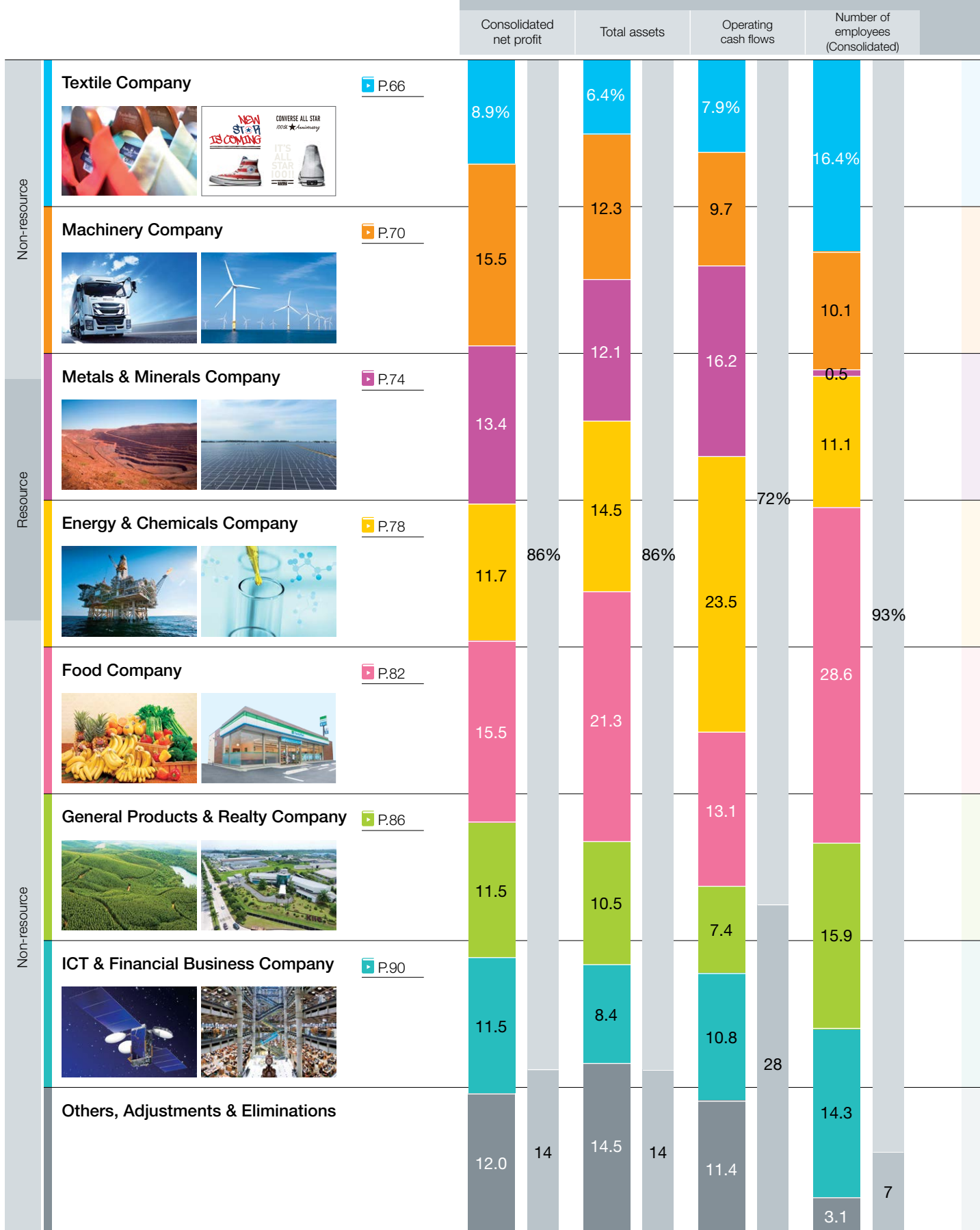


Segment Overview

Percentage of the Total for ITOCHU (3-year average)



* Figures for consolidated net profit are based on an average for the past three years, excluding one-time profit/loss.

Business Fields	FYE 2017 Highlights
<ul style="list-style-type: none"> ■ Brand business ■ Raw materials, garment materials, apparel ■ Industrial materials 	<ul style="list-style-type: none"> ■ JOI'X CORPORATION debuted their first apparel collection for Psycho Bunny in spring/summer 2017 and will continue to focus on the line as one of their core brands alongside Paul Smith. In the first fiscal year, the company plans to open around 20 stores, including free standing stores. ■ To celebrate the 100th anniversary of its ALL STAR brand, Converse has launched the ALL STAR 100 series, which features enhanced performance. The company also began working with a prominent French designer on the development of the high-end AVANT CONVERSE line, which will further contribute to the brand's evolution.
<ul style="list-style-type: none"> ■ Plant and Power projects (petrochemical, water and environmental, infrastructure, IPP) ■ Marine and Aerospace (new vessels, secondhand vessels, ship ownership, civil aircraft, aircraft leasing) ■ Automobile (sales of passenger cars and commercial vehicles in the domestic and international markets, and business investments) ■ Construction machinery, Industrial machinery and Medical devices (sales and business investment in domestic and international markets) 	<ul style="list-style-type: none"> ■ Acquired 22.5% equity interest in the Butendiek Offshore Wind Power Plant jointly with CITIC Pacific Ltd. ■ Commencement of commercial operation of the first unit of the Sarulla Geothermal IPP Project in Indonesia ■ Telerent, which has the leading share of TV system sales to hospitals in the Americas, acquired DNG, which engages in the business of designing and constructing audiovisual equipment
<ul style="list-style-type: none"> ■ Development of metals and mineral resources (iron ore, coal, alumina, etc.) ■ Trade in products, resources, and fuel (iron ore, coal, aluminum, uranium, etc.) ■ Steel-related businesses (import and export, sales, and processing of steel products) ■ Environment-related businesses (mega-solar projects, biomass fuel trading, etc.) 	<ul style="list-style-type: none"> ■ Start of commercial operation at Shin-Okayama Solar Power Plant ■ Annual production at the Jimblebar Iron Ore Mine in Australia reached 50 million tons per year
<ul style="list-style-type: none"> ■ Energy development (LNG projects, oil and gas projects, etc.) ■ Energy trading (crude oil, petroleum products, LPG, LNG, natural gas, electricity, etc.) ■ Chemical projects and trading 	<ul style="list-style-type: none"> ■ Signing of memorandum of understanding with CITIC Resources Holdings Limited for collaboration in oil and gas business ■ Signing of basic agreement with Sumitomo Chemical to collaborate on distribution of methionine ■ Successful entry into production phase at an oil field in Eastern Siberia, Russian Federation
<ul style="list-style-type: none"> ■ Resources/Material ■ Product processing (fresh food, provisions) ■ Midstream distribution (food wholesaling) ■ Retail (CVS, GMS) 	<ul style="list-style-type: none"> ■ Merger of FamilyMart Co., Ltd., and UNY Group Holdings Co., Ltd., creating FamilyMart UNY Holdings Co., Ltd. ■ Conclusion of alliance with the RIZAP Group and FamilyMart in the areas of healthcare and lifestyle
<ul style="list-style-type: none"> ■ Wood products and materials (production, wholesaling) ■ Paper, pulp, and hygiene (production, wholesaling) ■ Natural rubber and tire (processing, wholesaling, retail) ■ Development and operation of housing, logistics facilities, and other projects ■ Logistics (3PL, international transport, etc.) 	<ul style="list-style-type: none"> ■ Acquired a site of approximately 200 hectares in the Karawang International Industrial City in Indonesia, and a plant expansion is under way ■ Distribution center development and expansion of outsourced center operations for Internet sales in China, centered on wholly owned ITOCHU Group subsidiary ITOCHU LOGISTICS (CHINA) CO., LTD.
<ul style="list-style-type: none"> ■ Information technology (ICT, BPO, healthcare) ■ Communications (mobile, media, satellite businesses) ■ Finance (retail, corporate) ■ Insurance (brokerage, underwriting) ■ Fintech, AI, IoT 	<ul style="list-style-type: none"> ■ Entrance of new business domain that uses AI and fintech to go beyond the boundaries of telecommunications and finance (capital tie-up with ABEJA/Grid) ■ Reorganization of BPO services for ITOCHU Group and pharmaceutical companies ■ Enhanced ties with HOKEN NO MADOGUCHI GROUP
	<ul style="list-style-type: none"> ■ Signing of letter of intent for establishment of joint venture in medical and health-related businesses with CITIC Medical & Health Group Co., Ltd. ■ Start of operations of cross-border e-commerce site targeting affluent Chinese segment in collaboration with CITIC Holdings Co., Ltd.

Textile Company

We will target further earnings growth by accelerating our pursuit of downstream strategies and accumulating superior assets, while replacing assets.

President, Textile Company
Shuichi Koseki



NEW
STAR
IS COMING



CONVERSE ALL STAR
100th Anniversary

IT'S
ALL
STAR
100!!



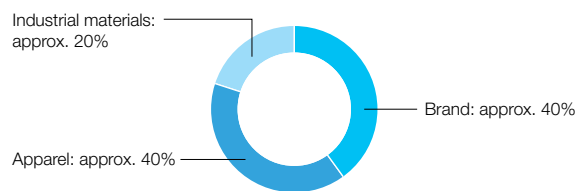
Organization



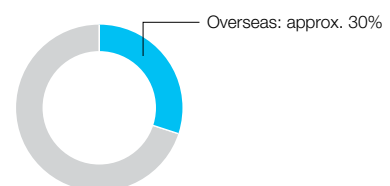
From left:
Shiro Hayashi,
Chief Operating Officer, Apparel Division 1
Motonari Shimizu,
Chief Operating Officer, Apparel Division 2
Masahiro Morofuji,
Executive Vice President, Textile Company;
Chief Operating Officer, Brand Marketing Division 1
Yoshihiro Fukushima,
Chief Operating Officer, Brand Marketing Division 2
Tatsuya Izumi, Chief Financial Officer
Shoji Miura,
General Manager, Planning & Administration Department

Ratios

Composition by Segment (image)



Percentage of Earnings from Overseas Businesses (image)





Analysis of Current Status

Strengths

- Strong position as the unmistakable leader among general trading companies in the textile industry
- Full-spectrum value chain that includes everything from upstream to downstream operations in the textile industry
- Highly efficient business foundation and a balanced asset portfolio

Earnings Opportunities

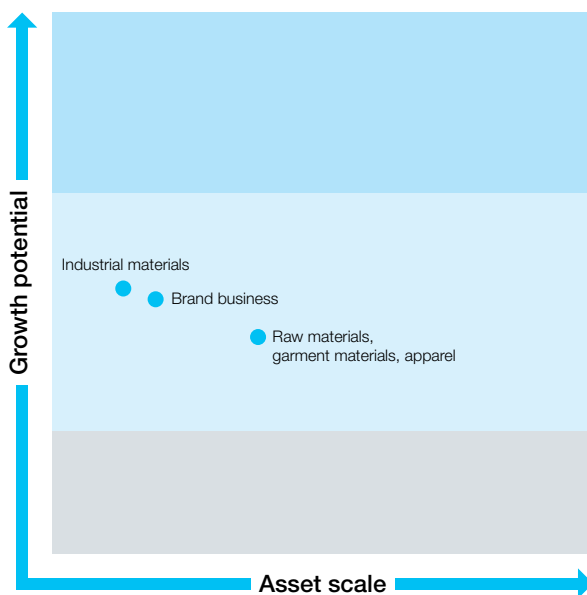
- Changing consumer trends in the Japanese market such as increasing inbound tourism
- Growth of consumer markets in China and other parts of Asia due to rising standards of living
- Trade agreements that can lead to new commercial opportunities
- 
 ■ Creating a stable structure for manufacturing by developing a supply chain that values human rights and achieves improvements in the working environment
- 
 ■ Meet new consumer demand for sustainable and ethical practices by creating environmentally friendly businesses, such as those using recycled textiles

Challenges to Address

- Encouraging consumption through the creation of new ways to add value for consumers under the shrinking domestic apparel market
- Cultivating overseas markets with influential partners under a decreasing domestic population
- 
 ■ Improve the precision of supply chain management and conduct more in-depth and broader initiatives
- 
 ■ Ensure business sustainability by responding swiftly and positively to environmental legislation

Materialities
 Consideration for the environment
  Sustainable use of resources
  Respect and consideration for human rights
  Contribution to local communities
  Improving labor conditions

Asset Portfolio



EXIT from "stable earnings" in FYE 2016: Shanshan Group

 Value driver
  Stable earnings
  Reinforce

Growth Strategies

Creating Added Value

- Increase earnings by enhancing existing businesses through cultivation and improvement
- Expand new trade and initiatives in growth fields, such as e-commerce, sports, etc.
- Increase fundamental earnings by enhancing existing businesses through measures, such as promoting a lean and streamlined management

Asset Strategies

- Further promote the expansion and replacement of superior assets while maintaining a mid- to long-term perspective
- Strengthen capital initiatives by partnering with strong local companies in Japan, China, and other parts of Asia

Initiatives to Enhance Corporate Value

Creating Added Value

Enhancing Value by Strengthening Existing Businesses (Cultivation and Improvement)

In addition to new initiatives and projects, the Textile Company aims to achieve stable and sustainable growth in the mid to long term by further strengthening its existing businesses.

ITOCHU holds the trademark rights for the Converse brand in Japan. We obtained the rights for use in apparel and accessories in 1999, followed by shoes in 2001. In 2002, we established Converse Japan Co., Ltd., as a wholly owned subsidiary. Since then, the Textile Company has made a unified effort to strengthen and grow the brand, further enhancing its value in the Japanese market. To increase sales channels and continue to build on the core wholesale business of Converse shoes, in 2015 we opened the brands' first directly operated store. The business continues to evolve steadily as we look to further expansion through new initiatives such as high-end collaborations with prominent designers to promote the brand's development. Furthermore, the brand's apparel initiatives were previously focused on the sale of mid-range products to mass retailers, but recently we have started a new partnership with MELROSE CO., LTD., which is a strong player in the apparel industry that develops and operates brands in Japan. This partnership has resulted in the launch of a high-end apparel line and has significantly boosted the brand image in non-shoe categories.

The success and growth of the Converse brand is a prime example of how we will continue to pursue new initiatives to strengthen and grow our existing businesses.



White Atelier BY CONVERSE, the directly operated store in Tokyo that opened in 2015



AVANT CONVERSE, a high-end collaboration line created with a prominent designer

Creating Added Value



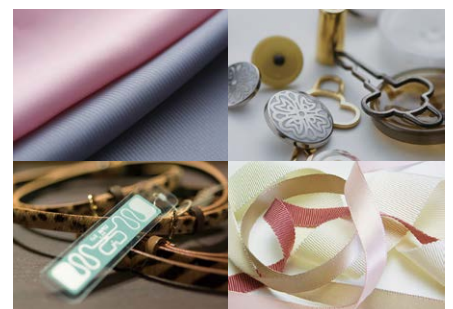
ESG

Initiatives with SANKEI

SANKEI CO., LTD. is an ITOCHU subsidiary that specializes in garment materials and notions, such as linings, buttons, and fasteners. SANKEI is known as a total supplier, providing comprehensive services that include production, sales, and distribution in both Japan and international markets. SANKEI's Mikuni factory in Fukui Prefecture specializes in the dyeing of lining materials and is the largest of its kind in Japan. Through this and several other factories, SANKEI holds a 70% share of the domestic market. In recent years, the company has also focused on development in cutting-edge fields, including the manufacture and sale of contactless IC tags (RFID). Through its proactive engagement in these fields, SANKEI is working to foster the early adoption of this technology in both Japan and overseas.

Since SANKEI became a subsidiary in 2008, ITOCHU has worked to support the business by dispatching management resources to SANKEI in an effort to bring about structural reforms and the growth of its apparel functions. As a result, the company has achieved a solid position as the industry leader in garment materials and notions. We also proactively promote synergies within the Group, including SANKEI's provision of garment materials to EDWIN, which is one of the largest denim manufacturers and distributors in Japan.

From an ESG perspective, SANKEI is working to achieve cost reductions and implement environmental measures, such as installing solar power panels on some of their unused land and building a biomass boiler fueled by waste wood chips. Through these initiatives, the company is striving to establish a sustainable manufacturing foundation and shrink its environmental footprint by reducing CO₂ emissions and converting to natural energy.



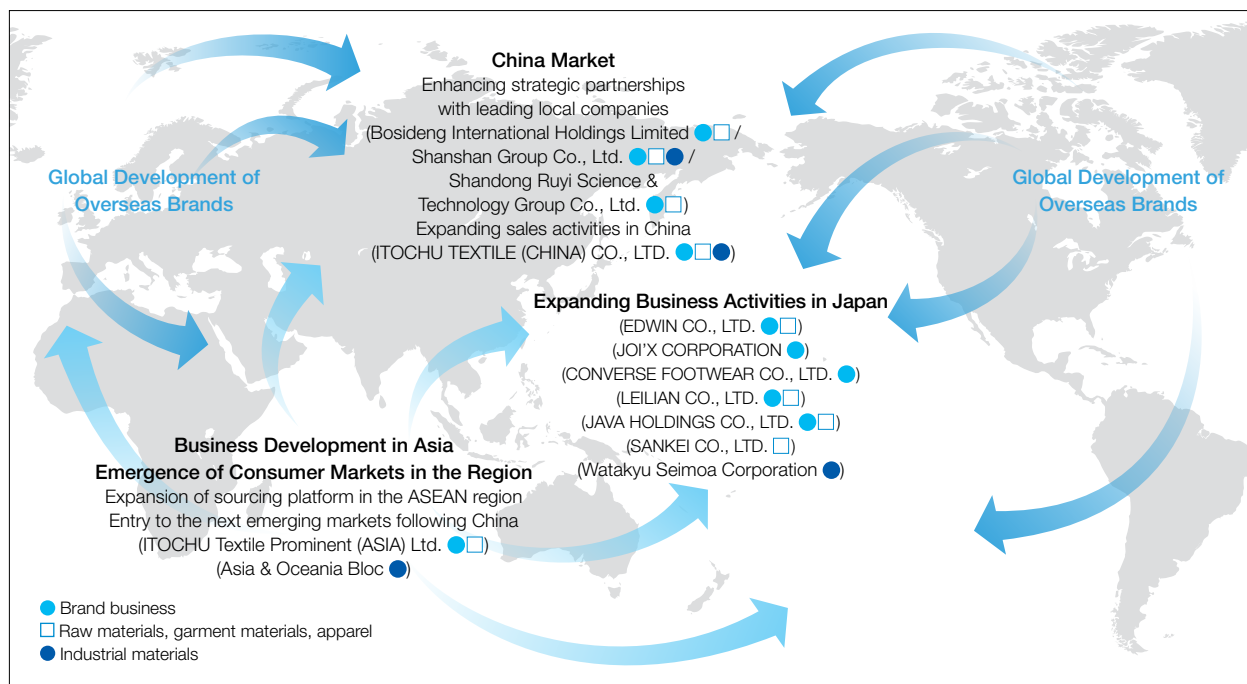
SANKEI's primary products:
Linings, buttons, RFID tags, etc.



Solar panels installed on unused land
at the Mikuni factory

Please see the Sustainability pages of our website to learn more about our initiatives targeting sustainable growth issues.
<https://www.itochu.co.jp/en/csr/activities/textile/>

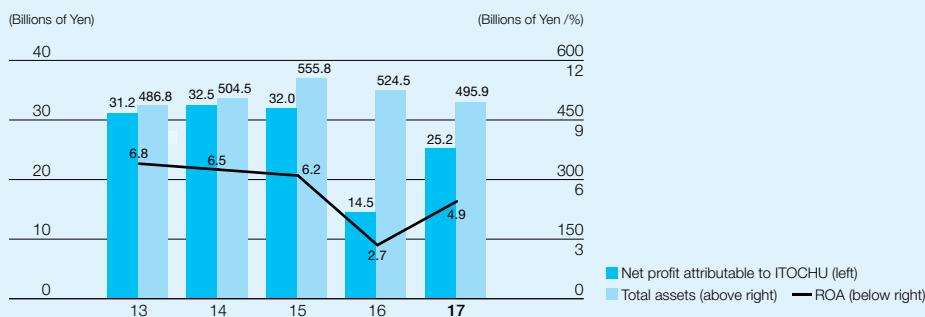
Business Development



Business Results Years ended March 31

Note: Based on U.S. GAAP for FYE 2013 and 2014

Net Profit attributable to ITOCHU / Total Assets / ROA



	2013	2014	2015	2016	2017
Billions of Yen					
Breakdown of Net Profit Attributable to ITOCHU by Major Group Companies					
JOI'X CORPORATION	1.3	1.3	1.3	1.1	1.4
SANKEI CO., LTD.	1.6	1.5	2.6	1.0	2.0
ITOCHU Textile Prominent (ASIA) Ltd.	1.1	2.0	1.4	0.9	0.8
ITOCHU TEXTILE (CHINA) CO., LTD.	1.3	1.2	1.2	0.9	0.9
Percentage Contribution of Non-consolidated Trade Earnings to Net Profit Attributable to ITOCHU (image)	approx. 30%				
Percentage of Total Number of Subsidiaries and Affiliated Companies (No. of companies)	Japan		18% (24)	18% (23)	17% (21)
	Overseas		7% (14)	6% (11)	6% (11)

Machinery Company

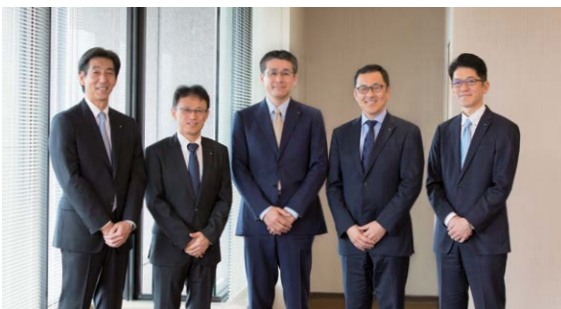
We aim to make a further leap forward by accumulating superior assets and reconfiguring and reinforcing the value chain business.

President, Machinery Company

Kazutaka Yoshida



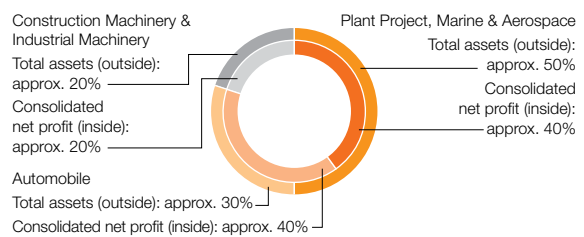
Organization



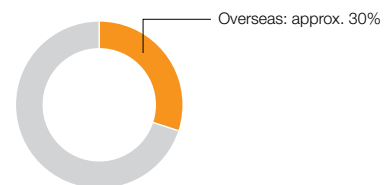
From left:
 Hiroshi Sato,
 Chief Operating Officer, Plant Project, Marine & Aerospace Division
 Masato Osugi,
 Chief Operating Officer, Automobile Division
 Toshihiko Fujioka,
 Chief Operating Officer,
 Construction Machinery & Industrial Machinery Division
 Ikuya Hirano, Chief Financial Officer
 Hiroshi Ushijima,
 General Manager, Planning & Administration Department

Ratios

Composition by Segment (image)



Percentage of Earnings from Overseas Businesses (image)





Analysis of Current Status

Strengths

- Solid business relationships with excellent partners in each field of operations
- Broad-based business development on a global scale in the automobile sector
- Diverse businesses in advanced countries and business developments in emerging countries that minimize country risk

Earnings Opportunities

- Numerous investment opportunities to meet growing demand for global infrastructure (electric power, water, environmental, transport, and energy)
- Market expansion due to rising automobile demand in emerging countries
- 
 ■ Growing needs for leading-edge medical devices in advanced countries as their societies age
- 
 ■ Participation in renewable energy projects, including geothermal and wind power generation
- 
 ■ Initiatives in water-related businesses in response to increasing demand for water

Challenges to Address

- Trade and business development that takes into consideration the pace of growth and country risk in emerging countries
- 
 ■ In infrastructure-related businesses, consideration for environmental protection, local communities, and human rights in development regions
- 
 ■ In medical businesses, response to the rapid aging of society
- 
 ■ Response to a low-carbon society by utilization of renewable energy

Materialities



Consideration for the environment



Sustainable use of resources



Respect and consideration for human rights

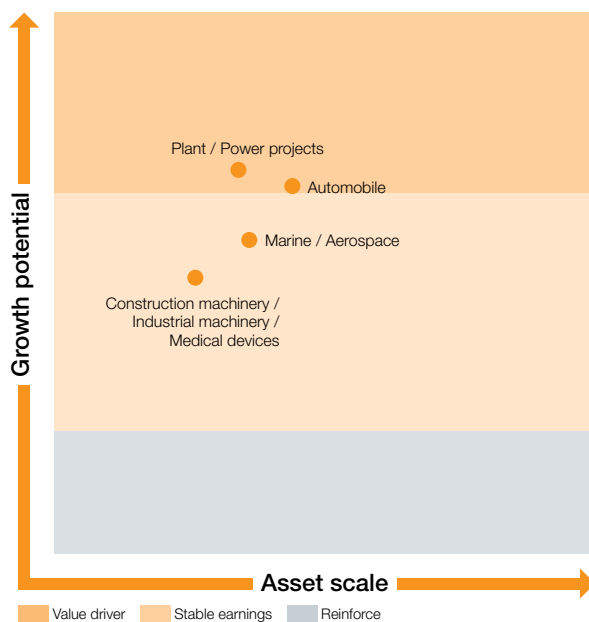


Contribution to local communities



Improving labor conditions

Asset Portfolio



Growth Strategies

Creating Added Value

- Augment ability to generate fundamental earnings through measures to enhance existing businesses
- Boost trade and reorganize and strengthen the value chain business, expanding into peripheral fields
- Promote cooperation with excellent partners (such as the CITIC Group and the CP Group)
- Promote the construction of a medical device value chain

Asset Strategies

- Replace assets and accumulate superior assets
- Invest in projects while paying due consideration to environmental protection and local communities

Initiatives to Enhance Corporate Value

Creating
Added Value

YANASE Converted to Consolidated Subsidiary

YANASE & CO., LTD., is the largest imported car dealership group in Japan, with a network of approximately 190 locations around Japan and some 4,700 employees. The company marked its 100th anniversary of establishment in 2015. YANASE currently handles seven automobile brands centered on Mercedes-Benz, with sales of approximately 43,000 units per year, which is 15% share of the imported car market in Japan.

ITOCHU became a capital participant in YANASE in 2003. Since then, we have gradually increased our capital contribution ratio, and in the second quarter of FYE 2018 we converted the company to a consolidated subsidiary. ITOCHU is following the investment policy that prioritizes investment in carefully selected projects, centering on additional investments of existing businesses with a proven track record to further enhance the quality and efficiency of its assets. YANASE is an example of these efforts.

Going forward, ITOCHU will strengthen its alliance with YANASE, and strive to enhance existing businesses in Japan, including new and used car sales and after-sales services. At the same time, we aim to improve YANASE's corporate value further by realizing synergies with ITOCHU's expertise, human and financial resources.



Headquarters building, renovated in 2012



Mercedes-Benz showroom

Asset
Strategies

+

ESG

The Sarulla Geothermal IPP Project

In Indonesia's Sarulla region in North Sumatra, one of the world's largest geothermal power projects (net capacity of 320.8 MW by three units) is under way by Sarulla Operations Ltd. (SOL), which was jointly established by ITOCHU Corporation, Kyushu Electric Power Co., Inc., INPEX Corporation, PT. Medco Power Indonesia, and Ormat Technologies, Inc. (USA).

In 2013, SOL signed a 30-year long-term power purchase agreement with Indonesia's state-owned electricity company, and began the construction of a power plant and steam field drilling, of which commercial operation of the first unit commenced on March 18, 2017. With ongoing construction, the second unit is set to achieve commercial operation in 2017, followed by the third in 2018.

Indonesia stands out as the home of one of the world's largest geothermal reserves and the Indonesian government is aggressively promoting its development as a strategic source of electricity. Amid growing infrastructure demand around the world, ITOCHU continues to promote investments in business opportunities which make contributions to the economic development of emerging countries with due consideration paid to environmental protection and local communities.

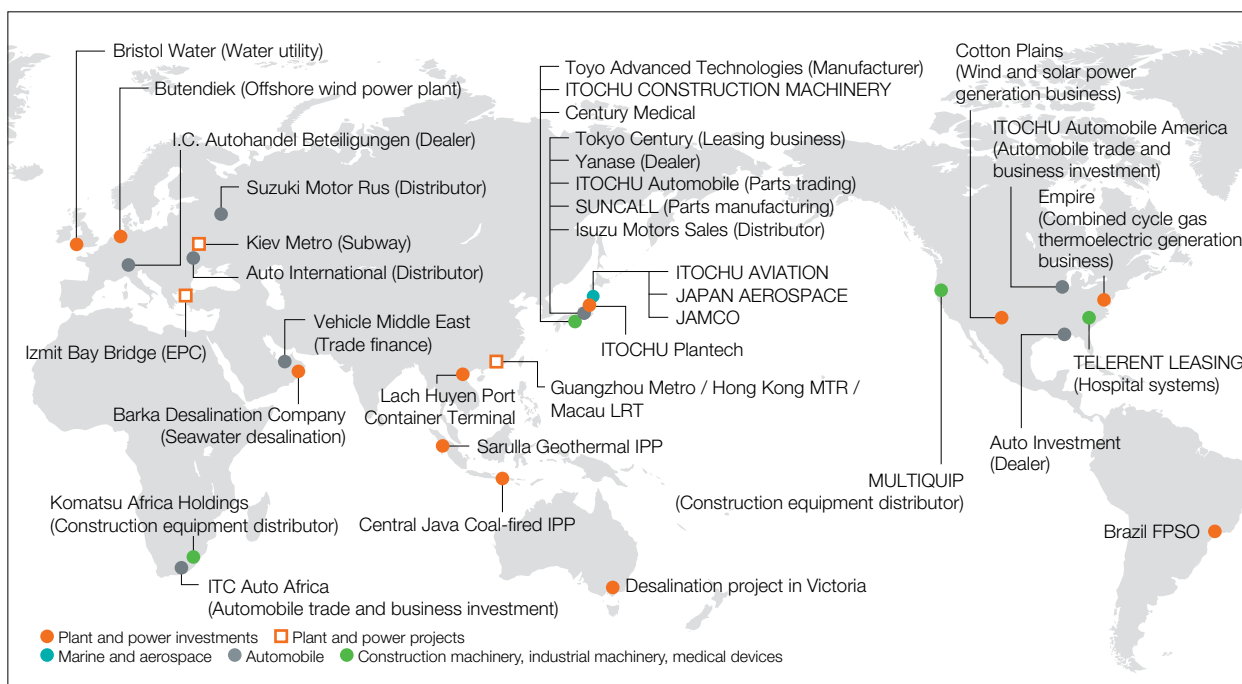


The first unit of the Sarulla Geothermal IPP Project

Please see the Sustainability pages of our website to learn more about our initiatives targeting sustainable growth issues.

<https://www.itochu.co.jp/en/csr/activities/machinery/>

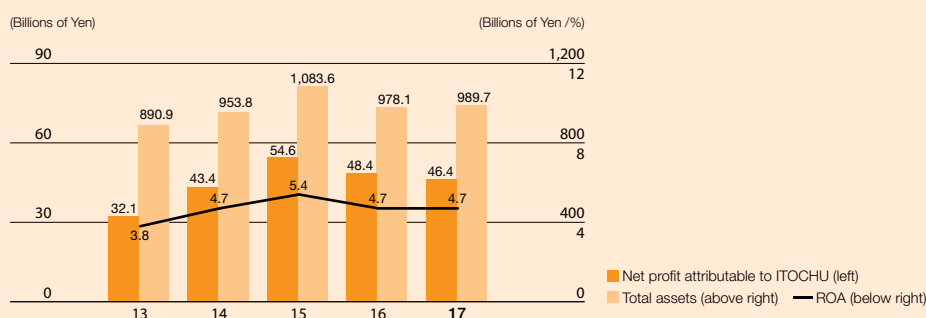
Business Development



Business Results Years ended March 31

Note: Based on U.S. GAAP for FYE 2013 and 2014

Net Profit attributable to ITOCHU / Total Assets / ROA



	2013	2014	2015	2016	2017
Breakdown of Net Profit Attributable to ITOCHU by Major Group Companies					
Tokyo Century Corporation*	6.2	8.4	9.1	9.6	10.2
JAMCO Corporation	0.6	0.9	1.7	1.5	0.4
JAPAN AEROSPACE CORPORATION	0.7	1.0	0.9	1.0	1.1
SUNCALL CORPORATION	0.6	0.7	0.6	0.4	0.3
ITOCHU CONSTRUCTION MACHINERY CO., LTD.	0.9	1.3	0.9	0.8	0.7
ITOCHU MACHINE-TECHNOS CORPORATION	0.7	0.6	0.5	0.7	1.1
Century Medical, Inc.	1.0	1.1	1.0	0.3	0.5
Percentage of Total Number of Subsidiaries and Affiliated Companies (No. of companies)	Japan		16% (21)	13% (17)	12% (15)
	Overseas		21% (44)	23% (46)	23% (41)

* Tokyo Century Corporation changed its name from Century Tokyo Leasing Corporation in October 2016.

Metals & Minerals Company

We will grow by striking a balance between investment and trade, creating a stable earnings base, and taking advantage of new growth opportunities.

President, Metals & Minerals Company

Eiichi Yonekura



Organization



From left:
 Kenji Seto,
 Chief Operating Officer, Mineral Resources Division
 Akihiko Okada,
 Chief Operating Officer, Steel, Non-Ferrous & Solar Division
 Norio Matsui, Chief Financial Officer
 Jun Inomata,
 General Manager, Planning & Administration Department

Ratios

Composition by Segment (image)



Percentage of Earnings from Overseas Businesses (image)





Analysis of Current Status



Strengths

- Strong relationships with excellent business partners in each business area
- Ownership of superior natural resource assets, centering on iron ore and coal
- Broad-ranging trade flows that run from upstream (metals and mineral resources) to downstream (steel and non-ferrous products)

Earnings Opportunities

- Long-term demand growth for metals, mineral resources, and energy
- Expansion of trade and creation of supply chain based on equity interests
- Improvement of ongoing business and new business development with excellent partners
-  Proliferation and gain in momentum of solar and other types of renewable energy
-  Progress in the biomass power generation business and expansion of the market for biomass fuels

Challenges to Address

- Establishment of a well-balanced and stable earnings platform resilient to business environment changes
- Improvement in production efficiency at each project to be more resistant to fluctuations in resource prices
- Acquisition of superior interests to secure stable supply of metals and mineral resources
-  Sustainable resource development with consideration for local communities, working environments, and the environment
-  Thorough enactment and ongoing monitoring of supply chain management

Materialities



Consideration for the environment



Sustainable use of resources



Respect and consideration for human rights

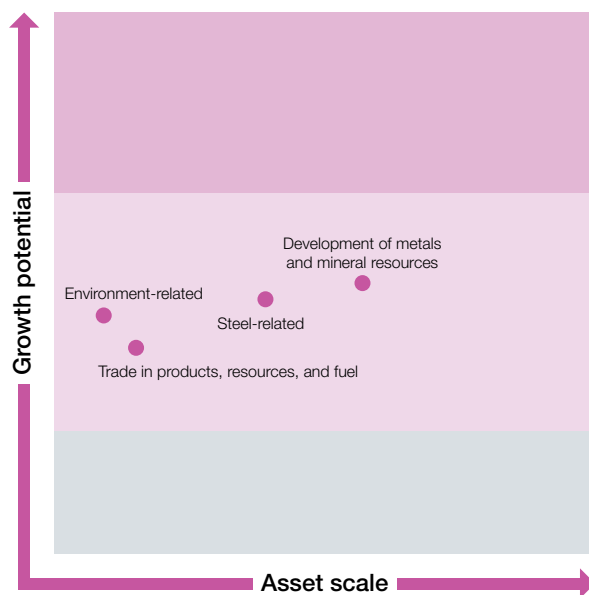


Contribution to local communities



Improving labor conditions

Asset Portfolio



EXIT from "reinforce" in FYE 2016: NCA equity interest

Value driver Stable earnings Reinforce

Growth Strategies

Creating Added Value

- Expand business through collaboration with excellent partners and by reinforcing the sales and trading functions
- Proactively develop the environmental business (mega-solar projects, trading in biomass fuels, etc.)

Asset Strategies

- Expand the asset portfolio through collaboration with excellent partners and by acquiring superior new projects
- Promote the replacement of low-efficiency assets

Initiatives to Enhance Corporate Value

Asset Strategies

Promoting Sustainable Resource Businesses

The Metals & Minerals Company holds resource interests in regions throughout the world, centering on iron ore and coal. Principal interest groups include iron ore in Western Australia, coal in Eastern Australia, iron ore in Brazil, and coal in Colombia.

Working with leading resource companies and other excellent partners, we pursue our mission of providing a stable supply of high-quality resources to customers by honing the competitiveness of our equity interests while giving due consideration and contributing to environmental protection and community development, and at the same time leveraging our trading function. Notably, in Western Australia we have been working with leading resource company BHP Billiton since the 1960s on the development and operation of iron ore projects that are some of the world's most competitive. In Eastern Australia, we are engaged in a broad range of coal projects, ranging from high-quality thermal coal to coking coal, mainly with Glencore.

Going forward, while continuing to maintain a certain level of assets in the resource field we will configure a portfolio that is well-balanced across the Company. Aiming for further development, we aim to work with excellent partners around the world to obtain high-quality assets and expand our trading function.



Coal terminal in eastern Australia

Creating Added Value

+

ESG

Initiatives in the Renewable Energy Field

Preventing global warming, and realizing a low-carbon society to this end, are among the world's most important priorities. In Japan and overseas, efforts are under way to introduce and promote the spread of solar power, biomass, and other types of renewable energy, and renewable energy markets are expected to steadily expand as a result.

ITOCHU's roles in the renewable energy business include developing and operating projects, procuring materials, and supplying fuels.

In addition to the Saijo Komatsu Solar Power Plant (Ehime Prefecture, output of 26,200 kW) and the Oita Hiyoshibaru Mega-Solar Power Plant (output of 44,800 kW), January 2017 marked the start of commercial operations at the Shin-Okayama Solar Power Plant. This plant has an output of 37,000 kW, which is sufficient to meet the annual consumption of approximately 7,600 households and is expected to reduce CO₂ emissions corresponding to some 26,000 tons per year. Construction is also under way at a plant in Saga Prefecture. We plan to continue with our proactive efforts to develop renewable energy generation and related trading businesses in Japan and overseas.



Oita Hiyoshibaru Mega-Solar Power Plant
(commenced commercial operation in March 2016)

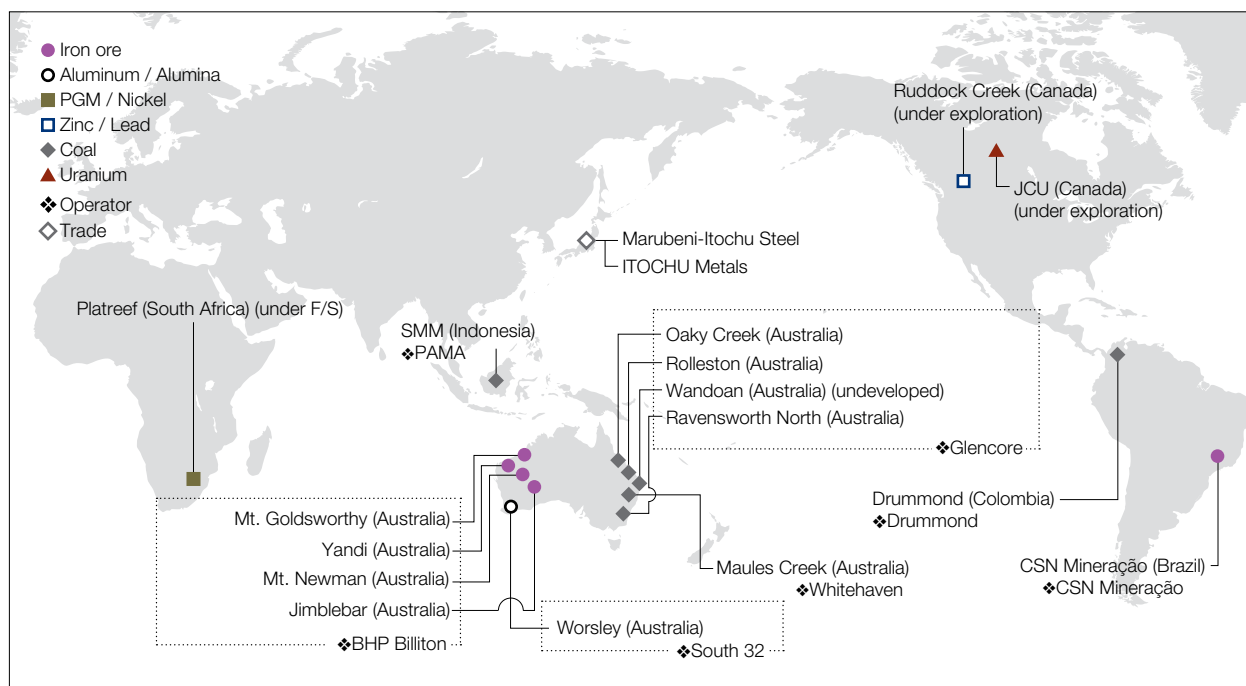


Shin-Okayama Solar Power Plant
(commenced commercial operation in January 2017)

Please see the Sustainability pages of our website to learn more about our initiatives targeting sustainable growth issues.

<https://www.itochu.co.jp/en/csr/activities/metal/>

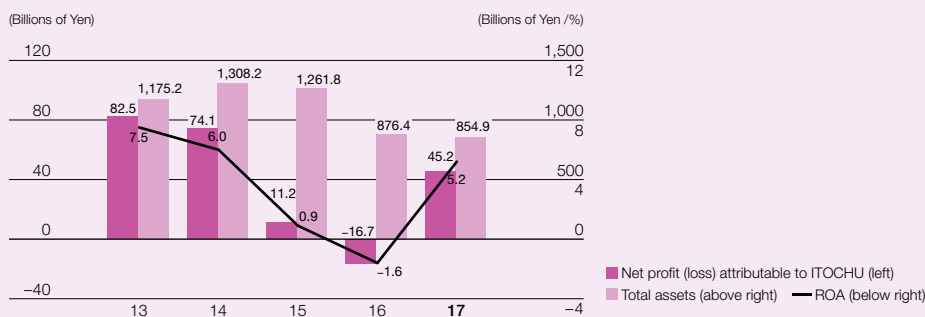
Business Development



Business Results Years ended March 31

Note: Based on U.S. GAAP for FYE 2013 and 2014

Net Profit (Loss) attributable to ITOCHU / Total Assets / ROA



	2013	2014	2015	2016	2017
Billions of Yen					
Breakdown of Net Profit (Loss) Attributable to ITOCHU by Major Group Companies					
ITOCHU Minerals & Energy of Australia Pty Ltd	50.3	58.4	42.3	(22.6)	42.8
Brazil Japan Iron Ore Corporation	10.4	3.8	(44.8)	(0.9)	(2.9)
ITOCHU Coal Americas Inc.	3.5	0.5	0.1	(2.3)	(2.6)
Marubeni-Itochu Steel Inc.	12.8	13.0	12.8	6.6	7.6
ITOCHU Metals Corporation	1.3	1.4	0.2	2.0	1.1
Percentage of Total Number of Subsidiaries and Affiliated Companies (No. of companies)					
Japan			4% (5)	5% (6)	5% (6)
Overseas			4% (8)	4% (8)	5% (9)

Energy & Chemicals Company

We aim to maintain and expand our ability to generate earnings base by enhancing existing businesses in Japan. At the same time, we will take strategic actions in new business fields worldwide to strengthen our business foundation over the medium to long term.

President, Energy & Chemicals Company

Masahiro Imai



Organization



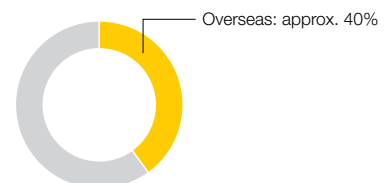
From left:
Hisato Okubo,
Chief Operating Officer, Energy Division
Keita Ishii,
Executive Vice President, Energy & Chemicals Company;
Chief Operating Officer, Chemicals Division
Satoshi Nakajima, Chief Financial Officer
Isao Nakao,
General Manager, Planning & Administration Department

Ratios

Composition by Segment (image)



Percentage of Earnings from Overseas Businesses (image)







Analysis of Current Status



Strengths

- Business portfolio in the energy sector ranging from upstream to downstream
- Worldwide sales network of chemicals trading
- Robust portfolio of chemicals projects ranging from upstream to downstream

Earnings Opportunities

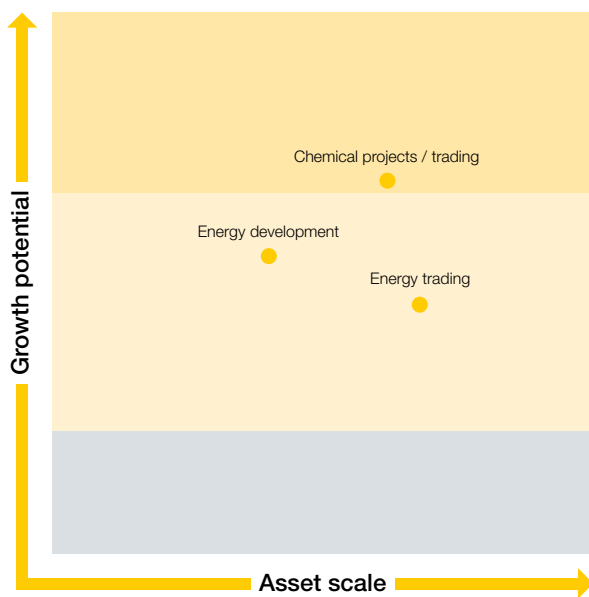
- Long-term growth in energy demand
- Robust expansion in chemicals demand in China, ASEAN, and North / Central / South America
- 
 ■ Rising food demand in line with a growing world population (methionine, fertilizers, etc.)
- 
 ■ Needs for environment-friendly energy and products

Challenges to Address

- Establishment of a well-balanced and stable earnings platform resilient to business environment changes
- Promotion of cost-competitive energy development projects with prime partners
- 
 ■ Strengthening the compliance system for changing chemical-related legislations
- 
 ■ Energy development with consideration for local communities, working environments, and the environment

Materialities
 Consideration for the environment
  Sustainable use of resources
  Respect and consideration for human rights
  Contribution to local communities
  Improving labor conditions

Asset Portfolio



EXIT from "reinforce" in FYE 2016: Samson

 Value driver
  Stable earnings
  Reinforce

Growth Strategies

Creating Added Value

- Bolster earnings base in existing businesses and expand business foundations in new fields
- Realize synergy and integration effects of C.I. TAKIRON, which has become a leading Japanese plastics processing company
- Promote collaboration with prime partners, including the CITIC Group and the CP Group and oil majors

Asset Strategies

- Build up additional superior assets of oil and gas development and LNG projects
- Expand the chemicals trade network and ensure lean management and low-cost operations

Initiatives to Enhance Corporate Value

Creating
Added Value

+

ESG

Methionine Business with Sumitomo Chemical

In December 2016, ITOCHU signed a basic agreement with Sumitomo Chemical Co., Ltd., to collaborate in the sales of the feed additive methionine to be produced on a new production line of Sumitomo Chemical's Ehime Works (100,000 tons per year). After a formal agreement was concluded in March 2017, we began pre-marketing in April 2017 with a view to commence full-fledged sales collaboration once the new production line is complete.

Methionine, an amino acid, is widely used to boost chicken meat and egg productivity. Adding methionine also helps to adjust the amino acid balance in feed, promoting the efficient use of amino acids within an animal's body, which reduces the amount of nitrogen oxide in excrement—a positive environmental result.

Global demand growth for methionine is forecast to be stable. ITOCHU has built up a strong relationship with the Charoen Pokphand Group, a leading consumer of methionine, and has a global sales network.

Through this basic agreement, ITOCHU and Sumitomo Chemical will seek to integrate the strengths both companies have cultivated over the years in China and other Asian markets. By working together to further enhance our business in global markets, we aim to contribute to a stable supply of food throughout the world.



Methionine plant at Sumitomo Chemical's Ehime Works



Sumitomo Chemical Animal Nutrition
Technical Center (Malaysia)

Asset
Strategies

Oil Exploration, Development, and Production Activities in Eastern Siberia, Russian Federation

Together with Japan Oil, Gas and Metals National Corporation and INPEX CORPORATION, ITOCHU is participating in oil exploration, development, and production activities in Irkutsk Oblast, Eastern Siberia, Russian Federation. These activities are being conducted through Japan South Sakha Oil Co., Ltd. (JASSOC). The operator for this project is INK-Zapad, a joint venture between Irkutsk Oil Company (INK) and JASSOC. INK-Zapad has moved forward with exploration and appraisal operations. Crude oil reserves sufficient for commercial production were confirmed at the Ichyodinskoye (ICH) oil field, and the field was moved to the production phase in December 2016.

The crude oil produced at this field will not only be supplied to the domestic market in Russia but also exported to the Asian market, including Japan. Further discoveries of large-scale oil and gas fields are anticipated in Eastern Siberia. In addition to the ICH field, other oil and gas accumulations have also been confirmed in the blocks. Going forward, the project will continue to focus on business expansion. Resource projects are depleting assets, and there is a continuing need for asset augmentation. Accordingly, ITOCHU will continue working to acquire superior projects that contribute to the establishment of a stable earnings base.



Drilling site at the Ichyodinskoye oil field

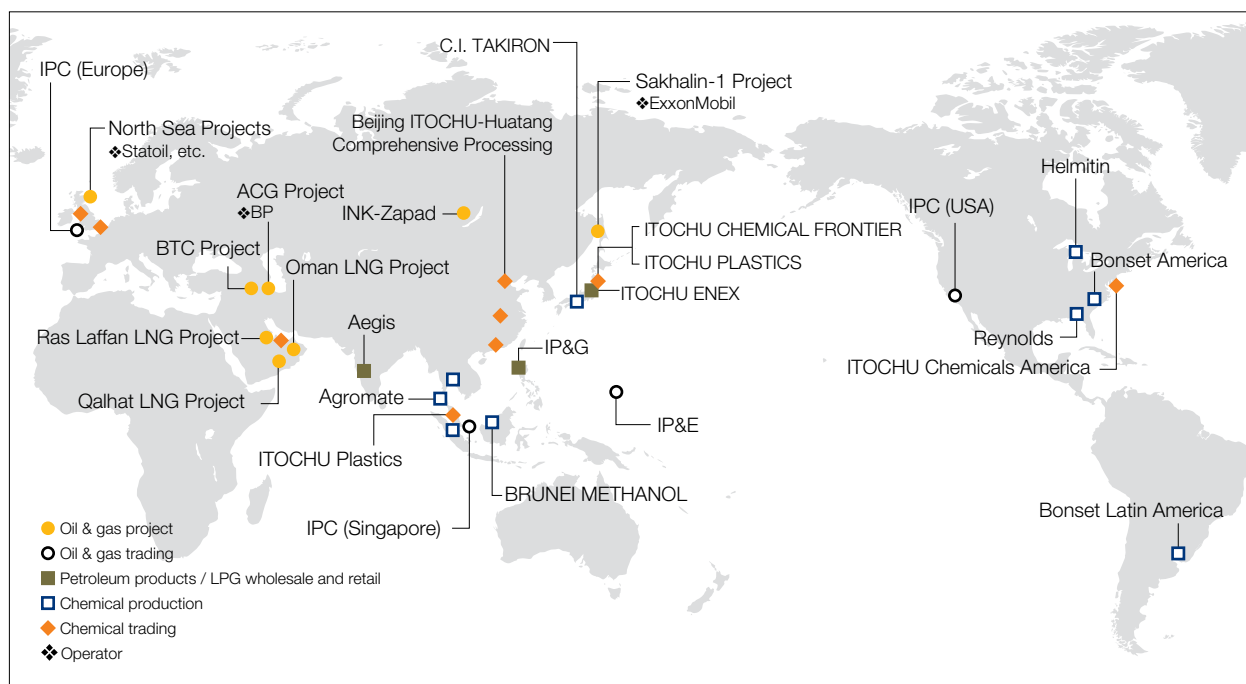


Construction site of a crude oil
processing facility

Please see the Sustainability pages of our website to learn more about our initiatives targeting sustainable growth issues.

<https://www.itochu.co.jp/en/csr/activities/chemical/>

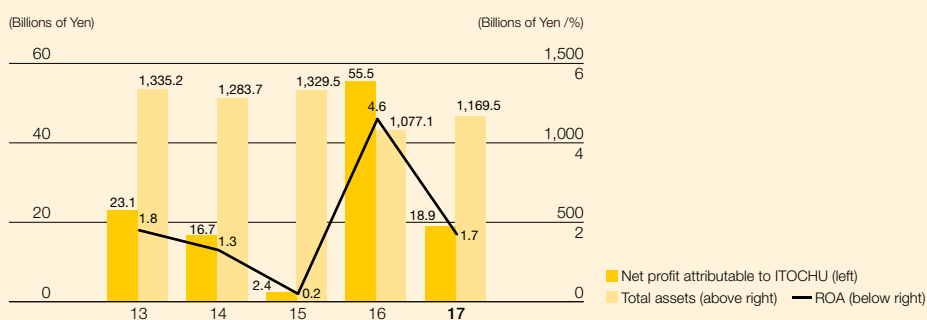
Business Development



Business Results Years ended March 31

Note: Based on U.S. GAAP for FYE 2013 and 2014

Net Profit attributable to ITOCHU / Total Assets / ROA



	2013	2014	2015	2016	2017
<small>Billions of Yen</small>					
Breakdown of Net Profit Attributable to ITOCHU by Major Group Companies					
ITOCHU Oil Exploration (Azerbaijan) Inc.	13.1	15.7	6.9	5.0	0.7
ITOCHU PETROLEUM CO., (SINGAPORE) PTE. LTD.	0.8	4.3	1.0	2.3	1.8
ITOCHU ENEX CO., LTD.	3.2	3.9	2.8	4.1	5.5
Dividend from LNG Projects (PAT)	7.7	7.8	8.3	4.8	3.2
ITOCHU CHEMICAL FRONTIER Corporation	3.0	3.2	3.1	3.1	3.1
ITOCHU PLASTICS INC.	2.2	3.0	3.5	3.5	4.2
C.I. Kasei Co., Ltd.*	1.1	1.2	1.1	1.3	4.1
TAKIRON Co., Ltd.*	1.0	1.3	0.7	0.9	1.3
Percentage of Total Number of Subsidiaries and Affiliated Companies (No. of companies)					
Japan			16% (21)	13% (16)	14% (17)
Overseas			14% (29)	14% (27)	13% (24)

* In April 2017, Takiron Co., Ltd., and C.I. Kasei Co., Ltd., merged to form C.I. TAKIRON Corporation.

Food Company

Commerce is not just about selling products. Rather, it requires constant vigilance toward product sales. By giving thoughtful consideration to downstream operations, we are further strengthening our value chain spanning upstream to downstream activities as we work to augment corporate value, including our Group companies.

President, Food Company
Yozo Kubo



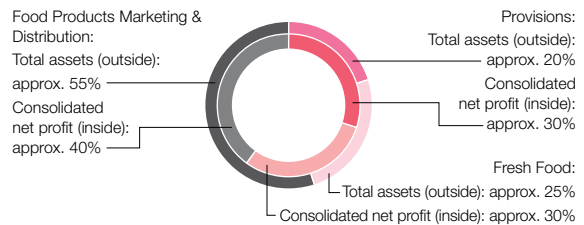
Organization



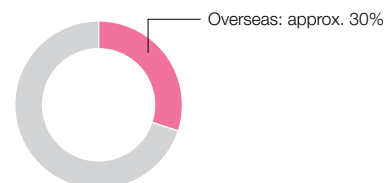
From left:
Hiroyuki Kaizuka,
Chief Operating Officer, Provisions Division
Yutaka Yamamura,
Vice President, Food Company;
Chief Operating Officer, Fresh Food Division
Kensuke Hosomi,
Chief Operating Officer, Food Products Marketing & Distribution Division
Makoto Kyoda, Chief Financial Officer
Takeshi Inoue,
General Manager, Planning & Administration Department

Ratios

Composition by Segment (image)



Percentage of Earnings from Overseas Businesses (image)





Analysis of Current Status



Strengths

- An industry-leading midstream distribution and retail network
- Possession of a worldwide production, distribution, and sales value chain for fresh foods (marine, meat, and agricultural products)
- Ownership of a global supply chain for food resources

Earnings Opportunities

- Possession of a robust value chain spanning upstream to downstream processes
- Business expansion based on strategic business alliance with the CITIC Group and the CP Group
- Market expansion due to increasing population and rising income, centered on China and other parts of Asia
- Further increase in consumer awareness toward food safety and security
- 
 ■ Reinforcement of the structure to supply sustainable raw materials

Challenges to Address

- Responding to the shrinking market in Japan caused by a decreasing population, falling birthrate, and aging population
- Ensuring a stable supply of foodstuffs
- Configuring robust supply chains overseas
- 
 ■ Responding to the risk of climate change
- 
 ■ Responding to supply chain management (human rights, labor practices, and the environment)

Materialities



Consideration for the environment



Sustainable use of resources



Respect and consideration for human rights

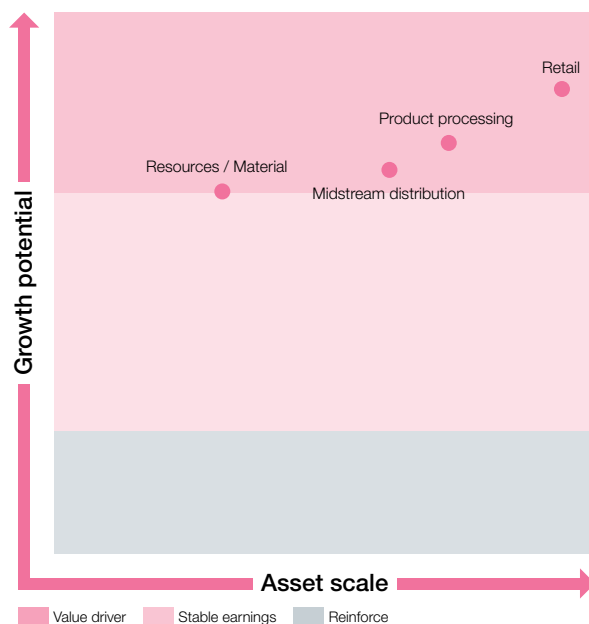


Contribution to local communities



Improving labor conditions

Asset Portfolio



Growth Strategies

Creating Added Value

- Expand peripheral businesses with FamilyMart UNY Holdings in areas including finance, IT, distribution, and services
- Increase scale of the Dole business
- Reinforce the ITOCHU Group's value chain
- Promote collaboration with excellent partners (such as the CITIC Group and the CP Group)

Asset Strategies

- Strengthen relations with existing businesses
- Spearhead industry reorganization
- Accelerate efficiency in management

Initiatives to Enhance Corporate Value

Creating
Added Value

+

ESG

Turning Around the Dole Business

In April 2013, we acquired the Asian fresh produce business and the worldwide packaged food business from Dole Food Company, Inc. Following the acquisition, the Philippines—the largest production hub for the business' mainstay products—was affected by typhoons, droughts, and pest damage, causing banana production to fall by around 40% from the time of purchase. We are working to recover and expand production levels by leveraging our funding capabilities, including the Group finance system, and dispatching managers and onsite workers. Specific measures include the introduction of irrigation equipment, consolidation and expansion of farms, measures to combat pests for bananas, and capital investment in plantations and the revision of cultivation methods for pineapples. Furthermore, we promoted the diversification of producing areas to minimize climate risk. We have also improved management, including the selection and concentration of businesses and products and the liquidation of unprofitable businesses.

In FYE 2017, favorable selling prices and the success of various cost-reduction measures led to a recovery in earnings. By FYE 2021, we plan to increase production in the Philippines to 800,000 tons of bananas, up from 400,000 tons in FYE 2016, and 1 million tons of pineapples, up from 750,000 tons, becoming Asia's largest integrator of agricultural products.



Pineapple plantation in Mindanao Island, the Philippines



Banana plantation in Mindanao Island, the Philippines

Creating
Added Value

Synergies with Prima Meat Packers

Prima Meat Packers, Ltd., which is an associated company of ITOCHU, processes and sells ham, sausage, and other meats.

To reinforce production capabilities in its mainstay ham and sausage business, in 2016 Prima Meat Packers completed construction and began operations at a new sausage plant within its Ibaraki Plant. In the meat business, Prima Meat Packers has jointly developed a pork brand with HyLife Group Holdings, which is also an associated company of ITOCHU. HyLife is Canada's leading pork producer and accounts for the highest sales volume of Canadian chilled pork imported to Japan. By offering HyLife's unique product varieties and mixing its own feed, Prima Meat Packers is working to expand its pork sales on the strength of its reputation for safety and quality. In addition to HyLife, we plan to further reinforce the value chain throughout the ITOCHU Group.

Through human resource exchanges, such as seconding personnel to sales and staffing departments, ITOCHU is seeking to strengthen mutual understanding between the companies. In this manner, we are working actively to generate synergies that will contribute to Prima Meat Packers' medium- to long-term growth and further increasing their corporate value.



New sausage plant at the Ibaraki Plant

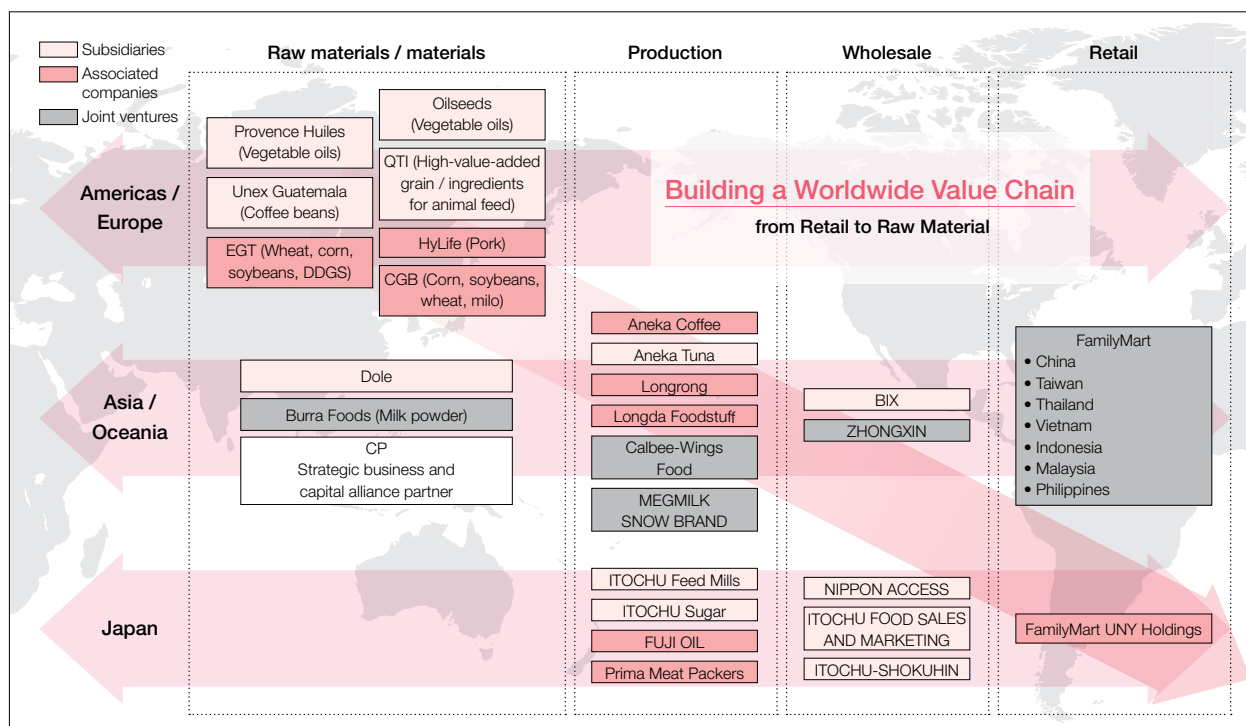


Major brands

Please see the Sustainability pages of our website to learn more about our initiatives targeting sustainable growth issues.

<https://www.itochu.co.jp/en/csr/activities/food/>

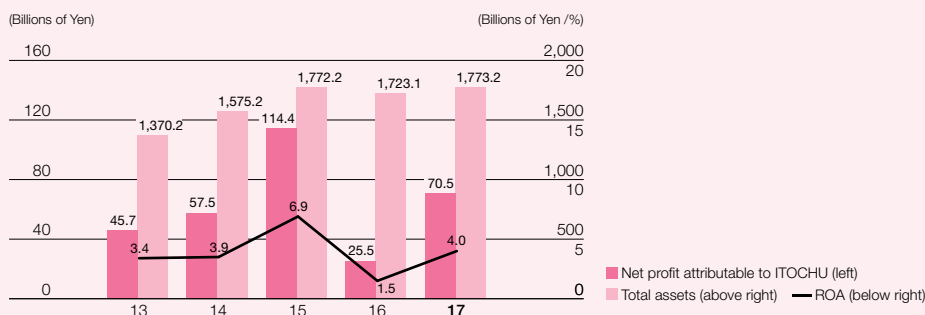
Business Development



Business Results Years ended March 31

Note: Based on U.S. GAAP for FYE 2013 and 2014

Net Profit attributable to ITOCHU / Total Assets / ROA



	2013	2014	2015	2016	2017
Breakdown of Net Profit (Loss) Attributable to ITOCHU by Major Group Companies					
FamilyMart UNY Holdings Co., Ltd.*	9.1	7.3	8.1	6.1	7.4
Dole International Holdings, Inc.	0.0	7.1	4.8	(16.9)	8.3
NIPPON ACCESS, INC.	10.8	11.6	8.6	8.9	12.2
FUJI OIL HOLDINGS INC.	2.3	2.1	2.4	2.4	2.7
Prima Meat Packers, Ltd.	2.4	2.0	2.7	2.6	3.7
ITOCHU-SHOKUJIN Co., Ltd.	1.9	1.0	1.3	1.5	1.7
HyLife Group Holdings Ltd.	0.1	0.0	2.1	2.6	2.7
Percentage Contribution of Non-consolidated Trade Earnings to Net Profit Attributable to ITOCHU (image)			approx. 15%		
Percentage of Total Number of Subsidiaries and Affiliated Companies (No. of companies)					
Japan			13% (17)	14% (18)	14% (18)
Overseas			11% (22)	10% (20)	9% (17)

* In September 2016, FamilyMart Co., Ltd., and UNY Group Holdings Co., Ltd., merged to form FamilyMart UNY Holdings Co., Ltd.

General Products & Realty Company

We will strengthen our earnings platform in core businesses, aggressively replace assets, and take on the challenge of seizing further growth opportunities.

President, General Products & Realty Company

Yasuyuki Harada



Organization



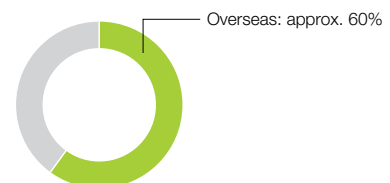
From left:
Nobuya Urashima,
Chief Operating Officer, Forest Products & General Merchandise Division
Masatoshi Maki,
Chief Operating Officer, Construction, Realty & Logistics Business Division
Noboru Fukushima, Chief Financial Officer
Minoru Araki,
General Manager, Planning & Administration Department

Ratios

Composition by Segment (image)



Percentage of Earnings from Overseas Businesses (image)





Analysis of Current Status



Strengths

- Firm position and value chains in each business area
- Creation of synergy through collaboration between businesses
- Strengthening of the management foundation through the aggressive replacement of our asset portfolio

Earnings Opportunities

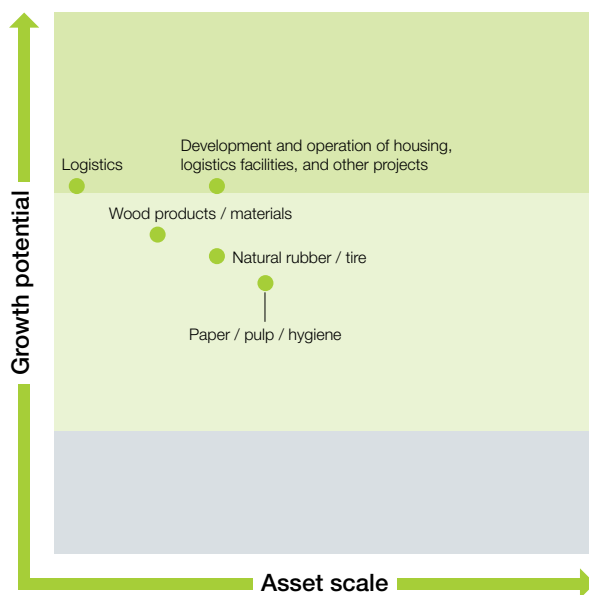
- Market expansion due to rising living standards of people in China and the ASEAN region
- Rise in demand for specialized and sophisticated logistics infrastructure services
- Create earnings opportunities in the building materials business in Japan and overseas
-  Demand for environmentally conscious products and construction materials
-  Need for certified forestry products

Challenges to Address

- Hedging of market price fluctuation risk on commodity products (pulp, natural rubber, etc.) and housing
- Response to changing market needs and regulation in various fields
-  Sustainable use of resources
-  Harmony with local communities

Materialities
 Consideration for the environment
  Sustainable use of resources
  Respect and consideration for human rights
  Contribution to local communities
  Improving labor conditions

Asset Portfolio



EXIT from "stable earnings" in FYE 2016: PrimeSource

 Value driver
  Stable earnings
  Reinforce

Growth Strategies

Creating Added Value

- Increase profitability in the European tire business
- Expand the earnings platform in the domestic and overseas building materials business
- Augment the logistics facility development business
- Reinforce the operating platform for international logistics, centered on China

Asset Strategies

- Accumulate superior assets, focusing on existing businesses
- Continue promoting the asset turnover model in the real estate field

Initiatives to Enhance Corporate Value

Creating
Added Value

Strengthening and Expanding Logistics Services for Internet Sales in China

ITOCHU LOGISTICS CORP. is the core logistics company for the ITOCHU Group, spearheading its overseas logistics operations. ITOCHU LOGISTICS (CHINA) CO., LTD., is building logistics networks in China. Early on, the company commenced initiatives targeting the market for Internet sales in China, which is expected to continue growing at a stable rate of 10% or more each year, and has developed distribution services covering all sales channels integrated with online and actual stores. ITOCHU LOGISTICS offers a fulfillment service that covers all functions related to Internet sales, including call center operations and marketing.

With a warehouse network currently spanning more than 100 locations throughout China, ITOCHU LOGISTICS (CHINA) operates large-scale logistics centers dedicated to Internet sales in major Chinese cities and is building some of the largest-scale logistics networks for Japanese companies operating in the country, shipping 20 million orders per year to meet demand in China's rapidly growing market for Internet sales.

Leveraging our expertise as a general trading company, we plan to reinforce our unique functions, including the integrated development of the omnichannel, online-to-offline (O2O), and commercial product businesses, contributing to customers' Internet sales business and working to expand our overseas logistics business.



Logistics operation



Logistics center of ITOCHU LOGISTICS (CHINA) CO., LTD.

Creating
Added Value

+

ESG

Initiatives at METSA FIBRE

Amid rising global demand for paper, METSA FIBRE Oy, an ITOCHU affiliate and one of Finland's largest producers of softwood pulp, is taking advantage of the country's sustainable forestry resources to provide a stable supply of raw materials in a highly cost-competitive manner.

In the 1970s, ITOCHU and METSA FIBRE began working together to import products to Japan. We entered a formal sales alliance in 2004 and currently market the company's softwood pulp in the Asian market as an exclusive agent. As METSA FIBRE has decided to ramp up annual production by a substantial 800,000 tons, annual pulp production is expected to reach 3.1 million tons in 2018. This increase is slated to make METSA FIBRE the world's leading producer of softwood pulp for paper.

From an ESG perspective, METSA FIBRE generates electricity during the pulp production process, using some of the energy itself and providing the surplus to the surrounding community, which helps to reduce fossil fuel consumption in the area. By working with this excellent partner, ITOCHU believes it is both promoting the sustainable use of forestry resources and engaging in important measures to foster harmony with local communities.



METSA FIBRE's Joutseno mill

Please see the Sustainability pages of our website to learn more about our initiatives targeting sustainable growth issues.

<https://www.itochu.co.jp/en/csr/activities/general/>

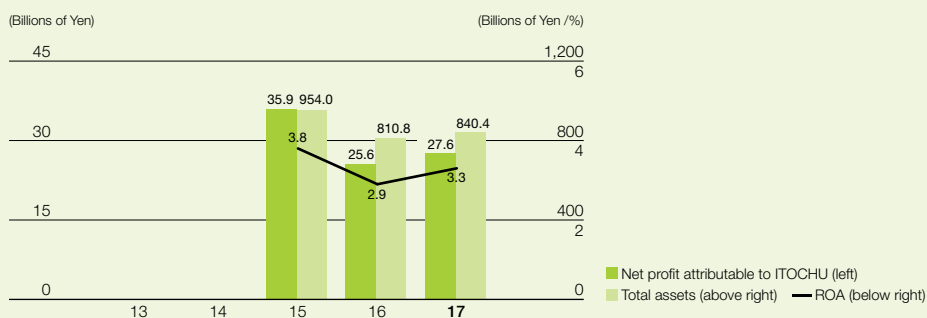
Business Development



Business Results Years ended March 31

Notes: 1. Based on U.S. GAAP for FYE 2013 and 2014
2. Revised to the current organization in FYE 2016. Indicated figures begin in FYE 2015.

Net Profit attributable to ITOCHU / Total Assets / ROA



		2013	2014	2015	2016	2017
Breakdown of Net Profit (Loss) Attributable to ITOCHU by Major Group Companies						
European Tyre Enterprise Limited		2.2	5.1	4.7	(29.9)	(5.2)
ITOCHU FIBER LIMITED		2.4	6.5	5.9	6.9	4.3
Japan Brazil Paper and Pulp Resources Development Co., Ltd.		2.0	4.0	1.4	3.7	2.9
ITOCHU Kenzai Corp.		1.5	3.0	2.8	1.7	2.6
ITOCHU Property Development, Ltd.		1.8	2.2	2.4	2.8	2.6
ITOCHU LOGISTICS CORP.		1.2	1.4	1.9	2.1	2.4
Percentage of Total Number of Subsidiaries and Affiliated Companies (No. of companies)						
Japan				16% (22)	14% (18)	14% (17)
Overseas				15% (31)	14% (28)	14% (26)

ICT & Financial Business Company

We intend to take the lead in the ICT and financial business, an area characterized by rapid change and where intelligence and speed are the keys, as we take up the challenge of creating new businesses.

President, ICT & Financial Business Company

Yoshihisa Suzuki



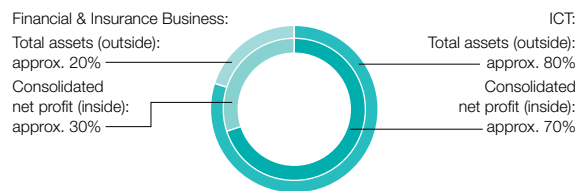
Organization



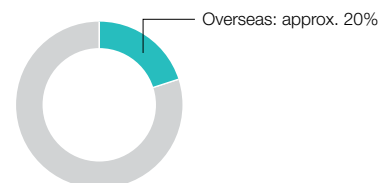
From left:
Tatsushi Shingu,
Chief Operating Officer, ICT Division
Shuichi Kato,
Chief Operating Officer, Financial & Insurance Business Division
Kenichi Kijima, Chief Financial Officer
Tadayoshi Yamaguchi,
General Manager, Planning & Administration Department

Ratios

Composition by Segment (image)



Percentage of Earnings from Overseas Businesses (image)








Analysis of Current Status

Strengths

- Solid position of strong Group companies in the ICT field and the generation of synergies through alliances between businesses
- Business development in the retail financial services and insurance fields in Japan and overseas
- Network including startups and other leading-edge companies in Japan and overseas

Earnings Opportunities

- Creation and expansion of finance-related business opportunities connecting Japan and the rest of the world
- Initiatives in fintech and other new markets combining ICT and finance
- 
 ■ Expansion of the infrastructure services business in response to increasingly specialized and sophisticated business processes
- 
 ■ Improved business efficiency and higher productivity through the use of AI and IoT
- 
 ■ Cultivation and business development support for excellent companies in regional Japanese locations

Challenges to Address

- Further advances in customer-response quality and efficiency in consumer business
- Provision of business solutions to address increasingly complex and sophisticated changes in the ICT business environment
- Responding to the fast-changing business environment and regulations in various sectors
- Thorough information management in the ICT, healthcare, and financial businesses

Materialities



Consideration for the environment



Sustainable use of resources



Respect and consideration for human rights

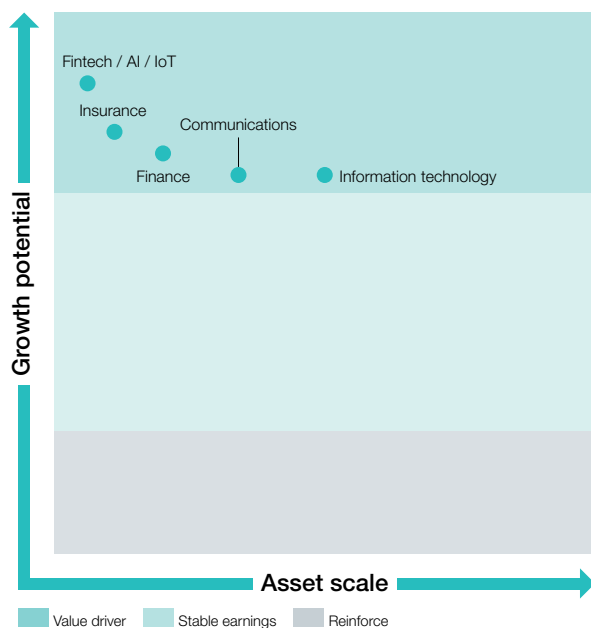


Contribution to local communities



Improving labor conditions

Asset Portfolio



Growth Strategies

Creating Added Value

- Bolster fundamental earnings capacity by executing growth strategies at key Group companies, such as CTC and CONEXIO
- Through venture investments, cultivate businesses that will generate new earnings in the fintech, AI, and IoT fields
- Strengthen and expand initiatives with FamilyMart UNY Holdings in the ICT and finance fields

Asset Strategies

- Diversify our portfolio by accumulating prime assets
- Maintain relatively high levels of ROA through efficient asset deployment
- Make proactive venture investments and replace assets

Initiatives to Enhance Corporate Value

Creating
Added Value

+

ESG

Sustainable Growth Model in First Response Finance

Through an overseas subsidiary, ITOCHU is a 100% shareholder in First Response Finance Ltd. (FRF), which operates a second-hand car loan business. We support FRF in such ways as dispatching a management team and providing funding. With a corporate philosophy of “people, service, and profit,” FRF considers its human resource strategy is the key to sustainable growth. In line with this philosophy, the company is fully committed to recruiting and cultivating human resources from a long-term perspective, as well as to fostering a corporate culture of sincerity and openness to achieve a favorable working environment.

Thanks to the resulting increase in employee motivation and the provision of high-quality services, FRF has established a sustainable growth model that has generated record earnings over nine consecutive years. In recognition of FRF’s achievements, The Sunday Times, a major UK newspaper, has selected FRF for its “100 Best Companies to Work For Awards” for seven consecutive years.

In addition to FRF, ITOCHU also contributes to the development of local communities by building financial businesses that meet customers’ financial needs in Asia, where the middle income group is growing.



Overview of FRF



FRF President Don Brough (right)

Creating
Added Value

Taking On New Business Domains by Leveraging AI and Fintech

ITOCHU continues to take on challenges in new business domains through its fusion of ICT, which excels in deploying new technologies and business models, and the financial services and insurance business, whose forte lies in the retail business. We are focusing in particular on the fields of fintech (finance + technology) and artificial intelligence (AI), as we proactively promote venture investments in Japan and overseas.

In FYE 2017, ITOCHU entered a capital alliance with MYDC, which operates and administers individual-type defined contribution pension plans (iDeCo). We also formed a capital alliance with Exchange Corporation, which uses AI to provide an asset investment proposal service and offers the Paidy online settlement service, entering a personal finance and cardless settlement business based on credit scoring. In the business process outsourcing (BPO) field, ITOCHU, BELLSYSTEM24 Holdings, and NTT DATA entered a capital alliance with SOLAIRO, which uses AI technology to provide a Web-based customer interaction service.

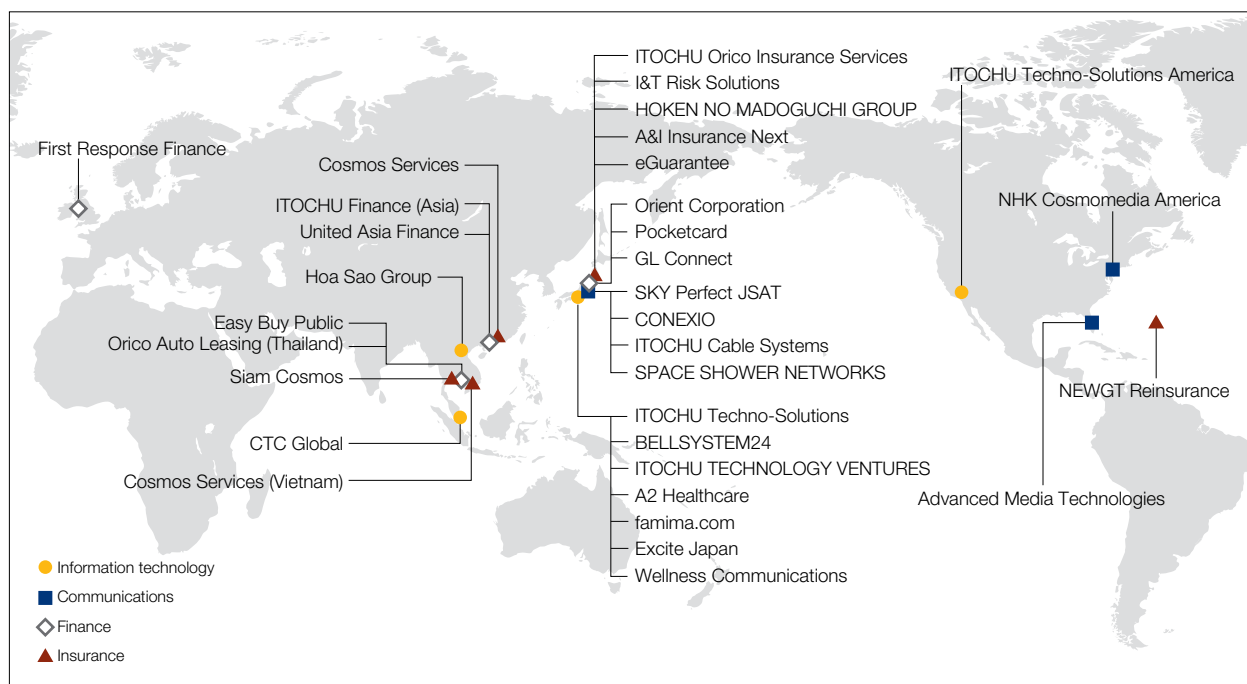
In 2017, we established the new Fintech Development Section within the ICT & Financial Business Company. This office will take the lead in the creation of advanced financial services that leverage technology and entry into new markets by combining the ICT Division’s business development functions with the customer network and expertise of the Financial & Insurance Business Division.



Please see the Sustainability pages of our website to learn more about our initiatives targeting sustainable growth issues.

<https://www.itochu.co.jp/en/csr/activities/ict/>

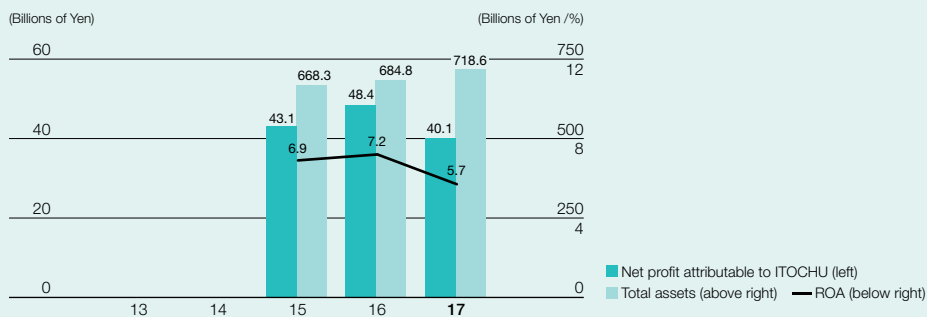
Business Development



Business Results Years ended March 31

Notes: 1. Based on U.S. GAAP for FYE 2013 and 2014
2. Revised to the current organization in FYE 2016. Indicated figures begin in FYE 2015.

Net Profit attributable to ITOCHU / Total Assets / ROA



Billions of Yen					
Breakdown of Net Profit (Loss) Attributable to ITOCHU by Major Group Companies	2013	2014	2015	2016	2017
ITOCHU Techno-Solutions Corporation	8.9	8.1	10.2	10.4	12.6
CONEXIO Corporation	4.2	5.4	2.9	3.7	3.9
BELLSYSTEM24 Holdings, Inc.	—	—	1.7	3.4	1.4
Orient Corporation	(1.2)	2.7	3.0	2.6	5.0
ITOCHU Fuji Partners, Inc.	—	—	0.4	2.3	2.2
Percentage of Total Number of Subsidiaries and Affiliated Companies (No. of companies)					
Japan			16% (21)	20% (26)	21% (26)
Overseas			5% (10)	4% (8)	4% (7)