ITOCHU in a New Growth Stage

NEW GROWTH STAGE

Fiscal 2011
¥161.1 billion

Fiscal 2012
¥300.5 billion

Fiscal 2013
¥280.3 billion

Fiscal 2014
¥310.3 billion

Record-high profits

Fiscal 2015 (Plan)
¥300.0 billion
(IFRS)

Fiscal 2014
¥245.3 billion
(IFRS)

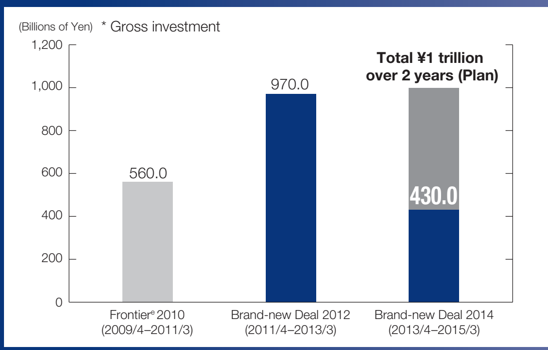
ITOCHU has moved into a new growth stage.
Through internal reforms executed under the "strengthen our front-line capabilities" campaign, we reinforced our foothold. Under our medium-term management plan "Brand-new Deal 2012," we shifted to focus on "expanding our scale of operations." Under "Brand-new Deal 2014," we are "proactively seeking new opportunities" to become the No. 1 trading company in the non-resource sector.

Brand-new Deal 2012
(Fiscal 2012–2013)

Brand-new Deal 2014
(Fiscal 2014–2015)

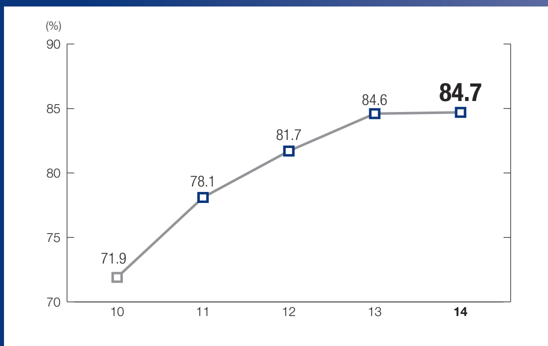
Shift from "Expanding Our Scale of Operations" to "Aiming to be the No. 1 Trading Company in the Non-Resource Sector"

Subsequent to our success in expanding our scale of operations by accumulating superior assets by gross investment of ¥970.0 billion over the two years under "Brand-new Deal 2012," we are strengthening our earnings platform to become the No. 1 trading company in the non-resource sector under our current medium-term management plan, "Brand-new Deal 2014."



Strengthening Our Ability to "Earn" (Percentile of profit-making companies within the consolidated Group companies*)

Due to the combination of our accelerated efforts to dispose of, and to improve the earning power of unprofitable affiliates the percentile of companies reporting profits within the consolidated Group were improved to a record high of more than 80%.



Years ended March 31
* The number of Group companies reporting profits as a percentage against the number of companies included in our consolidated financial report

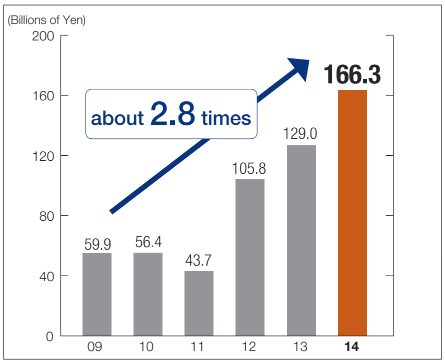
THE BACKGROUND

Background to "Brand-new Deal 2014"

Strength >> Positioning Ourselves as the Leading Company in the Consumer-related Sector, and Aiming to be No. 1 in the Non-Resource Sector

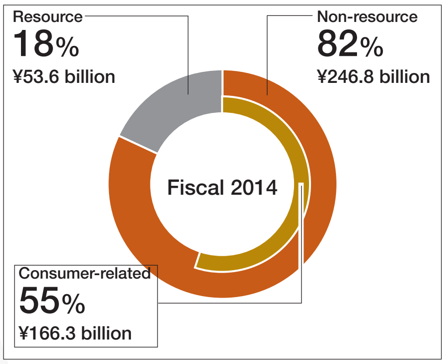
We have expanded our earnings in the non-resource sector, which includes the consumer-related sector, where our earnings are among the largest in the industry, as well as machinery and chemicals businesses. In this way, we have established a well-balanced portfolio between non-resource and resource sector.

Net Income Attributable to ITOCHU in the Consumer-related Sector



Years ended March 31

Composition of Earnings
(Net Income Attributable to ITOCHU)

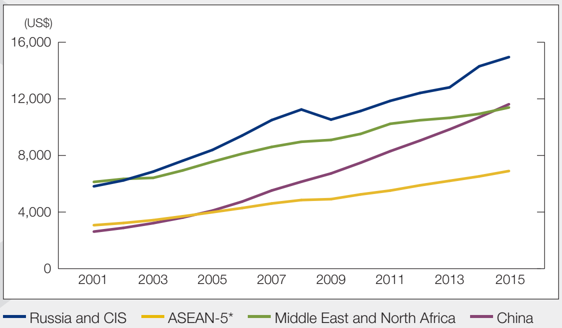


(Note 1) % composition is calculated with the total for the operating segments before Adjustments & Eliminations and others.
(Note 2) The steel products business and petroleum products transaction of energy are included in the non-resource sector.

Business Opportunity >> Stable Growth Expected in Consumer-related Businesses

While uncertainty of resource prices are increasing, consumer spending is expected to record solid growth, not only in ASEAN members and China but also in the United States, Japan, and other developed countries. For ITOCHU, which is a leader in the consumer-related sector, this represents a major opportunity for growth.

Per-Capita GDP in Key Emerging Market Regions
(Purchasing Power Parity Conversion)

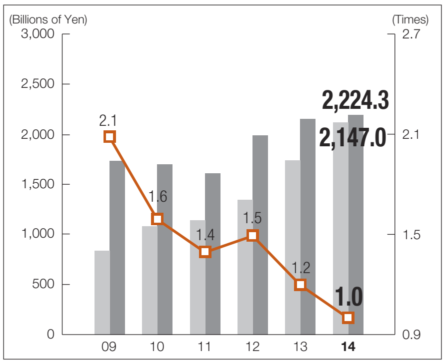


Source: International Monetary Fund, World Economic Outlook Database, April 2014
* Indonesia, Malaysia, the Philippines, Thailand, and Vietnam

Strength >> Bolstered Financial Base

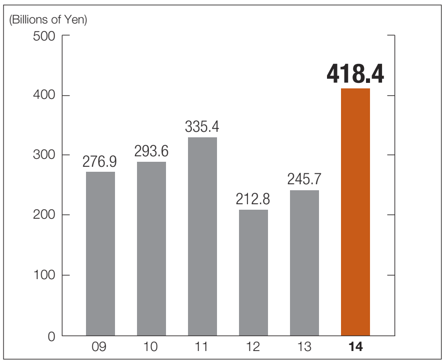
We improved our net debt-to-equity ratio (NET DER) to a record-low level by increasing consolidated stockholders' equity through the accumulation of earnings and are enhancing our ability to achieve stable generation of cash flows from operating activities by accumulating additional earnings, rigorously managing the collection of cash from customers, and heightening the dividend payout ratios of associated companies.

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

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

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
- Capitalize on our strengths, Move to the next level

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

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

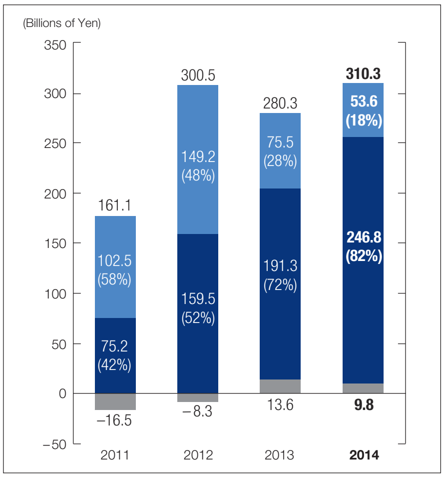
Fiscal 2014 Review

Quantitative Review

Billions of Yen	Fiscal 2014 Initial Plan	Fiscal 2014 Results
Net income attributable to ITOCHU	290.0	**310.3**
Total assets	7,500.0	**7,848.4**
Net interest-bearing debt	2,650.0	**2,224.3**
Stockholders' equity	1,900.0	**2,147.0**
NET DER	1.4 times	**1.0 times**

- Net income attributable to ITOCHU in fiscal 2014 exceeded initial plans by ¥20.3 billion, reaching ¥310.3 billion for the year, a record high.
- Despite the recognition of impairment loss in the resource sector due to the decline in price, we achieved our planned target due to higher earnings 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: 1.0 times)

Resource / Non-Resource Ratio



■ Non-resource ■ Resource
■ Adjustments & Eliminations and others
Years ended March 31
(Note 1) % composition is calculated with the total for the operating segments before Adjustments & Eliminations and others.
(Note 2) The steel products business and petroleum products transaction of energy are included in the non-resource sector.

Investment Review

Billions of Yen	Fiscal 2014 Results
Non-resource	**285.0**
Consumer-related sector	215.0
Basic Industry-related sector	70.0
Resource	**145.0**
Gross amount	**430.0**
Net amount	**320.0**

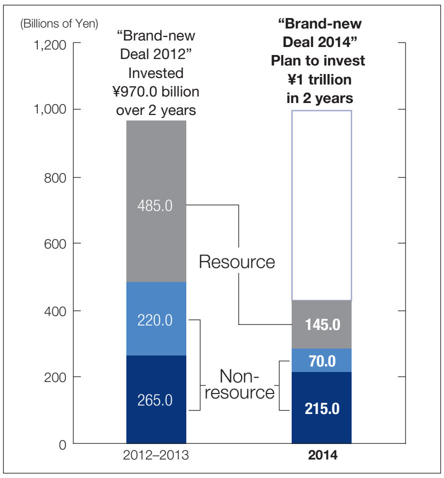
Major Investments

Consumer-related
Dole business / underwriting capital increase of Unicharm consumer products (China) / ASF Limited, etc.

Basic Industry-related
Beijing Aotong Automobile Trading / YANASE / automobile dealer in USA, etc.

Resource-related
Jimblebar / IMEA expansion / ACG (Azerbaijan) expansion, etc.

Investment (Gross)

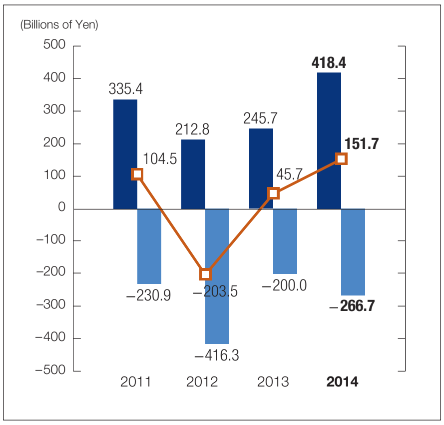


■ Consumer-related ■ Basic Industry-related ■ Resource-related
Years ended March 31

Cash Flows

Billions of Yen	Fiscal 2013 Results	Fiscal 2014 Results	Increase / Decrease
Cash flows from operating activities	245.7	**418.4**	**+172.7**
Cash flows from investing activities	(200.0)	**(266.7)**	**–66.7**
Cash flows from financing activities	(11.3)	**(71.7)**	**–60.4**
Free cash flows	45.7	**151.7**	**+106.0**

Cash Flows



■ Cash flows from operating activities
■ Cash flows from investing activities
Free cash flows
Years ended March 31

Shareholder Value

Shareholder Return Policy and Fiscal 2014 Dividends

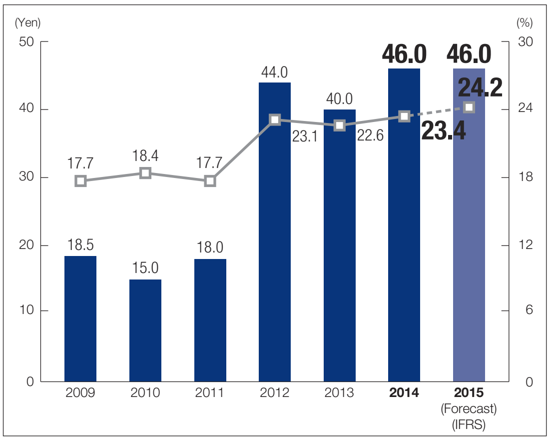
Since "Brand-new Deal 2012" (fiscal 2012 to fiscal 2013), we have amended our dividend policy to quantitatively present our dividend payout strategy, and established a highly transparent dividend policy that links the amount of dividends to net income. Specifically, we target our dividend based on a dividend payout ratio of approximately 20% on net income attributable to ITOCHU up to ¥200 billion, and a dividend payout ratio of approximately 30% on the portion of net income attributable to ITOCHU exceeding ¥200 billion.

In accordance with this policy, annual dividends per share in fiscal 2014, in which we achieved net income attributable to ITOCHU of ¥310.3 billion, were ¥46.

For fiscal 2105, we will pay ¥2 per share fixed dividend in addition to the dividend calculated above, and the dividend is forecast to be a total of ¥46 per share (interim, ¥23; year-end, ¥23)

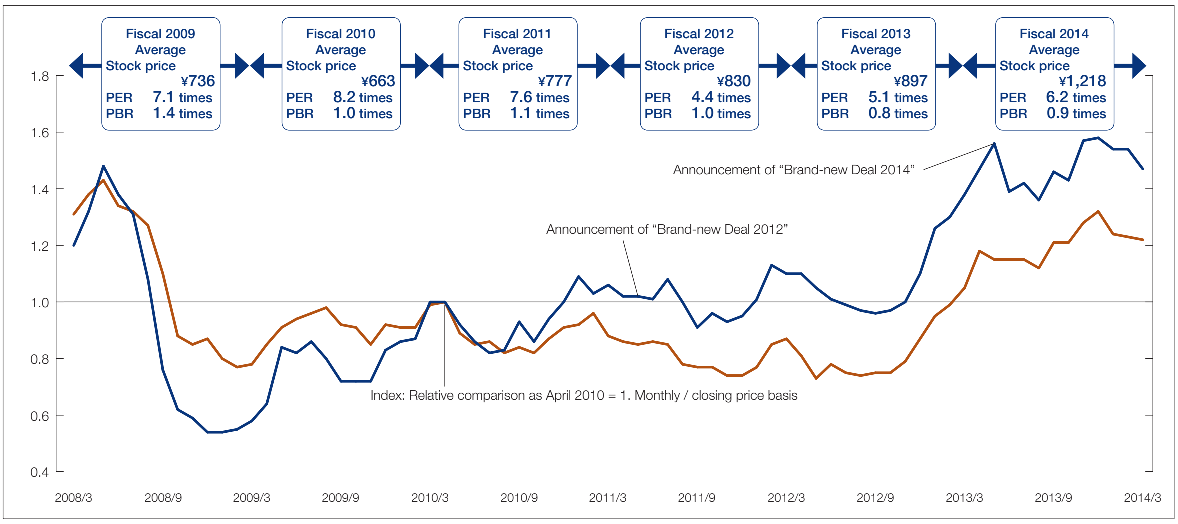
Transparent Shareholder Returns

Since "Brand-new Deal 2012," we have quantitatively presented our dividend payout ratio and increased the transparency of our shareholder returns.



■ Cash dividends per share (left) -□- Dividend payout ratio (right)
Years ended March 31

Comparison between ITOCHU's Stock and TOPIX (Tokyo Stock Price Index)

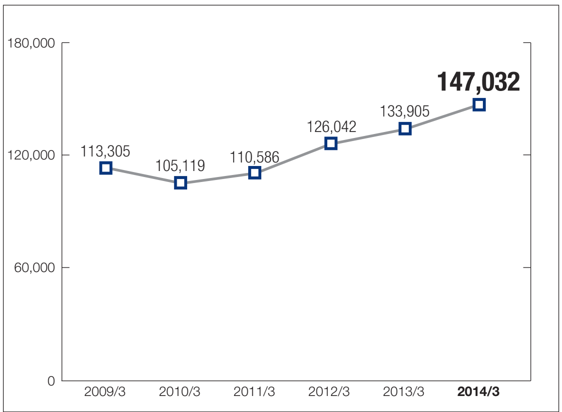


— ITOCHU (Tokyo Stock Exchange) — TOPIX

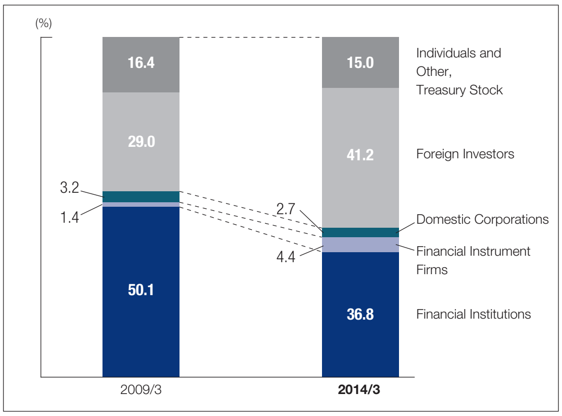
* PER (price-to-earnings ratio): Market capitalization (Average stock price during the period x Number of shares issued and outstanding at the end of the period) / Net income attributable to ITOCHU

* PBR (price-to-book ratio): Market capitalization (Average stock price during the period x Number of shares issued and outstanding at the end of the period) / Stockholders' equity

Number of Shareholders



Breakdown of Shareholders (% of shares)



PLAN

Fiscal 2015 Management Plan (IFRS)

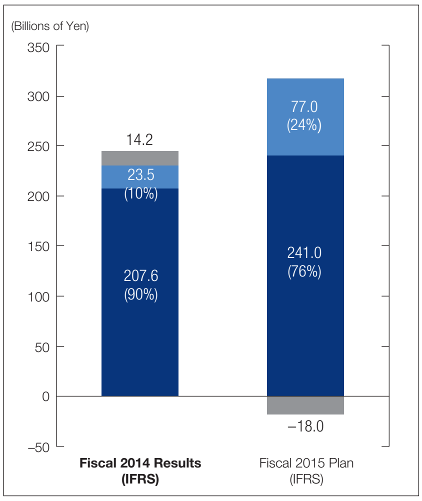
Quantitative Plan

Billions of Yen	Fiscal 2014 Results (IFRS)	Fiscal 2015 Plan (IFRS)	Increase / Decrease
Gross trading profit	1,045.0	**1,110.0**	+65.0
Trading income	289.0	**300.0**	+11.0
Equity in earnings of associated companies	56.0	**140.0**	+84.0
Net income attributable to ITOCHU	245.3	**300.0**	+54.7
Total assets	7,783.8	**8,200.0**	+416.2
Interest-bearing debt	2,893.4	**3,100.0**	+206.6
Net interest-bearing debt	2,232.0	**2,500.0**	+268.0
Total ITOCHU stockholders' equity	2,045.7	**2,300.0**	+254.3
Ratio of stockholders' equity to total assets	26.3%	**28.0%**	+1.7%
NET DER	1.1 times	**1.1 times**	Same level

Earnings from Resource / Non-Resource

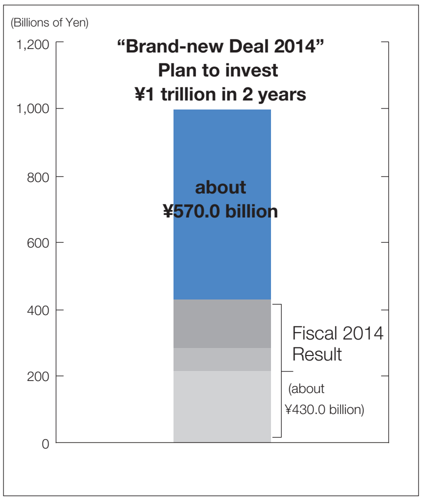
Billions of Yen	Fiscal 2014 Results (IFRS)	Fiscal 2015 Plan (IFRS)	Increase / Decrease
Resource	23.5	**77.0**	+53.5
Non-resource	207.6	**241.0**	+33.4
Others	14.2	**(18.0)**	–32.2
Total	245.3	**300.0**	+54.7
Resource / Non-resource	10% / 90%	**24% / 76%**	+14% / –14%

Resource / Non-Resource Ratio
(Net Income Attributable to ITOCHU)



Non-resource Resource
Adjustments & Eliminations and others
(Note) % composition is calculated with the total for the operating segments before Adjustments & Eliminations and others.

Fiscal 2015 Investment Plan (Gross)



Assumptions

	Fiscal 2014 Results	Fiscal 2015 Plan	(Reference) Sensitivities on net income attributable to ITOCHU against forecast
Exchange rate (¥/US$)	100	**100**	–¥1.5 billion (¥1 appreciation against US$)
Interest rate (%) Yen TIBOR	0.23	**0.25**	–¥5.0 billion (1% increase)

An Interview with the Chief Financial Officer (CFO)

In order to realize balanced growth, I will dedicate myself on solid management to support the Company's proactive initiatives.

Tadayuki Seki
Director
Executive Vice President
CFO

Q1 What points do you regularly focus on in your role as CFO?

A1 My role includes communicating market feedback to our senior management.

Over the past several years, ITOCHU has taken a more proactive approach in seeking business opportunities by making record-high levels of investment. One of the most important responsibilities for me is to focus on financial discipline, that is, on strengthening our solid management and not to expand in a disorderly manner. In addition, I believe another important role for me is to engage in dialogue with the capital market through interviews with financial institutions and investors, and to relay their feedback to our senior management. We do receive challenging feedback from time to time, but I will strive to maintain good relationships with the capital market by reflecting such feedback in our management decision-making.

Q2 Capital efficiency is a key point of focus from the market. Would you discuss ITOCHU's approach to capital efficiency and the outlook going forward?

A2 Over the medium to long term, we will maintain a ROE of at least 12%.

With consolidated stockholders' equity increasing, we will monitor ROE closely and will work to sustain a high level of capital efficiency. In fiscal 2014, we succeeded in maintaining both ROE and ROA at high levels, with ROE of 15.9% and ROA of 4.1% (U.S. GAAP). Although such a hurdle may be high in the near term while we are at the stage to increase our stockholders' equity, over the medium to long term we will strive to pursue an ROE of at least 12%. In addition, we will work to build an asset portfolio that can steadily generate an ROA of approximately 4%.

Q3 As ITOCHU continues to make aggressive investment, what is the Company's approach to NET DER?

A3 We will control NET DER to be below 1.3 times even in circumstances where we temporarily increase our financial leverage.

At the end of March 2014, our NET DER was 1.0 times even though we are investing aggressively, so I believe we were successful in maintaining appropriate financial discipline. Considering that our asset portfolio is not heavily weighted toward resource-related assets which have a high volatility in earnings, we believe that it is not necessary to maintain this ratio below 1.0 times. However, our policy is to control NET DER not to rise above 1.3 times even in circumstances where financial leverage increases temporarily.

Q4 Given the improvement in operating cash flows in fiscal 2014, what is the outlook for the years ahead?

A4 This improvement is the result of the reinforced awareness throughout the Company of cash flow management.

In fiscal 2014, cash flows from operating activities were ¥418.4 billion, a record-high for ITOCHU. The figure excluding non-recurring factors was about ¥350.0 billion, which we believe reflects commercial reality. Free cash flows were positive for the second consecutive year, at ¥151.7 billion.

In recent years, while we have expanded our scale of earnings, cash flows from operating activities remained at a low level. We recognized this issue as an important matter, and shared common awareness throughout the Company to increase cash flows to a level appropriate as one of the top three general trading companies. On this basis, we enforced our process to accurately track cash flows by each organization, and implemented monitoring procedures on a quarterly basis. In particular, we paid close attention to working capital management, such as maintaining suitable level of inventories, ensuring that trade receivable financing terms are appropriate, and securing dividends from equity-method associated companies. Cash flows are one of the reasons why we are shifting from equity-method investments toward 100% investments for equity investment.

We are satisfied that awareness of cash flows has started to be sufficiently shared throughout the Company. However, I believe that we must continue to focus on this issue in order to generate operating cash flows at the same level as net profit planned in fiscal 2015 of approximately ¥300.0 billion.

Q5 What is ITOCHU's approach toward credit ratings?

A5 **We are aiming to achieve a rating of "A flat" from U.S.-based credit rating agencies.**

We strongly believe we are capable of obtaining an increase in our credit ratings, considering ITOCHU's significantly improved earning power, financial position comparable to those of other top-ranked trading companies, and free cash flows which has been positive for two consecutive years. To increase our fund-raising options and flexibility, we aim to acquire "A flat" ratings from U.S.-based credit rating agencies in addition to domestic credit rating agencies.

Q6 Please discuss ITOCHU's management of the various risks that the Company faces.

A6 **We are working to reduce risk by implementing appropriate responses.**

ITOCHU has established a risk management system to appropriately address risks on a consolidated basis, and specifically dedicated teams take initiatives to conduct monitoring of each major risk item.

We prevent excessive concentration of risks by establishing specialized limits for particular areas of business, country-specific exposure limits based on multiple factors such as political and economic conditions, and conduct monitoring regularly.

To accommodate the risk of interest rate increase, we use certain management methods to establish limits on losses from interest rate fluctuations, and fix interest rates as necessary.

With regards to fund-raising risk, we work to diversify sources to support the stable raising of long-term funds by utilizing methods such as direct and indirect financing, and commitment line agreements.

In addition, for emergency preparation, management of fund efficiency and foreign currency liquidity, we have introduced a cash management system that links headquarters and overseas locations and an integrated Chinese yuan management system within mainland China and Hong Kong.

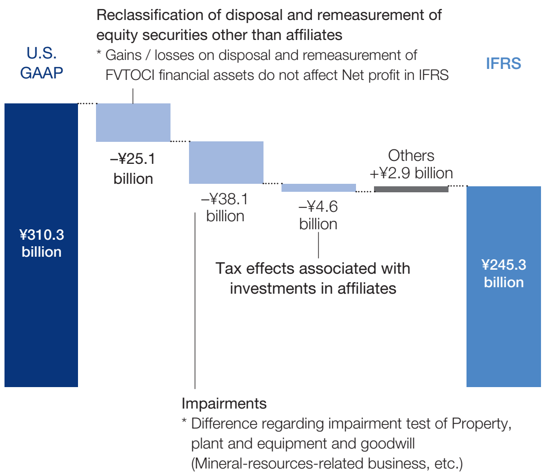
Voluntary Adoption of International Financial Reporting Standards (IFRS)

From the fiscal 2014 annual securities report, ITOCHU is presenting consolidated financial statements prepared in accordance with IFRS. For fiscal 2014, the differences between U.S. GAAP and IFRS are as follows.

* For further information, please refer to "Transition to International Financial Reporting Standards (IFRS)" at http://www.itochu.co.jp/en/ir/financial_statements/2014/

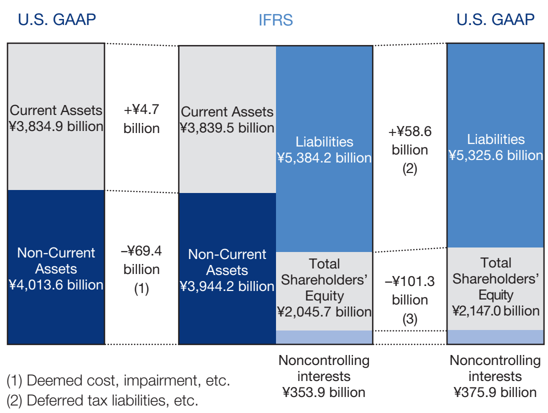
Effect on Fiscal 2014 Net Profit

- Net Profit Attributable to ITOCHU: **¥65.0 billion (decrease)**
  (U.S. GAAP ¥310.3 billion ⇒ IFRS ¥245.3 billion)



Effect on Fiscal 2014 Financial Position

- Total Assets: **¥64.7 billion (decrease)**
  (U.S. GAAP ¥7,848.4 billion ⇒ IFRS ¥7,783.8 billion)
- Total Shareholders' Equity: **¥101.3 billion (decrease)**
  (U.S. GAAP ¥2,147.0 billion ⇒ IFRS ¥2,045.7 billion)



(1) Deemed cost, impairment, etc.
(2) Deferred tax liabilities, etc.
(3) Deemed cost, impairment, etc.

ITOCHU's Approach to Business Investment

Fundamental Approach and Decision-Making Process

Along with strategic business alliances, business investment is an important means in creating new businesses. Based on our strategic goals, we choose the optimal format among a range of methods and investment ratios, such as establishing a fully-owned subsidiary, joint investment with partners, and participating in management through merger and acquisitions.

As a principle, we hold assets with a goal of long-term investment. After making each investment, we work to maximize its corporate value, expand trade and investment return by full utilization of our Groupwide capabilities.

In making investments, decisions are made after the appropriateness of our investment is considered in light of our investment criteria. The decisions are made after multiple stages of screening and examination, depending on the amount and significance of the investment. Subsequent to making investments, we implement performance reviews at least once per year to evaluate scale of earnings, investment efficiency and strategic significance. Any investment which fails such criteria will be determined as an "EXIT" asset and the withdrawal from such investment will be implemented.

For detailed information about the decision-making process, please refer to page 89, Examples of Risk Management.

Strictly Select New Investments and Strengthen Monitoring of Existing Business Investments

With larger scale investments and increases in acquisition prices in recent years as a backdrop, we strictly select new investments to ensure that we invest at a reasonable price (1). Also, to increase investment earnings and to withdraw quickly from low-efficiency assets, we are further strengthening monitoring procedures for existing investments, centered on (2) and (3) below.

(1) Screening the appropriateness of the business plan and acquisition price

(2) Instituting more rigorous "EXIT" criteria

(3) Thoroughly implementing a one-year post investment review

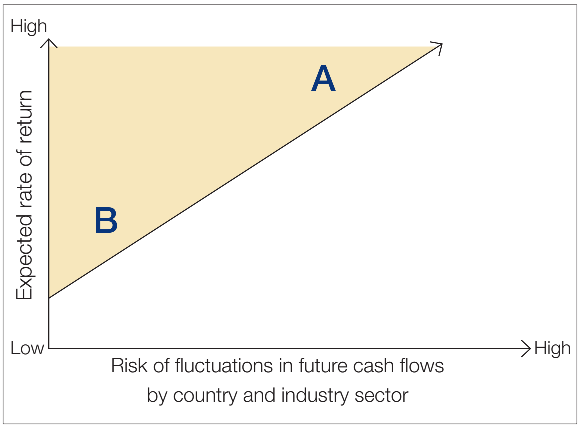
1 Investment Decisions

Investment Criteria

In making investment decisions, we evaluate investment efficiency by calculating the net present value of free cash flows using a hurdle rate based on cost of capital set individually by country and industry sector. The use of this hurdle rate, which reflects the risk of fluctuations specific for each country and industry sector, enables us to make investment decisions in accordance with the characteristics of each country and industry, and broadens the range of potential superior projects. In addition to investment efficiency, our investment criteria also include cash inflows to ITOCHU, such as dividends received and earnings from trade activities, and 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 our overall corporate ROE does not deteriorate.

Investment Criteria



A Projects with high expected rate of return but high risk of fluctuations in future cash flows
Example: Resource business

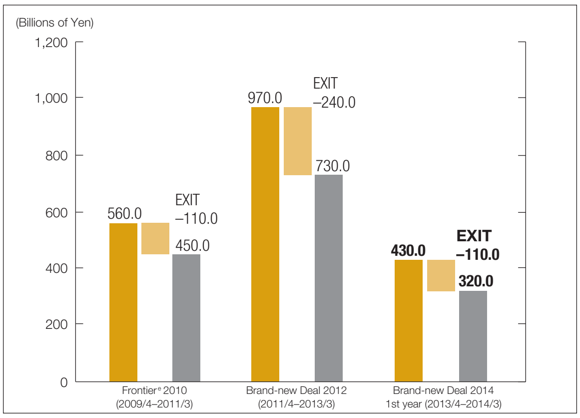
B Projects with low expected rate of return but for which stable earnings can be expected.
Example: Infrastructure business

Asset Replacement

Continuous Asset Replacement

After making investments, we continue to monitor and exit from low-efficiency assets which do not meet our designated criteria for investment return after passage of a given period of time, or which have become strategically less significant. During the five years between fiscal 2010 to fiscal 2014, our gross investment was ¥1,960.0 billion, and in comparison, our net investment was ¥1,500.0 billion. This illustrates that we have exited from assets worth ¥460.0 billion while investing in growth areas.

Continuous Asset Replacement

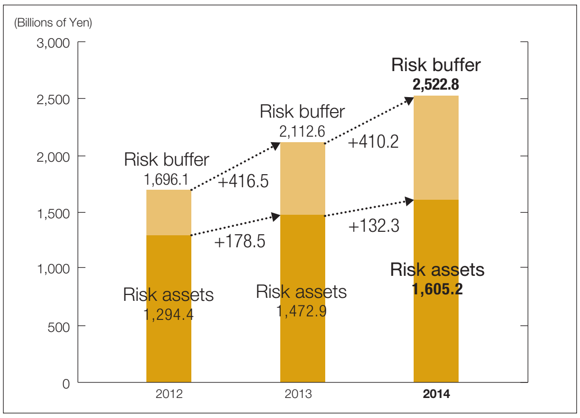


Risk Management

Managing Investment Risk Based on Risk Assets

We have introduced, and are utilizing, a Risk Capital Management (RCM) strategy. Under this strategy, we first 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 all off-balance-sheet transactions. Second, we manage to control the quantity of risk assets within the limits of our "risk buffer" (consolidated stockholders' equity + noncontrolling interests). At the end of March 2014, the amount of risk assets stood at 64% of the risk buffer.

Risk Assets at the End of March 2014



As of March 31

Maintaining Financial Soundness

We are working to maintain financial soundness through continuous asset replacement and Risk Capital Management (RCM). 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 efforts to focus on cash flows from operating activities. In addition, we aim to achieve a credit rating of "A flat" from U.S.-based credit rating agencies, in addition to Japanese credit rating agencies*.

* Ratings of ITOCHU's long-term debt as of June 30, 2014, 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–.