

Highlights of Consolidated Financial Results for the Fourth Quarter of FY 2014 (U.S. GAAP)
(3 months from January 1, 2014 to March 31, 2014)

May 1, 2014
 ITOCHU Corporation
 (Unit: billion yen, (losses, decrease))

Financial topics for the 4th Quarter (3 months) of FY 2014

- “Gross trading profit” increased by ¥29.8 bil. to ¥277.9 bil., a record high for the fourth quarter.
- “Net income attributable to ITOCHU” decreased by ¥2.2 bil. to ¥69.9 bil. due to the absence of gain on sales of investments, despite an increase in “Gross trading profit”.
 By segment, four segments; “ICT, General Products & Realty”, “Metals & Minerals”, “Food”, and “Machinery”, all recorded over ¥10.0 bil. of ¥19.9 bil., ¥17.3 bil., ¥15.4 bil., and ¥10.5 bil. respectively.

	4th Quarter FY 2014	4th Quarter FY 2013	Increase (Decrease)
Natural Resource /Energy-Related	4.0	22.2	(18.2)
Non-Resource	68.9	50.3	18.6
Others	(2.9)	(0.3)	(2.7)
Non-Resource & Others	66.0	50.0	15.9
Natural Resource/ Non-Resource	5%/95%	31%/69%	-26%/26%

Consolidated Financial Results of Operations	4th Quarter FY 2014	4th Quarter FY 2013	Increase (Decrease)	Summary of changes from the same period of the previous fiscal year
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Consolidated Statements of Income

Revenue	1,493.5	1,332.5	161.0
Gross trading profit	277.9	248.1	29.8
Selling, general and administrative expenses	(191.3)	(167.5)	(23.8)
Provision for doubtful receivables	(2.6)	(0.6)	(2.0)
Net interest expenses	(3.2)	(3.3)	0.2
Dividends received	23.6	23.1	0.5
Net financial income	20.4	19.8	0.6
Gain on investments-net	17.8	25.5	(7.7)
Loss on property and equipment-net	(2.1)	(5.1)	3.0
Other-net	3.4	0.3	3.1
Total other-expenses	(154.4)	(127.6)	(26.8)
Income before income taxes and equity in earnings of associated companies	123.5	120.5	3.0
Income taxes	(48.7)	(43.1)	(5.6)
Income before equity in earnings of associated companies	74.8	77.4	(2.6)
Equity in earnings of associated companies	2.9	1.1	1.8
Net income	77.7	78.5	(0.8)
Less: Net income attributable to the noncontrolling interest	(7.7)	(6.3)	(1.4)
Net income attributable to ITOCHU	69.9	72.2	(2.2)

Revenue: Increase attributable to higher revenue from the ICT, General Products & Realty Company, due to the favorable performance by housing-material-related companies, higher transaction volume of domestic ICT-related companies, expanded business by mobile-phone-related companies, and contribution of real estate transactions; higher revenue from the Food Company, reflecting acquisition of the Dole business; higher revenue from the Machinery Company, due to higher transaction volume in automobile and plant-related transactions; and the effect of yen depreciation

Gross trading profit:
Textile +0.5 (34.0 → 34.5): Increase mainly due to higher apparel products transactions
Machinery +0.3 (25.0 → 25.3): Overall at almost the same level due to increase in automobile, machinery, and plant-related transaction volume and yen depreciation, despite valuation loss on sales inventories and decrease in ship transactions
Metals & Minerals -6.0 (23.2 → 17.2): Decrease due to falling coal prices and decrease in iron ore prices compared with the same period of the previous fiscal year
Energy & Chemicals +8.5 (48.7 → 57.1): Overall increase due to increase and improvement in profitability of energy trading transactions, increased vessel allocation for transactions of exploration and production of crude oil; and higher transactions of chemicals, despite decrease in profit accompanying sale of U.K. North Sea energy rights in the same period of the previous fiscal year
Food +7.4 (48.4 → 55.8): Increase due to acquisition of Dole business and higher transaction volume in food-distribution-related companies
ICT, General Products & Realty +23.6 (64.4 → 88.1): Increase due to favorable performance of housing-materials-related companies, higher transaction volume of domestic ICT-related companies, expanded business by mobile-phone-related companies, contribution of real estate transactions, and effect of yen depreciation

SG & A: Increase due to the inclusion of new consolidated subsidiaries, including the acquisition of the Dole business, and the effect of yen depreciation

Provision for doubtful receivables Increase in allowance for doubtful receivables

Net financial income: Almost the same level

Gain on investments-net: Net gain on sales of investments -9.2 (28.9 → 19.6), Net of impairment losses and remeasuring gains on investments +0.7 (-2.4 → -1.7), Losses on business disposals and others +0.8 (-1.0 → -0.1)

Loss on property and equipment-net: Net gain (loss) on sales of property and equipment +4.2 (-1.3 → 2.9), Impairment losses on property and equipment -1.1 (-4.2 → -5.3), Rental income and other -0.1 (0.4 → 0.3)

Other-net: Mainly due to an improvement in foreign currency translation

Equity in earnings of assoc. co.:
Textile +1.7 (1.9 → 3.6): Increase due to stable performances by equity-method associated companies in Japan and overseas and gain on sales of investments
Machinery +2.3 (3.3 → 5.6): Increase due to an increase in equity in earnings of automobile-related and ship-related companies
Metals & Minerals -0.5 (11.4 → 11.0): Decrease due to decrease in equity in earnings of Colombian coal companies due to a decline in coal prices and decrease in sales volume, despite an improvement in foreign currency translation in Brazilian iron ore companies
Energy & Chemicals -4.7 (-22.8 → -27.5): Deterioration due to increase in impairment losses in U.S. oil and gas development companies
Food +2.1 (3.2 → 5.3): Increase due to a stable performance by Chinese food companies
ICT, General Products & Realty +1.7 (4.2 → 5.9): Increase due to a stable performance by overseas pulp companies, and an increase in equity in earnings of finance-related companies in Japan and overseas

(Reference)			
Total trading transactions	3,826.8	3,277.7	549.1
Gross trading profit ratio	7.3%	7.6%	(0.3%)
Adjusted profit	109.9	101.5	8.4

Adjusted profit = Gross trading profit + SG&A expenses + Net financial income + Equity in earnings of associated companies

Consolidated Statements of Comprehensive Income

Net income	77.7	78.5	(0.8)
Other comprehensive income (loss) (net of tax)			
Foreign currency translation adjustments	15.3	131.3	(116.0)
Pension liability adjustments	10.2	7.7	2.5
Unrealized holding gains(losses) on securities	(20.5)	33.1	(53.6)
Unrealized holding gains on derivative instruments	2.3	2.8	(0.4)
Total other comprehensive income (loss) (net of tax)	7.2	174.8	(167.6)
Comprehensive income (loss)	84.9	253.3	(168.4)
Comprehensive income (loss) attributable to the noncontrolling interest	(11.5)	(20.8)	9.3
Comprehensive income (loss) attributable to ITOCHU	73.3	232.5	(159.2)

Operating Segment Information	Net income attributable to ITOCHU			[Net income attributable to ITOCHU] Summary of changes from the same period of the previous fiscal year
	4th Quarter FY 2014	4th Quarter FY 2013	Increase (Decrease)	

Textile	8.8	6.6	2.1	Increase due to increase in gain (loss) on investments-net, increase in equity in earnings of associated companies, and rise in gross trading profit, despite increase in SG&A
Machinery	10.5	9.7	0.8	Increase due to increase in equity in earnings of associated companies and rise in gross trading profit, despite valuation loss on sales inventories and decrease in ship transactions
Metals & Minerals	17.3	23.3	(6.0)	Decrease due to decrease in gross trading profit, and decrease in gain (loss) on investments-net and equity in earnings of associated companies
Energy & Chemicals	1.0	9.5	(8.5)	Decrease due to decrease in gain (loss) on investments-net and increased impairment losses in U.S. oil and gas development companies, despite the rise in gross trading profit
Food	15.4	7.4	8.0	Increase due to acquisition of Dole business, and increase in gain (loss) on investments-net and equity in earnings of associated companies
ICT, General Products & Realty	19.9	15.9	4.0	Increase due to rise in gross trading profit, and increase in gain (loss) on investments-net and equity in earnings of associated companies
Others, Adjustments & Eliminations	(2.9)	(0.3)	(2.7)	Decrease due to decrease in gain (loss) on investments-net
Total	69.9	72.2	(2.2)	