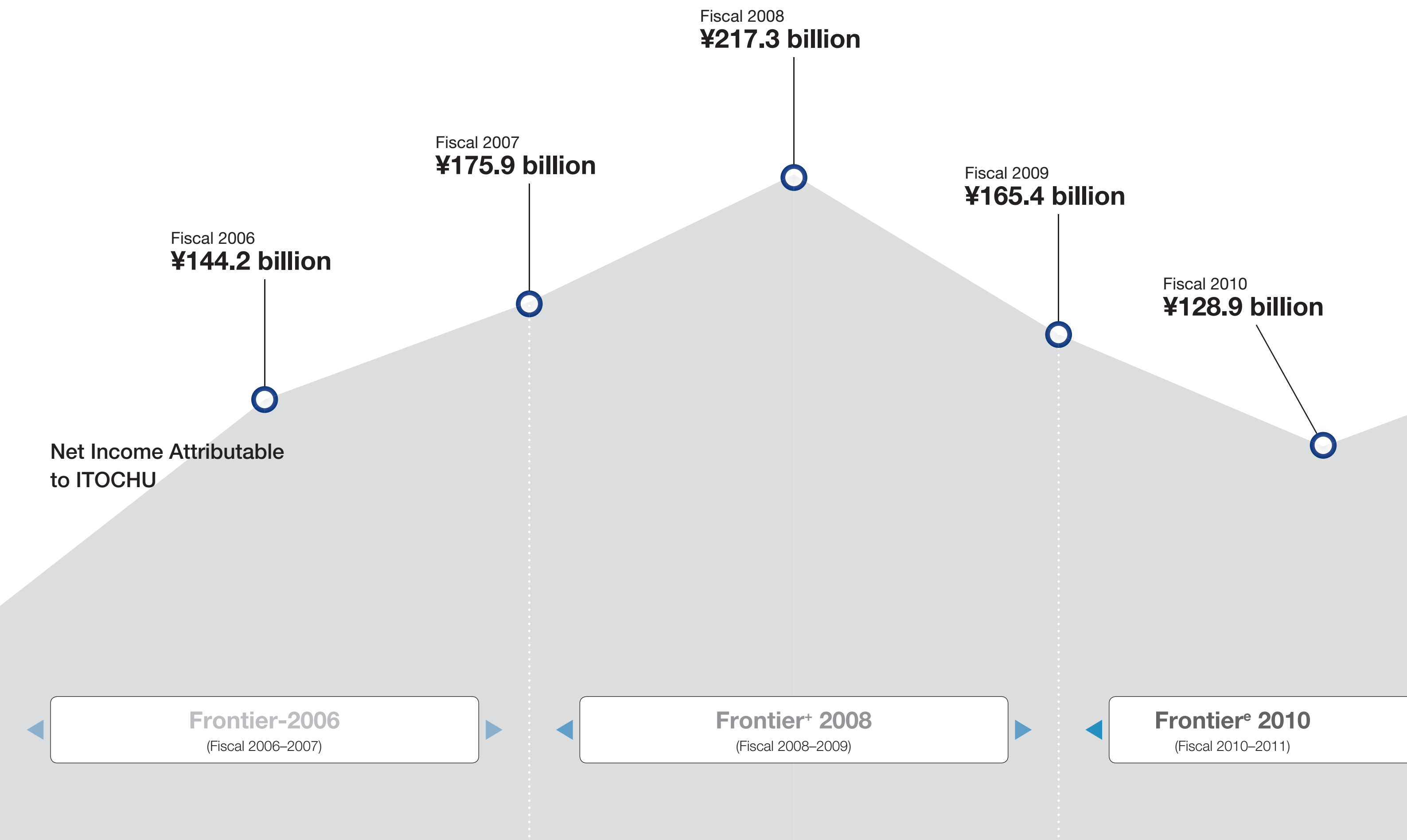
OUR GROWTH

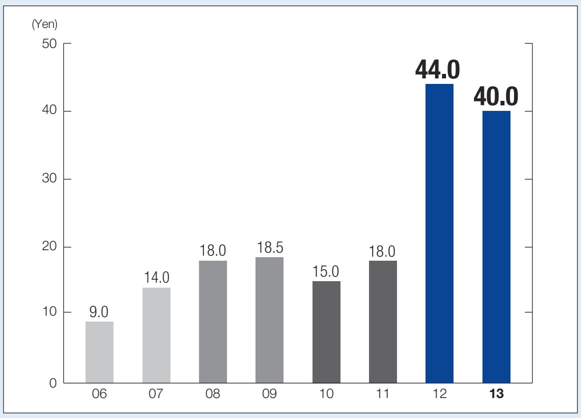
ITOCHU's Growth Track



ITOCHU: Moving to a New Growth Stage

Transparent Shareholder Returns

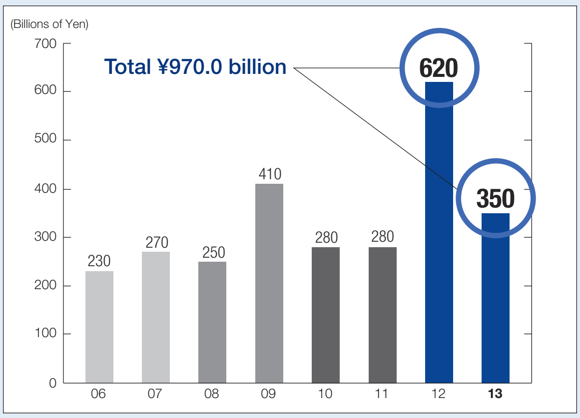
From "Brand-new Deal 2012," we have revised our dividend policy, which is now linked to net income attributable to ITOCHU, and increased the transparency of shareholder returns. In addition, we increased dividends by a substantial margin due to growth in our earnings.



Years ended March 31
* Per share amount

Investment of Nearly ¥1 Trillion over Two Years

We implemented a record high level of investment of ¥970.0 billion on a gross basis in superior projects and expanded our scale of operations.



Years ended March 31

STAGES

Record-high Profits
Fiscal 2012
¥300.5 billion

Fiscal 2013
¥280.3 billion

Fiscal 2011
¥161.1 billion

New Growth Stage

Brand-new Deal 2012
(Fiscal 2012–2013)

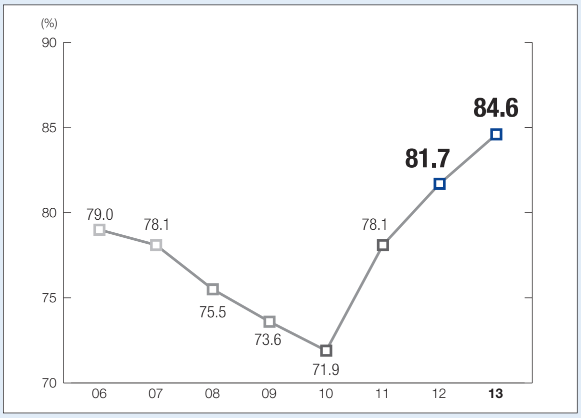
Earn, Cut, Prevent

Through internal reforms to “strengthen front-line capabilities,” we reinforced our foothold. On that foundation, we have made a shift in our focus to “proactively seeking new opportunities” for “expanding our scale of operations.”

For further information, please refer to the inside pages for the results of “Brand-new Deal 2012.”

Strengthening Our Ability to “Earn” (share of Group companies reporting profits*)

We accelerated our efforts to improve the earning power of unprofitable affiliates or to withdraw from them. As a result, the share of Group companies reporting profits set a record high of more than 80%.



Years ended March 31
* The number of Group companies reporting profits as a percentage of the number of companies included in consolidation

New Medium-Term Management Plan

Brand-new Deal 2014

(Fiscal 2014–2015)

Aiming to be the No. 1 trading company in the non-resource sector

In accordance with the basic policies to boost profitability, pursue balanced growth, and maintain financial discipline and lean management, we will maintain our No. 1 position in the consumer-related sector, boost earnings in the basic industry-related sector, such as in Machinery and Chemicals, and solidify our position as the No. 1 trading company in the non-resource sector.

Fiscal 2014 (plan)

Net Income Attributable to ITOCHU
¥290.0 billion

NET DER
1.4 times

Stockholders’ Equity
¥1,900.0 billion

Cash Dividends per Share
¥42

Fiscal 2014–2015 (plan)

Investment Plan

Gross: **Upper limit of ¥1 trillion**

Net: **¥800.0 billion**

For detailed information about the new medium-term management plan, please refer to pages 22 to 23.

STAGES

Record-high Profits
Fiscal 2012
¥300.5 billion

Fiscal 2013
¥280.3 billion

Fiscal 2011
¥161.1 billion

New Growth Stage

Brand-new Deal 2012

(Fiscal 2012–2013)

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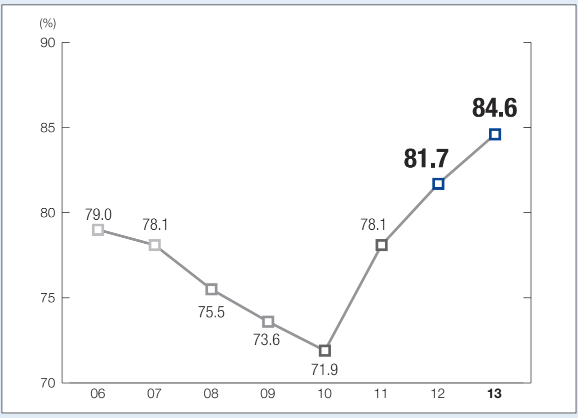


Years ended March 31

* The number of Group companies reporting profits as a percentage of the number of companies included in consolidation

Brand-new Deal 2012
Earn, Cut, Prevent

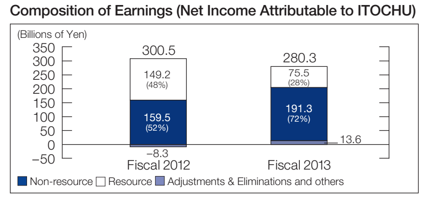
Basic Policies:
- Strengthen Our Front-line Capabilities
- Proactively Seek New Opportunities
- Expand Our Scale of Operations

Quantitative Review

Billions of Yen	Fiscal 2012 Plan	Fiscal 2012 Result	Fiscal 2013 Plan	Fiscal 2013 Result
Net income attributable to ITOCHU	240.0	300.5	280.0	**280.3**
Total assets	6,400.0	6,507.3	7,000.0	**7,117.4**
Net interest-bearing debt	2,200.0	2,014.9	2,300.0	**2,185.6**
Stockholders' equity	1,350.0	1,363.8	1,550.0	**1,765.4**
NET DER	1.6 times	1.5 times	1.5 times	**1.2 times**

- In fiscal 2012, we achieved net income attributable to ITOCHU of ¥300.5 billion, a record-high level.
- In fiscal 2013, although we recognized a significant impairment loss on resource-related investment, we did achieve our planned target through higher performance in the non-resource sector, which is one of our strengths.
- We expanded our scale of operations through aggressive investment while maintaining financial discipline. (NET DER: 1.2 times)

Composition of Earnings (Net Income Attributable to ITOCHU)



(Note 1) % composition is calculated with the total for the operating segments, before Adjustments & Eliminations and others.
(Note 2) The steel products business is included in the non-resource sector.

Investment Review

- The amount of gross investment under "Brand-new Deal 2012" was increased from the initial planned level of ¥800.0 billion to ¥1 trillion at the beginning of fiscal 2013.
- Over two years, we implemented ¥970.0 billion in investment, thereby realizing our basic policy of "expanding our scale of operations."
- The ratio of non-resource to resource investment was 1:1.

Billions of Yen	Gross Investment Amount: Brand-new Deal 2012 Revised Plan	Two-year Total	(%)	Fiscal 2012	Fiscal 2013
Natural Resource / Energy-related Sector	500.0 – 600.0	**485.0**	**(50%)**	380.0	105.0
Consumer-related Sector	150.0 – 250.0	**265.0**	**(27%)**	130.0	135.0
Machinery-related Sector	100.0 – 200.0	**150.0**	**(15%)**	70.0	80.0
Chemicals, Real Estate, and others Sector	50.0 – 150.0	**70.0**	**(7%)**	40.0	30.0
Total	1,000.0	**970.0**	**(100%)**	620.0	350.0

Major Investments

Billions of Yen	Fiscal 2012	Fiscal 2013	Result (2-year period)	Revised Plan (2-year period)
Natural Resource / Energy-related Sector	Drummond Colombia Coal; Additional Investment in Brazil Japan Iron Ore Corporation (NAMISA); Maules Creek; South Africa Platreef Project; IMEA expansion; Samson Investment Company; ACG expansion, others	IMEA expansion; ACG expansion, others		**500.0 – 600.0**
	380.0	**105.0**	**485.0**	
Consumer-related Sector	Shandong Ruyi Science & Technology Group; Kwik-Fit, others	Teraoka Seisakusho Co., Ltd.; HYLIFE; METSA FIBRE, others		**150.0 – 250.0**
	130.0	**135.0**	**265.0**	
Machinery-related Sector	Shepherds Flat Wind Project; Century Tokyo Leasing Corporation; Desalination project in Victoria, Australia, others	Toyo Advanced Technologies Co., Ltd.; U.K.'s Bristol Water; Desalination project in Victoria, Australia; Shepherds Flat Wind Project; CSC Automated, CSC ESI, others		**100.0 – 200.0**
	70.0	**80.0**	**150.0**	
Chemicals, Real Estate, and others Sector	CIAM (CITIC International Assets Management); Commercial Real Estate Fund (Overseas), others	Agromate; Toda Kogyo Corp.; UAF (United Asia Finance) capital increase, others		**50.0 – 150.0**
	40.0	**30.0**	**70.0**	
Gross Amount	**620.0**	**350.0**	**970.0**	**1,000.0**
Net Amount	**510.0**	**220.0**	**730.0**	
Exit Amount	**(110.0)**	**(130.0)**	**(240.0)**	

THE BACKGRO

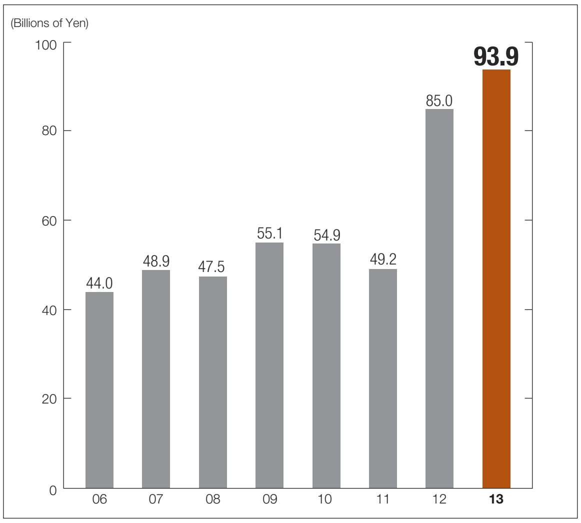
Background to New Medium-Term Management Plan

Strength 1 Leading Position in the Consumer-related Sector

In the consumer-related sector, which comprises Textile, Food, and ICT, General Products & Realty, we have the largest earnings scale in the industry, and our leading position in this sector is one of our strengths. In addition, we are also focusing on boosting earnings in Machinery and Chemicals, thereby expanding the scale of our earnings in the non-resource sector, which is made up of the consumer-related sector plus the basic industry-related sector including Machinery and Chemicals. Consequently, we have achieved a well-balanced portfolio between the non-resource and resource sectors.

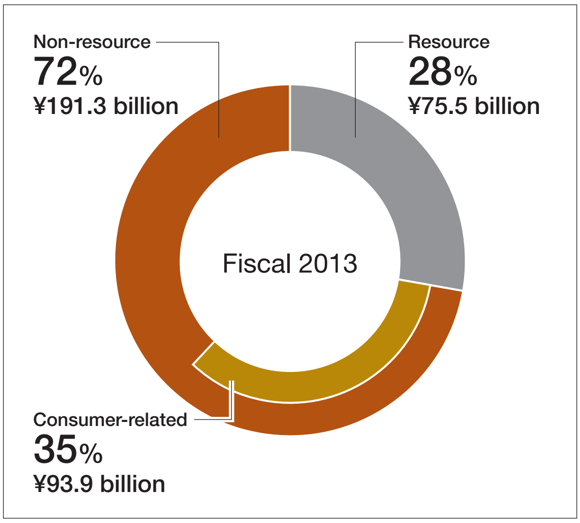
For further information, please refer to page 28, Special Feature “Aiming to be the No. 1 trading company in the non-resource sector.”

Net Income Attributable to ITOCHU in the Consumer-related Sector



Years ended March 31

Composition of Earnings (Net income attributable to ITOCHU)



(Note 1) % composition is calculated with the total for the operating segments, before Adjustments & Eliminations and others.
(Note 2) The steel products business is included in the non-resource sector.

Business Opportunity

Toward an Environment in Which We Can Expect to Achieve Stable Growth in the Consumer-related Sector

We believe that ASEAN countries will continue to record solid expansion in domestic demand and that China will transition from high levels of growth led by exports and public investment to stable growth led by consumer spending. In industrially developed countries, the United States is in a recovery phase, and in Japan, large-scale monetary and fiscal measures to boost the economy are expected to have a positive effect on consumer spending, although careful attention will be necessary following the increase in the consumption tax rate. On the other hand, commodity prices, which have a significant effect on our earnings, are expected to be firm over the medium to long term, with growth in demand supported by economic growth in emerging countries. In the short term, however, the future course of the business environment is expected to remain highly uncertain.

UND

Strength 2 Bolstered Financial Base

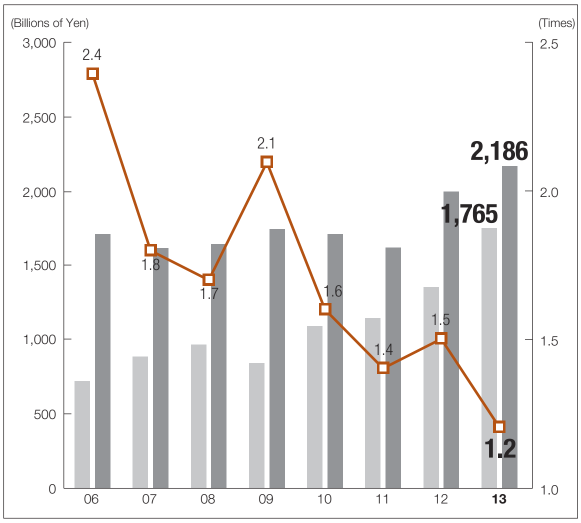
Sound Financial Position

Positioning NET DER as an important indicator for financial soundness, we have strengthened our financial position by reducing interest-bearing debt and by increasing stockholders' equity through the accumulation of profits. Under "Brand-new Deal 2012," we implemented a record-high level of investment, but maintained a sound financial position, with a NET DER of 1.2 times at the end of March 2013.

Generating Stable Cash Flows

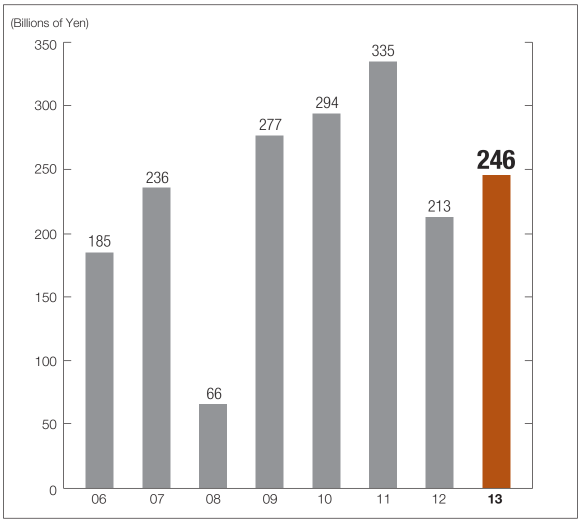
In addition to accumulating profits, we have taken steps to generate cash flows from operating activities, such as rigorously managing the collection of cash from customers and heightening the dividend payout ratios of associated companies. As a result, we have the capability to achieve the stable generation of cash flows from operating activities of more than ¥200.0 billion.

Stockholders' Equity / Net Interest-bearing Debt / NET DER



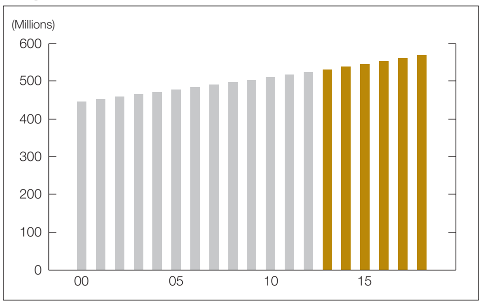
■ Stockholders' equity (left) ■ Net interest-bearing debt (left) -□- NET DER (right)
As of March 31

Cash Flows from Operating Activities



Years ended March 31

Population Forecast for ASEAN-5*



* Indonesia, Malaysia, the Philippines, Thailand, and Vietnam
Source: International Monetary Fund, World Economic Outlook Database, April 2013

To Seize **Business Opportunity** by Leveraging **Strengths**

Brand-new Deal 2014

Fiscal 2014–2015 Medium-Term Management Plan

ITOCHU, on the Move

Brand-new Deal 2014

—Aiming to be the No. 1 Trading Company in the Non-Resource Sector

Brand-new Deal 2014 Basic Policies

Boost Profitability

- Reap benefits from large-scale investments
- Increase profitability of existing business
- Aggressively take on promising new projects

Pursue Balanced Growth

- Maintain balance between non-resource and resource sectors
- Reinvigorate domestic and trading businesses

Maintain Financial Discipline and Lean Management

- Sustain a sound NET DER
- Place priority on operating cash flow
- Reduce stock holdings in non-affiliate companies
- Further improve ratio of SG&A expenses to gross trading profit

Fiscal 2014 Quantitative Plan

Billions of Yen	Fiscal 2013 Result	Fiscal 2014 Plan
Gross trading profit	915.9	**1,000.0**
Operating income	244.2	**280.0**
Equity in earnings of associated companies	85.9	**120.0**
Net income attributable to ITOCHU	280.3	**290.0**

- Due to continued growth in profits in the non-resource sector, the plan calls for Net income attributable to ITOCHU of ¥290.0 billion in Fiscal 2014, an increase of ¥9.7 billion year on year.

Billions of Yen	Fiscal 2013 Result	Fiscal 2014 Plan
Total assets	7,117.4	**7,500.0**
Net interest-bearing debt	2,185.6	**2,650.0**
Total ITOCHU stockholders' equity	1,765.4	**1,900.0**
NET DER	1.2 times	**1.4 times**

- The plan calls for NET DER of around 1.4 times.
- For consolidated stockholders' equity, taking into accounts the accumulation of profits and the payment of dividends, the plan calls for ¥1.9 trillion, an increase of ¥130 billion over March 31, 2013.

Assumptions	Fiscal 2013 Result	Fiscal 2014 Plan	(Reference) Sensitivities on net income attributable to ITOCHU against forecast
Exchange rate (¥/US$)	82	**90**	¥–2.0 billion (¥1 appreciation against US$)
Interest rate (%) Yen TIBOR	0.32	**0.30**	¥–5.0 billion (1% increase)

Change in Investment Classification

Brand-new Deal 2012	Brand-new Deal 2014		
Consumer-related	Non-resource	Consumer-related	■ Textile ■ Food ■ ICT, General Products & Realty
Machinery-related Chemicals, Real Estate, and others	Non-resource	Basic Industry-related	■ Machinery ■ Chemicals ■ Petroleum Products ■ Steel Products
Natural Resource / Energy-related	Resource	Resource-related	■ Metal and Mineral Resources ■ Energy Resources

Investment Policies

Over two years, the plan calls for investment of ¥800 billion on a net basis, and the maximum amount on a gross basis will be ¥1 trillion.

- Aim for disciplined growth while maintaining financial soundness.
- Strictly select profitable projects and facilitate investment exits through more rigorous monitoring.

Ratio of non-resource to resource investment will be 2:1.

- We will emphasize the expansion of our earnings platform in the non-resource sector, which is one of our strengths, and in which comparatively stable profits are expected, and the ratio of non-resource to resource investment will be 2:1.

Goals by Key Sector

Non-resource	Consumer-related	■ Maintain No. 1 industry position ■ Increase profits while maintaining a balance between trade and affiliate operations ■ Reinvigorate domestic business
Non-resource	Basic Industry-related	■ Bolster machinery and chemicals ■ Reinforce trading and expand existing operations ■ Lay groundwork for businesses in which we are aiming for the No. 1 position
Resource		■ Increase earnings capacity by reducing costs and expanding operations in existing businesses ■ Strengthen relationships with partners ■ Increase asset efficiency by promoting asset replacement

Affiliate, Overseas, and Human Resource Policies

Affiliate Policies

- Strengthen monitoring of existing businesses
- Promote liquidation / consolidation of low-efficiency businesses
- Reinforce development of personnel who will manage operating companies

Overseas Policies

- Continue overseas development under leadership of Division Companies
- Cultivate strong partners in growth markets
- Increase number of personnel stationed overseas

Human Resource Policies

- Move ahead with reallocation of human resources, including from / to overseas offices and affiliate companies
- Bolster overseas trainee system to foster acquisition of second languages other than English
- Support the further development of female role models in their career track

Internal Control and Corporate Governance

Risk Management

- Strengthen consolidated risk management system and continue appropriate management of concentration risk

Internal Control and Compliance

- Enhance internal control in accordance with the business risks in each organization
- Continue to strengthen the overseas compliance system
- Establish system for effective, efficient investigation and monitoring of bribery and collusive bidding risks in Japan and overseas

Corporate Governance

- Maintain the current corporate governance system, which is based on the Board of Directors including outside directors and the Board of Corporate Auditors, half or more of whom are outside corporate auditors.

INVESTMENT

ITOCHU's Approach to Business Investment

Fundamental Approach and Decision-making Process

We advance into areas in which we can leverage our distinctive strengths, and starting from those areas we create a chain of new businesses with a view to further increasing earnings. In addition to strategic alliances, business investment is an important means of implementing these initiatives. Based on our strategic goals, we choose the optimal format from a range of methods and investment ratios, such as establishing a subsidiary ourselves, investing to strengthen partnerships, and participating in management or turning a company into a subsidiary with the objective of increasing the corporate value of the companies in which we have invested.

As a principle, we hold assets in which we have invested for a long period of time, and after making investments we fully utilize our own capabilities and work to maximize the corporate value of the companies that we have invested in as well as Group earnings. We are expanding earnings in a multifaceted manner, such as earnings from trade, profits from businesses in which we have invested, and capital gains.

In making investments, decisions are made after the appropriateness of our investment is considered in light of our investment criteria. In line with the amount of the investment, we have established a screening process with multiple stages, such as DMC*1 and HMC*2 approval. After making investments, we implement annual reviews. When we decide to withdraw from investments due to such considerations as scale of earnings, investment efficiency, or strategic significance, we steadily exit from the investments.

*1 DMC: Division Company Management Committee
*2 HMC: Headquarters Management Committee

For detailed information about the decision-making process, please refer to page 99, Examples of Risk Management.

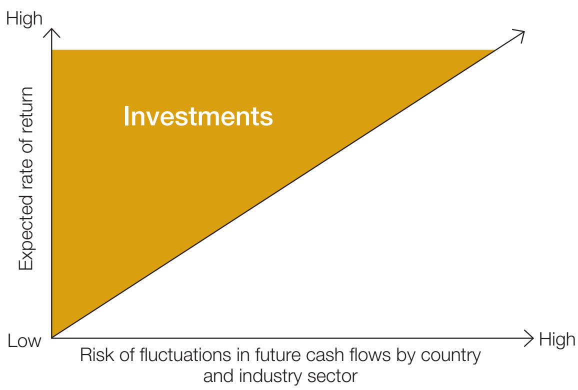
1 Investment Decisions

Investment Criteria

In making investment decisions, we calculate the net present value based on free cash flows, using a hurdle rate, by country and industry sector, based on a predetermined cost of capital, and evaluate investment efficiency. Because we use a hurdle rate that reflects the risk of fluctuations in future cash flows, by country and industry sector, it is possible to make investment decisions in accordance with the characteristics of countries and industries, and we can choose from a broader range of superior projects. In addition to investment efficiency, investment criteria include cash inflows into ITOCHU Corporation and the scale of earnings.

Meanwhile, as we accumulate stockholders' equity, we need to manage our business portfolio with even greater consideration of ROE. Accordingly, we are managing our business portfolio to ensure that companywide ROE does not deteriorate.

Investment Criteria

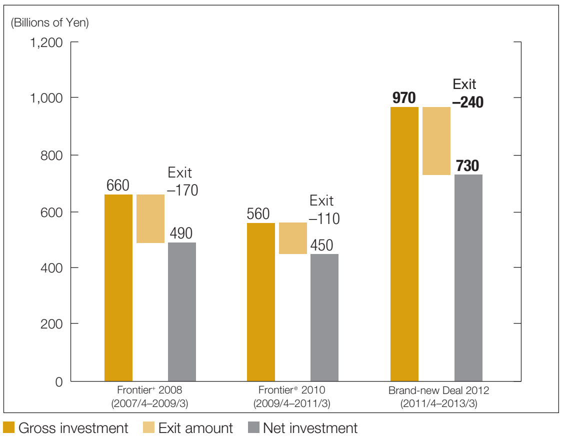


2 Asset Replacement

Continuous Asset Replacement

After making investments, we are continually exiting from low-efficiency assets that do not meet designated criteria for investment return even after a certain period of time has passed, or that have become less strategically significant. From fiscal 2008 to fiscal 2013, our gross investment was ¥2,190.0 billion and our net investment was ¥1,670.0 billion. This illustrates that we have exited from assets worth ¥520.0 billion while investing in growth areas.

Continuous Asset Replacement

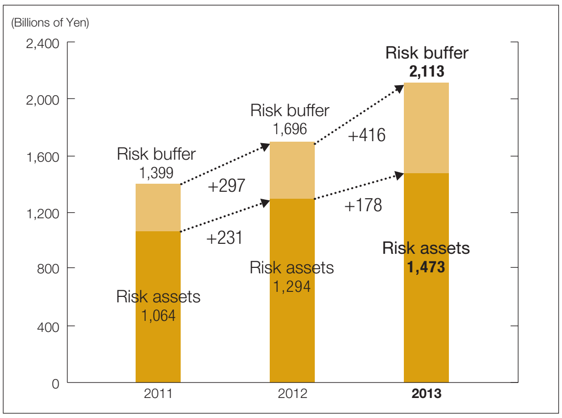


3 Risk Management

Managing Investment Risk Based on Risk Assets

We have introduced and are utilizing risk capital management. We calculate "risk assets" based on the maximum amount of the possible future losses from all assets on the balance sheet, including investments, as well as for all off-balance-sheet transactions. Our basic policy is to control risk assets within the limits of the risk buffer (consolidated stockholders' equity + noncontrolling interest). The amount of risk assets at the end of March 2013 stood at 70% of the risk buffer.

Risk Assets at the End of March 2013



As of March 31

Maintaining Financial Soundness

We are working to maintain financial soundness through continuous asset replacement and risk capital management. During the period covered by "Brand-new Deal 2014," which sets an upper limit of ¥1 trillion for investment on a gross basis, we will maintain a sound NET DER and redouble our focus on cash flows from operating activities.

In addition, we will aim to achieve a credit rating of "A flat" from U.S.-based credit rating agencies following Japanese credit rating agencies*.

* Ratings of ITOCHU's long-term debt as of March 31, 2013 are Japan Credit Rating Agency (JCR): AA–, Rating and Investment Information (R&I): A, Moody's Investors Service: Baa1, and Standard & Poor's (S&P): A–.

CFO / CSO / CAO

Message from the Chief Financial Officer (CFO)

Tadayuki Seki
CFO

Under our previous medium-term management plan, "Brand-new Deal 2012," we proactively sought new opportunities, making a record-high level of investment. Meanwhile, we implemented asset replacement by selling off investments delivering insufficient returns and strove to expand stockholders' equity by accumulating net income attributable to ITOCHU. As a result, as of March 31, 2013, our net debt-to-equity ratio (NET DER) was 1.2 times and risk assets were at 70% of the risk buffer. Thus our indicators of financial stability remained at a sound level even as we expanded our scale of operations.

The new medium-term management plan, "Brand-new Deal 2014," calls for us to continue making new investments, which will increase total assets and interest-bearing debt, but we will maintain sound financial stability indicators. As our asset portfolio is not overly weighted toward the resource sector, which is characterized by high earnings volatility, I do not believe that we need to keep NET DER below 1.0 times. Given our current asset portfolio, we aim to maintain this ratio at 1.0–1.5 times. We will also control our risk assets to within our risk buffer. Furthermore, we will redouble our focus on cash flows from operating activities. Collecting cash by boosting profits on existing investments and raising the efficiency of working capital should increase our ability to generate operating cash flows. In addition, we will reduce our stock holdings in non-affiliate companies and promote asset replacement through more rigorous monitoring. These moves should enable us to maintain or increase asset efficiency while improving cash flows from investing activities.

We are at the point where augmenting profitability and steadily improving our financial position should lead to further raising our credit rating. Achieving an "A flat" credit rating from U.S. credit rating agencies following Japanese ones will increase the diversity and flexibility in funding which supports growth strategy.

As for expanding stockholders' equity, we aim to further consider higher return on equity (ROE) and to maintain high capital efficiency.

To strengthen our risk management structure, we establish appropriate risk management systems at each of our Group companies and share more extensively on a Groupwide basis our basic beliefs on the processes for managing key categories of risk. Meanwhile, we respond appropriately to the various risks we face. With regard to concentrated risks, we establish individual asset limits for particular areas of business, set country-specific exposure limits that take into account multiple factors such as each country's political and economic conditions, and regularly monitor the risks. Thus, we prevent excessive concentration of risk. As to the risk of interest rate rises, we use a management method that employs loss-cut limits on interest rate fluctuations, and fix our interest rates if necessary.

In preparation for the introduction of International Financial Reporting Standards (IFRS), we have already been implementing full-fledged initiatives with a full-time organization that will spearhead our efforts in this regard.

I believe that maintaining financial discipline through the measures outlined above will support our sustainable growth and lead to increased earnings.

Message from the Chief Strategy Officer (CSO)

Koji Takayanagi
CSO

Implementing the basic policies in “Brand-new Deal 2012”—”strengthen our front-line capabilities,” “proactively seek new opportunities,” and “expand our scale of operations”—led to record-high profits in fiscal 2012, and we also reached the targets outlined in our initial plan in fiscal 2013, despite a difficult business environment. Over this two-year period, we invested approximately ¥970.0 billion, our highest level to date, and steadily accumulated superior assets. We also implemented organizational reforms that evened out the scale of earnings and the size of organizations. These organizational reforms are enabling us to pursue more precise management throughout our organization.

Our new medium-term management plan, “Brand-new Deal 2014,” calls for us to boost earnings by steadily reaping the benefits of the large-scale investments we made under the previous medium-term management plan. We will also aim for balanced growth between domestic and overseas operations and between earnings from affiliates and trade, by reinvigorating domestic and trading businesses, as well as between the resource and non-resource sectors. We have set our gross investment limit at ¥1 trillion (a net investment amount of ¥800 billion), and will strictly select projects, continuing to aggressively take on superior new projects.

In an effort to enhance and strengthen corporate governance, we began appointing outside directors in fiscal 2012. ITOCHU’s management benefits from the advice of outside people with diverse perspectives, which stimulates the Board of Directors and leads to more effective management supervision. We also place priority on the independence of outside directors, in keeping with our objective of ensuring the transparency of the Board of Directors’ decision making.

Message from the Chief Administrative Officer (CAO)

Nowadays, companies are called upon not only to achieve sustainable growth but also to contribute to the realization of more prosperous societies through sound business activities. In particular, ITOCHU conducts businesses on a global basis, and we fully recognize that we must contribute to global society by developing and conducting businesses that help solve social issues such as environmental conservation and respect for human rights.

Under our previous medium-term management plan, “Brand-new Deal 2012,” in fiscal 2013 we worked together with the Division Companies to move forward on projects. At the same time, we proactively undertook training initiatives involving environmental conservation and respect for human rights, as well as on-site compliance training. We received high third-party evaluations as a result; being selected as a corporation that excels in ESG (Environmental, Social, and Governance) by the Tokyo Stock Exchange Group, Inc. (currently known as Tokyo Stock Exchange, Inc.), and receiving the Key Firm of Integrity Award 2013 for Excellence from Integrex Inc., a socially responsible investment (SRI) screening organization that acts as the award body’s secretariat.

Our new medium-term management plan, “Brand-new Deal 2014,” calls for us to step up proactive Corporate Social Responsibility (CSR) in order to solve the issues

Toru Matsushima
CAO

that society faces through our businesses. We have added promoting the sustainable use of resources throughout the supply chain to our Basic Policies for CSR Promotion, and selected four CSR material issues to address through our businesses. In these ways, we are striving to live up to our corporate philosophy, “Committed to the Global Good,” from a long-term perspective.

In April 2013, we appointed a woman as an executive officer, becoming the first Japanese general trading company to do so. To strengthen our human resources capabilities, we will continue pursuing initiatives focused on the career of each individual employee as well as on diversity, including measures to encourage female employees to realize their full potential.