FY2016 Business Results Summary
FY2017 Management Plan

May 10, 2016

ITOCHU Corporation

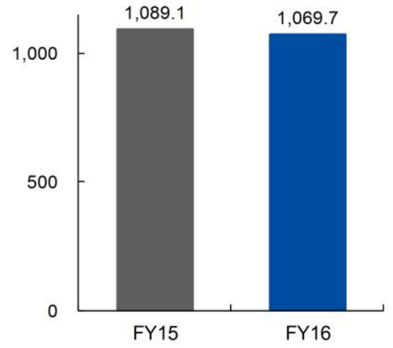
Masahiro Okafuji, President & CEO

Summary of FY2016

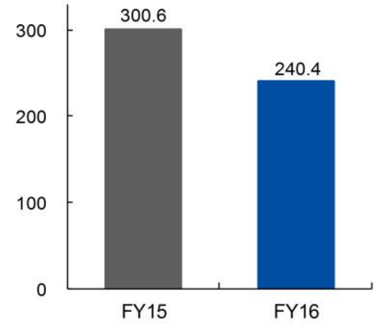
ITOCHU
I am One with Infinite Missions

	FY2015 Result (a)	FY2016 Result (b)	Increase/Decrease (b–a)	%	FY2016 Forecast (as of May 1, 2015) (c)	Achievement (b/c)
Gross trading profit	1,089.1	1,069.7	- 19.4	- 2%	1,100.0	97%
Trading income	272.7	226.4	- 46.3	- 17%	240.0	94%
Equity in earnings of associates and joint ventures	10.1	147.7	+ 137.6	–	120.0	123%
Profit before tax	418.5	322.7	- 95.8	- 23%	406.0	79%
Net profit attributable to ITOCHU	300.6	240.4	- 60.2	- 20%	330.0	73%
Dividend Distribution per share(Annual)	46 Yen	50 Yen	+ 4 Yen		50 Yen	100%

Gross trading profit



Net profit attributable to ITOCHU



(Unit : billion yen)

As we decided to call the sub-title of our Mid-term management plan “Challenge,” the challenge we announced was “to be number one among Sogo Shosha” in our three-year plan.

However, due to a fall in commodity prices, our competitors have announced impairment losses, mainly in resource projects. Therefore, there is a high probability that we will unexpectedly be number one this year. This is because we took the lead over other companies in our past financial settlements to treat potential future risks from an early stage, in addition to steadily executing policies based on our strategic management plan, such as growing our basic profit in the non-resource sector and other sectors.

Moreover, in order to establish a solid structure that will be strong enough to withstand changes in the economic environment after FY2017, we recognized losses even though we could not achieve the budgeted figures.

As a result, net profit attributable to ITOCHU was 240.4 billion yen, a 60.2 billion yen decrease compared with FY2015.

I would like to say that as this recognition of loss was carried out after conducting a very detailed analysis, this move will contribute to the establishment of a sound, healthy earnings base for ITOCHU in the near future.

Financial Position

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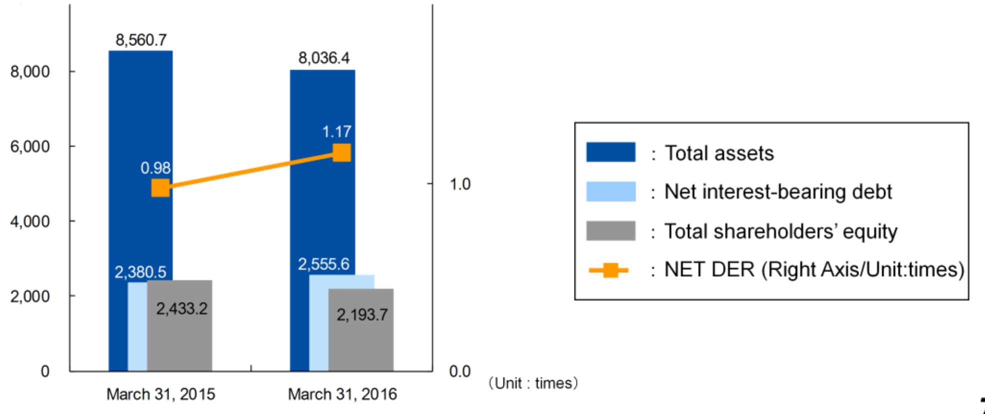
	March 31, 2015 Result	March 31, 2016 Result	Increase /Decrease
Total assets	8,560.7	8,036.4	- 524.3
Interest-bearing debt	3,092.2	3,196.2	+ 104.0
Net interest-bearing debt	2,380.5	2,555.6	+ 175.1
Total shareholders' equity	2,433.2	2,193.7	- 239.5
Ratio of shareholders' equity to total assets	28.4%	27.3%	- 1.1pt
NET DER	0.98 times	1.17 times	+ 0.19pt
ROE	13.4%	10.4%	- 3.0%



(Unit : billion yen)

In regard to our financial position, due to such factors as our exit from PrimeSource, a recovery of cash from the merger of NAMISA (approximately 280 billion yen), and the accumulation of operating cash flows (more than 400 billion yen), including the investment and loan related to CITIC Limited (approximately 600 billion yen), our interest bearing debt was held to an increase of approximately 100 billion yen.

Although Net profit attributable to ITOCHU increased, Shareholder's equity decreased due to a decrease of other investments caused by a decline in stock and commodity prices as well as yen appreciation.

Cash Flows

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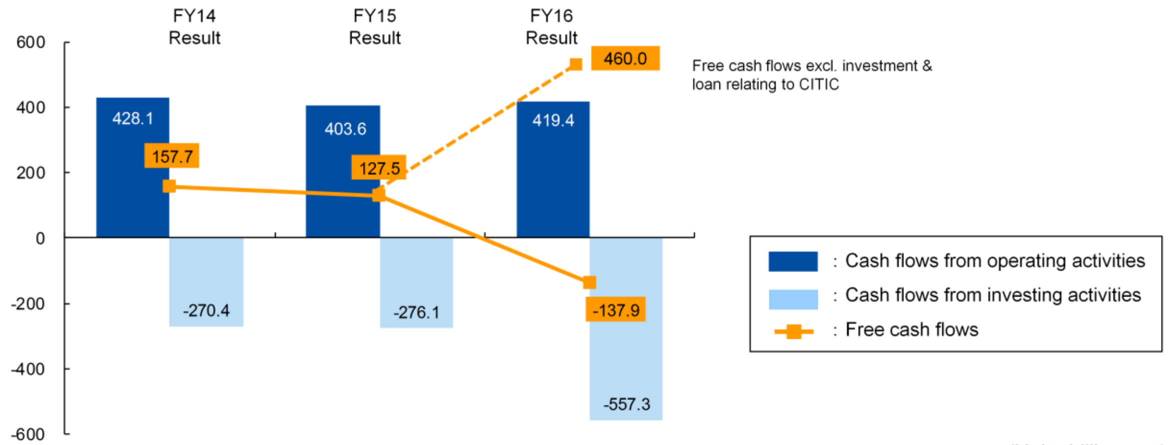
	FY2015 Result	FY2016 Result	Increase/Decrease
Cash flows from operating activities	**403.6**	**419.4**	**+ 15.8**
Cash flows from investing activities	**- 276.1**	**- 557.3**	**- 281.2**
Cash flows from financing activities	**- 97.9**	**81.8**	**+ 179.7**
Free cash flows	**127.5**	**- 137.9**	**- 265.4**
Investment & loan relating to CITIC		**approx. - 600.0**	
Free cash flows excl. investment & loan relating to CITIC		**approx. 460.0**	



(Unit : billion yen)

As for cash flows, Operating cash flows exceeded 400.0 billion yen for third consecutive fiscal year.

Moreover, cash was recovered due to the exit from PrimeSource and the merger of NAMISA.

Free cash flows, excluding investment and loans relating to CITIC, were approximately 460 billion yen, far exceeding FY2015 levels. Therefore, we are able to pay a historically high full-year dividend of ¥50.0 per share.

FY2016-FY2018 Medium-Term Management Plan

ITOCHU
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Medium -Term Management Plan

Brand-new Deal 2017

Engaging All Employees
to Lead A New Era
for the Sogo Shosha

This time, we changed the sub-title from “Challenge” to “Engaging all employees to lead a new era for the Sogo Shosha.”

Due to our untiring efforts and the active role played by all employees, we would like to forge a path to a new era and continuously maintain our No. 1 status.

FY2017 Quantitative Plan

		FY2016 Result	FY2017 Plan	Increase/ Decrease
P/L	Gross trading profit	1,069.7	1,080.0	+ 10.3
	Trading income	226.4	240.0	+ 13.6
	Equity in earnings of associates and joint ventures	147.7	180.0	+ 32.3
	Net profit attributable to ITOCHU	240.4	350.0	+ 109.6

		FY2016 Result	FY2017 Plan	Increase/ Decrease
B/S	Total assets	8,036.4	8,200.0	+ 163.6
	Net interest-bearing debt	2,555.6	2,500.0	- 55.6
	Total shareholders' equity	2,193.7	2,400.0	+ 206.3
	NET DER	1.17 times	1.0 times	Improve 0.1pt
	ROE	10.4%	15.2%	+ 4.8%

(Unit : billion yen)

Regarding net profit attributable to ITOCHU, the target for FY2017 is 350 billion yen, a 110 billion yen increase compared with FY 2016, even including a 20 billion yen buffer. This target factors in solid growth in the non-resource sector, a full-year contribution to profits from the CITIC investment, and an absence of impairment losses that were recorded in FY 2016.

Also, we set conservative assumptions for commodity prices and other factors for this short-term management plan.

In the other words, if we used the assumptions we made for the original medium-term business plan, net profit attributable to ITOCHU would be 380 billion yen, considering the 20billion yen buffer, which would be near a substantial 400 billion yen level.

Please refer to page 24 for segment-specific details on net profit attributable to ITOCHU.

Dividend Policy

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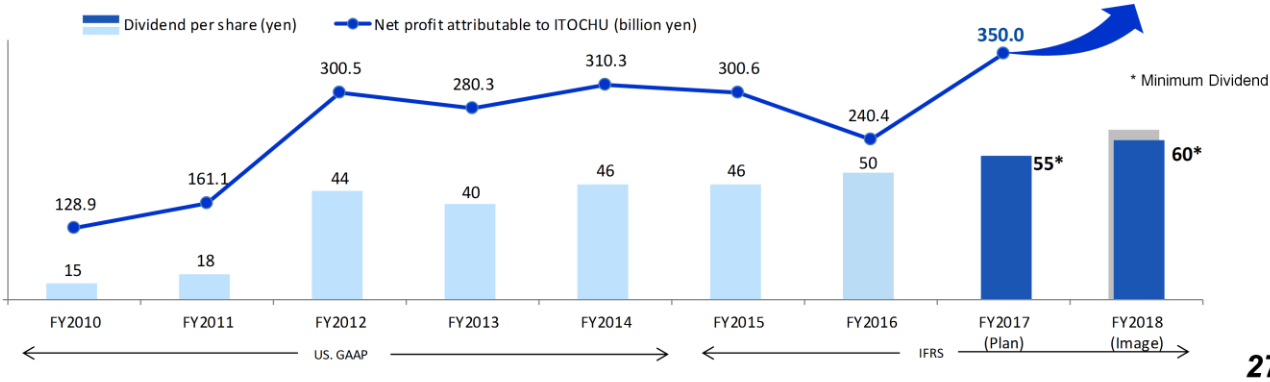
FY2017 Dividend Policy remains unchanged from Brand-new Deal 2017 dividend policy, as below.

- **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 income 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.



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ITOCHU intends to pay a full-year dividend of ¥55 per share for FY2017, which is a record high amount.

We haven't changed our dividend policy for the Mid-Term Management Plan.

We will seek to annually surpass our record high dividends, continue to guarantee a minimum dividend, and further enhance the payout ratio.

We will continue to make our best efforts to share the growth and generated profit with our shareholders as well as to increase shareholder returns.

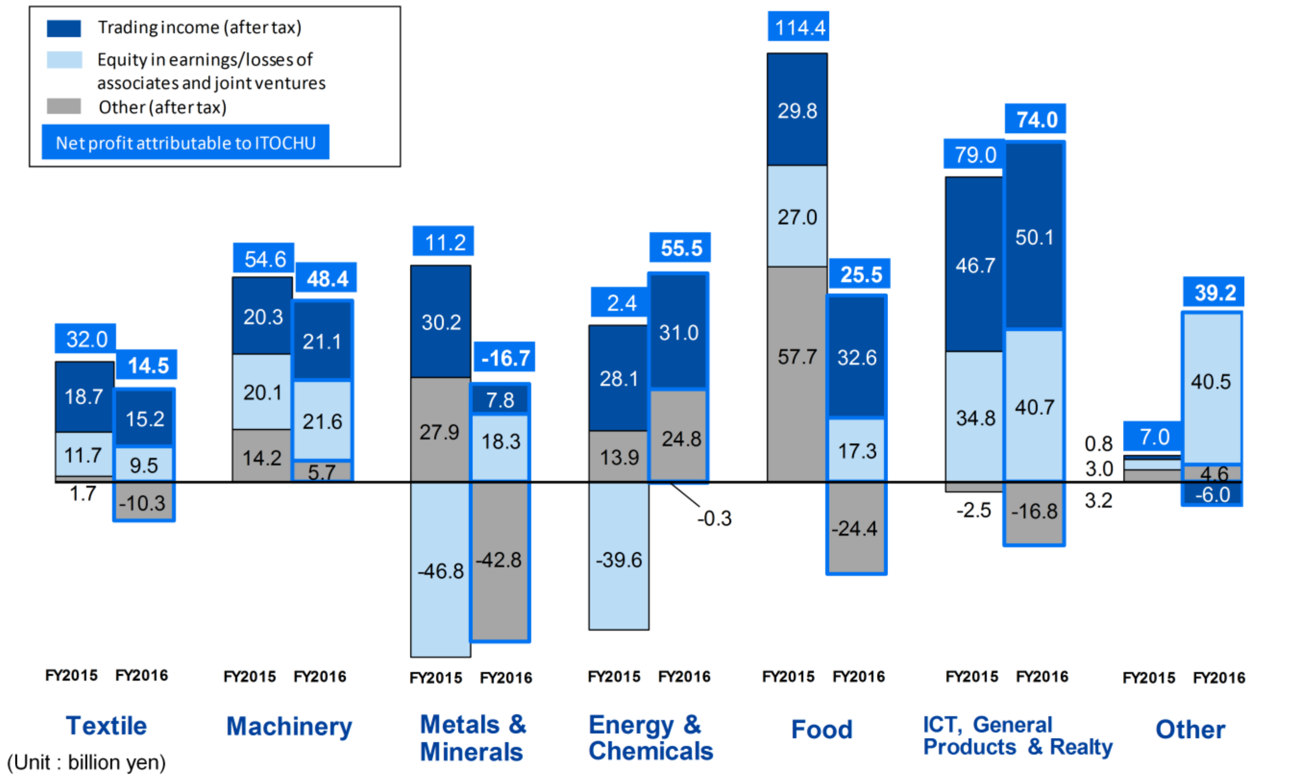
FY2016 Business Results Summary
FY2017 Management Plan

May 10, 2016

ITOCHU Corporation

Mamoru Seki, Executive Officer,
GM, General Accounting Control Division

Operating Segment



<u>For the Textile Company,</u> “trading income” decreased due to unfavorable sales in apparel-related companies and inventory write downs, despite the intake of income from EDWIN CO., LTD. starting from the second quarter of the previous fiscal year. “Equity in earnings of associates and joint ventures“ decreased due to the conversion of a China-related company from an associated company to other investments. “Others” worsened due to the loss from the withdrawal of Bramhope as well as an impairment loss recorded by Java and Le Sportsac. As a result, “net profit attributable to ITOCHU” was 14.5 billion yen, down 17.5 billion yen compared with the previous fiscal year.

<u>For the Machinery Company,</u> “trading income” increased only slightly due to a reversal in the favorable performance of IPP-related companies in North America in the previous fiscal year, despite the solid performance of plant-related companies. “Equity in earnings of associates and joint ventures” increased due to an increase in profits from automobile-related companies, despite the unfavorable performance of plant-related companies. However, “Others” decreased due to the losses on investment and the deterioration of tax expense. As a result, “net profit attributable to ITOCHU” was 48.4 billion yen, down 6.2 billion yen compared with the previous fiscal year.

<u>For the Metals and Minerals Company,</u> “trading income” decreased due to the significant decline in iron ore and coal prices, despite the increase in iron ore sales volume, the reduction of costs in iron ore, and the improvement in foreign currency translation in iron ore and coal businesses. “Equity in earnings of associates and joint ventures” improved significantly from a deficit of 46.8 billion yen to a profit of 18.3 billion yen, due to the absences of the impairment loss in NAMISA recorded in the previous fiscal year, despite a decrease in equity earnings of IMEA as well as stagnant market conditions and lower demand in Marubeni-Itochu Steel Inc.. On the other hand, “Others” largely decreased from a profit of 27.9 billion yen to a deficit of 42.8 billion yen, due to the recognition of the impairment loss and the loss accompanying the sale of certain assets in IMEA. As a result, Metals and Minerals Company recorded a deficit of 16.7 billion yen, down 27.9 billion yen compared with the previous fiscal year.

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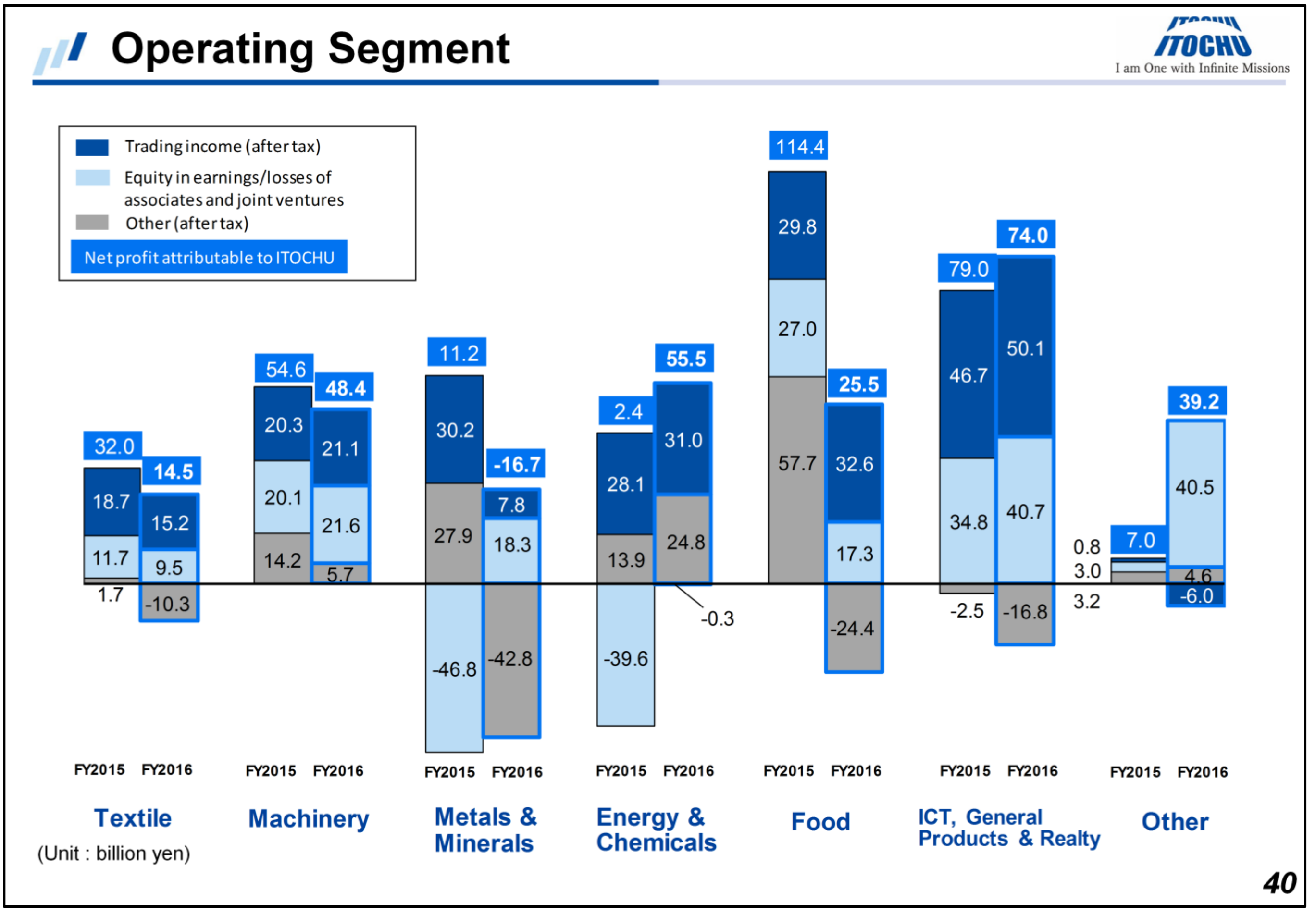

For the Energy and Chemicals Company, "trading income" increased due to the stable performance in energy and chemical trading transactions, despite lower profitability of self-developed crude oil transactions accompanying the decline in oil prices and the occurrence of one-time expenses in the fiscal year under review. "Equity in earnings of associates and joint ventures" improved from a deficit of 39.6 billion yen to a deficit of 0.3 billion yen, due to the absence of the impairment loss recorded by Samson in the previous fiscal year. "Others" also increased due to an improvement in tax expense accompanying the disposal of Samson during the fiscal year under review, despite recording an impairment loss in the North Sea oil fields development project during the third quarter. As a result, "net profit attributable to ITOCHU" was 55.5 billion yen, up 53.1 billion yen compared with the previous fiscal year.

For the Food Company, "trading income" increased due to the stable performance of Nippon Access Inc. and other provisions-related subsidiaries. "Equity in earnings of associates and joint ventures" decreased due to the effect of converting TING HSIN HOLDING CORPORATION from an associated company to other investments as well as the absence of the gain on sales of affiliates at FamilyMart Co., Ltd., which occurred in the previous fiscal year. "Others" worsened from 57.7 billion yen in the previous fiscal year to a deficit of 24.4 billion yen in the fiscal year under review due to the absence of a one-time gain regarding the shares of TING HSIN HOLDING CORP., which occurred in the previous fiscal year, as well as an impairment loss recorded by Dole International Holdings, Inc.. As a result, "net profit attributable to ITOCHU" was 25.5 billion yen, a decrease of 88.9 billion yen compared with the previous fiscal year.

For the ICT, General Products & Realty Company, "trading Income" increased due to the stable performance of North American building-materials-related companies, logistics-related companies, European Tyre Enterprise Limited, and CONEXIO Corporation, despite the deconsolidation of PrimeSource, which occurred during the fiscal year under review. "Equity in earnings of associates and joint ventures" increased due to the contribution of BELLSYSTEM24 Holdings, Inc. and other new associated companies as well as the improved performance of foreign pulp-related companies overseas, which occurred from the positive effects of foreign currency translation and other factors. On the other hand, "Others" decreased due to the impairment loss recorded at European Tyre Enterprise Limited, despite the gain on sales of Primesource. As a result, "net profit attributable to ITOCHU" was 74.0 billion yen, a decrease of 5.0 billion yen compared with the previous fiscal year.

For Others, "net profit attributable to ITOCHU" was 39.2 billion yen, up 32.2 billion yen compared with the previous fiscal year. The main reason for this increase was CITIC Limited's contribution to profits, which began from the third quarter of the fiscal year under review.

Extraordinary Gains and Losses

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	FY2015 Result	FY2016 Result	Increase/ Decrease
Gains related to investments	**87.0**	**35.0**	**- 52.0**
Equity in losses related to associates and joint ventures	**- 91.5**	**- 6.0**	**+ 85.5**
Income tax expense	**- 6.0**	**39.0**	**+45.0**
Gains(Losses) related to property, plant, equipment and intangible asset, Others	**5.5**	**- 143.0**	**- 148.5**
Total	**- 5.0**	**- 75.0**	**- 70.0**

(Unit : billion yen)

We calculated our accumulated extraordinary gains and losses for the FY2016 as loss of 75.0 billion yen.

Breakdown of extraordinary gains and losses is as follows.
“Gains related to investments” recorded a profit of 35.0 billion yen, which included the sales of PrimeSource for approximately 20.0 billion yen, a gain accompanying the change of Orient Corporation’s capital structure of roughly 9.0 billion yen, and a gain from reevaluation that followed the conversion of a China-related company from an associated company to other investments, as well as other factors.

“Income tax expense” was a profit of 39.0 billion yen, which included the improvement in tax expense accompanying the disposal of Samson totaling approximately 34.0 billion yen as well as other factors.

“Gains(Losses) related to property, plant, equipment and intangible asset, Others” was a loss of 143.0 billion yen, which included an impairment loss recorded by IMEA of roughly 20.5 billion yen, a loss accompanying the sale of certain assets in IMEA totaling roughly 17.0 billion yen, an impairment loss recorded by European Tyre Enterprise Limited totaling approximately 31.0 billion yen, an impairment loss recorded by Dole International Holdings, Inc. totaling nearly 17.5 billion yen, and an impairment loss recorded in the North Sea oil fields development project totaling around 18.0 billion yen, as well as other factors.

After deducting extraordinary gains and losses, net profit attributable to ITOCHU was around 315 billion yen. There was a net extraordinary loss of 5.0 billion yen in the previous fiscal year net profit attributable to ITOCHU of around 300 billion yen. We analyse that without the inclusion of extraordinary gains and losses, our profit from normal business activities increased roughly 10 billion yen from the previous fiscal year.

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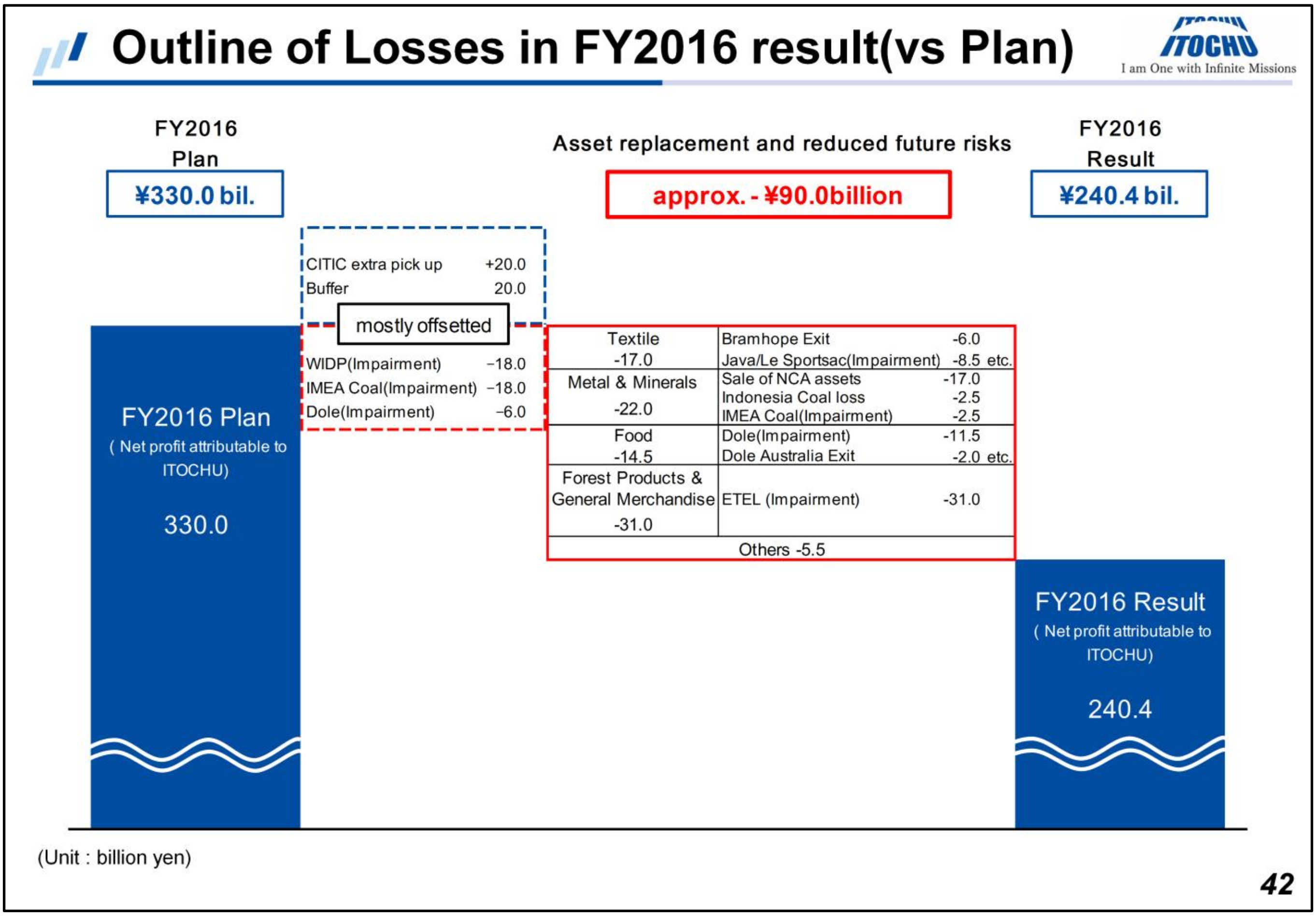
ITOCHU Corporation

Hitoshi Okamoto, Director,
Senior Managing Executive Officer, CSO・CIO

Brand-new Deal 2017



This is an outline of the results of Losses of 90.0billion yen negative in FY2016 compared to initial plans implemented in FY2016.

Regarding FY2016 results, we exceeded the targets of our initial plans, mainly due to a solid performance in the non-resource sector, which is the strength of ITOCHU, in addition to the favorable performance of the ICT, General Products & Realty Company and the contribution to profits by CITIC Limited, which started to equity pick up from the third quarter of FY2016—one quarter earlier than expected. While commodity prices declined, we promptly did the appropriate actions for the questionable projects in the previous fiscal years, allowing us to recognize impairment losses on the necessary projects in FY2016 within our budget.

Under these circumstances, we decided to recognize losses for asset replacement and reduce future risks in the fourth quarter of FY2016.

In the Textile Company, “Le Sportsac” is a highly profitable and popular brand that generates 15% of revenue of the current total for trademark value. However, we will replace existing products in this brand with new products that offer even higher added value in order to further revitalize the brand. We recognized 3.5 billion yen in an impairment loss due to the fact that we changed business plans, which temporarily reduced inventories and sales volume. We selected “Bramhope” as the target for asset replacement and worked to reduce the size of the business and eventually exit it after concluding that. It will take a certain amount of time to recover from the sluggish performance caused by the policy changes of the main supplier. Accordingly, we recognized a significant impairment loss of 6.0 billion yen in FY2016.
Regarding “Java”, we decided to make radical reforms, integrating brands in development and changing sales channels. As a result, we recognized a total of 5.0 billion yen in disposal loss toward the inventories of replaced brands and impairment loss toward goodwill and intangible assets. We also recognized 1.5 billion yen in inventory disposal losses in other retail apparel businesses. While we evaluate inventories for each business using strict rules every fiscal year, we are unable to introduce new products if we are dealing with old-season inventories.
As such, we decided to carry out the disposal of these inventories using unusual distribution routes.

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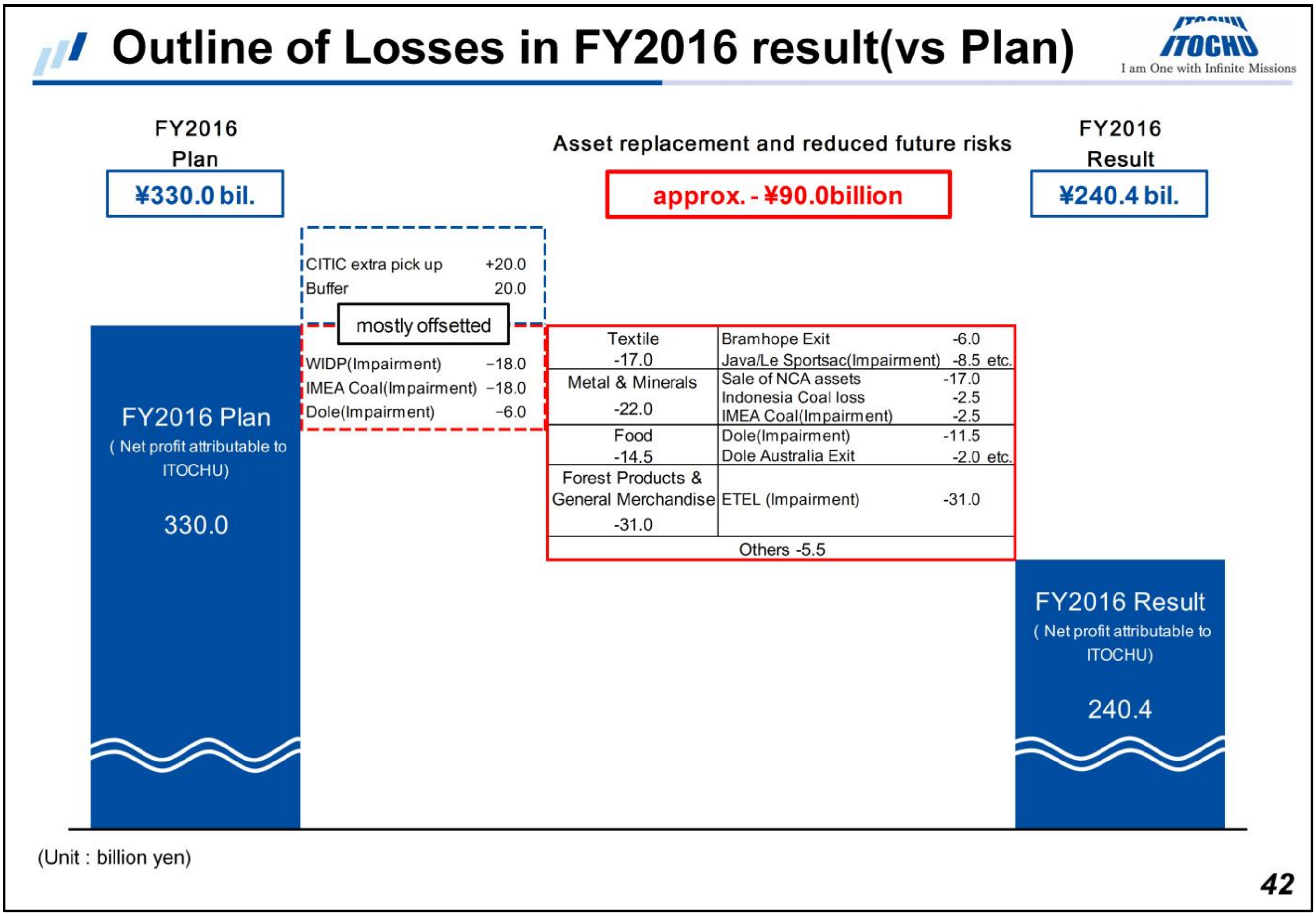


<u>In the Metals & Minerals Company,</u> amid the continued decline of coal prices, we decided to sell off the NCA coal mining project as it was nearing the end of its mining life and was estimated to incur further losses following its eventual closing. Following the sale of this project, we expect to save nearly 2.0 billion yen in losses per year from this project from FY2017 and on. In regard to IMEA coal projects, while we originally estimated around 18.0 billion yen in impairment loss, we have since revised our assumption of long-term coal price more conservatively, thereby recognizing 2.5 billion yen in further impairment loss. As a result, total impairment loss in this project totaled 20.5 billion yen. Through these measures, we feel that we were able to manage the impact of declining the commodity prices for the future.

<u>In the Food Company,</u> the packaged foods business of Dole has already recovered profitable and has embarked on a trend toward expansion. On the other hand, the Asian fresh produce business is experiencing difficulties due to a shortage in production volume. Accordingly, we are estimating 6.0 billion yen in impairment losses toward goodwill. While we aim to recover the production volume from this business to some extent, we were very conservative in our considerations of the uncertainty of farm goods and other factors. As a result, we recognized 11.5 billion yen in further impairment losses toward the total amount of goodwill and a part of intangible assets. Total losses were 19.5 billion yen, including a 2.0 billion yen that occurred from exiting our Australian business. In addition to measures to improve profitability, we expect that Dole will see a steady expansion in sales from FY2017 and on, as we will improve the productivity of its fresh fruit business.

<u>In Forest Products and General Merchandise Divison,</u> European Tyre Enterprise Limited, is currently achieving profits at a level of 5.0 billion yen per year on net profit. However, we believe that there would be significant merits for European Tyre Enterprise Limited to recognize an impairment loss in order to create circumstances in which we can make various business decisions for accelerating our growth strategy. We recognized a 31.0 billion yen impairment loss toward goodwill as we gave conservative considerations to outside factors such as medium- to long-term revisions to the demand forecast for tires in the U.K.

Finally, **<u>in Others,</u>** 5.5 billion yen is accumulated small losses. These included a provision loss toward our holding ships, considering the historically low levels in maritime trade, and disposal losses toward system assets.

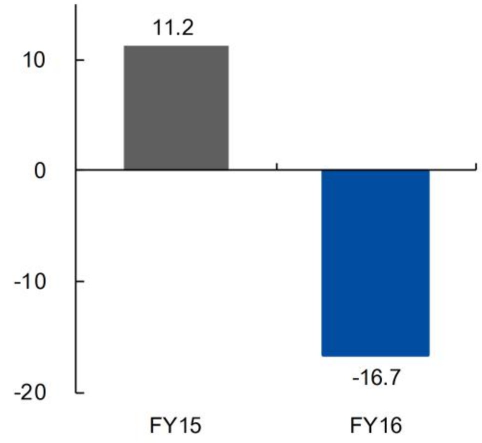
Due to the fact that we accelerated asset replacement efforts and made precise and detailed analysis in order to record losses to contribute to the establishment of a solid and health earnings base, we believe that we are in a good position for the start of FY2017.

Metals & Minerals

＜FY2016 Result＞

Due to the decline in iron ore and coal prices and recognition of the impairment loss and the loss accompanying the sale of certain assets in the Australian coal-related business, despite the absence of impairment loss in a Brazilian iron ore company in the previous fiscal year, net profit attributable to ITOCHU posted in FY2016 was ￥-16.7 billion, a decrease of ￥27.9 billion from FY2015.

＜Net profit attributable to ITOCHU＞



＜Profits / Losses from Main Group Companies etc.＞

	FY2015 Result	FY2016 Result
ITOCHU Minerals & Energy of Australia Pty Ltd	42.3	- 22.6
Iron ore	43.1	24.6
Coal	0.3	- 47.4
Brazil Japan Iron Ore Corporation	- 44.8	- 0.9
ITOCHU Coal Americas Inc.	0.1	- 2.3
Marubeni-Itochu Steel Inc.	12.8	6.6
ITOCHU Metals Corporation	0.2	2.0

(Unit : billion yen)

Due to the decline in iron ore and coal prices, a recognition of the impairment loss and a loss accompanying the sale of certain assets in the Australian coal-related business totaling 40.0 billion yen, Metals & Minerals Company recorded a deficit of 16.7 billion yen in FY2016, a decrease of 27.9 billion yen from FY2015, despite the absence of an impairment loss in a Brazilian iron ore company in the previous fiscal year.

Energy & Chemicals

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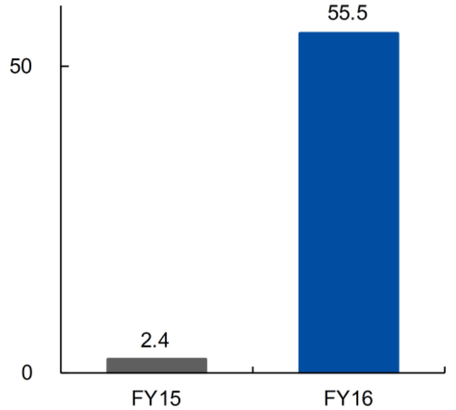
＜FY2016 Result＞

Due to the higher trading income, the absence of the impairment loss in an U.S. oil and gas development company in the previous fiscal year, and the improvement in tax expenses accompanying its disposal in this fiscal year, despite the impairment loss in the North Sea oil fields development project, net profit attributable to ITOCHU posted in FY2016 was ¥55.5 billion, an increase of ¥53.1 billion from FY2015.

＜Net profit attributable to ITOCHU＞



	FY15	FY16
Energy	- 14.9	36.7
Chemical	17.3	18.7
Total	2.4	55.5

＜Profits / Losses from Main Group Companies etc.＞

	FY2015 Result	FY2016 Result
ITOCHU Oil Exploration (Azerbaijan) Inc.	6.9	5.0
ITOCHU PETROLEUM CO.,(SINGAPORE) PTE. LTD	1.0	2.3
JD Rockies Resources Limited*	- 43.8	–
ITOCHU CHEMICAL FRONTIER Corporation	3.1	3.1
ITOCHU PLASTICS INC.	3.5	3.5
C.I. Kasei Co., Ltd	1.1	1.3
Dividend from LNG Projects	8.3	4.8

* No longer being an affiliate of Itochu at the end of FY2016 1Q.

(Unit : billion yen)

Net profit attributable to ITOCHU in the Energy Division for FY2016 was 36.7 billion yen, an increase of 51.6 billion yen from FY2015.

We recognized an impairment loss of about 18 billion yen in FY2016 related to the North Sea WIDP project. As JD Rockies Resources Limited was no longer considered an affiliate of ITOCHU at the end of FY2015 following the exit from Samson, they had no impact in the net profit for FY2016. However, net profits for JD Rockies Resources Limited improved 43.8 billion yen from FY2015 due to the reversal of an impairment loss recorded in FY2015.

In addition, a one-time profit of 34.0 billion yen was recognized due to the positive tax effects accompanying the exit from Samson in FY2016.

Metals & Minerals

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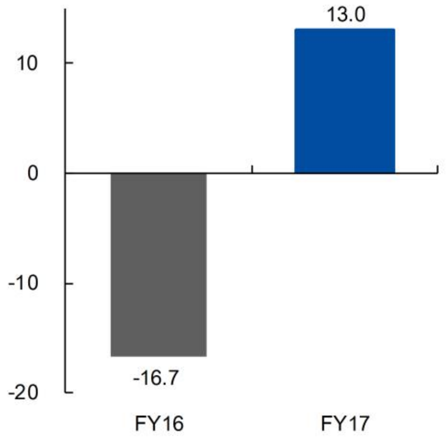
＜FY2017 Plan＞

Due to the absence of recognition of the impairment loss and the loss accompanying the sale of certain assets in the Australian coal-related business in the previous fiscal year, despite the decline in iron ore and coal prices, the plan for net profit attributable to ITOCHU is ¥13.0 billion, an improvement of ¥29.7 billion from FY2016.

＜Net profit attributable to ITOCHU＞



＜Profits / Losses from Main Group Companies etc.＞

	FY2016 Result	FY2017 Plan
ITOCHU Minerals & Energy of Australia Pty Ltd	- 22.6	6.1
Iron ore	24.6	*
Coal	- 47.4	*
Brazil Japan Iron Ore Corporation	-0.9	*
ITOCHU Coal Americas Inc.	- 2.3	*
Marubeni-Itochu Steel Inc.	6.6	*
ITOCHU Metals Corporation	2.0	1.4

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

(Unit : billion yen)

The forecast of FY2017 is 13.0 billion yen.

The impact of falling commodity prices was already recognized as impairment losses in FY2016. Therefore, we do not expect to record further impairment losses in FY2017.

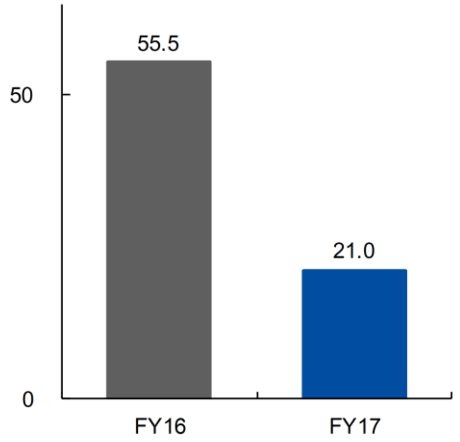
We have also set more conservative assumptions regarding commodities prices when planning for FY2017 compared with the current market prices.

Energy & Chemicals

<FY2017 Plan>

Due to the absence of the one-time profit in the previous fiscal year, the decline in oil prices, and the adjustment of internal tax, the plan for net profit attributable to ITOCHU is ¥21.0 billion, a decrease of ¥34.5 billion from FY2016.

<Net profit attributable to ITOCHU>



	FY16	FY17
Energy	36.7	0 *
Chemical	18.7	21.0
Total	55.5	21.0

<Profits / Losses from Main Group Companies etc.>

	FY2016 Result	FY2017 Plan
ITOCHU Oil Exploration (Azerbaijan) Inc.	5.0	- 1.0
ITOCHU PETROLEUM CO.,(SINGAPORE) PTE. LTD	2.3	1.8
ITOCHU CHEMICAL FRONTIER Corporation	3.1	3.3
ITOCHU PLASTICS INC.	3.5	3.8
C.I. Kasei Co., Ltd	1.3	3.3
Dividend from LNG Projects	4.8	2.3

* Includes internal tax adjustment ¥7.0 billion(One-time).

(Unit : billion yen)

No net profit is expected for the Energy Division in FY2017.

It includes a one-time loss of about 7.0 billion yen accompanying an internal tax adjustment.

If this one-time loss were excluded, we would expect a net profit of 7.0 billion yen for the Energy Division in FY2017.

Updates of Business Alliance with CITIC Group and CP Group

ITOCHU
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CITIC Limited FY2016 Results & FY2017 Plan

- Equity pick up of CITIC Limited started from FY2016 3Q, which is one quarter earlier than expected. For the period applicable for equity pickup, CITIC Limited consolidated net profit attributable to ITOCHU was only approx.6.4billion yen, primarily as a result of the impairment losses recorded. However, as Itochu had reflected the applicable impairment losses as a part of the valuation and purchase price allocation at the time of acquisition, CITIC related profit is 40.4billion yen for FY2016. For FY2017, ITOCHU anticipates approx.70billion yen in CITIC related profit.

FY2016 Synergy Progress

- To promote potential synergy projects from 2016, meetings among top managements (Strategic Cooperation Committee) and senior managements (Business Development Meeting) of CITIC Group, CP Group and ITOCHU were held to discuss synergy plan and existing projects in specific.
- In addition to signing a tri-party Memorandum of Enhanced Human Resources Synergies, trade synergy in the food and chemicals field, F2F Project (cross-border Chinese E-Commerce Business), business alliance with Bosideng International Holdings Group were realized.

Steps to facilitate Synergies in FY2017

- To enhance synergies, CP & CITIC Business Development Department was established in Beijing, and Senior Managing Executive Director was appointed as CEO for Asia & Oceania Bloc & the Executive Advisory Officer for CP & CITIC Operations located in Singapore.
- Additional policies to facilitate synergies, such as increasing Chinese speaking employees.

CITIC Limited's contributions to profits started from the third quarter of FY2016, which was one quarter earlier than expected.

CITIC Limited recorded impairment losses in FY2016, however, as ITOCHU had reflected the applicable impairment losses as a part of the valuation at the time of acquisition, impairment losses did not affect ITOCHU's equity pick up.

Therefore, CITIC related profit, which includes interest and taxes, was 40.4 billion yen for FY2016.

For FY2017, ITOCHU anticipates approximately 70 billion yen in CITIC-related profit.

Forward-Looking Statements:

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