

## Consolidated Financial Results for the First Half of the Fiscal Year 2015 ending March 31, 2015

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-Unaudited-

November 5, 2014

## Consolidated Financial Results for the First Half of the Fiscal Year 2015 ending March 31, 2015

[Prepared in conformity with International Financial Reporting Standards]

Company name: ITOCHU Corporation

Stock exchange code: 8001

URL: <http://www.itochu.co.jp/en/ir/>

President and Chief Executive Officer: Masahiro Okafuji

General Manager of Corporate Communications Division: Tomoyuki Takada TEL: 81 - 3 - 3497 - 7291

The date of payout of dividend: Dec 2, 2014 (Planned)

### 1. Consolidated operating results for the first half of the fiscal year 2015 (from April 1, 2014 to September 30, 2014)

(1) Consolidated operating results (Summary) (%: Changes from the same period of the previous fiscal year)

	Gross trading profit		Trading income (*3)		Profit before tax		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	%
For the first half of										
Fiscal year 2015	513,943	3.3	122,109	(1.1)	212,678	1.3	152,212	1.1	217,728	4.3
Fiscal year 2014	497,565	-	123,432	-	210,039	-	150,574	-	208,771	-

	Basic earnings per share attributable to ITOCHU		Diluted earnings per share attributable to ITOCHU	
	yen		yen	
For the first half of				
Fiscal year 2015	96.08		94.12	
Fiscal year 2014	95.27		92.74	

Equity in earnings of associates and joint ventures (millions of yen) 1st half of FY 2015 : 59,658 (down 9.4%) 1st half of FY 2014 : 65,840 (-%)

Total comprehensive income (millions of yen) 1st half of FY 2015 : 228,251 (2.0%) 1st half of FY 2014 : 223,752 (-%)

### (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
September 30, 2014	8,338,992	2,699,078	2,315,077	27.8	1,402.83
March 31, 2014	7,783,756	2,399,537	2,045,683	26.3	1,294.34

### 2. Dividend distribution

	Dividend distribution per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	yen	yen	yen	yen	yen
Fiscal year 2014	-	21.00	-	25.00	46.00
Fiscal year 2015	-	23.00	-	-	-
Fiscal year 2015 (Planned)	-	-	-	23.00	46.00

No changes from the plan of dividend distribution previously announced on May 1, 2014.

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

(%: Changes from the previous fiscal year)

	Gross trading profit		Trading income		Profit before tax		Net profit attributable to ITOCHU		Basic earnings per share attributable to ITOCHU
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
Fiscal year 2015	1,110,000	6.2	280,000	(3.1)	438,000	21.4	300,000	22.3	187.50

(Note) Revisions to the outlook of consolidated operating results announced most recently: Yes

#### 4. Other information

(1) Changes in significant subsidiaries accompanied by changes in the consolidation scope: None

(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)	1st half of FY 2015	1,662,889,504	Fiscal Year 2014	1,584,889,504
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(b) Number of treasury stock:	1st half of FY 2015	12,597,666	Fiscal Year 2014	4,407,941
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(c) Average number of common shares outstanding:	1st half of FY 2015	1,584,300,241	1st half of FY 2014	1,580,502,646
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[Note]

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

\*2. The financial statements contain forward-looking statements regarding ITOCHU Corporation's corporate plans, strategies, forecasts, and other statements that are not historical facts. They are based on current expectations, estimates, forecasts and projections about the industries in which ITOCHU Corporation operates. As the expectations, estimates, forecasts and projections are subject to a number of risks, uncertainties and assumptions, including without limitation, changes in economic conditions; fluctuations in currency exchange rates; changes in the competitive environment; the outcome of pending and future litigation; and the continued availability of financing; financial instruments and financial resources, they may cause actual results to differ materially from those presented in such forward-looking statements. ITOCHU Corporation, therefore, wishes to caution that readers should not place undue reliance on forward-looking statements, and further, that ITOCHU Corporation undertakes no obligation to update any forward-looking statements as a result of new information, future events or other developments.

\*3. "Trading income" is presented in accordance with Japanese accounting practices.

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

\*4. 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 109.45 yen = 1 U.S. dollar, the exchange rate prevailing on September 30, 2014. The translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at the above or any other rate.

\*5. "ITOCHU" referred to in the consolidated financial statements represents ITOCHU Corporation.

## 1. Qualitative Information

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

[The First Half of Fiscal Year 2014 (April 1, 2014 to September 30, 2014)]

#### (a) General Economic Situation

For the six-month period ended September 30, 2014, the global economy grew at a sluggish pace overall reflecting the slow economic recovery in certain emerging countries and economic slowdown in Japan and Euro zone. Reflecting geopolitical risks, the WTI crude oil price rose to approximately US\$107 per barrel in June at one point. However, against the background of the sluggish global economy, the price declined to US\$91 per barrel at the end of September.

The trend in Japan's economy was stagnant. The previous fiscal year's supplementary budget was implemented and public work projects are expanding. However, exports were sluggish due to the shift of production to overseas locations by domestic companies. In addition, after the last minute demands from the April 2014 consumption tax hike, recovery of consumer spending was sluggish.

Against contraction in Japan's trade deficit, the yen appreciated against the U.S. dollar, from the ¥103 - ¥104 range at the beginning of April to the ¥100 - ¥101 range in late-May, and the conclusion of the U.S. quantitative monetary easing scheduled for October, there were growing expectations for additional easing by the Bank of Japan, and as a result, the Japanese yen depreciated further against the U.S. dollar, to the ¥109 - ¥110 range at the end of September. The Nikkei Stock Average dropped from approximately ¥14,800 at the end of March to approximately ¥14,000 at the beginning of May, due to concerns that expansion of the yen appreciation would result in economic downturn. However, after the shift to the yen depreciation against the US dollar, the Nikkei Stock Average rose to approximately ¥16,200 at the end of September.

The yield on 10-year Japanese government bonds declined from the 0.60% - 0.65% range at the end of March to approximately 0.50% - 0.55% range at the end of September from an expectation of continual monetary easing reflecting the sluggish domestic economy.

#### (b) Consolidated Operating Results

	Billions of Yen				Millions of
	Apr.-Sep. 2014	Apr.-Sep. 2013	Increase (Decrease)	%	U.S. dollars Apr.- Sep. 2014
Revenues .....	2,721.8	2,647.8	74.0	2.8%	24,868
Gross trading profit .....	513.9	497.6	16.4	3.3%	4,696
Selling, general and administrative expenses .....	(390.7)	(371.5)	(19.2)	5.2%	(3,570)
Equity in earnings of associates and joint ventures .....	59.7	65.8	(6.2)	(9.4)%	545
Net profit attributable to ITOCHU ...	152.2	150.6	1.6	1.1%	1,391

(i) Revenues (from external customers)

**Revenues** for the six-month period ended September 30, 2014, increased by 2.8%, or 74.0 billion yen, compared with the same period of the previous fiscal year, to 2,721.8 billion yen (24,868 million U.S. dollars).

- **Energy & Chemicals Company:**  
Increased by 34.0 billion yen compared with the same period of the previous fiscal year, to 1,009.0 billion yen (9,218 million U.S. dollars), mainly due to the acquisition of subsidiaries in energy-related companies.
- **Machinery Company:**  
Increased by 23.9 billion yen compared with the same period of the previous fiscal year, to 182.9 billion yen (1,671 million U.S. dollars), due to the favorable performance in plant-related companies, and higher transaction volume in automobile-related transactions.
- **ICT, General Products & Realty Company:**  
Increased by 17.3 billion yen compared with the same period of the previous fiscal year, to 605.1 billion yen (5,528 million U.S. dollars), due to higher transaction volume in domestic ICT-related companies, and the depreciation of the yen mainly against the Great Britain Pound.
- **Metals & Minerals Company :**  
Decreased by 34.0 billion yen compared with the same period of the previous fiscal year, to 117.9 billion yen (1,077 million U.S. dollars), due to the decline in iron ore and coal prices, despite the increase in iron ore sales volume.

(ii) Gross trading profit

**Gross trading profit** increased by 3.3%, or 16.4 billion yen, compared with the same period of the previous fiscal year, to 513.9 billion yen (4,696 million U.S. dollars).

- **ICT, General Products & Realty Company:**  
Increased by 9.9 billion yen compared with the same period of the previous fiscal year, to 145.3 billion yen (1,327 million U.S. dollars), due to higher transaction volume in domestic ICT-related companies, and the depreciation of the yen mainly against the Great Britain Pound.
- **Machinery Company:**  
Increased by 7.4 billion yen compared with the same period of the previous fiscal year, to 57.1 billion yen (522 million U.S. dollars), due to the favorable performance in plant-related companies, and higher transaction volume in automobile-related transactions.
- **Energy & Chemicals Company:**  
Increased by 5.8 billion yen compared with the same period of the previous fiscal year, to 84.3 billion yen (771 million U.S. dollars), due to the stable transactions in the energy trading in the first quarter, and the acquisition of subsidiaries in energy-related companies.
- **Metals & Minerals Company :**  
Decreased by 14.2 billion yen compared with the same period of the previous fiscal year, to 34.4 billion yen (315 million U.S. dollars), due to the decline in iron ore and coal prices, despite the increase in iron ore sales volume and improvement of cost in iron ore and coal-related companies.

(iii) Selling, general and administrative expenses

**Selling, general and administrative expenses** increased by 5.2%, or 19.2 billion yen, compared with the same period of the previous fiscal year, to 390.7 billion yen (3,570 million U.S. dollars), due to higher expenses in existing subsidiaries in the Food Company and the ICT, General Products & Realty Company, the increase accompanying the acquisition of EDWIN CO., LTD. in the Textile Company, and the acquisition of subsidiaries in energy-related companies.

(iv) Equity in earnings of associates and joint ventures

**Equity in earnings of associates and joint ventures** decreased by 9.4%, or 6.2 billion yen, compared with the same period of the previous fiscal year, to 59.7 billion yen (545 million U.S. dollars).

• Metals & Minerals Company:

Decreased by 9.5 billion yen compared with the same period of the previous fiscal year, to 14.8 billion yen (136 million U.S. dollars), due to the decline in iron ore prices in Brazil iron ore operations and decline in foreign currency translation.

• Food Company:

Increased by 5.9 billion yen compared with the same period of the previous fiscal year, to 14.2 billion yen (130 million U.S. dollars), due to higher equity in earnings of associated companies resulting from the gain on sales of affiliates in the CVS companies and the increase due to the favorable performance in fresh food-related companies.

(v) Net profit attributable to ITOCHU

**Gains on disposal and remeasurement of investments in subsidiaries, associates and joint ventures** increased by 6.8 billion yen, compared with the same period of the previous fiscal year, to 17.6 billion yen (160 million U.S. dollars), mainly due to the gain on remeasurement from the conversion of an Internet advertising company from an associated company to other investments.

Consequently, **Net profit attributable to ITOCHU** increased by 1.1%, or 1.6 billion yen, compared with the same period of the previous fiscal year, to 152.2 billion yen (1,391 million U.S. dollars).

(2) Qualitative Information of the Consolidated Financial Position

(a) Consolidated Financial Position

	Billions of Yen				Millions of U.S. dollars
	Sep. 2014	Mar. 2014	Increase (Decrease)	%	Sep. 2014
Total assets .....	8,339.0	7,783.8	555.2	7.1%	76,190
Interest-bearing debt .....	2,999.3	2,893.4	106.0	3.7%	27,404
Net interest-bearing debt .....	2,358.4	2,232.0	126.4	5.7%	21,548
Total shareholders' equity .....	2,315.1	2,045.7	269.4	13.2%	21,152
Ratio of shareholders' equity to total assets .....	27.8%	26.3%	+1.5pt		
NET DER (times) .....	1.0	1.1	0.1		
			Improved		

(i) Total assets

**Total assets** as of September 30, 2014, increased by 7.1%, or 555.2 billion yen, compared with March 31, 2014, to 8,339.0 billion yen (76,190 million U.S. dollars). This increase was attributable to the increase accompanying the acquisition of EDWIN CO., LTD. in the Textile Company, subsidiaries in energy-related companies, investment in C.P. Pokphand Co. Ltd. and domestic broadcasting and communication-related companies, and the depreciation of the yen.

(ii) Interest-bearing debt

**Interest-bearing debt** increased by 3.7%, or 106.0 billion yen, compared with March 31, 2014, to 2,999.3 billion yen (27,404 million U.S. dollars), mainly due to the depreciation of the yen. **Net interest-bearing debt (Interest-bearing debt after deducting Cash and cash equivalents and Time deposits)** also increased by 5.7%, or 126.4 billion yen, compared with March 31, 2014, to 2,358.4 billion yen (21,548 million U.S. dollars), due to the decrease in **Cash and cash equivalents** and **Time deposits**.

(iii) Total shareholders' equity

**Total shareholders' equity** increased by 13.2%, or 269.4 billion yen, compared with March 31, 2014, to 2,315.1 billion yen (21,152 million U.S. dollars), due to the increase in **Net profit attributable to ITOCHU** and the third-party allotment, despite dividend payments.

(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 1.5 points to 27.8% from March 31, 2014. **NET DER (Net debt-to-shareholders' equity ratio)** improved compared with March 31, 2014, to 1.0 times.

(b) Consolidated Cash Flows

	Billions of Yen		Millions of
	Apr.- Sep. 2014	Apr.- Sep. 2013	U.S. dollars Apr. - Sep. 2014
Cash flows from operating activities .....	137.8	133.6	1,259
Cash flows from investing activities .....	(201.7)	(241.2)	(1,843)
Cash flows from financing activities .....	33.8	119.5	309

(i) Cash flows from operating activities

**Cash flows from operating activities** for the six-month period ended September 30, 2014, recorded a net cash-inflow of 137.8 billion yen (1,259 million U.S. dollars), resulting from the stable performance in operating revenue in the metals and food-related transactions, and the steady collections of trade receivables in the energy and other sectors, despite the increase in trade receivables and the payments of account payable in chemicals and constructions sector.

(ii) Cash flows from investing activities

**Cash flows from investing activities** recorded a net cash-outflow of 201.7 billion yen (1,843 million U.S. dollars), due to the investment in C.P. Pokphand Co. Ltd. and additional investments in the natural resource development sector.

(iii) Cash flows from financing activities

**Cash flows from financing activities** recorded a net cash-inflow of 33.8 billion yen (309 million U.S. dollars), due to the third-party allotment, despite dividend payments.

Consequently, **Cash and cash equivalents** as of September 30, 2014 decreased by 24.2 billion yen to 629.5 billion yen (5,752 million U.S. dollars), compared with March 31, 2014.

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

- (1) Changes in significant subsidiaries accompanied by changes in the consolidation scope: None
  
- (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. Outlook for Fiscal Year 2015

Looking ahead to conditions in the global economy in the second half of fiscal year 2015, ending March 31, 2015, we expect the global economy to continue to recover at a sluggish pace. Stable economic growth is likely to continue in the United States, while economies in the Euro zone are expected to have a sluggish tone due to reduced budgets and a decline in financial functions. In certain emerging economies, downward pressure will result from structural reforms and the end of monetary easing in the United States may result as an adverse influence through foreign exchange markets. Consequently, economic conditions are expected to decelerate or decline. In the Japanese economy, we anticipate to grow at a sluggish pace due to the remaining influence of the consumption tax hike.

Under these economical circumstances, ITOCHU expects consolidated Net Profit attributable to ITOCHU of 300 billion yen for the fiscal year ending March 31, 2015.

For your attention, these forecasts are forward-looking statements that are based on the management's assumptions and beliefs based on information currently available and involve risks and uncertainties. Thus, the actual results could be substantially different from the above statement due to such factors including, but not limited to, global economic and market conditions, and currency exchange rate fluctuations.

Consolidated	Results	Forecast	Previous Forecast (Announced on May 1)	Results
	1st half of FY2015	FY2015	FY2015	FY2014
Gross trading profit	513.9	1,110.0	1,110.0	1,045.0
Selling, general and administrative expenses	(390.7)	(824.0)	(804.0)	(750.0)
Provision for doubtful accounts	(1.1)	(6.0)	(6.0)	(6.1)
Net interest expenses	(6.4)	(18.0)	(18.0)	(15.5)
Dividends received	9.5	28.0	28.0	37.2
Equity in earnings of associates and joint ventures	59.7	130.0	140.0	56.0
Others	27.8	18.0	(12.0)	(6.0)
Profit before tax	212.7	438.0	438.0	360.8
Income tax expense	(52.9)	(115.0)	(115.0)	(106.3)
Net Profit	159.7	323.0	323.0	254.4
Less: Net income attributable to non-controlling interests	(7.5)	(23.0)	(23.0)	(9.1)
Net Profit attributable to ITOCHU	152.2	300.0	300.0	245.3
Basic earnings per share attributable to ITOCHU	96.08 yen	187.50 yen	189.81 yen	155.21 yen
Total assets	8,339.0	8,200.0	8,200.0	7,783.8
Interest-bearing debt	2,999.3	3,100.0	3,100.0	2,893.4
Net interest-bearing debt	2,358.4	2,500.0	2,500.0	2,232.0
Total equity	2,699.1	2,700.0	2,700.0	2,399.5
Total shareholders' equity	2,315.1	2,300.0	2,300.0	2,045.7

(Note) <sup>(*)1</sup>	Results 1st half of FY2015	Forecast	Previous Forecast (Announced on May 1)	Results FY2014
Foreign exchange rate (Yen/US\$ Average exchange rate)	102.11	105	100	99.84
Crude oil (Brent) (US\$/BBL)	106.57	100	105	107.59
Iron ore, fine (US\$/ton) <sup>(*)2</sup>	109	N.A.	N.A.	126
Coking coal (US\$/ton) <sup>(*)2</sup>	120	N.A.	N.A.	153
Thermal coal (US\$/ton) <sup>(*)2</sup>	82	N.A.	N.A.	95

(\*)1 The foreign exchange rate, crude oil (Brent), iron ore (fine), coking coal and thermal coal data above is on a fiscal year basis (April to March).

(\*)2 Based on market information, the Company recognizes these prices as common transaction prices. However, actual prices are negotiated separately with each customer.

#### Distribution of the current fiscal year's profit

For the interim dividend of the current fiscal year, ITOCHU Corporation has decided to pay 23.0 yen per share.

And at present, for the dividend at the end of the current fiscal year, ITOCHU Corporation intends to pay 23.0 yen (annual total of 46.0 yen) per share.

**4. Quarterly Consolidated Financial Statements (IFRS) [Condensed]****(1) Consolidated Statement of Comprehensive Income [Condensed]**

ITOCHU Corporation and its Subsidiaries

For the six-month periods ended September 30, 2014 and 2013

	Millions of Yen		Millions of
	Apr.-Sep. 2014	Apr.-Sep. 2013	U.S. dollars
			Apr.-Sep. 2014
<b>Revenues:</b>			
Revenues from sale of goods.....	¥ 2,444,142	¥ 2,413,320	\$ 22,331
Revenues from rendering of services and royalties.....	277,650	234,440	2,537
Total revenues.....	2,721,792	2,647,760	24,868
<b>Cost:</b>			
Cost of sale of goods.....	(2,014,708)	(1,987,456)	(18,407)
Cost of rendering of services and royalties.....	(193,141)	(162,739)	(1,765)
Total cost.....	(2,207,849)	(2,150,195)	(20,172)
<b>Gross trading profit</b> .....	<b>513,943</b>	<b>497,565</b>	<b>4,696</b>
<b>Other gains (losses):</b>			
Selling, general and administrative expenses.....	(390,722)	(371,539)	(3,570)
Provision for doubtful accounts.....	(1,112)	(2,594)	(10)
Gains on property, plant, equipment and intangible assets....	2,118	466	19
Other-net.....	7,623	6,087	70
Total other-losses.....	(382,093)	(367,580)	(3,491)
<b>Financial income (loss):</b>			
Interest income.....	6,304	5,497	58
Dividends received.....	9,458	8,785	86
Interest expense.....	(12,681)	(13,117)	(116)
Other financial income.....	525	2,271	5
Total financial income.....	3,606	3,436	33
Equity in earnings of associates and joint ventures.....	59,658	65,840	545
Gains on disposal and remeasurement of investments in subsidiaries, associates and joint ventures .....	17,564	10,778	160
<b>Profit before tax</b> .....	<b>212,678</b>	<b>210,039</b>	<b>1,943</b>
Income tax expense.....	(52,942)	(50,317)	(484)
<b>Net Profit</b> .....	<b>159,736</b>	<b>159,722</b>	<b>1,459</b>
Net profit attributable to ITOCHU.....	152,212	150,574	1,391
Net profit attributable to non-controlling interests.....	7,524	9,148	68

	Millions of Yen		Millions of U.S. dollars
	Apr.-Sep. 2014	Apr.-Sep. 2013	Apr.-Sep. 2014
<b>Other comprehensive income, net of tax:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
FVTOCI financial assets.....	¥ 34,574	¥ 18,856	\$ 316
Remeasurement of net defined pension liability.....	188	238	2
Other comprehensive income in associates and joint ventures.....	5,946	6,102	54
<b>Items that may be reclassified to profit or loss</b>			
Translation adjustments.....	28,986	10,871	265
Cash flow hedges.....	(1,303)	(6,442)	(12)
Other comprehensive income in associates and joint ventures.....	124	34,405	1
<b>Total other comprehensive income (loss), net of tax.....</b>	<b>68,515</b>	<b>64,030</b>	<b>626</b>
<b>Total comprehensive income .....</b>	<b>228,251</b>	<b>223,752</b>	<b>2,085</b>
Total comprehensive income attributable to ITOCHU .....	217,728	208,771	1,989
Total comprehensive income attributable to non-controlling interests .....	10,523	14,981	96

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 : "Total trading transactions" in accordance with Japanese accounting practice consists of sales with respect to transactions in which the companies act as principal and the total amount of transactions in which the companies act as agent.  
Total trading transactions for the six-month periods ended September 30, 2014 and 2013 were 7,326,737 million yen (66,941 million U.S. dollars) and 7,038,025 million yen, respectively.

**(2) Consolidated Statement of Financial Position [Condensed]**

ITOCHU Corporation and its Subsidiaries

As of September 30, 2014 and March 31, 2014

Assets	Millions of Yen		Millions of U.S. dollars
	Sep. 2014	Mar. 2014	Sep. 2014
<b>Current assets:</b>			
Cash and cash equivalents.....	¥ 629,506	¥ 653,739	\$ 5,752
Time deposits.....	11,407	7,653	104
Trade receivables.....	2,109,079	2,127,968	19,270
Other current receivables.....	129,694	103,019	1,185
Other current financial assets.....	54,978	29,172	502
Inventories.....	860,787	744,441	7,865
Advances to suppliers.....	124,752	94,560	1,140
Other current assets.....	100,669	78,984	919
Total current assets.....	4,020,872	3,839,536	36,737
<b>Non-current assets:</b>			
Investments accounted for by the equity method.....	1,938,713	1,728,408	17,713
Other investments.....	627,095	565,936	5,730
Non-current receivables.....	129,683	135,033	1,185
Non-current financial assets other than investments and receivables.....	134,450	125,255	1,228
Property, plant and equipment.....	791,288	747,664	7,230
Investment property.....	34,792	29,186	318
Goodwill and intangible assets.....	489,431	440,246	4,472
Deferred tax assets.....	49,285	63,093	450
Other non-current assets.....	123,383	109,399	1,127
Total non-current assets.....	4,318,120	3,944,220	39,453
<b>Total assets.....</b>	<b>¥ 8,338,992</b>	<b>¥ 7,783,756</b>	<b>\$ 76,190</b>

<b>Liabilities and Equity</b>	Millions of Yen		Millions of U.S. dollars
	<b>Sep. 2014</b>	Mar. 2014	<b>Sep. 2014</b>
<b>Current liabilities:</b>			
Short-term debentures and borrowings.....	¥ 569,889	¥ 472,667	\$ 5,207
Trade payables.....	1,705,130	1,661,973	15,579
Other current payables.....	74,048	70,942	677
Other current financial liabilities.....	36,195	15,788	331
Current tax liabilities.....	27,150	36,200	248
Advances from customers.....	140,330	106,176	1,281
Other current liabilities.....	263,102	247,581	2,404
Total current liabilities .....	<u>2,815,844</u>	<u>2,611,327</u>	<u>25,727</u>
<b>Non-current liabilities:</b>			
Long-term debentures and borrowings.....	2,429,449	2,420,713	22,197
Other non-current financial liabilities.....	107,283	103,279	981
Non-current liabilities for employee benefits.....	63,212	57,022	578
Deferred tax liabilities.....	146,715	117,438	1,340
Other non-current liabilities.....	77,411	74,440	707
Total non-current liabilities .....	<u>2,824,070</u>	<u>2,772,892</u>	<u>25,803</u>
Total liabilities .....	<u>5,639,914</u>	<u>5,384,219</u>	<u>51,530</u>
<b>Equity:</b>			
Common stock:			
Authorized: 3,000,000,000 shares; issued: 1,662,889,504 shares.....	253,448	202,241	2,316
Capital surplus.....	163,943	113,055	1,498
Retained earnings.....	1,475,363	1,365,858	13,480
Other components of equity :			
Translation adjustments.....	283,459	255,017	2,590
FVTOCI financial assets.....	159,527	116,292	1,458
Cash flow hedges.....	(6,972)	(3,980)	(64)
Total other components of equity.....	436,014	367,329	3,984
Treasury stock.....	(13,691)	(2,800)	(126)
Total shareholders' equity.....	<u>2,315,077</u>	<u>2,045,683</u>	<u>21,152</u>
Non-controlling interests.....	384,001	353,854	3,508
Total equity.....	<u>2,699,078</u>	<u>2,399,537</u>	<u>24,660</u>
<b>Total liabilities and equity.....</b>	<u>¥ 8,338,992</u>	<u>¥ 7,783,756</u>	<u>\$ 76,190</u>

**(3) Consolidated Statement of Changes in Equity [Condensed]**

-Unaudited-

ITOCHU Corporation and its Subsidiaries

For the six-month periods ended September 30, 2014 and 2013

	Millions of Yen		Millions of U.S. dollars
	<u>Apr.-Sep. 2014</u>	<u>Apr.-Sep. 2013</u>	<u>Apr.-Sep. 2014</u>
<b>Common stock:</b>			
Balance at the beginning of the period.....	¥ 202,241	¥ 202,241	\$ 1,848
Issuance of common stock .....	51,207	-	468
Balance at the end of the period.....	<u>¥ 253,448</u>	<u>¥ 202,241</u>	<u>\$ 2,316</u>
<b>Capital surplus:</b>			
Balance at the beginning of the period.....	¥ 113,055	¥ 113,031	\$ 1,033
Issuance of common stock.....	50,918	-	465
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests.....	(30)	(1,189)	(0)
Balance at the end of the period.....	<u>¥ 163,943</u>	<u>¥ 111,842</u>	<u>\$ 1,498</u>
<b>Retained earnings:</b>			
Balance at the beginning of the period.....	¥ 1,365,858	¥ 1,160,939	\$ 12,479
Net profit attributable to ITOCHU.....	152,212	150,574	1,391
Transfer from other components of equity.....	(3,164)	9,436	(29)
Cash dividends.....	(39,543)	(31,635)	(361)
Balance at the end of the period.....	<u>¥ 1,475,363</u>	<u>¥ 1,289,314</u>	<u>\$ 13,480</u>
<b>Other components of equity:</b>			
Balance at the beginning of the period.....	¥ 367,329	¥ 245,472	\$ 3,357
Other comprehensive income attributable to ITOCHU.....	65,516	58,197	598
Transfer to retained earnings.....	3,164	(9,436)	29
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests.....	5	55	0
Balance at the end of the period.....	<u>¥ 436,014</u>	<u>¥ 294,288</u>	<u>\$ 3,984</u>
<b>Treasury stock:</b>			
Balance at the beginning of the period.....	¥ (2,800)	¥ (2,703)	\$ (26)
Net change in treasury stock.....	(10,891)	(14)	(100)
Balance at the end of the period.....	<u>¥ (13,691)</u>	<u>¥ (2,717)</u>	<u>\$ (126)</u>
<b>Total shareholders' equity.....</b>	<u>¥ 2,315,077</u>	<u>¥ 1,894,968</u>	<u>\$ 21,152</u>
<b>Non-controlling interests:</b>			
Balance at the beginning of the period.....	¥ 353,854	¥ 356,214	\$ 3,233
Net profit attributable to non-controlling interests.....	7,524	9,148	68
Other comprehensive income attributable to non-controlling interests.....	2,999	5,833	28
Cash dividends to non-controlling interests.....	(4,301)	(7,890)	(39)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests.....	23,925	(3,868)	218
Balance at the end of the period.....	<u>¥ 384,001</u>	<u>¥ 359,437</u>	<u>\$ 3,508</u>
<b>Total equity.....</b>	<u>¥ 2,699,078</u>	<u>¥ 2,254,405</u>	<u>\$ 24,660</u>

**(4) Consolidated Statement of Cash Flows [Condensed]**

-Unaudited-

ITOCHU Corporation and its Subsidiaries

For the six-month periods ended September 30, 2014 and 2013

	Millions of Yen		Millions of U.S. dollars
	<u>Apr.-Sep. 2014</u>	<u>Apr.-Sep. 2013</u>	<u>Apr.-Sep. 2014</u>
<b>Cash flows from operating activities :</b>			
Net profit .....	¥ 159,736	¥ 159,722	\$ 1,459
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization .....	53,630	49,140	490
Provision for doubtful accounts .....	1,112	2,594	10
Gains on property, plant, equipment and intangible assets.....	(2,118)	(466)	(19)
Financial income .....	(3,606)	(3,436)	(33)
Equity in earnings of associates and joint ventures .....	(59,658)	(65,840)	(545)
Gains on disposal and remeasurement of investments in subsidiaries, associates and joint ventures.....	(17,564)	(10,778)	(160)
Income tax expense .....	52,942	50,317	484
Changes in assets and liabilities, other-net .....	(31,432)	(26,963)	(288)
Proceeds from interest.....	6,123	6,041	56
Proceeds from dividends.....	41,870	42,447	383
Payments for interest.....	(12,915)	(12,953)	(118)
Payments for income taxes.....	(50,365)	(56,237)	(460)
Net cash provided by operating activities .....	<u>137,755</u>	<u>133,588</u>	<u>1,259</u>
<b>Cash flows from investing activities :</b>			
Net (payments for purchase) proceeds from sale of investments accounted for by the equity method .....	(119,721)	5,374	(1,094)
Net payments for purchase of other investments .....	(11,346)	(181,996)	(103)
Net origination of loans receivable .....	(16,768)	(17,445)	(153)
Net payments for purchase of property, plant, equipment and intangible assets .....	(50,200)	(47,322)	(459)
Net (increase) decrease in time deposits .....	(3,705)	160	(34)
Net cash used in investing activities .....	<u>(201,740)</u>	<u>(241,229)</u>	<u>(1,843)</u>
<b>Cash flows from financing activities :</b>			
Net proceeds from (repayments of) debentures and loans payable ..	(11,825)	167,672	(108)
Proceeds from issuance of common stock .....	101,963	-	932
Cash dividends .....	(39,543)	(31,635)	(361)
Other .....	(16,768)	(16,514)	(154)
Net cash provided by financing activities .....	<u>33,827</u>	<u>119,523</u>	<u>309</u>
<b>Net increase (decrease) in cash and cash equivalents .....</b>	<u>(30,158)</u>	<u>11,882</u>	<u>(275)</u>
Cash and cash equivalents at the beginning of the period .....	653,739	570,335	5,973
Effect of exchange rate changes on cash and cash equivalents .....	5,925	(3,905)	54
<b>Cash and cash equivalents at the end of the period .....</b>	<u>¥ 629,506</u>	<u>¥ 578,312</u>	<u>\$ 5,752</u>

**(5) Operating Segment Information**

ITOCHU Corporation and its Subsidiaries

For the six-month periods ended September 30, 2014 and 2013

Information concerning operations in different operating segments for the six-month periods ended September 30, 2014 and 2013 are as follows:

**For the six-month period ended September 30, 2014 (April 1, 2014 -September 30, 2014)**

	Millions of Yen							
	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	ICT, General Products & Realty	Others, Adjustments & Eliminations	Consolidated
Revenues:								
Revenues from external customers .....	¥ 265,020	¥ 182,867	¥ 117,913	¥ 1,008,951	¥ 511,888	¥ 605,069	¥ 30,084	¥ 2,721,792
Intersegment revenues.....	4	52	-	534	127	10,458	(11,175)	-
Total revenues.....	<u>265,024</u>	<u>182,919</u>	<u>117,913</u>	<u>1,009,485</u>	<u>512,015</u>	<u>615,527</u>	<u>18,909</u>	<u>2,721,792</u>
Gross trading profit .....	<u>63,579</u>	<u>57,110</u>	<u>34,424</u>	<u>84,347</u>	<u>120,628</u>	<u>145,269</u>	<u>8,586</u>	<u>513,943</u>
Net profit attributable to ITOCHU.....	<u>12,240</u>	<u>26,126</u>	<u>28,134</u>	<u>13,281</u>	<u>25,959</u>	<u>38,135</u>	<u>8,337</u>	<u>152,212</u>
[Equity in earnings (losses) of associates and joint ventures].....	<u>[4,747]</u>	<u>[11,695]</u>	<u>[14,847]</u>	<u>[(3,723)]</u>	<u>[14,230]</u>	<u>[17,828]</u>	<u>[34]</u>	<u>[59,658]</u>
Total assets at September 30, 2014 .....	<u>538,568</u>	<u>1,013,948</u>	<u>1,287,644</u>	<u>1,465,722</u>	<u>1,635,694</u>	<u>1,552,209</u>	<u>845,207</u>	<u>8,338,992</u>

**For the six-month period ended September 30, 2013 (April 1, 2013 -September 30, 2013)**

	Millions of Yen							
	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	ICT, General Products & Realty	Others, Adjustments & Eliminations	Consolidated
Revenues:								
Revenues from external customers .....	¥ 252,482	¥ 158,965	¥ 151,868	¥ 974,967	¥ 500,835	¥ 587,741	¥ 20,902	¥ 2,647,760
Intersegment revenues.....	2	3	-	2	123	8,745	(8,875)	-
Total revenues.....	<u>252,484</u>	<u>158,968</u>	<u>151,868</u>	<u>974,969</u>	<u>500,958</u>	<u>596,486</u>	<u>12,027</u>	<u>2,647,760</u>
Gross trading profit .....	<u>62,669</u>	<u>49,748</u>	<u>48,589</u>	<u>78,516</u>	<u>120,658</u>	<u>135,366</u>	<u>2,019</u>	<u>497,565</u>
Net profit attributable to ITOCHU.....	<u>14,227</u>	<u>20,528</u>	<u>42,629</u>	<u>10,262</u>	<u>23,668</u>	<u>33,611</u>	<u>5,649</u>	<u>150,574</u>
[Equity in earnings (losses) of associates and joint ventures].....	<u>[4,835]</u>	<u>[11,535]</u>	<u>[24,327]</u>	<u>[(1,853)]</u>	<u>[8,376]</u>	<u>[18,654]</u>	<u>[(34)]</u>	<u>[65,840]</u>
Total assets at September 30, 2013 .....	<u>473,301</u>	<u>916,566</u>	<u>1,246,038</u>	<u>1,398,657</u>	<u>1,512,271</u>	<u>1,425,565</u>	<u>616,586</u>	<u>7,588,984</u>
Total assets at March 31, 2014.....	<u>475,658</u>	<u>947,466</u>	<u>1,249,174</u>	<u>1,338,161</u>	<u>1,552,021</u>	<u>1,522,416</u>	<u>698,860</u>	<u>7,783,756</u>

**For the six-month period ended September 30, 2014 (April 1, 2014 -September 30, 2014)**

	Millions of U.S. dollars							
	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	ICT, General Products & Realty	Others, Adjustments & Eliminations	Consolidated
Revenues:								
Revenues from external customers .....	\$ 2,422	\$ 1,671	\$ 1,077	\$ 9,218	\$ 4,677	\$ 5,528	\$ 275	\$ 24,868
Intersegment revenues.....	0	0	-	5	1	96	(102)	-
Total revenues.....	<u>2,422</u>	<u>1,671</u>	<u>1,077</u>	<u>9,223</u>	<u>4,678</u>	<u>5,624</u>	<u>173</u>	<u>24,868</u>
Gross trading profit .....	<u>581</u>	<u>522</u>	<u>315</u>	<u>771</u>	<u>1,102</u>	<u>1,327</u>	<u>78</u>	<u>4,696</u>
Net profit attributable to ITOCHU.....	<u>112</u>	<u>239</u>	<u>257</u>	<u>121</u>	<u>237</u>	<u>349</u>	<u>76</u>	<u>1,391</u>
[Equity in earnings (losses) of associates and joint ventures].....	<u>[43]</u>	<u>[107]</u>	<u>[136]</u>	<u>[(34)]</u>	<u>[130]</u>	<u>[163]</u>	<u>[0]</u>	<u>[545]</u>
Total assets at September 30, 2014 .....	<u>4,921</u>	<u>9,264</u>	<u>11,765</u>	<u>13,392</u>	<u>14,944</u>	<u>14,182</u>	<u>7,722</u>	<u>76,190</u>

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



## (6) Assumption for Going Concern: None

## (7) Information Concerning Dividend Payments

(Dividend payments in the six-month period ended September 30, 2014)

(Resolution)	Stock type	Total dividend amount	Dividend resource	Dividend per share	Record date	Effective date
General meeting of Shareholders on June 20, 2014	Common Stock	millions of yen 39,543	Retained earnings	yen 25.00	March 31, 2014	June 23, 2014

(Of the dividends whose record date belongs to the first half of fiscal year, the dividend whose effective date is after September 30, 2014)

(Resolution)	Stock type	Total dividend amount	Dividend resource	Dividend per share	Record date	Effective date
Board of director's meeting on November 5, 2014	Common Stock	millions of yen 37,985	Retained earnings	yen 23.00	September 30, 2014	December 2, 2014

## (8) Significant Changes in Shareholders' Equity

ITOCHU received capital contribution from a wholly-owned subsidiary of Charoen Pokphand Group Company Limited, CP Worldwide Investment Company Limited ("CPG SPC"), which was established for the purpose of the acquisition and holding of the shares of ITOCHU, and an investment partnership En-CP Growth Investment L.P. ("En-CP Fund"), a wholly-owned subsidiary of Charoen Pokphand Group Company Limited and Development Bank of Japan Inc. substantially make contributions on a 50-50 basis and which was established for the purpose of the acquisition and holding the shares of ITOCHU by issuance of new shares by a third-party allotment by ITOCHU, at the total ratio of approximately 4.9% (based on the number of issued shares before the capital increase by the third-party allotment) (the "Third-Party Allotment") on September 18, 2014.

Consequently, Common stock and Capital surplus as of September 30, 2014, was 253,448 million yen (2,316 million U.S. dollars) and 163,943 million yen (1,498 million U.S. dollars).

<Outline of the Third-Party Allotment >

1) Number of shares to be newly issued	78,000,000 shares of common stock
2) Issue price	1,313 yen per unit
3) Amount of proceeds	102,414,000,000 yen
4) Method of offering and allotment (allottee)	All of the shares are to be allotted to CPG SPC (63,500,000 shares) and En-CP Fund (14,500,000 shares) by way of third-party allotment.
5) Total amounts by which common stock and capital surplus are to be increased (excluding issuance and other expenses)	Common stock : 51,207,000,000 yen Capital surplus : 51,207,000,000 yen

## (9) Material Subsequent Events

No material subsequent events have occurred as of November 5, 2014.