I am One with Infinite Missions

FY2016 1st Half Business Results Summary

November 9, 2015

ITOCHU Corporation
Masahiro Okafuji, President & CEO

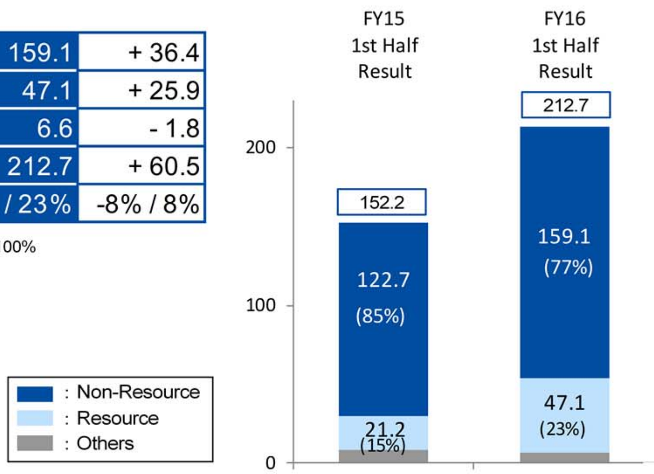
Summary of FY2016 1st Half

	FY2015 1st Half Result (a)	FY2016 1st Half Result (b)	Increase/Decrease (b–a)	%	FY2016 Forecast (as of May,1) (c)	Progress (b/c)
Gross trading profit	513.9	524.6	+ 10.6	+ 2%	1,100.0	48%
Trading income	122.1	108.8	- 13.3	- 11%	240.0	45%
Equity in earnings of associates and joint ventures	59.7	71.9	+ 12.2	+ 20%	120.0	60%
Profit before tax	212.7	247.2	+ 34.5	+ 16%	406.0	61%
Net profit attributable to ITOCHU	152.2	212.7	+ 60.5	+ 40%	330.0	64%

Non-Resource / Resource

Non-Resource	122.7	159.1	+ 36.4
Resource	21.2	47.1	+ 25.9
Others	8.3	6.6	- 1.8
Total	152.2	212.7	+ 60.5
Non-Resource / Resource	85% / 15%	77% / 23%	-8% / 8%

Note:% composition is calculated using the total of Non-Resource and Resource sectors as 100%



(Unit : billion yen)

Net profit attributable to ITOCHU was 212.7billion yen, up 60.5 billion yen compared with the 1st half of the previous fiscal year.
This is our record-high 1st half net profit attributable to ITOCHU.

As same as our competitors, profitability of our resource segment lowered due to the decline in commodity prices, however the strong growth of non-resource segments, especially in ICT General Products & Realty, Textile and Machinery Company which is our strength contributed to the good result.

Quantitative Forecast

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	FY2015 Annual Result	FY2016 1st Half Result (a)	FY2016 Forecast (as of May,1) (b)	Progress (a/b)
Gross trading profit	1,089.1	524.6	1,100.0	48%
Trading income	272.7	108.8	240.0	45%
Equity in earnings of associates and joint ventures	10.1	71.9	120.0	60%
Profit before tax	418.5	247.2	406.0	61%
Net profit attributable to ITOCHU	300.6	212.7	330.0	64%

	FY2015 Annual Result	FY2016 1st Half Result (a)	FY2016 Forecast (as of May,1) (b)	Increase/ Decrease (a-b)
Total assets	8,560.7	9,194.6	9,200.0	- 5.4
Interest-bearing debt	3,092.2	3,817.0	3,550.0	+ 267.0
Net interest-bearing debt	2,380.5	3,177.2	2,900.0	+ 277.2
Total shareholders' equity	2,433.2	2,507.4	2,600.0	- 92.6
Ratio of shareholders' equity to total assets	0.98 times	1.3 times	1.1 times	+0.2 pt
ROE	13.4%	—	13.1%	—

（Unit : billion yen）

For net profit attributable to ITOCHU in the 1st half, add to the strong growth in non-resource segment, we realized extraordinary profit as scheduled. As such, our progress rate against the outlook for the FY2016 budget is 64%, a record-breaking high figure.

For the Second half of this year, we expect that our non-resource segment will keep the growth, and also we expect further profits from equity pick up due to the conversion of CITIC Limited's preferred shares into ordinary shares. Therefore, we should be able to achieve our projected annual net profit of 330.0 billion yen in FY2016.

However, to prepare ourselves to achieve sustainable growth during our Medium-Term Management Plan, in this second half, we would like to possibly digest losses in advance to remove future concerns and risks. Therefore, our outlook of 330.0 billion yen remains unchanged.

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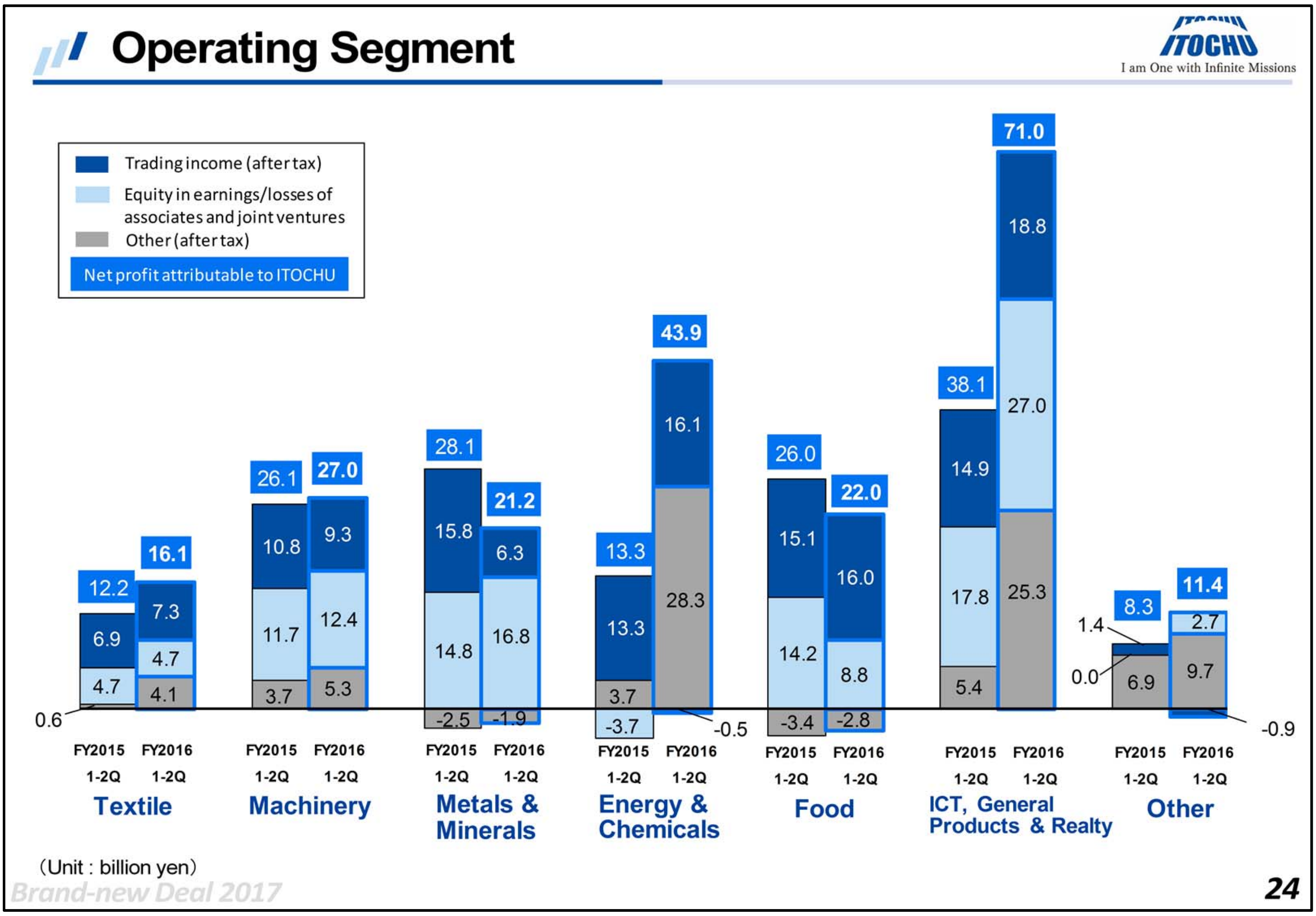
ITOCHU Corporation

Kunihiro Nakade,Managing Executive Officer,
GM, General Accounting Control Division

Brand-new Deal 2017



For Textile Company, trading income was nearly at the same level due to the income brought in by EDWIN Company Limited in the second quarter of the previous fiscal year, despite unfavorable sales in domestic apparel–related companies. Gain on re-measurement from the conversion of a China-related company from an associated company to other investments is included in "Others."

For Machinery Company, trading income decreased due to the absence of favorable performance in IPP-related companies in North America, which occurred in the same period of the previous fiscal year, and the increase in allowance for doubtful accounts in foreign subsidiaries, despite the favorable performance in plant-related companies. Equity in earnings of associates and joint ventures improved due to increased profits in Automobile-related companies, despite the unfavorable performance in plant-related companies. Improvement in net interest expenses and foreign currency translation is included in "Others."

For Metals and Minerals Company, trading income decreased due to the decline in iron ore and coal prices, despite the increase in iron ore sales volume, the reduction of costs in iron ore, and the improvement in foreign currency translation in iron ore and coal companies. Equity in earnings of associates and joint ventures improved due to the improvement in foreign currency translation in NAMISA, despite the stagnant market conditions and lower demand in Marubeni-Itochu Steel Inc. Improvement due to the absence of the reversal of deferred tax assets regarding MRRT, which occurred in the same period of the previous fiscal year, is included in "Others."

For Energy and Chemicals Company, trading income increased due to the favorable performance in the chemical sector, despite the unordinary expenses in this fiscal year. Equity in earnings of associates and joint ventures improved due to the absence of the impairment loss in Samson, which occurred in the same period of the previous fiscal year, despite the effect of scheduled maintenance of methanol-related companies. Improvement in tax expenses accompanying the disposal of Samson this fiscal year is included in "Others."

For Food Company, trading income was nearly at the same level due to the stable performance in provisions-related subsidiaries, despite higher expenses in Nippon Access, Inc. Equity in earnings of associates and joint ventures decreased due to the effect of the conversion of TING HSIN(CAYMAN ISLANDS) HOLDING CORPORATION from associated companies to other investments. Improvement in non-controlling interest, due to the conversion of TING HSIN(CAYMAN ISLANDS) HOLDING CORPORATION is included in "Others."

For ICT, General Products and Realty Company, trading Income increased due to the sales of real properties for sale and the favorable performance in Kwik-Fit, despite higher expenses in ITOCHU Techno-Solutions Corporation and the sales of PrimeSource during this fiscal year. Equity in earnings of associates and joint ventures increased due to the contribution of new associated companies, and the improvement in foreign currency translation in foreign pulp-related companies. Gain on sales of PrimeSource during this fiscal year is included in "Others."

For Others, net profit attributable to ITOCHU was up 3.1 billion yen compared with the previous fiscal year due to the improvement of foreign currency translation and the adjustment of tax among segments.

Extraordinary Gains and Losses

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	FY2015 1st Half Result	FY2016 1st Half Result	Increase/ Decrease
Gains related to investments	**14.5**	**33.5**	**+19.0**
Income tax expense	**-6.0**	**36.0**	**+42.0**
Others	**-2.5**	**-2.5**	**0.0**
Total	**6.0**	**67.0**	**+61.0**

(Unit : billion yen)

We calculated our accumulated extraordinary gains and losses for the 1st half of FY2016 as 67.0 billion yen.

Breakdown of extraordinary gains and losses are:
Gains related to investments was 33.5 billion yen, due to sales of PrimeSource, gain on the change of capital structure of Orient Corporation, and gain on re-measurement from the conversion of a China-related company from an associated company to other investments.
Income tax expense was 36.0 billion yen due to the improvement in tax expenses accompanying the disposal of Samson.

After deducting extraordinary gains and losses, net profit attributable to ITOCHU was 146.0 billion yen. This is the same level as the 1st half of the previous fiscal year, which was 146.0 billion yen after deducting 6.0 billion yen in extraordinary gains and losses.

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FY2016 1st Half
Business Results Summary

November 9, 2015

ITOCHU Corporation
Hitoshi Okamoto, Director,
Senior Managing Executive Officer, CSO

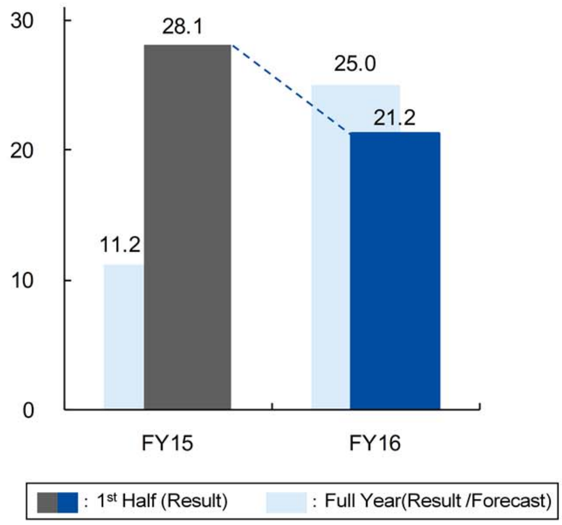
Brand-new Deal 2017

Metals & Minerals

＜FY2016 1st Half Result＞

Decrease due to the decline in iron ore and coal prices, despite the higher equity in earnings of associates and joint ventures accompanying the improvement in foreign currency translation in a Brazilian iron ore company and the absence of the reversal of deferred tax assets accompanying the amendment of Australian tax system, net profit attributable to ITOCHU posted in the 1st half of FY2016 was ￥21.2 billion, a decrease of ￥6.9 billion from the 1st half of FY2015.

＜Net profit attributable to ITOCHU＞



＜Profits / Losses from Main Group Companies etc.＞

	1st Half FY2015	1st Half FY2016	Full Year FY2015	Full Year FY2016 Forecast
ITOCHU Minerals & Energy of Australia Pty Ltd	19.0	13.1	42.3	14.3
Iron ore	21.4	16.1	43.1	N.A.
Coal	-1.7	-3.0	0.3	N.A.
Brazil Japan Iron Ore Corporation	-0.2	4.8	-44.8	N.A.
ITOCHU Coal Americas Inc.	0.9	-1.2	0.1	N.A.
Marubeni-Itochu Steel Inc.	7.5	4.6	12.8	N.A.
ITOCHU Metals Corporation	0.6	0.9	0.2	1.8

（Unit : billion yen）

Despite the higher equity in earnings of associates and joint ventures accompanying the increasing volumes and improving costs, net profit attributable to ITOCHU in Metals & Minerals Company posted in the 1st half of FY2016 was 21.2 billion yen, a decrease of 6.9 billion yen from the 1st half of FY2015, due to the decline in iron ore and coal prices.

Net profit for the 1st half of FY2016 from IMEA Iron Ore was 16.1 billion yen, a decrease of 5.3 billion yen from the 1st half of FY2015, due to the falling prices of iron ore by -23.0 billion yen, despite an increase in sales volume by +1.5 billion yen, improvement in costs by +4.5 billion yen and foreign exchange by +6.5 billion yen, and the absence of the reversal of deferred tax assets accompanying amendment of Australian tax system by +6.0 billion yen.

Despite improvement in foreign exchange, net loss for the 1st half of FY2016 from IMEA Coal was 3.0 billion yen, a decrease of 1.3 billion yen from the 1st half of FY2015, due to the falling prices of coal by -3.5 billion yen, despite the improvement of foreign exchange by +2.5 billion yen.

Net profit for 1st half of FY2016 from NAMISA was 4.8 billion yen, an increase of 5.0 billion yen from the 1st half of FY2015, due to the improvement in foreign currency translation by +7.5 billion yen, despite the falling prices of coal by -2.5 billion yen.

Net loss for FY2016 from ITOCHU Coal America was 1.2 billion yen. There was a lack of dividend from Drummond, which was converted into other investments in the third quarter last year, due to a decline in coal prices. In addition to the recording of interest and general expenses, led to this loss.

Energy & Chemicals

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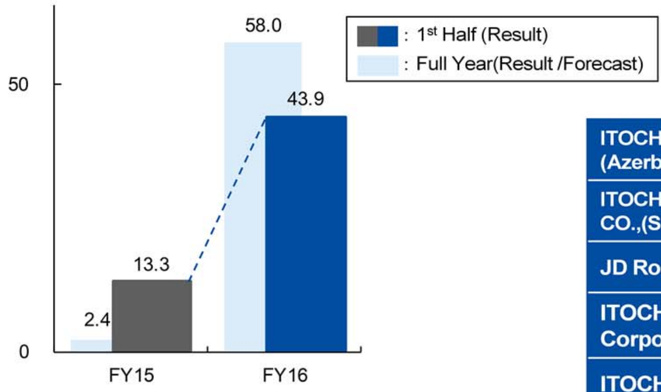
<FY2016 1st Half Result>

Thanks to higher trading income, the absence of the impairment loss in an U.S. oil and gas development company in the same period of the previous fiscal year, and the improvement in tax expenses accompanying the disposal of the company, net profit attributable to ITOCHU posted in the 1st half of FY2016 was ¥43.9 billion, an increase of ¥30.6 billion from the 1st half of FY2015.

<Net profit attributable to ITOCHU>



	1st Half FY15	1st Half FY16	Full Year FY15	Full Year FY16 Forecast
Energy	5.2	35.3	-14.9	40.5
Chemical	8.1	8.6	17.3	17.5
Total	13.3	43.9	2.4	58.0

<Profits / Losses from Main Group Companies etc.>

	1st Half FY2015	1st Half FY2016	Full Year FY2015	Full Year FY2016 Forecast
ITOCHU Oil Exploration (Azerbaijan) Inc.	3.8	4.3	6.9	2.5
ITOCHU PETROLEUM CO.,(SINGAPORE) PTE. LTD	3.1	1.1	1.0	1.4
JD Rockies Resources Limited***	-6.2	—	-43.8	—
ITOCHU CHEMICAL FRONTIER Corporation	1.4	1.6	3.1	3.1
ITOCHU PLASTICS INC.	1.5	2.0	3.5	3.1
C.I. Kasei Co., Ltd	0.6	0.7	1.1	1.2
Dividend from LNG Projects	0.4	0.3	8.3	4.7

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

（Unit : billion yen）

Net profit attributable to ITOCHU in Energy Division was 35.3billion yen, an increase of 30.1 billion yen from the 1st half of FY2015.

Net profit for 1st half of FY2016 from the ACG project was 4.3 billion yen, up 0.5 billion yen from the 1st half of FY2015, due to increased shipments and profit from the derivatives, as well as the depreciation of yen.

JD Rockies was no longer considered an affiliate of ITOCHU at the end of FY2015, therefore, they had no impact in the 1st half net profit for FY2016. However, net profits for JD Rockies improved 6.2 billion yen from the 1st half of FY2015 due to the reversal of impairment loss in FY2015.

Energy division posted a net profit of 25.5 billion yen due to the improvement in tax expenses accompanying the disposal of Samson.

Assumptions

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	FY2015 Result	FY2016 Plan	FY2016 1Q Result	FY2016 2Q Result	(Reference) Sensitivities on net profit attributable to ITOCHU for FY2016 2nd half against forecast
Exchange rate（YEN / US$）average	108	115	120	124	Approx. ¥ -0.8 billion yen (1 yen appreciation against US$)
Interest（%） YEN TIBOR 3M, average	0.20%	0.20%	0.17%	0.17%	Approx. ¥ -5.0 billion yen (1% increase）
Crude Oil（US$/BBL）*	86	60	63	50	±¥0.06 billion yen
Iron Ore（US$/TON)(fine ore)	93**	N.A.***	62**	52**	±¥0.79 billion
Hard coking coal（US$/TON)	119**	N.A.***	110**	93**	±¥0.22 billion
Thermal coal（US$/TON)	81.8**	N.A.***	68**	68**	

(The above effect varies according to changes in sales volume, foreign exchange rates and production costs.)

* The price of crude oil is the price of Brent crude oil.

** FY2015 and FY2016 1st-2nd quarter prices for iron ore, hard coking coal and thermal coal are prices that ITOCHU regards as general transaction prices based on the market.

*** In the prices for iron ore, hard coking coal and thermal coal used in the FY2016 plan, the prices for FY2016 1st quarter are assumed based on the prices that major suppliers and customers have agreed on regarding shipments and current spot prices, and the prices for FY2016 2nd to 4th quarter are assumed based on the prices agreed on the 1st quarter. However, the actual sales prices are decided based on negotiations with each customer, ore type and coal type.

The current FX rate is better than the assumption as our plan announced on 1st of May, but commodities price is dramatically dropping rather than the actual in FY2015.
We have strong concerns toward the declining trend of commodities price forecast in medium and long-term, and we are keeping a close watch on this trend.

ITOCHU's Equity Share (Sales Result)

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	FY2015 1Q	FY2015 2Q	FY2015 1st Half (a)	FY2015 3Q	FY2015 4Q	FY2015 Full year	FY2016 1Q	FY2016 2Q	FY2016 1st Half (b)	1st Half Increase/ Decrease (b)-(a)	FY2016 Forecast (May,1) Full Year
Oil and Gas (1,000BBL/day*)						50					36
Iron ore (million t)	5.0	5.2	10.1	5.2	5.2	20.5	5.0	5.2	10.2	+0.1	20.1
IMEA	4.5	4.7	9.2	4.7	4.8	18.7	4.9	5.0	9.9	+0.7	19.4
Brazil Japan Iron Ore Corporation (NAMISA)	0.4	0.5	0.9	0.5	0.4	1.8	0.1	0.2	0.3	-0.6	0.7
Coal (million t)	3.2	3.5	6.7	3.5	3.1	13.2	3.0	3.3	6.3	-0.4	13.9
IMEA	1.9	2.0	3.8	1.9	1.7	7.4	1.7	2.0	3.7	-0.1	7.8
ICA	1.4	1.5	2.9	1.6	1.4	5.8	1.3	1.4	2.6	-0.3	6.0

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

【Reference】IMEA Profit Result (billion yen)

	FY2015 1Q	FY2015 2Q	FY2015 1st Half	FY2015 3Q	FY2015 4Q	FY2015 Full year	FY2016 1Q	FY2016 2Q	FY2016 1st Half	1st Half Increase/ Decrease	FY2016 Forecast Full Year
IMEA	12.7	6.3	19.0	11.9	11.4	42.3	6.8	6.3	13.1	-5.9	14.3
Iron ore	14.1	7.3	21.4	11.7	10.1	43.1	8.0	8.1	16.1	-5.3	N.A.
Coal	-1.1	-0.6	-1.7	0.6	1.4	0.3	-1.2	-1.8	-3.0	-1.3	N.A.

※ IMEA : ITOCHU Minerals & Energy of Australia Pty Ltd, ICA : ITOCHU Coal Americas Inc.

The volume of equity share of iron ore is the same level as it was in FY2015. This includes an increase from the expansion in the IMEA iron ore project and a decrease in the NAMISA project.

The volume of equity share of coal is estimated at a lower level than FY2015. This includes a decrease in the IMEA coal project due to the reduction of production announced by Glencore and a decrease due to the stop of nighttime production in the Drummond project. However we expect the improvement of future production.

Metals & Minerals

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<FY2016 1st Half Result>

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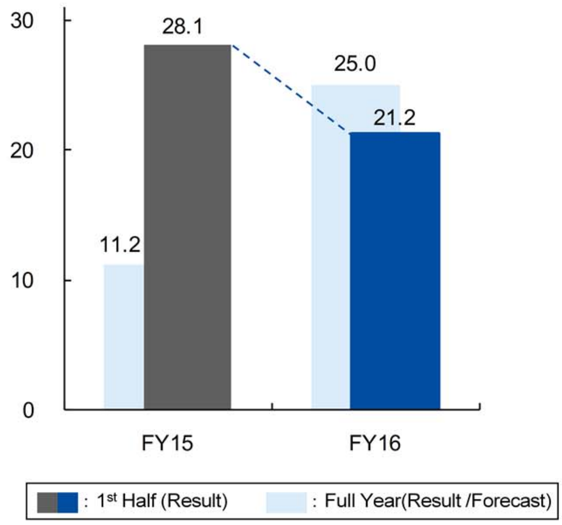

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ITOCHU Metals Corporation	0.6	0.9	0.2	1.8

（Unit : billion yen）

The forecast of FY2016 is 25.0 billion yen, in line the plan for FY2016 at this moment.
We set a conservative assumption regarding commodities prices when planning for FY2016, therefore we are making good progress on the plan at this moment.
But we have strong concerns toward the declining trend of commodities price forecast in medium and long-term, and we are keeping a close watch on these trends. We will identify projects where it may be necessary to recognize further impairments and take action for removing future concerns.

Energy & Chemicals

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＜FY2016 1st Half Result＞

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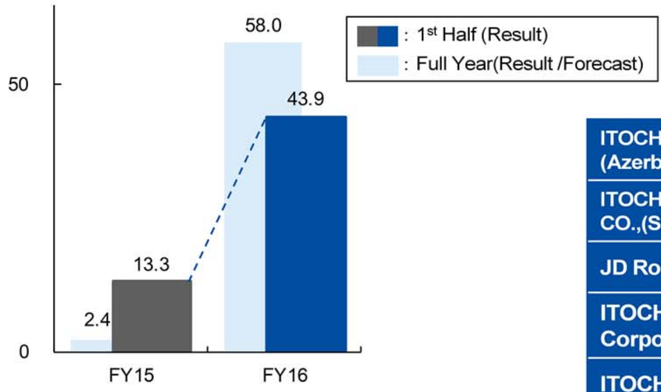

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Dividend from LNG Projects	0.4	0.3	8.3	4.7

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

（Unit : billion yen）

The forecast of Energy Division for FY2016 is 40.5 billion yen, in line with the plan of FY2016 at this moment.
We are making good progress on the plan, due to the improvement in tax expenses accompanying the disposal of Samson.
But we have strong concerns toward, and are keeping a close watch on, the possibility of impairment from the projects due to the declining trend of commodities price forecast in medium and long-term and the forecast for development progress in some projects.
We will monitor the North Sea projects where it may be needed to recognize impairments and take action for removing future concerns.

Updates of Business Alliance with CITIC Group and CP Group

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Conversion of Preferred Shares of CITIC Limited into Ordinary Shares

- On August 14, 2015, CTB, jointly owned by CP Group and ITOCHU on a 50:50 basis, converted preferred shares of CITIC Limited into ordinary shares. Through the execution of conversion procedures, CITIC Limited became an equity method associated company of CTB who owns 20% of the ordinary shares and will start to pick up equity from 3Q which is 1 quarter earlier than expected.

Strategic Cooperation Committee

- To discuss and promote potential synergy projects, the second Strategic Cooperation Committee among top managements of CITIC Group, CP Group and ITOCHU was held on September 23, 2015. The committee is expected to be held regularly, approximately three times a year.

Joint Projects

- F2F Projects（Cross-border E-Commerce Business in China）
  CP Group, CITIC Group, China Mobile Communications Corporation – the largest cell phone operator in China, Shanghai Information Investment Inc. – the investment company owned by Shanghai Municipal Government, and ITOCHU officially signed the joint venture contract on October 16, 2015 to start a Cross-border E-Commerce business in China.
- Business Alliance with Bosideng International Holdings Limited Group
  For the capital alliance among ITOCHU group, CITIC Securities and Bosideng International Holdings, three parties are negotiating to finalize the contract. For the business alliance, Itochu dispatched staffs to generate synergy projects.

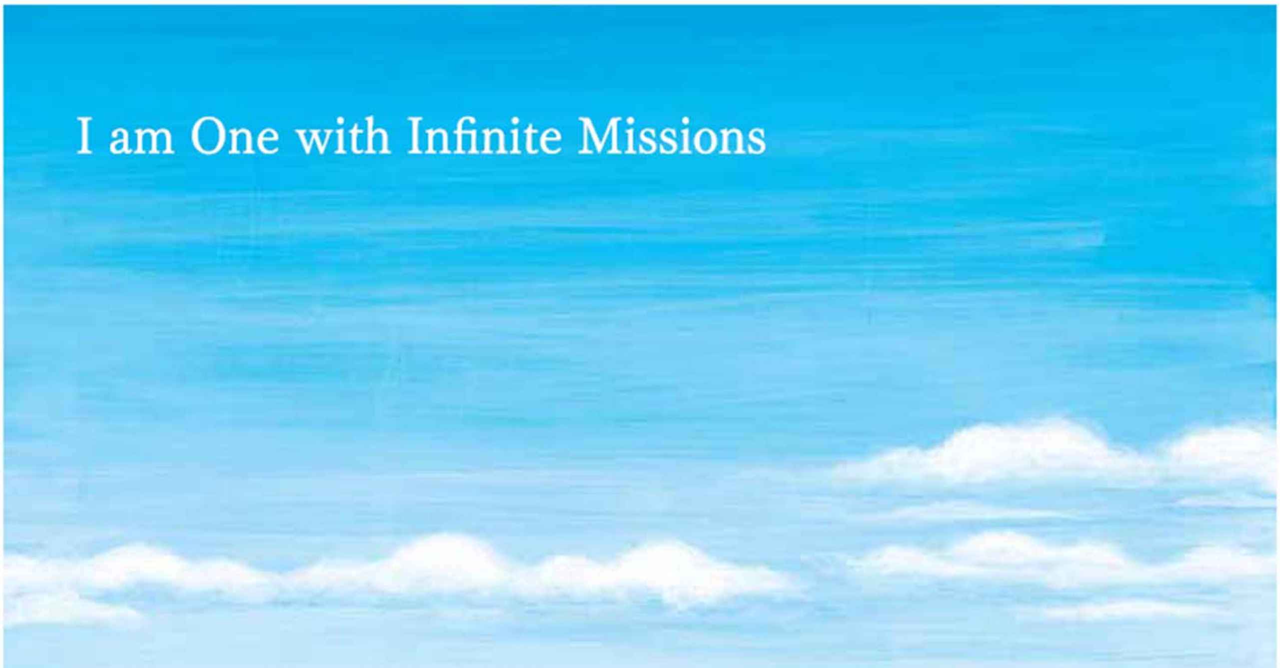
As announced on August 13th, CTB, jointly owned by CP Group and ITOCHU on a 50:50 basis, converted preferred shares of CITIC Limited's into ordinary shares on August 14th. Through the execution of conversion procedures, CITIC Limited became an equity method associated company of CTB, who owns 20% of ordinary shares, and will start to pick up equity from 3rd quarter, which is 1 quarter earlier than expected. In other words, equity pick up from CITIC Limited will contribute to our FY2016 results for 1 quarter more than expected.

To discuss and promote potential synergy projects, the second Strategic Cooperation Committee among the top management of CITIC Group, CP Group, and ITOCHU was held on September 23rd. The committee is expected to be held regularly, approximately three times a year.

Next is the update for synergy projects.
Firstly, F2F. As announced on October 19th, CP Group, CITIC Group, China Mobile Communications Corporation - the largest cell phone operator in China, Shanghai Information Investment Inc., the investment company owned by Shanghai municipal Government, and ITOCHU officially signed the joint venture contract to start a Cross-border E-commerce Business in China. To launch service on a full scale, we are now negotiating a tie-up with several well-known Japanese retailers.

Secondly, the Capital and Business Alliance with Bosideng International Holdings Limited Group, who is the largest down apparel company in China. For the capital alliance among ITOCHU group, CITIC Securities, and Bosideng International Holdings, the three parties are negotiating to finalize the contract. For this business alliance, ITOCHU dispatched staffs to Bosideng and has already organized a team to generate synergy projects.

We will keep discussing closely with CITIC Group and CP Group to generate new projects.
We have also sent a Non-Executive director to C.P.Pokphand Company Limited, who was appointed by board of directors to enhance the pace of forming further business.



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