

FY2019 1<sup>st</sup> Quarter Business Results

# Appendix

ITOCHU Corporation

August 3, 2018



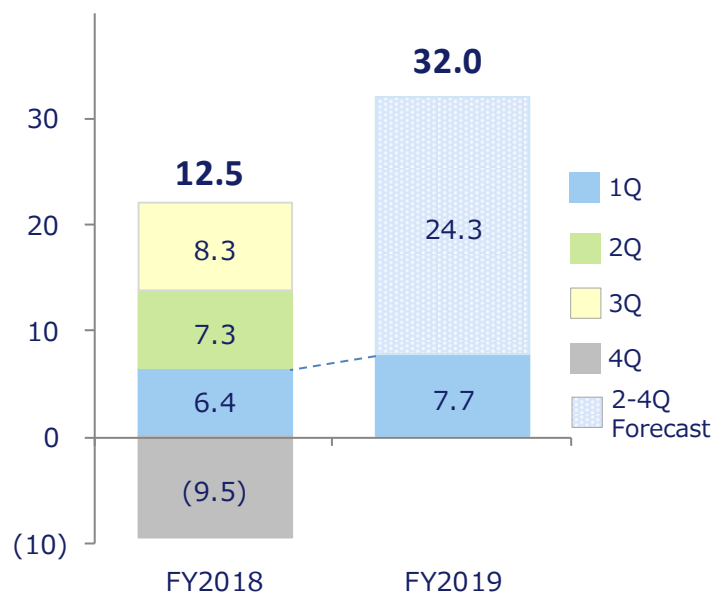
I am One with Infinite Missions

#### Forward-Looking Statements

Data and projections contained in these materials are based on the information available at the time of publication, and various factors 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 practice undue reliance on forward-looking statements, and further, that ITOCHU Corporation has no obligation to update any forward-looking statements as a result of new information, future events or other developments.

|   | FY2018                            | FY2019                            | Increase/<br>Decrease | Summary of changes<br>(Net profit attributable to ITOCHU)   | (Unit : billion yen) |            |
|---|-----------------------------------|-----------------------------------|-----------------------|---|----------------------|------------|
|   | 1 <sup>st</sup> Quarter<br>Result | 1 <sup>st</sup> Quarter<br>Result |                       |   | FY2019<br>Forecast   | Progress   |
| Gross trading profit                                | 30.0                              | 27.2                              | (2.7)                 | Increase due to the stable performance and the improvement of expenses in apparel-related companies, and lower tax expenses | 123.0                | 22%        |
| Equity in earnings of associates and joint ventures | 1.5                               | 2.4                               | +0.9                  |   |                      |            |
| <b>Net profit attributable to ITOCHU</b>            | <b>6.4</b>                        | <b>7.7</b>                        | <b>+1.3</b>           |   | <b>32.0</b>          | <b>24%</b> |
| Core Profit   | 4.4                               | 5.2                               | +0.8                  |   |                      |            |
|   | Mar. 2018<br>Result               | Jun. 2018<br>Result               | Increase/<br>Decrease |   |                      |            |
| Total assets  | 474.9                             | 467.4                             | (7.5)                 |   |                      |            |

## Net profit attributable to ITOCHU



## Profits/Losses from Major Group Companies

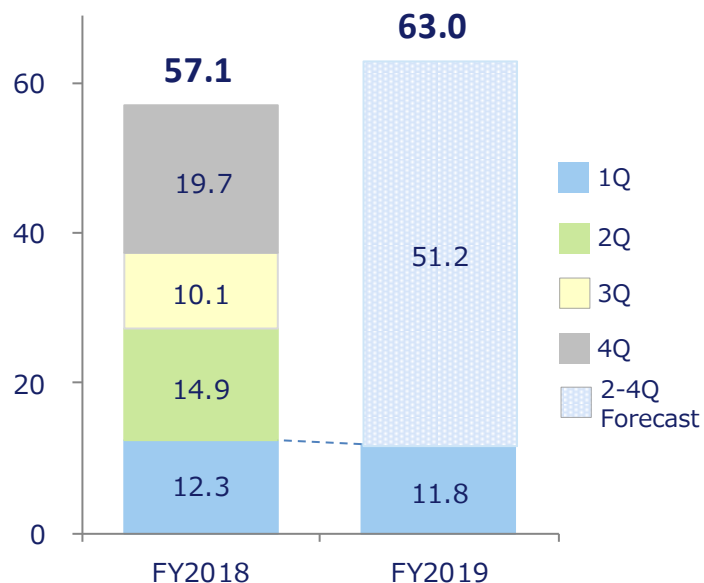
|                                      | FY2018<br>1 <sup>st</sup> Quarter | FY2019<br>1 <sup>st</sup> Quarter | FY2018<br>Annual | FY2019<br>Forecast |
|--------------------------------------|-----------------------------------|-----------------------------------|------------------|--------------------|
| JOI'X CORPORATION                    | 0.1                               | 0.1                               | 1.5              | 1.3                |
| SANKEI COMPANY LIMITED               | 0.5                               | 0.7                               | 0.1              | 1.8                |
| ITOCHU Textile Prominent (ASIA) Ltd. | 0.1                               | 0.3                               | 0.2              | 1.1                |
| ITOCHU TEXTILE (CHINA) CO., LTD.     | 0.1                               | 0.2                               | 1.0              | 1.0                |

# Machinery



|   | FY2018<br>1 <sup>st</sup> Quarter<br>Result | FY2019<br>1 <sup>st</sup> Quarter<br>Result | Increase/<br>Decrease | Summary of changes<br>(Net profit attributable to ITOCHU)  | (Unit : billion yen)<br>FY2019<br>Forecast | Progress   |
|---|---|---|-----------------------|--|--|------------|
| Gross trading profit                                | 25.0  | 43.6  | +18.5                 | Decrease due to the unfavorable performance of YANASE, a subsidiary consolidated in the second quarter of the previous fiscal year, despite the stable performance in North American construction-machinery-related companies and aircraft-related companies | 210.0                                      | 21%        |
| Equity in earnings of associates and joint ventures | 5.4   | 7.0   | +1.5                  |  |  |            |
| <b>Net profit attributable to ITOCHU</b>            | <b>12.3</b>                                 | <b>11.8</b>                                 | <b>(0.5)</b>          |  | <b>63.0</b>                                | <b>19%</b> |
| Core Profit   | 11.8  | 11.3  | (0.5)                 |  |  |            |
|   | Mar. 2018<br>Result                         | Jun. 2018<br>Result                         | Increase/<br>Decrease |  |  |            |
| Total assets  | 1,218.6                                     | 1,258.2                                     | +39.6                 |  |  |            |

## Net profit attributable to ITOCHU



## Profits/Losses from Major Group Companies

|   | FY2018<br>1 <sup>st</sup> Quarter | FY2019<br>1 <sup>st</sup> Quarter | FY2018<br>Annual | FY2019<br>Forecast |
|---|-----------------------------------|-----------------------------------|------------------|--------------------|
| Tokyo Century Corporation               | 2.7                               | 2.9                               | 12.5             | 13.0 *             |
| I-Power Investment Inc.                 | 0.9                               | 0.2                               | 5.3              | 1.9                |
| I-ENVIRONMENT INVESTMENTS LIMITED       | 0.6                               | 0.4                               | 1.9              | 0.9                |
| IMECS Co., LTD.                         | 0.3                               | 0.3                               | 1.2              | 1.5                |
| JAMCO Corporation                       | (0.1)                             | 0.3                               | 0.6              | 0.6 *              |
| JAPAN AEROSPACE CORPORATION             | 0.0                               | 0.2                               | 0.7              | 1.2                |
| YANASE & CO., LTD.                      | (0.6)                             | (1.3)                             | 3.7              | 4.7                |
| SUNCALL CORPORATION                     | 0.1                               | 0.2                               | 0.5              | 0.5 *              |
| Auto Investment Inc.                    | 0.2                               | 0.2                               | 0.8              | 0.7                |
| ITOCHU CONSTRUCTION MACHINERY CO., LTD. | 0.0                               | 0.0                               | 0.6              | 0.6                |
| ITOCHU MACHINE-TECHNOS CORP.            | (0.1)                             | (0.2)                             | 0.8              | 1.1                |
| ITOCHU SysTech Corporation              | (0.1)                             | (0.2)                             | 0.3              | 0.4                |
| Century Medical, Inc.                   | 0.1                               | 0.2                               | 0.5              | 0.6                |

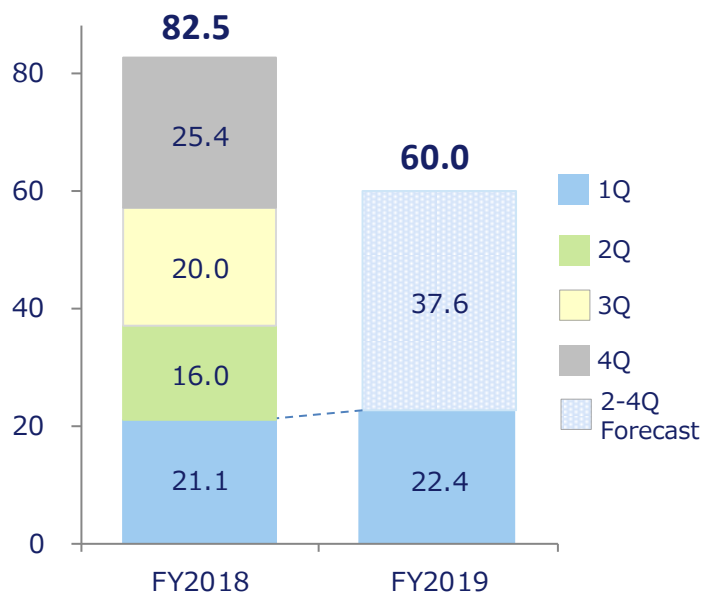
\* The figure is the company's forecasts multiplied by ITOCHU shares, excluding IFRS adjustment.

# Metals & Minerals



|   | FY2018<br>1 <sup>st</sup> Quarter<br>Result | FY2019<br>1 <sup>st</sup> Quarter<br>Result | Increase/<br>Decrease | Summary of changes<br>(Net profit attributable to ITOCHU)   | (Unit : billion yen)<br>FY2019<br>Forecast | Progress   |
|---|---|---|-----------------------|---|--|------------|
| Gross trading profit                                | 24.4  | 24.6  | +0.2                  | Increase due to the higher coal prices, the reduction of costs in iron ore and coal business, and favorable performance in the steel-products-related companies, despite the temporary decrease in net profit accompanying the change of the structure for investment in certain stakes of iron ore | 77.0                                       | 32%        |
| Equity in earnings of associates and joint ventures | 4.8   | 6.4   | +1.6                  |   |  |            |
| <b>Net profit attributable to ITOCHU</b>            | <b>21.1</b>                                 | <b>22.4</b>                                 | <b>+1.4</b>           |   | <b>60.0</b>                                | <b>37%</b> |
| Core Profit   | 20.6  | 21.9  | +1.4                  |   |  |            |
|   | Mar. 2018<br>Result                         | Jun. 2018<br>Result                         | Increase/<br>Decrease |   |  |            |
| Total assets  | 850.3                                       | 866.4                                       | +16.1                 |   |  |            |

## Net profit attributable to ITOCHU



## Profits/Losses from Major Group Companies

|   | FY2018<br>1 <sup>st</sup> Quarter | FY2019<br>1 <sup>st</sup> Quarter | FY2018<br>Annual | FY2019<br>Forecast |
|---|-----------------------------------|-----------------------------------|------------------|--------------------|
| ITOCHU Minerals & Energy of Australia Pty Ltd | 15.7                              | 15.8                              | 62.3             | 42.7               |
| Iron ore                                      | 12.8                              | 12.2                              | 49.7             | *                  |
| Coal  | 2.7                               | 3.6                               | 11.5             | *                  |
| Brazil Japan Iron Ore Corporation             | 0.1                               | 0.0                               | 3.3              | *                  |
| ITOCHU Coal Americas Inc.                     | 0.7                               | 0.8                               | 2.9              | *                  |
| Marubeni-Itochu Steel Inc.                    | 2.4                               | 4.2                               | 9.2              | *                  |
| ITOCHU Metals Corporation                     | 0.4                               | 0.6                               | 1.6              | 1.3                |

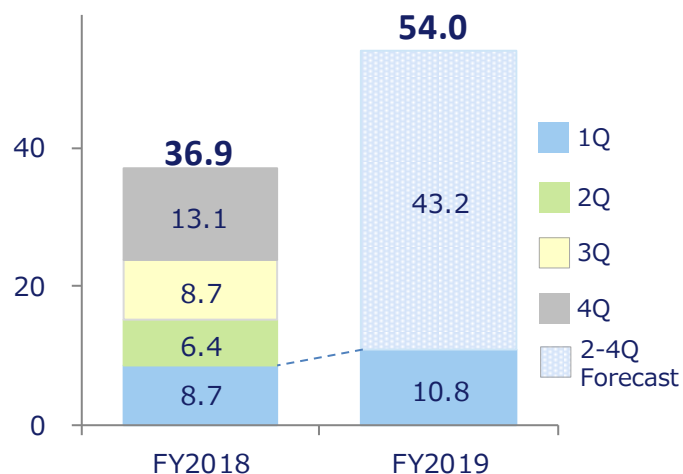
\* Due to the relationship with investees and partners, forecast is not presented.

# Energy & Chemicals



|   | FY2018                            | FY2019                            | Increase/<br>Decrease | Summary of changes<br>(Net profit attributable to ITOCHU)  | (Unit : billion yen) |            |
|---|-----------------------------------|-----------------------------------|-----------------------|--|----------------------|------------|
|   | 1 <sup>st</sup> Quarter<br>Result | 1 <sup>st</sup> Quarter<br>Result |                       |  | FY2019<br>Forecast   | Progress   |
| Gross trading profit                                | 51.6                              | 52.7                              | +1.1                  | Increase due to the higher production volume of crude oil, the stable performance in chemical-related transactions, and the extraordinary gain accompanying the restructure of European energy-related companies | 217.0                | 24%        |
| Energy  | 25.4                              | 25.6                              | +0.2                  |  | 103.0                | 25%        |
| Chemicals   | 26.2                              | 27.1                              | +0.9                  |  | 114.0                | 24%        |
| Equity in earnings of associates and joint ventures | 0.6                               | 3.1                               | +2.5                  |  |                      |            |
| <b>Net profit attributable to ITOCHU</b>            | <b>8.7</b>                        | <b>10.8</b>                       | <b>+2.2</b>           |  | <b>54.0</b>          | <b>20%</b> |
| Energy  | 3.4                               | 5.2                               | +1.8                  |  | 30.0                 | 17%        |
| Chemicals   | 5.3                               | 5.6                               | +0.3                  |  | 24.0                 | 23%        |
| Core Profit   | 8.7                               | 9.8                               | +1.2                  |  |                      |            |
|   | Mar. 2018                         | Jun. 2018                         | Increase/<br>Decrease |  |                      |            |
| Total assets  | 1,355.7                           | 1,409.1                           | +53.4                 |  |                      |            |
| Energy  | 762.2                             | 807.0                             | +44.9                 |  |                      |            |
| Chemicals   | 593.5                             | 602.1                             | +8.5                  |  |                      |            |

## Net profit attributable to ITOCHU



## Profits/Losses from Major Group Companies

|   | FY2018<br>1 <sup>st</sup> Quarter | FY2019<br>1 <sup>st</sup> Quarter | FY2018<br>Annual | FY2019<br>Forecast |
|---|-----------------------------------|-----------------------------------|------------------|--------------------|
| ITOCHU Oil Exploration (Azerbaijan) Inc.    | (0.2)                             | 1.4                               | 2.3              | 1.9                |
| ITOCHU PETROLEUM CO., (SINGAPORE) PTE. LTD. | (0.2)                             | 0.3                               | (1.8)            | 0.6                |
| ITOCHU ENEX CO., LTD.                       | 1.4                               | 1.4                               | 6.0              | 6.1 *              |
| Dividends from LNG Projects                 | 0.1                               | 0.2                               | 4.4              | 4.3                |
| ITOCHU CHEMICAL FRONTIER Corporation        | 0.8                               | 0.8                               | 3.7              | 3.6                |
| ITOCHU PLASTICS INC.                        | 1.1                               | 1.0                               | 4.0              | 4.0                |
| C. I. TAKIRON Corporation                   | 0.7                               | 0.5                               | 3.0              | 3.1 *              |

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

# ITOCHU's Equity Share (Sales Result)



(Unit : billion yen)

|  | FY2018 |    |    |    |  | Full Year | FY2019<br>1Q | 1 <sup>st</sup> Quarter<br>Increase/<br>Decrease | FY2019<br>Forecast |
|--|--------|----|----|----|--|-----------|--------------|--|--------------------|
|  | 1Q     | 2Q | 3Q | 4Q |  |           |              |  |                    |
| <b>Oil &amp; Gas</b><br><b>(1,000BBL/day*)</b> | (a)    |    |    |    |  | <b>32</b> | (b)          | (b)-(a)  | <b>45</b>          |

\*\* Natural Gas converted to crude oil is equivalent to 6,000cf =1BBL

|                                  | FY2018<br>1Q | FY2018<br>2Q | FY2018<br>3Q | FY2018<br>4Q | FY2018<br>Full Year | FY2019<br>1Q | 1 <sup>st</sup> Quarter<br>Increase/<br>Decrease | FY2019<br>Forecast |
|----------------------------------|--------------|--------------|--------------|--------------|---------------------|--------------|--|--------------------|
| <b>Iron ore (million t)</b>      | <b>5.8</b>   | <b>5.2</b>   | <b>5.9</b>   | <b>5.6</b>   | <b>22.6</b>         | <b>5.8</b>   | <b>+0.0</b>                                      | <b>23.5</b>        |
| IMEA                             | 5.3          | 4.7          | 5.3          | 5.0          | 20.3                | 5.3          | +0.0   | 20.8               |
| Brazil Iron Ore Corporation (CM) | 0.5          | 0.6          | 0.6          | 0.6          | 2.3                 | 0.5          | +0.0   | 2.7                |

|                         | FY2018<br>1Q | FY2018<br>2Q | FY2018<br>3Q | FY2018<br>4Q | FY2018<br>Full Year | FY2019<br>1Q | 1 <sup>st</sup> Quarter<br>Increase/<br>Decrease | FY2019<br>Forecast |
|-------------------------|--------------|--------------|--------------|--------------|---------------------|--------------|--|--------------------|
| <b>Coal (million t)</b> | <b>2.7</b>   | <b>3.0</b>   | <b>2.9</b>   | <b>2.9</b>   | <b>11.5</b>         | <b>2.6</b>   | <b>(0.1)</b>                                     | <b>12.2</b>        |
| IMEA                    | 1.1          | 1.3          | 1.3          | 1.3          | 5.0                 | 1.1          | +0.0   | 5.5                |
| ICA (Drummond)          | 1.6          | 1.7          | 1.6          | 1.6          | 6.5                 | 1.5          | (0.1)  | 6.6                |

## 【Reference】 IMEA Profit Result

|                           | FY2018<br>1Q | FY2018<br>2Q | FY2018<br>3Q | FY2018<br>4Q | FY2018<br>Full Year | FY2019<br>1Q | 1 <sup>st</sup> Quarter<br>Increase/<br>Decrease | FY2019<br>Forecast |
|---------------------------|--------------|--------------|--------------|--------------|---------------------|--------------|--|--------------------|
| <b>IMEA (billion yen)</b> | <b>15.7</b>  | <b>13.1</b>  | <b>15.7</b>  | <b>17.8</b>  | <b>62.3</b>         | <b>15.8</b>  | <b>+0.1</b>                                      | <b>42.7</b>        |
| Iron ore                  | 12.8         | 10.1         | 12.3         | 14.6         | 49.7                | 12.2         | (0.7)  | N.A.               |
| Coal                      | 2.7          | 2.9          | 3.4          | 2.6          | 11.5                | 3.6          | +0.9   | N.A.               |

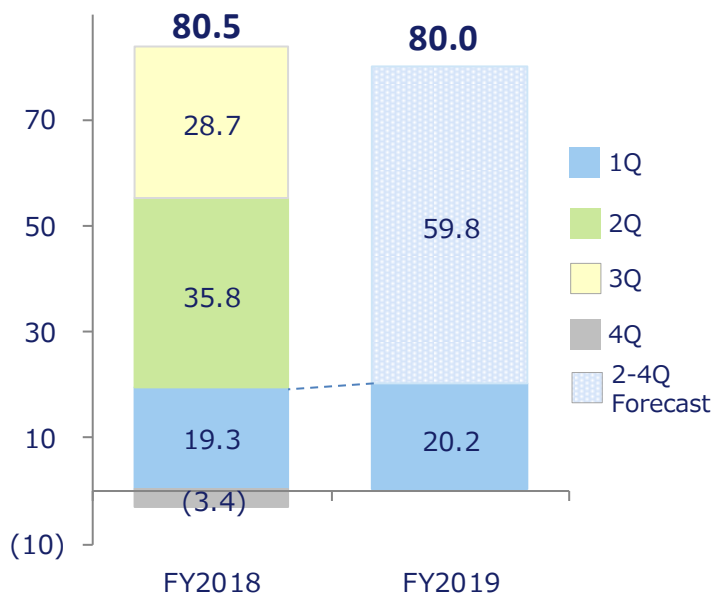
※ IMEA : ITOCHU Minerals & Energy of Australia Pty Ltd

CM : CSN Mineracao S.A.

ICA : ITOCHU Coal Americas Inc.

|   | FY2018<br>1 <sup>st</sup> Quarter<br>Result | FY2019<br>1 <sup>st</sup> Quarter<br>Result | Increase/<br>Decrease | Summary of changes<br>(Net profit attributable to ITOCHU)  | (Unit : billion yen)<br>FY2019<br>Forecast | Progress   |
|---|---|---|-----------------------|--|--|------------|
| Gross trading profit                                | 69.9  | 69.2  | (0.7)                 | Increase due to the higher equity in earnings of FamilyMart UNY Holdings, despite the lower sales prices in packaged foods and the higher expenses in fresh-food-related companies | 593.0                                      | 12%        |
| Equity in earnings of associates and joint ventures | 6.5   | 8.9   | +2.4                  |  |  |            |
| <b>Net profit attributable to ITOCHU</b>            | <b>19.3</b>                                 | <b>20.2</b>                                 | <b>+0.9</b>           |  | <b>80.0</b>                                | <b>25%</b> |
| Core Profit   | 18.8  | 19.2  | +0.4                  |  |  |            |
|   | Mar. 2018<br>Result                         | Jun. 2018<br>Result                         | Increase/<br>Decrease |  |  |            |
| Total assets  | 1,962.2                                     | 2,056.1                                     | +93.9                 |  |  |            |

## Net profit attributable to ITOCHU



## Profits/Losses from Major Group Companies

|                                   | FY2018<br>1 <sup>st</sup> Quarter | FY2019<br>1 <sup>st</sup> Quarter | FY2018<br>Annual | FY2019<br>Forecast |
|-----------------------------------|-----------------------------------|-----------------------------------|------------------|--------------------|
| FamilyMart UNY Holdings Co., Ltd. | 2.9                               | 5.5                               | 11.8             | 16.4 *             |
| Dole International Holdings, Inc. | 4.8                               | 3.1                               | 3.2              | 10.5               |
| NIPPON ACCESS, INC.               | 2.0                               | 1.5                               | 9.8              | 12.9               |
| FUJI OIL HOLDINGS INC.            | 0.9                               | 1.1                               | 4.2              | 4.8 **             |
| Prima Meat Packers, Ltd.          | 1.1                               | 1.1                               | 4.1              | 4.4 **             |
| ITOCHU-SHOKUHIN Co.,Ltd.          | 0.3                               | 0.4                               | 2.2              | 1.9 **             |
| HYLIFE GROUP HOLDINGS LTD.        | 0.9                               | 0.7                               | 3.7              | ***                |

\* ITOCHU has been acquiring the shares of FamilyMart UNY Holdings Co.,Ltd. from July 17, 2018, for the purpose of making it a consolidated subsidiary of ITOCHU, by way of a tender offer through ITOCHU RETAIL INVESTMENT, LLC, which is a subsidiary of ITOCHU.

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

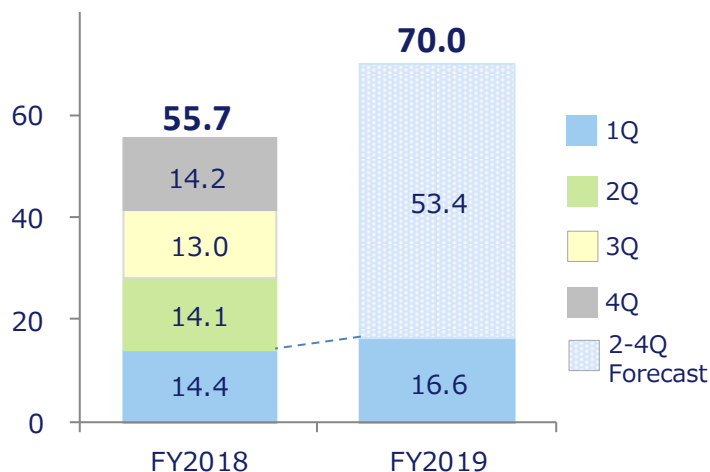
\*\*\* Due to the relationship with investees and partners, plans are not presented.

# General Products & Realty



|   | FY2018                            | FY2019                            | Increase/<br>Decrease | Summary of changes<br>(Net profit attributable to ITOCHU)  | (Unit : billion yen) |            |
|---|-----------------------------------|-----------------------------------|-----------------------|--|----------------------|------------|
|   | 1 <sup>st</sup> Quarter<br>Result | 1 <sup>st</sup> Quarter<br>Result |                       |  | FY2019<br>Forecast   | Progress   |
| Gross trading profit                                | 36.6                              | 40.9                              | +4.2                  | Increase due to the higher transaction volume in North American facility-materials-related and North American building-materials-related companies, and the rise in the market prices in foreign pulp-related companies, despite the absence of extraordinary gains in the same period of the previous fiscal year | 172.0                | 24%        |
| Forest Products & General Merchandise               | 26.5                              | 30.2                              | +3.7                  |  | 122.0                | 25%        |
| Construction, Realty & Logistics                    | 10.1                              | 10.7                              | +0.5                  |  | 50.0                 | 21%        |
| Equity in earnings of associates and joint ventures | 3.0                               | 6.8                               | +3.8                  |  |                      |            |
| <b>Net profit attributable to ITOCHU</b>            | <b>14.4</b>                       | <b>16.6</b>                       | <b>+2.2</b>           |  | <b>70.0</b>          | <b>24%</b> |
| Forest Products & General Merchandise               | 10.2                              | 13.7                              | +3.5                  |  | 54.0                 | 25%        |
| Construction, Realty & Logistics                    | 4.2                               | 2.9                               | (1.3)                 |  | 16.0                 | 18%        |
| Core Profit   | 9.4                               | 16.1                              | +6.7                  |  |                      |            |
|   | Mar. 2018                         | Jun. 2018                         | Increase/<br>Decrease |  |                      |            |
| Total assets  | 978.8                             | 989.5                             | +10.7                 |  |                      |            |
| Forest Products & General Merchandise               | 677.1                             | 689.4                             | +12.3                 |  |                      |            |
| Construction, Realty & Logistics                    | 301.6                             | 300.1                             | (1.6)                 |  |                      |            |

## Net profit attributable to ITOCHU



## Profits/Losses from Major Group Companies

|   | FY2018<br>1 <sup>st</sup> Quarter | FY2019<br>1 <sup>st</sup> Quarter | FY2018<br>Annual | FY2019<br>Forecast |
|---|-----------------------------------|-----------------------------------|------------------|--------------------|
| European Tyre Enterprise Limited                          | 1.1                               | 1.1                               | 5.8              | 6.2                |
| ITOCHU FIBRE LIMITED                                      | 1.7                               | 4.1                               | 9.9              | *                  |
| Japan Brazil Paper & Pulp Resources Development Co., Ltd. | 0.3                               | 1.7                               | 4.2              | *                  |
| ITOCHU KENZAI CORPORATION                                 | 0.6                               | 0.7                               | 2.7              | 2.6                |
| ITOCHU PROPERTY DEVELOPMENT, LTD.                         | 0.1                               | (0.2)                             | 2.4              | 2.3                |
| ITOCHU LOGISTICS CORP.                                    | 0.7                               | 0.8                               | 2.7              | 2.6                |

\* Due to the relationship with investees and partners, plans are not presented.

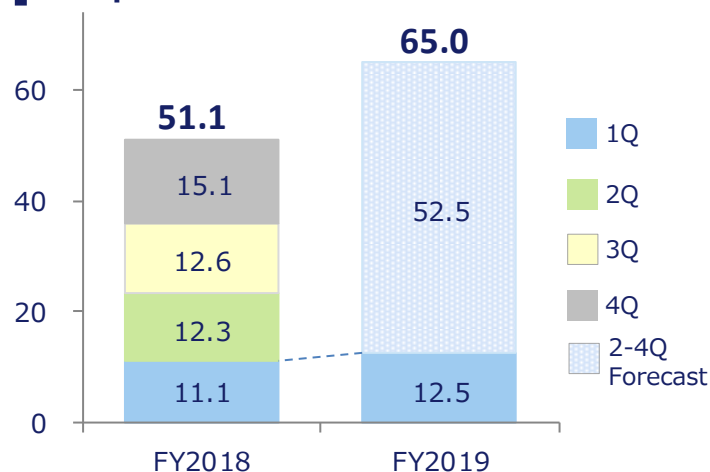


# ICT & Financial Business



|   | FY2018                            | FY2019                            | Increase/<br>Decrease | Summary of changes<br>(Net profit attributable to ITOCHU)   | (Unit : billion yen) |            |
|---|-----------------------------------|-----------------------------------|-----------------------|---|----------------------|------------|
|   | 1 <sup>st</sup> Quarter<br>Result | 1 <sup>st</sup> Quarter<br>Result |                       |   | FY2019<br>Forecast   | Progress   |
| Gross trading profit                                | 37.4                              | 39.2                              | +1.8                  | Increase due to the stable performance in domestic ICT-related companies and mobile-phone-related companies, and the favorable performance in finance-related companies | 192.0                | 20%        |
| ICT   | 34.6                              | 36.1                              | +1.5                  |   | 178.0                | 20%        |
| Financial & Insurance Business                      | 2.8                               | 3.1                               | +0.3                  |   | 14.0                 | 22%        |
| Equity in earnings of associates and joint ventures | 8.8                               | 12.1                              | +3.3                  |   |                      |            |
| <b>Net profit attributable to ITOCHU</b>            | <b>11.1</b>                       | <b>12.5</b>                       | <b>+1.4</b>           |   | <b>65.0</b>          | <b>19%</b> |
| ICT   | 7.6                               | 8.1                               | +0.5                  |   | 43.0                 | 19%        |
| Financial & Insurance Business                      | 3.5                               | 4.4                               | +0.9                  |   | 22.0                 | 20%        |
| Core Profit   | 10.1                              | 12.5                              | +2.4                  |   |                      |            |
|   | Mar. 2018                         | Jun. 2018                         | Increase/<br>Decrease |   |                      |            |
| Total assets  | 766.2                             | 723.6                             | (42.5)                |   |                      |            |
| ICT   | 600.2                             | 557.6                             | (42.6)                |   |                      |            |
| Financial & Insurance Business                      | 165.9                             | 166.0                             | +0.1                  |   |                      |            |

## Net profit attributable to ITOCHU



## Profits/Losses from Major Group Companies

|                                     | FY2018<br>1 <sup>st</sup> Quarter | FY2019<br>1 <sup>st</sup> Quarter | FY2018<br>Annual | FY2019<br>Forecast |
|-------------------------------------|-----------------------------------|-----------------------------------|------------------|--------------------|
| ITOCHU Techno-Solutions Corporation | 1.1                               | 1.3                               | 13.6             | 14.0 *             |
| BELLSYSTEM24 Holdings, Inc.         | 0.2                               | 0.4                               | 1.2              | 2.5 *              |
| CONEXIO Corporation                 | 0.6                               | 0.7                               | 4.1              | 4.1 *              |
| ITOCHU Fuji Partners, Inc.          | 0.4                               | 0.4                               | (0.2)            | 1.9 *              |
| POCKETCARD CO.,LTD.                 | 0.2                               | 0.7                               | 1.3              | 2.6                |
| Orient Corporation                  | 0.9                               | 1.1                               | 4.2              | **                 |

\* The figure is the company's plans multiplied by ITOCHU shares, excluding IFRS adjustment.  
 \*\* IFRS prescribes a substantial number of different accounting treatments from Japanese GAAP with regard to financial transactions for consumer credit companies. ITOCHU recognizes the equity in earnings calculated by multiplying the figures after the IFRS adjustments by Shares. Therefore, for Orient Corporation, ITOCHU has not provided the figures in the above table since a discrepancy may occur between the forecast announced by the company and that of ITOCHU.

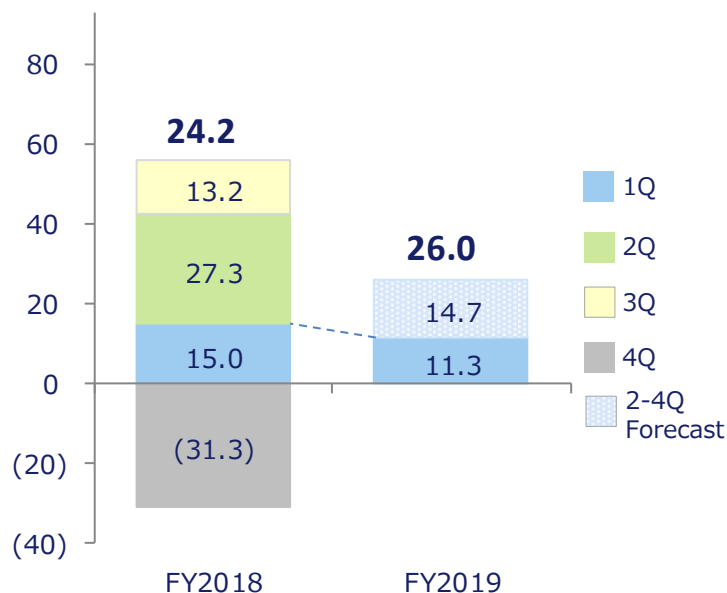
# Others, Adjustments & Eliminations



(Unit : billion yen)

|   | FY2018<br>1 <sup>st</sup> Quarter<br>Result | FY2019<br>1 <sup>st</sup> Quarter<br>Result | Increase/<br>Decrease | Summary of changes<br>(Net profit attributable to ITOCHU)     | FY2019<br>Forecast |
|---|---|---|-----------------------|---|--------------------|
| Gross trading profit                                | 1.4   | 3.0   | +1.6                  | Decrease due to the lower equity in earnings of CITIC Limited | 9.0                |
| Equity in earnings of associates and joint ventures | 17.1  | 12.4  | (4.8)                 |   |                    |
| <b>Net profit attributable to ITOCHU</b>            | <b>15.0</b>                                 | <b>11.3</b>                                 | <b>(3.7)</b>          |   | <b>26.0</b>        |
| Core Profit   | 17.0  | 12.8  | (4.2)                 |   |                    |
|   | Mar. 2018<br>Result                         | Jun. 2018<br>Result                         | Increase/<br>Decrease |   |                    |
| Total assets  | 1,057.4                                     | 1,115.3                                     | +57.9                 |   |                    |

## Net profit attributable to ITOCHU



## Profits/Losses from Major Group Companies

|                                    | FY2018<br>1 <sup>st</sup> Quarter | FY2019<br>1 <sup>st</sup> Quarter | FY2018<br>Annual | FY2019<br>Forecast |
|------------------------------------|-----------------------------------|-----------------------------------|------------------|--------------------|
| Orchid Alliance Holdings Limited * | 17.0                              | 12.6                              | 67.9             | 60.0               |
| C.P. Pokphand Co. Ltd.             | (0.1)                             | (0.5)                             | (29.8) **        | ***                |

- \* Figures are "CITIC related profit" which includes related tax effects etc.
- \*\* The figure includes the impairment loss on investment accounted for by the equity method in the company.
- \*\*\* Forecast is not disclosed by the company therefore the plan above is not presented.

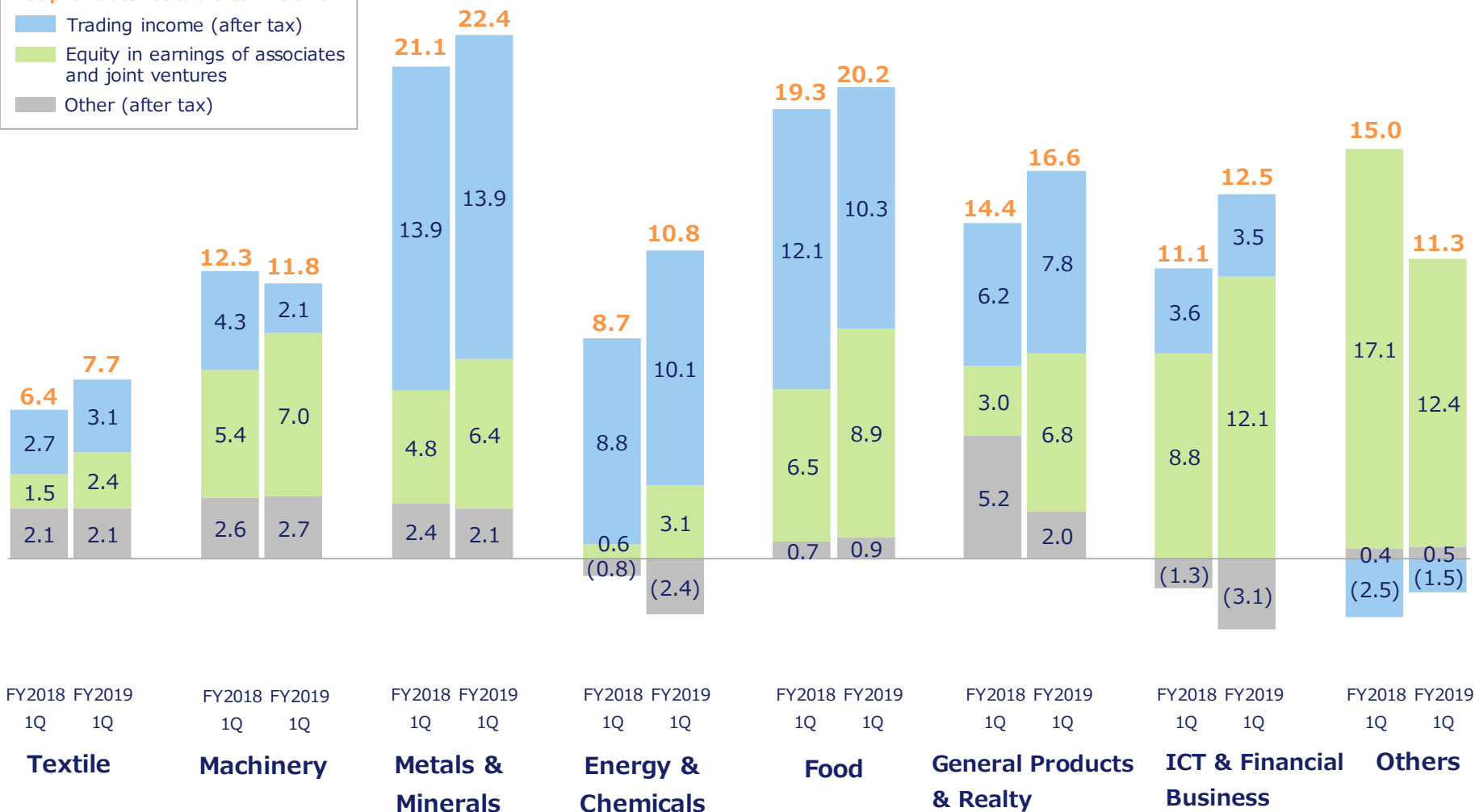
# Operating Segment



(Unit : billion yen)

## Net profit attributable to ITOCHU

- Trading income (after tax)
- Equity in earnings of associates and joint ventures
- Other (after tax)



# Extraordinary Gains and Losses



(Unit : billion yen)

|  | FY2018<br>1 <sup>st</sup> Quarter<br>Result |  | FY2019<br>1 <sup>st</sup> Quarter<br>Result |   |
|--|---|--|---|---|
| Gains(Losses) related to investments   | <b>3.0</b>                                  | • Gain due to sales of an asset-management -related company: approx. 2.0 (General Products & Realty) | <b>1.5</b>                                  | • Gain accompanying the restructure of European-energy-related companies: approx. 1.0 (Energy & Chemicals)  |
| Equity in earnings (losses) related to associates and joint ventures, Income tax expense, Others | <b>4.5</b>                                  | • Decrease in tax expense relating to pulp-related company: approx. 3.0 (General Products & Realty)  | <b>3.0</b>                                  | • Gain relating to sales of an overseas affiliate in FamilyMart UNY Holdings: approx. 1.0 (Food)<br>• Decrease in tax expenses relating to textile-related companies: approx. 1.5 (Textile) |
| <b>Total</b>   | <b>7.5</b>                                  |  | <b>4.5</b>                                  |   |
| Non-Resource   | 9.0   |  | 5.5   |   |
| Resource   | 0.5   |  | 0.5   |   |
| Others   | (2.0)                                       |  | (1.5)                                       |   |

## FY2018 Result

### Major New Investments [1Q]

|                                       |   |                |               |
|---------------------------------------|---|----------------|---------------|
| Consumer-related Sector               | <ul style="list-style-type: none"> <li>◆ FamilyMart UNY Holdings additional investment</li> <li>◆ FUJI OIL HOLDINGS additional investment</li> <li>◆ POCKET CARD additional investment</li> <li>◆ Acquisition of Alta Forest Products</li> </ul> <p style="text-align: right;">etc.</p> | <b>185.0</b>   | <b>30.0</b>   |
| Basic Industry-related Sector         | <ul style="list-style-type: none"> <li>◆ US Gas-Fired Thermal Power Generation Project (Empire)</li> <li>◆ Acquisition of YANASE</li> <li>◆ Acquisition of Panama Automobile Distributor</li> </ul> <p style="text-align: right;">etc.</p>  | <b>125.0</b>   | <b>40.0</b>   |
| <b>Non-Resource</b>                   |   | <b>310.0</b>   | <b>70.0</b>   |
| Resource-related Sector               | <ul style="list-style-type: none"> <li>◆ IMEA capital expenditure</li> <li>◆ ACG capital expenditure</li> <li>◆ West Qurna 1 Oil Field in Iraq</li> </ul> <p style="text-align: right;">etc.</p>  | <b>85.0</b>    | <b>10.0</b>   |
| <b>Resource</b>                       |   | <b>85.0</b>    | <b>10.0</b>   |
| <b>Total of Major New Investments</b> |   | <b>395.0</b>   | <b>80.0</b>   |
| EXIT                                  |   | <b>(110.0)</b> | <b>(15.0)</b> |
| <b>Net Investment Amount</b>          |   | <b>285.0</b>   | <b>65.0</b>   |

## FY2019 1Q Result

### Major New Investments

|                                       |   |               |
|---------------------------------------|---|---------------|
| Consumer-related Sector               | <ul style="list-style-type: none"> <li>◆ FamilyMart UNY Holdings additional investment</li> <li>◆ Acquisition of Alta Forest Products</li> </ul> <p style="text-align: right;">etc.</p> | <b>30.0</b>   |
| Basic Industry-related Sector         |   | <b>20.0</b>   |
| <b>Non-Resource</b>                   |   | <b>50.0</b>   |
| Resource-related Sector               | <ul style="list-style-type: none"> <li>◆ IMEA capital expenditure</li> <li>◆ ACG capital expenditure</li> </ul> <p style="text-align: right;">etc.</p>                                  | <b>10.0</b>   |
| <b>Resource</b>                       |   | <b>10.0</b>   |
| <b>Total of Major New Investments</b> |   | <b>60.0</b>   |
| EXIT                                  |   | <b>(15.0)</b> |
| <b>Net Investment Amount</b>          |   | <b>45.0</b>   |

(Note 1) The above figures are approximate.

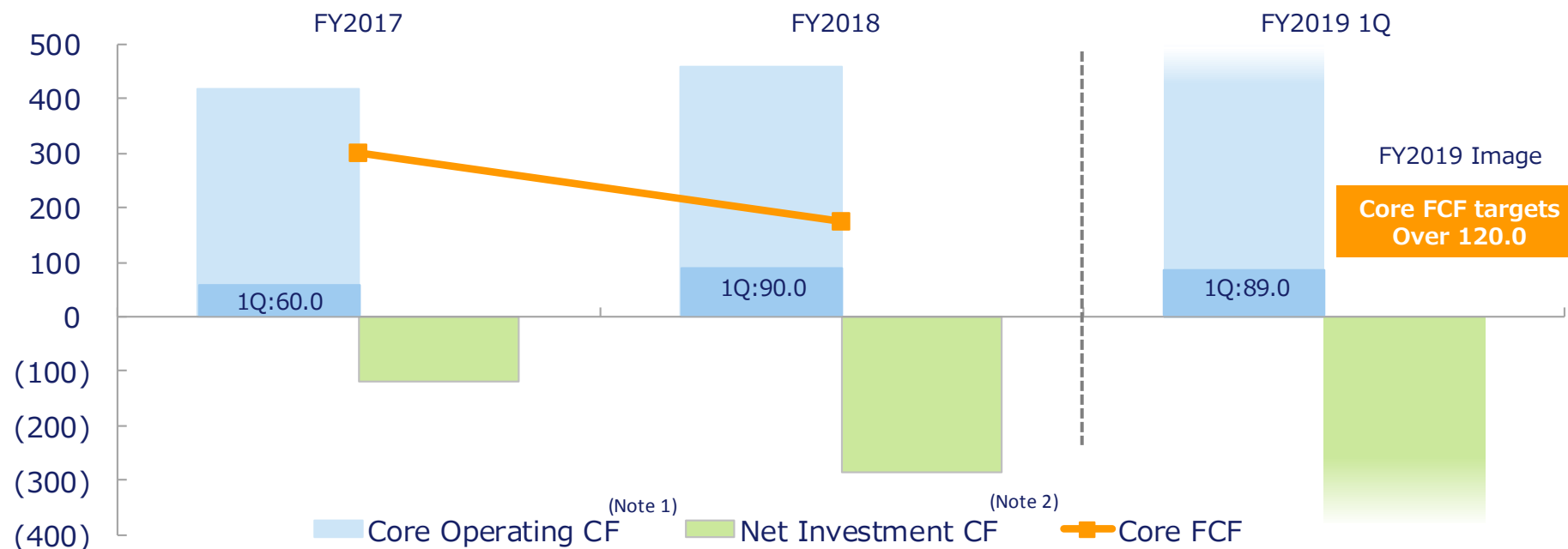
(Note 2) Net Investment Amount

Payments and collections for substantive investment and capital expenditure.  
 "Investment Cash Flows" plus "Equity transactions with non-controlling interests"  
 minus "increase/decrease of loan receivables", etc.

# Core Free Cash Flows



(Unit : billion yen)



|   | FY2017                       | FY2018                  | FY2019<br>1 <sup>st</sup> Quarter | FY2019 Image                      |
|---|------------------------------|-------------------------|-----------------------------------|-----------------------------------|
| Cash flows from operating activities            | 389.7                        | 388.2                   | 52.5                              |                                   |
| a Core operating cash flows <sup>(Note 1)</sup> | 420.0                        | 460.0                   | 89.0                              | approx. 500.0                     |
| b Net investment cash flows <sup>(Note 2)</sup> | (120.0)                      | (285.0)                 | (45.0)                            |                                   |
| a+b Core free cash flows                        | approx. 300.0                | approx. 175.0           | approx. 44.0                      | Over 120.0                        |
| Shareholder returns                             | Dividend <sup>(Note 3)</sup> | Annual ¥55/share (86.6) | Annual ¥70/share (108.7)          | Annual ¥74/share Minimum Dividend |
|   | Share buy back               | (16.2)                  | (27.9)                            | Conduct Flexibly                  |

Note 1: "Operating Cash Flows" minus "increase/decrease of working capital"

Note 2: Payments and collections for substantive investment and capital expenditure.

"Investment Cash Flows" plus "Equity transactions with non-controlling interests" minus "increase/decrease of loan receivables", etc.

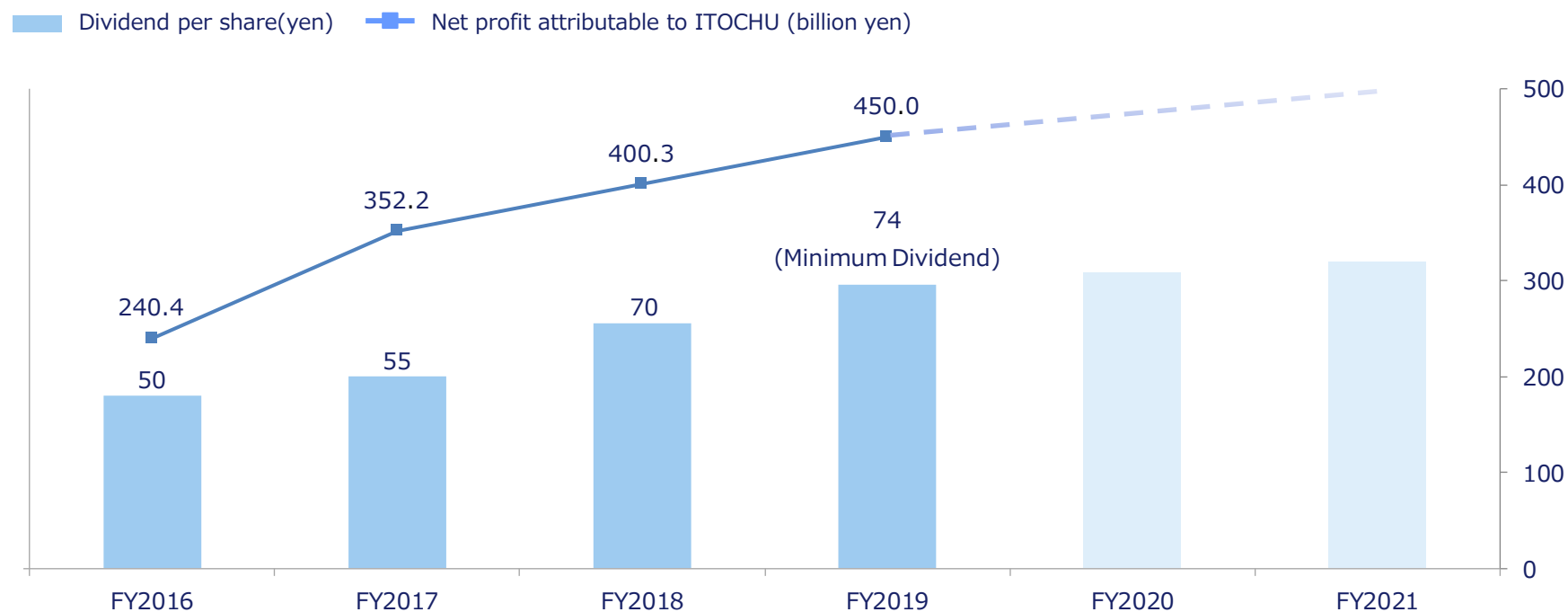
Note 3: FY2017/FY2018 : The sum of the interim dividend and the year-end dividend each year.

# Shareholder Returns Policy



- Continue applying the current performance-linked and progressive dividend policy\*; set minimum dividend of ¥74 per share for FY2019 and target record-breaking dividend levels each year as the dividend policy of Brand-new Deal 2020 while adopting a flexible stance toward share buybacks based on factors including the Company's stock price and cash flows to enhance shareholder returns

\* Target a dividend payout ratio of approx. 20% on net profit attributable to ITOCHU up to ¥200.0 billion and a dividend payout ratio of approx. 30% on the portion of net profit attributable to ITOCHU exceeding ¥200.0 billion



# Credit Ratings

