

FY2019 1st Half Business Results

Appendix

ITOCHU Corporation

November 2, 2018



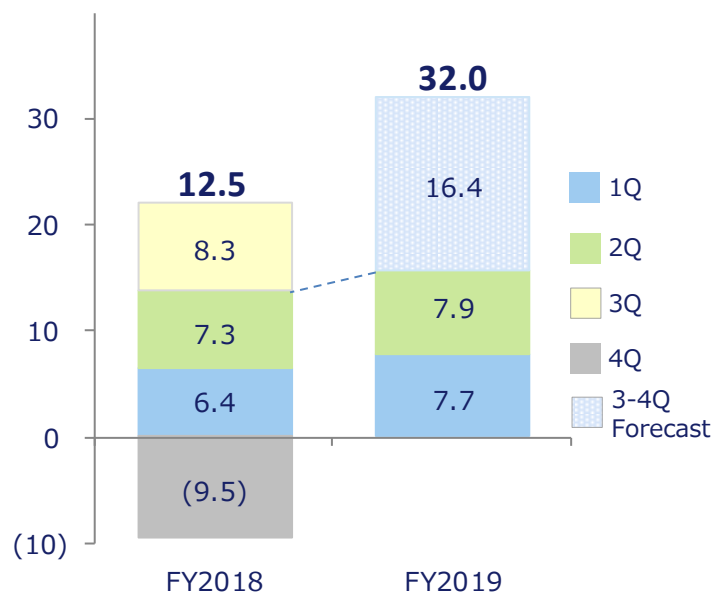
I am One with Infinite Missions

Forward-Looking Statements

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

	FY2018 1 st Half Result	FY2019 1 st Half Result	Increase/ Decrease	Summary of changes (Net profit attributable to ITOCHU)	(Unit : billion yen)	
					FY2019 Forecast	Progress
Gross trading profit	61.2	56.5	(4.7)	Increase due to the stable performance and the reduction of expenses in apparel-related companies, and the gain on sales of a foreign apparel-related company	123.0	46%
Equity in earnings of associates and joint ventures	3.4	4.0	+0.6			
Net profit attributable to ITOCHU	13.7	15.6	+1.9		32.0	49%
Core Profit	10.2	11.1	+0.9			
	Mar. 2018 Result	Sep. 2018 Result	Increase/ Decrease			
Total assets	474.9	492.0	+17.2			

Net profit attributable to ITOCHU



Profits/Losses from Major Group Companies

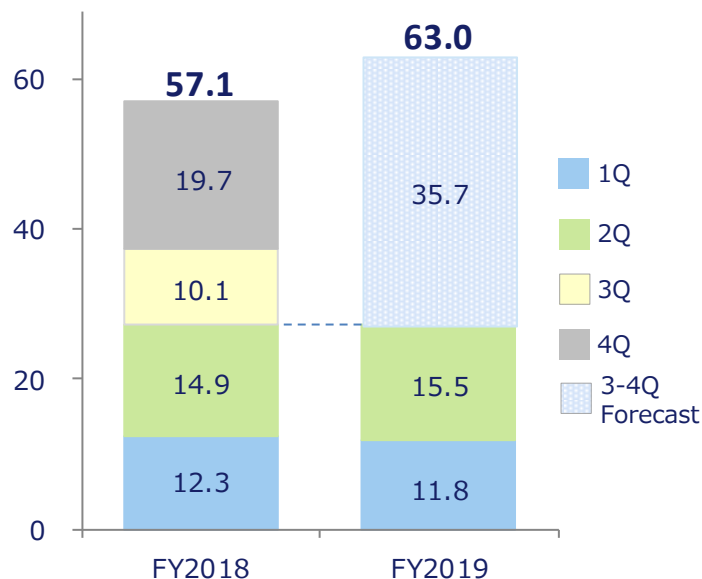
	FY2018 1 st Half	FY2019 1 st Half	FY2018 Annual	FY2019 Forecast
JOI'X CORPORATION	0.0	(0.1)	1.5	1.3
SANKEI COMPANY LIMITED	1.1	1.4	0.1	2.1
ITOCHU Textile Prominent (ASIA) Ltd.	(0.2)	0.6	0.2	1.1
ITOCHU TEXTILE (CHINA) CO., LTD.	0.4	0.7	1.0	1.0

Machinery



	FY2018 1 st Half Result	FY2019 1 st Half Result	Increase/ Decrease	Summary of changes (Net profit attributable to ITOCHU)	(Unit : billion yen) FY2019 Forecast	Progress
Gross trading profit	74.9	91.7	+16.8	Nearly at the same level due to the temporary deterioration of profitability in used car sales in YANASE, a subsidiary consolidated in the second quarter of the previous fiscal year, despite the stable performance in automobile-related transactions and the gain on sales of a foreign company	210.0	44%
Equity in earnings of associates and joint ventures	12.2	13.3	+1.1			
Net profit attributable to ITOCHU	27.3	27.3	(0.0)		63.0	43%
Core Profit	24.8	22.8	(2.0)			
	Mar. 2018 Result	Sep. 2018 Result	Increase/ Decrease			
Total assets	1,218.6	1,281.4	+62.9			

Net profit attributable to ITOCHU



Profits/Losses from Major Group Companies

	FY2018 1 st Half	FY2019 1 st Half	FY2018 Annual	FY2019 Forecast
Tokyo Century Corporation	5.7	5.9	12.5	13.0 *
I-Power Investment Inc.	1.0	0.2	5.3	0.9
I-ENVIRONMENT INVESTMENTS LIMITED	1.2	0.4	1.9	0.9
IMECS Co., LTD.	0.6	0.7	1.2	1.6
JAMCO Corporation	0.3	0.5	0.6	0.6 *
JAPAN AEROSPACE CORPORATION	0.2	0.2	0.7	1.2
YANASE & CO., LTD.	1.2	(0.4)	3.7	2.6
SUNCALL CORPORATION	0.2	0.4	0.5	0.6 *
Auto Investment Inc.	0.4	0.3	0.8	0.7
ITOCHU CONSTRUCTION MACHINERY CO., LTD.	0.1	0.1	0.6	0.6
ITOCHU MACHINE-TECHNOS CORP.	0.0	0.2	0.8	1.1
ITOCHU SysTech Corporation	(0.1)	(0.1)	0.3	0.4
Century Medical, Inc.	0.2	0.5	0.5	0.7
MULTIQUIP INC.	1.3	1.7	2.3	2.7

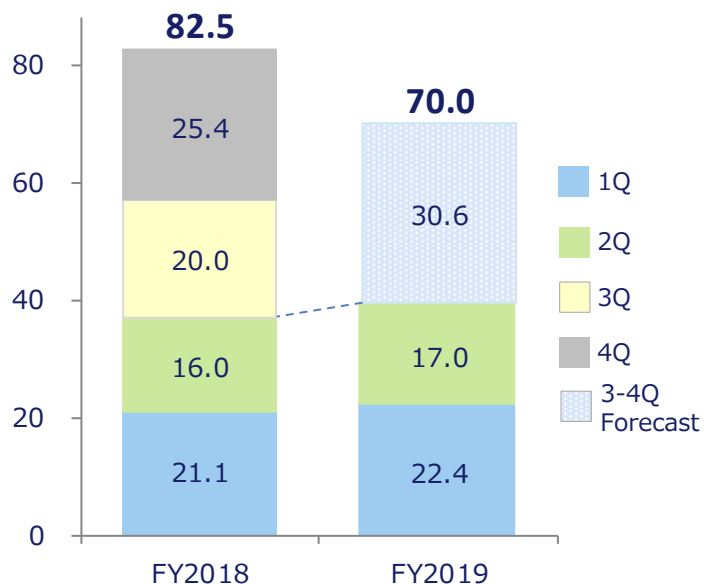
* The figures are the company's forecasts multiplied by ITOCHU shares, excluding IFRS adjustment.

Metals & Minerals



	FY2018 1 st Half Result	FY2019 1 st Half Result	Increase/ Decrease	Summary of changes (Net profit attributable to ITOCHU)	(Unit : billion yen)	
					FY2019 Forecast	Progress
Gross trading profit	44.4	44.0	(0.4)	Increase due to the higher coal prices and the favorable performance in the steel-products-related companies, despite the temporary decrease in net profit accompanying the change of the structure for investment in certain stakes of iron ore	80.0	55%
Equity in earnings of associates and joint ventures	9.4	10.8	+1.4			
Net profit attributable to ITOCHU	37.1	39.4	+2.3		70.0	56%
Core Profit	36.6	38.9	+2.3			
	Mar. 2018 Result	Sep. 2018 Result	Increase/ Decrease			
Total assets	850.3	865.7	+15.4			

Net profit attributable to ITOCHU



Profits/Losses from Major Group Companies

	FY2018 1 st Half	FY2019 1 st Half	FY2018 Annual	FY2019 Forecast
ITOCHU Minerals & Energy of Australia Pty Ltd	28.8	29.3	62.3	55.6
Iron ore	22.9	21.2	49.7	*
Coal	5.6	8.0	11.5	*
Brazil Japan Iron Ore Corporation	(0.1)	0.9	3.3	*
ITOCHU Coal Americas Inc.	1.6	0.9	2.9	*
Marubeni-Itochu Steel Inc.	4.0	6.7	9.2	*
ITOCHU Metals Corporation	0.8	1.1	1.6	1.5

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

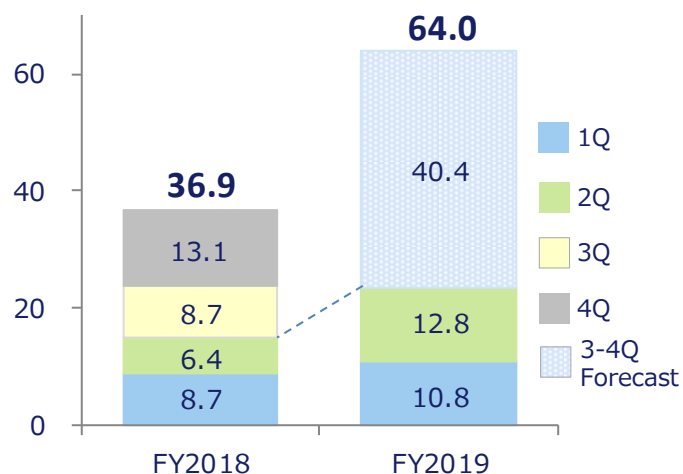
Energy & Chemicals



	FY2018	FY2019	Increase/ Decrease	Summary of changes (Net profit attributable to ITOCHU)	(Unit : billion yen)	
	1 st Half Result	1 st Half Result			FY2019 Forecast	Progress
Gross trading profit	99.5	109.5	+10.0	Increase due to the higher production volume of crude oil, the improvement in profitability in self-developed crude oil transactions accompanying the rise in oil prices, and the stable performance in chemical sector, despite the decrease due to the absence of the extraordinary gains in the same period of the previous fiscal year	221.0	50%
Energy	46.6	55.3	+8.7		107.0	52%
Chemicals	52.9	54.2	+1.3		114.0	48%
Equity in earnings of associates and joint ventures	1.2	6.4	+5.2			
Net profit attributable to ITOCHU	15.1	23.6	+8.6		64.0	37%
Energy	1.6	11.8	+10.2		40.0	29%
Chemicals	13.5	11.9	(1.6)		24.0	49%
Core Profit	12.1	23.1	+11.1			

	Mar. 2018 Result	Sep. 2018 Result	Increase/ Decrease
Total assets	1,355.7	1,398.6	+42.9
Energy	762.2	763.4	+1.3
Chemicals	593.5	635.2	+41.6

Net profit attributable to ITOCHU



Profits/Losses from Major Group Companies

	FY2018 1 st Half	FY2019 1 st Half	FY2018 Annual	FY2019 Forecast
ITOCHU Oil Exploration (Azerbaijan) Inc.	(0.2)	2.8	2.3	3.4
CIECO Exploration and Production (UK) Limited	(0.1)	2.3	(4.7)	*
Japan South Sakha Oil Co., Ltd.	1.6	3.8	4.0	*
ITOCHU PETROLEUM CO., (SINGAPORE) PTE. LTD.	(0.7)	0.3	(1.8)	0.8
ITOCHU ENEX CO., LTD.	2.2	3.2	6.0	6.1 **
Dividends from LNG Projects	0.2	0.3	4.4	5.5
ITOCHU CHEMICAL FRONTIER Corporation	1.6	1.6	3.7	5.0
ITOCHU PLASTICS INC.	2.3	2.0	4.0	4.0
C. I. TAKIRON Corporation	1.2	1.5	3.0	3.1 **

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

** The figures are the company's forecasts multiplied by ITOCHU shares, excluding IFRS adjustment.

ITOCHU's Equity Share (Sales Result)



(Unit : billion yen)

	FY2018						FY2019			1 st Half Increase/Decrease	FY2019 Forecast
	1Q	2Q	1 st Half	3Q	4Q	Full Year	1Q	2Q	1 st Half		
Oil & Gas (1,000BBL/day*)						32					43

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

	(a)						(b)			(b)-(a)	FY2019 Forecast
	1Q	2Q	1 st Half	3Q	4Q	Full Year	1Q	2Q	1 st Half		
Iron ore (million t)	5.8	5.2	11.1	5.9	5.6	22.6	5.8	5.7	11.5	+0.4	23.3
IMEA	5.3	4.7	10.0	5.3	5.0	20.3	5.3	5.2	10.5	+0.5	20.8
Brazil Iron Ore Corporation (CM)	0.5	0.6	1.1	0.6	0.6	2.3	0.5	0.6	1.1	+0.0	2.5

	(a)						(b)			(b)-(a)	FY2019 Forecast
	1Q	2Q	1 st Half	3Q	4Q	Full Year	1Q	2Q	1 st Half		
Coal (million t)	2.7	3.0	5.7	2.9	2.9	11.5	2.6	2.9	5.6	(0.1)	11.0
IMEA	1.1	1.3	2.5	1.3	1.3	5.0	1.1	1.3	2.5	+0.0	4.7
ICA (Drummond)	1.6	1.7	3.3	1.6	1.6	6.5	1.5	1.6	3.1	(0.2)	6.3

【Reference】 IMEA Profit Result

	1Q	2Q	1 st Half	3Q	4Q	Full Year	1Q	2Q	1 st Half	1 st Half Increase/Decrease	FY2019 Forecast
IMEA (billion yen)	15.7	13.1	28.8	15.7	17.8	62.3	15.8	13.5	29.3	+0.5	55.6
Iron ore	12.8	10.1	22.9	12.3	14.6	49.7	12.2	9.1	21.2	(1.7)	N.A.
Coal	2.7	2.9	5.6	3.4	2.6	11.5	3.6	4.4	8.0	+2.5	N.A.

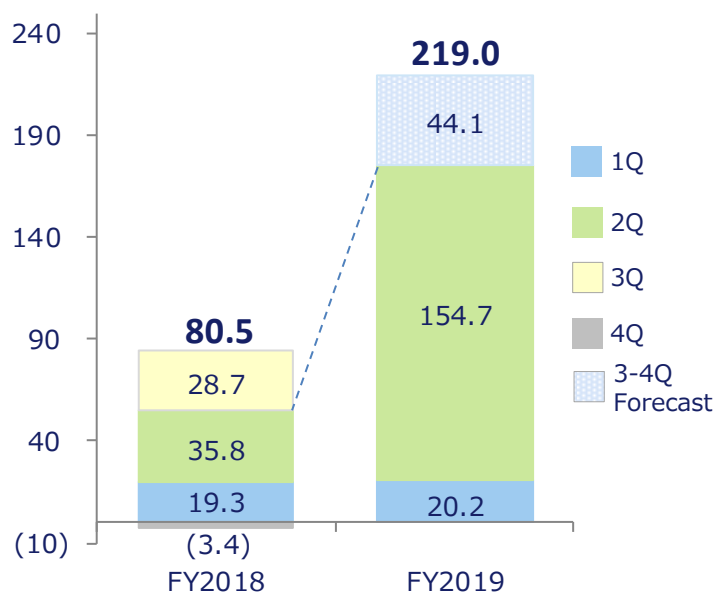
※ IMEA : ITOCHU Minerals & Energy of Australia Pty Ltd

CM : CSN Mineracao S.A.

ICA : ITOCHU Coal Americas Inc.

	FY2018 1 st Half Result	FY2019 1 st Half Result	Increase/ Decrease	Summary of changes (Net profit attributable to ITOCHU)	(Unit : billion yen)	
					FY2019 Forecast	Progress
Gross trading profit	141.6	140.8	(0.9)	Increase due to the higher equity in earnings of FamilyMart UNY Holdings and the revaluation gain accompanying the conversion of the company into a consolidated subsidiary, despite the lower sales prices in packaged foods in fresh-food-related companies and the absence of extraordinary gains in the same period of the previous fiscal year	593.0	24%
Equity in earnings of associates and joint ventures	15.1	18.4	+3.3			
Net profit attributable to ITOCHU	55.1	174.9	+119.8		219.0	80%
Core Profit	35.6	35.9	+0.3			
	Mar. 2018 Result	Sep. 2018 Result	Increase/ Decrease			
Total assets	1,962.2	3,675.0	+1,712.8			

Net profit attributable to ITOCHU



Profits/Losses from Major Group Companies

	FY2018 1 st Half	FY2019 1 st Half	FY2018 Annual	FY2019 Forecast
FamilyMart UNY Holdings Co., Ltd.	8.2	13.0 *	11.8	*
Dole International Holdings, Inc.	6.3	3.9	3.2	10.5
NIPPON ACCESS, INC.	6.6	5.9	9.8	12.2
FUJI OIL HOLDINGS INC.	1.8	1.4	4.2	4.8 **
Prima Meat Packers, Ltd.	2.0	1.9	4.1	4.0 **
ITOCHU-SHOKUHIN Co.,Ltd.	1.0	0.8	2.2	1.9 **
JAPAN FOODS CO.,LTD.	0.4	0.3	0.1	0.2 **
HYLIFE GROUP HOLDINGS LTD.	1.7	1.5	3.7	***

* As a result of remeasuring ITOCHU's previously held equity interests of the company at its fair value, ITOCHU recognizes the revaluation gain, which is 141.2 billion yen, net of tax. The figure doesn't include the revaluation gain.

ITOCHU acquired additional shares of the company in the second quarter of fiscal year 2019, and has been measuring the acquired assets and liabilities at fair value. Therefore, ITOCHU has not provided the figures in the above table since a considerable discrepancy may occur between the figure based on the forecast announced by the company and that of ITOCHU.

** The figures are the company's forecasts multiplied by ITOCHU shares, excluding IFRS adjustment.

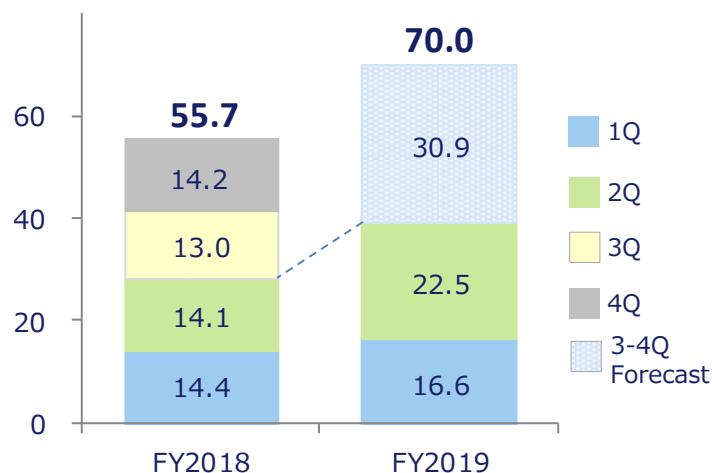
*** Due to the relationship with investees and partners, the forecast is not presented.

General Products & Realty



	FY2018 1 st Half Result	FY2019 1 st Half Result	Increase/ Decrease	Summary of changes (Net profit attributable to ITOCHU)	(Unit : billion yen) FY2019 Forecast	Progress
Gross trading profit	74.2	88.2	+14.0	Increase due to the higher transaction volume in domestic logistics-facility-development-projects and the rise in the market prices in foreign pulp-related companies, despite the absence of extraordinary gains in the same period of the previous fiscal year	172.0	51%
Forest Products & General Merchandise	54.0	58.5	+4.5		122.0	48%
Construction, Realty & Logistics	20.2	29.6	+9.5		50.0	59%
Equity in earnings of associates and joint ventures	6.9	17.7	+10.8			
Net profit attributable to ITOCHU	28.5	39.1	+10.5		70.0	56%
Forest Products & General Merchandise	22.5	26.2	+3.7		54.0	48%
Construction, Realty & Logistics	6.0	12.9	+6.9		16.0	80%
Core Profit	21.0	38.6	+17.5			
	Mar. 2018 Result	Sep. 2018 Result	Increase/ Decrease			
Total assets	978.8	1,003.8	+25.1			
Forest Products & General Merchandise	677.1	706.5	+29.4			
Construction, Realty & Logistics	301.6	297.3	(4.3)			

Net profit attributable to ITOCHU



Profits/Losses from Major Group Companies

	FY2018 1 st Half	FY2019 1 st Half	FY2018 Annual	FY2019 Forecast
European Tyre Enterprise Limited	2.4	2.3	5.8	6.8
ITOCHU FIBRE LIMITED	3.3	8.9	9.9	*
Japan Brazil Paper & Pulp Resources Development Co., Ltd.	1.9	3.7	4.2	*
ITOCHU PULP & PAPER CORPORATION	0.5	0.4	1.0	0.8
ITOCHU KENZAI CORPORATION	1.5	1.3	2.7	2.8
DAIKEN CORPORATION	0.8	0.7	1.6	2.1 **
ITOCHU PROPERTY DEVELOPMENT, LTD.	0.6	1.4	2.4	2.8
ITOCHU LOGISTICS CORP.	1.5	1.7	2.7	2.7

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

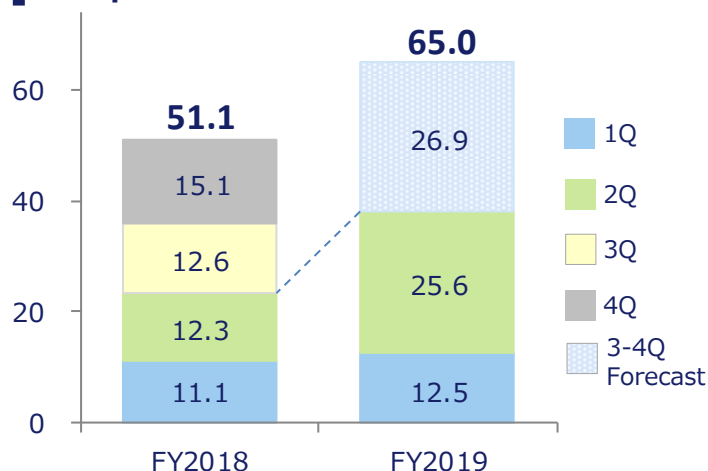
** The figure is the company's forecast multiplied by ITOCHU shares, excluding IFRS adjustment.

ICT & Financial Business



	FY2018	FY2019	Increase/ Decrease	Summary of changes (Net profit attributable to ITOCHU)	(Unit : billion yen)	
	1 st Half Result	1 st Half Result			FY2019 Forecast	Progress
Gross trading profit	80.9	83.4	+2.5	Increase due to the favorable performance in finance-related companies and the higher gains on fund operations and the extraordinary decrease in tax expenses	192.0	43%
ICT	75.3	77.2	+2.0		178.0	43%
Financial & Insurance Business	5.6	6.2	+0.5		14.0	44%
Equity in earnings of associates and joint ventures	18.2	24.3	+6.1			
Net profit attributable to ITOCHU	23.4	38.1	+14.7		65.0	59%
ICT	17.0	20.5	+3.6		43.0	48%
Financial & Insurance Business	6.4	17.6	+11.2		22.0	80%
Core Profit	21.9	27.6	+5.7			
	Mar. 2018	Sep. 2018	Increase/ Decrease			
Total assets	766.2	1,022.1	+256.0			
ICT	600.2	586.2	(14.0)			
Financial & Insurance Business	165.9	435.9	+270.0			

Net profit attributable to ITOCHU



Profits/Losses from Major Group Companies

	FY2018 1 st Half	FY2019 1 st Half	FY2018 Annual	FY2019 Forecast
ITOCHU Techno-Solutions Corporation	4.6	4.3	13.6	14.0 *
BELLSYSTEM24 Holdings, Inc.	0.5	0.8	1.2	2.5 *
CONEXIO Corporation	1.8	1.7	4.1	4.1 *
ITOCHU Fuji Partners, Inc.	0.8	0.9	(0.2)	1.9 *
eGuarantee, Inc.	0.2	0.2	0.3	0.4 *
POCKETCARD CO.,LTD.	0.4	1.5	1.3	3.5
Orient Corporation	1.9	3.1	4.2	**

* The figures are the company's forecasts multiplied by ITOCHU shares, excluding IFRS adjustment.
 ** IFRS prescribes a substantial number of different accounting treatments from Japanese GAAP with regard to financial transactions for consumer credit companies. ITOCHU recognizes the equity in earnings calculated by multiplying the figures after the IFRS adjustments by Shares. Therefore, for Orient Corporation, ITOCHU has not provided the figures in the above table since a discrepancy may occur between the forecast announced by the company and that of ITOCHU. 9

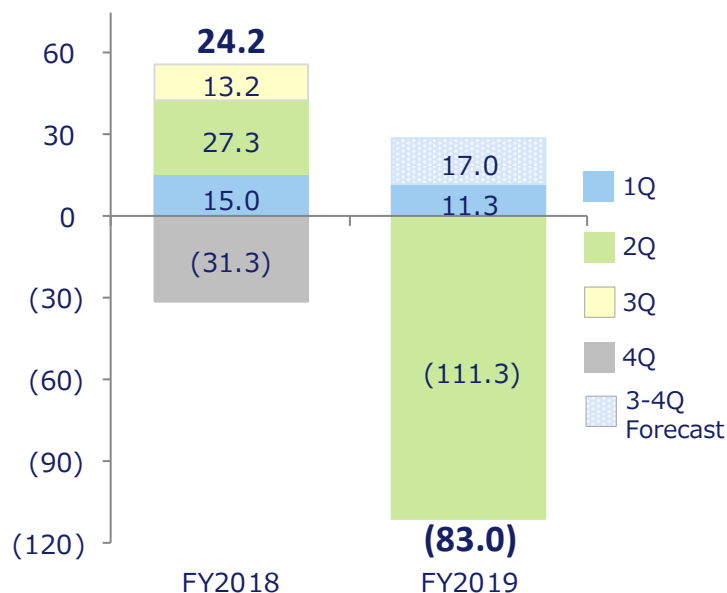
Others, Adjustments & Eliminations



(Unit : billion yen)

	FY2018 1 st Half Result	FY2019 1 st Half Result	Increase/ Decrease	Summary of changes (Net profit attributable to ITOCHU)	FY2019 Forecast
Gross trading profit	2.3	5.7	+3.3	Deterioration due to the impairment loss on investment in CITIC Limited accounted for by the equity method	9.0
Equity in earnings of associates and joint ventures	42.9	(104.6)	(147.5)		
Net profit attributable to ITOCHU	42.3	(100.0)	(142.3)		(83.0)
Core Profit	38.3	46.0	+7.7		
	Mar. 2018 Result	Sep. 2018 Result	Increase/ Decrease		
Total assets	1,057.4	914.1	(143.4)		

Net profit attributable to ITOCHU



Profits/Losses from Major Group Companies

	FY2018 1 st Half	FY2019 1 st Half	FY2018 Annual	FY2019 Forecast
Orchid Alliance Holdings Limited	43.6	(105.4) *	67.9	(80.0)
C.P. Pokphand Co. Ltd.	(1.3)	1.9	(29.8) **	***
Chia Tai Enterprises International Limited	0.2	(2.0)	0.4	***

* Figure is "CITIC related profit" which includes related tax effects etc. and the impairment loss on investment in CITIC Limited accounted for by the equity method.

** The figure includes the impairment loss on investment accounted for by the equity method in the company.

*** Forecasts are not disclosed by the company. Therefore the forecasts above are not presented.

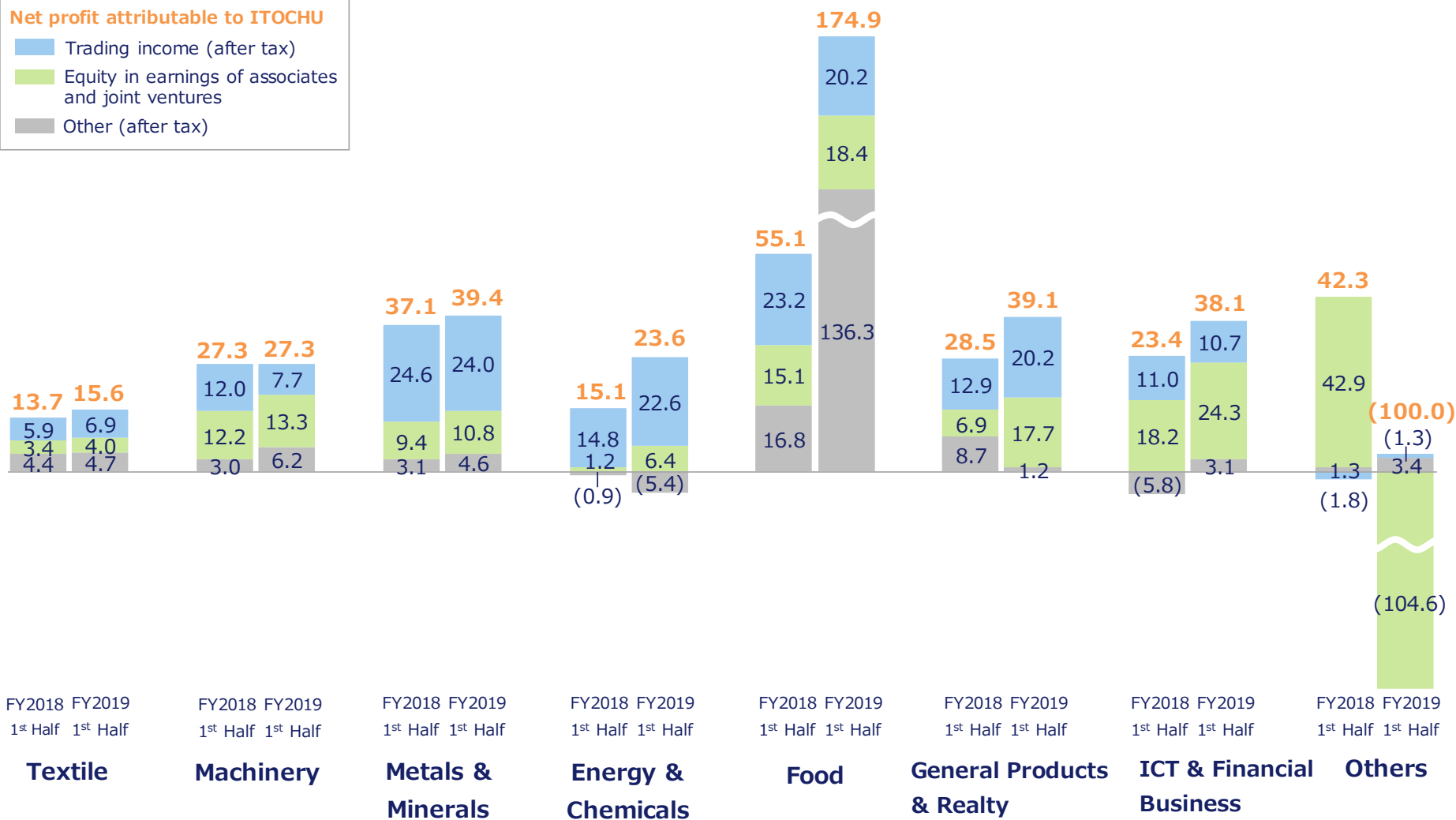
Operating Segment



(Unit : billion yen)

Net profit attributable to ITOCHU

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



FY2018 Result

Major New Investments [1st Half]

Consumer-related Sector	<ul style="list-style-type: none"> ◆ FamilyMart UNY Holdings additional investment ◆ FUJI OIL HOLDINGS additional investment ◆ POCKET CARD additional investment ◆ Acquisition of Alta Forest Products <p style="text-align: right;">etc.</p>	185.0	60.0
Basic Industry-related Sector	<ul style="list-style-type: none"> ◆ US Gas-Fired Thermal Power Generation Project (Empire) ◆ Acquisition of YANASE ◆ Acquisition of Panama Automobile Distributor <p style="text-align: right;">etc.</p>	125.0	65.0
Non-Resource		310.0	125.0
Resource-related Sector	<ul style="list-style-type: none"> ◆ IMEA capital expenditure ◆ ACG capital expenditure ◆ West Qurna 1 Oil Field in Iraq <p style="text-align: right;">etc.</p>	85.0	20.0
Resource		85.0	20.0
Total of Major New Investments		395.0	145.0
EXIT		(110.0)	(40.0)
Net Investment Amount (Note2)		285.0	105.0

FY2019 1st Half Result

Major New Investments

Consumer-related Sector	<ul style="list-style-type: none"> ◆ Acquisition of FamilyMart UNY Holdings ◆ Acquisition of Alta Forest Products ◆ Investment in Taipei Financial Center Corporation <p style="text-align: right;">etc.</p>	265.0
Basic Industry-related Sector	<ul style="list-style-type: none"> ◆ North America Hickory Run gas thermal power generation business additional investment ◆ ITOCHU ENEX / C. I. TAKIRON fixed asset investment <p style="text-align: right;">etc.</p>	40.0
Non-Resource		305.0
Resource-related Sector	<ul style="list-style-type: none"> ◆ IMEA capital expenditure ◆ ACG capital expenditure <p style="text-align: right;">etc.</p>	20.0
Resource		20.0
Total of Major New Investments		325.0
EXIT		(100.0)
Net Investment Amount (Note2)		225.0

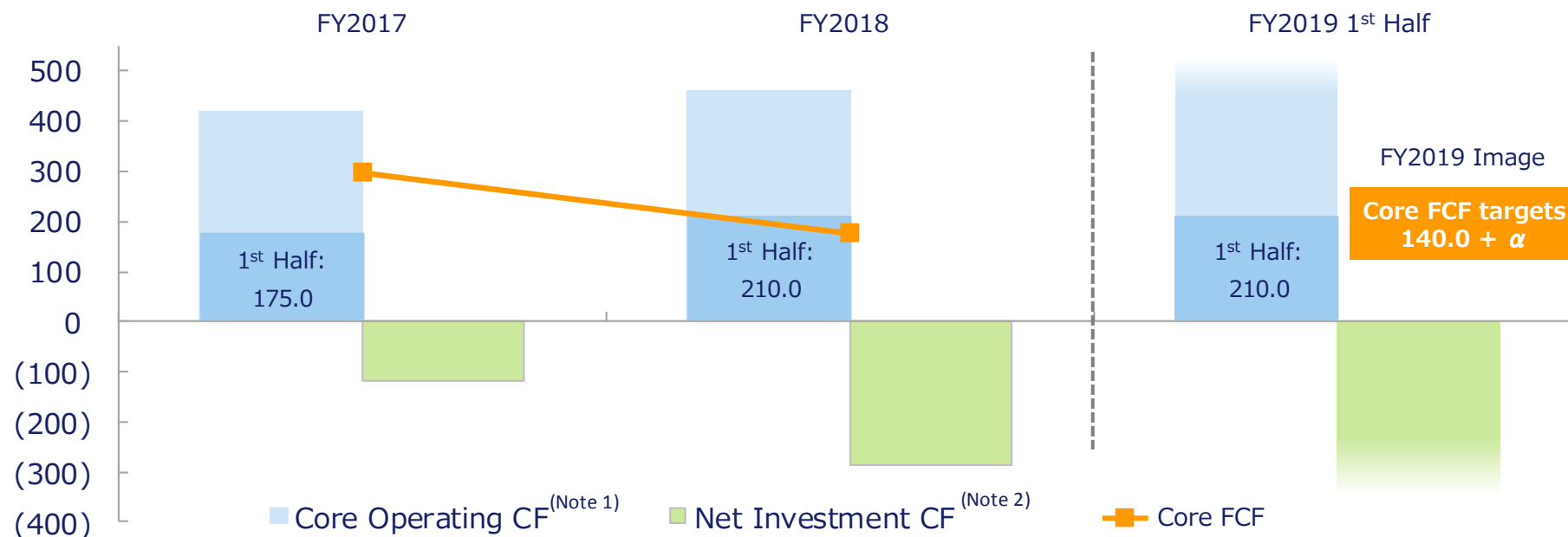
(Note 1) The above figures are approximate.

(Note 2) Payments and collections for substantive investment and capital expenditure. "Investment Cash Flows" plus "Equity transactions with non-controlling interests" minus "increase/decrease of loan receivables", etc.

Core Free Cash Flows



(Unit : billion yen)



	FY2017	FY2018	FY2019 1st Half	FY2019 Image	
Cash flows from operating activities	389.7	388.2	167.5		
a Core operating cash flows ^(Note 1)	420.0	460.0	210.0	Over 500.0	
b Net investment cash flows ^(Note 2)	(120.0)	(285.0)	(225.0)	Continue asset replacement and control new investment	
a+b Core free cash flows	approx. 300.0	approx. 175.0	approx. (15.0)	140.0+ α	
Shareholders returns	(Note 3)				
	Dividend	Annual ¥55/share (86.6)	Annual ¥70/share (108.7)	Interim ¥37/share (57.4)	Annual ¥83/share Minimum Dividend
	Share buy back	(16.2)	(27.9)	—	Continuously Execute while considering cash flow availability

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

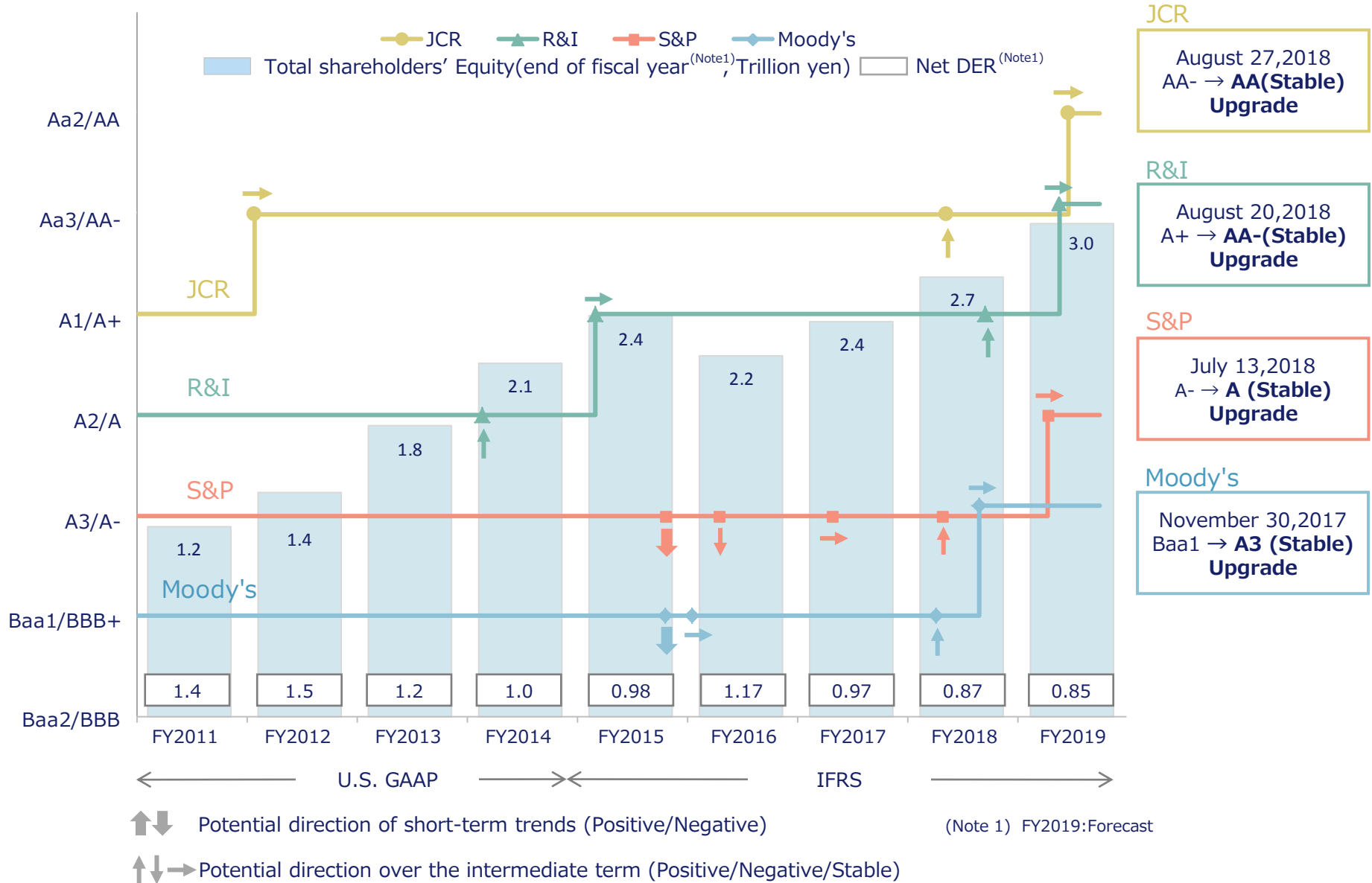
Note 2: Payments and collections for substantive investment and capital expenditure.

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

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

FY2019 1st Half : The interim dividend only.

Credit Ratings



Shareholders Return Policy

■ Medium to Long Term Shareholders Return Policy(announced on October 1,2018) is as below.

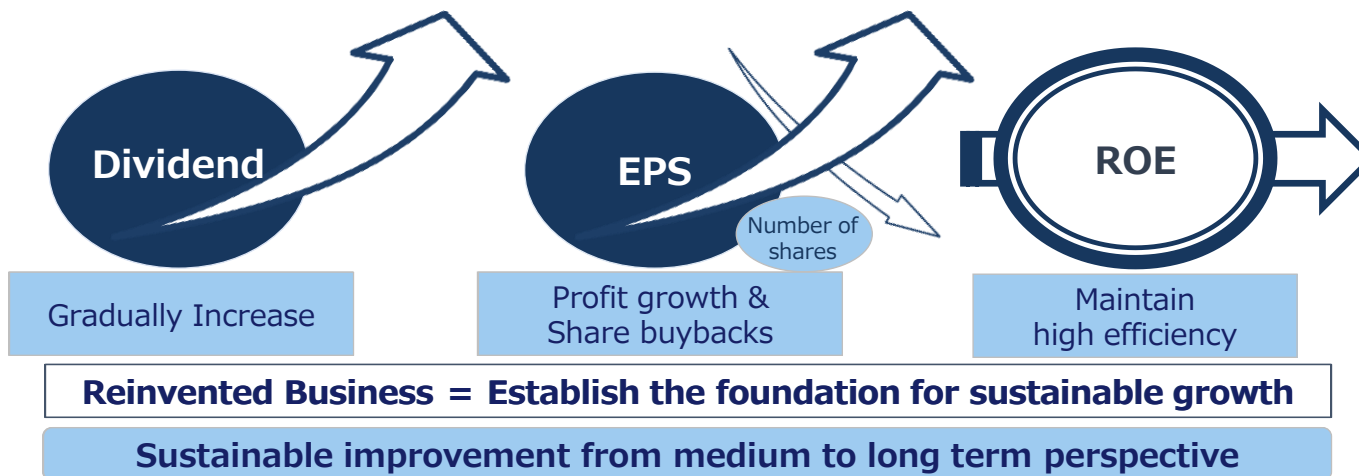
1) Gradually increase dividend payout ratio

Gradually increase dividend payout ratio, targeting up to approx. 30%.

2) More actively execute share buybacks

Continuously execute share buybacks approx.100 million shares in total, while considering cash flow availability.

■ Canceled 78 million shares on October 19,2018 to generate available capacity for further share buybacks.



	Current	(Short term)	Medium to long term
(Unit: billion shares) Number of common shares issued ^(Note1)	1.55 ^(Note2)	→	1.45
Dividend payout ratio	25.8%	→	Up to 30%
ROE	17.6%	⇨ 14~16% ⇨	13% or higher

Note 1: Excluded treasury stocks

Note 2: 1.55 billion shares(excluded treasury stocks),1.58 billion share(included treasury stocks)

FY 2019 Annual Forecast · Dividend



■ As announced on October 1, 2018, Revised Fiscal Year 2019 Annual Forecast and Dividend amount are as below.

1) Revision of FY2019 “Net profit attributable to ITOCHU” annual forecast

Annual forecast was revised upward from ¥450.0billion to **¥500.0billion**.

2) Revision of Dividend amount

FY2019 minimum dividend per share was revised from ¥74 to **¥83**, an increase of ¥9.

■ Dividend per share (yen) ■ Net profit attributable to ITOCHU (billion yen)

