.9           | 18.7          |
| <b>Others, Adjustments &amp; Eliminations</b> |                                       | <b>5.5</b>   | <b>5.9</b>  | <b>21.6</b>  | <b>6.2</b>    | <b>39.2</b>   |
| <b>Total</b>                                  |                                       | <b>121.5</b> | <b>91.3</b> | <b>68.2</b>  | <b>- 40.6</b> | <b>240.4</b>  |



# Operating Segment



I am One with Infinite Missions



(Unit : billion yen)

Brand-new Deal 2017

# Extraordinary Gains and Losses

|                              | FY2016<br>1 <sup>st</sup> Quarter<br>Result | FY2017<br>1 <sup>st</sup> Quarter<br>Result | Increase/<br>Decrease |
|------------------------------|---|---|-----------------------|
| Gains related to investments | 20.0  | 6.5   | - 13.5                |
| Income tax expense           | 34.0  | 0   | - 34.0                |
| Others                       | - 1.0                                       | - 5.0                                       | - 4.0                 |
| <b>Total</b>                 | <b>53.0</b>                                 | <b>1.5</b>                                  | <b>- 51.5</b>         |

(Unit : billion yen)

I am One with Infinite Missions



[www.itochu.co.jp/](http://www.itochu.co.jp/)