

Consolidated Financial Results for the Third Quarter of the Fiscal Year 2016 ending March 31, 2016

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-Unaudited-

February 4, 2016

Consolidated Financial Results for the Third Quarter of the Fiscal Year 2016 ending March 31, 2016

[Prepared in conformity with International Financial Reporting Standards]

Company name: ITOCHU Corporation

Stock exchange code: 8001

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

President and Chief Executive Officer: Masahiro Okafuji

General Manager, Investor Relations Department: Satoshi Nakajima

TEL: 81 - 3 - 3497 - 7295

The date of payout of dividend: -

1. Consolidated operating results for the third quarter of the fiscal year 2016 (from April 1, 2015 to December 31, 2015)

(1) Consolidated operating results (Summary)

(%: Changes from the same period of the previous fiscal year)

	Revenues		Trading income (*3)		Profit before tax		Net Profit		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	%	millions of yen	%
For the first to third quarter of												
Fiscal year 2016	3,771,936	(8.6)	162,522	(17.2)	348,850	5.6	312,720	26.6	280,939	21.4	175,335	(58.6)
Fiscal year 2015	4,127,465	0.6	196,315	(3.5)	330,274	6.5	246,917	4.8	231,351	2.5	423,342	13.9

	Basic earnings per share attributable to ITOCHU		Diluted earnings per share attributable to ITOCHU	
	yen		yen	
For the first to third quarter of				
Fiscal year 2016	177.81		177.81	
Fiscal year 2015	145.29		143.13	

Equity in earnings of associates and joint ventures (millions of yen) 3rd quarter of FY 2016 : 115,274 [+20.0%] 3rd quarter of FY 2015 : 96,049 [+16.8%]
 Total comprehensive income (millions of yen) 3rd quarter of FY 2016 : 194,290 [-56.2%] 3rd quarter of FY 2015 : 443,306 [+14.2%]

(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
December 31, 2015	9,234,679	2,780,981	2,515,005	27.2	1,592.26
March 31, 2015	8,560,701	2,748,251	2,433,202	28.4	1,539.55

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 2015	-	23.00	-	23.00	46.00
Fiscal year 2016	-	25.00	-		
Fiscal year 2016 (Planned)				25.00	50.00

(Note) Revisions to the plan of dividend distribution announced most recently: None

3. Outlook of consolidated operating results for fiscal year 2016 (from April 1, 2015 to March 31, 2016)

(%: Changes from the previous fiscal year)

	Revenues		Trading income		Profit before tax		Net Profit		Net profit attributable to ITOCHU		Basic earnings per share attributable to ITOCHU
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
Fiscal year 2016	5,600,000	0.2	240,000	(12.0)	406,000	(3.0)	348,000	17.7	330,000	9.8	208.80

(Note) Revisions to the outlook of consolidated operating results announced most recently: None

4. Other information

(1) Changes in significant subsidiaries accompanied by changes in the consolidation scope: Yes

New company: 1 (JAPÃO BRASIL MINÉRIO DE FERRO PARTICIPAÇÕES LTDA.)

Note: For more details, please refer to page 8, "2.(1) Changes in significant subsidiaries accompanied by changes in the consolidation scope".

(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)	3rd quarter of FY 2016	1,662,889,504	Fiscal Year 2015	1,662,889,504
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(b) Number of treasury stock:	3rd quarter of FY 2016	83,373,440	Fiscal Year 2015	82,424,923
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(c) Average number of common shares outstanding:	3rd quarter of FY 2016	1,579,986,482	3rd quarter of FY 2015	1,592,387,137
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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 120.61 yen = 1 U.S. dollar, the exchange rate prevailing on December 31, 2015. 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

[For the nine-month period ended December 31, 2015]

(a) General Economic Situation

For the nine-month period ended December 31, 2015, the pace of growth in the global economy grew at a sluggish pace overall reflecting the slow and stagnant economy in certain emerging countries and economic slowdowns in Japan, although the economies in the U.S. and the Euro zones showed a smooth recovery. Reflecting the concern of the demand-supply balance stemming from the economic slowdown in certain emerging countries, the WTI crude oil price declined from approximately US\$60 level per barrel in the end of June to the US\$35-40 range in the late August. Around October, the price rebounded to the US\$45-50 range but subsequently declined again to US\$35-40 range at the end of December.

In Japan, as sluggish economies in certain emerging countries and a sluggish growth of household income resulted in lower exports and lower consumer spending, and from the tapering off of the growth in the corporate capital investment, the real GDP growth rate for April-June was negative compared with the previous period for the first time in three quarters, and although the July-September growth rate turned slightly positive, the economy was increasingly stagnant overall.

Against a backdrop of expectations for an increase in interest rates in the U.S., the U.S. dollar appreciated against the Japanese yen reaching approximately ¥125 level in the mid-August. However, due to the decline in the stock prices and Chinese yuan in China, the financial markets became unstable. Consequently, the trend toward purchasing the yen as a risk-free asset strengthened and as a result, the yen appreciated against the U.S. dollar temporarily reaching the ¥118 level in October. Afterward, before and after the increase of the interest rates in the U.S. in mid-December, the yen depreciated to the ¥123 level but again appreciated to the ¥120 level in end of December. The Nikkei Stock Average maintained above ¥20,000 until mid-August from the expectations of domestic economic recovery, but due to the concern of the economic outlook, the price dropped to less than the ¥17,000 level in the late September. In the beginning of December, the price recovered temporarily reaching the ¥20,000 level but declined again to approximately ¥19,000 level at the end of December. The yield on 10-year Japanese government bonds was at approximately 0.45% level at the end of June, but declined to approximately 0.35% level at the end of September, and to approximately 0.25%-0.30% range at the end of December.

(b) Consolidated Operating Results

	Billions of Yen				Millions of
	Apr.-Dec. 2015	Apr.-Dec. 2014	Increase (Decrease)	%	U.S. dollars Apr.-Dec. 2015
Revenues	3,771.9	4,127.5	(355.5)	(8.6%)	31,274
Gross trading profit	790.4	795.2	(4.7)	(0.6%)	6,554
Selling, general and administrative expenses	(622.5)	(595.8)	(26.8)	4.5%	(5,162)
Gains on investments.....	66.0	19.6	46.4	236.3%	547
Gains (losses) on property, plant, equipment and intangible assets.....	(29.3)	2.9	(32.2)	-	(243)
Equity in earnings of associates and joint ventures	115.3	96.0	19.2	20.0%	956
Income tax expense.....	(36.1)	(83.4)	47.2	(56.7%)	(299)
Net profit attributable to ITOCHU.....	280.9	231.4	49.6	21.4%	2,329
(Reference) Trading income.....	162.5	196.3	(33.8)	(17.2%)	1,348

(i) Revenues (from external customers)

Decreased by 8.6%, or 355.5 billion yen, compared with the same period of the previous fiscal year, to 3,771.9 billion yen (31,274 million U.S. dollars).

- Textile Company:
Increased by 20.6 billion yen compared with the same period of the previous fiscal year, to 432.2 billion yen (3,584 million U.S. dollars), mainly due to the income from EDWIN CO., LTD. from the second quarter of the previous fiscal year.
- Machinery Company:
Increased by 13.9 billion yen compared with the same period of the previous fiscal year, to 300.0 billion yen (2,487 million U.S. dollars), mainly due to the favorable performance in plant-related companies.
- Energy & Chemicals Company:
Decreased by 313.5 billion yen compared with the same period of the previous fiscal year, to 1,151.9 billion yen (9,550 million U.S. dollars), mainly due to the decline in oil prices in energy trading transactions.
- ICT, General Products & Realty Company:
Decreased by 61.1 billion yen compared with the same period of the previous fiscal year, to 869.9 billion yen (7,213 million U.S. dollars), due to the de-consolidation of housing-materials-related subsidiaries in the U.S. in this fiscal year, despite the sales of real properties for sale.

(ii) Gross trading profit

Decreased by 0.6%, or 4.7 billion yen, compared with the same period of the previous fiscal year, to 790.4 billion yen (6,554 million U.S. dollars).

- Energy & Chemicals Company:
Increased by 9.3 billion yen compared with the same period of the previous fiscal year, to 138.8 billion yen (1,151 million U.S. dollars), due to the stable performance in the energy and chemical trading transactions and the acquisition of subsidiaries in energy-related companies in the previous fiscal year, despite the lower profitability in self-developed crude oil transactions accompanying the decline in oil prices.
- Food Company:
Increased by 9.2 billion yen compared with the same period of the previous fiscal year, to 195.5 billion yen (1,621 million U.S. dollars), due to the higher transaction volume in food-distribution-related subsidiaries and the stable performance in provisions-related subsidiaries.
- Metals & Minerals Company :
Decreased by 26.1 billion yen compared with the same period of the previous fiscal year, to 25.3 billion yen (209 million U.S. dollars), due to the decline in iron ore and coal prices, despite the increase in iron ore sales volume, the reduction of costs in iron ore, and the improvement in foreign currency translation in iron ore and coal companies.

(iii) Selling, general and administrative expenses

Increased by 4.5%, or 26.8 billion yen, compared with the same period of the previous fiscal year, to 622.5 billion yen (5,162 million U.S. dollars), due to the higher expenses in existing subsidiaries in the Food Company and the ICT, General Products & Realty Company, and the acquisition of EDWIN CO., LTD and subsidiaries in energy-related companies in the previous fiscal year.

(iv) Gains on investments

Increased by 236.3%, or 46.4 billion yen, compared with the same period of the previous fiscal year, to 66.0 billion yen (547 million U.S. dollars), due to the gain on sales of housing-materials-related subsidiaries in the U.S.

(v) Gains (losses) on property, plant, equipment and intangible assets

Deteriorated by 32.2 billion yen, compared with the same period of the previous fiscal year, to 29.3 billion yen (losses) (243 million U.S. dollars), due to the recognition of the impairment loss in the North Sea oil fields development project.

(vi) Equity in earnings of associates and joint ventures

Increased by 20.0%, or 19.2 billion yen, compared with the same period of the previous fiscal year, to 115.3 billion yen (956 million U.S. dollars).

- Food Company:

Decreased by 8.7 billion yen compared with the same period of the previous fiscal year, to 13.6 billion yen (112 million U.S. dollars), due to the effect from the conversion of TING HSIN (CAYMAN ISLANDS) HOLDING CORP. from associated companies to other investments, and the absence of the gain on sales of affiliates in the CVS companies in the same period of the previous fiscal year.

- Energy & Chemicals Company:

Improved by 10.7 billion yen compared with the same period of the previous fiscal year to 0.6 billion yen (5 million U.S. dollars), due to the absence of the impairment loss in an U.S. oil and gas development company in the same period of the previous fiscal year, despite the effect of the scheduled maintenance of methanol-related companies.

- Others, Adjustments & Eliminations(*)

Increased by 20.5 billion yen compared with the same period of the previous fiscal year to 21.7 billion yen (180 million U.S. dollars), due to the start of equity pick-up of CITIC Limited, and other factors.

(*)Others, Adjustments & Eliminations includes gains and losses which cannot be allocated to each operating segment and internal eliminations between operating segments. For more details, please refer to page 15, "4.(5) Operating Segment Information".

(vii) Income tax expense

Improved by 56.7%, or 47.2 billion yen, compared with the same period of the previous fiscal year, to 36.1 billion yen (299 million U.S. dollars), due to the improvement of tax expenses accompanying the disposal of an U.S. oil and gas development company, and the absence of the reversal of deferred tax assets regarding MRRT in the same period of the previous fiscal year.

(viii) Net profit attributable to ITOCHU

Consequently, Net profit attributable to ITOCHU increased by 21.4%, or 49.6 billion yen, compared with the same period of the previous fiscal year, to 280.9 billion yen (2,329 million U.S. dollars).

(Reference) Trading Income

“Trading Income” in accordance with Japanese accounting practices (“Trading income” = “Gross trading profit” + “Selling, general and administrative expenses” + “Provision for doubtful accounts”) decreased by 17.2%, or 33.8 billion yen, compared with the same period of the previous fiscal year, to 162.5 billion yen (1,348 million U.S. dollars).

- **Energy & Chemicals Company:**
Increased by 3.4 billion yen compared with the same period of the previous fiscal year, to 35.5 billion yen (294 million U.S. dollars), due to the higher gross trading profit, despite the higher expenses accompanying the acquisition of subsidiaries in energy-related companies in the previous fiscal year and unordinary expenses in this fiscal year.
- **Metals & Minerals Company:**
Decreased by 27.1 billion yen compared with the same period of the previous fiscal year, to 9.1 billion yen (76 million U.S. dollars), mainly due to the lower gross trading profit.
- **Machinery Company:**
Decreased by 2.3 billion yen compared with the same period of the previous fiscal year, to 22.8 billion yen (189 million U.S. dollars), due to the absence of the favorable performance in IPP-related companies in North America in the same period of the previous fiscal year and the increase in allowance for doubtful accounts in foreign subsidiaries, despite the favorable performance in plant-related companies.

(2) Qualitative Information of the Consolidated Financial Position

(a) Consolidated Financial Position

	Billions of Yen				Millions of U.S. dollars
	Dec. 2015	Mar. 2015	Increase (Decrease)	%	Dec. 2015
Total assets	9,234.7	8,560.7	674.0	7.9%	76,566
Interest-bearing debt	3,708.3	3,092.2	616.1	19.9%	30,746
Net interest-bearing debt	3,065.9	2,380.5	685.4	28.8%	25,420
Total shareholders' equity	2,515.0	2,433.2	81.8	3.4%	20,852
Ratio of shareholders' equity to total assets	27.2%	28.4%	(1.2pt)		
NET DER (times)	1.2	0.98	0.2		

(i) Total assets

Increased by 7.9%, or 674.0 billion yen, compared with March 31, 2015, to 9,234.7 billion yen (76,566 million U.S. dollars). This increase was due to the investment and loan accompanying the acquisition of CITIC Limited shares, approximately 930.0 billion yen (including the temporary funding portion for CP Group, approximately 320.0 billion yen), despite the return of investment accompanying the merger of assets related to Brazilian iron ore business and the de-consolidation of housing-materials-related subsidiaries in the U.S.

(ii) Interest-bearing debt

Increased by 19.9%, or 616.1 billion yen, compared with March 31, 2015, to 3,708.3 billion yen (30,746 million U.S. dollars), due to the increase in borrowings regarding the investment and loan accompanying the acquisition of CITIC Limited shares, approximately 930.0 billion yen (including the temporary funding portion for CP Group, approximately 320.0 billion yen), despite the repayment of debt accompanying the steady collections of trade receivables and investments. Net interest-bearing debt (Interest-bearing debt after deducting Cash and cash equivalents and Time deposits) increased by 28.8%, or 685.4 billion yen, compared with March 31, 2015, to 3,065.9 billion yen (25,420 million U.S. dollars).

(iii) Total shareholders' equity

Increased by 3.4%, or 81.8 billion yen, compared with March 31, 2015, to 2,515.0 billion yen (20,852 million U.S. dollars), due to the increase in Net profit attributable to ITOCHU, despite the dividend payments, the foreign currency translation accompanying the depreciation of the Australian dollar, and the decline in the stock prices of investments.

(iv) Ratio of shareholders' equity to total assets and NET DER (Net debt-to-shareholders' equity ratio)

Ratio of shareholders' equity to total assets decreased by 1.2 points to 27.2% compared with March 31, 2015. NET DER (Net debt-to-shareholders' equity ratio) slightly increased compared with March 31, 2015 to 1.2 times.

(b) Consolidated Cash Flows

	Billions of Yen		Millions of
	Apr.-Dec. 2015	Apr.-Dec. 2014	U.S. dollars Apr.-Dec. 2015
Cash flows from operating activities	253.7	134.9	2,103
Cash flows from investing activities	(788.2)	(254.2)	(6,535)
<i>Free cash flows</i>	<i>(534.5)</i>	<i>(119.3)</i>	<i>(4,432)</i>
Cash flows from financing activities	466.2	195.6	3,865

(i) Cash flows from operating activities

Recorded a net cash-inflow of 253.7 billion yen (2,103 million U.S. dollars), resulting from the steady collections in the energy, food, and machinery sectors, despite the decrease in trade payables in the construction, realty & logistics sector.

(ii) Cash flows from investing activities

Recorded a net cash-outflow of 788.2 billion yen (6,535 million U.S. dollars), due to the investment and loan accompanying the acquisition of CITIC Limited shares, approximately 930.0 billion yen (including the temporary funding portion for CP Group, approximately 320.0 billion yen), despite the return of investment accompanying the merger of assets related to Brazilian iron ore business, approximately 130.0 billion yen(*) and the sales of housing-materials-related subsidiaries in the U.S., approximately 110.0 billion yen.

(iii) Cash flows from financing activities

Recorded a net cash-inflow of 466.2 billion yen (3,865 million U.S. dollars), due to increase in debt, despite the dividend payments, and the distribution to non-controlling interests of approximately 60.0 billion yen(*) accompanying the return of investment regarding the Brazilian iron ore business mentioned above.

(*) ITOCHU's portion of net cash-inflow is approximately 70.0 billion yen.

Consequently, Cash and cash equivalents as of December 31, 2015 decreased by 68.0 billion yen to 632.3 billion yen (5,242 million U.S. dollars), compared with March 31, 2015.

2. Summary Information (Notes)

(1) Changes in significant subsidiaries accompanied by changes in the consolidation scope:

ITOCHU made an investment to JAPÃO BRASIL MINÉRIO DE FERRO PARTICIPAÇÕES LTDA. which operates and manages Iron Ore business, via Brazil Japan Iron Ore Corporation (hereinafter "BJIOC"). Through the investment in kind by BJIOC, this company became a significant subsidiary.

(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 2016

Looking ahead to conditions in the global economy in the fourth quarter of the fiscal year ending March 31, 2016, we expect that the developed countries will continue to lead the global economy as stable economic recovery is likely to continue in the United States and in the Euro zone.

However, uncertainty of the outlook of the global economy is increasing, due to the end of United States quantitative monetary easing, a downward pressure in certain emerging countries accompanying the structural reform centered in China, and a concern of prolonged decline in natural resource prices including oil and metals. In the Japanese economy, we anticipate a gradual recovery due to a delay in the recovery in exports and the stagnant corporate capital investment.

The forecast for the annual consolidated Net Profit attributable to ITOCHU in the fiscal year ending March 31, 2016 will remain unchanged since last announced on May 1, 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.

Distribution of the current fiscal year's profit

ITOCHU plans to pay dividends of 50 yen per share (minimum) for the fiscal year ending March 31, 2016 as disclosed on May 1, 2015 (interim dividend of 25 yen per share has already been paid).

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

ITOCHU Corporation and its Subsidiaries

For the nine-month periods ended December 31, 2015 and 2014

	Millions of Yen		Millions of U.S. dollars
	Apr.-Dec. 2015	Apr.-Dec. 2014	Apr.-Dec. 2015
Revenues:			
Revenues from sale of goods.....	¥ 3,234,344	¥ 3,658,871	\$ 26,817
Revenues from rendering of services and royalties.....	537,592	468,594	4,457
Total revenues.....	3,771,936	4,127,465	31,274
Cost:			
Cost of sale of goods.....	(2,584,523)	(2,997,874)	(21,429)
Cost of rendering of services and royalties.....	(396,971)	(334,400)	(3,291)
Total cost.....	(2,981,494)	(3,332,274)	(24,720)
Gross trading profit	790,442	795,191	6,554
Other gains (losses):			
Selling, general and administrative expenses.....	(622,549)	(595,778)	(5,162)
Provision for doubtful accounts.....	(5,371)	(3,098)	(45)
Gains on investments.....	65,964	19,612	547
Gains (losses) on property, plant, equipment and intangible assets....	(29,334)	2,852	(243)
Other-net.....	9,975	11,660	82
Total other-losses.....	(581,315)	(564,752)	(4,821)
Financial income (loss):			
Interest income.....	20,649	10,481	171
Dividends received.....	25,329	12,356	210
Interest expense.....	(21,529)	(19,051)	(178)
Total financial income.....	24,449	3,786	203
Equity in earnings of associates and joint ventures.....	115,274	96,049	956
Profit before tax.....	348,850	330,274	2,892
Income tax expense.....	(36,130)	(83,357)	(299)
Net Profit.....	312,720	246,917	2,593
Net profit attributable to ITOCHU.....	280,939	231,351	2,329
Net profit attributable to non-controlling interests.....	31,781	15,566	264

	Millions of Yen		Millions of U.S. dollars
	Apr.-Dec. 2015	Apr.-Dec. 2014	Apr.-Dec. 2015
Other comprehensive income, net of tax:			
Items that will not be reclassified to profit or loss			
FVTOCI financial assets.....	¥ (47,396)	¥ 50,219	\$ (393)
Remeasurement of net defined pension liability.....	(147)	268	(1)
Other comprehensive income in associates and joint ventures.....	(1,774)	7,441	(15)
Items that will be reclassified to profit or loss			
Translation adjustments.....	(24,018)	112,123	(199)
Cash flow hedges.....	(2,038)	(2,104)	(17)
Other comprehensive income in associates and joint ventures.....	(43,057)	28,442	(357)
Total other comprehensive income (loss), net of tax.....	(118,430)	196,389	(982)
Total comprehensive income	194,290	443,306	1,611
Total comprehensive income attributable to ITOCHU	175,335	423,342	1,454
Total comprehensive income attributable to non-controlling interests	18,955	19,964	157

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 : "Trading income" is presented in accordance with Japanese accounting practices.
("Trading income" = "Gross trading profit" + "Selling, general and administrative expenses" + "Provision for doubtful accounts")
Trading income for the nine-month periods ended December 31, 2015 and 2014 were 162,522 million yen (1,348 million U.S. dollars) and 196,315 million yen, respectively.

(2) Consolidated Statement of Financial Position [Condensed]

ITOCHU Corporation and its Subsidiaries

As of December 31, 2015 and March 31, 2015

Assets	Millions of Yen		Millions of U.S. dollars
	Dec. 2015	Mar. 2015	Dec. 2015
Current assets:			
Cash and cash equivalents.....	¥ 632,268	¥ 700,292	\$ 5,242
Time deposits.....	10,108	11,368	84
Trade receivables.....	2,108,714	2,101,300	17,484
Other current receivables.....	445,223	132,495	3,691
Other current financial assets.....	55,936	53,109	464
Inventories.....	821,022	780,550	6,807
Advances to suppliers.....	220,121	167,812	1,825
Other current assets.....	121,456	191,026	1,007
Total current assets.....	4,414,848	4,137,952	36,604
Non-current assets:			
Investments accounted for by the equity method.....	1,540,294	1,618,138	12,771
Other investments.....	997,117	1,030,078	8,267
Non-current receivables.....	688,080	121,397	5,705
Non-current financial assets other than investments and receivables.....	141,937	148,391	1,177
Property, plant and equipment.....	770,874	786,562	6,391
Investment property.....	30,599	32,899	254
Goodwill and intangible assets.....	489,192	488,941	4,056
Deferred tax assets.....	59,025	55,450	489
Other non-current assets.....	102,713	140,893	852
Total non-current assets.....	4,819,831	4,422,749	39,962
Total assets.....	¥ 9,234,679	¥ 8,560,701	\$ 76,566

Liabilities and Equity	Millions of Yen		Millions of
			U.S. dollars
	Dec. 2015	Mar. 2015	Dec. 2015
Current liabilities:			
Short-term debentures and borrowings.....	¥ 1,368,713	¥ 543,660	\$ 11,348
Trade payables.....	1,750,501	1,669,814	14,514
Other current payables.....	80,653	76,605	669
Other current financial liabilities.....	29,915	28,082	248
Current tax liabilities.....	20,176	35,513	167
Advances from customers.....	203,991	173,683	1,691
Other current liabilities.....	271,384	319,154	2,250
Total current liabilities	3,725,333	2,846,511	30,887
Non-current liabilities:			
Long-term debentures and borrowings.....	2,339,564	2,548,504	19,398
Other non-current financial liabilities.....	102,778	103,819	852
Non-current liabilities for employee benefits.....	55,836	56,404	463
Deferred tax liabilities.....	135,465	166,171	1,123
Other non-current liabilities.....	94,722	91,041	785
Total non-current liabilities	2,728,365	2,965,939	22,621
Total liabilities	6,453,698	5,812,450	53,508
Equity:			
Common stock:			
Authorized: 3,000,000,000 shares;			
issued: 1,662,889,504 shares.....	253,448	253,448	2,101
Capital surplus.....	157,869	164,154	1,309
Retained earnings.....	1,792,603	1,587,318	14,863
Other components of equity :			
Translation adjustments.....	293,038	364,454	2,429
FVTOCI financial assets.....	131,065	176,487	1,087
Cash flow hedges.....	(7,393)	(8,517)	(61)
Total other components of equity.....	416,710	532,424	3,455
Treasury stock.....	(105,625)	(104,142)	(876)
Total shareholders' equity.....	2,515,005	2,433,202	20,852
Non-controlling interests.....	265,976	315,049	2,206
Total equity.....	2,780,981	2,748,251	23,058
Total liabilities and equity.....	¥ 9,234,679	¥ 8,560,701	\$ 76,566

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

ITOCHU Corporation and its Subsidiaries

For the nine-month periods ended December 31, 2015 and 2014

	Millions of Yen		Millions of U.S. dollars
	Apr.-Dec. 2015	Apr.-Dec. 2014	Apr.-Dec. 2015
Common stock:			
Balance at the beginning of the period.....	¥ 253,448	¥ 202,241	\$ 2,101
Issuance of common stock	-	51,207	-
Balance at the end of the period.....	<u>¥ 253,448</u>	<u>¥ 253,448</u>	<u>\$ 2,101</u>
Capital surplus:			
Balance at the beginning of the period.....	¥ 164,154	¥ 113,055	\$ 1,361
Issuance of common stock.....	-	50,918	-
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests.....	(6,285)	(966)	(52)
Balance at the end of the period.....	<u>¥ 157,869</u>	<u>¥ 163,007</u>	<u>\$ 1,309</u>
Retained earnings:			
Balance at the beginning of the period.....	¥ 1,587,318	¥ 1,364,295	\$ 13,161
Net profit attributable to ITOCHU.....	280,939	231,351	2,329
Transfer from other components of equity.....	268	(3,788)	2
Cash dividends.....	(75,922)	(77,529)	(629)
Balance at the end of the period.....	<u>¥ 1,792,603</u>	<u>¥ 1,514,329</u>	<u>\$ 14,863</u>
Other components of equity:			
Balance at the beginning of the period.....	¥ 532,424	¥ 367,329	\$ 4,414
Other comprehensive income attributable to ITOCHU.....	(105,604)	191,991	(876)
Transfer to retained earnings.....	(268)	3,788	(2)
Transfer to non-financial assets	(9,806)	-	(81)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests.....	(36)	42	(0)
Balance at the end of the period.....	<u>¥ 416,710</u>	<u>¥ 563,150</u>	<u>\$ 3,455</u>
Treasury stock:			
Balance at the beginning of the period.....	¥ (104,142)	¥ (2,800)	\$ (863)
Net change in treasury stock.....	(1,483)	(101,335)	(13)
Balance at the end of the period.....	<u>¥ (105,625)</u>	<u>¥ (104,135)</u>	<u>\$ (876)</u>
Total shareholders' equity.....	<u>¥ 2,515,005</u>	<u>¥ 2,389,799</u>	<u>\$ 20,852</u>
Non-controlling interests:			
Balance at the beginning of the period.....	¥ 315,049	¥ 353,471	\$ 2,612
Net profit attributable to non-controlling interests.....	31,781	15,566	264
Other comprehensive income attributable to non-controlling interests.....	(12,826)	4,398	(106)
Cash dividends to non-controlling interests.....	(7,951)	(7,197)	(66)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests.....	(60,077)	18,671	(498)
Balance at the end of the period.....	<u>¥ 265,976</u>	<u>¥ 384,909</u>	<u>\$ 2,206</u>
Total equity.....	<u>¥ 2,780,981</u>	<u>¥ 2,774,708</u>	<u>\$ 23,058</u>

(4) Consolidated Statement of Cash Flows [Condensed]

-Unaudited-

ITOCHU Corporation and its Subsidiaries

For the nine-month periods ended December 31, 2015 and 2014

	Millions of Yen		Millions of U.S. dollars
	<u>Apr.-Dec. 2015</u>	<u>Apr.-Dec. 2014</u>	<u>Apr.-Dec. 2015</u>
Cash flows from operating activities:			
Net profit	¥ 312,720	¥ 246,917	\$ 2,593
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization	91,159	82,243	756
Provision for doubtful accounts	5,371	3,098	45
Gains on investments.....	(65,964)	(19,612)	(547)
Gains (losses) on property, plant, equipment and intangible assets..	29,334	(2,852)	243
Financial income	(24,449)	(3,786)	(203)
Equity in earnings of associates and joint ventures	(115,274)	(96,049)	(956)
Income tax expense	36,130	83,357	299
Changes in assets and liabilities, other-net	(20,287)	(142,210)	(168)
Proceeds from interest.....	13,479	10,074	112
Proceeds from dividends.....	77,001	59,474	638
Payments for interest.....	(20,469)	(18,839)	(170)
Payments for income taxes.....	(65,068)	(66,907)	(539)
Net cash provided by operating activities	<u>253,683</u>	<u>134,908</u>	<u>2,103</u>
Cash flows from investing activities:			
Net proceeds from sale (payments for purchase) of investments accounted for by the equity method	90,392	(161,450)	749
Net proceeds from sale (payments for purchase) of other investments	76,740	(5,836)	636
Net origination of loans receivable	(897,621)	(11,922)	(7,442)
Net payments for purchase of property, plant, equipment and intangible assets	(57,999)	(73,888)	(480)
Net decrease (increase) in time deposits	292	(1,081)	2
Net cash used in investing activities	<u>(788,196)</u>	<u>(254,177)</u>	<u>(6,535)</u>
Cash flows from financing activities:			
Net proceeds from debentures and loans payable	614,450	287,431	5,094
Proceeds from issuance of common stock	-	101,963	-
Cash dividends	(75,922)	(77,529)	(629)
Other	(72,356)	(116,244)	(600)
Net cash provided by financing activities	<u>466,172</u>	<u>195,621</u>	<u>3,865</u>
Net increase (decrease) in cash and cash equivalents	<u>(68,341)</u>	<u>76,352</u>	<u>(567)</u>
Cash and cash equivalents at the beginning of the period	700,292	653,739	5,806
Effect of exchange rate changes on cash and cash equivalents	317	19,115	3
Cash and cash equivalents at the end of the period	<u>¥ 632,268</u>	<u>¥ 749,206</u>	<u>\$ 5,242</u>

(5) Operating Segment Information

ITOCHU Corporation and its Subsidiaries

For the nine-month periods ended December 31, 2015 and 2014

Information concerning operations in different operating segments for the nine-month periods ended December 31, 2015 and 2014 is as follows:

For the nine-month period ended December 31, 2015 (April 1, 2015 -December 31, 2015)

								Millions of Yen
	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	ICT, General Products & Realty	Others, Adjustments & Eliminations	Consolidated
Revenues:								
Revenues from external customers	¥ 432,233	¥ 300,021	¥ 146,996	¥ 1,151,852	¥ 814,221	¥ 869,901	¥ 56,712	¥ 3,771,936
Intersegment revenues.....	360	1	-	687	243	14,156	(15,447)	-
Total revenues.....	<u>432,593</u>	<u>300,022</u>	<u>146,996</u>	<u>1,152,539</u>	<u>814,464</u>	<u>884,057</u>	<u>41,265</u>	<u>3,771,936</u>
Gross trading profit	<u>104,035</u>	<u>88,591</u>	<u>25,262</u>	<u>138,816</u>	<u>195,501</u>	<u>230,370</u>	<u>7,867</u>	<u>790,442</u>
Trading income	<u>19,033</u>	<u>22,841</u>	<u>9,104</u>	<u>35,479</u>	<u>37,145</u>	<u>41,365</u>	<u>(2,445)</u>	<u>162,522</u>
Net profit attributable to ITOCHU.....	<u>23,231</u>	<u>40,340</u>	<u>20,073</u>	<u>45,857</u>	<u>34,853</u>	<u>83,544</u>	<u>33,041</u>	<u>280,939</u>
[Equity in earnings (losses) of associates and joint ventures].....	<u>[7,961]</u>	<u>[18,091]</u>	<u>[20,732]</u>	<u>[610]</u>	<u>[13,558]</u>	<u>[32,634]</u>	<u>[21,688]</u>	<u>[115,274]</u>
Total assets at December 31, 2015	<u>562,855</u>	<u>1,083,636</u>	<u>1,097,590</u>	<u>1,245,301</u>	<u>1,953,479</u>	<u>1,569,660</u>	<u>1,722,158</u>	<u>9,234,679</u>

For the nine-month period ended December 31, 2014 (April 1, 2014 -December 31, 2014)

								Millions of Yen
	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	ICT, General Products & Realty	Others, Adjustments & Eliminations	Consolidated
Revenues:								
Revenues from external customers	¥ 411,615	¥ 286,167	¥ 183,664	¥ 1,465,401	¥ 801,607	¥ 930,953	¥ 48,058	¥ 4,127,465
Intersegment revenues.....	4	52	-	757	197	14,948	(15,958)	-
Total revenues.....	<u>411,619</u>	<u>286,219</u>	<u>183,664</u>	<u>1,466,158</u>	<u>801,804</u>	<u>945,901</u>	<u>32,100</u>	<u>4,127,465</u>
Gross trading profit	<u>101,558</u>	<u>87,154</u>	<u>51,386</u>	<u>129,549</u>	<u>186,337</u>	<u>223,682</u>	<u>15,525</u>	<u>795,191</u>
Trading income	<u>20,068</u>	<u>25,108</u>	<u>36,249</u>	<u>32,103</u>	<u>37,495</u>	<u>38,786</u>	<u>6,506</u>	<u>196,315</u>
Net profit attributable to ITOCHU.....	<u>21,082</u>	<u>40,178</u>	<u>46,715</u>	<u>12,887</u>	<u>43,822</u>	<u>56,445</u>	<u>10,222</u>	<u>231,351</u>
[Equity in earnings (losses) of associates and joint ventures].....	<u>[7,935]</u>	<u>[18,360]</u>	<u>[28,414]</u>	<u>[(10,112)]</u>	<u>[22,307]</u>	<u>[28,005]</u>	<u>[1,140]</u>	<u>[96,049]</u>
Total assets at December 31, 2014	<u>570,889</u>	<u>1,089,220</u>	<u>1,367,576</u>	<u>1,550,577</u>	<u>1,886,959</u>	<u>1,669,135</u>	<u>991,010</u>	<u>9,125,366</u>
Total assets at March 31, 2015.....	<u>555,842</u>	<u>1,083,637</u>	<u>1,261,754</u>	<u>1,329,507</u>	<u>1,772,166</u>	<u>1,622,347</u>	<u>935,448</u>	<u>8,560,701</u>

For the nine-month period ended December 31, 2015 (April 1, 2015 -December 31, 2015)

								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	\$ 3,584	\$ 2,487	\$ 1,219	\$ 9,550	\$ 6,751	\$ 7,213	\$ 470	\$ 31,274
Intersegment revenues.....	3	0	-	6	2	117	(128)	-
Total revenues.....	<u>3,587</u>	<u>2,487</u>	<u>1,219</u>	<u>9,556</u>	<u>6,753</u>	<u>7,330</u>	<u>342</u>	<u>31,274</u>
Gross trading profit	<u>863</u>	<u>735</u>	<u>209</u>	<u>1,151</u>	<u>1,621</u>	<u>1,910</u>	<u>65</u>	<u>6,554</u>
Trading income	<u>158</u>	<u>189</u>	<u>76</u>	<u>294</u>	<u>308</u>	<u>343</u>	<u>(20)</u>	<u>1,348</u>
Net profit attributable to ITOCHU.....	<u>193</u>	<u>334</u>	<u>166</u>	<u>380</u>	<u>289</u>	<u>693</u>	<u>274</u>	<u>2,329</u>
[Equity in earnings (losses) of associates and joint ventures].....	<u>[66]</u>	<u>[150]</u>	<u>[172]</u>	<u>[5]</u>	<u>[112]</u>	<u>[271]</u>	<u>[180]</u>	<u>[956]</u>
Total assets at December 31, 2015	<u>4,667</u>	<u>8,984</u>	<u>9,100</u>	<u>10,325</u>	<u>16,197</u>	<u>13,014</u>	<u>14,279</u>	<u>76,566</u>

Note 1 : "Equity in earnings (losses) of associates and joint ventures" is included in Net profit attributable to ITOCHU.

Note 2 : "Trading income" = "Gross trading profit" + "Selling, general and administrative expenses" + "Provision for doubtful accounts"

(6) Assumption for Going Concern: None

(7) Information Concerning Dividend Payments

(Dividend payments in the nine-month period ended December 31, 2015)

(Resolution)	Stock type	Total dividend amount	Dividend resource	Dividend per share	Record date	Effective date
General meeting of Shareholders on June 19, 2015	Common Stock	36,379 million yen	Retained earnings	23 yen	March 31, 2015	June 22, 2015
Board of directors meeting on November 5, 2015	Common Stock	39,542 million yen	Retained earnings	25 yen	September 30, 2015	December 2, 2015

(8) Significant Changes in Shareholders' Equity: None

(9) Material Subsequent Events:

As announced on January 21, 2016, in relation to the shareholder loan for the acquisition of the CITIC preferred shares (“Second Stage Purchase”) which includes approximately US\$2.666 billion funding portion for the group companies led by Charoen Pokphand Group Company Limited (“CP Group”), the execution date of the shareholder loan by CP Group to Chia Tai Bright Investment Company Limited, a company jointly owned with CP Group, for the repayment of US\$2.666 billion to ITOCHU, has been amended from six months from the completion of Second Stage Purchase date (August 3, 2015), to March 24, 2016.