



# Transition to International Financial Reporting Standards (IFRS)

ITOCHU Corporation  
June 30, 2014

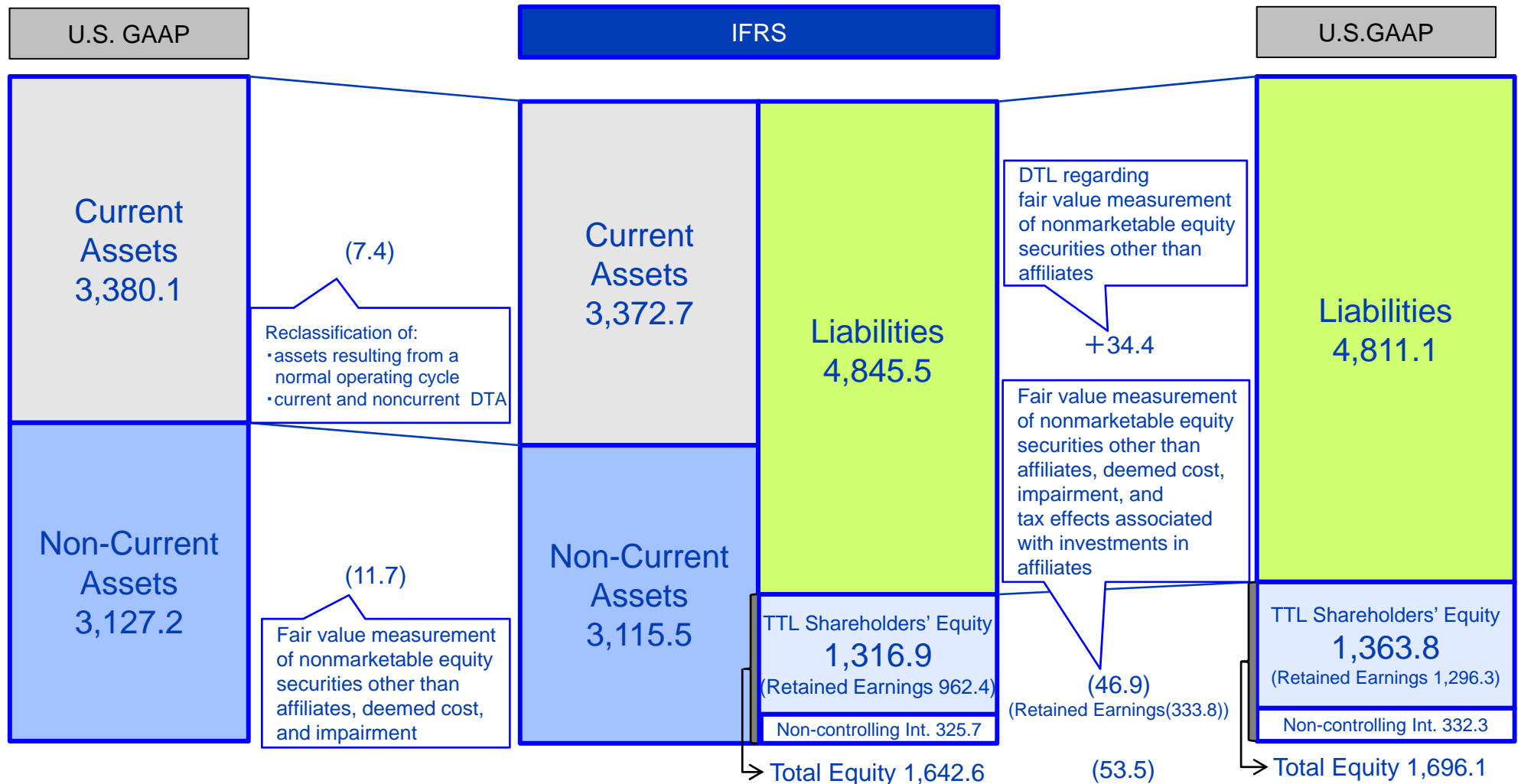


# Effect on the Opening Balance Sheet (April 1, 2012)



- Total Assets : U.S. GAAP ¥6,507.3 billion ⇒ IFRS ¥6,488.2 billion  
¥19.1 billion (Decrease)
- Total Shareholders' Equity : U.S. GAAP ¥1,363.8 billion ⇒ IFRS ¥1,316.9 billion  
¥46.9 billion (Decrease)

(Unit: Billion Yen)





# Effect on the Opening Balance Sheet (April 1, 2012)



## Major differences between U.S. GAAP and IFRS

Item	Effect (Unit: Billion Yen)	
	Total Shareholders' Equity	
	Retained Earnings	Other Components of Equity
Fair value measurement of nonmarketable equity securities other than affiliates	—	+62.9
Tax effects associated with investments in affiliates	(39.3)	—
Impairment of goodwill due to differences in testing units	(6.7)	—
Deemed cost (Fair value measurement of PP&E at the date of transition)	(53.3)	—
Reclassification of Translation adjustment (Reset of translation adjustment to zero)	(208.8)	+208.8
Reclassification of Pension liability adjustment (Reset of pension liability adjustment to zero)	(97.9)	+97.9
Reclassification of effect from previous impairment losses on FVTOCI financial assets from Other components of equity to Retained earnings	+82.6	(82.6)

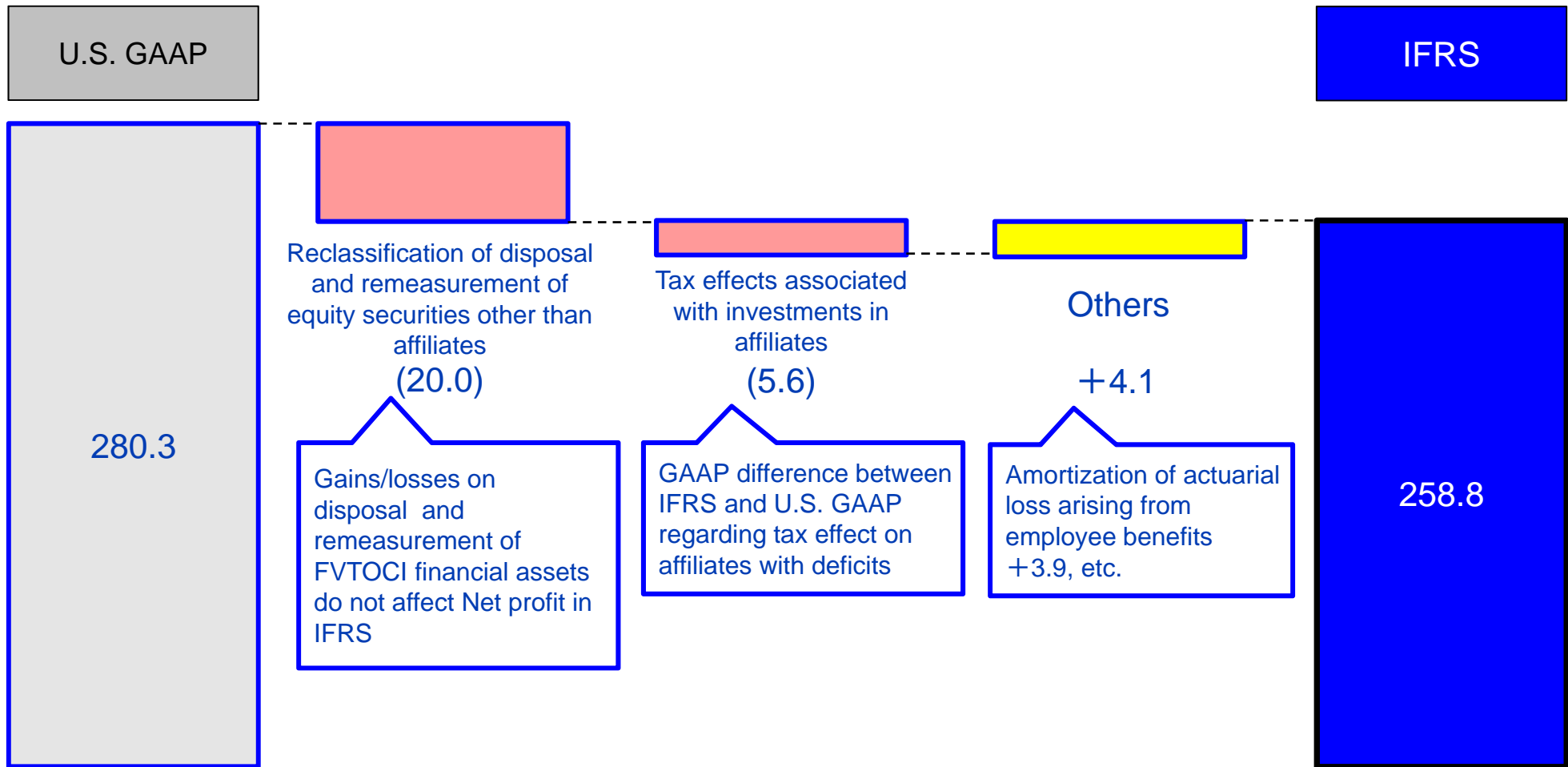


# Effect on the FY2013 Net Profit (April 1, 2012 – March 31, 2013)



■ Net Profit Attributable to ITOCHU : U.S. GAAP ¥280.3 billion ⇒ IFRS ¥258.8 billion  
 ¥21.5 billion (Decrease)

(Unit: Billion Yen)

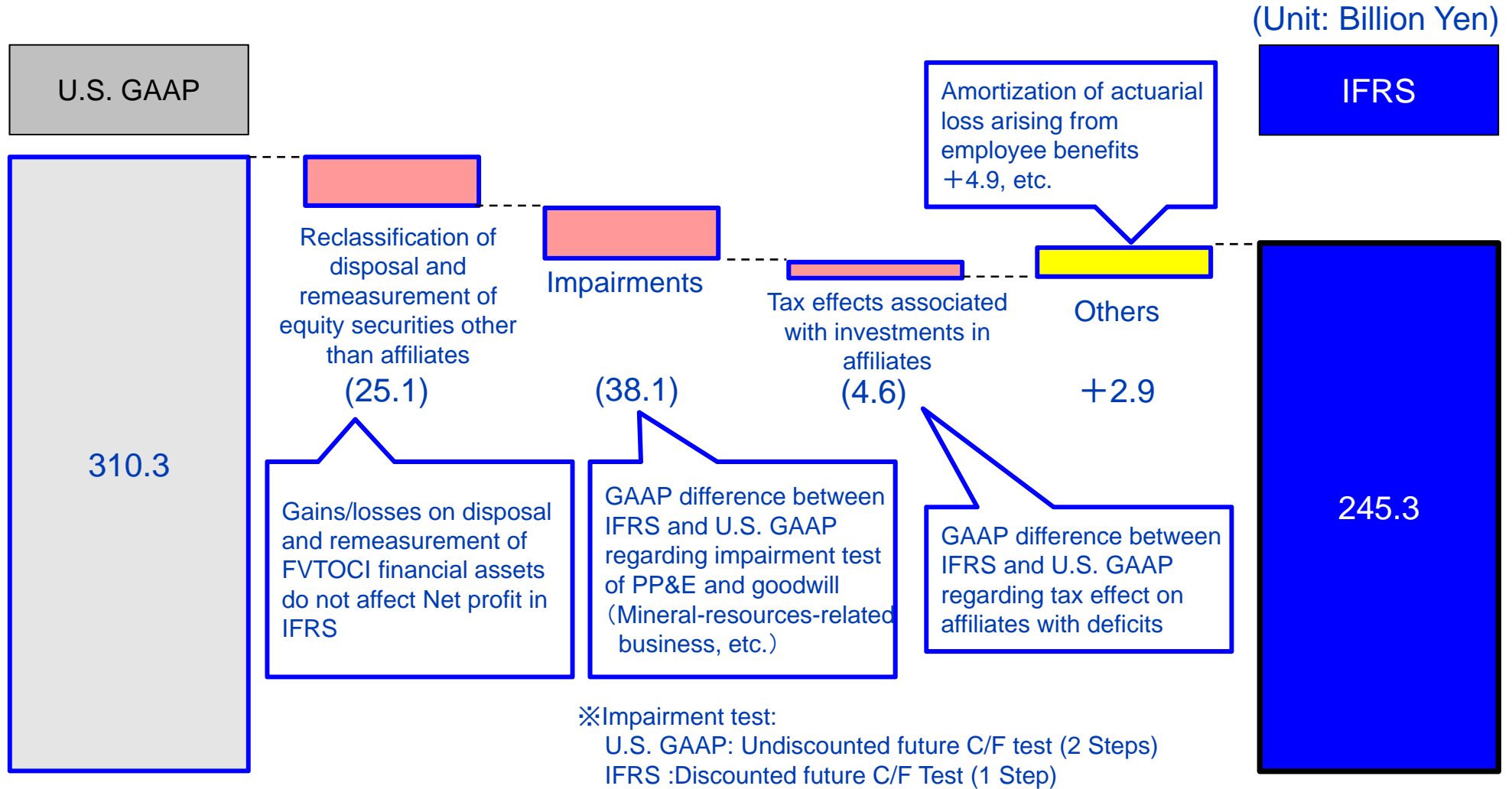




# Effect on the FY 2014 Net Profit (April 1, 2013 – March 31, 2014)



■ Net Profit Attributable to ITOCHU : U.S. GAAP ¥310.3 billion ⇒ IFRS ¥245.3 billion  
 ¥65.0 billion (Decrease)

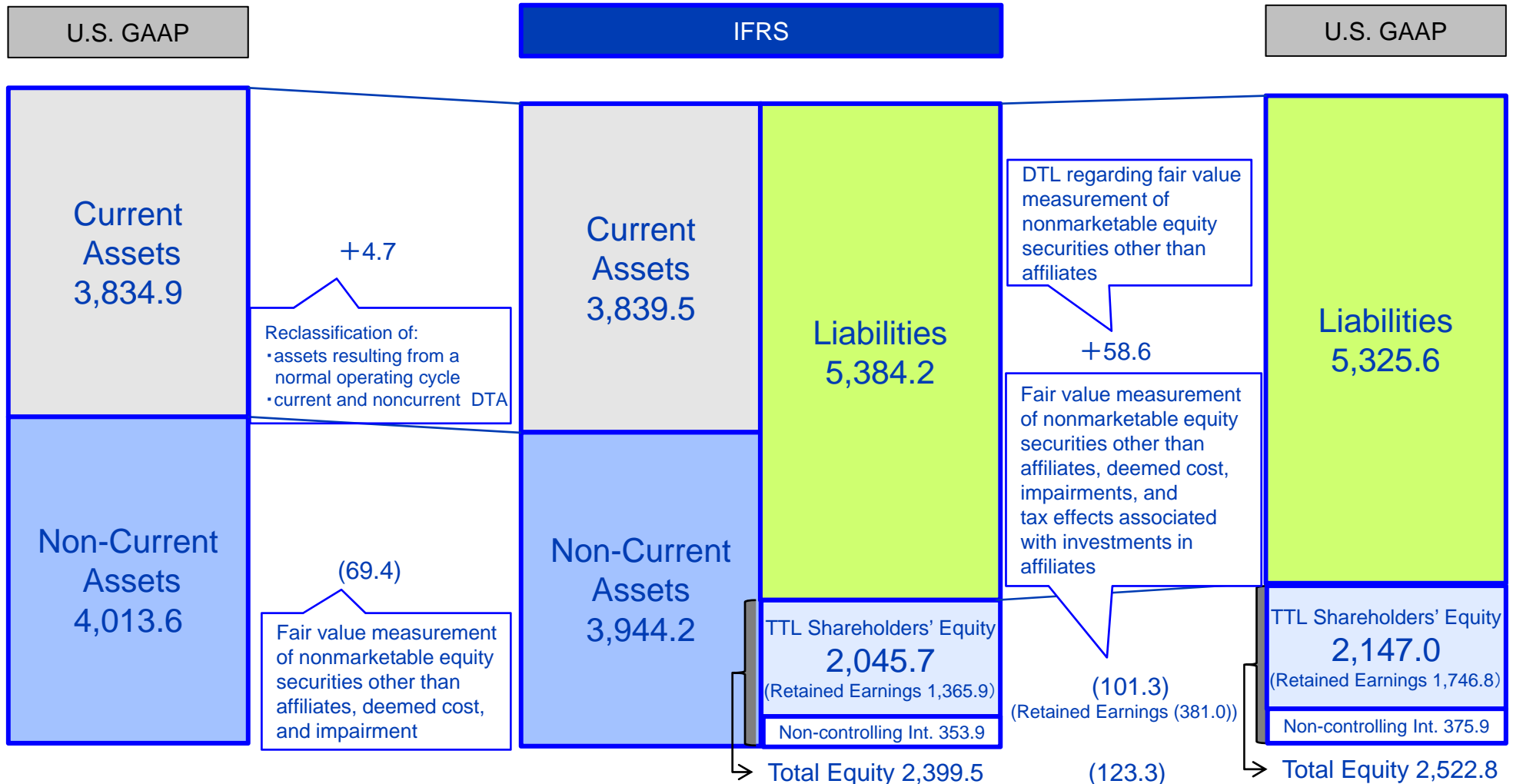


# > Effect on the FY2014 Financial Position (as of March 31, 2014)



- Total Assets : U.S. GAAP ¥7,848.4 billion ⇒ IFRS ¥7,783.8 billion  
¥64.7 billion (Decrease)
- Total Shareholders' Equity : U.S. GAAP ¥2,147.0 billion ⇒ IFRS ¥2,045.7 billion  
¥101.3 billion (Decrease)

(Unit: Billion Yen)

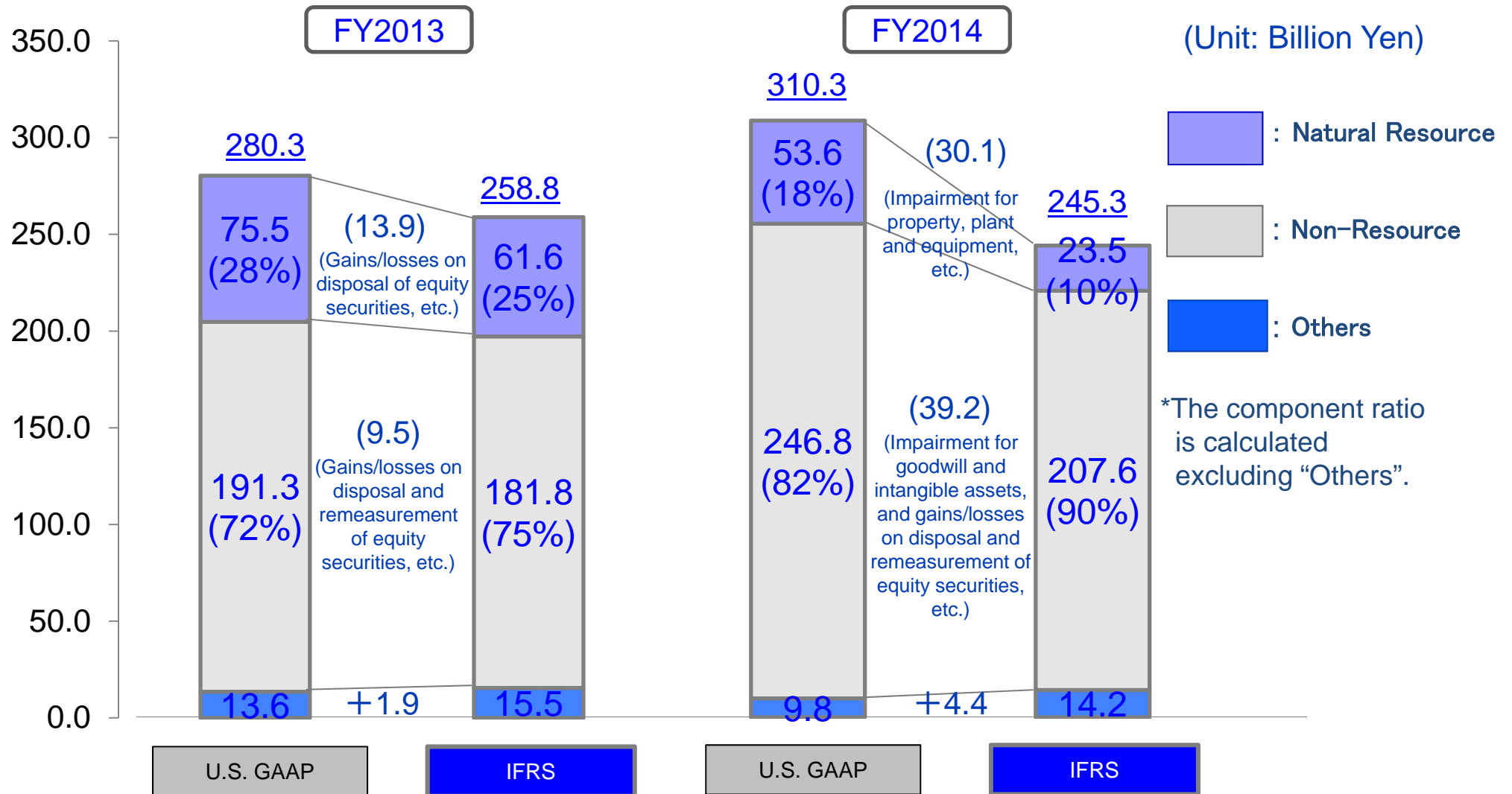




# Breakdown of Natural Resource / Non-Resource



- FY2013 U.S.GAAP: Natural resource 28% vs Non-resource 72%, IFRS: Natural resource 25% vs Non-resource 75%
- FY2014 U.S.GAAP: Natural resource 18% vs Non-resource 82%, IFRS: Natural resource 10% vs Non-resource 90%



## > Cash flows

- In FY2013 and FY2014, there were no significant differences in Cash flows between U.S. GAAP and IFRS.

(Unit: Billion Yen)

	FY2013		
	U.S. GAAP	IFRS	Inc/Dec
Cash flows from operating activities	245.7	236.5	(9.1)
Cash flows from investing activities	(200.0)	(203.8)	(3.8)
Cash flows from financing activities	(11.3)	3.0	+ 14.3

	FY2014		
	U.S. GAAP	IFRS	Inc/Dec
Cash flows from operating activities	418.4	428.1	+ 9.7
Cash flows from investing activities	(266.7)	(270.4)	(3.7)
Cash flows from financing activities	(71.7)	(77.9)	(6.1)