

<p style="text-align: center;"><b>ANNUAL FINANCIAL STATEMENTS</b> <b>For years ended March 31, 2018 and 2017</b></p>
--

---

Page:

1	: <b>Consolidated Financial Results for the Fiscal Year 2018 (Year ended March 31, 2018)</b>
3	: <b>1. Qualitative Information</b>
3	: (1) Qualitative Information of the Consolidated Operating Results
	(a) General Economic Situation
	(b) Consolidated Operating Results
6	: (2) Qualitative Information of the Consolidated Financial Position
6	: (a) Consolidated Financial Position
7	: (b) Consolidated Cash Flows
8	: <b>2. Summary Information (Notes)</b>
8	: (1) Changes in significant subsidiaries accompanied by changes in the consolidation scope
8	: (2) Changes in accounting policies and accounting estimates
9	: <b>3. Management Policy</b>
10	: <b>4. Basic Concept on the Selection of Accounting Standards</b>
11	: <b>5. Consolidated Financial Statements</b>
11	: (1) Consolidated Statement of Comprehensive Income
13	: (2) Consolidated Statement of Financial Position
15	: (3) Consolidated Statement of Changes in Equity
16	: (4) Consolidated Statement of Cash Flows
17	: (5) Assumption for Going Concern
17	: (6) Basis of the Consolidated Financial Statements
18	: (7) Notes to Consolidated Financial Statements
18	: (Operating Segment Information)
19	: (Per Share Information)
19	: (Material Subsequent Events)

---

**-Unaudited-****Consolidated Financial Results for the Fiscal Year 2018 (Year ended March 31, 2018)**

[Prepared in conformity with International Financial Reporting Standards]

Company name: ITOCHU Corporation  
 Stock exchange code: 8001 <https://www.itochu.co.jp/en/ir/>  
 President and Chief Operating Officer: Yoshihisa Suzuki  
 General Manager, Investor Relations Department: Suguru Amano TEL: 81 - 3 - 3497 - 7295  
 The date of Shareholders' meeting: June 22, 2018 (Planned) The date of payout of dividend: June 25, 2018 (Planned)  
 The date of issue of audited financial statements: June 22, 2018 (Planned)

**1. Consolidated operating results for the fiscal year 2018 (from April 1, 2017 to March 31, 2018)****(1) Consolidated operating results (Summary)**

(%: Changes from the previous fiscal year)

	Revenues		Trading income (*4)		Profit before tax		Net Profit		Net profit attributable to ITOCHU		Total comprehensive income attributable to ITOCHU	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Fiscal Year 2018	5,510,059	13.9	316,933	9.9	537,858	7.6	431,720	15.3	400,333	13.7	390,022	28.7
Fiscal Year 2017	4,838,464	(4.8)	288,399	27.4	499,855	54.9	374,593	35.5	352,221	46.5	303,063	-

	Basic earnings per share attributable to ITOCHU	Diluted earnings per share attributable to ITOCHU	Ratio of net profit attributable to ITOCHU to shareholders' equity	Ratio of net profit attributable to ITOCHU to total assets
	yen	yen	%	%
Fiscal Year 2018	257.94	-	15.8	4.8
Fiscal Year 2017	223.67	-	15.3	4.4

Equity in earnings of associates and joint ventures (millions of yen) FY 2018: 216,228 [ + 16.8% ] FY 2017: 185,158 [ + 25.4% ]  
 Total comprehensive income (millions of yen) FY 2018: 415,602 [ + 28.5% ] FY 2017: 323,365 [ - % ]

**(2) Consolidated financial position**

	Total assets	Total equity	Total shareholders' equity	Ratio of shareholders' equity to total assets	Shareholders' equity per share
	millions of yen	millions of yen	millions of yen	%	yen
March 31, 2018	8,663,937	2,984,351	2,669,483	30.8	1,722.06
March 31, 2017	8,122,032	2,662,811	2,401,893	29.6	1,532.56

**(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 2018	388,212	(256,350)	(296,136)	432,140
Fiscal Year 2017	389,693	(81,306)	(335,396)	605,589

**2. Dividend distribution**

	Dividend distribution per share					Total Dividend distribution (Annual)	Payout ratio (Consolidated)	Ratio of dividend distribution to ITOCHU shareholders' 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 2017	-	27.50	-	27.50	55.00	86,660	24.6	3.8
Fiscal Year 2018	-	32.00	-	38.00	70.00	108,675	27.1	4.3
Fiscal Year 2019 (Planned)	-	37.00	-	37.00	74.00		25.5	

**3. Outlook of consolidated operating results for the fiscal year 2019 (from April 1, 2018 to March 31, 2019)**

(%: Changes from the previous fiscal year)

	Net profit attributable to ITOCHU		Basic earnings per share attributable to ITOCHU
	millions of yen	%	yen
Fiscal Year 2019	450,000	12.4	290.29

Outlook of consolidated operating results for the first half of fiscal year 2019 is not prepared.

#### 4. Other information

(1) Changes in significant subsidiaries accompanied by changes in the consolidation scope: Yes

New company: 1 (CIECO West Qurna Limited )

Note: For more details, please refer to page 8, "2.(1) Changes in significant subsidiaries accompanied by changes in the consolidation scope".

(2) Changes in accounting policies and accounting estimates

(a) Changes in accounting policies required by IFRS: None

(b) Other changes: None

(c) Changes in accounting estimates: None

(3) Number of common shares issued

(a) Number of common shares outstanding: (including the number of treasury stock)	End of Fiscal Year 2018	1,662,889,504	Fiscal Year 2017	1,662,889,504
--	-------------------------	---------------	------------------	---------------

(b) Number of treasury stock:	End of Fiscal Year 2018	112,725,195	Fiscal Year 2017	95,642,000
-------------------------------	-------------------------	-------------	------------------	------------

(c) Average number of common shares outstanding:	For Fiscal Year 2018	1,552,027,460	Fiscal Year 2017	1,574,707,759
---	----------------------	---------------	------------------	---------------

Note: With regard to the number of shares used to calculate the earnings per share attributable to ITOCHU, please refer to page 19, "5. (7) Per Share Information".

[Note]

\*1. This document is an English translation of a statement initially written in Japanese. The original Japanese document should be considered as the primary version.

\*2. This document is unaudited by certificated public accountants or audit firms.

\*3. Data and projections contained in these materials are based on the information available at the time of publication, and various factors may cause actual results to differ materially from those presented in such forward-looking statements. ITOCHU Corporation, therefore, wishes to caution that readers should not practice undue reliance on forward-looking statements, and further, that ITOCHU Corporation has no obligation to update any forward-looking statements as a result of new information, future events or other developments.

\*4. "Trading income" is presented in accordance with Japanese accounting practices.

- "Trading income" = "Gross trading profit" + "Selling, general and administrative expenses" + "Provision for doubtful accounts"

\*5. The consolidated financial statements are expressed in Japanese yen and, solely for the convenience of the reader, have been translated into U.S. dollars at the rate of 106.24 yen = 1 U.S. dollar, the exchange rate prevailing on March 31, 2018. 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.

\*6. "ITOCHU" referred to in the consolidated financial statements represents ITOCHU Corporation.

## 1. Qualitative Information

### (1) Qualitative Information of the Consolidated Operating Results

#### (a) General Economic Situation

In fiscal year 2018, the global economy showed an overall trend of expansion reflecting continued stable growth of the U.S. economy due to the improvements in domestic employment and income levels, the European economies' smooth recovery despite certain concerns over the progress of Brexit talks, and signs of the improvement of emerging countries, especially Asian countries, such as China, ASEAN and India. The WTI crude oil price, although it had fallen from the US\$50 level per barrel in May to the mid-US\$40s level in June, recovered to the US\$60 level at the end of December due to decreasing inventories in the U.S. market and another extension of the period of oil production curtailment by major oil-producing countries including OPEC, with the positive expectation of higher demands accompanying the favorable global economy. The price has stayed around the US\$60-65 range from the end of December onwards.

The Japanese economy expanded moderately overall due to a continuing upward trend in exports and companies' capital investment, despite ups and downs in consumer spending. The yen had appreciated against the U.S. dollar in early September mainly due to increasing tensions with North Korea. Although the yen temporarily depreciated on the back of the further growth expectation of the U.S. economy, the yen surged against the U.S. dollar to below the ¥105 temporarily due to concerns over the protectionist U.S. trade policy, remaining at the ¥106 level at the end of March. The Nikkei Stock Average surged from the ¥18,000 level in April to the ¥24,000 level in January due to the rise in the U.S. stock market and the depreciation of the yen. However, it slipped to the ¥21,000 level at the end of March reflecting the fall in the U.S. stock market and the appreciation of the yen. The yield on 10-year Japanese government bonds had temporarily dipped below zero in early September, but recovered to nearly 0.1% to the end of January. At the end of March, it dropped to 0.04% due to the appreciation of the yen and the fall in stock markets.

#### (b) Consolidated Operating Results

	Billions of Yen				Millions of U.S. Dollars
	2018	2017	Increase (Decrease)	%	2018
Revenues .....	5,510.1	4,838.5	671.6	13.9%	51,865
Gross trading profit .....	1,210.4	1,093.5	117.0	10.7%	11,394
Selling, general and administrative expenses .....	(890.3)	(801.8)	(88.4)	11.0%	(8,380)
Gains on investments.....	7.1	32.1	(25.1)	(78.0%)	67
Losses on property, plant, equipment and intangible assets.....	(29.6)	(16.7)	(12.9)	-	(279)
Equity in earnings of associates and joint ventures .....	216.2	185.2	31.1	16.8%	2,035
Income tax expense.....	(106.1)	(125.3)	19.1	(15.3%)	(999)
Net profit attributable to ITOCHU.....	400.3	352.2	48.1	13.7%	3,768
(Reference) Trading income.....	316.9	288.4	28.5	9.9%	2,984

(i) Revenues (from external customers)

Increased by 13.9%, or 671.6 billion yen, compared with the previous fiscal year to 5,510.1 billion yen (51,865 million U.S. dollars).

- Machinery Company:  
Increased by 360.8 billion yen compared with the previous fiscal year to 722.8 billion yen (6,804 million U.S. dollars), due to the conversion of YANASE into a consolidated subsidiary and the favorable performance in aircraft-related and plant-related companies.
- Energy & Chemicals Company:  
Increased by 150.3 billion yen compared with the previous fiscal year to 1,576.8 billion yen (14,841 million U.S. dollars), due to the conversion of Takiron into a consolidated subsidiary as a result of its merger with C. I. Kasei and the higher sales prices in energy-related companies.
- Food Company:  
Increased by 77.9 billion yen compared with the previous fiscal year to 1,149.2 billion yen (10,817 million U.S. dollars), due to the higher transaction volume with FamilyMart UNY Holdings in fresh-food-related and provisions-related transactions and food-distribution-related companies, and fresh-food-related companies.

(ii) Gross trading profit

Increased by 10.7%, or 117.0 billion yen, compared with the previous fiscal year to 1,210.4 billion yen (11,394 million U.S. dollars).

- Machinery Company:  
Increased by 68.9 billion yen compared with the previous fiscal year to 171.9 billion yen (1,618 million U.S. dollars), due to the conversion of YANASE into a consolidated subsidiary, the favorable performance in aircraft-related and plant-related companies, and the absence of deterioration in profitability in ship-related business affected by stagnant market conditions in the previous fiscal year.
- Metals & Minerals Company:  
Increased by 23.9 billion yen compared with the previous fiscal year to 93.5 billion yen (880 million U.S. dollars), due to the higher iron ore and coal prices, and the higher sales volume in iron ore-related business.
- Energy & Chemicals Company:  
Increased by 23.6 billion yen compared with the previous fiscal year to 206.8 billion yen (1,946 million U.S. dollars), due to the conversion of Takiron into a consolidated subsidiary as a result of its merger with C. I. Kasei and the favorable performance in chemical-related transactions, despite the deterioration in profitability in energy trading transactions.

(iii) Selling, general and administrative expenses

Increased by 11.0%, or 88.4 billion yen, compared with the previous fiscal year to 890.3 billion yen (8,380 million U.S. dollars), due to the conversion of YANASE into a consolidated subsidiary, the conversion of Takiron into a consolidated subsidiary as a result of its merger with C. I. Kasei, and other factors.

(iv) Gains on investments

Decreased by 78.0%, or 25.1 billion yen, compared with the previous fiscal year to 7.1 billion yen (67 million U.S. dollars), due to the impairment loss on C.P. Pokphand and the absence of the gain on sales of a medical-device-related company in the previous fiscal year and the gain accompanying the changes in equity resulting from the merger of FamilyMart and UNY Holdings, despite the gain accompanying the merger of C. I. Kasei and Takiron, and the gain accompanying the partial sales of a Chinese fresh-food-related company.

(v) Losses on property, plant, equipment and intangible assets

Deteriorated by 12.9 billion yen, compared with the previous fiscal year to 29.6 billion yen (losses) (279 million U.S. dollars), due to the impairment losses in apparel-related and fresh food-related companies, despite the absence of the impairment loss in European tire-related companies in the previous fiscal year.

(vi) Equity in earnings of associates and joint ventures

Increased by 16.8%, or 31.1 billion yen, compared with the previous fiscal year to 216.2 billion yen (2,035 million U.S. dollars).

- Food Company:

Increased by 14.6 billion yen compared with the previous fiscal year to 33.6 billion yen (316 million U.S. dollars), due to the higher operating revenues resulting from the merger of FamilyMart and UNY Holdings and the improvement in tax expenses, despite the impairment losses in the company.

- ICT & Financial Business Company:

Increased by 6.5 billion yen compared with the previous fiscal year to 37.4 billion yen (352 million U.S. dollars), due to the recovery of foreign finance-related companies.

- General Product & Realty Company:

Increased by 5.4 billion yen compared with the previous fiscal year to 18.1 billion yen (170 million U.S. dollars), due to the improvement in the market conditions in foreign pulp-related companies.

(vii) Income tax expense

Decreased by 15.3%, or 19.1 billion yen, compared with the previous fiscal year to 106.1 billion yen (999 million U.S. dollars), due to the positive effects of the U.S. tax reform and the decrease in tax expenses in pulp-related companies, despite stable growth in profits.

(viii) Net profit attributable to ITOCHU

Consequently, Net profit attributable to ITOCHU increased by 13.7%, or 48.1 billion yen, compared with the previous fiscal year to 400.3 billion yen (3,768 million U.S. dollars).

(Reference) Trading Income

“Trading Income” in accordance with Japanese accounting practices (“Trading income” = “Gross trading profit” + “Selling, general and administrative expenses” + “Provision for doubtful accounts”) increased by 9.9%, or 28.5 billion yen, compared with the previous fiscal year to 316.9 billion yen (2,984 million U.S. dollars).

- Metals & Minerals Company:

Increased by 23.0 billion yen compared with the previous fiscal year to 75.2 billion yen (708 million U.S. dollars), due to the higher iron ore and coal prices, and the higher sales volume in iron ore-related business.

## (2) Qualitative Information of the Consolidated Financial Position

### (a) Consolidated Financial Position

	Billions of Yen				Millions of U.S. Dollars
	Mar. 2018	Mar. 2017	Increase (Decrease)	%	Mar. 2018
Total assets .....	8,663.9	8,122.0	541.9	6.7%	81,551
Interest-bearing debt .....	2,779.5	2,944.7	(165.2)	(5.6%)	26,162
Net interest-bearing debt .....	2,320.4	2,330.7	(10.3)	(0.4%)	21,841
Total shareholders' equity .....	2,669.5	2,401.9	267.6	11.1%	25,127
Ratio of shareholders' equity to total assets .....	30.8%	29.6%	Increased 1.2pt		
NET DER (times) .....	0.87	0.97	Improved 0.1pt		

#### (i) Total assets

Increased by 6.7%, or 541.9 billion yen, compared with March 31, 2017 to 8,663.9 billion yen (81,551 million U.S. dollars), due to the conversion of YANASE into a consolidated subsidiary, the conversion of Takiron into a consolidated subsidiary as a result of its merger with C. I. Kasei, the acquisition of the stake of Iraqi oil fields, the increased trade receivables in food-distribution-related companies with the effect of the last day falling on a weekend, and the increase in investments accounted for by the equity method.

#### (ii) Interest-bearing debt

Decreased by 5.6%, or 165.2 billion yen, compared with March 31, 2017 to 2,779.5 billion yen (26,162 million U.S. dollars), due to the repayment of borrowings accompanying stable performance in operating revenues and steady collections, despite the acquisition of the stake of Iraqi oil fields, the conversion of YANASE into a consolidated subsidiary, the investments in IPP-related companies, and the additional investments in FamilyMart UNY Holdings and a provisions-related company. Net interest-bearing debt (Interest-bearing debt after deducting Cash and cash equivalents and Time deposits) decreased by 0.4%, or 10.3 billion yen, compared with March 31, 2017 to 2,320.4 billion yen (21,841 million U.S. dollars).

#### (iii) Total shareholders' equity

Increased by 11.1%, or 267.6 billion yen, compared with March 31, 2017 to 2,669.5 billion yen (25,127 million U.S. dollars), due to Net profit attributable to ITOCHU during this fiscal year, despite dividend payments and acquisition of treasury stock.

#### (iv) Ratio of shareholders' equity to total assets and NET DER (Net debt-to-shareholders' equity ratio)

Ratio of shareholders' equity to total assets increased by 1.2 points compared with March 31, 2017 to 30.8%. NET DER (Net debt-to-shareholders' equity ratio) improved compared with March 31, 2017 to 0.87 times.

(b) Consolidated Cash Flows

	Billions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Cash flows from operating activities .....	388.2	389.7	3,654
Cash flows from investing activities .....	(256.4)	(81.3)	(2,413)
<i>Free cash flows</i> .....	<i>131.9</i>	<i>308.4</i>	<i>1,241</i>
Cash flows from financing activities .....	(296.1)	(335.4)	(2,787)

(i) Cash flows from operating activities

Recorded a net cash-inflow of 388.2 billion yen (3,654 million U.S. dollars), resulting from the stable performance in operating revenues in the Metals & Minerals, Food, Energy, Machinery and ICT sectors.

(ii) Cash flows from investing activities

Recorded a net cash-outflow of 256.4 billion yen (2,413 million U.S. dollars), due to the additional investments in FamilyMart and UNY Holdings and a provisions-related company, the acquisition of the stake of Iraqi oil fields, the investments in IPP-related companies, and the acquisition of fixed assets mainly in the Food, Energy, Metals & Minerals and Machinery sectors, despite the increase in cash resulting from the conversion of Takiron into a consolidated subsidiary as a result of its merger with C. I. Kasei.

(iii) Cash flows from financing activities

Recorded a net cash-outflow of 296.1 billion yen (2,787 million U.S. dollars), due to the repayment of borrowings, dividend payments, and acquisition of treasury stock.

Consequently, “Cash and cash equivalents” as of March 31, 2018 decreased by 173.4 billion yen compared with March 31, 2017 to 432.1 billion yen (4,068 million U.S. dollars).

The trend of consolidated cash flow indices are as follows:

	2015	2016	2017	2018
Ratio of shareholders' equity to total assets (%)....	28.4%	27.3%	29.6%	30.8%
Ratio of market capitalization to total assets (%) (*)..	24.0%	27.2%	30.5%	37.0%
Years of debt redemption (years).....	7.7 yrs	7.6 yrs	7.6 yrs	7.2 yrs
Interest coverage ratio (times).....	15.9	15.9	14.0	10.0

Consolidated cash flow indices are calculated as follows:

Ratio of shareholders' equity to total assets (%) = Shareholders' 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

(\*) Market capitalization is calculated based on the number of shares outstanding excluding treasury stock.



## **2. Summary Information (Notes)**

### **(1) Changes in significant subsidiaries accompanied by changes in the consolidation scope:**

CIECO West Qurna Limited (hereinafter “CIECO WQ”), which was established to implement timely and proactive management and administration of Iraqi oil fields, became a significant subsidiary since ITOCHU infused capital into CIECO WQ to make a payment to acquire 100% shares of Shell Iraq B.V., which holds a 19.6% stake of the West Qurna 1 Oil Field in the Republic of Iraq.

### **(2) Changes in accounting policies and accounting estimates**

- |  |      |
|--|------|
| (a) Changes in accounting policies required by IFRS: | None |
| (b) Other changes:                                   | None |
| (c) Changes in accounting estimates:                 | None |

### 3. Management Policy

#### Implementing the Medium-Term Management Plan "Brand-new Deal 2020"

ITOCHU Group will aim for reinventing Trading company to deal with a new era of transformation by innovation proactively by utilizing new technologies drastically and evolving a business model. Meanwhile, we will reinvent work-style to promote employees' productivity and quality.

In order to create greater corporate-value and establish a reinvented and sustainable growth model for enhancing returns to shareholders, society and employees, ITOCHU Group has formulated "Brand-new Deal 2020" (the three-year plan covering the period from FY2019 to FY2021).



#### Our Vision

In "Brand-new Deal 2020", our vision is as follows:

ITOCHU Group, the best global partner playing an integral role in supporting prosperous lifestyles, will become Next-Generation Merchant and seek for sustainable growth through a reinvented *sampo yoshi* approach, with evolution of a business model through new technology and new partnerships ("Reinvented Business"), and with advancement work-style ("Reinvented Work-Styles"), which reforms to help each employee create greater value through higher productivity and quality.

#### Basic Policies

In "Brand-new Deal 2020", the basic policies to achieve the vision are as follows:

##### **【Reinvented Business】**

- Evolve business model by utilizing new technologies at all division companies
- Improve value across Group value chain centered around FamilyMart UNY Holdings
- Accelerate creation of new businesses in China and other parts of Asia by actively engaging in alliances with strategic partners

##### **【Smart Management】**

- Become an industry leader in terms of management efficiency indicators such as ROE and labor productivity
- Further advance work-style reforms and efficiency

##### **【No.1 Health Management Company】**

- Ensure employees feel motivated and rewarded in their work and become the best company for employees' families as well
- Improve the health of all employees and energize entire Group

#### Investment Policy

In "Brand-new Deal 2020", the investment policy is as follows:

We will aim to consistently maintain positive core free cash flows after deducting shareholder returns\* by reinventing business through investment in new and next-generation technologies and conducting continuous and disciplined growth investments while considering cash flows.

(\*) "Core operating cash flows" minus "Net investment" minus "Dividends and share buybacks"

#### Shareholder Returns Policy

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

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

## Outlook for the Fiscal Year 2019

Looking ahead to the next fiscal year ending March 31, 2019, we assume that the global economy will continue to expand. The U.S. economy is remaining on favorable trends, and the European economy is expected to continue to expand as long as the negative effect of the Brexit is limited, while it is uncertain. The emerging countries, while the Chinese economic growth may be suppressed by their structural reforms, will mostly be in favorable conditions due to the stable natural resource price movements and the favorable advanced countries' economies.

In Japan, although economic conditions are expected to improve moderately due to expanding exports and the recovery of consumer expenditures accompanying income growth, the upheavals of circumstances overseas may cause the yen to appreciate and place downward pressure on the Japanese economy.

Under these economic circumstances, ITOCHU expects consolidated Net profit attributable to ITOCHU of 450.0 billion yen for the fiscal year ending March 31, 2019.

For your attention, these forecasts are forward-looking statements that are based on 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 statements due to such factors including, but not limited to, global economic and market conditions, and currency exchange rate fluctuations.

(Unit: Billion yen)	
Consolidated	Plan FY2019
Gross trading profit	1,593.0
Trading income	377.0
Equity in earnings of associates and joint ventures	214.0
Net profit attributable to ITOCHU	450.0

(Unit: Billion yen)	
Consolidated	Plan FY2019
Total assets	10,600.0
Interest-bearing debt	2,950.0
Net interest-bearing debt	2,450.0
Total shareholders' equity	3,000.0

### Major Indicators (Apr-Mar)

Foreign exchange rate (Yen/US\$)

Crude oil (Brent) (US\$/BBL)

### Precondition FY2019

105

55

### Precondition FY2019

Iron ore (CFR China) (US\$/ton)

Hard coking coal (FOB Australia) (US\$/ton)

Thermal coal (FOB Australia) (US\$/ton)

N.A. (Note)

N.A. (Note)

N.A. (Note)

(Note) The prices for iron ore, hard coking coal and thermal coal used in the FY2019 plan are assumed in consideration for general transaction prices based on the market. The figures are not presented since the actual sales prices are decided based on negotiations with each customer, ore type and coal type.

## Distribution of Profit

ITOCHU Corporation plans to pay dividend of ¥70 per share for the fiscal year ended March 31, 2018 (an interim dividend of ¥32 per share was already paid). For the fiscal year ending March 31, 2019, ITOCHU plans to pay full-year dividend of minimum ¥74 per share, comprising an interim dividend of ¥37 per share and a year-end dividend of ¥37 per share.

## 4. Basic Concept on the Selection of Accounting Standards

ITOCHU Group (ITOCHU and its subsidiaries) deals with a wide variety of business with diverse range of industries through its global network. Anticipating further global expansion in the future and in order to improve the practicability and international comparability of the company's financial information, we have prepared our consolidated financial statements in conformity with International Financial Reporting Standards (IFRS) from the annual report for the year ended March 31, 2014.

**5. Consolidated Financial Statements****(1) Consolidated Statement of Comprehensive Income**

ITOCHU Corporation and its Subsidiaries

Years ended March 31, 2018 and 2017

	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
<b>Revenues:</b>			
Revenues from sale of goods.....	¥ 4,719,460	¥ 4,115,568	\$ 44,423
Revenues from rendering of services and royalties.....	790,599	722,896	7,442
Total revenues.....	5,510,059	4,838,464	51,865
<b>Cost:</b>			
Cost of sale of goods.....	(3,706,873)	(3,209,289)	(34,892)
Cost of rendering of services and royalties.....	(592,746)	(535,713)	(5,579)
Total cost.....	(4,299,619)	(3,745,002)	(40,471)
<b>Gross trading profit .....</b>	<b>1,210,440</b>	<b>1,093,462</b>	<b>11,394</b>
<b>Other gains (losses):</b>			
Selling, general and administrative expenses.....	(890,276)	(801,837)	(8,380)
Provision for doubtful accounts.....	(3,231)	(3,226)	(30)
Gains on investments.....	7,080	32,144	67
Losses on property, plant, equipment and intangible assets.....	(29,629)	(16,696)	(279)
Other-net.....	(280)	(5,425)	(3)
Total other-losses.....	(916,336)	(795,040)	(8,625)
<b>Financial income (loss):</b>			
Interest income.....	34,702	26,625	327
Dividends received.....	34,273	19,901	322
Interest expense.....	(41,449)	(30,251)	(390)
Total financial income.....	27,526	16,275	259
Equity in earnings of associates and joint ventures.....	216,228	185,158	2,035
<b>Profit before tax.....</b>	<b>537,858</b>	<b>499,855</b>	<b>5,063</b>
Income tax expense.....	(106,138)	(125,262)	(999)
<b>Net Profit.....</b>	<b>431,720</b>	<b>374,593</b>	<b>4,064</b>
Net profit attributable to ITOCHU.....	400,333	352,221	3,768
Net profit attributable to non-controlling interests.....	31,387	22,372	296

	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
<b>Other comprehensive income, net of tax:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
FVTOCI financial assets.....	¥ (23,100)	¥ 263	\$ (218)
Remeasurement of net defined pension liability.....	3,252	6,017	31
Other comprehensive income in associates and joint ventures.....	1,333	(4,115)	12
<b>Items that will be reclassified to profit or loss</b>			
Translation adjustments.....	(38,452)	(11,789)	(362)
Cash flow hedges.....	495	5,674	5
Other comprehensive income in associates and joint ventures.....	40,354	(47,278)	380
<b>Total other comprehensive income, net of tax.....</b>	<b>(16,118)</b>	<b>(51,228)</b>	<b>(152)</b>
<b>Total comprehensive income .....</b>	<b>415,602</b>	<b>323,365</b>	<b>3,912</b>
Total comprehensive income attributable to ITOCHU .....	390,022	303,063	3,671
Total comprehensive income attributable to non-controlling interests .....	25,580	20,302	241

Note 1 : The gains and losses on disposal and remeasurement of equity financial instruments, of which the changes in fair value are recorded in "Other comprehensive income", are recognized in "FVTOCI financial assets".

Note 2 : "Trading income" is presented in accordance with Japanese accounting practices.  
("Trading income" = "Gross trading profit" + "Selling, general and administrative expenses" + "Provision for doubtful accounts")  
Trading income for the years ended March 31, 2018 and 2017 were 316,933 million yen (2,984 million U.S. dollars) and 288,399 million yen, respectively.

**(2) Consolidated Statement of Financial Position**

ITOCHU Corporation and its Subsidiaries

As of March 31, 2018 and 2017

Assets	Millions of Yen		Millions of U.S. Dollars
	Mar. 2018	Mar. 2017	Mar. 2018
<b>Current assets:</b>			
Cash and cash equivalents.....	¥ 432,140	¥ 605,589	\$ 4,068
Time deposits.....	26,915	8,381	253
Trade receivables.....	2,183,349	1,949,049	20,551
Other current receivables.....	84,146	74,322	792
Other current financial assets.....	34,329	28,999	323
Inventories.....	870,352	775,396	8,192
Advances to suppliers.....	179,760	161,855	1,692
Other current assets.....	112,370	97,224	1,058
Total current assets.....	3,923,361	3,700,815	36,929
<b>Non-current assets:</b>			
Investments accounted for by the equity method.....	1,844,871	1,626,583	17,365
Other investments.....	816,510	793,589	7,686
Non-current receivables.....	617,719	656,774	5,814
Non-current financial assets other than investments and receivables.....	82,379	118,511	776
Property, plant and equipment.....	813,294	680,375	7,655
Investment property.....	19,134	26,605	180
Goodwill and intangible assets.....	362,571	369,378	3,413
Deferred tax assets.....	62,259	54,660	586
Other non-current assets.....	121,839	94,742	1,147
Total non-current assets.....	4,740,576	4,421,217	44,622
<b>Total assets.....</b>	<b>¥ 8,663,937</b>	<b>¥ 8,122,032</b>	<b>\$ 81,551</b>

<b>Liabilities and Equity</b>	Millions of Yen		Millions of U.S. Dollars
	<b>Mar. 2018</b>	Mar. 2017	<b>Mar. 2018</b>
<b>Current liabilities:</b>			
Short-term debentures and borrowings.....	¥ 526,867	¥ 563,033	\$ 4,959
Trade payables.....	1,825,859	1,588,783	17,186
Other current payables.....	79,200	53,494	746
Other current financial liabilities.....	26,791	15,729	252
Current tax liabilities.....	53,241	40,660	501
Advances from customers.....	157,167	149,921	1,479
Other current liabilities.....	319,777	288,785	3,010
Total current liabilities .....	<b>2,988,902</b>	2,700,405	<b>28,133</b>
<b>Non-current liabilities:</b>			
Long-term debentures and borrowings.....	2,252,606	2,381,620	21,203
Other non-current financial liabilities.....	114,627	108,333	1,079
Non-current liabilities for employee benefits.....	97,955	59,614	922
Deferred tax liabilities.....	129,579	123,374	1,220
Other non-current liabilities.....	95,917	85,875	903
Total non-current liabilities .....	<b>2,690,684</b>	2,758,816	<b>25,327</b>
Total liabilities .....	<b>5,679,586</b>	5,459,221	<b>53,460</b>
<b>Equity:</b>			
Common stock:			
Authorized: 3,000,000,000 shares; issued: 1,662,889,504 shares.....	253,448	253,448	2,386
Capital surplus.....	160,271	162,038	1,509
Retained earnings.....	2,324,766	2,020,018	21,882
Other components of equity :			
Translation adjustments.....	136,729	137,085	1,287
FVTOCI financial assets.....	(61,484)	(50,353)	(579)
Cash flow hedges.....	5,961	1,997	56
Total other components of equity.....	81,206	88,729	764
Treasury stock.....	(150,208)	(122,340)	(1,414)
Total shareholders' equity.....	<b>2,669,483</b>	2,401,893	<b>25,127</b>
Non-controlling interests.....	314,868	260,918	2,964
Total equity.....	<b>2,984,351</b>	2,662,811	<b>28,091</b>
<b>Total liabilities and equity.....</b>	<b>¥ 8,663,937</b>	¥ 8,122,032	<b>\$ 81,551</b>

**(3) Consolidated Statement of Changes in Equity**

ITOCHU Corporation and its Subsidiaries

Years ended March 31, 2018 and 2017

	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
<b>Common stock:</b>			
Balance at the beginning of the year.....	¥ 253,448	¥ 253,448	\$ 2,386
Balance at the end of the year.....	¥ 253,448	¥ 253,448	\$ 2,386
<b>Capital surplus:</b>			
Balance at the beginning of the year.....	¥ 162,038	¥ 156,688	\$ 1,525
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests.....	(1,767)	5,350	(16)
Balance at the end of the year.....	¥ 160,271	¥ 162,038	\$ 1,509
<b>Retained earnings:</b>			
Balance at the beginning of the year.....	¥ 2,020,018	¥ 1,748,375	\$ 19,014
Net profit attributable to ITOCHU.....	400,333	352,221	3,768
Transfer from other components of equity.....	(2,740)	2,459	(26)
Cash dividends.....	(92,845)	(83,037)	(874)
Balance at the end of the year.....	¥ 2,324,766	¥ 2,020,018	\$ 21,882
<b>Other components of equity:</b>			
Balance at the beginning of the year.....	¥ 88,729	¥ 140,750	\$ 835
Other comprehensive income attributable to ITOCHU.....	(10,311)	(49,158)	(97)
Transfer to retained earnings.....	2,740	(2,459)	26
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests.....	48	(404)	0
Balance at the end of the year.....	¥ 81,206	¥ 88,729	\$ 764
<b>Treasury stock:</b>			
Balance at the beginning of the year.....	¥ (122,340)	¥ (105,584)	\$ (1,152)
Net change in treasury stock.....	(27,868)	(16,756)	(262)
Balance at the end of the year.....	¥ (150,208)	¥ (122,340)	\$ (1,414)
<b>Total shareholders' equity.....</b>	<b>¥ 2,669,483</b>	<b>¥ 2,401,893</b>	<b>\$ 25,127</b>
<b>Non-controlling interests:</b>			
Balance at the beginning of the year.....	¥ 260,918	¥ 258,378	\$ 2,456
Net profit attributable to non-controlling interests.....	31,387	22,372	296
Other comprehensive income attributable to non-controlling interests.....	(5,807)	(2,070)	(55)
Cash dividends to non-controlling interests.....	(10,732)	(9,726)	(101)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests.....	39,102	(8,036)	368
Balance at the end of the year.....	¥ 314,868	¥ 260,918	\$ 2,964
<b>Total equity.....</b>	<b>¥ 2,984,351</b>	<b>¥ 2,662,811</b>	<b>\$ 28,091</b>



**(4) Consolidated Statement of Cash Flows****-Unaudited-**

ITOCHU Corporation and its Subsidiaries

Years ended March 31, 2018 and 2017

	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
<b>Cash flows from operating activities:</b>			
Net profit .....	¥ 431,720	¥ 374,593	\$ 4,064
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization .....	114,102	107,046	1,074
(Gains) losses on investments.....	(7,080)	(32,144)	(67)
(Gains) losses on property, plant, equipment and intangible assets.....	29,629	16,696	279
Financial (income) loss.....	(27,526)	(16,275)	(259)
Equity in earnings of associates and joint ventures .....	(216,228)	(185,158)	(2,035)
Income tax expense .....	106,138	125,262	999
Provision for doubtful accounts and other provisions .....	12,995	3,599	122
Changes in assets and liabilities, other-net .....	(72,842)	(30,042)	(686)
Proceeds from interest.....	31,321	26,693	295
Proceeds from dividends.....	110,518	88,498	1,040
Payments for interest.....	(38,703)	(27,757)	(364)
Payments for income taxes.....	(85,832)	(61,318)	(808)
Net cash provided by (used in) operating activities .....	<u>388,212</u>	<u>389,693</u>	<u>3,654</u>
<b>Cash flows from investing activities:</b>			
Net change in investments accounted for by the equity method .....	(125,146)	(17,115)	(1,178)
Net change in other investments .....	(56,833)	(5,277)	(535)
Net change in loans receivable .....	21,307	29,150	201
Net change in property, plant, equipment and intangible assets .....	(87,019)	(76,844)	(819)
Net change in time deposits .....	(8,659)	(11,220)	(82)
Net cash provided by (used in) investing activities .....	<u>(256,350)</u>	<u>(81,306)</u>	<u>(2,413)</u>
<b>Cash flows from financing activities:</b>			
Net change in debentures and loans payable .....	(160,858)	(226,547)	(1,514)
Cash dividends .....	(92,845)	(83,037)	(874)
Net change in treasury stock .....	(27,895)	(16,756)	(262)
Other .....	(14,538)	(9,056)	(137)
Net cash provided by (used in) financing activities .....	<u>(296,136)</u>	<u>(335,396)</u>	<u>(2,787)</u>
<b>Net change in cash and cash equivalents .....</b>	<u>(164,274)</u>	<u>(27,009)</u>	<u>(1,546)</u>
Cash and cash equivalents at the beginning of the year .....	605,589	632,871	5,700
Effect of exchange rate changes on cash and cash equivalents .....	(9,175)	(273)	(86)
<b>Cash and cash equivalents at the end of the year .....</b>	<u>¥ 432,140</u>	<u>¥ 605,589</u>	<u>\$ 4,068</u>

(Note) The item currently disclosed as "Provision for doubtful accounts and other provisions" reflects the changes of other provisions in addition to "provision for doubtful accounts" which was previously disclosed. Accompanying this change, the amounts for fiscal year 2017 has been reclassified in the same way.

**(5) Assumption for Going Concern** None

**(6) Basis of the Consolidated Financial Statements**

[Consolidated Subsidiaries and Equity-Method Associated Companies]

Consolidated Subsidiaries

Number of companies	Major Group Companies
Domestic: 78 entities	JOI'X CORPORATION, SANKEI COMPANY LIMITED, JAPAN AEROSPACE CORPORATION, ITOCHU CONSTRUCTION MACHINERY CO., LTD., ITOCHU MACHINE-TECHNOS CORP., Century Medical, Inc., YANASE & CO., LTD., ITOCHU Metals Corporation, Brazil Japan Iron Ore Corporation, ITOCHU ENEX CO., LTD., ITOCHU CHEMICAL FRONTIER Corporation, ITOCHU PLASTICS INC., C.I. TAKIRON Corporation, ITOCHU-SHOKUHIN Co., Ltd., NIPPON ACCESS, INC., Dole International Holdings, Inc., ITOCHU FOOD INVESTMENT, LLC, ITOCHU KENZAI CORPORATION, ITOCHU PULP & PAPER CORPORATION, ITOCHU PROPERTY DEVELOPMENT, LTD., ITOCHU LOGISTICS CORP., ITOCHU Techno-Solutions Corporation, CONEXIO Corporation, ITOCHU Fuji Partners, Inc., GIT Corporation
Overseas: 128 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., European Tyre Enterprise Limited, ITOCHU FIBRE LIMITED, ITOCHU International Inc., ITOCHU Europe PLC, ITOCHU (CHINA) HOLDING CO., LTD., ITOCHU Hong Kong Ltd., ITOCHU Australia Ltd., Orchid Alliance Holdings Limited

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

TSE 1st Section : ITOCHU ENEX CO., LTD., C.I. TAKIRON Corporation, ITOCHU-SHOKUHIN Co., Ltd., ITOCHU Techno-Solutions Corporation, CONEXIO Corporation

Equity-Method Companies

Number of companies	Major Group Companies
Domestic: 43 entities	JAMCO Corporation, Tokyo Century Corporation, SUNCALL CORPORATION, Marubeni-Itochu Steel Inc., JAPAN FOODS CO.,LTD., FamilyMart UNY Holdings Co., Ltd., Prima Meat Packers, Ltd., DAIKEN CORPORATION, BELLSYSTEM24 Holdings, Inc., Orient Corporation, eGuarantee, Inc.
Overseas: 51 entities	CGB ENTERPRISES, INC., C.P. Pokphand Co. Ltd.

- Note: 1. 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.)
2. Takiron Co., Ltd. and C. I. Kasei Company, Limited merged and formed C.I. TAKIRON Corporation on April 1, 2017.
3. ITOCHU made a resolution at its board of directors meeting held on April 19, 2018 to acquire the shares of FamilyMart UNY Holdings Co., Ltd. by way of a tender offer, for the purpose of making it a consolidated subsidiary of ITOCHU.

## (7) Notes to Consolidated Financial Statements

## (Operating Segment Information)

ITOCHU Corporation and its Subsidiaries

Years ended March 31, 2018 and 2017

Information concerning operations in different operating segments for the years ended March 31, 2018 and 2017 is as follows:

	For the year ended March 31, 2018 (April 1, 2017 -March 31, 2018)								Millions of Yen
	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	General Products & Realty	ICT & Financial Business	Others, Adjustments & Eliminations	Consolidated
Revenues:									
Revenues from external customers .....	¥ 522,427	¥ 722,774	¥ 229,661	¥ 1,576,750	¥ 1,149,176	¥ 594,420	¥ 697,187	¥ 17,664	¥ 5,510,059
Intersegment revenues.....	42	27	-	1,097	460	12,876	6,965	(21,467)	-
Total revenues.....	522,469	722,801	229,661	1,577,847	1,149,636	607,296	704,152	(3,803)	5,510,059
Gross trading profit .....	121,978	171,934	93,464	206,756	278,279	152,428	178,741	6,860	1,210,440
Trading income .....	18,419	38,569	75,228	49,627	59,704	39,578	46,013	(10,205)	316,933
Net profit attributable to ITOCHU.....	12,499	57,052	82,460	36,882	80,466	55,683	51,099	24,192	400,333
[Equity in earnings of associates and joint ventures].....	[7,046]	[25,068]	[20,779]	[6,249]	[33,584]	[18,076]	[37,369]	[68,057]	[216,228]
Total assets at March 31, 2018 .....	474,856	1,218,556	850,295	1,355,712	1,962,169	978,777	766,159	1,057,413	8,663,937

	For the year ended March 31, 2017 (April 1, 2016 -March 31, 2017)								Millions of Yen
	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	General Products & Realty	ICT & Financial Business	Others, Adjustments & Eliminations	Consolidated
Revenues:									
Revenues from external customers .....	¥ 528,050	¥ 361,945	¥ 209,286	¥ 1,426,409	¥ 1,071,299	¥ 548,125	¥ 669,713	¥ 23,637	¥ 4,838,464
Intersegment revenues.....	510	1	-	910	382	13,531	6,920	(22,254)	-
Total revenues.....	528,560	361,946	209,286	1,427,319	1,071,681	561,656	676,633	1,383	4,838,464
Gross trading profit .....	132,396	103,068	69,600	183,124	272,222	145,876	171,648	15,528	1,093,462
Trading income .....	25,071	24,802	52,241	44,998	57,342	37,776	43,839	2,330	288,399
Net profit attributable to ITOCHU.....	25,215	46,446	45,242	18,864	70,511	27,609	40,052	78,282	352,221
[Equity in earnings of associates and joint ventures].....	[6,853]	[24,781]	[17,627]	[4,648]	[18,973]	[12,695]	[30,897]	[68,684]	[185,158]
Total assets at March 31, 2017 .....	495,892	989,662	854,905	1,169,503	1,773,166	840,350	718,594	1,279,960	8,122,032

	For the year ended March 31, 2018 (April 1, 2017 -March 31, 2018)								Millions of U.S. Dollars
	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	General Products & Realty	ICT & Financial Business	Others, Adjustments & Eliminations	Consolidated
Revenues:									
Revenues from external customers .....	\$ 4,918	\$ 6,804	\$ 2,162	\$ 14,841	\$ 10,817	\$ 5,595	\$ 6,562	\$ 166	\$ 51,865
Intersegment revenues.....	0	0	-	11	4	121	66	(202)	-
Total revenues.....	4,918	6,804	2,162	14,852	10,821	5,716	6,628	(36)	51,865
Gross trading profit .....	1,148	1,618	880	1,946	2,619	1,435	1,683	65	11,394
Trading income .....	174	363	708	467	562	373	433	(96)	2,984
Net profit attributable to ITOCHU.....	118	537	776	347	757	524	481	228	3,768
[Equity in earnings of associates and joint ventures].....	[66]	[236]	[195]	[59]	[316]	[170]	[352]	[641]	[2,035]
Total assets at March 31, 2018 .....	4,470	11,470	8,003	12,761	18,469	9,213	7,212	9,953	81,551

Note 1 : "Equity in earnings of associates and joint ventures" is included in "Net profit attributable to ITOCHU".

Note 2 : "Trading income" = "Gross trading profit" + "Selling, general and administrative expenses" + "Provision for doubtful accounts"

Note 3 : "Others, Adjustments &amp; Eliminations" includes gains and losses which do not belong to any operating segment and internal eliminations between operating segments.

The investments in CITIC Limited and C.P. Pokphand Co. Ltd. and the profits and losses from them are included in this segment.

**(Per Share Information)**

The following is the information on ITOCHU shareholders' equity per share and earnings per share attributable to ITOCHU for the years ended March 31, 2018 and 2017.

(Unit: Yen)

	2018	2017
ITOCHE shareholders' equity per share	1,722.06	1,532.56
Earnings per share attributable to ITOCHU (basic)	257.94	223.67
Earnings per share attributable to ITOCHU (diluted)	-	-

The base data to calculate the basic and diluted earnings per share attributable to ITOCHU for March 31, 2018 and 2017 are as follows:

(Numerator)

(Unit: Millions of Yen)

	2018	2017
Net profit attributable to ITOCHU	400,333	352,221
Effect of dilutive securities	-	-
Net profit attributable to ITOCHU (diluted)	400,333	352,221

(Denominator)

	2018	2017
Average number of common shares outstanding	1,552,027,460	1,574,707,759

**(Material Subsequent Events)**

None