February 5, 2015
ITOCHU Corporation

Highlights of Consolidated Financial Results for the 1st-3rd Quarter of FY 2015〔IFRS〕

〔Financial topics〕

(Unit: billion yen, (losses, decrease))

1. "Net profit attributable to ITOCHU" increased by ¥5.7 bil. to ¥231.4 bil. compared with the same period of the previous FY.
- Progressed 77% toward the outlook of ¥300.0 bil. for FY 2015 for "Net profit attributable to ITOCHU".
- For "Net profit attributable to ITOCHU" by segment, following the "ICT, General Products & Realty"(¥56.4 bil.), three segments, "Metals & Minerals"(¥46.7bil.), "Food"(¥43.8 bil.), and "Machinery"(¥40.2 bil), achieved earnings of over ¥40.0 bil., and two segments, "Textile"(¥21.1bil.) and "Energy & Chemicals"(¥12.9 bil.) achieved earnings of over ¥10.0 bil.

2. The "Net profit attributable to ITOCHU" for the Non-Resource Sector was ¥190.2 bil., and achieved the highest earnings ever for the third quarter.
- The Non-Resource Sector increased by ¥29.2 bil. compared with the same period of the previous FY, which exceeded the decrease in the Natural Resource/Energy-Related Sector. The share of the Non-Resource Sector increased by 10 points compared with the same period of the previous fiscal year, to 86%.

3. "Total shareholders' equity" increased by ¥345.7 bil. to ¥2,391.4 bil. compared with March 31, 2014.
- "Total shareholders' equity" increased by ¥345.7 bil. to ¥2,391.4 bil., due to the increase in "Net profit attributable to ITOCHU" and the depreciation of the yen, despite dividend payments.
- NET DER stayed at the same level compared with March 31, 2014, at 1.1 times, due to the increase in "Total shareholder's equity", despite the increase in "Interest-bearing debt".

	Apr.-Dec. FY 2015	Apr.-Dec. FY 2014	Increase (Decrease)
Natural Resource /Energy-Related	30.9	49.9	(18.9)
Non-Resource	190.2	161.0	29.2
Others	10.2	14.8	(4.6)
Non-Resource & Others	*200.4*	*175.8*	*24.6*
Natural Resource /Non-Resource	14%/86%	24%/76%	-10%/+10%

Consolidated Financial Results of Operations

Consolidated Financial Results of Operations	Apr.-Dec. FY 2015	Apr.-Dec. FY 2014	Increase (Decrease)	Outlook for FY2015 (Disclosed on Nov 5, 2014)	Progress (%)
Revenues	4,127.5	4,101.0	26.5		
Gross trading profit	795.2	765.9	29.2	1,110.0	71.6%
Selling, general and administrative expenses	(595.8)	(559.3)	(36.5)	(824.0)	72.3%
Provision for doubtful accounts	(3.1)	(3.3)	0.2	(6.0)	–
Gains (losses) on property, plant, equipment and intangible assets	2.9	(1.8)	4.6	(*)	–
Other–net	11.1	7.6	3.5	(*)	–
Net interest expenses	(8.6)	(11.6)	3.1	(18.0)	47.6%
Dividends received	12.4	13.6	(1.3)	28.0	44.1%
Net financial income	*3.8*	*2.0*	*1.8*	*10.0*	*37.9%*
Other financial income	0.9	6.1	(5.1)	(*)	–
Equity in earnings of associates and joint ventures	96.0	82.2	13.8	130.0	73.9%
Gains on disposal and remeasurement of investments in affiliates	19.3	10.7	8.6	(*)total 18.0 (*)	–
Profit before tax	330.3	310.2	20.1	438.0	75.4%
Income tax expense	(83.4)	(74.6)	(8.7)	(115.0)	72.5%
Net Profit	246.9	235.5	11.4	323.0	76.4%
Net profit attributable to ITOCHU	231.4	225.6	5.7	300.0	77.1%
Net profit attributable to non-controlling interests	15.6	9.9	5.7	23.0	67.7%
Total comprehensive income attributable to ITOCHU	423.3	371.8	51.5		
(Reference)					
Adjusted profit	299.2	290.9	8.4	426.0	70.2%

"Adjusted profit" = Gross trading profit + SG&A expenses + Net financial income + Equity in earnings of associates and joint ventures

Summary of changes from the same period of the previous fiscal year

- **Revenues**
  - Machinery (+37.3)
    Due to the favorable performance in plant-related companies, and higher transaction volume in automobile-related transactions
  - Food (+29.9)
    Due to the stable performance in fresh food-related companies and food-distribution-related transactions
  - Metals & Minerals (-44.8)
    Due to the decline in iron ore and coal prices, despite the increase in iron ore sales volume
- **Gross trading profit**
  - ICT, General Products & Realty (+17.0)
    Due to higher transaction volume in domestic ICT-related companies, and the depreciation of the yen mainly against the Great Britain Pound
  - Machinery (+11.6)
    Due to the favorable performance in plant-related companies, and higher transaction volume in automobile-related transactions
  - Energy & Chemicals(+8.4)
    Due to the acquisition of subsidiaries in energy-related companies, despite the decline in profit margin accompanying the lower demand in fuel oil transactions and lower profitability on self-developed crude oil transactions
  - Metals & Minerals (-23.9)
    Due to the decline in iron ore and coal prices, despite the increase in iron ore sales volume, reduction of costs in iron ore and coal-related companies, and improvement in foreign currency translation
- **SG&A expenses**
  Due to higher expenses in existing subsidiaries and the increase accompanying the acquisition of subsidiaries
- **Gains (losses) on PPE and intangible assets**
  Decrease in impairment losses on property, plant, equipment and intangible assets (+4.7)
- **Net financial income**: Improvement in borrowing conditions, lower debt cost
- **Other financial income**
  Decrease in gains and losses on disposal and remeasurement of FVTPL financial assets
- **Equity in earnings of associates and joint ventures**
  - Food (+6.5): Due to the favorable performance in fresh food associated companies and the gain on sales of affiliates in the CVS companies
  - Machinery (+4.9): Due to the favorable performance in plant-related companies, despite the decrease in equity in earnings of automobile-related companies
  - Energy & Chemicals (-5.0): Due to the deterioration in equity in earnings of the U.S. oil and gas development companies, despite the absence of an unordinary loss recognized by the bioethanol companies in the same period of the previous fiscal year
- **Gains on disposal and remeasurement of investments in affiliates**
  Increased due to the gain on remeasurement from the conversion of an Internet advertising company from an associated company to other investments

Operating Segment Information

Operating Segment Information	Net profit attributable to ITOCHU Apr.-Dec. FY 2015	Apr.-Dec. FY 2014	Increase (Decrease)	Summary of changes from the same period of the previous fiscal year
Textile	21.1	18.9	2.2	Increase due to the absence of impairment losses on property, plant and equipment in a subsidiary in the same period of the previous fiscal year, despite lower sales in domestic apparel-related businesses and unfavorable operations in European apparel manufacturing and wholesale-related companies
Machinery	40.2	29.3	10.9	Increase due to higher gross trading profit and increase in equity in earnings of associates and joint ventures, despite the absence of the gain on sales of IPP-related business in North America in the same period of the previous fiscal year
Metals & Minerals	46.7	56.8	(10.0)	Decrease due to lower gross trading profit, despite the absence of an unordinary tax expense in Brazilian iron ore companies in the same period of the previous fiscal year
Energy & Chemicals	12.9	16.0	(3.1)	Decrease due to the decline in profit margin accompanying the lower demand in fuel oil transactions, lower profitability on self-developed crude oil transactions, and the deterioration in equity in earnings of the U.S. oil and gas development companies
Food	43.8	39.0	4.8	Increase due to the favorable performance in the fresh food associated companies and the gain on sales of affiliates in the CVS companies, despite the higher cost in the fresh food-related companies and food-distribution-related companies
ICT, General Products & Realty	56.4	50.9	5.5	Increase due to higher gross trading profit and the gain on remeasurement from the conversion of an Internet advertising company from an associated company to other investments, despite the decrease in equity in earnings of associates and joint ventures and higher expenses in European tire-related companies
Others, Adjustments & Eliminations	10.2	14.8	(4.6)	
Consolidated	231.4	225.6	5.7	

Financial Position

Financial Position	Dec. 2014	Mar. 2014	Increase (Decrease)	Outlook for March 31, 2015 (Disclosed on Nov 5, 2014)
Total assets	9,125.4	7,783.8	1,341.6	8,200.0
Interest-bearing debt	3,419.7	2,893.4	526.4	3,100.0
Net interest-bearing debt	2,661.3	2,232.0	429.4	2,500.0
Total shareholders' equity	2,391.4	2,045.7	345.7	2,300.0
Ratio of shareholders' equity to total assets	26.2%	26.3%	(0.1 pt)	28.0%
Net debt-to-shareholders' equity ratio (times)	1.1	1.1	Same level	1.1
Total equity	2,776.7	2,399.5	377.1	2,700.0

Summary of changes from the previous fiscal year end

- **Total assets** : Increased by 17.2%, or 1,341.6 billion yen, compared with March 31, 2014, to 9,125.4billion yen. This increase was due to the acquisition of EDWIN CO., LTD. in the Textile Company and subsidiaries in energy-related companies, the investment in C.P. Pokphand Co. Ltd. and domestic broadcasting and communication-related companies, the depreciation of the yen, as well as the increase in trade receivables due to seasonal factors.
- **Net interest-bearing debt**: Increased by 19.2%, or 429.4 billion yen, compared with March 31, 2014, to 2,661.3 billion yen, due to the increase in borrowings accompanying new investments and the depreciation of the yen.
- **Total shareholders' equity**: Increased by 16.9%, or 345.7 billion yen, compared with March 31, 2014, to 2,391.4 billion yen, due to the increase in Net profit attributable to ITOCHU and the depreciation of the yen, despite dividend payments. Ratio of shareholders' equity to total assets decreased by 0.1 point to 26.2% from March 31, 2014. NET DER (Net debt-to-shareholders' equity ratio) stayed at the same level compared with March 31, 2014, at 1.1 times.

Cash Flows

Cash Flows	Apr.-Dec. FY 2015	Apr.-Dec. FY 2014
Operating activities	134.9	175.9
Investing activities	(254.2)	(266.9)
Free cash flows	*(119.3)*	*(91.1)*
Financing activities	195.6	51.4
Cash and cash equivalents	749.2	537.4
Increase (Decrease)	95.5	(32.9)

Summary of Cash Flows for Apr.-Dec. FY 2015

- **Operating**: Net cash-inflow of 134.9 billion yen, resulting from the stable performance in operating revenue in the metals and ICT-related transactions, despite the increase in operating assets in the machinery, food, and construction segments.
- **Investing**: Net cash-outflow of 254.2 billion yen, due to the investment in C.P. Pokphand Co. Ltd. and additional investments in the natural resource development sector.
- **Financing**: Net cash-inflow of 195.6 billion yen, due to the increase in borrowings and third-party allotment, despite dividend payments and the acquiring of treasury stock.

Group Companies (Net profit attributable to Itochu)

(C): Consolidated subsidiary (E): Equity-method company

Group Companies (Net profit attributable to Itochu)		Apr.-Dec. FY 2015	Apr.-Dec. FY 2014	Increase (Decrease)	Summary of changes from the same period of the previous fiscal year
ITOCHU Minerals & Energy of Australia Pty Ltd	(C)	30.9	48.8	(17.9)	Decrease due to the decline in iron ore and coal prices and the reversal of deferred tax assets accompanying the amendment of the Australian tax system, despite the increase in iron ore sales volume, reduction of costs in iron ore and coal-related companies, and improvement in foreign currency translation
Marubeni-Itochu Steel Inc.	(E)	11.1	9.5	1.6	Increase mainly due to the contribution from new group companies
FamilyMart Co., Ltd.	(E)	8.6	6.2	2.4	Increase due to the gain on sales of affiliates in Korea, despite the influence of the consumption tax hike and unseasonable weather, as well as higher up-front expenses from increase in stores
ITOCHU International Inc.	(C)	8.1	6.4	1.8	Increase due to the stable performance by the construction machinery-related companies and the food-related companies, and the depreciation of the yen
JD Rockies Resources Limited	(C)	(13.7)	(1.7)	(11.9)	Deterioration due to the increase in impairment losses in the U.S. oil and gas development companies, and regular transactions

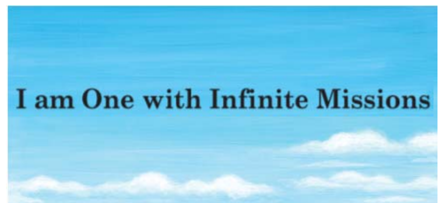
Dividend Information (Per Share)

Annual (Planned)	46.0 yen
Interim	23.0 yen

Major Indicates

Major Indicates		Apr.-Dec. FY 2015	Apr.-Dec. FY 2014	Variance
Foreign exchange (Yen/US$)	Average	104.85	98.71	6.14
	Closing	Dec.-14 120.55	Mar.-14 102.92	17.63
Interest	JPY TIBOR 3M, average	0.204%	0.228%	(0.024%)
	US$ LIBOR 3M, average	0.233%	0.259%	(0.026%)
Crude oil (Brent) (US$/BBL) Average		96.71	107.48	(10.77)
Iron ore, fine (US$/ton) (*)		101	127	(26)
Coking coal (US$/ton) (*)		120	156	(36)
Thermal coal (US$/ton) (*)		82	95	(13)

(*) The Company recognizes these prices as common transaction prices based on market information.



Exhibit(Highlights)