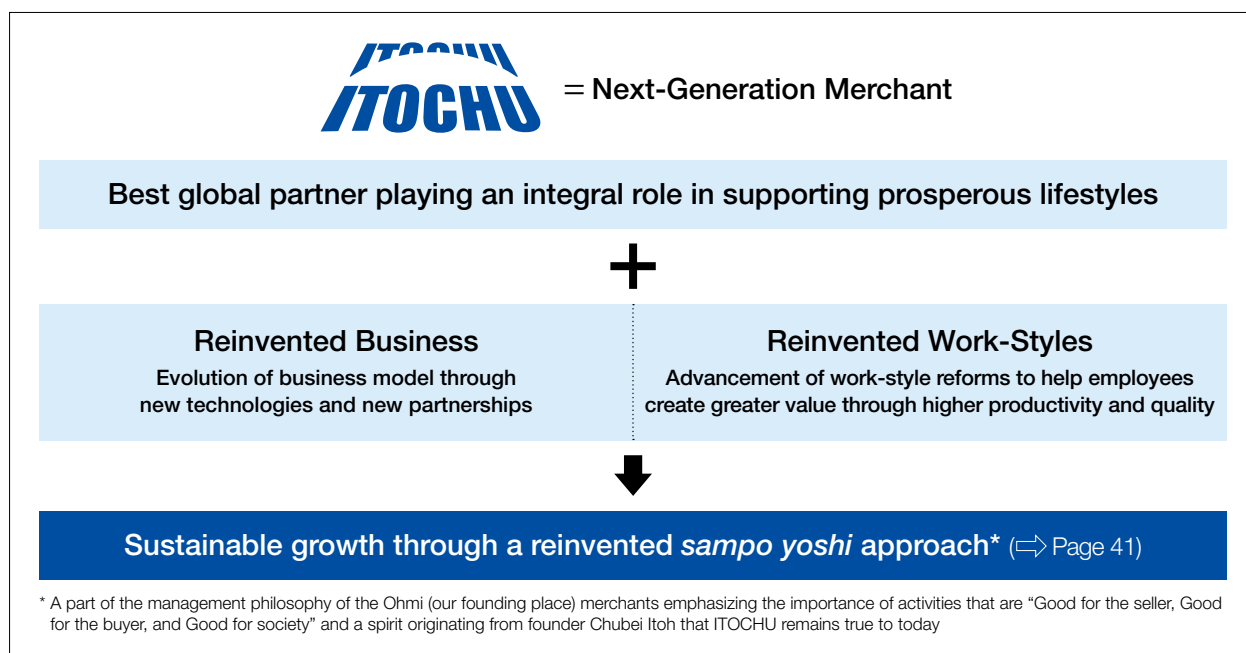


New Medium-Term Management Plan

Brand-new Deal 2020 (FYE 2019–2021)
 — ITOCHU : Infinite Missions : Innovation

Vision

We will upgrade ourselves through “Reinvented Business” and “Reinvented Work-Styles,” and achieve ongoing sustainable increase in corporate value through a “reinvented *sampo yoshi*.”



Basic Policies

We will combine our abundant superior assets with new technologies and new business models to build modern business models and expand earnings. We will also pursue management efficiency and health management.



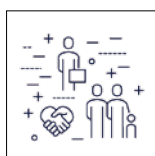
Reinvented Business (⇒ Page 51)

- ▣ Evolve business model by utilizing new technologies at all division companies
- ▣ Improve value across Group value chain centered on FamilyMart UNY Holdings
- ▣ Accelerate creation of new businesses in China and other parts of Asia by actively engaging in alliances with strategic partners



Smart Management (⇒ Pages 42, 58)

- ▣ Become an industry leader in terms of management efficiency indicators such as ROE and labor productivity
- ▣ Further advance work-style reforms and efficiency



No. 1 Health Management Company (⇒ Page 58)

- ▣ Ensure employees feel motivated and rewarded in their work and become the best company for employees’ families as well
- ▣ Improve the health of all employees and energize the entire Group

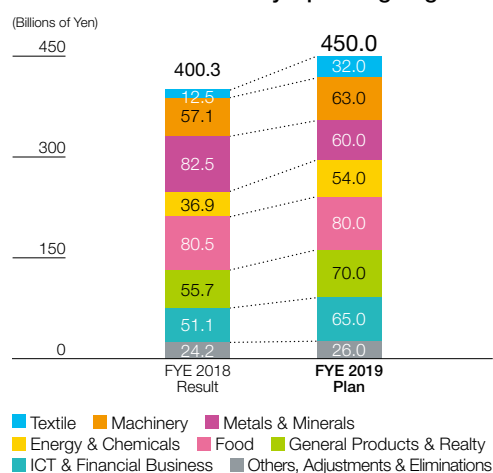
Quantitative Targets for FYE 2019

- ▣ Project consistent growth in core profit and target record-breaking consolidated net profit of ¥450.0 billion
- ▣ Continue financial strategy for conducting disciplined growth investments and maintaining high capital efficiency
(⇒ Page 42 CFO Interview)

Billions of Yen	FYE 2018 Result	FYE 2019 Plan	Increase/Decrease
Consolidated net profit	400.3	450.0	+ 49.7
Gross trading profit	1,210.4	1,593.0	+ 382.6
Trading income	316.9	377.0	+ 60.1
Equity in earnings of associates and joint ventures	216.2	214.0	(2.2)

Billions of Yen	March 31, 2018 Result	March 31, 2019 Plan	Increase/Decrease
Total assets	8,663.9	10,600.0	+ 1,936.1
Net interest-bearing debt	2,320.4	2,450.0	+ 129.6
Total shareholders' equity	2,669.5	3,000.0	+ 330.5
NET DER (times)	0.87	0.82	Improve 0.05 pt.
ROE	15.8%	15.9%	Increase 0.1 pt.

Consolidated Net Profit by Operating Segment



Investment Policy

We will continue our policy of disciplined growth investment cognizant of cash flows while conducting active investment aimed at "Reinvented Business."

Reinvent business through investment in new and next-generation technologies

Conduct continuous and disciplined growth investments while considering cash flows



Consistently maintain positive core free cash flows after deducting shareholder returns*

* "Core operating cash flows" minus "Net investment cash flows" minus "Dividends and share buybacks"

Billions of Yen	FYE 2016 Result	FYE 2017 Result	FYE 2018 Result	FYE 2019 Image
Core operating cash flows	375.0	420.0	460.0	Approx. 500.0
Net investment cash flows	35.0	(120.0)	(285.0)	
Core free cash flows	410.0	300.0	175.0	More than 120.0
Dividends	(75.0)	(83.0)	(93.0)	Approx. (120.0)
Share buybacks	—	(16.0)	(28.0)	Conduct flexibly
Core free cash flows after deducting shareholder returns	335.0	201.0	54.0	Maintain positive

New Medium-Term Management Plan

Brand-new Deal 2020 (FYE 2019–2021)

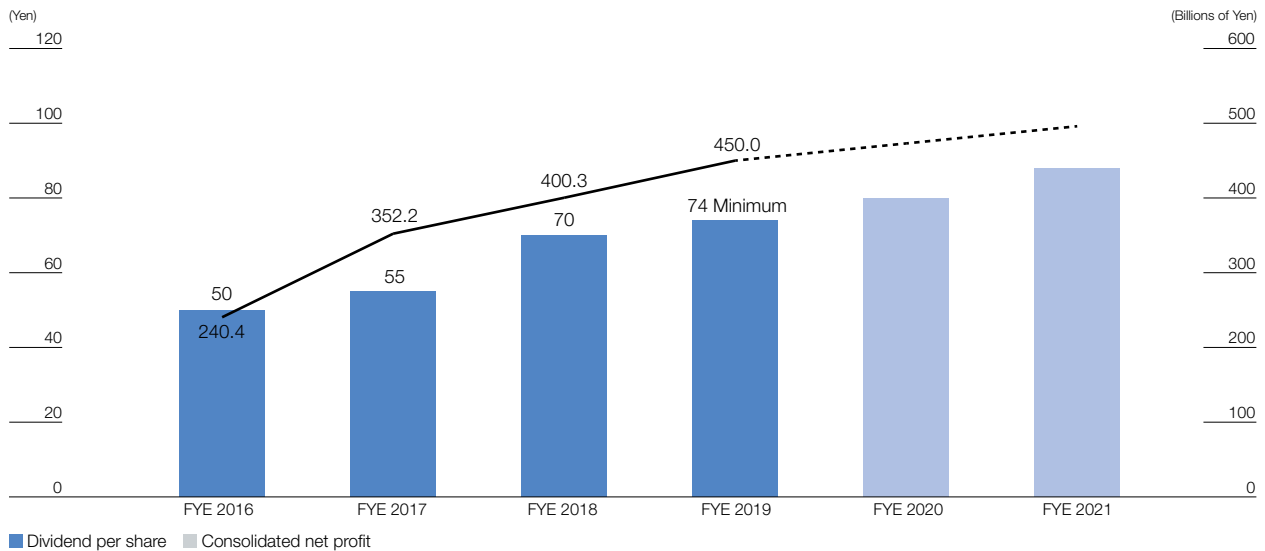
— ITOCHU : Infinite Missions : Innovation

Shareholder Returns Policy

Continue applying the current performance-linked and progressive dividend policy*; set minimum dividend of ¥74 per share for FYE 2019 and target record-breaking dividend levels each year as the dividend policy of "Brand-new Deal 2020" while adopting a flexible stance toward share buybacks based on factors including the Company's stock price and cash flows to enhance shareholder returns.

* Target a dividend payout ratio of approx. 20% on consolidated net profit up to ¥200.0 billion and a dividend payout ratio of approx. 30% on the portion of consolidated net profit exceeding ¥200.0 billion

Dividend per Share



Assumptions for FYE 2019 Plan

	FYE 2017 Result	FYE 2018 Result	FYE 2019 Plan	(Reference) Sensitivities on consolidated net profit for FYE 2019
Exchange rate (YEN / US\$) average	108.37	111.30	105	Approx. ¥(2.3) billion (1 yen appreciation against US\$)
Exchange rate (YEN / US\$) closing	112.19	106.24	105	—
Interest JPY TIBOR 3M	0.061%	0.062%	0.10%	Approx. ¥(4.0) billion (1% increase)
Crude oil (Brent) (US\$/BBL)	49.88	57.85	55	±¥0.40 billion
Iron ore (CFR China) (US\$/ton)	66*	68*	N.A**	±¥1.27 billion
Hard coking coal (FOB Australia) (US\$/ton)	165*	204*	N.A**	±¥0.35 billion
Thermal coal (FOB Australia) (US\$/ton)	74*	94*	N.A**	

(The above effect varies according to changes in sales volume, foreign exchange rates, and production costs.)

* FYE 2017 and FYE 2018 prices for iron ore, hard coking coal, and thermal coal are prices that ITOCHU regards as general transaction prices based on the market.

** The prices for iron ore, hard coking coal, and thermal coal used in the FYE 2019 Plan are assumed in consideration for general transaction prices based on the market. The figures are not presented since the actual sales prices are decided based on negotiations with each customer, ore type and coal type.

Roadmap toward Sustainable Increases in Corporate Value

We will achieve sustainable increases in corporate value by “Reinvented Business” and “Smart Management,” cognizant of management efficiency and labor productivity. We will also reinvent our “*sampo yoshi*” philosophy and promote ESG management.

