This document is an English translation of a statement written initially in Japanese. The Japanese original should be considered as the primary version.
First of all, the global economy has been accelerating growth, with the growth rate far exceeding expectations. However, towards the end of FY 2018, we made our minds not to be carried away by this favorable economic situation but to remove concerns and prepare ourselves for FY 2019 onwards.

Apart from quantitative aspects, we have been implementing various measures and I would like to highlight three topics from the perspective of management achievements.
Achievement in FY 2018, Brand-new Deal 2017

Consolidated net profit of FY 2018 was up by about 50 billion yen from FY 2017, achieving a record high profit of 400.3 billion yen. We also saw record highs in gross trading profit, trading income, and equity in earnings of associates and joint ventures.

In Brand-new Deal 2017, the basic policy was to establish an earnings platform towards our net profit target of 400 billion yen and strengthen our financial position.

To achieve the first objective, we have been building an earning structure that is less affected by fluctuations in resource prices.

As a result in FY 2016, when other general trading companies were forced to book major impairment losses having the drop of resource prices, we became the top general trading company in terms of consolidated net profit. In FY 2017, we were able to grow the non-resource businesses to achieve a record high profit of 352.2 billion yen. And in the last year of FY 2018, we reached our profit target of 400 billion yen, renewing our own record high for two years in a row.

The earnings of our group companies grew significantly in FY 2017, making a major contribution to our overall earnings. The net profit from subsidiaries was 392.3 billion yen, the percentage of profit-making operating companies was 91%, and the profit from those profitable group companies totaled 452.9 billion yen. All of these figures were record highs for the second consecutive year.
In FY 2018, core free cash flows surpassed our commitment of over 100 billion yen to reach 175 billion yen.

Net DER, an indicator of financial health, was also the best in our history at 0.87. Shareholders’ equity and shareholders’ equity ratio were also at record highs, so we believe our second objective of strengthening the financial position was fully achieved as well.

As a result, we were able to obtain an A rating from Moody’s for the first time in 20 years, so we can say this is also one great achievement of Brand-new Deal 2017.
Work Style Reform

ITOCHU has been a leading company in the ongoing working style reform. In addition to implementing a morning-focused working system ahead of other companies, we provide supportive measures for employees working alongside long-term treatments of cancer and other diseases, and also organize dress-down days, as ways to enhance employees’ productivity.

As you can see here, we have received many awards from the Ministry of Health, Labor and Welfare and other agencies as a result.
This is the latest ranking that shows popularity of companies among job-seeking new graduates. We were at top place among general trading companies, and have established a high position in the overall ranking.

We believe this is not only because of our earnings growth, but also due to the appeal of such initiatives.
Stock Price Trend

The closing price of April 3 last year, the first day of FY 2018, was 1,569 yen. After that it rose steadily to exceed 2,000 in November, and on January 15, it reached a record high of 2,254 yen.

This graph shows the historical price change, where 1 is equivalent to the closing price of the first day of FY 2018. ITOCHU’s closing price on March 30th was 2,066.5 yen, after which it kept climbing up to 2,194 by the end of April. The stock price has risen by over 1.4 times in about a year.

While other general trading companies repeatedly made upward revisions of their earnings forecasts as resources prices kept rising, ITOCHU’s stock price rose at the highest rate. We believe this is because the market appreciated our actual earning strength as well as the credibility of our performance.
This graph shows the growth rate of our stock price from April 2010 onwards. While the growth of our peers fluctuate by fiscal year, ITOCHU’s stock price has been rising every year.

In the three years of Brand-new Deal 2017, we have grown by over 1.5 times from the beginning of FY 2016 at 1,301.5 yen to 2,066.5 yen.

In FY 2019, our stock price has kept rising, with our market cap exceeding 3.6 trillion yen and getting closer to the 4 trillion mark.

The dividend in FY 2018 was 70 yen per share, adding 15 yen to the previous record level of FY 2017 and sufficiently meeting the expectation of our shareholders.
Net profit of FY 2019, we are planning to add 50 billion yen to the record profit of FY 2018, to achieve 450 billion yen.

We will expand and deepen our current businesses to enable solid earnings, while actively fostering our next-generation businesses to further evolve our business model. We will also push forward with the work style reform in order to boost productivity and quality of the work of our employees. With these plans, we are aiming to renew our record profit for three years in a row, and share the benefit with our shareholders, the society, and our employees. We are going to pursue results in terms of both quality and quantity.

The annual dividend for FY 2018, as we announced last December 20th, is planned at 70 yen. This is based on our dividend formula assuming that the consolidated net profit is 400 billion, which delivers 64 yen, and topping it with 6 yen.

The annual dividend of fiscal 2019 is planned to be 4 yen higher at 74 yen, which is a record high for our company.
FY2018
Business Results Summary

Tsuyoshi Hachimura
Senior Managing Executive Officer, CFO
FY2018
Business Results Summary

May 2, 2018
ITOCHU Corporation

Forward-Looking Statements

Data and projections contained in these materials are based on the information available at the time of publication, and various factors 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 practice undue reliance on forward-looking statements, and further, that ITOCHU Corporation has no obligation to update any forward-looking statements as a result of new information, future events or other developments.
Net profit attributable to ITOCHU: achieved record highs for the second year in a row, to reach 400.3 billion yen.

Net profit attributable to ITOCHU after deducting extraordinary gains and losses: steadily enhancing our earnings strength, with 417 billion yen in base earnings. Profits/Losses of group companies: totaled 392.3 billion yen. The share of profitable group companies achieved 91%.

Core operating cash flows: 460 billion yen was record high.

Shareholders’ equity ratio: was record high of 30.8%.

Net DER: 0.87 times was record low.

ROE: was at 15.8%, which is comparable to global standards.

Dividends: planning to pay out 70 yen per share in annual dividends in FY 2018, which is also a record level.

Gross trading profit: reflected the inclusion of businesses that newly became subsidiaries, like Yanase, C.I. Takiron. Also, the increase from the rise of unit prices at IMEA is included.

SG&A expenses: includes the increase from Yanase and C.I. Takiron.

Equity in earnings of associates and joint ventures: YoY increase of 31.1 billion yen. Due to strong results from companies in the Foods, General Products & Realty, as well as ICT & Financial Business segments.

Extraordinary gains and losses: was a net negative 16.5 billion yen. From the first to 3rd quarter, the figure was a net positive 53.5 billion yen, but we booked 70 billion in losses in the 4th quarter. Details explained later on.
Apart from Textile segment and Others, Adjustments and Eliminations, the other segments have grown significantly YoY.

Metals and Minerals: posted large YoY increase of 37.2 billion yen to reach 82.5 billion yen, due to the rise in prices of iron ore and coal.

General Products and Realty: The main drivers of the growth are the UK tire business, the natural rubber business, and pulp businesses in Finland and Brazil.

Others, Adjustment and Eliminations: CITIC accounted for 62.9 billion yen in fiscal 2017, and 67.9 billion in fiscal 2018. There was some one-time gain such as from the selloff of a soccer club, but CITIC has been maintaining favorable performance, steadily exceeding the target 60 billion yen.

With CP, we booked an impairment loss considering the impact of the price drop affecting the swine farming business in Vietnam. The business contributed 4.9 billion yen in fiscal 2017, but in fiscal 2018 the impact was negative 29.8 billion yen.

Non-resource and Resource: Record high at non-resource business.
Core operating cash flows: achieved 460 billion yen, which is record high.

Core free cash flows: Although investment activities became increasingly aggressive from the previous year, we ended the fiscal year at 175 billion yen in core free cash flows. We paid out dividends and bought back shares from here, and we have followed our commitment to maintain care free cash flows at least 100 billion yen in each of the three years.
Total assets: increased due to the conversion of Yanase into a subsidiary, C.I. and Takiron merging and becoming another subsidiary, as well as the acquisition of the stake of Iraqi oil fields. There’s also the effect of the last day falling on a weekend. There was an increase of about 500 billion yen to reach almost 8.7 trillion yen.

Net interest-bearing debt: We have intentionally controlled our net interest-bearing debt, which decreased by 10 billion yen to 2.3 trillion yen.

Shareholders’ equity: record high of 2.67 trillion yen.

### Financial Position

(Unit: billion yen)

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2017</th>
<th>March 31, 2018</th>
<th>Increase/Decrease</th>
<th>FY2018 Forecast (Devised on Feb, 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>8,122.0</td>
<td>8,663.9</td>
<td>+ 541.9</td>
<td>8,600.0</td>
</tr>
<tr>
<td>Net interest-bearing debt</td>
<td>2,330.7</td>
<td>2,320.4</td>
<td>(10.3)</td>
<td>2,350.0</td>
</tr>
<tr>
<td>Total shareholders’ equity</td>
<td>2,401.9</td>
<td>2,669.5</td>
<td>+ 267.6</td>
<td>2,650.0</td>
</tr>
<tr>
<td>Ratio of shareholders’ equity to total assets</td>
<td>29.6%</td>
<td>30.8%</td>
<td>Improved 1.2pt</td>
<td>30.8%</td>
</tr>
<tr>
<td>NET DER (times)</td>
<td>0.97</td>
<td>0.87</td>
<td>Improved 0.1pt</td>
<td>0.9</td>
</tr>
<tr>
<td>ROE</td>
<td>15.3%</td>
<td>15.8%</td>
<td>Increased 0.5pt</td>
<td>15.8%</td>
</tr>
</tbody>
</table>

*: Record High (NET DER : Record Low)
From the first to 3rd quarter it was a net positive 53.5 billion yen, but we booked a one-time loss of 70 billion yen in the 4th quarter, because based on IFRS rules, we checked and revised the company's fair value at the end of the fiscal year and.

Major items;

**Gains/(losses) related to investments:** We booked an impairment loss at C.P. Pokphand of about 29 billion yen. The prices of pork in Vietnam remains low, as is the stock price, so we reviewed the future value of the business. But we've heard that appropriate measures have been taken to deal with this issue, removing the concerns for FY 2019.

**Gains/(losses) related to property, plant equipment and intangible assets, others:** includes losses related to the Textile business. This is due to impairment losses including for trademark rights and inventory. As another factor, Dole booked impairment for a part of the goodwill of Worldwide Packaged Foods.
We increased investments in the 4th quarter resulting in a YoY increase of 165 billion yen for a net investment amount of 285 billion yen.

Large investments added in the 4th quarter are;
- the additional investment in FamilyMart UNY Holdings,
- Alta Forest Products which is a fence business in the US with the impact of slightly over 20 billion yen,
- the Panama automobile distributor operated by Toyota, in which we invested slightly over 20 billion yen,
- and the resource business in Iraqi West Qurna with slightly over 40 billion yen.

Adding up new investments, the total amount was close to 400 billion yen, but we also exited 110 billion yen. So the net investment amount is 285 billion yen. The difference of 29 billion yen with this amount and the cash flows from investment activities, which was 256.4 billion yen is due to the cash balance at C.I. Takiron and Yanase which were converted into subsidiaries.
New Medium-Term Management Plan

Yoshihisa Suzuki
President & COO
Forward-Looking Statements

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The general review will overlap with the CFO's presentation, so I'd like to start from Brand-new Deal 2020.
Medium-Term Management Plan

Brand-new Deal 2020

ITOCHU: INFINITE MISSIONS: INNOVATION
The statement is based on our determination to be the next-generation merchant, to keep evolving and changing the general trading business.
Two types of evolution are stated here.

The first one is “reinvented business”, and the second is “reinvented work-styles”.

These two ways of evolution are key to evolve ITOCHU into a next-generation merchant. And as a result, we're going to manifest the traditional spirit of “sampo yoshi” (Good for the seller, Good for the buyer, and Good for society) in a new way. And we aim to become a company with sustainable growth through a reinvented sampo yoshi approach.
Reinvented Business: We do not plan to create a totally different business, but we’ll build upon the existing assets of our companies and subsidiaries, combining them with new technologies and business models, to evolve them into businesses of the future.

Smart Management: We aim to deliver more results with a smaller number of people. We put priority on keeping a streamlined workforce and making them increasingly efficient.

No.1 Health Management Company: We aim to create a workplace where employees are motivated and able to work up to their full potential. We also want our company to become the best for the families of the employees, and this is an ongoing effort that we will be working on.
In order to be true to our principle “Earn, Cut, Prevent” in a more advanced manner, we want to incorporate new technologies and new business models in our operations. These are the critical keys for our success.

The consumer-related value chain is an area of strength for ITOCHU, where we first need to digitalize the entire value chain from production to sales. And in logistics, we will utilize AI and robotics to make our business smarter and raise efficiency. The retail business, represented by FamilyMart UNY, and its customer base is an extremely important asset for creating business opportunities going forward. We’d like to build upon this base to develop new businesses.

We’ve been seeing evolution in business models driven by new technologies. EVs and storage batteries are likely to create many business opportunities for optimizing energy use. Car-sharing, which represents the shift from ownership to usage, may be a threat to our car sales business but it may also be an opportunity.

On creation of future businesses, we recognize the importance of collaborating openly and actively with different sectors and startups.
We have kept our existing policies to conduct continuous growth investments within cash flow discipline and to maintain a positive core free cash flows after deducting shareholder returns.

On the other hand, with the aim to recreate business, our policy is to invest more aggressively in cases where we expect to improve efficiency and innovate existing business models.

And for fiscal 2019, we are planning for record high levels of core operating cash flows and dividends.
In Brand-new Deal 2020, we will maintain the usage of our performance-linked and progressive dividend formula.

The annual dividend per share for fiscal 2019 is planned at a minimum of 74 yen and during the period of the plan, we aim for record-breaking dividends each year.

Although we also have to consider our stock price and cash flow situation, we'd like to enhance shareholder returns by flexibly executing share buybacks.
The FY 2019 plan for the consolidated net profit is 450 billion yen. We have conservative assumptions for resource prices affecting the metals and minerals segments, but otherwise we plan for steady base earnings growth in most of the segments.

On the consolidated balance sheet, we are seeing an increase of total assets, partly due to converting FamilyMart UNY Holdings into a subsidiary. But we plan to control the effect of new subsidiaries by accelerating replacement of assets and strictly selecting new investments, in order to maintain high efficiency in terms of ROA and ROE.

Where we put asterisks are figures planned to achieve a record high.

The new medium-term plan contains measures which we are going to take for the three fiscal years period. However, we have abstained from including clear numerical targets in this presentation except for FY 2019 under the circumstances where there is uncertainty about the business environment and resource prices.

We believe that achieving the plan for FY 2019 is currently important.