

**Consolidated Financial Results for the First Quarter
of the Fiscal Year 2018 ending March 31, 2018**

Page:

1	:	Consolidated Financial Results for the First Quarter of the Fiscal Year 2018 ending March 31, 2018
3	:	1. Qualitative Information
3	:	(1) Qualitative Information of the Consolidated Operating Results
		(a) General Economic Situation
		(b) Consolidated Operating Results
6	:	(2) Qualitative Information of the Consolidated Financial Position
6	:	(a) Consolidated Financial Position
7	:	(b) Consolidated Cash Flows
8	:	2. Summary Information (Notes)
8	:	(1) Changes in significant subsidiaries accompanied by changes in the consolidation scope
8	:	(2) Changes in accounting policies and accounting estimates
9	:	3. Quarterly Consolidated Financial Statements [Condensed]
9	:	(1) Consolidated Statement of Comprehensive Income [Condensed]
11	:	(2) Consolidated Statement of Financial Position [Condensed]
13	:	(3) Consolidated Statement of Changes in Equity [Condensed]
14	:	(4) Consolidated Statement of Cash Flows [Condensed]
15	:	(5) Operating Segment Information
15	:	(6) Assumption for Going Concern

-Unaudited-**Consolidated Financial Results for the First Quarter of the Fiscal Year 2018 ending March 31, 2018**

[Prepared in conformity with International Financial Reporting Standards]

Company name: ITOCHU Corporation

Stock exchange code: 8001

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

President and Chief Executive Officer: Masahiro Okafuji

General Manager, Investor Relations Department: Kazuaki Yamaguchi

TEL: 81 - 3 - 3497 - 7295

The date of payout of dividend: -

1. Consolidated operating results for the first quarter of the fiscal year 2018 (from April 1, 2017 to June 30, 2017)

(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 quarter of												
Fiscal year 2018	1,218,792	10.1	71,108	46.8	136,875	40.8	113,926	50.2	108,191	48.0	113,409	-
Fiscal year 2017	1,106,647	(12.1)	48,449	3.8	97,197	(21.6)	75,844	(40.4)	73,082	(39.8)	(66,268)	-

	Basic earnings per share attributable to ITOCHU		Diluted earnings per share attributable to ITOCHU	
	yen		yen	
For the first quarter of				
Fiscal year 2018		69.46		-
Fiscal year 2017		46.26		-

Equity in earnings of associates and joint ventures (millions of yen) 1st quarter of FY 2018 : 47,715 [+ 28.6%] 1st quarter of FY 2017 : 37,094 [(1.8%)]

Total comprehensive income (millions of yen) 1st quarter of FY 2018 : 120,516 [- %] 1st quarter of FY 2017 : (68,658) [- %]

(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
June 30, 2017	8,197,231	2,734,640	2,442,020	29.8	1,575.35
March 31, 2017	8,122,032	2,662,811	2,401,893	29.6	1,532.56

(3) Consolidated cash flows information

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents
	millions of yen	millions of yen	millions of yen	millions of yen
For the first quarter of				
Fiscal year 2018	77,514	(44,389)	(51,653)	587,844
Fiscal year 2017	56,944	(8,932)	(22,153)	641,617

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 2017	-	27.50	-	27.50	55.00
Fiscal year 2018	-				
Fiscal year 2018 (Planned)		32.00	-	32.00	64.00

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

3. Outlook of consolidated operating results for the fiscal year 2018 (from April 1, 2017 to March 31, 2018)

(%: 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 2018	5,800,000	19.9	307,000	6.4	536,000	7.2	433,000	15.6	400,000	13.6	257.89

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

(Note) Outlook of consolidated operating results for the first half of fiscal year 2018 is not prepared.

4. Other information

(1) Changes in significant subsidiaries accompanied by changes in the consolidation scope: None

(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)	1st quarter of FY 2018	1,662,889,504	Fiscal Year 2017	1,662,889,504
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(b) Number of treasury stock:	1st quarter of FY 2018	112,747,912	Fiscal Year 2017	95,642,000
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(c) Average number of common shares outstanding:	1st quarter of FY 2018	1,557,654,470	1st quarter of FY 2017	1,579,712,538
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[Note]

*1. This document is an English translation of a statement initially written in Japanese. The original Japanese 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. 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. Therefore, 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 112.00 yen = 1 U.S. dollar, the exchange rate prevailing on June 30, 2017. 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 three-month period ended June 30, 2017]

(a) General Economic Situation

For the three-month period ended June 30, 2017, the global economy was on a moderate recovery overall reflecting that the U.S. economy continued a strong expansion due to improvement in domestic employment and income environments, the European economy recovered smoothly as the uncertainty surrounding the Brexit decision subsided, and emerging countries showed signs of improvement, such as China maintained a recovery trend, despite there being certain concerns over the U.S. government administration and the progress of Brexit talks. The WTI crude oil price fell from the US\$50 level per barrel in May to the mid-US\$40s level in June due to concerns about increasing shale oil production in the U.S., despite the support of the decision of major oil-producing countries including OPEC to reduce oil production.

Although the pace of growth remained sluggish, the Japanese economy expanded moderately since consumer spending slightly recovered due to improved employment conditions, despite the waning expansion of exports from the latter half of 2016. The yen had appreciated against the U.S. dollar and temporarily dipped below the ¥110 level due to the movement of risk aversion in response to the deteriorating political situation surrounding North Korea and concerns over the U.S. economic outlook caused by political disarray. However, reflecting the rise in interest rates in the Europe and the U.S., the yen weakened to the ¥112 level towards the end of June. The Nikkei Stock Average recovered from the ¥18,000 level in April to the ¥20,000 level in June due to the rise in the U.S. stock market and the depreciation of the yen. The yield on 10-year Japanese government bonds had lowered to the 0% level in mid-April due to the appreciation of the yen, but rebounded to near the 0.1% level towards the end of June, reflecting trend of economic expansion in Japan.

(b) Consolidated Operating Results

	Billions of Yen				Millions of
	Apr.-Jun. 2017	Apr.-Jun. 2016	Increase (Decrease)	%	U.S. Dollars Apr.-Jun. 2017
Revenues	1,218.8	1,106.6	112.1	10.1%	10,882
Gross trading profit	276.3	248.9	27.5	11.0%	2,467
Selling, general and administrative expenses	(204.7)	(199.7)	(5.0)	2.5%	(1,828)
Gains on investments.....	6.9	8.8	(1.9)	(21.8%)	62
Equity in earnings of associates and joint ventures	47.7	37.1	10.6	28.6%	426
Income tax expense.....	(22.9)	(21.4)	(1.6)	7.5%	(205)
Net profit attributable to ITOCHU.....	108.2	73.1	35.1	48.0%	966
(Reference) Trading income.....	71.1	48.4	22.7	46.8%	634

(i) Revenues (from external customers)

Increased by 10.1%, or 112.1 billion yen, compared with the same period of the previous fiscal year to 1,218.8 billion yen (10,882 million U.S. dollars).

- Energy & Chemicals Company:
Increased by 54.6 billion yen compared with the same period of the previous fiscal year to 370.7 billion yen (3,310 million U.S. dollars), due to the conversion of Takiron into a consolidated subsidiary as a result of its merger with C. I. Kasei and the higher sales prices in energy-related companies.
- Food Company:
Increased by 25.4 billion yen compared with the same period of the previous fiscal year to 287.4 billion yen (2,566 million U.S. dollars), due to the higher transaction volume in food-distribution-related companies and the higher prices in fresh-food-related transactions.
- Metals & Minerals Company:
Increased by 17.6 billion yen compared with the same period of the previous fiscal year to 54.8 billion yen (489 million U.S. dollars), due to the higher iron ore and coal prices, and the higher sales volume in iron ore-related business.
- Machinery Company:
Increased by 8.9 billion yen compared with the same period of the previous fiscal year to 100.1 billion yen (893 million U.S. dollars), due to the favorable performance in aircraft-related companies, despite the conversion of an industrial-machinery-related subsidiary to investments accounted for by the equity method in the previous fiscal year.

(ii) Gross trading profit

Increased by 11.0%, or 27.5 billion yen, compared with the same period of the previous fiscal year to 276.3 billion yen (2,467 million U.S. dollars).

- Energy & Chemicals Company:
Increased by 13.4 billion yen compared with the same period of the previous fiscal year to 51.6 billion yen (461 million U.S. dollars), due to the conversion of Takiron into a consolidated subsidiary as a result of its merger with C. I. Kasei and the improvement in profitability in energy-related companies.
- Metals & Minerals Company:
Increased by 13.3 billion yen compared with the same period of the previous fiscal year to 24.4 billion yen (218 million U.S. dollars), due to the higher iron ore and coal prices, and the higher sales volume in iron ore-related business.

(iii) Selling, general and administrative expenses

Increased by 2.5%, or 5.0 billion yen, compared with the same period of the previous fiscal year to 204.7 billion yen (1,828 million U.S. dollars), due to the conversion of Takiron into a consolidated subsidiary as a result of its merger with C. I. Kasei and other factors.

(iv) Gains on investments

Decreased by 21.8%, or 1.9 billion yen, compared with the same period of the previous fiscal year to 6.9 billion yen (62 million U.S. dollars), due to the absence of the gain on sales of a medical-device-related company in the same period of the previous fiscal year, despite the gain on sales of an asset-management-related company.

(v) Equity in earnings of associates and joint ventures

Increased by 28.6%, or 10.6 billion yen, compared with the same period of the previous fiscal year to 47.7 billion yen (426 million U.S. dollars).

- Others, Adjustments & Eliminations (*):
Increased by 4.2 billion yen compared with the same period of the previous fiscal year to 17.1 billion yen (153 million U.S. dollars), due to the higher equity in earnings of CITIC Limited and other factors.
- Food Company:
Increased by 3.4 billion yen compared with the same period of the previous fiscal year to 6.5 billion yen (58 million U.S. dollars), due to the merger of FamilyMart and UNY Holdings, and the stable performance in fresh-food-related companies.

(*) Others, Adjustments & Eliminations includes gains and losses which do not belong to any operating segment and internal eliminations between operating segments. For more details, please refer to page 15, "3.(5) Operating Segment Information".

(vi) Income tax expense

Increased by 7.5%, or 1.6 billion yen, compared with the same period of the previous fiscal year to 22.9 billion yen (205 million U.S. dollars), due to higher profits, despite the decrease in tax expenses relating to pulp-related companies.

(vii) Net profit attributable to ITOCHU

Consequently, Net profit attributable to ITOCHU increased by 48.0%, or 35.1 billion yen, compared with the same period of the previous fiscal year to 108.2 billion yen (966 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") increased by 46.8%, or 22.7 billion yen, compared with the same period of the previous fiscal year to 71.1 billion yen (634 million U.S. dollars).

- Metals & Minerals Company:
Increased by 13.4 billion yen compared with the same period of the previous fiscal year to 20.1 billion yen (180 million U.S. dollars), due to the higher iron ore and coal prices, and the higher sales volume in iron ore-related business.
- Energy & Chemicals Company:
Increased by 8.3 billion yen compared with the same period of the previous fiscal year to 12.8 billion yen (114 million U.S. dollars), due to the conversion of Takiron into a consolidated subsidiary as a result of its merger with C. I. Kasei and the improvement in profitability in energy-related companies.

(2) Qualitative Information of the Consolidated Financial Position

(a) Consolidated Financial Position

	Billions of Yen				Millions of U.S. Dollars
	Jun. 2017	Mar. 2017	Increase (Decrease)	%	Jun. 2017
Total assets	8,197.2	8,122.0	75.2	0.9%	73,190
Interest-bearing debt	2,974.2	2,944.7	29.6	1.0%	26,556
Net interest-bearing debt	2,368.8	2,330.7	38.2	1.6%	21,150
Total shareholders' equity	2,442.0	2,401.9	40.1	1.7%	21,804
Ratio of shareholders' equity to total assets	29.8%	29.6%	Increased 0.2pt		
NET DER (times)	0.97	0.97	same level		

(i) Total assets

Increased by 0.9%, or 75.2 billion yen, compared with March 31, 2017 to 8,197.2 billion yen (73,190 million U.S. dollars), due to the conversion of Takiron into a consolidated subsidiary as a result of its merger with C. I. Kasei, the investments in IPP-related companies, and the additional investment in FamilyMart UNY Holdings, despite the collections of trade receivables in energy-related, domestic ICT-related, and mobile-phone-related companies.

(ii) Interest-bearing debt

Increased by 1.0%, or 29.6 billion yen, compared with March 31, 2017 to 2,974.2 billion yen (26,556 million U.S. dollars), due to the increase in borrowings accompanying the additional investment in FamilyMart UNY Holdings and the investments in IPP-related companies, and the conversion of Takiron into a consolidated subsidiary as a result of its merger with C. I. Kasei. Net interest-bearing debt (Interest-bearing debt after deducting Cash and cash equivalents and Time deposits) increased by 1.6%, or 38.2 billion yen, compared with March 31, 2017 to 2,368.8 billion yen (21,150 million U.S. dollars).

(iii) Total shareholders' equity

Increased by 1.7%, or 40.1 billion yen, compared with March 31, 2017 to 2,442.0 billion yen (21,804 million U.S. dollars), due to Net profit attributable to ITOCHU during this fiscal year, despite dividend payments and acquisition of treasury stock.

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

Ratio of shareholders' equity to total assets increased by 0.2 points compared with March 31, 2017 to 29.8%. NET DER (Net debt-to-shareholders' equity ratio) was at the same level compared with March 31, 2017, at 0.97 times.

(b) Consolidated Cash Flows

	Billions of Yen		Millions of
	Apr.-Jun. 2017	Apr.-Jun. 2016	U.S. Dollars Apr.-Jun. 2017
Cash flows from operating activities	77.5	56.9	692
Cash flows from investing activities	(44.4)	(8.9)	(396)
<i>Free cash flows</i>	<i>33.1</i>	<i>48.0</i>	<i>296</i>
Cash flows from financing activities	(51.7)	(22.2)	(461)

(i) Cash flows from operating activities

Recorded a net cash-inflow of 77.5 billion yen (692 million U.S. dollars), resulting from the stable performance in operating revenue in the Metals & Minerals, Forest Products & General Merchandise, and Machinery sectors.

(ii) Cash flows from investing activities

Recorded a net cash-outflow of 44.4 billion yen (396 million U.S. dollars), due to the investments in IPP-related companies, the additional investment in FamilyMart UNY Holdings, and the acquisition of fixed assets in the Energy, Food, Metals & Minerals, and ICT sectors, despite the increase in cash resulting from the conversion of Takiron into a consolidated subsidiary as a result of its merger with C. I. Kasei.

(iii) Cash flows from financing activities

Recorded a net cash-outflow of 51.7 billion yen (461 million U.S. dollars), due to dividend payments and acquisition of treasury stock, despite the increase in borrowings.

Consequently, Cash and cash equivalents as of June 30, 2017 decreased by 17.7 billion yen compared with March 31, 2017 to 587.8 billion yen (5,249 million U.S. dollars).

2. Summary Information (Notes)

- (1) **Changes in significant subsidiaries accompanied by changes in the consolidation scope:** None

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

ITOCHU Corporation and its Subsidiaries

For the three-month periods ended June 30, 2017 and 2016

	Millions of Yen		Millions of
	Apr.-Jun. 2017	Apr.-Jun. 2016	U.S. Dollars
			Apr.-Jun. 2017
Revenues:			
Revenues from sale of goods.....	¥ 1,029,246	¥ 932,325	\$ 9,190
Revenues from rendering of services and royalties.....	189,546	174,322	1,692
Total revenues.....	1,218,792	1,106,647	10,882
Cost:			
Cost of sale of goods.....	(796,721)	(727,945)	(7,114)
Cost of rendering of services and royalties.....	(145,734)	(129,815)	(1,301)
Total cost.....	(942,455)	(857,760)	(8,415)
Gross trading profit	276,337	248,887	2,467
Other gains (losses):			
Selling, general and administrative expenses.....	(204,711)	(199,692)	(1,828)
Provision for doubtful accounts.....	(518)	(746)	(5)
Gains on investments.....	6,891	8,811	62
Gains (losses) on property, plant, equipment and intangible assets....	525	(5)	5
Other-net.....	4,680	(2,289)	42
Total other-losses.....	(193,133)	(193,921)	(1,724)
Financial income (loss):			
Interest income.....	8,396	6,067	75
Dividends received.....	6,466	5,274	58
Interest expense.....	(8,906)	(6,204)	(80)
Total financial income.....	5,956	5,137	53
Equity in earnings of associates and joint ventures.....	47,715	37,094	426
Profit before tax.....	136,875	97,197	1,222
Income tax expense.....	(22,949)	(21,353)	(205)
Net Profit.....	113,926	75,844	1,017
Net profit attributable to ITOCHU.....	108,191	73,082	966
Net profit attributable to non-controlling interests.....	5,735	2,762	51

	Millions of Yen		Millions of
	Apr.-Jun. 2017	Apr.-Jun. 2016	U.S. Dollars
Other comprehensive income, net of tax:			Apr.-Jun. 2017
Items that will not be reclassified to profit or loss			
FVTOCI financial assets.....	¥ 3,688	¥ (10,080)	\$ 33
Remeasurement of net defined pension liability.....	(156)	(269)	(1)
Other comprehensive income in associates and joint ventures.....	3,893	(1,995)	35
Items that will be reclassified to profit or loss			
Translation adjustments.....	3,933	(103,981)	35
Cash flow hedges.....	(1,030)	(4)	(9)
Other comprehensive income in associates and joint ventures.....	(3,738)	(28,173)	(34)
Total other comprehensive income, net of tax.....	6,590	(144,502)	59
Total comprehensive income	120,516	(68,658)	1,076
Total comprehensive income attributable to ITOCHU	113,409	(66,268)	1,013
Total comprehensive income attributable to non-controlling interests	7,107	(2,390)	63

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 three-month periods ended June 30, 2017 and 2016 were 71,108 million yen (634 million U.S. dollars) and 48,449 million yen, respectively.

(2) Consolidated Statement of Financial Position [Condensed]

ITOCHU Corporation and its Subsidiaries

As of June 30, 2017 and March 31, 2017

Assets	Millions of Yen		Millions of U.S. Dollars
	Jun. 2017	Mar. 2017	Jun. 2017
Current assets:			
Cash and cash equivalents.....	¥ 587,844	¥ 605,589	\$ 5,249
Time deposits.....	17,566	8,381	157
Trade receivables.....	1,889,548	1,949,049	16,871
Other current receivables.....	88,326	74,322	789
Other current financial assets.....	38,254	28,999	341
Inventories.....	799,232	775,396	7,136
Advances to suppliers.....	177,785	161,855	1,587
Other current assets.....	116,253	97,224	1,038
Total current assets.....	3,714,808	3,700,815	33,168
Non-current assets:			
Investments accounted for by the equity method.....	1,676,629	1,626,583	14,970
Other investments.....	805,813	793,589	7,195
Non-current receivables.....	652,380	656,774	5,825
Non-current financial assets other than investments and receivables.....	100,869	118,511	901
Property, plant and equipment.....	697,698	680,375	6,229
Investment property.....	21,804	26,605	195
Goodwill and intangible assets.....	373,856	369,378	3,338
Deferred tax assets.....	56,580	54,660	505
Other non-current assets.....	96,794	94,742	864
Total non-current assets.....	4,482,423	4,421,217	40,022
Total assets.....	¥ 8,197,231	¥ 8,122,032	\$ 73,190

Liabilities and Equity	Millions of Yen		Millions of U.S. Dollars
	Jun. 2017	Mar. 2017	Jun. 2017
Current liabilities:			
Short-term debentures and borrowings.....	¥ 611,965	¥ 563,033	\$ 5,464
Trade payables.....	1,532,791	1,588,783	13,686
Other current payables.....	73,204	53,494	654
Other current financial liabilities.....	24,767	15,729	221
Current tax liabilities.....	23,623	40,660	211
Advances from customers.....	169,032	149,921	1,509
Other current liabilities.....	283,327	288,785	2,529
Total current liabilities	2,718,709	2,700,405	24,274
Non-current liabilities:			
Long-term debentures and borrowings.....	2,362,283	2,381,620	21,092
Other non-current financial liabilities.....	107,918	108,333	963
Non-current liabilities for employee benefits.....	70,999	59,614	634
Deferred tax liabilities.....	119,509	123,374	1,067
Other non-current liabilities.....	83,173	85,875	743
Total non-current liabilities	2,743,882	2,758,816	24,499
Total liabilities	5,462,591	5,459,221	48,773
Equity:			
Common stock:			
Authorized: 3,000,000,000 shares; issued: 1,662,889,504 shares.....	253,448	253,448	2,263
Capital surplus.....	159,768	162,038	1,427
Retained earnings.....	2,085,146	2,020,018	18,617
Other components of equity :			
Translation adjustments.....	138,724	137,085	1,239
FVTOCI financial assets.....	(44,199)	(50,353)	(395)
Cash flow hedges.....	(682)	1,997	(6)
Total other components of equity.....	93,843	88,729	838
Treasury stock.....	(150,185)	(122,340)	(1,341)
Total shareholders' equity.....	2,442,020	2,401,893	21,804
Non-controlling interests.....	292,620	260,918	2,613
Total equity.....	2,734,640	2,662,811	24,417
Total liabilities and equity.....	¥ 8,197,231	¥ 8,122,032	\$ 73,190

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

ITOCHU Corporation and its Subsidiaries

For the three-month periods ended June 30, 2017 and 2016

	Millions of Yen		Millions of U.S. Dollars
	Apr.-Jun. 2017	Apr.-Jun. 2016	Apr.-Jun. 2017
Common stock:			
Balance at the beginning of the period.....	¥ 253,448	¥ 253,448	\$ 2,263
Balance at the end of the period.....	¥ 253,448	¥ 253,448	\$ 2,263
Capital surplus:			
Balance at the beginning of the period.....	¥ 162,038	¥ 156,688	\$ 1,447
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests.....	(2,270)	540	(20)
Balance at the end of the period.....	¥ 159,768	¥ 157,228	\$ 1,427
Retained earnings:			
Balance at the beginning of the period.....	¥ 2,020,018	¥ 1,748,375	\$ 18,036
Net profit attributable to ITOCHU.....	108,191	73,082	966
Transfer from other components of equity.....	102	(1,567)	1
Cash dividends.....	(43,165)	(39,541)	(386)
Balance at the end of the period.....	¥ 2,085,146	¥ 1,780,349	\$ 18,617
Other components of equity:			
Balance at the beginning of the period.....	¥ 88,729	¥ 140,750	\$ 792
Other comprehensive income attributable to ITOCHU.....	5,218	(139,350)	47
Transfer to retained earnings.....	(102)	1,567	(1)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests.....	(2)	(143)	(0)
Balance at the end of the period.....	¥ 93,843	¥ 2,824	\$ 838
Treasury stock:			
Balance at the beginning of the period.....	¥ (122,340)	¥ (105,584)	\$ (1,092)
Net change in treasury stock.....	(27,845)	5	(249)
Balance at the end of the period.....	¥ (150,185)	¥ (105,579)	\$ (1,341)
Total shareholders' equity.....	¥ 2,442,020	¥ 2,088,270	\$ 21,804
Non-controlling interests:			
Balance at the beginning of the period.....	¥ 260,918	¥ 258,378	\$ 2,330
Net profit attributable to non-controlling interests.....	5,735	2,762	51
Other comprehensive income attributable to non-controlling interests.....	1,372	(5,152)	12
Cash dividends to non-controlling interests.....	(5,768)	(4,896)	(51)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests.....	30,363	543	271
Balance at the end of the period.....	¥ 292,620	¥ 251,635	\$ 2,613
Total equity.....	¥ 2,734,640	¥ 2,339,905	\$ 24,417

(4) Consolidated Statement of Cash Flows [Condensed]

-Unaudited-

ITOCHU Corporation and its Subsidiaries

For the three-month periods ended June 30, 2017 and 2016

	Millions of Yen		Millions of U.S. Dollars
	<u>Apr.-Jun. 2017</u>	<u>Apr.-Jun. 2016</u>	<u>Apr.-Jun. 2017</u>
Cash flows from operating activities:			
Net profit	¥ 113,926	¥ 75,844	\$ 1,017
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization	26,015	25,575	232
Provision for doubtful accounts	518	746	5
(Gains) losses on investments.....	(6,891)	(8,811)	(62)
(Gains) losses on property, plant, equipment and intangible assets.....	(525)	5	(5)
Financial (income) loss.....	(5,956)	(5,137)	(53)
Equity in earnings of associates and joint ventures	(47,715)	(37,094)	(426)
Income tax expense	22,949	21,353	205
Changes in assets and liabilities, other-net	(12,467)	(5,010)	(111)
Proceeds from interest.....	6,983	3,895	62
Proceeds from dividends.....	32,451	25,404	290
Payments for interest.....	(5,975)	(6,395)	(53)
Payments for income taxes.....	(45,799)	(33,431)	(409)
Net cash provided by (used in) operating activities	<u>77,514</u>	<u>56,944</u>	<u>692</u>
Cash flows from investing activities:			
Net change in investments accounted for by the equity method	(43,871)	(3,289)	(392)
Net change in other investments	6,339	1,273	57
Net change in loans receivable	7,933	11,790	71
Net change in property, plant, equipment and intangible assets	(16,773)	(17,288)	(150)
Net change in time deposits	1,983	(1,418)	18
Net cash provided by (used in) investing activities	<u>(44,389)</u>	<u>(8,932)</u>	<u>(396)</u>
Cash flows from financing activities:			
Net change in debentures and loans payable	24,917	22,913	222
Cash dividends	(43,165)	(39,541)	(386)
Net change in treasury stock	(27,866)	5	(249)
Other	(5,539)	(5,530)	(48)
Net cash provided by (used in) financing activities	<u>(51,653)</u>	<u>(22,153)</u>	<u>(461)</u>
Net change in cash and cash equivalents	<u>(18,528)</u>	<u>25,859</u>	<u>(165)</u>
Cash and cash equivalents at the beginning of the period	605,589	632,871	5,407
Effect of exchange rate changes on cash and cash equivalents	783	(17,113)	7
Cash and cash equivalents at the end of the period	<u>¥ 587,844</u>	<u>¥ 641,617</u>	<u>\$ 5,249</u>

(5) Operating Segment Information

ITOCHU Corporation and its Subsidiaries

For the three-month periods ended June 30, 2017 and 2016

Information concerning operations in different operating segments for the three-month periods ended June 30, 2017 and 2016 is as follows:

For the three-month period ended June 30, 2017 (April 1, 2017 -June 30, 2017)									Millions of Yen
	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	General Products & Realty	ICT & Financial Business	Others, Adjustments & Eliminations	Consolidated
Revenues:									
Revenues from external customers	¥ 117,547	¥ 100,057	¥ 54,795	¥ 370,685	¥ 287,440	¥ 140,115	¥ 144,400	¥ 3,753	¥ 1,218,792
Intersegment revenues.....	14	-	-	253	112	3,091	1,764	(5,234)	-
Total revenues.....	<u>117,561</u>	<u>100,057</u>	<u>54,795</u>	<u>370,938</u>	<u>287,552</u>	<u>143,206</u>	<u>146,164</u>	<u>(1,481)</u>	<u>1,218,792</u>
Gross trading profit	<u>29,952</u>	<u>25,030</u>	<u>24,423</u>	<u>51,597</u>	<u>69,902</u>	<u>36,646</u>	<u>37,412</u>	<u>1,375</u>	<u>276,337</u>
Trading income	<u>3,979</u>	<u>6,194</u>	<u>20,146</u>	<u>12,800</u>	<u>17,465</u>	<u>8,919</u>	<u>5,272</u>	<u>(3,667)</u>	<u>71,108</u>
Net profit attributable to ITOCHU.....	<u>6,351</u>	<u>12,335</u>	<u>21,096</u>	<u>8,651</u>	<u>19,270</u>	<u>14,384</u>	<u>11,090</u>	<u>15,014</u>	<u>108,191</u>
[Equity in earnings of associates and joint ventures].....	<u>[1,478]</u>	<u>[5,434]</u>	<u>[4,813]</u>	<u>[587]</u>	<u>[6,510]</u>	<u>[2,999]</u>	<u>[8,762]</u>	<u>[17,132]</u>	<u>[47,715]</u>
Total assets at June 30, 2017	<u>488,553</u>	<u>1,002,012</u>	<u>867,346</u>	<u>1,168,953</u>	<u>1,841,639</u>	<u>870,372</u>	<u>679,763</u>	<u>1,278,593</u>	<u>8,197,231</u>

For the three-month period ended June 30, 2016 (April 1, 2016 -June 30, 2016)									Millions of Yen
	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	General Products & Realty	ICT & Financial Business	Others, Adjustments & Eliminations	Consolidated
Revenues:									
Revenues from external customers	¥ 119,800	¥ 91,151	¥ 37,159	¥ 316,077	¥ 261,991	¥ 133,627	¥ 140,553	¥ 6,289	¥ 1,106,647
Intersegment revenues.....	158	-	-	183	83	3,213	1,536	(5,173)	-
Total revenues.....	<u>119,958</u>	<u>91,151</u>	<u>37,159</u>	<u>316,260</u>	<u>262,074</u>	<u>136,840</u>	<u>142,089</u>	<u>1,116</u>	<u>1,106,647</u>
Gross trading profit	<u>31,012</u>	<u>25,473</u>	<u>11,134</u>	<u>38,214</u>	<u>67,083</u>	<u>37,157</u>	<u>35,465</u>	<u>3,349</u>	<u>248,887</u>
Trading income	<u>4,373</u>	<u>6,109</u>	<u>6,785</u>	<u>4,488</u>	<u>14,861</u>	<u>8,416</u>	<u>4,022</u>	<u>(605)</u>	<u>48,449</u>
Net profit attributable to ITOCHU.....	<u>4,240</u>	<u>16,498</u>	<u>8,381</u>	<u>4,534</u>	<u>12,772</u>	<u>9,121</u>	<u>8,444</u>	<u>9,092</u>	<u>73,082</u>
[Equity in earnings of associates and joint ventures].....	<u>[473]</u>	<u>[5,457]</u>	<u>[3,642]</u>	<u>[991]</u>	<u>[3,136]</u>	<u>[2,426]</u>	<u>[8,003]</u>	<u>[12,966]</u>	<u>[37,094]</u>
Total assets at June 30, 2016	<u>495,109</u>	<u>919,882</u>	<u>798,361</u>	<u>1,014,270</u>	<u>1,718,907</u>	<u>782,043</u>	<u>627,960</u>	<u>1,307,993</u>	<u>7,664,525</u>
Total assets at March 31, 2017.....	<u>495,892</u>	<u>989,662</u>	<u>854,905</u>	<u>1,169,503</u>	<u>1,773,166</u>	<u>840,350</u>	<u>718,594</u>	<u>1,279,960</u>	<u>8,122,032</u>

For the three-month period ended June 30, 2017 (April 1, 2017 -June 30, 2017)									Millions of U.S. Dollars
	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	General Products & Realty	ICT & Financial Business	Others, Adjustments & Eliminations	Consolidated
Revenues:									
Revenues from external customers	\$ 1,050	\$ 893	\$ 489	\$ 3,310	\$ 2,566	\$ 1,251	\$ 1,289	\$ 34	\$ 10,882
Intersegment revenues.....	0	-	-	2	1	28	16	(47)	-
Total revenues.....	<u>1,050</u>	<u>893</u>	<u>489</u>	<u>3,312</u>	<u>2,567</u>	<u>1,279</u>	<u>1,305</u>	<u>(13)</u>	<u>10,882</u>
Gross trading profit	<u>267</u>	<u>224</u>	<u>218</u>	<u>461</u>	<u>624</u>	<u>327</u>	<u>334</u>	<u>12</u>	<u>2,467</u>
Trading income	<u>35</u>	<u>55</u>	<u>180</u>	<u>114</u>	<u>156</u>	<u>80</u>	<u>47</u>	<u>(33)</u>	<u>634</u>
Net profit attributable to ITOCHU.....	<u>57</u>	<u>110</u>	<u>188</u>	<u>77</u>	<u>172</u>	<u>129</u>	<u>99</u>	<u>134</u>	<u>966</u>
[Equity in earnings of associates and joint ventures].....	<u>[13]</u>	<u>[49]</u>	<u>[43]</u>	<u>[5]</u>	<u>[58]</u>	<u>[27]</u>	<u>[78]</u>	<u>[153]</u>	<u>[426]</u>
Total assets at June 30, 2017	<u>4,362</u>	<u>8,947</u>	<u>7,744</u>	<u>10,437</u>	<u>16,443</u>	<u>7,771</u>	<u>6,070</u>	<u>11,416</u>	<u>73,190</u>

Note 1 : "Equity in earnings 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"

Note 3 : Others, Adjustments & Eliminations includes gains and losses which do not belong to any operating segment and internal eliminations between operating segments.

The investments in CITIC Limited and C.P. Pokphand Co. Ltd. and the profits and losses from them are included in this segment.

(6) Assumption for Going Concern: None