

ANNUAL FINANCIAL STATEMENTS

For years ended March 31, 2014 and 2013

Page:

1	: Consolidated Financial Results for Fiscal Year 2014 (Year ended March 31, 2014)
3	: 1. Summary of Operations
3	: (1) Analysis of Consolidated Operating Results
5	: (2) Analysis of Consolidated Financial Position
7	: (3) Risk Information
11	: 2. Performance of Group Companies attributable to ITOCHU
17	: 3. Management Policy
21	: 4. Consolidated Financial Statements
21	: (1) Consolidated Statements of Income-Annual (Years ended March 31, 2014 and 2013)
21	: (2) Consolidated Statements of Comprehensive Income-Annual (Years ended March 31, 2014 and 2013)
23	: (3) Consolidated Statements of Income-Quarterly (For the three-month period ended March 31, 2014 and 2013)
23	: (4) Consolidated Statements of Comprehensive Income-Quarterly (For the three-month period ended March 31, 2014 and 2013)
25	: (5) Consolidated Balance Sheets (As of March 31, 2014 and 2013)
28	: (6) Consolidated Statements of Equity (Years ended March 31, 2014 and 2013)
30	: (7) Consolidated Statements of Cash Flows-Annual (Years ended March 31, 2014 and 2013)
32	: (8) Consolidated Statements of Cash Flows-Quarterly (For the three-month period ended March 31, 2014 and 2013)
34	: (9) Assumption for Going Concern
34	: (10) Basis of the Consolidated Financial Statements
36	: (11) Operating Segment Information
40	: (12) Per share Information
40	: (13) Subsequent Events
41	: (14) Quarterly Information on Consolidated Operating Results
42	: 5. Financial Highlights

- Unaudited -**Consolidated Financial Results for Fiscal Year 2014 (Year ended March 31, 2014)**

[Prepared in conformity with accounting principles generally accepted in the United States of America]

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 Shareholders' meeting June 20, 2014 (Planned) The date of payout of dividend June 23, 2014 (Planned)

The date of issue of audited financial statements June 20, 2014 (Planned)

1. Consolidated operating results for fiscal year 2014 (from April 1, 2013 to March 31, 2014)**(1) Consolidated operating results (Summary)**

(%: Changes from the previous fiscal year)

	Total trading transactions		Trading income (*1)		Income before income taxes and equity in earnings of associated companies		Net income attributable to ITOCHU	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Fiscal year 2014	14,566,820	16.1	279,094	14.3	373,808	20.2	310,267	10.7
Fiscal year 2013	12,551,557	5.4	244,219	(10.4)	311,112	(8.8)	280,297	(6.7)

(Note) Comprehensive income (loss) (millions of yen) FY 2014 : 474,908 (down 6.3%) FY 2013 : 507,040 (up 97.3%)

(Note) Comprehensive income (loss) attributable to ITOCHU (millions of yen) FY 2014 : 446,214 (down 6.2%) FY 2013 : 475,819 (up 90.3%)

	Net income attributable to ITOCHU per share (basic)	Net income attributable to ITOCHU per share (diluted) (*2)	Ratio of net income attributable to ITOCHU to stockholders' equity	Please refer below (*3)	Please refer below (*4)
	yen	yen	%	%	%
Fiscal year 2014	196.31	195.80	15.9	5.0	1.9
Fiscal year 2013	177.35	-	17.9	4.6	1.9

(*1) "Trading income" = "Gross trading profit" + "Selling, general and administrative expenses" + "Provision for doubtful receivables"

(*2) Net income attributable to ITOCHU per share (diluted) for fiscal year 2013 is not presented due to the anti-dilutive effect of convertible preferred stocks issued by equity-method associated companies

(*3) Income before income taxes and equity in earnings of associated companies / Total assets

(*4) Trading income / Total trading transactions

(Note) Equity in earnings of associated companies (millions of yen) FY 2014 : 85,252 FY 2013 : 85,891

(2) Consolidated financial position

	Total assets	Total equity	Total ITOCHU stockholders' equity	Ratio of ITOCHU stockholders' equity to total assets	ITOCHU stockholders' equity per share
	millions of yen	millions of yen	millions of yen	%	yen
March 31, 2014	7,848,440	2,522,823	2,146,963	27.4	1,358.42
March 31, 2013	7,117,446	2,112,619	1,765,435	24.8	1,117.01

(3) Consolidated cash flows information

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents
	millions of yen	millions of yen	millions of yen	millions of yen
Fiscal year 2014	418,396	(266,692)	(71,707)	653,332
Fiscal year 2013	245,661	(199,990)	(11,323)	569,716

2. Dividend distribution

	Dividend distribution per share					Total Dividend distribution (Annual)	Payout ratio (Consolidated)	Ratio of dividend distribution to ITOCHU stockholders' equity (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual			
	yen	yen	yen	yen	yen	millions of yen	%	%
Fiscal year 2013	-	20.00	-	20.00	40.00	63,271	22.6	4.0
Fiscal year 2014	-	21.00	-	25.00	46.00	72,760	23.4	3.7
Fiscal year 2015 (Planned)	-	23.00	-	23.00	46.00		24.2	

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

(%: Changes from the previous fiscal year)

	Gross trading profit		Trading income		Income before income taxes and equity in earnings of associated companies		Net income attributable to ITOCHU		Net income attributable to ITOCHU per share (basic)	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen	
Fiscal year 2015	1,110,000	7.9	300,000	7.5	438,000	17.2	300,000	(3.3)	189.81	

Outlook of consolidated operating results for the first half of fiscal year 2015 is not prepared.

The Company will adopt International Financial Reporting Standards ("IFRS") for the consolidated financial statements of the Annual Report under the Financial Instruments and Exchange Law in Japan from the fiscal year ended March 31, 2014.

Therefore, the Company has made the outlook for the year ending March 31, 2015 based on IFRS, instead of U.S.GAAP.

4. Other information

(1) Changes in significant subsidiaries accompanied by changes in the consolidation scope during the fiscal year 2014: Yes

New Company: Dole International Holdings, Inc.

(2) Changes in accounting policies or presentation ways in the consolidated financial statements

(a) Changes due to amendment of accounting standards: N/A

(b) Other changes: N/A

(3) Number of common shares issued

(a) Number of common shares outstanding: (including the number of treasury stock)	As of end of FY 2014	1,584,889,504	Fiscal Year 2013	1,584,889,504
--	----------------------	---------------	------------------	---------------

(b) Number of treasury stock:	As of end of FY 2014	4,407,941	Fiscal Year 2013	4,383,289
-------------------------------	----------------------	-----------	------------------	-----------

(c) Average number of common shares outstanding:	For FY 2014	1,580,494,251	For FY 2013	1,580,515,991
---	-------------	---------------	-------------	---------------

(Note) With regard to the number of shares used to calculate the net income attributable to Itochu per share, please refer to page 40.

[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. "Total trading transactions" is presented in accordance with Japanese accounting practices.

- "Total trading transactions" in the consolidated statements of income 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. (Refer to page 21, 23)

*4. The consolidated financial statements are expressed in yen and, solely for the convenience of the reader, have been translated into U.S. dollars at the rate of 102.92 yen = 1 U.S. dollar, the exchange rate prevailing on March 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. Summary of Operations

(1) Analysis of Consolidated Operating Results

<General Economic Situations>

In fiscal year 2014, the global economy grew at a sluggish pace overall since the economies of emerging countries continued to grow at a sluggish pace. Although the WTI crude oil price exceeded US\$110 per barrel for a time due to concerns over geopolitical risks, it mainly trended between US\$95 and US\$105 per barrel reflecting the global economy's modest growth, ending March at approximately US\$102 per barrel.

Japan's economy trended on a recovery track. Private demands such as consumer spending and housing investment recovered, and increased price competitiveness due to yen depreciation led to a gradual recovery in exports. Moreover, the pace of growth picked up toward the end of fiscal year 2014 due to expanded last-minute demand before an April, 2014 consumption tax hike.

As a result of the Bank of Japan's large-scale monetary easing and the curbing of the pace of monetary easing by the United States' Central Bank, the yen trended toward depreciation against the U.S. dollar, starting around ¥93 at the beginning of April and weakening to approximately ¥103 at the end of March. Reflecting the expectations of continuous recovery in corporate results, the Nikkei Stock Average trended upwards from the ¥12,100 level at the beginning of April to as high as ¥16,300 at one point, and ended March at around ¥14,800. The yield on 10-year Japanese government bonds rose sharply during the period, from 0.5% in early April to around 0.9% at one point. However, yields fell back due to the Bank of Japan's introduction of monetary easing measures, and ended around 0.6% to 0.65% at the end of March.

<Operating Results for Fiscal Year 2014 (April 1, 2013, to March 31, 2014)>

Revenue for the fiscal year ended March 31, 2014, increased by 20.8%, or 951.1 billion yen, compared with the previous fiscal year, to 5,530.9 billion yen (53,740 million U.S. dollars). This increase was attributable to higher revenue from the Energy & Chemicals Company, due to higher transaction volume of petroleum products and chemicals; higher revenue from the Food Company, reflecting acquisition of the Dole business; higher revenue from the ICT, General Products & Realty Company, due to the favorable performance by housing-material-related companies and expanded business by mobile-phone-related companies; higher revenue from the Machinery Company, due to higher transaction volume in automobile and plant-related transactions; and the effect of yen depreciation.

Gross trading profit increased by 12.3%, or 112.4 billion yen, compared with the previous fiscal year, to 1,028.3 billion yen (9,991 million U.S. dollars). This increase was attributable to higher earnings from the ICT, General Products & Realty Company, due to favorable pulp transactions, favorable performance by housing-material-related companies, expanded business by mobile-phone-related companies, and contribution of real estate transactions; higher earnings from the Food Company, mainly due to the acquisition of the Dole business; higher earnings from the Metals & Minerals Company, due to higher sales volume of iron ore, which more than offset falling coal prices; higher earnings from the Energy & Chemicals Company, due to increase and improvement in profitability of energy trading transactions and higher chemicals transaction volume; higher earnings from the Machinery Company, due to increase in automobile, construction machinery, and plant-related transaction volume; and the effect of yen depreciation.

Selling, general and administrative expenses rose by 10.7%, or 71.8 billion yen, compared with the previous fiscal year, to 743.1 billion yen (7,220 million U.S. dollars), due to higher expenses accompanying the inclusion of new consolidated subsidiaries, including the acquisition of the Dole business, and the effect of yen depreciation.

Provision for doubtful receivables deteriorated by 5.7 billion yen, compared with the previous fiscal year, to a loss of 6.1 billion yen (59 million U.S. dollars), due to the absence of the gain on reversal of allowance for doubtful receivables in the previous fiscal year.

Net interest expenses improved by 5.5%, or 0.8 billion yen, compared with the previous fiscal year, to an expense of 13.3 billion yen (129 million U.S. dollars), due to lower debt cost despite increase in interest-bearing debt. **Dividends received** increased by 7.1%, or 2.5 billion yen, compared with the previous fiscal year, to 37.1 billion yen (360 million U.S. dollars), as dividends from plant-related and apparel-related investments increased. Consequently, **Net financial income**, which is the total of **Net interest expenses** and **Dividends received**, increased by 3.2 billion yen, compared with the previous fiscal year, to a gain of 23.8 billion yen (231 million U.S. dollars).

Gain on investments–net increased by 13.6 billion yen, compared with the previous fiscal year, to a gain of 59.5 billion yen (578 million U.S. dollars). This gain was attributable to an increase in gain on sales of investments and a decrease in impairment losses on investment securities.

Loss on property and equipment–net improved by 7.7 billion yen, compared with the previous fiscal year, to a loss of 1.6 billion yen (16 million U.S. dollars), mainly due to an improvement in gain on sales of property and equipment.

Other–net increased by 3.3 billion yen, compared with the previous fiscal year, to a gain of 13.0 billion yen (127 million U.S. dollars), mainly due to an improvement in foreign currency translation.

As a result, **Income before income taxes and equity in earnings of associated companies** increased by 20.2%, or 62.7 billion yen, compared with the previous fiscal year, to 373.8 billion yen (3,632 million U.S. dollars). **Income taxes** increased by 38.2%, or 36.1 billion yen, compared with the previous fiscal year, to expenses of 130.4 billion yen (1,267 million U.S. dollars).

Equity in earnings of associated companies decreased by 0.7%, or 0.6 billion yen, compared with the previous fiscal year, to a gain of 85.3 billion yen (828 million U.S. dollars). This decrease was due to an unordinary tax expense in Brazilian iron ore companies, a decrease in equity in earnings of Colombian coal companies due to a decline in coal prices and decrease in transaction volume, the impact of prolonged scheduled maintenance of overseas methanol companies, and an absence of an unordinary gain recognized by an investment in an industrial-textiles-related company in the previous fiscal year, despite the increases in equity in earnings of overseas pulp-related companies, Australian mineral-resources-related companies, automobile-related companies, and ship-related companies. Equity in earnings from U.S. oil and gas development companies was almost the same level due to improvement of income from operations which offset increased impairment losses.

As a result, **Net income** increased by 8.6 %, or 26.0 billion yen, compared with the previous fiscal year, to 328.7 billion yen (3,193 million U.S. dollars).

Consequently, **Net income attributable to ITOCHU**, which is calculated as **Net income** minus **Net income attributable to the noncontrolling interest** of 18.4 billion yen (178 million U.S. dollars), increased by 10.7%, or 30.0 billion yen, compared with the previous fiscal year, to 310.3 billion yen (3,015 million U.S. dollars).

(Supplemental information)

In accordance with Japanese accounting practices, **Total trading transactions** for the fiscal year ended March 31, 2014, increased by 2,015.3 billion yen, compared with the previous fiscal year, to 14,566.8 billion yen (141,535 million U.S. dollars). This increase was attributable to higher trading transactions from the Energy & Chemicals Company, due to higher transaction volume of energy trading and chemicals; higher trading transactions from the Food Company, due to the acquisition of the Dole business and increase in transaction volume in food material transactions and food-distribution-related companies; higher trading transactions from the ICT, General Products & Realty Company, due to favorable pulp transactions, favorable performance by housing-material-related companies, and expanded business by mobile-phone-related companies; increase in automobile transaction volume for Europe, Africa and the Middle East in the Machinery Company, despite the decrease in ship transaction volume; and the effect of yen depreciation.

<Operating Results for the Fourth Quarter of Fiscal Year 2014 (January 1, 2014 to March 31, 2014)>

Revenue for the fourth quarter of fiscal year 2014, the three-month period ended March 31, 2014, increased by 12.1%, or 161.0 billion yen, compared with the same period of the previous fiscal year, to 1,493.5 billion yen (14,511 million U.S. dollars). This increase was attributable to higher revenue from the ICT, General Products & Realty Company, due to the favorable performance by housing-material-related companies, higher transaction volume of domestic ICT-related companies, expanded business by mobile-phone-related companies, and contribution of real estate transactions; higher revenue from the Food Company, reflecting acquisition of the Dole business; and the effect of yen depreciation.

Gross trading profit increased by 12.0%, or 29.8 billion yen, compared with the same period of the previous fiscal year, to 277.9 billion yen (2,701 million U.S. dollars). This increase was attributable to higher earnings from the ICT, General Products & Realty Company, due to favorable performance by housing-material-related companies, higher transaction volume of domestic ICT-related companies, expanded business by mobile-phone-related companies, and contribution of real estate transactions; higher earnings from the Energy & Chemicals Company, due to increase and improvement in profitability of energy trading transactions, increased vessel allocation for transactions of exploration and production of crude oil, and higher transactions of chemicals, despite decrease in profit accompanying sale of U.K. North Sea energy rights in the same period of the previous fiscal year; higher earnings from the Food Company, due to the acquisition of Dole business and increase in

transaction volume in food-distribution-related companies; and the effect of yen depreciation, which offset lower earnings from the Metals & Minerals Company, due to falling coal prices and decrease in iron ore prices compared with the same period of the previous fiscal year.

Selling, general and administrative expenses rose by 14.2%, or 23.8 billion yen, compared with the same period of the previous fiscal year, to 191.3 billion yen (1,859 million U.S. dollars), due to higher expenses accompanying the inclusion of new consolidated subsidiaries, including the acquisition of the Dole business, and the effect of yen depreciation.

Provision for doubtful receivables deteriorated by 2.0 billion yen compared with the same period of the previous fiscal year, to a loss of 2.6 billion yen (25 million U.S. dollars), due to increase in allowance for doubtful receivables.

Net financial income, which is the total of **Net interest expenses** of an expense of 3.2 billion yen (31 million U.S. dollars) and **Dividends received** of 23.6 billion yen (229 million U.S. dollars), increased by 0.6 billion yen, compared with the same period of the previous fiscal year, to a gain of 20.4 billion yen (198 million U.S. dollars).

Gain on investments-net decreased by 7.7 billion yen, compared with the same period of the previous fiscal year, to a gain of 17.8 billion yen (173 million U.S. dollars), due to a decrease in gain on sales of investments.

Loss on property and equipment-net improved by 3.0 billion yen, to a loss of 2.1 billion yen (21 million U.S. dollars), due to an improvement in gain on sales of property and equipment, despite deterioration in impairment losses on property and equipment.

Other-net increased by 3.1 billion yen, compared with the same period of the previous fiscal year, to a gain of 3.4 billion yen (33 million U.S. dollars), mainly due to an improvement in foreign currency translation.

As a result, **Income before income taxes and equity in earnings of associated companies** increased by 2.5%, or 3.0 billion yen, compared with the same period of the previous fiscal year, to 123.5 billion yen (1,200 million U.S. dollars). **Income taxes** increased by 13.0%, or 5.6 billion yen, compared with the same period of the previous fiscal year, to expense of 48.7 billion yen (473 million U.S. dollars).

Equity in earnings of associated companies increased by 1.8 billion yen, compared with the same period of the previous fiscal year, to a gain of 2.9 billion yen (28 million U.S. dollars). This increase was due to increase in equity in earnings of Brazilian iron ore companies, stable performances by automobile-related companies, ship-related companies, and Chinese food-related companies, despite increased impairment losses in U.S. oil and gas development companies.

As a result, **Net income** decreased by 1.0%, or 0.8 billion yen, compared with the same period of the previous fiscal year, to 77.7 billion yen (755 million U.S. dollars).

Consequently, **Net income attributable to ITOCHU**, which is calculated as **Net income** minus **Net income attributable to the noncontrolling interest** of 7.7 billion yen (75 million U.S. dollars), decreased by 3.1%, or 2.2 billion yen, compared with the same period of the previous fiscal year, to 69.9 billion yen (680 million U.S. dollars).

(Supplemental information)

In accordance with Japanese accounting practices, **Total trading transactions** for the three-month period ended March 31, 2014, increased by 549.1 billion yen, compared with the same period of the previous fiscal year, to 3,826.8 billion yen (37,182 million U.S. dollars). This increase was attributable to higher trading transactions from the ICT, General Products & Realty Company, due to favorable pulp transactions, favorable performance by housing-material-related companies, higher transaction volume of domestic ICT-related companies, expanded business by mobile-phone-related companies, and contribution of real estate transactions; higher trading transactions from the Energy & Chemicals Company, due to higher transaction volume of energy trading and chemicals; higher trading transactions from the Food Company, due to the acquisition of the Dole business and increase in transaction volume in food material transactions and food-distribution-related companies; and the effect of yen depreciation.

(2) Analysis of Consolidated Financial Position

(a) Assets, Liabilities, and Equity

Total assets as of March 31, 2014, increased by 10.3%, or 731.0 billion yen, compared with March 31, 2013, to 7,848.4 billion yen (76,258 million U.S. dollars). This rise was attributable to an increase accompanying the acquisition of Dole business, the conversion of a mobile-phone-related equity-method associated company into a consolidated subsidiary, new investments and loans to Australian mineral-resource-development-related business, and the effect of yen depreciation.

Interest-bearing debt increased by 4.4%, or 122.8 billion yen, compared with March 31, 2013, to 2,885.3 billion yen (28,034 million U.S. dollars), due to increase of debt mainly reflecting the acquisition of the Dole business and the effect of yen depreciation. **Net interest-bearing debt (Interest-bearing debt after deducting Cash and cash equivalents and Time deposits)** increased by 1.8%, or 38.7 billion yen, compared with March 31, 2013, to 2,224.3 billion yen (21,612 million U.S. dollars).

Total ITOCHU stockholders' equity rose by 21.6%, or 381.5 billion yen, compared with March 31, 2013, to 2,147.0 billion yen (20,861 million U.S. dollars), due to an increase in **Net income attributable to ITOCHU** and an improvement in **Accumulated other comprehensive income (loss)** due to yen depreciation, which more than compensated for a decrease accompanying dividends payment.

As a result, **the Ratio of stockholders' equity to total assets** rose by 2.6 points to 27.4% from March 31, 2013. **NET DER** (Net Debt-to-stockholders' Equity Ratio) improved compared with March 31, 2013, to 1.04 times.

Total equity, or the sum of **Total ITOCHU stockholders' equity** and **Noncontrolling interest**, increased by 19.4%, or 410.2 billion yen, compared with March 31, 2013, to 2,522.8 billion yen (24,513 million U.S. dollars).

(b) Consolidated Cash Flows Information

[Consolidated Cash Flows for Fiscal Year 2014 (from April 1, 2013 to March 31, 2014)]

Cash flows from operating activities for the fiscal year ended March 31, 2014, recorded a net cash-inflow of 418.4 billion yen (4,065 million U.S. dollars), resulting from the stable performance in operating revenue in the overseas natural resources, energy, food, machinery, and ICT sectors as well as steady collections of trade receivables in the machinery, general merchandise, and food sectors.

Cash flows from investing activities recorded a net cash-outflow of 266.7 billion yen (2,591 million U.S. dollars), due to the acquisition of the Dole business and new investments and loans to Australian mineral-resource-development-related business.

Cash flows from financing activities recorded a net cash-outflow of 71.7 billion yen (697 million U.S. dollars), due to repayment of debt, despite increase of debt accompanying new investments and loans.

Consequently, **Cash and cash equivalents** as of March 31, 2014, increased by 83.6 billion yen to 653.3 billion yen (6,348 million U.S. dollars), compared with March 31, 2013.

[Consolidated Cash Flows for the Fourth Quarter of Fiscal Year 2014 (from January 1, 2014 to March 31, 2014)]

Cash flows from operating activities for the three-month period ended March 31, 2014, recorded a net cash-inflow of 251.4 billion yen (2,443 million U.S. dollars), resulting from the stable performance in operating revenue in the energy, overseas natural resources, ICT, food, and machinery sectors as well as steady collections of trade receivables in the energy, construction & realty, general merchandise, machinery, and food sectors.

Cash flows from investing activities recorded a net cash-outflow of 3.2 billion yen (31 million U.S. dollars), due to additional capital expenditures to natural-resource-development-related business, despite the sales of investments.

Cash flows from financing activities recorded a net cash-outflow of 128.8 billion yen (1,251 million U.S. dollars), due to repayment of debt.

The trend of consolidated cash flow indices is as follows:

FY	2010	2011	2012	2013	2014
Ratio of stockholders' equity to total assets (%)	20.1%	20.4%	21.0%	24.8%	27.4%
Ratio of market capitalization to total assets (%)	23.7%	24.3%	22.0%	25.2%	24.4%
Years of debt redemption (years)	7.5yrs	6.8yrs	11.9yrs	11.2yrs	6.9yrs
Interest coverage ratio (times)	8.0	11.9	9.2	10.5	17.0

Consolidated cash flow indices are calculated as follows:

Ratio of stockholders' equity to total assets (%) = Stockholders' equity / Total assets

Ratio of market capitalization to total assets (%) = Market capitalization / Total assets

Years of debt redemption (years) = Interest-bearing debt / Cash flows from operating activities

Interest coverage ratio (times) = Cash flows from operating activities / Interest paid

(3) Risk Information

ITOCHU Group is exposed to various risks such as market risks, credit risks and investment risks, due to the nature of a wide range of its businesses. These risks include unpredictable uncertainties and may have significant effects on its future business and financial performance.

ITOCHU Group has enhanced its risk management policy and risk management methodology to monitor and manage these risks, but it is impossible to completely avoid all these risks.

With respect to descriptions about future events, ITOCHU appropriately has determined its assumptions and estimates based on information currently available as of March 31, 2014.

i) Corporate Result Risks Associated with Macroeconomic Factors

ITOCHU Group involves a wide variety of business ranging from supply of raw materials to manufacturing and sale in each of its businesses areas. It conducts diverse types of commercial transactions such as purchase and sale of products in the domestic market, import/export trade between overseas affiliates as well as development of energy, metal resources and mineral resources. The characteristics of the Group's main areas of business are, trade in machinery such as plants, automobiles and construction machinery, trade in mineral resources, energy and chemical products, and investments in development are all largely dependent on economic trends in the world, while the domestic economy has a relatively strong influence on the consumer and retail-related segments such as textiles and food. However, economic trends in the world have been more and more influential even on these consumer and retail-related segments, as economic globalization proceeds.

Furthermore, in regions worldwide, the Group conducts business and trade. Consequently, economic trends, not only overall worldwide economic trends but also specific regional trends, could significantly affect the financial position and results of operations of ITOCHU Group.

ii) Market Risk

ITOCHU Group is exposed to market risks such as foreign exchange rate risks, interest rate risks, commodity price risks and stock price risks. Therefore, the Group attempts to minimize risks related to market fluctuations such as changes in foreign exchange rates, interest rates, and commodities by establishing risk management policies such as setting and controlling limits and by utilizing a variety of hedge transactions for hedging purposes.

a) Foreign Exchange Rate Risk

ITOCHU Group is exposed to foreign exchange rate risk related to transactions in foreign currencies due to its significant involvement in import/export trading. Therefore, ITOCHU Group works to minimize foreign exchange rate risk through hedge transactions that utilize such derivatives as forward exchange contracts, however, cannot completely avoid such risk.

Further, ITOCHU's investments in overseas businesses expose ITOCHU Group to the risk that fluctuations in foreign exchange rates could affect stockholders' equity through the accounting for foreign currency translation adjustments and the risk that fluctuations in foreign exchange rates could affect the amount of periodic income when converted to yen. These foreign exchange rate risks could significantly affect the financial position and results of operations of ITOCHU Group.

b) Interest Rate Risk

ITOCHU Group is exposed to interest rate risk in both raising and using money for investing, financing, and operating activities. Therefore, among the interest insensitive assets such as investment securities or fixed assets, the part acquired using floating interest loans is considered to be the interest mismatch amount exposed to interest rate risk. ITOCHU is working to quantify the interest rate risk to control the fluctuation of gains and losses due to interest rate change properly.

To be specific, using the Earnings at Risk (EaR) method, ITOCHU has set a certain limit (Loss Cut Limit) for interest expense and has executed hedging transactions primarily in the form of interest rate swaps to manage interest rate risk.

However, ITOCHU cannot completely avoid interest rate risk, even after having adopted these management methods. Therefore, interest rate trends could significantly affect the financial position and results of operations of ITOCHU Group.

c) Commodity Price Risk

ITOCHU Group conducts actual demand transactions that are based on the hedge selling of a variety of commodities. As a result, because it holds long or short positions in light of market prices, in some cases the Group is exposed to commodity price fluctuation risk. Therefore, the Group has analyzed inventories and purchase and sales contracts, and each Division Company has established middle and back offices for major commodities, which establish a balance limit and loss cut limit for each commodity and conduct monitoring, management, and periodic reviews.

In addition, ITOCHU Group participates in development businesses such as mineral resources and energy and other manufacturing businesses. The production in these businesses is also exposed to the same price fluctuation risk noted above.

To reduce these commodity price risks, the Group uses such hedges as futures and forward contracts. However, ITOCHU Group cannot completely avoid commodity price risk. Therefore, commodity price trends could significantly affect the financial position and results of operations of ITOCHU Group.

d) *Stock Price Risk*

In order to pursue business earnings and corporate value by strengthening relationship with customers or suppliers and submitting various proposals to investees, ITOCHU Group holds various marketable stocks that are exposed to stock price fluctuation risk. Therefore, the Group uses the Value at Risk (VaR) method to analyze and monitor the effect of stock price fluctuations on consolidated stockholders' equity periodically. However, stock price trends could significantly affect the financial position and results of operations of ITOCHU Group.

iii) *Credit Risk*

Through sales receivables, loans, guaranties, and other formats, ITOCHU Group grants credit to its trading partners, both domestically and overseas. The Group therefore bears credit risk in relation to such credit becoming uncollectible due to the deteriorating credit status or insolvency of the Group's partners and in relation to assuming responsibilities to fulfill contracts because an involved party is unable to continue its business and therefore cannot fulfill its obligations under the contracts.

Therefore, when granting credit, ITOCHU Group works to reduce risk by conducting risk management through the establishment of credit limits and the acquisition of collateral or guaranties as needed. At the same time, the Group establishes allowances for doubtful receivables based on the creditworthiness, the status of collection, and the status of receivables in arrears of business partners. However, such management cannot completely avoid the actualization of credit risks, which could significantly affect the financial position and results of operations of ITOCHU Group.

iv) *Country Risk*

ITOCHU Group conducts transactions and business activities in various countries and regions overseas. The Group is exposed to country risk, including unforeseen situations arising from the political, economic and social conditions of these countries and regions and national expropriation or remittance suspension due to changes in various laws and regulations. In addition to taking appropriate countermeasures for each transaction, with the aim of avoiding a concentration of exposure, ITOCHU Group works to reduce risk by setting total limit guidelines and limits for each country and setting credit policies appropriate to each country. However, the Group cannot completely avoid such risk.

The actualization of such risk could delay or incapacitate debt collection or operational implementation and could significantly affect the financial position and results of operations of ITOCHU Group.

v) *Investment Risk*

ITOCHU Group invests in various businesses and in these investment activities, there are risks such as being unable to achieve expected earnings due to changes in business conditions or deterioration in the business results of its partners and investees; the likelihood of investment recovery are lowered due to poor corporate results of investees, or stock prices are expected to drop below a specified level for a considerable period of time which may lead to necessities that the whole or partial investment is recognized as a loss, and that the infusion of additional funds is required. Also, there are investment risks that the Group may be unable to withdraw from a business or restructure the business under a timeframe or method that it desires due to differences in business management policy with partners or the low liquidity of investments; or the Group may be put at a disadvantage because it is unable to receive appropriate information from an investee. Therefore, ITOCHU works to reduce risk through decision making based on the establishment of investment standards for the implementation of new investments while monitoring existing investments periodically and promoting asset replacement through the application of exit standards to investments with low investment efficiency that it has little reason to hold.

However, such management cannot completely avoid the investment risks, and such occurrences could significantly affect the financial position and results of operations of ITOCHU Group.

vi) Risks Associated with Impairment Loss on Fixed Assets

ITOCHU Group is exposed to impairment loss risks on fixed assets held, such as real estate, aircraft, ships and assets related to natural resource development. ITOCHU at present has recognized necessary impairment losses.

However, ITOCHU Group might be required to recognize further impairment losses should the economic value of fixed assets deteriorate due to deterioration in market conditions for each of the assets, decreased demand or changes in development plans. Such occurrences could significantly affect the financial position and results of operations of ITOCHU Group.

vii) Risks Associated with Fund Raising

ITOCHU Group uses ALM (Asset Liability Management) to ensure the necessary funding for its businesses and to ensure liquidity through debt from domestic and international financial institutions, as well as the issuance of commercial papers and debentures. However, should ITOCHU's credit worthiness in the capital market deteriorate due to a significant lowering of the Company's credit rating, or should there be an upheaval in the financial systems in major financial markets, the Group could experience an inability to raise funds from financial institutions or investors when necessary or under desirable conditions and could consequently experience an increase in funding costs. Such occurrences could significantly affect the financial position and results of operations of ITOCHU Group.

viii) Risks Associated with Pension Cost and Projected Benefit Obligations

The pension cost and projected benefit obligations of ITOCHU Group are calculated based on actuarial calculations that utilize a variety of assumptions. However, should it become necessary to change the assumptions on which the actuarial calculations are based or should pension assets be affected by deterioration in the stock market, it is possible that pension cost and projected benefit obligations could increase and additional contributions to pension assets might be necessary. Such occurrences could significantly affect the financial position and results of operations of ITOCHU Group.

ix) Risks Associated with Deferred Taxes

Deferred tax assets are an important factor in ITOCHU Group's consolidated balance sheets, and accounting judgment on evaluation of deferred tax assets has a substantial impact on ITOCHU Group's consolidated financial statements.

Therefore, ITOCHU Group recognizes the realizable amount of deferred tax assets, taking into consideration future taxable income and feasible tax planning strategies.

However, allowance for deferred taxes may increase or decrease depending on changes in estimated taxable income in tax planning, changes in the tax system including changes in tax rates, and changes in tax planning strategies. Such occurrences could significantly affect the financial position and results of operations of ITOCHU Group.

x) Risks Due to Competition

As ITOCHU Group handles a vast array of products and services, the Group is open to competition from many different companies, both domestic and foreign overseas, including competition from other general trading companies. ITOCHU Group cannot deny the existence of other companies with superior experience, technology, and funding capacity, that are in a position to provide products and services that meet customer needs. Moreover, ever-greater competition from companies in newly developing countries is gradually emerging in addition to ongoing competition from companies in European and North American industrialized countries due to economic globalization. ITOCHU Group could also find its competitiveness unsustainable due to future events such as deregulation, changes in the business environment such as entering into other industries, and technological innovation. The advent of such risks could significantly affect the financial position and results of operations of ITOCHU Group.

xi) Risks Associated with Significant Lawsuits

There is no significant, currently pending lawsuit, arbitration, or other legal proceeding that may significantly affect the financial position and results of the operations of ITOCHU Group.

However, there is a possibility that domestic or overseas business activities of ITOCHU Group may become subject to any of such lawsuits, arbitrations or other legal proceedings, and significantly affect the future financial position and results of operations of ITOCHU Group.

xii) Risks Associated with Laws and Regulations

ITOCHU Group is subject to a number of diverse laws and regulations both domestically and overseas due to the vast array of products and services the Group provides.

To be specific, ITOCHU Group is required to adhere to laws and regulations such as the laws for each industry, including companies act, financial instruments and exchange laws, and tax laws, as well as all laws pertaining to trade such as foreign exchange control laws, antitrust laws, intellectual property laws, environmental-related laws and the laws of each country in which ITOCHU Group conducts business overseas. ITOCHU Group has made every effort for the observance of these laws and regulations by reinforcing the compliance system, being aware that the observance of laws and regulations is a serious obligation of the Group. With all these measures, however, there is a possibility of the situation where, including personal misconduct by directors and employees, risks associated with compliance or suffering social disgrace cannot be avoided.

Also, ITOCHU cannot deny that unexpected, additional enactment or change in laws and regulations by legislative, judicial, and regulatory bodies are a possibility both domestically and overseas, and there are possibilities of major change in laws and regulations by political/economical changes. Such occurrences could significantly affect the financial position and results of operations of ITOCHU Group.

xiii) Risks Associated with the Environment

ITOCHU Group has designated global environmental issues as one of the most important elements of its management policy. The Group is actively working on environmental issues. These efforts include establishing an environmental policy and building an environmental management system in order to minimize environmental risk, such as the risk of infringement of laws and regulations in the handling of goods the provision of services, and business investment. However, the occurrence of environmental pollution due to ITOCHU Group's business activities could lead to the delay or suspension of operations, the incurring of pollution disposal expenses or expenses due to compensation for damage, or the lowering of society's evaluation of the Group and could significantly affect the financial position and results of operations of ITOCHU Group.

xiv) Risks Associated with Natural Disasters, Climate Change, and Other Factors

In the countries and regions in which ITOCHU Group conducts business activities, natural disasters, such as earthquakes, or infectious diseases, such as new types of influenza, may adversely affect its business activities. ITOCHU has implemented measures such as developing Business Continuity Plans (BCPs) for large-scale disasters and the outbreak of new types of influenza, introducing a safety confirmation system, and conducting emergency drills. Also, various measures have been implemented individually in each Group company. However, since ITOCHU Group conducts business activities across a wide range of regions, when damage arises due to disasters or infectious diseases such as new types of influenza, it cannot completely avoid such damage. Therefore, such occurrences could significantly affect the financial position and results of operations of ITOCHU Group.

In addition, abnormal weather arising from climate change could affect ITOCHU Group's business activities adversely and could significantly affect the financial position and results of operations of ITOCHU Group.

xv) Risks Associated with Information Systems and Information Security

In ITOCHU Group, a code of conduct concerning the handling of information is enforced on all directors and employees and high priority is placed on maintaining a high information security level. ITOCHU Group has established and operates information systems to facilitate the sharing of information and to improve the efficiency of operations. In order to maintain a secure operation of its information systems, ITOCHU Group has established security guidelines and has developed crisis control measures.

Despite these measures, ITOCHU Group cannot completely avoid the risk of sensitive information leakage due to unauthorized access from the outside or computer viruses and the risk of the stoppage of information systems due to equipment damage or problems with telecommunications circuitry. Depending on the scale of the damage, such occurrences could significantly affect the financial position and results of operations of ITOCHU Group.

2. Performance of Group Companies attributable to ITOCHU

Components of Consolidated Net income attributable to ITOCHU

[Years ended March 31, 2014 and 2013]

(Unit: billion yen)	2014	2013	Increase (Decrease)
Parent company	177.9	153.3	24.6
Group companies excluding overseas trading subsidiaries	227.1	205.4	21.6
Overseas trading subsidiaries	34.9	23.9	11.1
Subtotal	439.9	382.6	57.3
Consolidation adjustments	(129.6)	(102.3)	(27.3)
Consolidated Net income attributable to ITOCHU	310.3	280.3	30.0
Earnings from overseas businesses (*)	129.1	99.9	29.2
Share of earnings from overseas businesses	42%	36%	

[For the three-month period ended March 31, 2014 and 2013]

(Unit: billion yen)	2014 Jan.-Mar.	2013 Jan.-Mar.	Increase (Decrease)
Parent company	33.0	17.5	15.5
Group companies excluding overseas trading subsidiaries	38.4	41.7	(3.4)
Overseas trading subsidiaries	9.8	6.5	3.3
Subtotal	81.1	65.7	15.4
Consolidation adjustments	(11.2)	6.4	(17.6)
Consolidated Net income attributable to ITOCHU	69.9	72.2	(2.2)
Earnings from overseas businesses (*)	12.5	12.0	0.5
Share of earnings from overseas businesses	18%	17%	

(*) "Earnings from overseas businesses" is the total of Net income attributable to ITOCHU of overseas trading subsidiaries and overseas group companies, plus Net income attributable to ITOCHU of overseas branches of the parent company and the companies established in Japan for specific overseas business whose sources of revenue are in overseas.

Number of Group Companies(**)

	March 31, 2014			March 31, 2013			Increase	Decrease	Changes within Group	Net changes
	Domestic	Overseas	Total	Domestic	Overseas	Total				
Subsidiaries	80	140	220	79	138	217	+ 8	(6)	+ 1	- + 3
Equity-method associated companies	58	76	134	66	73	139	+ 9	(13)	(1)	- (5)
Total	138	216	354	145	211	356	+ 17	(19)		(2)

(**) Investment companies which are directly invested by ITOCHU and its Overseas trading subsidiaries are included in the above-mentioned number of companies. Investment companies which are considered as part of the parent company are not included.

Number/Share of Group Companies Reporting Profits

		2014			2013			Increase (Decrease)		
		Profits	Losses	Total	Profits	Losses	Total	Profits	Losses	Total
Subsidiaries	Domestic	76	4	80	74	5	79	+ 2	(1)	+ 1
	Overseas	120	20	140	114	24	138	+ 6	(4)	+ 2
	Total	196	24	220	188	29	217	+ 8	(5)	+ 3
	Share (%)	89.1%	10.9%	100.0%	86.6%	13.4%	100.0%	+ 2.5%	(2.5%)	
Equity-method associated companies	Domestic	45	13	58	52	14	66	(7)	(1)	(8)
	Overseas	59	17	76	61	12	73	(2)	+ 5	+ 3
	Total	104	30	134	113	26	139	(9)	+ 4	(5)
	Share (%)	77.6%	22.4%	100.0%	81.3%	18.7%	100.0%	(3.7%)	+ 3.7%	
Total	Domestic	121	17	138	126	19	145	(5)	(2)	(7)
	Overseas	179	37	216	175	36	211	+ 4	+ 1	+ 5
	Total	300	54	354	301	55	356	(1)	(1)	(2)
	Share (%)	84.7%	15.3%	100.0%	84.6%	15.4%	100.0%	+ 0.2%	(0.2%)	

Profits/Losses of Group Companies Reporting Profits/Losses

(Unit: billion yen)

		2014			2013			Increase (Decrease)		
		Profits	Losses	Total	Profits	Losses	Total	Profits	Losses	Total
Subsidiaries	Domestic	75.1	(0.4)	74.6	61.6	(0.4)	61.2	+ 13.4	(0.0)	+ 13.4
	Overseas (***)	108.0	(7.8)	100.2	82.7	(3.5)	79.3	+ 25.3	(4.3)	+ 21.0
	Total	183.1	(8.2)	174.9	144.4	(3.9)	140.5	+ 38.7	(4.3)	+ 34.4
Equity-method associated companies	Domestic	73.7	(14.4)	59.4	80.1	(7.6)	72.5	(6.4)	(6.8)	(13.2)
	Overseas	62.2	(34.5)	27.8	48.5	(32.2)	16.3	+ 13.8	(2.3)	+ 11.5
	Total	136.0	(48.8)	87.1	128.5	(39.7)	88.8	+ 7.4	(9.1)	(1.7)
Total	Domestic	148.8	(14.8)	134.0	141.7	(8.0)	133.7	+ 7.1	(6.8)	+ 0.3
	Overseas (***)	170.2	(42.2)	128.0	131.2	(35.6)	95.6	+ 39.0	(6.6)	+ 32.4
	Total	319.0	(57.0)	262.0	272.9	(43.6)	229.3	+ 46.1	(13.4)	+ 32.7

(***)Results of "Overseas trading subsidiaries" which are included in the above "Overseas" are as follows:

	2014			2013			Increase (Decrease)		
	Profits	Losses	Total	Profits	Losses	Total	Profits	Losses	Total
Overseas trading subsidiaries	35.0	(0.1)	34.9	23.9	(0.0)	23.9	+ 11.1	(0.0)	+ 11.1

Major New Group Companies

Business Field	Name	Country	Share Holding Ratio	Categories
Textile	Converse Apparel Co., Ltd.	Japan	(40.0 %)	Planning and sales of apparel products
Textile	ASF LIMITED	Hong Kong, China	(30.0 %)	Wholesale business
Machinery	Beijing Aotong Automobile Trading Co., Ltd.	China	(40.0 %)	Trading and distribution of automobiles
Machinery	ISUZU MOTORS OFF-HIGHWAY DIESEL ENGINE (SHANGHAI) LIMITED	China	(25.0 %)	Sales of industrial diesel engines and engine parts
ICT, General Products & Realty	A&I Insurance Next Corporation	Japan	(50.0 %)	Development of sales channels and marketing of life insurance
ICT, General Products & Realty	Benefit One Asia Pte. Ltd.	Singapore	(40.0 %)	Welfare services business
ICT, General Products & Realty	PT. JCREAL	Indonesia	(99.9 %)	Investment to condominium development

Performance of Group Companies (Net income attributable to ITOCHU)

Years ended March 31, 2014 and 2013

Major Group Companies

(Unit: billion yen)

	Name	Shares	Method of Consolidation	Net income attributable to ITOCHU (*1)				Categories
				2014		2013		
				4Q		4Q		
Textile	JOFX CORPORATION	100.0%	Consolidation	0.3	1.3	0.1	1.3	Manufacture, retail and sale of men's apparel
	SANKEI CO., LTD.	100.0%	Consolidation	0.0	1.5	0.2	1.6	Sale of garment accessories
	ITOCHU Textile Prominent (ASIA) Ltd. (*3) (Hong Kong, China)	100.0%	Consolidation	0.2	2.0	0.1	1.1	Production control and wholesale of textile and apparel
	ITOCHU TEXTILE (CHINA) CO., LTD. (*4) (China)	100.0%	Consolidation	0.1	1.2	0.2	1.3	Production control and wholesale of textile materials, fabrics and apparel
Machinery	JAPAN AEROSPACE CORPORATION	100.0%	Consolidation	0.6	1.0	0.2	0.7	Import and sale of aircraft and related equipment
	ITOCHU CONSTRUCTION MACHINERY CO., LTD.	100.0%	Consolidation	0.2	1.3	0.2	0.9	Sale and rental of construction machinery
	ITOCHU MACHINE-TECHNOS CORPORATION	100.0%	Consolidation	0.7	0.6	0.5	0.7	Import/Export and domestic sale of industrial machinery and NC machine tools
	Century Medical, Inc.	100.0%	Consolidation	0.2	1.1	0.2	1.0	Import and wholesale of medical equipment and materials
	JAMCO Corporation	33.2%	Equity	(*2)	(*2)	0.2	0.6	Maintenance of aircraft and manufacture of aircraft interior
	Century Tokyo Leasing Corporation	25.2%	Equity	(*2)	(*2)	2.0	6.2	Lease, installment sale, business lease and other
	SUNCALL CORPORATION	26.8%	Equity	(*2)	(*2)	0.2	0.6	Manufacturing and sale of optical communication devices, electronic devices and assembly
Metals & Minerals	ITOCHU Metals Corporation	100.0%	Consolidation	0.3	1.4	0.5	1.3	Import/Export and wholesale of non-ferrous/light metals and recycle business mainly in metal products
	Brazil Japan Iron Ore Corporation	67.5%	Consolidation	2.6	3.8	2.4	10.4	Investment in projects of iron ore in Brazil
	ITOCHU Minerals & Energy of Australia Pty Ltd (*5) (Australia)	100.0%	Consolidation	9.7	58.4	13.5	50.3	Investment in projects of iron ore, coal and bauxite mining, manufacture of alumina and oil exploration
	ITOCHU Coal Americas Inc. (U.S.A.)	100.0%	Consolidation	0.0	0.5	0.6	3.5	Holding of coal mine and transportation infrastructure interests
	Marubeni-Itchu Steel Inc.	50.0%	Equity	3.3	13.0	4.4	12.8	Import/Export and wholesale of steel products
Energy & Chemicals	ITOCHU ENEX CO., LTD.	54.0%	Consolidation	1.5	3.9	1.3	3.2	Wholesale of petroleum products and high-pressure gas
	ITOCHU CHEMICAL FRONTIER Corporation	100.0%	Consolidation	0.8	3.2	0.7	3.0	Wholesale of fine chemicals and related raw materials
	ITOCHU PLASTICS INC.	100.0%	Consolidation	0.9	3.0	0.8	2.2	Wholesale of plastics and related products
	C.I. Kasei Co., Ltd.	98.3%	Consolidation	0.7	1.2	0.7	1.1	Manufacture and sale of plastic products
	ITOCHU Oil Exploration (Azerbaijan) Inc. (Cayman Islands)	100.0%	Consolidation	9.1	15.7	4.2	13.1	Exploration and production of crude oil and gas
	ITOCHU PETROLEUM CO., (SINGAPORE) PTE. LTD. (Singapore)	100.0%	Consolidation	1.0	4.3	1.1	0.8	Trade of crude oil and petroleum products
	TAKIRON Co., Ltd.	29.6%	Equity	(*2)	(*2)	0.2	1.0	Manufacture, processing and sale of plastic products
Food	ITOCHU SHOKUHN Co., Ltd.	51.6%	Consolidation	(*2)	(*2)	0.0	1.9	Wholesale of foods and liquor
	NIPPON ACCESS, INC.	93.8%	Consolidation	3.7	11.6	2.1	10.8	Wholesale and distribution of foods
	China Foods Investment Corp.	74.1%	Consolidation	1.2	4.3	(0.1)	2.7	Managing business of TING HSIN (CAYMAN ISLANDS) HOLDING CORP. and its group companies
	Dole International Holdings, Inc.	100.0%	Consolidation	0.5	7.1	0.0	0.0	Managing of Dole business
	Japan Foods Co., Ltd.	36.6%	Equity	(0.1)	0.2	0.0	0.2	Production on consignment and sale of soft drinks
	Fuji Oil Co., Ltd.	25.7%	Equity	(*2)	(*2)	0.4	2.3	Integrated manufacturer of cooking oil and soybean protein
	FamilyMart Co., Ltd.	31.5%	Equity	0.9	7.3	1.0	9.1	Operation of a convenience store chain
	Prima Meat Packers, Ltd.	39.5%	Equity	(*2)	(*2)	0.1	2.4	Production and sale of meat, ham, sausage and processed foods
ICT, General Products & Realty	ITOCHU Kenzai Corp.	100.0%	Consolidation	0.6	3.0	0.2	1.5	Wholesale of wood products and building materials
	ITOCHU Pulp & Paper Corp.	100.0%	Consolidation	0.1	0.6	0.1	0.6	Wholesale of paper, paperboards and various paper materials
	ITOCHU Techno-Solutions Corporation	57.2%	Consolidation	5.0	8.1	4.2	8.9	Sales, maintenance and support of computers and network systems; commissioned software development; information processing services
	Excite Japan Co., Ltd.	57.3%	Consolidation	(*2)	(*2)	0.1	0.2	Providing services of Internet information
	CONEXIO Corporation (*6)	60.3%	Consolidation	0.8	5.4	0.5	4.2	Sale of mobile phone units, mobile phones-related solution business
	ITOCHU LOGISTICS CORP.	99.0%	Consolidation	0.1	1.4	0.1	1.2	Comprehensive logistics services
	ITOCHU Property Development, Ltd.	99.8%	Consolidation	1.6	2.2	0.0	1.8	Development and sale of housing
	DAIKEN CORPORATION	25.5%	Equity	(*2)	(*2)	0.2	0.3	Manufacture and sale of building materials
	SPACE SHOWER NETWORKS INC.	36.8%	Equity	0.0	0.1	0.0	0.1	Music channel on cable/satellite television
	eGuarantee, Inc.	25.0%	Equity	(*2)	(*2)	0.0	0.2	B to B credit guarantee service
	Orient Corporation (*7)	25.8%	Equity	(*2)	(*2)	(2.8)	(1.2)	Consumer credit
Overseas trading subsidiaries	ITOCHU International Inc. (U.S.A.)	100.0%	Consolidation	4.1	10.9	1.6	7.7	U.S. trading subsidiary
	ITOCHU Europe PLC (*8) (U.K.)	100.0%	Consolidation	1.2	4.6	0.8	1.5	Europe trading subsidiary
	ITOCHU Hong Kong Ltd. (*3) (Hong Kong, China)	100.0%	Consolidation	1.6	5.5	1.0	3.4	Hong Kong trading subsidiary
	ITOCHU (China) Holding Co., Ltd. (*4) (China)	100.0%	Consolidation	0.1	4.1	0.9	4.1	China trading subsidiary
	ITOCHU Australia Ltd. (*5) (Australia)	100.0%	Consolidation	0.5	2.6	0.6	2.0	Australia trading subsidiary

Note : Please refer to page 14 for details of (*1)-(*8)

Performance of Group Companies (Net income attributable to ITOCHU)

Years ended March 31, 2014 and 2013

Major Group Companies Reporting Profits

(Unit: billion yen)

Name	Segment (*9)	Shares	Net income attributable to ITOCHU (*1)			Main reasons for changes
			2014	2013	Increase (Decrease)	
[Domestic subsidiaries]						
NIPPON ACCESS, INC.	Fod	93.8%	11.6	10.8	0.7	Increase due to gain on sales of property and equipment, despite decrease in gross trading profit due to lower profitability
ITOCHU Techno-Solutions Corporation	IGR	57.2%	8.1	8.9	(0.9)	Decrease due to lower transaction volume of business for mobile carriers and lower profitability accompanying increasingly stringent competition in the ICT area
Dole International Holdings, Inc.	Fod	100.0%	7.1	0.0	7.1	Acquisition of Dole business in the first quarter of the current fiscal year For Asia fresh produce business, favorable performance due to stable market prices, as for North American packaged food business, lower sales volume due to decrease in raw material supply
CONEXIO Corporation	(*6) IGR	60.3%	5.4	4.2	1.1	Increase due to stable sales volume and increase in gain on revaluation
China Foods Investment Corp.	Fod	74.1%	4.3	2.7	1.6	Increase due to stable transaction volume in the beverage and instant noodles business, despite decrease due to the absence of unordinary gain recognized by the acquisition of Pepsi bottling business in the previous fiscal year
ITOCHU ENEX CO., LTD.	E&C	54.0%	3.9	3.2	0.7	Increase due to favorable electric power transactions and gain on sales of investments
Brazil Japan Iron Ore Corporation	M&M	67.5%	3.8	10.4	(6.5)	Decrease due to unordinary tax expense in investments in Brazil, despite improvement of foreign currency translation
ITOCHU CHEMICAL FRONTIER Corporation	E&C	100.0%	3.2	3.0	0.3	Increase due to stable sales transactions and gain on sales of investments
ITOCHU PLASTICS INC.	E&C	100.0%	3.0	2.2	0.8	Increase due to favorable export transactions centered on plastics and electronic materials
ITOCHU Kenzai Corp.	IGR	100.0%	3.0	1.5	1.5	Increase due to higher transaction volume of housing materials and rise in plywood prices accompanying an increase in new housing construction starts, and gain on sales of investments
ITOCHU Property Development, Ltd.	IGR	99.8%	2.2	1.8	0.5	Increase due to higher sales of condominiums
[Overseas subsidiaries]						
ITOCHU Minerals & Energy of Australia Pty Ltd	(*5) (Australia) M&M	100.0%	58.4	50.3	8.1	For iron ore, increase due to higher sales volume and the effect of yen depreciation, as for coal, decrease due to falling price, despite improvement in cost and the effect of yen depreciation
ITOCHU Oil Exploration (Azerbaijan) Inc.	(Cayman Islands) E&C	100.0%	15.7	13.1	2.6	Increase mainly due to the effect of yen depreciation
ITOCHU International Inc.	(U.S.A.) Ove	100.0%	10.9	7.7	3.2	Increase due to stable performance by machinery-related companies and housing-material-related companies, the effect of yen depreciation, and gain on sales of investments
ITOCHU FIBRE LIMITED	(*8) (U.K.) IGR	100.0%	6.5	2.4	4.1	Increase in equity in earnings of European pulp-related company (METSA FIBRE) due to rise in pulp prices and higher sales volume as well as lower tax expense arising from changes in Finland tax rates, and the effect of yen depreciation
ITOCHU Hong Kong Ltd.	(*3) (Hong Kong, China) Ove	100.0%	5.5	3.4	2.0	Increase due to higher transaction volume related to general merchandise, gain on sales of construction-related equity interest, increase in earnings of textile-related companies, and the effect of yen depreciation
European Tyre Enterprise Limited	(*8) (U.K.) IGR	100.0%	5.1	2.2	2.9	Increase due to improvement in profitability, as well as lower tax expense arising from changes in U.K. tax rates
ITOCHU Europe PLC	(*8) (U.K.) Ove	100.0%	4.6	1.5	3.1	Increase in equity in earnings of tyre companies, pulp companies and finance-related companies, and the absence of unordinary loss recognized in the previous fiscal year
ITOCHU PETROLEUM CO., (SINGAPORE) PTE. LTD.	(Singapore) E&C	100.0%	4.3	0.8	3.6	Increase due to higher sales volume and improvement in profitability of crude oil and fuel oil trading transaction
ITOCHU (China) Holding Co., Ltd.	(*4) (China) Ove	100.0%	4.1	4.1	0.1	Increase due to stable performance by chemical-related and machinery-related transactions and the effect of yen depreciation, despite decrease due to the absence of gain on sales of investments in the previous fiscal year
ITOCHU (Thailand) Ltd.	(Thailand) Ove	100.0%	3.1	2.3	0.8	Increase in textile medical supplies transactions, gain on sales of investments, and the effect of yen depreciation
ITOCHU Australia Ltd.	(*5) (Australia) Ove	100.0%	2.6	2.0	0.6	Increase due to rise in profit of ITOCHU Minerals & Energy of Australia Pty Ltd
ITOCHU Singapore Pte Ltd	(*3) (Singapore) Ove	100.0%	2.4	1.8	0.5	Increase due to stable performance by general-merchandise-related transactions

Major Group Companies Reporting Profits

(Unit: billion yen)

Name	Segment (*9)	Shares	Net income attributable to ITOCHU (*1)			Main reasons for changes
			2014	2013	Increase (Decrease)	
[Domestic equity-method associated companies]						
Marubeni-Itochu Steel Inc.	M&M	50.0%	13.0	12.8	0.2	Increase due to stable performance of companies in Japan and the effect of yen depreciation
FamilyMart Co., Ltd.	Fod	31.5%	7.3	9.1	(1.8)	Decrease due to the absence of gain on sales of investments accompanying reorganization of business scheme of companies in Thailand in the previous fiscal year, despite improved profitability from earnings in China and other overseas companies
Japan Brazil Paper and Pulp Resources Development Co., Ltd.	IGR	32.1%	4.0	2.0	2.0	Increase due to rise in pulp prices and depreciation of the Brazilian real (against the U.S. dollar)
[Overseas equity-method associated companies]						
PT. KARAWANG TATABINA INDUSTRIAL ESTATE	(Indonesia) IGR	50.0%	1.8	0.8	1.0	Increase due to rise in sales prices and depreciation of the Indonesian rupiah (against the U.S. dollar)

Major Group Companies Reporting Losses

(Unit: billion yen)

Name	Segment (*9)	Shares	Net income attributable to ITOCHU (*1)			Main reasons for changes
			2014	2013	Increase (Decrease)	
[Overseas subsidiaries]						
JD Rockies Resources Limited	(U.S.A.) E&C	100.0%	(32.5)	(31.2)	(1.3)	Deterioration due to loss on sales of some leases and impairment losses of possessing properties in self-possessing shale oil development projects, although almost the same level due to improvement of income from operations which offset increased impairment losses in U.S. oil and gas development companies
LLC ITR	(Russia) IGR	100.0%	(2.9)	(0.7)	(2.3)	Deterioration due to disposal of inventories and unordinary tax expense

(*1) Net income attributable to ITOCHU is the figure after adjusting to U.S. GAAP, which may be different from the figures each company announces.

(*2) The results of each corresponding company is not written, as their announcement dates are on or after ITOCHU's announcement date of Fiscal Year 2014.

(*3) The above figure of ITOCHU Hong Kong Ltd. includes 30.0% of net income from ITOCHU Textile Prominent (ASIA) Ltd. Also, ITOCHU Singapore Pte Ltd includes 10.0% of net income from ITOCHU Textile Prominent (ASIA) Ltd. The net income from ITOCHU Textile Prominent (ASIA) Ltd. includes net income of equity-method associated companies which were transferred from ITOCHU due to the business restructuring in Textile Material & Fabric Division. As a result, profit for the same period of the previous fiscal year includes these companies' profit.

(*4) The above figure of ITOCHU (China) Holding Co., Ltd. includes 40.0% of net income from ITOCHU TEXTILE (CHINA) CO., LTD.

(*5) The above figure of ITOCHU Australia Ltd. includes 3.7% of net income from ITOCHU Minerals & Energy of Australia Pty Ltd.

(*6) CONEXIO Corporation has changed its corporate name from ITC NETWORKS CORPORATION on October 1, 2013. The above figure of CONEXIO Corporation includes the recognition of gain on revaluation (3.3 billion yen after tax effect for FY2014/ 2.5 billion yen after tax effect FY2013).

(*7) The above figure of Orient Corporation includes the related tax effect.

(*8) The above figure of ITOCHU Europe PLC includes 20.0% of net income from European Tyre Enterprise Limited and 10.0% of net income from ITOCHU FIBRE LIMITED.

(*9) M&M : Metals & Minerals, E&C : Energy & Chemicals, Fod : Food, IGR : ICT, General Products & Realty, Ove : Overseas trading subsidiaries

Performance of Group Companies (Net income attributable to ITOCHU)

For the three-month period ended March 31, 2014 and 2013

Major Group Companies Reporting Profits

(Unit: billion yen)

Name	Segment (*9)	Shares	Net income attributable to ITOCHU (*1)			Main reasons for changes
			2014 Jan.-Mar.	2013 Jan.-Mar.	Increase (Decrease)	
[Domestic subsidiaries]						
NIPPON ACCESS, INC.	Fod	93.8%	3.7	2.1	1.6	Increase due to temporary rise in transaction volume before rise in consumption tax on processed food and gain on sales of property and equipment
ITOCHU Techno-Solutions Corporation	IGR	57.2%	5.0	4.2	0.8	Increase due to higher transaction volume centered on ICT area and enterprise area, despite deterioration resulting from unprofitable projects and lower profitability in public interest area
Dole International Holdings, Inc.	Fod	100.0%	0.5	0.0	0.5	Acquisition of Dole business in the first quarter of the current fiscal year For Asia fresh produce business, favorable performance due to stable market prices, as for North American packaged food business, lower sales volume due to decrease in raw material supply
CONEXIO Corporation	(*6) IGR	60.3%	0.8	0.5	0.3	Increase mainly due to increase in sales volume
China Foods Investment Corp.	Fod	74.1%	1.2	(0.1)	1.3	Increase due to favorable transaction volume in the instant noodles business
ITOCHU ENEX CO., LTD.	E&C	54.0%	1.5	1.3	0.2	Increase due to favorable electric power transactions and higher demand before rise in consumption tax
Brazil Japan Iron Ore Corporation	M&M	67.5%	2.6	2.4	0.2	Increase due to improvement of foreign currency translation gain, despite decrease in sales volume
ITOCHU CHEMICAL FRONTIER Corporation	E&C	100.0%	0.8	0.7	0.1	Increase due to stable sales transactions and gain on sales of investments
ITOCHU PLASTICS INC.	E&C	100.0%	0.9	0.8	0.2	Increase due to favorable export transactions centered on plastics and electronic materials
ITOCHU Kenzai Corp.	IGR	100.0%	0.6	0.2	0.3	Increase due to higher transaction volume of housing materials and rise in plywood prices accompanying an increase in new housing construction starts
ITOCHU Property Development, Ltd.	IGR	99.8%	1.6	0.0	1.6	Increase due to higher sales of condominiums and the absence of unordinary losses in the same period of the previous fiscal year
[Overseas subsidiaries]						
ITOCHU Minerals & Energy of Australia Pty Ltd	(*5) (Australia) M&M	100.0%	9.7	13.5	(3.8)	For iron ore, increase due to higher sales volume and effect of yen depreciation, despite falling price compared with the same period of the previous fiscal year, as for coal, decrease due to falling price and the absence of unordinary gain in the same period of the previous fiscal year
ITOCHU Oil Exploration (Azerbaijan) Inc.	(Cayman Islands) E&C	100.0%	9.1	4.2	4.8	Increase due to increase in vessel allocation and the effect of yen depreciation
ITOCHU International Inc.	(U.S.A.) Ove	100.0%	4.1	1.6	2.4	Increase due to favorable performance by entire segment including the machinery and food, and gain on sales of investments
ITOCHU FIBRE LIMITED	(*8) (U.K.) IGR	100.0%	1.4	1.2	0.3	Increase in equity in earnings of European pulp-related company (METSA FIBRE) due to rise in pulp prices, higher sales volume, and the effect of yen depreciation
ITOCHU Hong Kong Ltd.	(*3) (Hong Kong, China) Ove	100.0%	1.6	1.0	0.6	Increase due to increase in equity in earnings of finance-related companies
European Tyre Enterprise Limited	(*8) (U.K.) IGR	100.0%	0.5	0.2	0.3	Increase due to improvement in profitability and the effect of yen depreciation
ITOCHU Europe PLC	(*8) (U.K.) Ove	100.0%	1.2	0.8	0.4	Increase in equity in earnings of tyre companies, pulp companies and finance-related companies, and the effect of yen depreciation
ITOCHU PETROLEUM CO., (SINGAPORE) PTE. LTD.	(Singapore) E&C	100.0%	1.0	1.1	(0.1)	Almost the same level due to stable sales volume
ITOCHU (China) Holding Co., Ltd.	(*4) (China) Ove	100.0%	0.1	0.9	(0.8)	Decrease due to impairment losses on assets, despite stable chemical-related transactions
ITOCHU (Thailand) Ltd.	(Thailand) Ove	100.0%	1.1	0.7	0.4	Increase in textile medical supplies transactions, increase in equity in earnings of finance-related companies, and gain on sales of investments
ITOCHU Australia Ltd.	(*5) (Australia) Ove	100.0%	0.5	0.6	(0.1)	Decrease due to decrease in profit of ITOCHU Minerals & Energy of Australia Pty Ltd
ITOCHU Singapore Pte Ltd	(*3) (Singapore) Ove	100.0%	0.7	0.6	0.2	Increase due to stable performance by general-merchandise-related transactions

Major Group Companies Reporting Profits

(Unit: billion yen)

Name	Segment (*9)	Shares	Net income attributable to ITOCHU (*1)			Main reasons for changes
			2014 Jan.-Mar.	2013 Jan.-Mar.	Increase (Decrease)	
[Domestic equity-method associated companies]						
Marubeni-Itochu Steel Inc.	M&M	50.0%	3.3	4.4	(1.1)	Decrease due to unordinary loss, despite stable performance of companies in Japan and the effect of yen depreciation
FamilyMart Co., Ltd.	Fod	31.5%	0.9	1.0	(0.1)	Almost the same level due to increase in stores and improved sales centered on ready-to-eat food
Japan Brazil Paper and Pulp Resources Development Co., Ltd.	IGR	32.1%	0.9	0.5	0.3	Increase due to stable transaction volume and depreciation of the Brazilian real (against the U.S. dollar)
[Overseas equity-method associated companies]						
PT. KARAWANG TATABINA INDUSTRIAL ESTATE	(Indonesia) IGR	50.0%	(0.3)	0.0	(0.3)	Decrease due to appreciation of the Indonesian rupiah (against the U.S. dollar) compared with the same period of the previous fiscal year

Major Group Companies Reporting Losses

(Unit: billion yen)

Name	Segment (*9)	Shares	Net income attributable to ITOCHU (*1)			Main reasons for changes
			2014 Jan.-Mar.	2013 Jan.-Mar.	Increase (Decrease)	
[Overseas subsidiaries]						
JD Rockies Resources Limited	(U.S.A.) E&C	100.0%	(30.8)	(23.5)	(7.3)	Deterioration due to impairment losses of possessing properties in self-possessing shale oil development projects, and deterioration due to increased impairment losses in U.S. oil and gas development companies, despite improvement of income from operations
LLC ITR	(Russia) IGR	100.0%	(1.4)	(0.6)	(0.8)	Deterioration due to unordinary tax expense

(*10) The classification of companies which are reported as Profits or Losses for the three-month period ended March 31, 2014 is based on the reporting results of the twelve-month period ended March 31, 2014.

Note : Please refer to page 14 for details of (*1)-(*9)

3. Management Policy

Medium-Term Management Plan “Brand-new Deal 2014”

The following shows specific results in the fiscal year ended March 31, 2014, the first year of “Brand-new Deal 2014”, which covers the two-year period from FY2014 to FY2015.

Consumer-Related Sector:

ITOCHU acquired the Asia fresh produce business and the worldwide packaged foods business from Dole Food Company, Inc., one of the world’s largest majors in the fresh produce business. Dole’s fresh produce has high shares in the market in many regions, especially Japan which is the biggest importing country of bananas and pineapples in Asia. With customer needs as its starting point, ITOCHU Group, organically combining functions from the development of food resources to the supply of basic ingredients, manufacturing and processing, intermediate distribution and retail, will continue to pursue globalization using its international production, processing, distribution and sales systems based on the Strategic Integrated System (SIS) strategy, which facilitates efficient production, distribution and sales globally, and integrating them with the management resources of the acquired businesses, such as high brand awareness worldwide and the production, processing and sales of fresh produce. Also, ITOCHU and ITOCHU Textile Prominent (Asia) Ltd. has acquired a 30% stake in ASF Limited, an intermediate holding company that falls under the auspices of Fenix Group Holdings Limited, a holding company that handles a broad range of retail and other businesses in Asian regions centered on Hong Kong and China, such as the operation of a luxury women’s fashion brand ANTERPRIMA. In addition, ITOCHU has made an agreement to acquire 100% stake in Japan’s largest manufacturer and distributor of jeans, Edwin Holdings, which heads the Edwin Group, a corporate group manufacturing and distributing its own labels “EDWIN” and “SOMETHING”, for which it enjoys a high level of nation-wide recognition, and holds licensing rights of North America’s leading jeans brands “Lee” and “Wrangler”, and has many excellent brands and strength in product development, by creating a unique business model that integrates the entire process from planning and manufacturing to distribution.

Basic Industry-Related Sector:

ITOCHU, Kyushu Electric Power Company Incorporated, PT Medco Power Indonesia and Ormat Technologies, Inc. in the United States, through the investment subsidiaries owned by each of the companies and jointly establishing operating company, Sarulla Operations Ltd, have concluded a long-term power purchase and loan agreement with PT Perusahaan Listrik Negara (PLN) and PT Pertamina Geothermal Energy (PGE), to construct a geothermal plant with a total capacity of 320MW in the Sarulla region in North Sumatra owned by PGE, and sales of generated power to PLN for 30 years starting from the year 2016. Owing 40% of the world’s potential geothermal resources, Indonesia holds the world’s largest amount of such resources, and positions geothermal energy as its strategic power source. ITOCHU will contribute to the Indonesian government’s policy of promoting geothermal energy through this project and continue to be active in the power generation business promoting renewable energy and wind power. Also, ITOCHU, with Bombardier Transportation Australia, John Laing and Uberior, has achieved a Financial Close upon concluding a project agreement with the Queensland Government for the Public Private Partnership (PPP) “New Generation Rollingstock Project”. In addition, ITOCHU has acquired 33.4% of the shares of Canaragua Concesiones S.A., the market leader of privatized upstream and downstream water, sewerage network and the integral water cycle in the Autonomous Community of Canaries, providing services to approximately 1.3 million inhabitants, and has a history of stable and efficient operations, outstanding customer service and strong financial performance. In Japan, ITOCHU acquired additional stakes currently owning 39.4% of YANASE & CO., LTD., which has more than 180 bases throughout Japan, has established the No.1 position in Japan’s automobile import industry in terms of unit sales, and is maintaining a stable presence in the imported automobile market.

Natural Resource-Related Sector:

ITOCHU has acquired interests in BHP Iron Ore (Jimblebar) Pty. Ltd. which is developing the Jimblebar Iron Ore mine in West Australia, part of the Iron Ore business of leading mining company, BHP Billiton (Australia & UK). Jimblebar is a large prospective deposit and will be a large scale, low cost, open pit mining operation, and ITOCHU seeks to increase

iron ore supply capacity through the Western Australia Iron Ore operations, in response to the expected increase in the medium to long term worldwide iron ore demand. Also, ITOCHU, which through its subsidiary has been involved in the crude oil development and production business in the ACG field in the Caspian Sea in Azerbaijan, has commenced additional oil production from both the existing Chirag oil field and the deepwater portion of the Gunashli oil field including those shallow parts, the development called the Chirag Oil Project (COP) which had started in 2010, using the pre-drilled wells and a newly installed production platform which the design oil capacity is 183,000 barrels per day.

Promoting the Medium-Term Management Plan “Brand-new Deal 2014”

In FY 2015, the second half of the medium-term management plan, “Brand-new Deal 2014” (the two-year plan covering the period from FY2014 to FY2015), ITOCHU Group will continue to implement the basic business principles of “earn, cut, prevent”, and to achieve further growth, “Brand-new Deal 2014” raises the three new basic policies outlined below.

The first is “boost profitability.” We will steadily cultivate and expand revenues derived from the approximately 970 billion yen in new investment made during the term of the previous medium-term management plan. At the same time, we will continue striving to improve management in order to increase the profitability of existing businesses. Furthermore, we will aggressively take on promising new projects, making new investments over the two-year period of up to 800 billion yen on a net basis and 1,000 billion yen on a gross investment basis, further expanding our earnings platform.

The second is “pursue balanced growth.” In new investment, we will seek to maintain a balance between non-resource and resource sectors; reinforce ITOCHU’s strength in consumer-related fields; and achieve higher earnings in machinery, chemicals and other basic industry-related areas, as we will establish a strong position as the leading trading company in the non-resource sector. Furthermore, we will work to reinvigorate the domestic and trading businesses. The situation is different among the sectors, however, ITOCHU will display our strengths and bolster our comprehensive ability to the next level, by adding values and functions as a trading company and enhancing our presence.

The third is “maintain financial discipline and lean management.” Along with investing aggressively, we will expand our operating cash flow, promote an exit from stock holdings in non-affiliate companies, and use amassed earnings to strengthen stockholders’ equity. We will sustain a sound net debt equity ratio. We also will continue working to improve the ratio of SG&A expense to gross trading profit, maintaining the lean management amid an uncertain management environment.

ITOCHU will also sustain efforts to strengthen its management foundation. As well as continuing to strengthen the overseas compliance system, we will establish a system for effective, efficient investigation/monitoring of bribery and collusive bidding risks in Japan and overseas. In corporate governance, we will pursue our system, which is based on the Board of Directors including outside directors and the Board of Corporate Auditors, over half of whom are outside corporate auditors.

Dividend Policy

Under the second half of the “Brand-new Deal 2014,” for FY2015, the dividend policy will be: a consolidated dividend payout ratio of approximately 20% on Net income attributable to ITOCHU up to 200.0 billion yen, and a consolidated dividend payout ratio of approximately 30% on the portion of Net income attributable to ITOCHU exceeding 200.0 billion yen, with further addition of a fixed amount of 2 yen per share.

Outlook for Fiscal Year 2015 (IFRS)

Looking ahead to the next fiscal year ending March 31, 2015, the pace of the global economy's growth is expected to accelerate gradually. Although economic sluggishness is expected to continue in some emerging countries, centered on the United States, recovery trends in the economies of industrialized countries are expected to strengthen steadily. However, the financial climate is changing. Adequate caution remains necessary in relation to the risk of sudden changes in exchange rates, stock prices or commodities markets and the risk of these factors affecting the global economy through falls in asset value. In the Japanese economy, although it is likely to see the pace of growth soften due to a decrease stemming from the absence of the previous fiscal year's last-minute demand before the April consumption tax hike and the higher burden resulting from a tax increase, the support for growth in the fiscal year 2014 supplementary budget and continued monetary easing are expected to keep it on a recovery track.

ITOCHU expects a consolidated Net income attributable to ITOCHU of 300 billion yen for the fiscal year ending March 31, 2015.

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.

Consolidated	(Unit: Billion yen)
	Forecast FY2015 (IFRS)
Gross trading profit	1,110.0
Selling, general and administrative expenses	(804.0)
Provision for doubtful receivables	(6.0)
Net interest expenses	(18.0)
Dividends received	28.0
Equity in earnings of associated companies	140.0
Other-net	(12.0)
Income before income taxes	438.0
Income taxes	(115.0)
Net income	323.0
(less) Net income attributable to the noncontrolling interest	(23.0)
Net income attributable to ITOCHU	300.0

Consolidated	(Unit: Billion yen)
	Forecast FY2015 (IFRS)
Total assets	8,200.0
Interest-bearing debt	3,100.0
Net interest-bearing debt	2,500.0

Total ITOCHU stockholders' equity	2,300.0
Total equity	2,700.0

<u>Major Indicators (Apr-Mar)</u>	<u>Precondition FY2015</u>
Foreign exchange rate (Yen/US\$)	100
Crude oil (Brent) (US\$/BBL)	105
Iron ore, fine (US\$/ton)	118 (Note2)
Coking coal (US\$/ton)	120 (Note2)
Thermal coal (US\$/ton)	81.8 (Note2)

(Note1) The Company will adopt International Financial Reporting Standards ("IFRS") for the consolidated financial statements of the Annual Report under the Financial Instruments and Exchange Law in Japan from the fiscal year ended March 31, 2014.

Therefore, the Company has made the outlook for the year ending March 31, 2015 based on IFRS, instead of U.S.GAAP.

(Note2) Those are provisional prices that it is said major suppliers and customers have agreed regarding shipments in the first quarter of FY2015.

And the prices after the first quarter of FY2015 are subject to change.

Distribution of the current fiscal year's profit

ITOCHU plans to pay dividend of 46 yen per share for the fiscal year ended March 31, 2014 (an interim dividend of 21 yen per share was already paid).

Under the second half of the "Brand-new Deal 2014," for FY2015, the dividend policy will be: a consolidated payout ratio of approximately 20% on Net income attributable to ITOCHU up to 200.0 billion yen, and a dividend payout ratio of approximately 30% on the portion of Net income attributable to ITOCHU exceeding 200.0 billion yen, with further addition of a fixed amount of 2 yen per share.

For the fiscal year ending March 31, 2015, ITOCHU plans to pay full-year dividend of 46 yen per share, an interim dividend of 23 yen per share and a year-end dividend of 23 yen per share.

Major Group Companies' Forecasts of Fiscal Year 2015

ITOCHU's major group companies' forecasts of fiscal year 2015 are as follows.

As for listed group companies which are scheduled to announce their forecasts of fiscal year 2015 on or after April 28, refer to their own announcements.

The following list will be updated based on forecasts of fiscal year 2015 disclosed by all major group companies. (Scheduled around the end of May)

Please refer to ITOCHU website accordingly. (Note 1)

[Major Group Companies(unlisted companies) forecasts of fiscal year 2015]

(Unit: billion yen)

Name		Shares	ITOCHU's share of Net income [Forecasts]	ITOCHU's share of Net income [FY 2014]
Textile	JOIX CORPORATION	100.0%	1.3	1.3
	SANKEI CO., LTD.	100.0%	2.7	1.5
	ITOCHU Textile Prominent (ASIA) Ltd. (Hong Kong, China)	100.0%	1.5	2.0
	ITOCHU TEXTILE (CHINA) CO., LTD. (China)	100.0%	1.7	1.2
Machinery	JAPAN AEROSPACE CORPORATION	100.0%	0.9	1.0
	ITOCHU CONSTRUCTION MACHINERY CO., LTD.	100.0%	0.7	1.3
	ITOCHU MACHINE-TECHNOS CORPORATION	100.0%	0.6	0.6
	Century Medical, Inc.	100.0%	1.0	1.1
Metals & Minerals	ITOCHU Metals Corporation	100.0%	1.2	1.4
	ITOCHU Minerals & Energy of Australia Pty Ltd (Australia)	100.0%	44.7	58.4
	Marubeni-Itochu Steel Inc.	50.0%	(Note 2)	13.0
Energy & Chemicals	ITOCHU CHEMICAL FRONTIER Corporation	100.0%	3.0	3.2
	ITOCHU PLASTICS INC.	100.0%	3.0	3.0
	C.I.Kasei Co., Ltd.	98.3%	1.0	1.2
	ITOCHU Oil Exploration (Azerbaijan) Inc. (Cayman Islands)	100.0%	8.7	15.7
	ITOCHU PETROLEUM CO.,(SINGAPORE)PTE. LTD. (Singapore)	100.0%	2.0	4.3
Food	NIPPON ACCESS, INC.	93.8%	9.4	11.6
	Dole International Holdings, Inc.	100.0%	10.0	7.1
ICT, General Products & Realty	ITOCHU Kenzai Corp.	100.0%	2.9	3.0
	ITOCHU Pulp & Paper Corp.	100.0%	0.6	0.6
	ITOCHU LOGISTICS CORP.	99.0%	1.5	1.4
	ITOCHU Property Development, Ltd.	99.8%	2.2	2.2
Overseas	ITOCHU International Inc. (U.S.A.)	100.0%	11.1	10.9
	ITOCHU Europe PLC (U.K.)	100.0%	3.8	4.6
	ITOCHU Hong Kong Ltd. (Hong Kong, China)	100.0%	5.0	5.5
	ITOCHU (China) Holding Co., Ltd. (China)	100.0%	4.7	4.1
	ITOCHU Australia Ltd. (Australia)	100.0%	2.0	2.6

[Major Group Companies' (listed companies) forecasts of fiscal year 2015]

(Unit: billion yen)

Name	(Expected) Date of Announcement	Companies' Forecasts (Note 3)	Shares	ITOCHU's share of Net income [Forecasts] (Note 4)	ITOCHU's share of Net income [FY 2014] (Note 5)
Machinery	JAMCO Corporation	May.8	(Note 1)	33.2%	(Note 1)
	Century Tokyo Leasing Corporation	May.8	(Note 1)	25.2%	(Note 1)
	SUNCALL CORPORATION	May.14	(Note 1)	26.8%	(Note 1)
Energy & Chemicals	ITOCHU ENEX CO., LTD.	Apr.30	(Note 1)	54.0%	3.9
	TAKIRON Co., Ltd.	May.9	(Note 1)	29.6%	(Note 1)
Food	ITOCHU SHOKUHN Co., Ltd.	May.1	(Note 1)	51.6%	(Note 1)
	Japan Foods Co., Ltd.	Apr.24	0.8	36.6%	0.2
	Fuji Oil Co., Ltd.	May.9	(Note 1)	25.7%	(Note 1)
	FamilyMart Co., Ltd.	Apr.8	20.0	31.5%	6.3
	Prima Meat Packers, Ltd.	May.12	(Note 1)	39.5%	(Note 1)
ICT, General Products & Realty	ITOCHU Techno-Solutions Corporation	May.1	(Note 1)	57.2%	(Note 1)
	Excite Japan Co., Ltd.	May.13	(Note 1)	57.3%	(Note 1)
	DAIKEN CORPORATION	May.12	(Note 1)	25.5%	(Note 1)
	CONEXIO Corporation	Apr.30	(Note 1)	60.3%	(Note 6) 5.4
	SPACE SHOWER NETWORKS INC.	Apr.25	0.2	36.8%	0.1
	eGuarantee, Inc.	May.14	(Note 1)	25.0%	(Note 1)
	Orient Corporation	May.9	(Note 1)	25.8%	(Note 1)

(Note 2) Please refer to the forecasts to be announced by the company.

(Note 3) The figures for "Companies' Forecasts" are which each Group company has announced.

(Note 4) The figures in the "ITOCHU's share of Net income [Forecasts]" column are Group companies' forecasts of fiscal year 2015 multiplied by ITOCHU's respective shares.

(Note 5) The figures in the "ITOCHU's share of Net income [FY 2014]" column are after U.S. GAAP adjustments.

(Note 6) CONEXIO Corporation has changed its corporate name from ITC NETWORKS CORPORATION on October 1, 2013. The above figure of CONEXIO Corporation includes the recognition of gain on revaluation accompanying the conversion to a subsidiary in line with enactment of the companies' capital measures (3.3 billion yen after tax effect).

4. Consolidated Financial Statements

Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States of America.

(1) Consolidated Statements of Income-Annual [Condensed]

ITOCHU Corporation and Subsidiaries

Years ended March 31, 2014 and 2013

	Millions of Yen		Millions of U.S. dollars
	2014	2013	2014
Revenue:			
Sales revenue.....	¥ 5,193,867	¥ 4,245,976	\$ 50,465
Trading margins and commissions on trading transactions.....	337,028	333,787	3,275
Total revenue.....	5,530,895	4,579,763	53,740
Cost of sales.....	(4,502,622)	(3,663,884)	(43,749)
Gross trading profit	1,028,273	915,879	9,991
Selling, general and administrative expenses.....	(743,117)	(671,319)	(7,220)
Provision for doubtful receivables.....	(6,062)	(341)	(59)
Interest income.....	11,659	9,153	113
Interest expense.....	(24,945)	(23,207)	(242)
Dividends received.....	37,079	34,626	360
Gain on investments-net.....	59,504	45,856	578
Loss on property and equipment-net.....	(1,616)	(9,273)	(16)
Other-net.....	13,033	9,738	127
Total other-expenses.....	(654,465)	(604,767)	(6,359)
Income before income taxes and equity in earnings of associated companies.....	373,808	311,112	3,632
Income taxes.....	(130,408)	(94,333)	(1,267)
Income before equity in earnings of associated companies.....	243,400	216,779	2,365
Equity in earnings of associated companies.....	85,252	85,891	828
Net income.....	328,652	302,670	3,193
Less: Net income attributable to the noncontrolling interest.....	(18,385)	(22,373)	(178)
Net income attributable to ITOCHU.....	¥ 310,267	¥ 280,297	\$ 3,015

Note : "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 years ended March 31, 2014 and 2013 were 14,566,820 million yen (141,535 million U.S. dollars) and 12,551,557 million yen respectively. Please refer to "(11) Operating Segment Information" on page 36-37.

(2) Consolidated Statements of Comprehensive Income-Annual [Condensed]

ITOCHU Corporation and Subsidiaries

Years ended March 31, 2014 and 2013

	Millions of Yen		Millions of U.S. dollars
	2014	2013	2014
Comprehensive income (loss):			
Net income.....	¥ 328,652	¥ 302,670	\$ 3,193
Other comprehensive income (loss) (net of tax):			
Foreign currency translation adjustments	133,031	157,696	1,292
Pension liability adjustments	12,674	10,546	123
Unrealized holding gains on securities	476	35,731	5
Unrealized holding gains on derivative instruments	75	397	1
Total other comprehensive income (loss) (net of tax).....	146,256	204,370	1,421
Comprehensive income (loss).....	474,908	507,040	4,614
Comprehensive (income) loss attributable to the noncontrolling interest.....	(28,694)	(31,221)	(279)
Comprehensive income (loss) attributable to ITOCHU.....	¥ 446,214	¥ 475,819	\$ 4,335

[Explanation for Consolidated Statements of Income]

	(Unit : billion yen)			Main reasons for changes:												
	2014	2013	Increase (Decrease)													
Revenue	5,530.9	4,579.8	951.1	Higher revenue from the Energy & Chemicals Company, due to higher transaction volume of petroleum products and chemicals; higher revenue from the Food Company, reflecting acquisition of the Dole business; higher revenue from the ICT, General Products & Realty Company, due to the favorable performance by housing-material-related companies and expanded business by mobile-phone-related companies; higher revenue from the Machinery Company, due to higher transaction volume in automobile and plant-related transactions; and the effect of yen depreciation.												
Gross trading profit	1,028.3	915.9	112.4	Existing subsidiaries: +33.9, Increase due to acquisition of subsidiaries: +47.5, Decrease due to de-consolidation of subsidiaries: -15.3, Increase due to foreign currency translation: +46.3 Refer to "(11) Segment Information" on page 36-37												
Total of SG & A	(743.1)	(671.3)	(71.8)	Existing subsidiaries: -21.7, Increase due to acquisition of subsidiaries: -36.3, Decrease due to de-consolidation of subsidiaries: +14.1, Increase due to foreign currency translation: -27.9												
Personnel expenses	(386.6)	(350.3)	(36.2)													
(Pension cost)	(18.7)	(15.9)	(2.7)													
Other expenses	(356.6)	(321.0)	(35.6)													
(Service charge, distribution costs)	(119.5)	(112.4)	(7.1)													
(Rent, depreciation and amortization)	(93.5)	(85.3)	(8.2)													
(Others)	(143.5)	(123.3)	(20.3)													
Provision for doubtful receivables	(6.1)	(0.3)	(5.7)	Deterioration due to the absence of the gain on reversal of allowance for doubtful receivables in the previous fiscal year												
Net financial income	23.8	20.6	3.2													
Interest income	11.7	9.2	2.5	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">2014</th> <th style="text-align: center;">2013</th> <th style="text-align: center;">Variance</th> </tr> </thead> <tbody> <tr> <td>JPY TIBOR 3M, average (Apr.-Mar.)</td> <td style="text-align: center;">0.225%</td> <td style="text-align: center;">0.317%</td> <td style="text-align: center;">(0.092%)</td> </tr> <tr> <td>USD LIBOR 3M, average (Apr.-Mar.)</td> <td style="text-align: center;">0.253%</td> <td style="text-align: center;">0.374%</td> <td style="text-align: center;">(0.121%)</td> </tr> </tbody> </table>		2014	2013	Variance	JPY TIBOR 3M, average (Apr.-Mar.)	0.225%	0.317%	(0.092%)	USD LIBOR 3M, average (Apr.-Mar.)	0.253%	0.374%	(0.121%)
	2014	2013	Variance													
JPY TIBOR 3M, average (Apr.-Mar.)	0.225%	0.317%	(0.092%)													
USD LIBOR 3M, average (Apr.-Mar.)	0.253%	0.374%	(0.121%)													
Interest expense	(24.9)	(23.2)	(1.7)													
Net interest expenses	(13.3)	(14.1)	0.8	Improvement due to lower debt cost, despite increase in interest-bearing debt												
Dividends received	37.1	34.6	2.5	Increase in dividends from plant-related and apparel-related investments												
Gain on investments-net	59.5	45.9	13.6	Net gain on sales of investments +7.2 (51.0 → 58.2), Net of impairment losses and remeasuring gains on investments +5.6 (-3.4 → 2.2), Losses on business disposals and others +0.8 (-1.7 → -0.9)												
Loss on property and equipment-net	(1.6)	(9.3)	7.7	Net gain (loss) on sales of property and equipment +9.3 (-2.6 → 6.8), Impairment losses on property and equipment -1.3 (-8.1 → -9.4), Rental income and others -0.4 (1.4 → 1.0)												
Other-net	13.0	9.7	3.3	Mainly due to an improvement in foreign currency translation												
Equity in earnings of associated companies	85.3	85.9	(0.6)	Equity-method associated companies of automobile-related companies and ship-related companies, in the Machinery segment +5.6 (13.4 → 19.0), Equity-method associated companies of ITOCHU FIBRE LIMITED +4.1 (2.6 → 6.7), Equity-method associated companies of ITOCHU Minerals & Energy of Australia Pty Ltd +3.3 (8.1 → 11.4), Equity-method associated companies of Brazil Japan Iron Ore Corporation -9.2 (16.3 → 7.1), Equity-method associated companies of ITOCHU Coal Americas Inc. -3.0 (5.3 → 2.3), Equity-method associated companies of JD Rockies Resources Limited +0.1 (-29.7 → -29.7) Refer to "Performance of Group Companies" on page 13-14												
Adjusted profit	394.2	351.0	43.2	Adjusted profit (+43.2) = Gross trading profit (+112.4) + SG&A expenses (-71.8) + Net financial income (+3.2) + Equity in earnings of associated companies (-0.6) The amount () represents changes from the previous fiscal year												
[Average exchange rate]	[Yen/USD]			[Yen/AUD]												
	2014	2013	Variance	2014	2013	Variance										
	99.84	82.20	+17.64	94.22	84.98	+9.24										
	2013	2012	Variance	2013	2012	Variance										
	82.20	78.94	+3.26	84.98	82.04	+2.94										

(3) Consolidated Statements of Income-Quarterly [Condensed]

-Unaudited-

ITOCHU Corporation and Subsidiaries

For the three-month period ended March 31, 2014 and 2013

	Millions of Yen		Millions of U.S. dollars
	Jan.-Mar.2014	Jan.-Mar.2013	Jan.-Mar.2014
Revenue:			
Sales revenue.....	¥ 1,400,640	¥ 1,244,691	\$ 13,609
Trading margins and commissions on trading transactions.....	92,844	87,812	902
Total revenue.....	1,493,484	1,332,503	14,511
Cost of sales.....	(1,215,539)	(1,084,370)	(11,810)
Gross trading profit	277,945	248,133	2,701
Selling, general and administrative expenses.....	(191,341)	(167,542)	(1,859)
Provision for doubtful receivables.....	(2,586)	(579)	(25)
Interest income.....	3,244	2,580	31
Interest expense.....	(6,395)	(5,895)	(62)
Dividends received.....	23,554	23,097	229
Gain on investments-net.....	17,833	25,512	173
Loss on property and equipment-net.....	(2,133)	(5,087)	(21)
Other-net.....	3,401	283	33
Total other-expenses.....	(154,423)	(127,631)	(1,501)
Income before income taxes and equity in earnings of associated companies.....	123,522	120,502	1,200
Income taxes.....	(48,743)	(43,129)	(473)
Income before equity in earnings of associated companies.....	74,779	77,373	727
Equity in earnings of associated companies.....	2,892	1,117	28
Net income.....	77,671	78,490	755
Less: Net income attributable to the noncontrolling interest.....	(7,730)	(6,327)	(75)
Net income attributable to ITOCHU.....	¥ 69,941	¥ 72,163	\$ 680

Note : "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 three-month period ended March 31, 2014 and 2013 were 3,826,802 million yen (37,182 million U.S. dollars) and 3,277,697 million yen respectively. Please refer to "(11) Operating Segment Information" on page 38-39.

(4) Consolidated Statements of Comprehensive Income-Quarterly [Condensed]

ITOCHU Corporation and Subsidiaries

For the three-month period ended March 31, 2014 and 2013

	Millions of Yen		Millions of U.S. dollars
	Jan.-Mar.2014	Jan.-Mar.2013	Jan.-Mar.2014
Comprehensive income (loss):			
Net income.....	¥ 77,671	¥ 78,490	\$ 755
Other comprehensive income (loss) (net of tax):			
Foreign currency translation adjustments	15,259	131,297	148
Pension liability adjustments.....	10,151	7,659	99
Unrealized holding gains (losses) on securities.....	(20,523)	33,090	(199)
Unrealized holding gains on derivative instruments.....	2,317	2,760	22
Total other comprehensive income (loss) (net of tax).....	7,204	174,806	70
Comprehensive income (loss).....	84,875	253,296	825
Comprehensive (income) loss attributable to the noncontrolling interest.....	(11,526)	(20,779)	(112)
Comprehensive income (loss) attributable to ITOCHU.....	¥ 73,349	¥ 232,517	\$ 713

[Explanation for Consolidated Statements of Income -Quarterly]

(Unit : billion yen)

	<u>Jan.-Mar.2014</u>	<u>Jan.-Mar.2013</u>	Increase (Decrease)	Main reasons for changes												
Revenue	1,493.5	1,332.5	161.0	Higher revenue from the ICT, General Products & Realty Company, due to the favorable performance by housing-material-related companies, higher transaction volume of domestic ICT-related companies, expanded business by mobile-phone-related companies, and contribution of real estate transactions; higher revenue from the Food Company, reflecting acquisition of the Dole business; higher revenue from the Machinery Company, due to higher transaction volume in automobile and plant-related transactions; and the effect of yen depreciation.												
Gross trading profit	277.9	248.1	29.8	Existing subsidiaries: +13.3, Increase due to acquisition of subsidiaries: +9.0, Decrease due to de-consolidation of subsidiaries: -1.3, Increase due to foreign currency translation: +8.8 Refer to "(11) Segment Information" on page 38-39												
Total of SG & A	(191.3)	(167.5)	(23.8)	Existing subsidiaries: -10.6,												
Personnel expenses	(100.7)	(88.7)	(12.0)	Increase due to acquisition of subsidiaries: -8.3,												
(Pension cost)	(5.0)	(4.4)	(0.7)	Decrease due to de-consolidation of subsidiaries: +1.4,												
Other expenses	(90.6)	(78.9)	(11.8)	Increase due to foreign currency translation: -6.2												
(Service charge, distribution costs)	(29.9)	(27.8)	(2.2)													
(Rent, depreciation and amortization)	(23.0)	(20.8)	(2.3)													
(Others)	(37.7)	(30.4)	(7.3)													
Provision for doubtful receivables	(2.6)	(0.6)	(2.0)	Increase in allowance for doubtful receivables												
Net financial income	20.4	19.8	0.6													
Interest income	3.2	2.6	0.7	<table border="1"> <thead> <tr> <th></th> <th><u>Jan.-Mar.2014</u></th> <th><u>Jan.-Mar.2013</u></th> <th><u>Variance</u></th> </tr> </thead> <tbody> <tr> <td>JPY TIBOR 3M, average (Jan.-Mar.)</td> <td>0.216%</td> <td>0.278%</td> <td>(0.062%)</td> </tr> <tr> <td>USD LIBOR 3M, average (Jan.-Mar.)</td> <td>0.236%</td> <td>0.292%</td> <td>(0.056%)</td> </tr> </tbody> </table>		<u>Jan.-Mar.2014</u>	<u>Jan.-Mar.2013</u>	<u>Variance</u>	JPY TIBOR 3M, average (Jan.-Mar.)	0.216%	0.278%	(0.062%)	USD LIBOR 3M, average (Jan.-Mar.)	0.236%	0.292%	(0.056%)
	<u>Jan.-Mar.2014</u>	<u>Jan.-Mar.2013</u>	<u>Variance</u>													
JPY TIBOR 3M, average (Jan.-Mar.)	0.216%	0.278%	(0.062%)													
USD LIBOR 3M, average (Jan.-Mar.)	0.236%	0.292%	(0.056%)													
Interest expense	(6.4)	(5.9)	(0.5)													
Net interest expenses	(3.2)	(3.3)	0.2	Almost the same level												
Dividends received	23.6	23.1	0.5	Almost the same level												
Gain on investments-net	17.8	25.5	(7.7)	Net gain on sales of investments -9.2 (28.9 → 19.6), Net of impairment losses and remeasuring gains on investments +0.7 (-2.4 → -1.7), Losses on business disposals and others +0.8 (-1.0 → -0.1)												
Loss on property and equipment-net	(2.1)	(5.1)	3.0	Net gain (loss) on sales of property and equipment +4.2 (-1.3 → 2.9), Impairment losses on property and equipment -1.1 (-4.2 → -5.3), Rental income and others -0.1 (0.4 → 0.3)												
Other-net	3.4	0.3	3.1	Mainly due to an improvement in foreign currency translation												
Equity in earnings of associated companies	2.9	1.1	1.8	Equity-method associated companies of Brazil Japan Iron Ore Corporation +1.2 (2.9 → 4.1), Equity-method associated companies of automobile-related companies and ship-related companies, in the Machinery segment +2.3 (3.3 → 5.6), Equity-method associated companies of Chinese food-related companies in the Food segment +2.1 (3.2 → 5.3), Equity-method associated companies of JD Rockies Resources Limited -5.5 (-23.3 → -28.8) Refer to "Performance of Group Companies" on page 15-16												
Adjusted profit	109.9	101.5	8.4	Adjusted profit (+8.4) = Gross trading profit (+29.8) + SG&A expenses (-23.8) + Net financial income (+0.6) + Equity in earnings of associated companies (+1.8) The amount () represents changes from the same period of the previous fiscal year												
[Average exchange rate]	[Yen/USD]			[Yen/AUD]												
	<u>Jan.-Mar.2014</u>	<u>Jan.-Mar.2013</u>	<u>Variance</u>	<u>Jan.-Mar.2014</u>	<u>Jan.-Mar.2013</u>	<u>Variance</u>										
	103.21	88.84	+14.37	92.28	92.81	(0.53)										
	<u>Jan.-Mar.2013</u>	<u>Jan.-Mar.2012</u>	<u>Variance</u>	<u>Jan.-Mar.2013</u>	<u>Jan.-Mar.2012</u>	<u>Variance</u>										
	88.84	77.91	+10.93	92.81	80.95	+11.86										

(5) Consolidated Balance Sheets (Assets) [Condensed]

-Unaudited-

ITOCHU Corporation and Subsidiaries

As of March 31, 2014 and 2013

Assets	Millions of Yen		Millions of U.S. dollars
	Mar. 2014	Mar. 2013	Mar. 2014
Current assets:			
Cash and cash equivalents.....	¥ 653,332	¥ 569,716	\$ 6,348
Time deposits.....	7,653	7,120	74
Short-term investments.....	4,536	3,655	44
Trade receivables:			
Notes.....	168,368	160,806	1,636
Accounts.....	1,639,774	1,543,851	15,932
Allowance for doubtful receivables.....	(9,905)	(8,242)	(96)
Net trade receivables.....	1,798,237	1,696,415	17,472
Due from associated companies.....	160,768	194,449	1,562
Inventories.....	749,927	657,853	7,287
Advances to suppliers.....	79,130	70,871	769
Prepaid expenses.....	52,061	39,355	506
Deferred tax assets.....	49,758	47,810	484
Other current assets.....	279,467	268,939	2,715
Total current assets.....	3,834,869	3,556,183	37,261
Investments and non-current receivables:			
Investments in and advances to associated companies.....	1,816,796	1,645,568	17,653
Other investments.....	575,510	530,293	5,592
Other non-current receivables.....	150,735	139,790	1,464
Allowance for doubtful receivables.....	(27,594)	(35,929)	(268)
Total investments and net non-current receivables.....	2,515,447	2,279,722	24,441
Property and equipment, at cost:			
Land.....	135,976	140,345	1,321
Buildings.....	487,797	457,299	4,740
Machinery and equipment.....	627,572	557,423	6,098
Furniture and fixtures.....	92,420	84,287	898
Mineral rights.....	91,744	93,684	891
Construction in progress.....	50,125	57,591	487
Total property and equipment, at cost.....	1,485,634	1,390,629	14,435
Less accumulated depreciation.....	628,722	586,374	6,109
Net property and equipment.....	856,912	804,255	8,326
Prepaid pension cost.....	8,057	223	78
Deferred tax assets, non-current.....	20,906	51,447	203
Other assets.....	612,249	425,616	5,949
Total.....	¥ 7,848,440	¥ 7,117,446	\$ 76,258

(5) Consolidated Balance Sheets (Liabilities and Equity) [Condensed]

-Unaudited-

ITOCHU Corporation and Subsidiaries

As of March 31, 2014 and 2013

Liabilities and Equity	Millions of Yen		Millions of U.S. dollars
	Mar. 2014	Mar. 2013	Mar. 2014
Current liabilities:			
Short-term debt	¥ 402,262	¥ 435,880	\$ 3,908
Current maturities of long-term debt.....	62,730	46,664	609
Trade payables:			
Notes and acceptances.....	212,903	180,385	2,069
Accounts.....	1,333,025	1,288,770	12,952
Total trade payables.....	1,545,928	1,469,155	15,021
Due to associated companies.....	41,526	42,606	403
Accrued expenses.....	189,646	166,714	1,843
Income taxes payable.....	36,389	37,758	354
Advances from customers.....	89,181	66,689	867
Deferred tax liabilities.....	1,056	574	10
Other current liabilities.....	214,256	209,901	2,082
Total current liabilities	2,582,974	2,475,941	25,097
Long-term debt, excluding current maturities.....	2,628,937	2,447,868	25,544
Accrued retirement and severance benefits.....	41,613	36,804	404
Deferred tax liabilities, non-current.....	72,093	44,214	700
Total liabilities	5,325,617	5,004,827	51,745
Equity:			
Common stock:			
Authorized: 3,000,000,000 shares; issued: 1,584,889,504 shares.....	202,241	202,241	1,965
Capital surplus.....	113,820	113,408	1,106
Retained earnings:			
Legal reserve.....	36,181	29,533	352
Other retained earnings	1,710,662	1,471,895	16,621
Total retained earnings.....	1,746,843	1,501,428	16,973
Accumulated other comprehensive income (loss) :			
Foreign currency translation adjustments.....	65,139	(57,605)	633
Pension liability adjustments.....	(75,222)	(87,373)	(731)
Unrealized holding gains on securities.....	99,737	99,018	969
Unrealized holding losses on derivative instruments.....	(2,795)	(2,979)	(27)
Treasury stock, at cost.....	(2,800)	(2,703)	(27)
Total ITOCHU stockholders' equity.....	2,146,963	1,765,435	20,861
Noncontrolling interest.....	375,860	347,184	3,652
Total equity.....	2,522,823	2,112,619	24,513
Total.....	¥ 7,848,440	¥ 7,117,446	\$ 76,258

[Explanation for Consolidated Balance Sheets]

Assets

(Unit: billion yen)

	Mar. 2014	Mar. 2013	Increase (Decrease)	Main reasons for changes:
Net trade receivables	1,798.2	1,696.4	101.8	Increase due to the acquisition of the Dole business, conversion of a mobile-phone-related equity-method associated company into a consolidated subsidiary, and the effect of yen depreciation
Inventories	749.9	657.9	92.1	Increase due to the acquisition of the Dole business, accumulation of real estate for sale, and the effect of yen depreciation
Investments in and advances to associated companies	1,816.8	1,645.6	171.2	Increase due to accumulation of earnings of equity-method associated companies and effect of yen depreciation
Other investments	575.5	530.3	45.2	Increase due to new investments in Australian mineral-resource-development-related business
Other non-current receivables, less allowance for doubtful receivables	123.1	103.9	19.3	Increase due to new loans to Australian mineral-resource-development-related business
Net property and equipment	856.9	804.3	52.7	Increase due to the acquisition of the Dole business and the effect of yen depreciation
Other assets	612.2	425.6	186.6	Increase due to the acquisition of the Dole business, conversion of a mobile-phone-related equity-method associated company into a consolidated subsidiary, and the effect of yen depreciation
Total assets	7,848.4	7,117.4	731.0	Total assets as of March 31, 2014 increased by 10.3%, or 731.0 billion yen, compared with March 31, 2013 to 7,848.4 billion yen (76,258 million U.S. dollars), due to increase accompanying the acquisition of Dole business, the conversion of a mobile-phone-related equity-method associated company into a consolidated subsidiary, new investments and loans to Australian mineral-resource-development-related business, and the effect of yen depreciation.

Liabilities

(Unit: billion yen)

	Mar. 2014	Mar. 2013	Increase (Decrease)	Main reasons for changes:
Total trade payables	1,545.9	1,469.2	76.8	Increase due to the acquisition of the Dole business and conversion of a mobile-phone-related equity-method associated company into a consolidated subsidiary
[Interest-bearing debt]				
Short-term debt	402.3	435.9	(33.6)	
Current maturities of long-term debt excluding debentures	62.7	41.1	21.6	
Current maturities of debentures	0.0	5.5	(5.5)	
Short-term total	465.0	482.5	(17.6)	
Long-term debt	1,887.6	1,817.0	70.6	
Debentures	532.6	462.9	69.7	
Long-term total	2,420.3	2,279.9	140.4	
Total interest-bearing debt	2,885.3	2,762.5	122.8	Interest-bearing debt increased by 4.4%, or 122.8 billion yen, compared with March 31, 2013, to 2,885.3 billion yen (28,034 million U.S. dollars), due to increase of debt mainly reflecting the acquisition of the Dole business and the effect of yen depreciation. Net interest-bearing debt (Interest-bearing debt after deducting Cash and cash equivalents and Time deposits) increased by 1.8%, or 38.7 billion yen, compared with March 31, 2013, to 2,224.3 billion yen (21,612 million U.S. dollars).
Cash and cash equivalents, Time deposits	661.0	576.8	84.1	
Net interest-bearing debt	2,224.3	2,185.6	38.7	
Net debt-to-stockholders' equity ratio [times]	1.04	1.24	Improved 0.20	NET DER (Net Debt-to-stockholders' Equity Ratio) improved compared with March 31, 2013, to 1.04 times.

Equity

(Unit: billion yen)

	Mar. 2014	Mar. 2013	Increase (Decrease)	Main reasons for changes:
Common stock	202.2	202.2	-	
Capital surplus	113.8	113.4	0.4	
Retained earnings:	1,746.8	1,501.4	245.4	Net income attributable to ITOCHU +310.3, Dividends payment -64.9
Accumulated other comprehensive income (loss):	86.9	(48.9)	135.8	Improved due to yen depreciation
Treasury stock, at cost	(2.8)	(2.7)	(0.1)	
Total ITOCHU stockholders' equity	2,147.0	1,765.4	381.5	Total ITOCHU stockholders' equity rose by 21.6%, or 381.5 billion yen, compared with March 31, 2013, to 2,147.0 billion yen (20,861 million U.S. dollars), due to an increase in Net income attributable to ITOCHU and an improvement in Accumulated other comprehensive income (loss) due to yen depreciation, which more than compensated for a decrease accompanying dividends payment.
Ratio of stockholders' equity to total assets	27.4%	24.8%	2.6%	As a result, the Ratio of stockholders' equity to total assets rose by 2.6 points to 27.4% from March 31, 2013.
Noncontrolling interest	375.9	347.2	28.7	Total equity, or the sum of Total ITOCHU stockholders' equity and Noncontrolling interest, increased by 19.4%, or 410.2 billion yen, compared with March 31, 2013, to 2,522.8 billion yen (24,513 million U.S. dollars).
Total equity	2,522.8	2,112.6	410.2	

[Current exchange rate]

[Yen/USD]

Mar. 2014	Mar. 2013	Variance
102.92	94.05	+8.87
Mar. 2013	Mar. 2012	Variance
94.05	82.19	+11.86

[Yen/AUD]

Mar. 2014	Mar. 2013	Variance
95.19	97.93	(2.74)
Mar. 2013	Mar. 2012	Variance
97.93	85.45	+12.48

[The Nikkei Stock Average (Yen)]

Mar. 2014	Mar. 2013	Variance
14,827	12,397	+2,430

(6) Consolidated Statements of Equity [Condensed]

ITOCHU Corporation and Subsidiaries

Years ended March 31, 2014 and 2013

-Unaudited-

	Millions of Yen		Millions of U.S. dollars
	2014	2013	2014
Common stock:			
Balance at beginning of year.....	¥ 202,241	¥ 202,241	\$ 1,965
Balance at end of year.....	¥ 202,241	¥ 202,241	\$ 1,965
Capital surplus:			
Balance at beginning of year.....	¥ 113,408	¥ 112,370	\$ 1,102
Sale (purchase) of subsidiary shares to (from) noncontrolling interest.....	412	1,038	4
Balance at end of year.....	¥ 113,820	¥ 113,408	\$ 1,106
Retained earnings:			
Legal reserve:			
Balance at beginning of year.....	¥ 29,533	¥ 22,134	\$ 287
Transfer from other retained earnings.....	6,648	7,590	65
Redistribution arising from sale by parent company of common stock of subsidiaries and associated companies.....	-	(191)	-
Balance at end of year.....	¥ 36,181	¥ 29,533	\$ 352
Other retained earnings:			
Balance at beginning of year.....	¥ 1,471,895	¥ 1,274,131	\$ 14,301
Net income attributable to ITOCHU.....	310,267	280,297	3,015
Cash dividends.....	(64,852)	(75,134)	(630)
Transfer to legal reserve.....	(6,648)	(7,590)	(65)
Redistribution arising from sale by parent company of common stock of subsidiaries and associated companies.....	-	191	-
Balance at end of year.....	¥ 1,710,662	¥ 1,471,895	\$ 16,621
Accumulated other comprehensive income (loss):			
Balance at beginning of year.....	¥ (48,939)	¥ (244,394)	\$ (476)
Other comprehensive income (loss).....	135,947	195,522	1,321
Sale (purchase) of subsidiary shares to (from) noncontrolling interest.....	(149)	(67)	(1)
Balance at end of year.....	¥ 86,859	¥ (48,939)	\$ 844
Treasury stock:			
Balance at beginning of year.....	¥ (2,703)	¥ (2,685)	\$ (26)
Net changes in treasury stock.....	(97)	(18)	(1)
Balance at end of year.....	¥ (2,800)	¥ (2,703)	\$ (27)
Total ITOCHU stockholders' equity.....	¥ 2,146,963	¥ 1,765,435	\$ 20,861
Noncontrolling interest:			
Balance at beginning of year.....	¥ 347,184	¥ 332,344	\$ 3,373
Net income attributable to the noncontrolling interest.....	18,385	22,373	179
Other comprehensive income (loss) attributable to the noncontrolling interest.....	10,309	8,848	100
Cash dividends to noncontrolling interest.....	(13,281)	(6,482)	(129)
Sale (purchase) of subsidiary shares to (from) noncontrolling interest.....	(286)	(254)	(3)
Other changes.....	13,549	(9,645)	132
Balance at end of year.....	¥ 375,860	¥ 347,184	\$ 3,652
Total equity.....	¥ 2,522,823	¥ 2,112,619	\$ 24,513

Accumulated other comprehensive income (loss)	(Unit: billion yen)																																
	<u>Mar. 2014</u>	<u>Mar. 2013</u>	Increase <u>(Decrease)</u>																														
Foreign currency translation adjustments	65.1	(57.6)	122.7																														
Pension liability adjustments	(75.2)	(87.4)	12.2																														
Unrealized holding gains on securities	99.7	99.0	0.7																														
Unrealized holding losses on derivative instruments	(2.8)	(3.0)	0.2																														
Total accumulated other comprehensive income (loss)	86.9	(48.9)	135.8																														
Foreign currency translation adjustments	<p>Foreign exchange differences, the difference in exchange rate between the time of investment in overseas group companies and at the end of this period, are recognized as "Foreign currency translation adjustments".</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Exchange rate</th> <th style="text-align: left;">as of:</th> <th style="text-align: center;"><u>Mar 2014</u></th> <th style="text-align: center;"><u>Mar 2013</u></th> <th style="text-align: center;"><u>Variance</u></th> </tr> </thead> <tbody> <tr> <td></td> <td>(Yen/USD)</td> <td style="text-align: center;">102.92</td> <td style="text-align: center;">94.05</td> <td style="text-align: center;">+ 8.87</td> </tr> <tr> <td></td> <td>as of:</td> <th style="text-align: center;"><u>Mar 2014</u></th> <th style="text-align: center;"><u>Mar 2013</u></th> <th style="text-align: center;"><u>Variance</u></th> </tr> <tr> <td></td> <td>(Yen/AUD)</td> <td style="text-align: center;">95.19</td> <td style="text-align: center;">97.93</td> <td style="text-align: center;">(2.74)</td> </tr> <tr> <td></td> <td>as of:</td> <th style="text-align: center;"><u>Dec 2013</u></th> <th style="text-align: center;"><u>Dec 2012</u></th> <th style="text-align: center;"><u>Variance</u></th> </tr> <tr> <td></td> <td>(Yen/BRL)</td> <td style="text-align: center;">45.08</td> <td style="text-align: center;">42.36</td> <td style="text-align: center;">+ 2.72</td> </tr> </tbody> </table>			Exchange rate	as of:	<u>Mar 2014</u>	<u>Mar 2013</u>	<u>Variance</u>		(Yen/USD)	102.92	94.05	+ 8.87		as of:	<u>Mar 2014</u>	<u>Mar 2013</u>	<u>Variance</u>		(Yen/AUD)	95.19	97.93	(2.74)		as of:	<u>Dec 2013</u>	<u>Dec 2012</u>	<u>Variance</u>		(Yen/BRL)	45.08	42.36	+ 2.72
Exchange rate	as of:	<u>Mar 2014</u>	<u>Mar 2013</u>	<u>Variance</u>																													
	(Yen/USD)	102.92	94.05	+ 8.87																													
	as of:	<u>Mar 2014</u>	<u>Mar 2013</u>	<u>Variance</u>																													
	(Yen/AUD)	95.19	97.93	(2.74)																													
	as of:	<u>Dec 2013</u>	<u>Dec 2012</u>	<u>Variance</u>																													
	(Yen/BRL)	45.08	42.36	+ 2.72																													
Pension liability adjustments	<p>Differences between the projected benefit obligations and plan assets are amortized according to the defined accounting standard, and the unamortized balance (net of tax) is recognized as "Pension liability adjustments".</p>																																
Unrealized holding gains on securities	<p>Available-for-sale securities are recorded at fair value at the end of this period, and differences (net of tax) between the carrying amount and fair value are recognized as "Unrealized holding gains on securities".</p>																																
Unrealized holding losses on derivative instruments	<p>Derivative transactions which are designated and qualified as 'cash flow hedges' are recorded at fair value at the end of this period, and differences (net of tax) between the carrying amount and fair value are recognized as "Unrealized holding losses on derivative instruments".</p>																																

(7) Consolidated Statements of Cash Flows -Annual [Condensed]**-Unaudited-**

ITOCHU Corporation and Subsidiaries

Years ended March 31, 2014 and 2013

	Millions of Yen		Millions of U.S. dollars
	2014	2013	2014
Cash flows from operating activities :			
Net income	¥ 328,652	¥ 302,670	\$ 3,193
Adjustments to reconcile net income to net cash provided by operating activities :			
Depreciation and amortization	105,129	87,169	1,021
Provision for doubtful receivables	6,062	341	59
Gain on investments-net.....	(59,504)	(45,856)	(578)
Loss on property and equipment-net	1,616	9,273	16
Equity in earnings of associated companies, less dividends received	(28,870)	(33,905)	(281)
Deferred income taxes	36,328	15,912	353
Changes in assets and liabilities, other-net	28,983	(89,943)	282
Net cash provided by operating activities	<u>418,396</u>	<u>245,661</u>	<u>4,065</u>
Cash flows from investing activities :			
Net purchases of property, equipment and other assets	(83,836)	(113,387)	(815)
Net increase in investments in and advances to associated companies	(16,786)	(69,719)	(163)
Net purchases of other investments	(143,208)	(8,697)	(1,391)
Net origination of other non-current loan receivables	(22,570)	(6,863)	(219)
Net increase in time deposits	(292)	(1,324)	(3)
Net cash used in investing activities	<u>(266,692)</u>	<u>(199,990)</u>	<u>(2,591)</u>
Cash flows from financing activities :			
Net proceeds of long-term debt	87,209	123,362	847
Net decrease in short-term debt	(79,251)	(41,104)	(770)
Other	(79,665)	(93,581)	(774)
Net cash used in financing activities	<u>(71,707)</u>	<u>(11,323)</u>	<u>(697)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>3,619</u>	<u>21,879</u>	<u>35</u>
Net increase in cash and cash equivalents	<u>83,616</u>	<u>56,227</u>	<u>812</u>
Cash and cash equivalents at beginning of the year	<u>569,716</u>	<u>513,489</u>	<u>5,536</u>
Cash and cash equivalents at end of the year	<u>¥ 653,332</u>	<u>¥ 569,716</u>	<u>\$ 6,348</u>

[Explanation for Consolidated Statements of Cash Flows]

Note : Explanation for indication	Cash-inflow : " + " Cash-outflow : " - "		
	"Decrease in assets" or "Increase in liabilities" : Cash-inflow "Increase in assets" or "Decrease in liabilities" : Cash-outflow		
Cash flows from operating activities	(Unit: billion yen)		
	<u>2014</u>	<u>2013</u>	<u>Major items</u>
Net income	328.7	302.7	
Non-cash charges of P/L	60.8	32.9	
Changes in assets and liabilities, other-net	29.0 a	(89.9) b	a : Trade receivables / payables -9.3, Inventories +15.5 Other +22.8 b : Trade receivables / payables +1.5, Inventories -50.3 Other -41.1
Net cash provided by operating activities	418.4	245.7	
Cash flows from investing activities	(Unit: billion yen)		
	<u>2014</u>	<u>2013</u>	<u>Major items</u>
Net purchases of property, equipment and other assets	(83.8) a	(113.4) b	a : Additional capital expenditures in natural resource development sector -27.2 Purchase by domestic energy-related subsidiaries -15.9 Purchase by tyre-related subsidiaries in Europe -9.7 Purchase by ship-related subsidiaries -8.1 b : Additional capital expenditures in natural resource development sector -56.5 Purchase by energy-related subsidiary -12.7 Purchase by ship-related subsidiaries -10.7
Net increase in investments in and advances to associated companies	(16.8) a	(69.7) b	a : Investment and loan in plant business in North America and Europe -18.7 Investment in natural resource development sector -12.4 Investment in general merchandise business in China -12.4 Sales of investments in IPP in North America +15.2 Sales of associated companies by parent company +12.4 b : Investment in pulp business in Europe -50.9
Net purchases of other investments	(143.2) a	(8.7) b	a : Investment in Dole, net of cash acquired -134.1 Investment in Australian mineral-resource-development-related business -74.2 Sales of investment securities by parent company +62.4 b : Investment in automobile-related companies, net of cash acquired -19.8 Investment in natural resource development sector -13.7 Investment by energy-related subsidiary -8.7 Sales of listed securities by parent company +30.8
Net origination of other non-current loan receivables	(22.6) a	(6.9) b	a : Origination -62.0, collections +39.4 b : Origination -38.7, collections +31.9
Net increase in time deposits	(0.3)	(1.3)	
Net cash used in investing activities	(266.7)	(200.0)	
Cash flows from financing activities	(Unit: billion yen)		
	<u>2014</u>	<u>2013</u>	<u>Major items</u>
Net proceeds of long-term debt	87.2 a	123.4 b	a : Proceeds +528.7, repayments -441.5 b : Proceeds +471.4, repayments -348.0
	(Note) Repayments of current maturities of long-term debt are included in "Net proceeds of long-term debt".		
Net decrease in short-term debt	(79.3) a	(41.1) b	a : Net decrease by parent company -26.9 Net decrease by subsidiaries -52.4 b : Net decrease by parent company -47.7 Net increase by subsidiaries +6.6
Other	(79.7) a	(93.6) b	a : Cash dividends -64.9, Cash dividends to noncontrolling interests -11.7 b : Cash dividends -75.1, Cash dividends to noncontrolling interests -6.5 Net payments (proceeds) for (from) equity transactions with noncontrolling interests -12.0
Net cash used in financing activities	(71.7)	(11.3)	

(8) Consolidated Statements of Cash Flows-Quarterly [Condensed]**-Unaudited-**

ITOCHU Corporation and Subsidiaries

For the three-month period ended March 31, 2014 and 2013

	Millions of Yen		Millions of U.S. dollars
	<u>Jan.-Mar.2014</u>	Jan.-Mar.2013	<u>Jan.-Mar.2014</u>
Cash flows from operating activities :			
Net income	¥ 77,671	¥ 78,490	\$ 755
Adjustments to reconcile net income to net cash provided by operating activities :			
Depreciation and amortization	30,374	24,846	295
Provision for doubtful receivables	2,586	579	25
Gain on investments-net	(17,833)	(25,512)	(173)
Loss on property and equipment-net	2,133	5,087	21
Equity in earnings of associated companies, less dividends received	7,816	17,157	76
Deferred income taxes	13,514	26,857	131
Changes in assets and liabilities, other-net	135,170	4,304	1,313
Net cash provided by operating activities	<u>251,431</u>	<u>131,808</u>	<u>2,443</u>
Cash flows from investing activities :			
Net purchases of property, equipment and other assets	(15,269)	(29,928)	(148)
Net increase in investments in and advances to associated companies	(14,173)	(3,607)	(138)
Net sales of other investments	27,944	5,635	272
Net origination of other non-current loan receivables	(1,404)	(1,666)	(14)
Net (increase) decrease in time deposits	(273)	16,729	(3)
Net cash used in investing activities	<u>(3,175)</u>	<u>(12,837)</u>	<u>(31)</u>
Cash flows from financing activities :			
Net proceeds of long-term debt	6,360	45,882	62
Net decrease in short-term debt	(132,795)	(132,985)	(1,290)
Other	(2,315)	(714)	(23)
Net cash used in financing activities	<u>(128,750)</u>	<u>(87,817)</u>	<u>(1,251)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(3,156)</u>	14,098	<u>(30)</u>
Net increase in cash and cash equivalents	<u>116,350</u>	45,252	<u>1,131</u>
Cash and cash equivalents at beginning of the period	<u>536,982</u>	524,464	<u>5,217</u>
Cash and cash equivalents at end of the period	<u>¥ 653,332</u>	¥ 569,716	<u>\$ 6,348</u>

[Explanation for Consolidated Statements of Cash Flows]

Note :	Cash-inflow : " + "		
Explanation for indication	Cash-outflow : " - "		
	"Decrease in assets" or "Increase in liabilities" : Cash-inflow		
	"Increase in assets" or "Decrease in liabilities" : Cash-outflow		
Cash flows from operating activities	(Unit: billion yen)		
	<u>Jan.-Mar. 2014</u>	<u>Jan.-Mar. 2013</u>	<u>Major items</u>
Net income	77.7	78.5	
Non-cash charges of P/L	38.6	49.0	
Changes in assets and liabilities, other-net	135.2 a	4.3 b	a : Trade receivables / payables -19.5, Inventories +100.9 Other +53.7 b : Trade receivables / payables -74.5, Inventories +49.6 Other +29.2
Net cash provided by operating activities	251.4	131.8	
Cash flows from investing activities	(Unit: billion yen)		
	<u>Jan.-Mar. 2014</u>	<u>Jan.-Mar. 2013</u>	<u>Major items</u>
Net purchases of property, equipment and other assets	(15.3) a	(29.9) b	a : Additional capital expenditures in natural resource development sector -5.0 Purchase by domestic energy-related subsidiaries -4.1 b : Additional capital expenditures in natural resource development sector -15.7 Purchase by energy-related subsidiary -6.0 Purchase by ship-related subsidiaries -3.8
Net increase in investments in and advances to associated companies	(14.2) a	(3.6) b	a : Investment and loan in plant business in Europe -6.9 Investment in general merchandise business in China -5.1 b : Investment in chemical business -4.2
Net sales of other investments	27.9 a	5.6 b	a : Sales of investment securities by parent company +26.4 Investment in natural resource development sector -4.3 b : Sales of listed securities by parent company +17.4 Investment in ICT-related sector -8.0 Investment in natural resource development sector -3.9
Net origination of other non-current loan receivables	(1.4) a	(1.7) b	a : Origination -12.2, collections +10.8 b : Origination -9.2, collections +7.5
Net (increase) decrease in time deposits	(0.3)	16.7 b	b : Net decrease by subsidiaries +16.7
Net cash used in investing activities	(3.2)	(12.8)	
Cash flows from financing activities	(Unit: billion yen)		
	<u>Jan.-Mar. 2014</u>	<u>Jan.-Mar. 2013</u>	<u>Major items</u>
Net proceeds of long-term debt	6.4 a	45.9 b	a : Proceeds +180.2, repayments -173.8 b : Proceeds +107.8, repayments -61.9
	(Note) Repayments of current maturities of long-term debt are included in "Net proceeds of long-term debt".		
Net decrease in short-term debt	(132.8) a	(133.0) b	a : Net decrease by parent company -15.9 Net decrease by subsidiaries -116.9 b : Net decrease by parent company -93.1 Net decrease by subsidiaries -39.9
Other	(2.3) a	(0.7) b	a : Cash dividends to noncontrolling interests -1.0 b : Cash dividends to noncontrolling interests -0.8
Net cash used in financing activities	(128.8)	(87.8)	

(9) Assumption for Going Concern N/A

(10) Basis of the Consolidated Financial Statements

i) Consolidated Subsidiaries and Equity-Method Associated Companies

[Major Group Companies]

Consolidated Subsidiaries

(Domestic: 80 entities) JOIX CORPORATION, SANKEI CO., LTD., JAPAN AEROSPACE CORPORATION, ITOCHU CONSTRUCTION MACHINERY CO., LTD., ITOCHU MACHINE-TECHNOS CORPORATION, Century Medical, Inc., ITOCHU Metals Corporation, Brazil Japan Iron Ore Corporation, ITOCHU ENEX CO., LTD., ITOCHU CHEMICAL FRONTIER Corporation, ITOCHU PLASTICS INC., C.I.Kasei Co., Ltd., ITOCHU SHOKUHIN Co., Ltd., NIPPON ACCESS, INC., China Foods Investment Corp., Dole International Holdings, Inc., ITOCHU Kenzai Corp., ITOCHU Pulp & Paper Corp., ITOCHU Techno-Solutions Corporation, Excite Japan Co., Ltd., CONEXIO Corporation, ITOCHU LOGISTICS CORP., ITOCHU Property Development, Ltd.

(Overseas: 140 entities) ITOCHU Textile Prominent (ASIA) Ltd., ITOCHU TEXTILE (CHINA) CO., LTD., ITOCHU Minerals & Energy of Australia Pty Ltd, ITOCHU Coal Americas Inc., ITOCHU Oil Exploration (Azerbaijan) Inc., ITOCHU PETROLEUM CO., (SINGAPORE) PTE. LTD., ITOCHU International Inc., ITOCHU Europe PLC, ITOCHU Hong Kong Ltd., ITOCHU (China) Holding Co., Ltd., ITOCHU Australia Ltd.

(* Consolidated subsidiaries listed on the stock exchange markets in Japan

TSE 1st Section : ITOCHU Techno-Solutions Corporation, ITOCHU ENEX CO., LTD.,
ITOCHU SHOKUHIN Co., Ltd., CONEXIO Corporation
JASDAQ : Excite Japan Co., Ltd.

Equity-Method Associated Companies

(Domestic: 58 entities) JAMCO Corporation, Century Tokyo Leasing Corporation, SUNCALL CORPORATION, Marubeni-Itochu Steel Inc., TAKIRON Co., Ltd., Japan Foods Co., Ltd., Fuji Oil Co., Ltd., FamilyMart Co., Ltd., Prima Meat Packers, Ltd., DAIKEN CORPORATION, Ltd., SPACE SHOWER NETWORKS INC., eGuarantee, Inc., Orient Corporation

(Overseas: 76 entities) CGB ENTERPRISES, INC. [U.S.A.], "SUZUKI MOTOR RUS" LLC [Russia]

(**) Investment companies which are directly invested by ITOCHU and its Overseas trading subsidiaries are included in the above-mentioned number of companies. Investment companies which are considered as part of parent company are not included.

ii) Accounting Policies

The Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The summary of differences between the accounting policies adopted in the consolidated financial statements and accounting practice generally accepted in Japan is as follows.

Additionally, the following each representation of referred standards is basically depends on the hierarchy of the standard regulated by ASC.

a) Evaluation of investments

For evaluation of investments, other-than-temporary impairments are recognized by applying ASC Topic320 "Investments-Debt and Equity Securities."

b) Share-to-share exchange without cash payment for cost-method equity securities

Exchange gain or losses on newly acquired cost-method equity securities by share-to-share transfer without cash payment are recognized at the time of the exchange according to ASC Topic 325 "Investments-Other."

c) Value reduction of fixed assets for Japanese tax purposes

The whole balance is reversed for preparation of the consolidated financial statements.

d) Retirement and severance benefits

The retirement benefits and the costs of beneficial pension plan are accounted for in accordance with ASC Topic 715 "Compensation-Retirement Benefits".

Prior service cost is amortized over the average remaining service period of employees by the straight-line method.

The net actuarial gain and loss, the portion of which are over 10% of retirement benefits obligation or fair value of pension assets, whichever is higher, are amortized over the average remaining service period of employees by the straight-line method.

e) Costs for issuance of new shares

In accordance with ASC Topic 505 "Equity," Costs for issuance of new shares are recognized as deductions from Capital surplus.

f) Deferred income on installment sales

In accordance with ASC Topic 605 "Revenue Recognition," the whole income on installment sales is recognized at the time of sales.

g) Recognition and Measurement of noncontrolling interest on acquisition

In accordance with ASC Topic 805 "Business Combinations," the noncontrolling interest in the acquirer is measured and recognized as the fair value at the acquisition date.

h) Change in a parent's ownership interest rate in a subsidiary

In accordance with ASC Topic 810 "Consolidation," changes in a parent's ownership interest, while the parent retains its controlling financial interest in its subsidiary, are accounted for as equity transactions, instead of recognizing gain or losses in consolidated net income or Accumulated other comprehensive income.

i) Deconsolidation of a subsidiary

In accordance with ASC Topic 810 "Consolidation," in the case where parent deconsolidates a subsidiary, the gain or loss measured as the aggregate of the fair value of any consideration received, the fair value of any retained noncontrolling investment and the carrying amount of any noncontrolling interest in former subsidiary less the carrying amount of the former subsidiary's assets and liabilities is recognized.

j) Goodwill

Goodwill and non-amortized intangible assets with indefinite useful lives which are recognized due to business combinations are not amortized, but are instead tested for impairment at the reporting unit level at least on annual basis or circumstances change that is more likely than not that the fair value is below the carrying amount in accordance with ASC Topic 350 "Intangibles-Goodwill and other."

In addition, equity-method goodwill which is the portion of the difference between the cost of an investment and the amount of underlying equity in net assets of an investee is also not amortized, but equity-method investments shall continue to be reviewed for impairment in accordance with ASC Topic 323 "Investments-Equity Method and Joint Ventures".

k) Derivative instruments

According to ASC Topic 815 "Derivatives and Hedging," every derivative instruments is measured and presented at its fair value as of the end of the period in the consolidated balance sheets, and the changes in fair value from the end of the previous period are recognized as gain or losses of the current period or Accumulated other comprehensive income (loss) (net of tax), judging existence of the hedging purpose and the type of hedging activities.

(11) Operating Segment Information

ITOCHU Corporation and Subsidiaries
Years ended March 31, 2014 and 2013

Information concerning operations in different operating segments for the years ended March 31, 2014 and 2013 is as follows:

For the year ended March 31, 2014 (April 1, 2013 -March 31, 2014)

	Millions of Yen							
	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	ICT, General Products & Realty	Others, Adjustments & Eliminations	Consolidated
Total trading transactions:								
Unaffiliated customers and associated companies	¥ 667,627	¥ 1,264,984	¥ 737,389	¥ 6,122,122	¥ 3,793,552	¥ 1,900,342	¥ 80,804	¥ 14,566,820
Transfers between operating segments	958	222	232	23,182	5,897	24,894	(55,385)	-
Total trading transactions	<u>668,585</u>	<u>1,265,206</u>	<u>737,621</u>	<u>6,145,304</u>	<u>3,799,449</u>	<u>1,925,236</u>	<u>25,419</u>	<u>14,566,820</u>
Gross trading profit	<u>131,151</u>	<u>100,728</u>	<u>92,069</u>	<u>176,440</u>	<u>239,870</u>	<u>282,084</u>	<u>5,931</u>	<u>1,028,273</u>
Net income attributable to ITOCHU.....	<u>32,463</u>	<u>43,390</u>	<u>74,083</u>	<u>16,708</u>	<u>57,484</u>	<u>76,339</u>	<u>9,800</u>	<u>310,267</u>
[Equity in earnings of associated companies].....	<u>[11,702]</u>	<u>[18,958]</u>	<u>[34,326]</u>	<u>[(32,863)]</u>	<u>[21,473]</u>	<u>[36,028]</u>	<u>[(4,372)]</u>	<u>[85,252]</u>
Total assets at March 31, 2014.....	<u>504,451</u>	<u>953,799</u>	<u>1,308,151</u>	<u>1,283,687</u>	<u>1,575,161</u>	<u>1,581,721</u>	<u>641,470</u>	<u>7,848,440</u>

For the year ended March 31, 2013 (April 1, 2012 -March 31, 2013)

	Millions of Yen							
	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	ICT, General Products & Realty	Others, Adjustments & Eliminations	Consolidated
Total trading transactions:								
Unaffiliated customers and associated companies	¥ 608,883	¥ 1,086,275	¥ 602,714	¥ 5,357,548	¥ 3,344,116	¥ 1,495,363	¥ 56,658	¥ 12,551,557
Transfers between operating segments	746	998	96	22,713	5,538	21,952	(52,043)	-
Total trading transactions	<u>609,629</u>	<u>1,087,273</u>	<u>602,810</u>	<u>5,380,261</u>	<u>3,349,654</u>	<u>1,517,315</u>	<u>4,615</u>	<u>12,551,557</u>
Gross trading profit	<u>128,921</u>	<u>89,416</u>	<u>79,456</u>	<u>165,027</u>	<u>202,686</u>	<u>236,557</u>	<u>13,816</u>	<u>915,879</u>
Net income attributable to ITOCHU.....	<u>31,230</u>	<u>32,120</u>	<u>82,466</u>	<u>23,112</u>	<u>45,700</u>	<u>52,108</u>	<u>13,561</u>	<u>280,297</u>
[Equity in earnings of associated companies].....	<u>[12,582]</u>	<u>[13,352]</u>	<u>[42,056]</u>	<u>[(28,271)]</u>	<u>[22,890]</u>	<u>[24,537]</u>	<u>[(1,255)]</u>	<u>[85,891]</u>
Total assets at March 31, 2013.....	<u>486,849</u>	<u>890,890</u>	<u>1,175,200</u>	<u>1,335,207</u>	<u>1,370,199</u>	<u>1,363,449</u>	<u>495,652</u>	<u>7,117,446</u>

For the year ended March 31, 2014 (April 1, 2013 -March 31, 2014)

	Millions of U.S. dollars							
	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	ICT, General Products & Realty	Others, Adjustments & Eliminations	Consolidated
Total trading transactions:								
Unaffiliated customers and associated companies	\$ 6,487	\$ 12,291	\$ 7,165	\$ 59,484	\$ 36,859	\$ 18,464	\$ 785	\$ 141,535
Transfers between operating segments	9	2	2	225	58	242	(538)	-
Total trading transactions	<u>6,496</u>	<u>12,293</u>	<u>7,167</u>	<u>59,709</u>	<u>36,917</u>	<u>18,706</u>	<u>247</u>	<u>141,535</u>
Gross trading profit	<u>1,274</u>	<u>979</u>	<u>894</u>	<u>1,714</u>	<u>2,331</u>	<u>2,741</u>	<u>58</u>	<u>9,991</u>
Net income attributable to ITOCHU.....	<u>315</u>	<u>422</u>	<u>720</u>	<u>162</u>	<u>559</u>	<u>742</u>	<u>95</u>	<u>3,015</u>
[Equity in earnings of associated companies].....	<u>[114]</u>	<u>[184]</u>	<u>[333]</u>	<u>[(319)]</u>	<u>[209]</u>	<u>[350]</u>	<u>[(43)]</u>	<u>[828]</u>
Total assets at March 31, 2014.....	<u>4,901</u>	<u>9,267</u>	<u>12,710</u>	<u>12,473</u>	<u>15,305</u>	<u>15,369</u>	<u>6,233</u>	<u>76,258</u>

Note :

- "Equity in earnings of associated companies" is included in Net income attributable to ITOCHU.
- "Total trading transactions" is presented in accordance with Japanese accounting practice. Total trading transactions consist 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. (Refer to page 21, 23)

[Explanation for Operating Segment Information]

Trading transactions for unaffiliated customers and associated companies

(Unit : billion yen)	2014	2013	Increase (Decrease)	Main reasons for changes
Textile	667.6	608.9	58.7	Increase due to the acquisition of European apparel manufacturing and wholesale companies in the previous fiscal year, rise in textile material transaction volume for China, and introduction of new brands
Machinery	1,265.0	1,086.3	178.7	Increase due to higher automobile transaction volume for Europe, Africa, and Middle East, and effect of yen depreciation, despite decrease in ship transaction volume
Metals & Minerals	737.4	602.7	134.7	Increase due to higher sales volume of iron ore, higher transaction volume of non-ferrous metal products, and effect of yen depreciation
Energy & Chemicals	6,122.1	5,357.5	764.6	Increase due to higher transaction volume of energy trading and chemicals, and effect of yen depreciation
Food	3,793.6	3,344.1	449.4	Increase due to acquisition of Dole business, higher transaction volume of food material transactions and food-distribution-related companies
ICT, General Products & Realty	1,900.3	1,495.4	405.0	Increase due to favorable pulp transactions and favorable performance by housing-materials-related companies, expanded business by mobile-phone-related companies, and effect of yen depreciation
Others, Adjustments & Eliminations	80.8	56.7	24.1	Increase due to higher transaction volume of equipment materials in North America and effect of yen depreciation
Total	14,566.8	12,551.6	2,015.3	

Gross trading profit

(Unit : billion yen)	2014	2013	Increase (Decrease)	Main reasons for changes
Textile	131.2	128.9	2.2	Increase due to the acquisition of European apparel manufacturing and wholesale companies in the previous fiscal year, rise in textile material transaction volume for China, and introduction of new brands
Machinery	100.7	89.4	11.3	Increase due to higher automobile, construction machinery and plant-related transaction volume and effect of yen depreciation, despite decrease in ship transaction volume
Metals & Minerals	92.1	79.5	12.6	Increase due to higher sales volume of iron ore and effect of yen depreciation, despite falling coal prices
Energy & Chemicals	176.4	165.0	11.4	Increase due to higher transaction volume and improved profitability of energy trading transactions, higher transaction volume of chemicals, and effect of yen depreciation
Food	239.9	202.7	37.2	Increase due to acquisition of Dole business and stable performance of existing companies
ICT, General Products & Realty	282.1	236.6	45.5	Increase due to favorable pulp transactions and favorable performance by housing-materials-related companies, expanded business by mobile-phone-related companies, contribution of real estate transactions, and effect of yen depreciation
Others, Adjustments & Eliminations	5.9	13.8	(7.9)	Decrease due to increase in adjustments and eliminations, despite higher transaction volume of equipment materials in North America
Total	1,028.3	915.9	112.4	

Net income attributable to ITOCHU

(Unit : billion yen)	2014	2013	Increase (Decrease)	Main reasons for changes
Textile	32.5	31.2	1.2	Increase due to higher dividends received and increase in gain (loss) on investments-net, despite the absence of unordinary gain on reversal of expenses in the previous fiscal year
Machinery	43.4	32.1	11.3	Increase due to rise in gross trading profit, higher dividends received, and increase in gain (loss) on investments-net and equity in earnings of associated companies
Metals & Minerals	74.1	82.5	(8.4)	Decrease due to the absence of gain on sales of investments in the same period of the previous fiscal year and decrease in equity in earnings of associated companies accompanying unordinary tax expense in Brazilian iron ore companies, despite increase in gross trading profit
Energy & Chemicals	16.7	23.1	(6.4)	Decrease due to decrease in gain (loss) on investments-net and deterioration in equity in earnings of associated companies, despite increase in gross trading profit
Food	57.5	45.7	11.8	Overall increase due to acquisition of Dole business and increase in gain (loss) on investments-net, despite decrease in equity in earnings of associated companies
ICT, General Products & Realty	76.3	52.1	24.2	Increase due to rise in gross trading profit, and increase in gain (loss) on investments-net and equity in earnings of associated companies
Others, Adjustments & Eliminations	9.8	13.6	(3.8)	Decrease due to the absence of improvement in tax expense from the realization of losses in tax basis in the previous fiscal year
Total	310.3	280.3	30.0	

Total assets

(Unit : billion yen)	Mar. 2014	Mar. 2013	Increase (Decrease)	Main reasons for changes
Textile	504.5	486.8	17.6	Increase in trade receivables resulting from expanded transactions
Machinery	953.8	890.9	62.9	Increase due to new and additional automobile-related investments in Japan and overseas, increase in unrealized holding gains on securities accompanying rising stock prices, and effect of yen depreciation
Metals & Minerals	1,308.2	1,175.2	133.0	Increase due to new investments and loans to Australian mineral-resource-development-related business and effect of yen depreciation
Energy & Chemicals	1,283.7	1,335.2	(51.5)	Progress in collection of trade receivables and decrease in inventories accompanying increase in sales for energy trading transactions
Food	1,575.2	1,370.2	205.0	Increase due to acquisition of Dole business, despite decrease in trade receivables by food-distribution-related companies which resolved due to term end holiday effect
ICT, General Products & Realty	1,581.7	1,363.4	218.3	Increase due to the conversion of mobile-phone-related equity-method associated company into a consolidated subsidiary, increase in trade receivables of general-merchandise-related companies and domestic ICT-related companies, rise in inventories of real-estate-related companies, and effect of yen depreciation
Others, Adjustments & Eliminations	641.5	495.7	145.8	Increase in cash and cash equivalents
Total	7,848.4	7,117.4	731.0	

ITOCHU Corporation and Subsidiaries

For the three-month period ended March 31, 2014 and 2013 (Fourth quarter of fiscal year 2014 and 2013)

Information concerning operations in different operating segments for the three-month period ended March 31, 2014 and 2013 is as follows:

For the three-month period ended March 31, 2014 (January 1, 2014 - March 31, 2014)								Millions of Yen
	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	ICT, General Products & Realty	Others, Adjustments & Eliminations	Consolidated
Total trading transactions:								
Unaffiliated customers and associated companies	¥ 179,389	¥ 360,143	¥ 198,695	¥ 1,576,426	¥ 921,501	¥ 577,728	¥ 12,920	¥ 3,826,802
Transfers between operating segments	275	24	17	5,688	1,179	6,925	(14,108)	-
Total trading transactions	<u>179,664</u>	<u>360,167</u>	<u>198,712</u>	<u>1,582,114</u>	<u>922,680</u>	<u>584,653</u>	<u>(1,188)</u>	<u>3,826,802</u>
Gross trading profit	<u>34,483</u>	<u>25,336</u>	<u>17,207</u>	<u>57,121</u>	<u>55,783</u>	<u>88,067</u>	<u>(52)</u>	<u>277,945</u>
Net income attributable to ITOCHU.....	<u>8,759</u>	<u>10,525</u>	<u>17,289</u>	<u>1,017</u>	<u>15,398</u>	<u>19,882</u>	<u>(2,929)</u>	<u>69,941</u>
[Equity in earnings of associated companies].....	<u>[3,591]</u>	<u>[5,595]</u>	<u>[10,966]</u>	<u>[(27,483)]</u>	<u>[5,274]</u>	<u>[5,942]</u>	<u>[(993)]</u>	<u>[2,892]</u>
Total assets at March 31, 2014.....	<u>504,451</u>	<u>953,799</u>	<u>1,308,151</u>	<u>1,283,687</u>	<u>1,575,161</u>	<u>1,581,721</u>	<u>641,470</u>	<u>7,848,440</u>

For the three-month period ended March 31, 2013 (January 1, 2013 - March 31, 2013)								Millions of Yen
	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	ICT, General Products & Realty	Others, Adjustments & Eliminations	Consolidated
Total trading transactions:								
Unaffiliated customers and associated companies	¥ 167,586	¥ 320,408	¥ 173,768	¥ 1,411,741	¥ 789,287	¥ 400,594	¥ 14,313	¥ 3,277,697
Transfers between operating segments	154	457	(315)	5,682	1,248	5,510	(12,736)	-
Total trading transactions	<u>167,740</u>	<u>320,865</u>	<u>173,453</u>	<u>1,417,423</u>	<u>790,535</u>	<u>406,104</u>	<u>1,577</u>	<u>3,277,697</u>
Gross trading profit	<u>33,995</u>	<u>25,006</u>	<u>23,226</u>	<u>48,661</u>	<u>48,354</u>	<u>64,438</u>	<u>4,453</u>	<u>248,133</u>
Net income attributable to ITOCHU.....	<u>6,620</u>	<u>9,732</u>	<u>23,335</u>	<u>9,502</u>	<u>7,379</u>	<u>15,874</u>	<u>(279)</u>	<u>72,163</u>
[Equity in earnings of associated companies].....	<u>[1,936]</u>	<u>[3,284]</u>	<u>[11,439]</u>	<u>[(22,821)]</u>	<u>[3,151]</u>	<u>[4,207]</u>	<u>[(79)]</u>	<u>[1,117]</u>
Total assets at March 31, 2013.....	<u>486,849</u>	<u>890,890</u>	<u>1,175,200</u>	<u>1,335,207</u>	<u>1,370,199</u>	<u>1,363,449</u>	<u>495,652</u>	<u>7,117,446</u>

For the three-month period ended March 31, 2014 (January 1, 2014 - March 31, 2014)								Millions of U.S. dollars
	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	ICT, General Products & Realty	Others, Adjustments & Eliminations	Consolidated
Total trading transactions:								
Unaffiliated customers and associated companies	\$ 1,743	\$ 3,499	\$ 1,931	\$ 15,317	\$ 8,954	\$ 5,613	\$ 125	\$ 37,182
Transfers between operating segments	3	-	-	55	11	68	(137)	-
Total trading transactions	<u>1,746</u>	<u>3,499</u>	<u>1,931</u>	<u>15,372</u>	<u>8,965</u>	<u>5,681</u>	<u>(12)</u>	<u>37,182</u>
Gross trading profit	<u>335</u>	<u>246</u>	<u>167</u>	<u>555</u>	<u>542</u>	<u>856</u>	<u>-</u>	<u>2,701</u>
Net income attributable to ITOCHU.....	<u>85</u>	<u>102</u>	<u>168</u>	<u>10</u>	<u>150</u>	<u>193</u>	<u>(28)</u>	<u>680</u>
[Equity in earnings of associated companies].....	<u>[35]</u>	<u>[54]</u>	<u>[107]</u>	<u>[(267)]</u>	<u>[51]</u>	<u>[58]</u>	<u>[(10)]</u>	<u>[28]</u>
Total assets at March 31, 2014.....	<u>4,901</u>	<u>9,267</u>	<u>12,710</u>	<u>12,473</u>	<u>15,305</u>	<u>15,369</u>	<u>6,233</u>	<u>76,258</u>

Note :

Refer to "Note" on page 36.

[Explanation for Operating Segment Information]

Trading transactions for unaffiliated customers and associated companies

(Unit : billion yen)	Increase			Main reasons for changes
	Jan.-Mar. 2014	Jan.-Mar. 2013	(Decrease)	
Textile	179.4	167.6	11.8	.....Increase mainly due to higher apparel products transactions
Machinery	360.1	320.4	39.7	.....Increase due to higher automobile transaction volume for Europe and Africa, and effect of yen depreciation, despite decrease in ship transaction volume
Metals & Minerals	198.7	173.8	24.9	.....Increase due to higher transaction volume of non-ferrous metal products, and effect of yen depreciation
Energy & Chemicals	1,576.4	1,411.7	164.7	.....Increase due to higher transaction volume of energy trading and chemicals, and effect of yen depreciation
Food	921.5	789.3	132.2	.....Increase due to acquisition of Dole business, higher transaction volume of food material transactions and food-distribution-related companies
ICT, General Products & Realty	577.7	400.6	177.1	.....Increase due to favorable pulp transactions and favorable performance by housing-materials-related companies, higher transaction volume of domestic ICT-related companies, expanded business by mobile-phone-related companies, contribution of real estate transactions, and effect of yen depreciation
Others, Adjustments & Eliminations	12.9	14.3	(1.4)	.....Decrease due to increase in adjustments and eliminations, despite higher transaction volume of equipment materials in North America and effect of yen depreciation
Total	3,826.8	3,277.7	549.1	

Gross trading profit

(Unit : billion yen)	Increase			Main reasons for changes
	Jan.-Mar. 2014	Jan.-Mar. 2013	(Decrease)	
Textile	34.5	34.0	0.5	.....Increase mainly due to higher apparel products transactions
Machinery	25.3	25.0	0.3	.....Overall at almost the same level due to increase in automobile, machinery, and plant-related transaction volume and yen depreciation, despite valuation loss on sales inventories and decrease in ship transactions
Metals & Minerals	17.2	23.2	(6.0)	.....Decrease due to falling coal prices and decrease in iron ore prices compared with the same period of the previous fiscal year
Energy & Chemicals	57.1	48.7	8.5	.....Overall increase due to increase and improvement in profitability of energy trading transactions, increased vessel allocation for transactions of exploration and production of crude oil; and higher transactions of chemicals, despite decrease in profit accompanying sale of U.K. North Sea energy rights in the same period of the previous fiscal year
Food	55.8	48.4	7.4	.....Increase due to acquisition of Dole business and higher transaction volume in food-distribution-related companies
ICT, General Products & Realty	88.1	64.4	23.6	.....Increase due to favorable performance of housing-materials-related companies, higher transaction volume of domestic ICT-related companies, expanded business by mobile-phone-related companies, contribution of real estate transactions, and effect of yen depreciation
Others, Adjustments & Eliminations	(0.1)	4.5	(4.5)	.....Decrease due to increase in adjustments and eliminations
Total	277.9	248.1	29.8	

Net income attributable to ITOCHU

(Unit : billion yen)	Increase			Main reasons for changes
	Jan.-Mar. 2014	Jan.-Mar. 2013	(Decrease)	
Textile	8.8	6.6	2.1	.....Increase due to increase in gain (loss) on investments-net, increase in equity in earnings of associated companies, and rise in gross trading profit, despite increase in SG&A
Machinery	10.5	9.7	0.8	.....Increase due to increase in equity in earnings of associated companies and rise in gross trading profit, despite valuation loss on sales inventories and decrease in ship transactions
Metals & Minerals	17.3	23.3	(6.0)	.....Decrease due to decrease in gross trading profit, and decrease in gain (loss) on investments-net and equity in earnings of associated companies
Energy & Chemicals	1.0	9.5	(8.5)	.....Decrease due to decrease in gain (loss) on investments-net and increased impairment losses in U.S. oil and gas development companies, despite the rise in gross trading profit
Food	15.4	7.4	8.0	.....Increase due to acquisition of Dole business, and increase in gain (loss) on investments-net and equity in earnings of associated companies
ICT, General Products & Realty	19.9	15.9	4.0	.....Increase due to rise in gross trading profit, and increase in gain (loss) on investments-net and equity in earnings of associated companies
Others, Adjustments & Eliminations	(2.9)	(0.3)	(2.7)	.....Decrease due to decrease in gain (loss) on investments-net
Total	69.9	72.2	(2.2)	

(12) Per share Information

The following is the information on ITOCHU stockholders' equity per share and net income attributable to ITOCHU per share for the years ended March 31, 2014 and 2013.

(Unit:Yen)

	2014	2013
ITOCHE stockholders' equity per share	1,358.42	1,117.01
Net income attributable to ITOCHU per share (basic)	196.31	177.35
Net income attributable to ITOCHU per share (diluted)	195.80	—

Net income attributable to ITOCHU per share (diluted) for fiscal year 2013 is not presented due to the anti-dilutive effect of convertible preferred stocks issued by equity-method associated companies.

The base data to calculate the basic and diluted net income attributable to ITOCHU per share for the years ended March 31, 2014 and 2013 are as follows:

(Numerator)

(Unit:Millions of yen)

	2014	2013
Net income attributable to ITOCHU	310,267	280,297
Effect of dilutive securities: Convertible preferred stock	(807)	—
Net income attributable to ITOCHU (diluted)	309,460	280,297

(Denominator)

	2014	2013
Average number of common shares outstanding	1,580,494,251	1,580,515,991

(13) Subsequent Events

No material subsequent events have occurred as of May 1, 2014.

(14) Quarterly Information on Consolidated Operating Results

Consolidated Statements of Income

(Unit: billion yen)

	Fiscal Year 2013 ended March 31, 2013					Fiscal Year 2014 ended March 31, 2014				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Revenue	1,036.2	1,135.9	1,075.2	1,332.5	4,579.8	1,242.7	1,349.9	1,444.8	1,493.5	5,530.9
Gross trading profit	219.6	229.9	218.3	248.1	915.9	231.5	253.2	265.7	277.9	1,028.3
Selling, general and administrative expenses	(167.0)	(171.5)	(165.3)	(167.5)	(671.3)	(175.6)	(187.1)	(189.1)	(191.3)	(743.1)
Provision for doubtful receivables	1.9	(0.9)	(0.8)	(0.6)	(0.3)	(1.3)	(1.3)	(0.8)	(2.6)	(6.1)
Interest income	2.2	2.2	2.2	2.6	9.2	2.7	2.9	2.9	3.2	11.7
Interest expense	(5.9)	(5.8)	(5.6)	(5.9)	(23.2)	(5.9)	(6.3)	(6.4)	(6.4)	(24.9)
Dividends received	5.6	2.0	4.0	23.1	34.6	5.4	3.3	4.8	23.6	37.1
Gain on investments-net	9.7	2.4	8.3	25.5	45.9	22.0	14.1	5.6	17.8	59.5
Gain (loss) on property and equipment-net	(0.4)	(2.2)	(1.5)	(5.1)	(9.3)	0.7	0.1	(0.2)	(2.1)	(1.6)
Other-net	1.3	3.4	4.7	0.3	9.7	3.0	3.4	3.3	3.4	13.0
Income before income taxes and equity in earnings of associated companies	67.0	59.5	64.1	120.5	311.1	82.4	82.2	85.7	123.5	373.8
Income taxes	(24.0)	(12.5)	(14.7)	(43.1)	(94.3)	(29.1)	(28.4)	(24.2)	(48.7)	(130.4)
Income before equity in earnings of associated companies	43.0	47.0	49.4	77.4	216.8	53.3	53.8	61.4	74.8	243.4
Equity in earnings of associated companies	30.5	32.0	22.3	1.1	85.9	26.3	40.6	15.5	2.9	85.3
Net income	73.5	79.0	71.7	78.5	302.7	79.7	94.4	76.9	77.7	328.7
Net income attributable to the noncontrolling interest	(2.9)	(7.4)	(5.8)	(6.3)	(22.4)	(2.4)	(6.6)	(1.7)	(7.7)	(18.4)
Net income attributable to ITOCHU	70.7	71.6	65.9	72.2	280.3	77.3	87.8	75.2	69.9	310.3
[Adjusted Profit]	[85.0]	[88.7]	[75.8]	[101.5]	[351.0]	[84.4]	[106.6]	[93.4]	[109.9]	[394.2]

Segment Information

(Unit: billion yen)

	Fiscal Year 2013 ended March 31, 2013					Fiscal Year 2014 ended March 31, 2014				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Textile										
Gross trading profit	28.5	32.7	33.7	34.0	128.9	30.7	32.0	34.0	34.5	131.2
Net income attributable to ITOCHU	8.5	9.5	6.6	6.6	31.2	6.3	10.0	7.4	8.8	32.5
Machinery										
Gross trading profit	19.7	23.1	21.6	25.0	89.4	24.1	25.4	25.9	25.3	100.7
Net income attributable to ITOCHU	5.9	8.8	7.6	9.7	32.1	13.8	10.4	8.7	10.5	43.4
Metals & Minerals										
Gross trading profit	23.9	15.2	17.2	23.2	79.5	26.0	22.3	26.5	17.2	92.1
Net income attributable to ITOCHU	24.6	18.4	16.1	23.3	82.5	20.4	21.6	14.8	17.3	74.1
Energy & Chemicals										
Gross trading profit	40.5	39.1	36.8	48.7	165.0	39.4	39.5	40.5	57.1	176.4
Net income attributable to ITOCHU	8.3	6.7	(1.4)	9.5	23.1	4.0	7.5	4.2	1.0	16.7
Energy										
Gross trading profit	25.0	23.6	21.6	32.7	102.9	23.0	22.7	23.4	40.0	109.0
Net income attributable to ITOCHU	5.1	2.8	(5.2)	3.2	5.8	1.1	4.9	1.3	(5.0)	2.2
Chemicals										
Gross trading profit	15.5	15.5	15.2	16.0	62.1	16.3	16.9	17.1	17.1	67.4
Net income attributable to ITOCHU	3.2	3.9	3.9	6.3	17.3	2.9	2.7	2.9	6.0	14.5
Food										
Gross trading profit	47.9	54.4	52.0	48.4	202.7	58.7	61.7	63.7	55.8	239.9
Net income attributable to ITOCHU	10.9	14.4	13.0	7.4	45.7	11.4	14.6	16.1	15.4	57.5
ICT, General Products & Realty										
Gross trading profit	56.5	62.9	52.7	64.4	236.6	53.6	69.3	71.2	88.1	282.1
Net income attributable to ITOCHU	8.4	15.0	12.8	15.9	52.1	18.7	21.1	16.6	19.9	76.3
Forest Products & General Merchandise										
Gross trading profit	24.4	21.5	23.3	24.6	93.8	27.9	26.7	29.1	29.6	113.4
Net income attributable to ITOCHU	3.2	4.4	4.3	5.1	17.0	5.9	8.0	7.5	4.5	25.9
ICT, Insurance & Logistics										
Gross trading profit	27.2	33.9	24.0	32.5	117.5	21.1	36.3	35.2	48.3	141.0
Net income attributable to ITOCHU	3.1	5.3	6.0	6.5	20.9	3.0	7.5	4.5	9.5	24.4
Construction, Realty & Financial Business										
Gross trading profit	4.9	7.6	5.4	7.3	25.3	4.5	6.2	6.9	10.2	27.7
Net income attributable to ITOCHU	2.1	5.3	2.6	4.4	14.3	9.9	5.6	4.7	5.9	26.1
Others, Adjustments & Eliminations										
Gross trading profit	2.6	2.4	4.3	4.5	13.8	(1.0)	3.1	3.8	(0.1)	5.9
Net income attributable to ITOCHU	4.0	(1.2)	11.1	(0.3)	13.6	2.8	2.6	7.4	(2.9)	9.8
Consolidated										
Gross trading profit	219.6	229.9	218.3	248.1	915.9	231.5	253.2	265.7	277.9	1,028.3
Net income attributable to ITOCHU	70.7	71.6	65.9	72.2	280.3	77.3	87.8	75.2	69.9	310.3

5. Financial Highlights

[Consolidated]

(Unit: Billion Yen)

	2010	2011	2012	2013	2014
Total trading transactions (*1)	10,308.6	11,323.8	11,904.7	12,551.6	14,566.8
Gross trading profit (*1)	860.2	906.6	956.9	915.9	1,028.3
Income before income taxes and equity in earnings of associated companies	156.3	182.3	341.2	311.1	373.8
Net income attributable to ITOCHU	128.9	161.1	300.5	280.3	310.3

	Mar. 2010	Mar. 2011	Mar. 2012	Mar. 2013	Mar. 2014
Total assets	5,478.9	5,676.7	6,507.3	7,117.4	7,848.4
Interest-bearing debt	2,209.6	2,268.9	2,533.6	2,762.5	2,885.3
(Cash and cash equivalents, Time deposits)	(488.1)	(638.2)	(518.7)	(576.8)	(661.0)
Net interest-bearing debt	1,721.5	1,630.8	2,014.9	2,185.6	2,224.3

ITOCHU stockholders' equity	1,099.6	1,156.3	1,363.8	1,765.4	2,147.0
ITOCHU stockholders' equity per share (Yen)	695.75	731.57	862.88	1,117.01	1,358.42

R O A (Return on assets)	2.4%	2.9%	4.9%	4.1%	4.1%
R O E (Return on equity)	13.2%	14.3%	23.8%	17.9%	15.9%
Net debt-to-stockholders' equity ratio (times)	1.6	1.4	1.5	1.2	1.0

[Stock price information]

(Unit: Yen)

	2010	2011	2012	2013	2014
Stock price (Highest)	821	930	966	1,241	1,568
(Lowest)	486	659	676	755	1,033
(Closing)	819	871	903	1,131	1,206
(Reference) Nikkei Stock Average index (*2)	11,089	9,755	10,083	12,397	14,827

(*1) With respect to distribution cost related to the ITOCHU Group's food distribution and marketing business, ITOCHU has made a change in presentation in the financial statements related to the ITOCHU Group's portion of operational cost arising at the distribution centers of the ITOCHU Group's customers, such as mass merchandisers, and delivery costs from the distribution centers to the customers' stores since the beginning of the fiscal year 2013.

The aforementioned distribution cost for fiscal year 2011 and fiscal year 2012 has been reclassified in the same manner.

(*2) Nikkei Stock Average index: Year-end price of each fiscal year