

Consolidated Financial Results for the Third Quarter of the Fiscal Year 2015 ending March 31, 2015

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-Unaudited-

February 5, 2015

Consolidated Financial Results for the Third Quarter of the Fiscal Year 2015 ending March 31, 2015

[Prepared in conformity with International Financial Reporting Standards]

Company name: ITOCHU Corporation

Stock exchange code: 8001

URL: <http://www.itochu.co.jp/en/ir/>

President and Chief Executive Officer: Masahiro Okafuji

General Manager of Corporate Communications Division: Tomoyuki Takada TEL: 81 - 3 - 3497 - 7291

The date of payout of dividend: -

1. Consolidated operating results for the third quarter of the fiscal year 2015 (from April 1, 2014 to December 31, 2014)

(1) Consolidated operating results (Summary)

(%: Changes from the same period of the previous fiscal year)

	Gross trading profit		Trading income (*3)		Profit before tax		Net profit attributable to ITOCHU		Total comprehensive income attributable to ITOCHU	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
For the first to third quarter of										
Fiscal year 2015	795,191	3.8	196,315	(3.5)	330,274	6.5	231,351	2.5	423,342	13.9
Fiscal year 2014	765,946	-	203,391	-	310,174	-	225,636	-	371,831	-

	Basic earnings per share attributable to ITOCHU		Diluted earnings per share attributable to ITOCHU	
	yen		yen	
For the first to third quarter of				
Fiscal year 2015	145.29		143.13	
Fiscal year 2014	142.77		139.82	

Equity in earnings of associates and joint ventures (millions of yen) 3rd quarter of FY 2015 : 96,049 (16.8%)

3rd quarter of FY 2014 : 82,247 (-%)

Total comprehensive income (millions of yen)

3rd quarter of FY 2015 : 443,306 (14.2%)

3rd quarter of FY 2014 : 388,277 (-%)

(2) Consolidated financial position

	Total assets	Total equity	Total shareholders' equity	Ratio of shareholders' equity to total assets	Shareholders' equity per share
	millions of yen	millions of yen	millions of yen	%	yen
December 31, 2014	9,125,366	2,776,654	2,391,362	26.2	1,513.07
March 31, 2014	7,783,756	2,399,537	2,045,683	26.3	1,294.34

2. Dividend distribution

	Dividend distribution per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	yen	yen	yen	yen	yen
Fiscal year 2014	-	21.00	-	25.00	46.00
Fiscal year 2015	-	23.00	-		
Fiscal year 2015 (Planned)				23.00	46.00

(Note) Revisions to the plan of dividend distribution announced most recently: None

3. Outlook of consolidated operating results for fiscal year 2015 (from April 1, 2014 to March 31, 2015)

(%: Changes from the previous fiscal year)

	Gross trading profit		Trading income		Profit before tax		Net profit attributable to ITOCHU		Basic earnings per share attributable to ITOCHU
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
Fiscal year 2015	1,110,000	6.2	280,000	(3.1)	438,000	21.4	300,000	22.3	188.74

(Note) Revisions to the outlook of consolidated operating results announced most recently: None

4. Other information

(1) Changes in significant subsidiaries accompanied by changes in the consolidation scope: None

(2) Changes in accounting policies and accounting estimates

(a) Changes in accounting policies required by IFRS: None

(b) Other changes: None

(c) Changes in accounting estimates: None

(3) Number of common shares issued

(a) Number of common shares outstanding: (including the number of treasury stock)	3rd quarter of FY 2015	1,662,889,504	Fiscal Year 2014	1,584,889,504
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(b) Number of treasury stock:	3rd quarter of FY 2015	82,419,864	Fiscal Year 2014	4,407,941
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(c) Average number of common shares outstanding:	3rd quarter of FY 2015	1,592,387,137	3rd quarter of FY 2014	1,580,470,037
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[Note]

*1. This document is an English translation of a statement written initially in Japanese. The Japanese original document should be considered as the primary version.

*2. The financial statements contain 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; 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.

*3. "Trading income" is presented in accordance with Japanese accounting practices.

- "Trading income" = "Gross trading profit" + "Selling, general and administrative expenses" + "Provision for doubtful accounts"

*4. The consolidated financial statements are expressed in Japanese yen and, solely for the convenience of the reader, have been translated into U.S. dollars at the rate of 120.55 yen = 1 U.S. dollar, the exchange rate prevailing on December 31, 2014. The translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at the above or any other rate.

*5. "ITOCHU" referred to in the consolidated financial statements represents ITOCHU Corporation.

1. Qualitative Information

(1) Qualitative Information of the Consolidated Operating Results

[The nine-month period of Fiscal Year 2015 (April 1, 2014 to December 31, 2014)]

(a) General Economic Situation

For the nine-month period ended December 31, 2014, the global economy grew at a sluggish pace overall reflecting the slow economic recovery in certain emerging countries and economic slowdown in Japan and Euro zone. Reflecting geopolitical risks, the WTI crude oil price rose to approximately US\$107 per barrel in June at one point. However, against the background of the sluggish global economy and OPEC's decision not to reduce oil production, the price declined to approximately US\$53 per barrel at the end of December.

Japan's economy continued to be stagnant, due to the decline in consumer spending after the last minute demands from the April 2014 consumption tax hike. However, there were signs of improvement in the economic situation around the end of December, as production activity in the manufacturing industry increased due to the progress in inventory adjustments, and consumer sentiment improved as a result of higher stock prices and other factors.

Against contraction in Japan's trade deficit, the yen appreciated against the U.S. dollar, from the ¥103 - ¥104 range at the beginning of April to the ¥100 - ¥101 range in late-May, and although the U.S. quantitative monetary easing concluded in October, as the Bank of Japan implemented additional easing, the yen depreciated further against the U.S. dollar, to the ¥120 - ¥121 range at the end of December. The Nikkei Stock Average dropped from approximately ¥14,800 at the end of March to approximately ¥14,000 at the beginning of May, due to concerns that further appreciation of the yen at the beginning of April would result in economic downturn. However, after the shift to the yen depreciation against the U.S. dollar and purchases of exchange-traded funds by the Bank of Japan, the Nikkei Stock Average rose to approximately ¥17,500 at the end of December.

The yield on 10-year Japanese government bonds declined from the 0.60% - 0.65% range at the end of March to the 0.30% - 0.35% range at the end of December, due to the sluggish economy and increased purchases of Japanese government bonds by the Bank of Japan.

(b) Consolidated Operating Results

	Billions of Yen				Millions of
	Apr.-Dec. 2014	Apr.-Dec. 2013	Increase (Decrease)	%	U.S. dollars Apr.- Dec. 2014
Revenues	4,127.5	4,101.0	26.5	0.6%	34,239
Gross trading profit	795.2	765.9	29.2	3.8%	6,596
Selling, general and administrative expenses	(595.8)	(559.3)	(36.5)	6.5%	(4,942)
Equity in earnings of associates and joint ventures	96.0	82.2	13.8	16.8%	797
Net profit attributable to ITOCHU ...	231.4	225.6	5.7	2.5%	1,919

(i) Revenues (from external customers)

Revenues for the nine-month period ended December 31, 2014, increased by 0.6%, or 26.5 billion yen, compared with the same period of the previous fiscal year, to 4,127.5 billion yen (34,239 million U.S. dollars).

- Machinery Company:
Increased by 37.3 billion yen compared with the same period of the previous fiscal year, to 286.2 billion yen (2,374 million U.S. dollars), due to the favorable performance in plant-related companies, and higher transaction volume in automobile-related transactions.
- Food Company:
Increased by 29.9 billion yen compared with the same period of the previous fiscal year, to 801.6 billion yen (6,649 million U.S. dollars), due to the stable performance in fresh food-related companies and food-distribution-related transactions.
- Metals & Minerals Company:
Decreased by 44.8 billion yen compared with the same period of the previous fiscal year, to 183.7 billion yen (1,524 million U.S. dollars), due to the decline in iron ore and coal prices, despite the increase in iron ore sales volume.

(ii) Gross trading profit

Gross trading profit increased by 3.8%, or 29.2 billion yen, compared with the same period of the previous fiscal year, to 795.2 billion yen (6,596 million U.S. dollars).

- ICT, General Products & Realty Company:
Increased by 17.0 billion yen compared with the same period of the previous fiscal year, to 223.7 billion yen (1,855 million U.S. dollars), due to higher transaction volume in domestic ICT-related companies, and the depreciation of the yen mainly against the Great Britain Pound.
- Machinery Company:
Increased by 11.6 billion yen compared with the same period of the previous fiscal year, to 87.2 billion yen (723 million U.S. dollars), due to the favorable performance in plant-related companies, and higher transaction volume in automobile-related transactions.
- Energy & Chemicals Company:
Increased by 8.4 billion yen compared with the same period of the previous fiscal year, to 129.5 billion yen (1,075 million U.S. dollars), due to the acquisition of subsidiaries in energy-related companies, despite the decline in profit margin accompanying the lower demand in fuel oil transactions and lower profitability on self-developed crude oil transactions.
- Metals & Minerals Company:
Decreased by 23.9 billion yen compared with the same period of the previous fiscal year, to 51.4 billion yen (426 million U.S. dollars), due to the decline in iron ore and coal prices, despite the increase in iron ore sales volume, reduction of cost in iron ore and coal-related companies, and improvement in foreign currency translation.

(iii) Selling, general and administrative expenses

Selling, general and administrative expenses increased by 6.5%, or 36.5 billion yen, compared with the same period of the previous fiscal year, to 595.8 billion yen (4,942 million U.S. dollars), due to higher expenses in existing subsidiaries in the ICT, General Products & Realty Company and Food Company, and the acquisition of subsidiaries in the Textile Company and the Energy & Chemicals Company.

(iv) Equity in earnings of associates and joint ventures

Equity in earnings of associates and joint ventures increased by 16.8%, or 13.8 billion yen, compared with the same period of the previous fiscal year, to 96.0 billion yen (797 million U.S. dollars).

- Food Company:

Increased by 6.5 billion yen compared with the same period of the previous fiscal year, to 22.3 billion yen (185 million U.S. dollars), due to the favorable performance in fresh food associated companies and the gain on sales of affiliates in the CVS companies.

- Machinery Company:

Increased by 4.9 billion yen compared with the same period of the previous fiscal year, to 18.4 billion yen (152 million U.S. dollars), due to the favorable performance in plant-related companies, despite the decrease in equity in earnings of automobile-related companies.

- Energy & Chemicals Company:

Decreased by 5.0 billion yen compared with the same period of the previous fiscal year, to 10.1 billion yen (84 million U.S. dollars), due to the deterioration in equity in earnings of the U.S. oil and gas development companies, despite the absence of an unordinary loss recognized by the bioethanol companies in the same period of the previous fiscal year.

(v) Net profit attributable to ITOCHU

Gains on disposal and remeasurement of investments in subsidiaries, associates and joint ventures increased by 8.6 billion yen, compared with the same period of the previous fiscal year, to 19.3 billion yen (160 million U.S. dollars), due to the gain on remeasurement from the conversion of an Internet advertising company from an associated company to other investments.

Consequently, **Net profit attributable to ITOCHU** increased by 2.5%, or 5.7 billion yen, compared with the same period of the previous fiscal year, to 231.4 billion yen (1,919 million U.S. dollars).

(2) Qualitative Information of the Consolidated Financial Position

(a) Consolidated Financial Position

	Billions of Yen				Millions of U.S. dollars
	Dec. 2014	Mar. 2014	Increase (Decrease)	%	Dec. 2014
Total assets	9,125.4	7,783.8	1,341.6	17.2%	75,698
Interest-bearing debt	3,419.7	2,893.4	526.4	18.2%	28,368
Net interest-bearing debt	2,661.3	2,232.0	429.4	19.2%	22,077
Total shareholders' equity	2,391.4	2,045.7	345.7	16.9%	19,837
Ratio of shareholders' equity to total assets	26.2%	26.3%	(0.1pt)		
NET DER (times)	1.1	1.1	Same level		

(i) Total assets

Total assets as of December 31, 2014, increased by 17.2%, or 1,341.6 billion yen, compared with March 31, 2014, to 9,125.4 billion yen (75,698 million U.S. dollars). This increase was due to the acquisition of EDWIN CO., LTD. in the Textile Company and subsidiaries in energy-related companies, the investment in C.P. Pokphand Co. Ltd. and domestic broadcasting and communication-related companies, the depreciation of the yen, as well as the increase in trade receivables due to seasonal factors.

(ii) Interest-bearing debt

Interest-bearing debt increased by 18.2%, or 526.4 billion yen, compared with March 31, 2014, to 3,419.7 billion yen (28,368 million U.S. dollars), due to the increase in borrowings accompanying new investments and the depreciation of the yen. **Net interest-bearing debt (Interest-bearing debt after deducting Cash and cash equivalents and Time deposits)** also increased by 19.2%, or 429.4 billion yen, compared with March 31, 2014, to 2,661.3 billion yen (22,077 million U.S. dollars).

(iii) Total shareholders' equity

Total shareholders' equity increased by 16.9%, or 345.7 billion yen, compared with March 31, 2014, to 2,391.4 billion yen (19,837 million U.S. dollars), due to the increase in **Net profit attributable to ITOCHU** and the depreciation of the yen, despite dividend payments. ITOCHU has implemented a capital increase through a third-party allotment of 78 million shares in the second quarter, and has acquired the same number of shares of treasury stock by the end of the third quarter.

(iv) Ratio of shareholders' equity to total assets and NET DER (Net debt-to-shareholders' equity ratio)

Ratio of shareholders' equity to total assets decreased by 0.1 point to 26.2% from March 31, 2014. **NET DER (Net debt-to-shareholders' equity ratio)** stayed at the same level compared with March 31, 2014, at 1.1 times.

(b) Consolidated Cash Flows

	Billions of Yen		Millions of
	Apr.- Dec. 2014	Apr.- Dec. 2013	U.S. dollars Apr. - Dec. 2014
Cash flows from operating activities	134.9	175.9	1,119
Cash flows from investing activities	(254.2)	(266.9)	(2,108)
<i>Free cash flows</i>	<i>(119.3)</i>	<i>(91.1)</i>	<i>(989)</i>
Cash flows from financing activities	195.6	51.4	1,623

(i) Cash flows from operating activities

Cash flows from operating activities for the nine-month period ended December 31, 2014, recorded a net cash-inflow of 134.9 billion yen (1,119 million U.S. dollars), resulting from the stable performance in operating revenue in the metals and ICT-related transactions, despite the increase in operating assets in the machinery, food, and construction segments.

(ii) Cash flows from investing activities

Cash flows from investing activities recorded a net cash-outflow of 254.2 billion yen (2,108 million U.S. dollars), due to the investment in C.P. Pokphand Co. Ltd. and additional investments in the natural resource development sector.

(iii) Cash flows from financing activities

Cash flows from financing activities recorded a net cash-inflow of 195.6 billion yen (1,623 million U.S. dollars), due to the increase in borrowings and third-party allotment, despite dividend payments and the acquiring of treasury stock.

Consequently, **Cash and cash equivalents** as of December 31, 2014 increased by 95.5 billion yen to 749.2 billion yen (6,215 million U.S. dollars), compared with March 31, 2014.

2. Summary Information (Notes)

- (1) Changes in significant subsidiaries accompanied by changes in the consolidation scope: None

- (2) Changes in accounting policies and accounting estimates
 - (a) Changes in accounting policies required by IFRS: None
 - (b) Other changes: None
 - (c) Changes in accounting estimates: None

3. Outlook for Fiscal Year 2015

Looking ahead to conditions in the global economy in the fourth quarter of the fiscal year ending March 31, 2015, we expect the global economy to continue to recover at a sluggish pace. Stable economic growth is likely to continue in the United States, while economies in the Euro zone are expected to be sluggish due to reduced budgets. Certain emerging countries may experience economic deceleration or stagnation due to a downward pressure resulting from structural reform, a decline in oil prices, and an adverse influence through foreign exchange markets due to an end to U.S. quantitative monetary easing. In the Japanese economy, we anticipate a gradual recovery as the influence of the consumption tax hike has eased.

The forecast for the annual consolidated Net Profit attributable to ITOCHU in the fiscal year ending March 31, 2015 will remain unchanged since last announced on November 5, 2014.

For your attention, these forecasts are forward-looking statements that are based on the management's assumptions and beliefs based on information currently available and involve risks and uncertainties. Thus, the actual results could be substantially different from the above statement due to such factors including, but not limited to, global economic and market conditions, and currency exchange rate fluctuations.

Distribution of the current fiscal year's profit

ITOCHU plans to pay dividends of 46 yen per share for the fiscal year ending March 31, 2015 (an interim dividend of 23 yen per share has already been paid).

4. Quarterly Consolidated Financial Statements (IFRS) [Condensed]**(1) Consolidated Statement of Comprehensive Income [Condensed]**

ITOCHU Corporation and its Subsidiaries

For the nine-month periods ended December 31, 2014 and 2013

	Millions of Yen		Millions of U.S. dollars
	Apr.-Dec. 2014	Apr.-Dec. 2013	Apr.-Dec. 2014
Revenues:			
Revenues from sale of goods.....	¥ 3,658,871	¥ 3,728,633	\$ 30,352
Revenues from rendering of services and royalties.....	468,594	372,322	3,887
Total revenues.....	4,127,465	4,100,955	34,239
Cost:			
Cost of sale of goods.....	(2,997,874)	(3,083,872)	(24,868)
Cost of rendering of services and royalties.....	(334,400)	(251,137)	(2,775)
Total cost.....	(3,332,274)	(3,335,009)	(27,643)
Gross trading profit	795,191	765,946	6,596
Other gains (losses):			
Selling, general and administrative expenses.....	(595,778)	(559,298)	(4,942)
Provision for doubtful accounts.....	(3,098)	(3,257)	(26)
Gains (losses) on property, plant, equipment and intangible assets.....	2,852	(1,759)	24
Other-net.....	11,070	7,571	92
Total other-losses.....	(584,954)	(556,743)	(4,852)
Financial income (loss):			
Interest income.....	10,481	8,366	87
Dividends received.....	12,356	13,614	102
Interest expense.....	(19,051)	(19,988)	(158)
Other financial income.....	922	6,055	8
Total financial income.....	4,708	8,047	39
Equity in earnings of associates and joint ventures.....	96,049	82,247	797
Gains on disposal and remeasurement of investments in subsidiaries, associates and joint ventures	19,280	10,677	160
Profit before tax	330,274	310,174	2,740
Income tax expense.....	(83,357)	(74,632)	(692)
Net Profit	246,917	235,542	2,048
Net profit attributable to ITOCHU.....	231,351	225,636	1,919
Net profit attributable to non-controlling interests.....	15,566	9,906	129

	Millions of Yen		Millions of U.S. dollars
	Apr.-Dec. 2014	Apr.-Dec. 2013	Apr.-Dec. 2014
Other comprehensive income, net of tax:			
Items that will not be reclassified to profit or loss			
FVTOCI financial assets.....	¥ 50,219	¥ 35,713	\$ 417
Remeasurement of net defined pension liability.....	268	78	2
Other comprehensive income in associates and joint ventures.....	7,441	8,324	62
Items that may be reclassified to profit or loss			
Translation adjustments.....	112,123	76,706	930
Cash flow hedges.....	(2,104)	(5,431)	(17)
Other comprehensive income in associates and joint ventures.....	28,442	37,345	235
Total other comprehensive income, net of tax.....	196,389	152,735	1,629
Total comprehensive income	443,306	388,277	3,677
Total comprehensive income attributable to ITOCHU	423,342	371,831	3,512
Total comprehensive income attributable to non-controlling interests	19,964	16,446	165

Note 1: The gains and losses on disposal and remeasurement of equity financial instruments, of which the changes in fair value are recorded in other comprehensive income, are recognized in "FVTOCI financial assets".

Note 2: "Total trading transactions" in accordance with Japanese accounting practice consists of sales with respect to transactions in which the companies act as principal and the total amount of transactions in which the companies act as agent.
Total trading transactions for the nine-month periods ended December 31, 2014 and 2013 were 11,035,588 million yen (91,544 million U.S. dollars) and 10,830,242 million yen, respectively.

(2) Consolidated Statement of Financial Position [Condensed]

ITOCHU Corporation and its Subsidiaries

As of December 31, 2014 and March 31, 2014

Assets	Millions of Yen		Millions of U.S. dollars
	Dec. 2014	Mar. 2014	Dec. 2014
Current assets:			
Cash and cash equivalents.....	¥ 749,206	¥ 653,739	\$ 6,215
Time deposits.....	9,180	7,653	76
Trade receivables.....	2,334,808	2,127,968	19,368
Other current receivables.....	127,989	103,019	1,062
Other current financial assets.....	121,887	29,172	1,011
Inventories.....	952,209	744,441	7,899
Advances to suppliers.....	155,182	94,560	1,287
Other current assets.....	104,981	78,984	871
Total current assets.....	4,555,442	3,839,536	37,789
Non-current assets:			
Investments accounted for by the equity method.....	1,869,226	1,728,408	15,506
Other investments.....	864,499	565,936	7,171
Non-current receivables.....	131,523	135,033	1,091
Non-current financial assets other than investments and receivables.....	155,894	125,255	1,293
Property, plant and equipment.....	814,572	747,664	6,757
Investment property.....	32,830	29,186	272
Goodwill and intangible assets.....	512,250	440,246	4,249
Deferred tax assets.....	52,176	63,093	433
Other non-current assets.....	136,954	109,399	1,137
Total non-current assets.....	4,569,924	3,944,220	37,909
Total assets.....	¥ 9,125,366	¥ 7,783,756	\$ 75,698

Liabilities and Equity	Millions of Yen		Millions of U.S. dollars
	Dec. 2014	Mar. 2014	Dec. 2014
Current liabilities:			
Short-term debentures and borrowings.....	¥ 659,161	¥ 472,667	\$ 5,468
Trade payables.....	1,861,143	1,661,973	15,439
Other current payables.....	79,751	70,942	662
Other current financial liabilities.....	73,427	15,788	609
Current tax liabilities.....	19,419	36,200	161
Advances from customers.....	155,907	106,176	1,293
Other current liabilities.....	303,695	247,581	2,519
Total current liabilities	<u>3,152,503</u>	<u>2,611,327</u>	<u>26,151</u>
Non-current liabilities:			
Long-term debentures and borrowings.....	2,760,569	2,420,713	22,900
Other non-current financial liabilities.....	107,074	103,279	888
Non-current liabilities for employee benefits.....	64,581	57,022	536
Deferred tax liabilities.....	182,584	117,438	1,515
Other non-current liabilities.....	81,401	74,440	675
Total non-current liabilities	<u>3,196,209</u>	<u>2,772,892</u>	<u>26,514</u>
Total liabilities	<u>6,348,712</u>	<u>5,384,219</u>	<u>52,665</u>
Equity:			
Common stock:			
Authorized: 3,000,000,000 shares; issued: 1,662,889,504 shares.....	253,448	202,241	2,102
Capital surplus.....	163,007	113,055	1,352
Retained earnings.....	1,515,892	1,365,858	12,575
Other components of equity:			
Translation adjustments.....	393,475	255,017	3,264
FVTOCI financial assets.....	177,139	116,292	1,470
Cash flow hedges.....	(7,464)	(3,980)	(62)
Total other components of equity.....	563,150	367,329	4,672
Treasury stock.....	(104,135)	(2,800)	(864)
Total shareholders' equity.....	<u>2,391,362</u>	<u>2,045,683</u>	<u>19,837</u>
Non-controlling interests.....	385,292	353,854	3,196
Total equity.....	<u>2,776,654</u>	<u>2,399,537</u>	<u>23,033</u>
Total liabilities and equity.....	<u>¥ 9,125,366</u>	<u>¥ 7,783,756</u>	<u>\$ 75,698</u>

(3) Consolidated Statement of Changes in Equity [Condensed]

-Unaudited-

ITOCHU Corporation and its Subsidiaries

For the nine-month periods ended December 31, 2014 and 2013

	Millions of Yen		Millions of U.S. dollars
	Apr.-Dec. 2014	Apr.-Dec. 2013	Apr.-Dec. 2014
Common stock:			
Balance at the beginning of the period.....	¥ 202,241	¥ 202,241	\$ 1,678
Issuance of common stock	51,207	-	424
Balance at the end of the period.....	¥ 253,448	¥ 202,241	\$ 2,102
Capital surplus:			
Balance at the beginning of the period.....	¥ 113,055	¥ 113,031	\$ 938
Issuance of common stock.....	50,918	-	422
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests.....	(966)	(1,391)	(8)
Balance at the end of the period.....	¥ 163,007	¥ 111,640	\$ 1,352
Retained earnings:			
Balance at the beginning of the period.....	¥ 1,365,858	¥ 1,160,939	\$ 11,330
Net profit attributable to ITOCHU.....	231,351	225,636	1,919
Transfer from other components of equity.....	(3,788)	7,191	(31)
Cash dividends.....	(77,529)	(64,852)	(643)
Balance at the end of the period.....	¥ 1,515,892	¥ 1,328,914	\$ 12,575
Other components of equity:			
Balance at the beginning of the period.....	¥ 367,329	¥ 245,472	\$ 3,048
Other comprehensive income attributable to ITOCHU.....	191,991	146,195	1,593
Transfer to retained earnings.....	3,788	(7,191)	31
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests.....	42	(100)	0
Balance at the end of the period.....	¥ 563,150	¥ 384,376	\$ 4,672
Treasury stock:			
Balance at the beginning of the period.....	¥ (2,800)	¥ (2,703)	\$ (23)
Net change in treasury stock.....	(101,335)	(106)	(841)
Balance at the end of the period.....	¥ (104,135)	¥ (2,809)	\$ (864)
Total shareholders' equity.....	¥ 2,391,362	¥ 2,024,362	\$ 19,837
Non-controlling interests:			
Balance at the beginning of the period.....	¥ 353,854	¥ 356,214	\$ 2,935
Net profit attributable to non-controlling interests.....	15,566	9,906	129
Other comprehensive income attributable to non-controlling interests.....	4,398	6,540	36
Cash dividends to non-controlling interests.....	(7,197)	(10,744)	(60)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests.....	18,671	(7,196)	156
Balance at the end of the period.....	¥ 385,292	¥ 354,720	\$ 3,196
Total equity.....	¥ 2,776,654	¥ 2,379,082	\$ 23,033

(4) Consolidated Statement of Cash Flows [Condensed]

-Unaudited-

ITOCHU Corporation and its Subsidiaries

For the nine-month periods ended December 31, 2014 and 2013

	Millions of Yen		Millions of U.S. dollars
	<u>Apr.-Dec. 2014</u>	<u>Apr.-Dec. 2013</u>	<u>Apr.-Dec. 2014</u>
Cash flows from operating activities:			
Net profit	¥ 246,917	¥ 235,542	\$ 2,048
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization	82,243	74,532	682
Provision for doubtful accounts	3,098	3,257	26
(Gains) losses on property, plant, equipment and intangible assets...	(2,852)	1,759	(24)
Financial income	(4,708)	(8,047)	(39)
Equity in earnings of associates and joint ventures	(96,049)	(82,247)	(797)
Gains on disposal and remeasurement of investments in subsidiaries, associates and joint ventures.....	(19,280)	(10,677)	(160)
Income tax expense	83,357	74,632	692
Changes in assets and liabilities, other-net	(141,620)	(86,068)	(1,175)
Proceeds from interest.....	10,074	8,487	84
Proceeds from dividends.....	59,474	61,187	493
Payments for interest.....	(18,839)	(18,731)	(156)
Payments for income taxes.....	(66,907)	(77,763)	(555)
Net cash provided by operating activities	<u>134,908</u>	<u>175,863</u>	<u>1,119</u>
Cash flows from investing activities:			
Net (payments for purchase) proceeds from sale of investments accounted for by the equity method	(161,450)	1,516	(1,339)
Net payments for purchase of other investments	(5,836)	(174,826)	(48)
Net origination of loans receivable	(11,922)	(24,530)	(99)
Net payments for purchase of property, plant, equipment and intangible assets	(73,888)	(69,071)	(613)
Net increase in time deposits	(1,081)	(19)	(9)
Net cash used in investing activities	<u>(254,177)</u>	<u>(266,930)</u>	<u>(2,108)</u>
Cash flows from financing activities:			
Net proceeds from debentures and loans payable	287,431	137,990	2,384
Proceeds from issuance of common stock	101,963	-	846
Cash dividends	(77,529)	(64,852)	(643)
Other	(116,244)	(21,710)	(964)
Net cash provided by financing activities	<u>195,621</u>	<u>51,428</u>	<u>1,623</u>
Net increase (decrease) in cash and cash equivalents	<u>76,352</u>	<u>(39,639)</u>	<u>634</u>
Cash and cash equivalents at the beginning of the period	653,739	570,335	5,423
Effect of exchange rate changes on cash and cash equivalents	19,115	6,701	158
Cash and cash equivalents at the end of the period	<u>¥ 749,206</u>	<u>¥ 537,397</u>	<u>\$ 6,215</u>

(6) Assumption for Going Concern: None

(7) Information Concerning Dividend Payments

(Dividend payments in the nine-month period ended December 31, 2014)

(Resolution)	Stock type	Total dividend amount	Dividend resource	Dividend per share	Record date	Effective date
General meeting of Shareholders on June 20, 2014	Common Stock	millions of yen 39,543	Retained earnings	yen 25.00	March 31, 2014	June 23, 2014
Board of director's meeting on November 5, 2014	Common Stock	millions of yen 37,985	Retained earnings	yen 23.00	September 30, 2014	December 2, 2014

(8) Significant Changes in Shareholders' Equity

ITOCHU received capital contribution from a wholly-owned subsidiary of Charoen Pokphand Group Company Limited (“CPG”), CP Worldwide Investment Company Limited (“CPG SPC”), which was established for the purpose of the acquisition and holding of the shares of ITOCHU, and an investment partnership En-CP Growth Investment L.P. (“En-CP Fund”), a wholly-owned subsidiary of CPG and Development Bank of Japan Inc. substantially make contributions on a 50-50 basis and which was established for the purpose of the acquisition and holding the shares of ITOCHU by issuance of new shares by a third-party allotment by ITOCHU, at the total ratio of approximately 4.9% (based on the number of issued shares before the capital increase by the third-party allotment) (the “Third-Party Allotment”) on September 18, 2014.

Consequently, Common stock and Capital surplus as of December 31, 2014, was 253,448 million yen (2,102 million U.S. dollars) and 163,007 million yen (1,352 million U.S. dollars).

<Outline of the Third-Party Allotment >

1) Number of shares to be newly issued	78,000,000 shares of common stock
2) Issue price	1,313 yen per unit
3) Amount of proceeds	102,414,000,000 yen
4) Method of offering and allotment (allottee)	All of the shares are to be allotted to CPG SPC (63,500,000 shares) and En-CP Fund (14,500,000 shares) by way of third-party allotment.
5) Total amounts by which common stock and capital surplus are to be increased (excluding issuance and other expenses)	Common stock: 51,207,000,000 yen Capital surplus: 51,207,000,000 yen

ITOCHU has acquired 78 million shares (100,669 million yen, or 835 million U.S. dollars) of treasury stock by December 31, 2014, corresponding to the Third-Party Allotment.

(9) Material Subsequent Events

ITOCHU decided at a meeting of its Board of Directors held on January 20, 2015, to enter into a strategic business alliance with capital participation with CITIC Limited (“CITIC”) and CPG in order to promote collaboration in improving the corporate values of the group of companies led by the three companies (collectively, the “CITIC Group”, “CPG Group”, and “ITOCHU Group”). An agreement on strategic cooperation (the “Strategic Cooperation Agreement”) has been executed among CITIC, CPG Overseas Company Limited, a wholly-owned subsidiary of CPG, and ITOCHU.

Accompanying this Strategic Cooperation Agreement, Chia Tai Bright Investment Company Limited (“CTB”), a company that is jointly owned by CPG Group and ITOCHU Group on a 50-50 basis, will acquire CITIC’s ordinary and convertible preferred shares for a total cost of approximately 80.3 billion Hong Kong dollars (approximately 1.204 trillion yen, or 9,988 million U.S. dollars) with a target completion date of October 2015. The preferred shares will be converted to CITIC ordinary shares within three months of acquisition, and after the transactions, CTB will own approximately 20% of the total voting rights of CITIC (on an as converted basis), which CITIC will become an affiliated company of CTB, accounted for under the equity method.

For details, please refer to “Announcement on Execution of Strategic Cooperation Agreement with CITIC Limited, China’s largest conglomerate and Charoen Pokphand Group Company Limited, one of Asia’s leading Conglomerates”, released on January 20, 2015.