

May 1, 2015

This document is an English translation
of a statement written initially in Japanese.
The Japanese original should be considered
as the primary version.

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Announcement of FY2016-FY2018 Medium-Term Management Plan,
“Brand-new Deal 2017”

ITOCHU Corporation announced FY2016-FY2018 Medium-Term Management Plan, “Brand-new Deal 2017” today.

For more details, please refer to the attached material.

I am One with Infinite Missions

FY2016-FY2018

Medium-Term Management Plan

May 1, 2015



ITOCHU Corporation

Achievements under “Brand-new Deal 2014”

Profit

- Subsequent to achieving the ever highest net profit attributable to ITOCHU of ¥310.3 billion in FY2014, recorded ¥300.6 billion in net profit for FY2015 and exceeded the ¥300 billion mark for 2 consecutive years.
- Significantly expanded profits from the non-resource sector, from ¥191.3 billion in FY2013 to ¥317.2 billion in FY2015.

Investment

- Strengthened our earning power for further growth by investment of approx. ¥880.0 billion in aggregate, mainly in non-resource sector projects such as Dole, CPP and EDWIN.
- Secured a base for our growth strategy with the conclusion of the Strategic Cooperation Agreement with CITIC and CP Group.

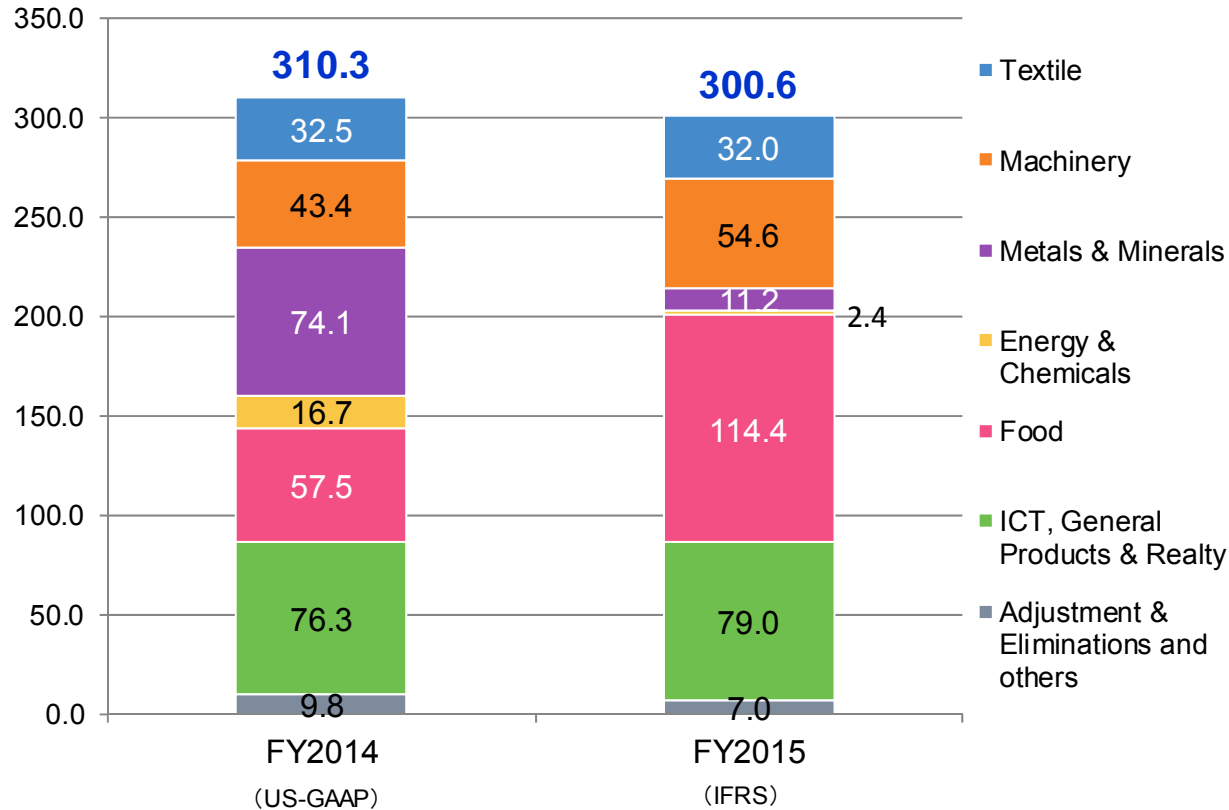
Financial Position

- Improved NET DER from 1.24 times in FY2013 to 0.98 times in FY2015, by increasing stockholder’s equity to approx. ¥2.4 trillion.
- Consecutively secured positive free cash flow.

Shareholder Return

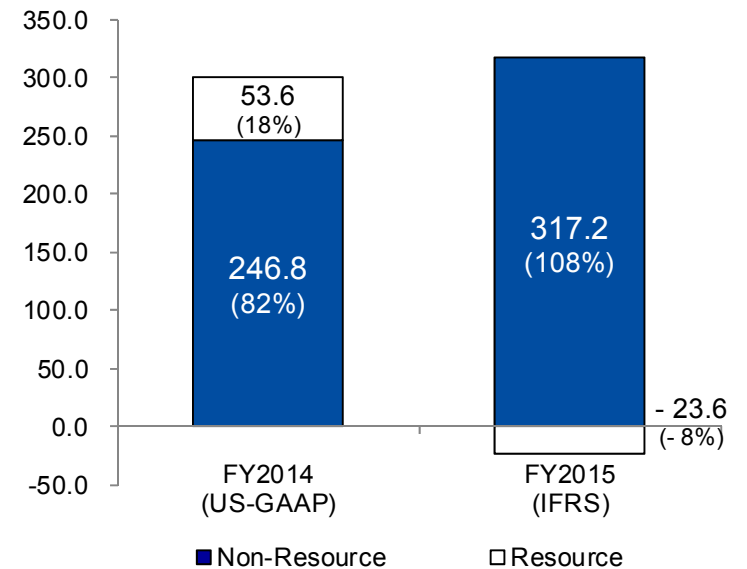
- A record-high dividend planned for FY2015 (¥46 per share), following FY2014.
- Acquired treasury stocks in FY2015 to mitigate the impact of dilution caused by the allocation of new shares to CP group.

(Unit: billion yen)



<Earning from Non-Resource and Resource >

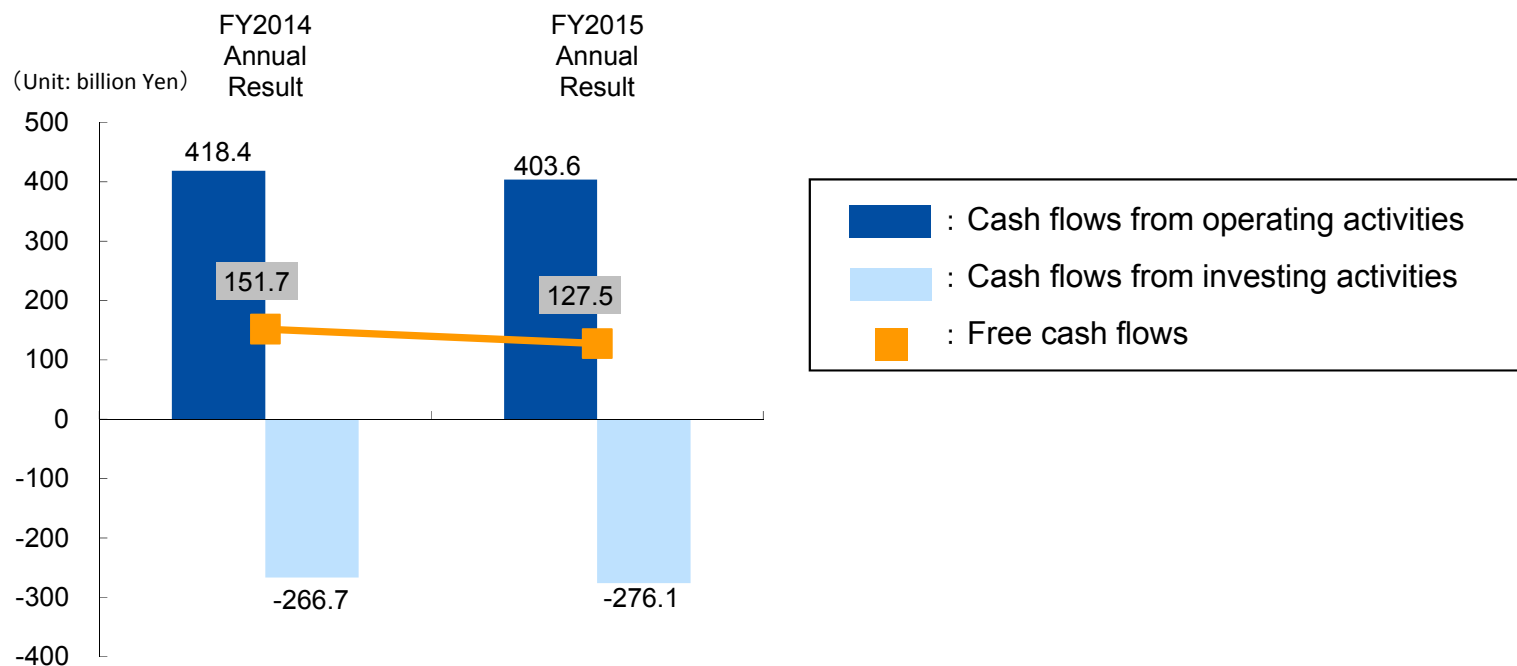
(Unit: billion yen)



(※)Excluding others

(Unit: billion yen)	FY2014 (US-GAAP)		FY2015 (IFRS)	
	Plan	Annual Result	Plan	Annual Result
Net profit attributable to ITOCHU	290.0	310.3	300.0	300.6
Total assets	7,500.0	7,848.4	8,200.0	8,560.7
Net interest-bearing debt	2,650.0	2,224.3	2,500.0	2,380.5
Total shareholders' equity	1,900.0	2,147.0	2,300.0	2,433.2
NET DER	1.4 times	1.04 times	1.1 times	0.98 times
ROE	15.8%	15.9%	13.8%	13.4%

Cash Flows



Brand-new Deal 2014 2 Year-Period Plan

Ratio of non-resource to resource investment will be 2 : 1.

Gross Amount 1 trillion yen

Net Amount 800 bln yen

Consumer-related Sector	<ul style="list-style-type: none"> ◆ Dole ◆ EDWIN ◆ Familymart additional acquisition 	<ul style="list-style-type: none"> ◆ C.P. Pokphand ◆ Bellsystem24 	etc.
approx.525 bln yen			
Basic Industry-related Sector	<ul style="list-style-type: none"> ◆ Osaka Car Life Group (ITOCHU ENEX) ◆ YANASE additional acquisition 		etc.
approx.150 bln yen			
Non-Resource			approx.675 bln yen
Resource-related Sector	<ul style="list-style-type: none"> ◆ Jimblebar ◆ ACG Investment 	<ul style="list-style-type: none"> ◆ IMEA Expansion ◆ CIECO E&P (UK) WIDP 	etc.
Resource			approx.205 bln yen

Gross Amount approx.880 bln yen

EXIT approx.-190 bln yen
Net Amount approx.690 bln yen

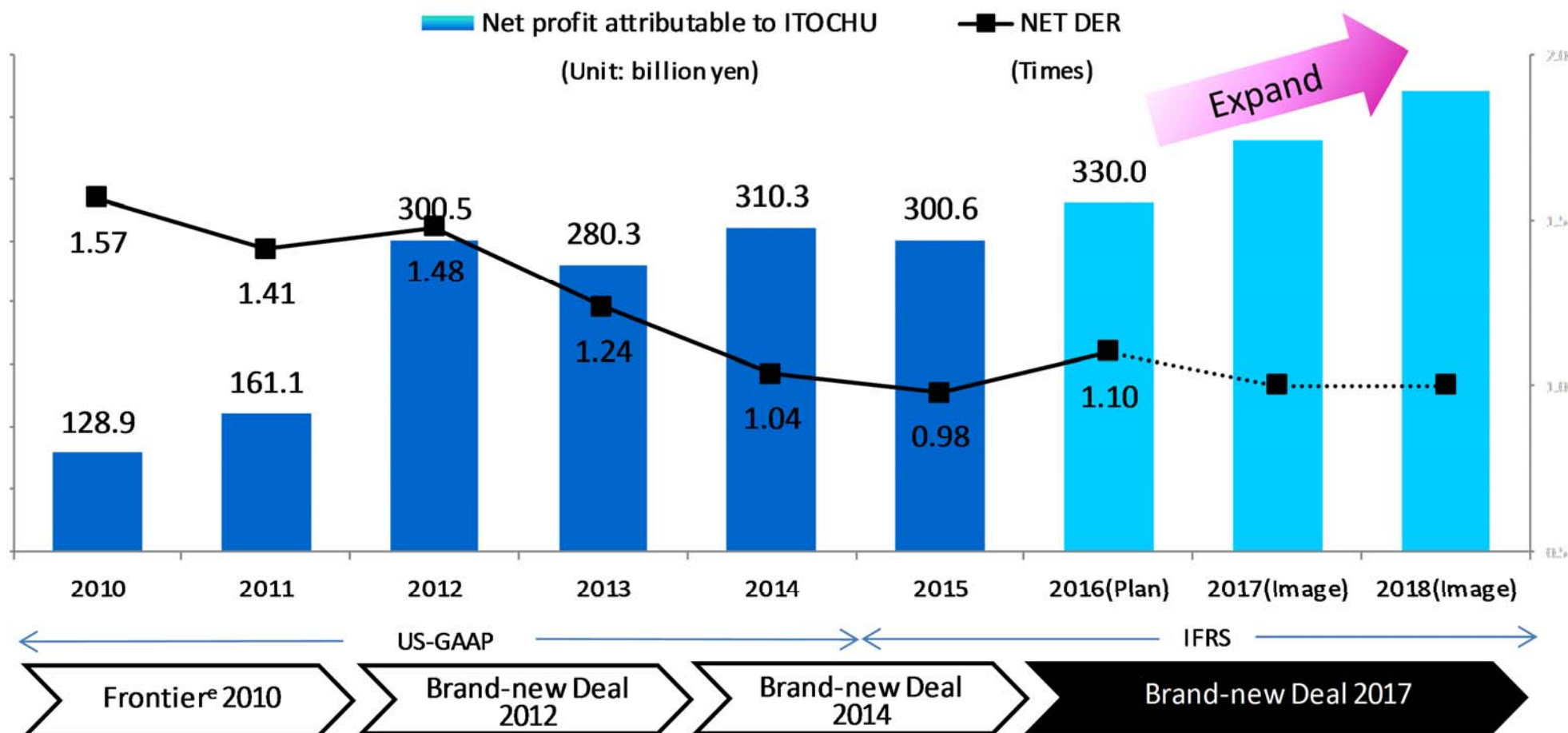
② **EXIT etc. (*)** approx.-490 bln yen
 ①+② **Investment/EXIT etc.** approx.390 bln yen

(*) EXIT (Cash base) +Depreciation cost

Medium -Term Management Plan

Brand-new Deal 2017
Challenge

- Build a solid earning base to generate ¥400 billion net profit by progressing a growth strategy especially focused on non-resource sectors.
- Pursue to consistently exceed ROE of 13%, whilst further accumulating Stockholders' Equity.



Strengthen Our Financial Position

Accelerate Asset Replacement

Stringent Cash Flow Management

- ◇ Accelerate asset replacement to further improve quality and income efficiency of assets.
- ◇ Observe investment discipline to promptly realize positive Free Cash Flow.
- ◇ Further sophisticate corporate management with focus on cost of capital.

Build solid earning base to generate ¥400 billion level net income

Progress Cooperation with Strategic Partners

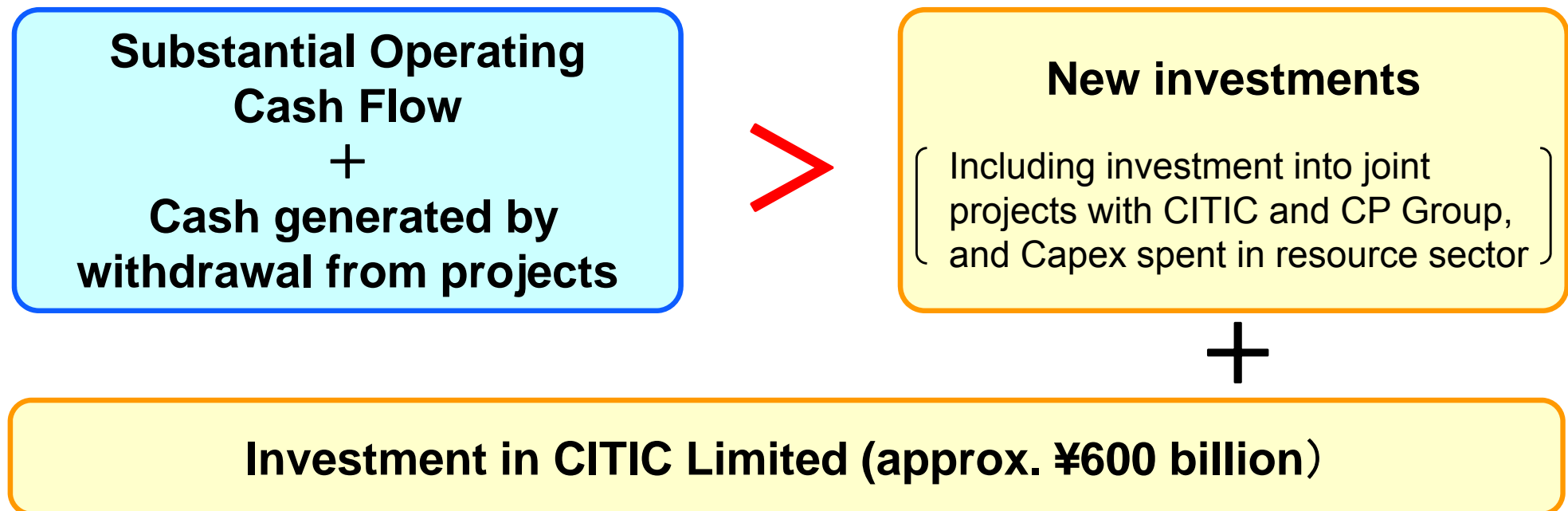
Further Reinforcement of the Non-Resource Sector

- ◇ Expand operating capabilities and business areas in China and the Asian region, by maximizing synergetic benefits from the strategic alliance with CITIC and CP Group.
- ◇ Further strengthen the earning base utilizing the superiority and business strength in the non-resource sector.
- ◇ Increase profitability by expanding existing business and proceeds from new projects.

- ❑ Aggressively pursue synergetic profit derived from the strategic alliance with CITIC and CP Group, especially in China and Asian regions.
- ❑ Cap new investments to be made only within the aggregate amount generated by substantial operating cash flow (*1) and withdrawal from existing projects.
⇒ Consecutively generate in excess of ¥100 billion of positive substantial free cash flow (*2) each fiscal year.

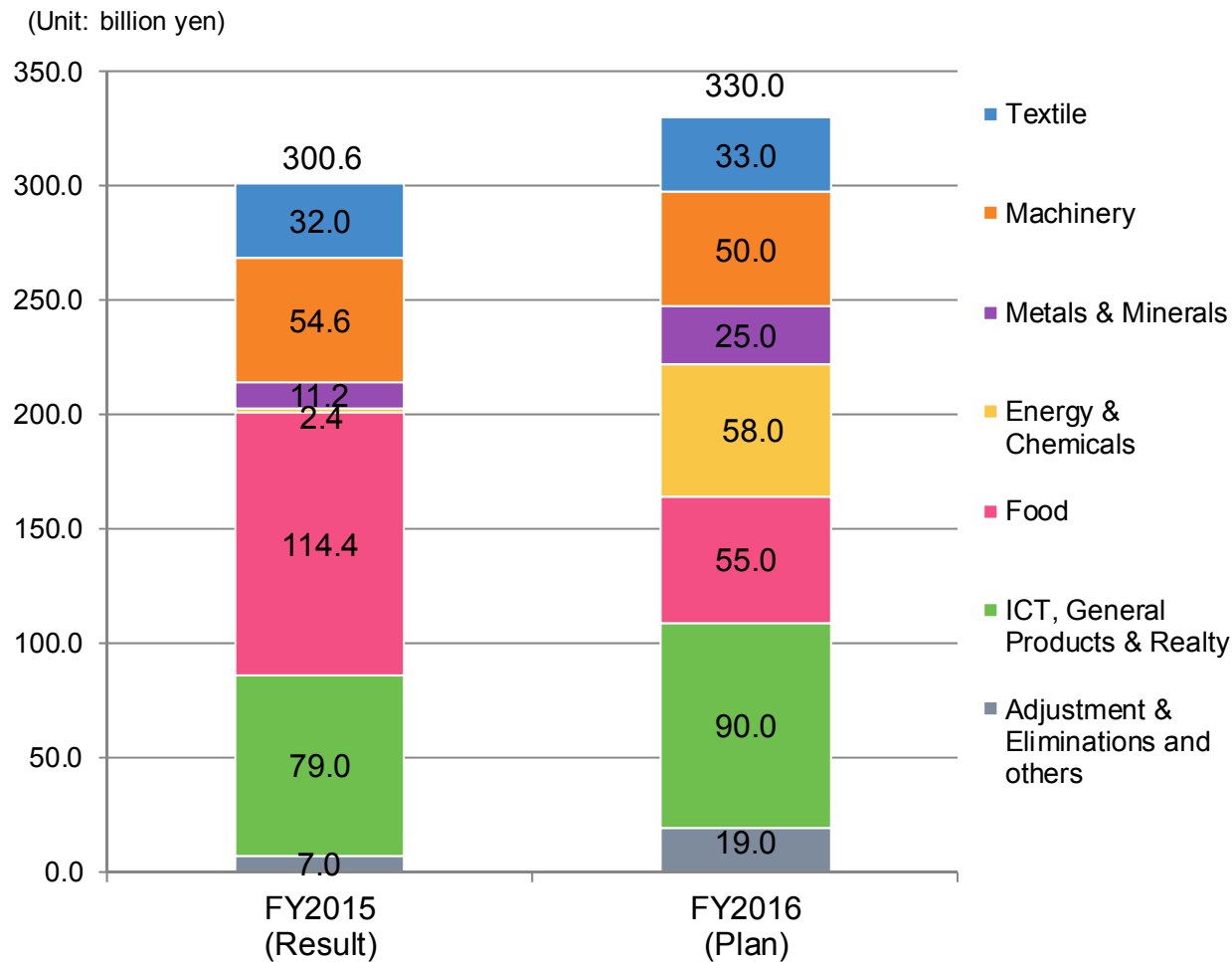
(*1) 「Operating Cash Flow」 — 「increase/decrease of working capital」

(*2) Exclude investment into CITIC Limited and increase/decrease of working capital

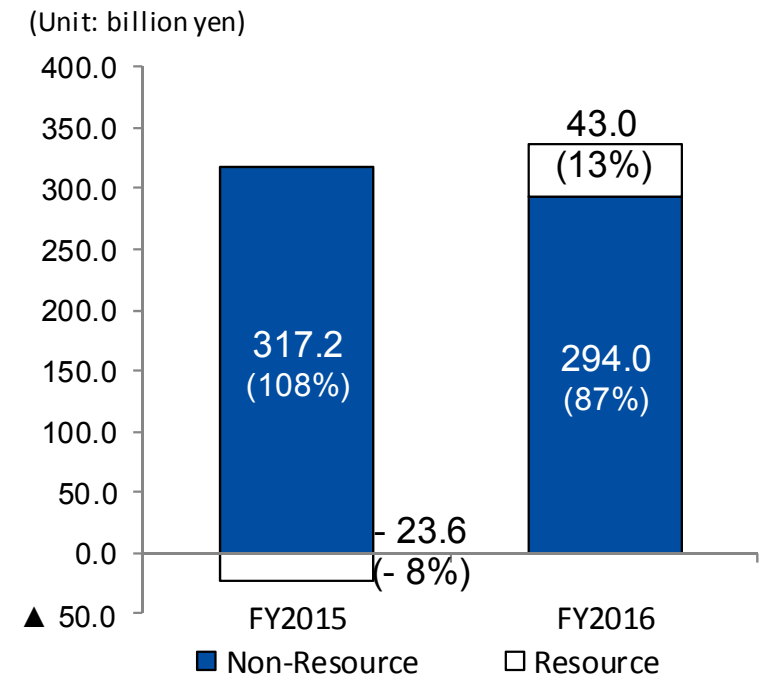


		FY2015 Annual Result	FY2016 Plan
(Unit: billion yen)			
P/L	Gross trading profit	1,089.1	1,100.0
	Trading income	272.7	240.0
	Equity in earnings of associates and joint ventures	10.1	120.0
	Net profit attributable to ITOCHU	300.6	330.0
B/S	Total assets	8,560.7	9,200.0
	Net interest-bearing debt	2,380.5	2,900.0
	Total shareholders' equity	2,433.2	2,600.0
	NET DER	0.98 times	1.1 times
	ROE	13.4%	13.1%
Assumptions	Exchange rate(YEN / US\$)	108	115
	Interest(%) YEN TIBOR(¥)	0.2%	0.2%
	Crude Oil(US\$/BBL)	86	60

FY2016 Net Income attributable to ITOCHU by segments



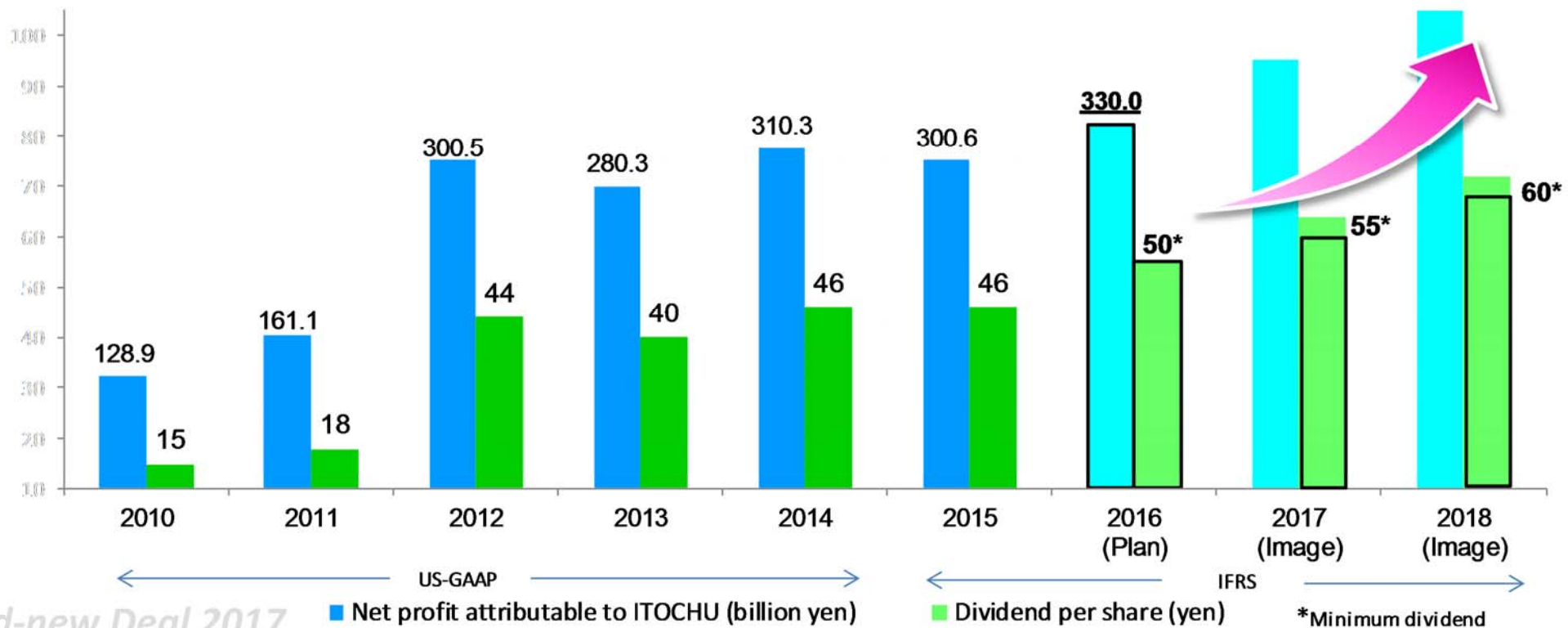
<Earnings from Non-Resource and Resource>



(※)Excluding others

Brand-new Deal 2017: Dividend Policy

- We will continue to make our best efforts to share the growth and generated profit with our shareholders and to increase shareholder returns.
- During the next 3 years, we will seek to annually surpass our record high dividends. In order to achieve the above, whilst continuing our current dividend policy of a payout ratio of 20% for Net profit attributable to ITOCHU up to ¥200.0 billion and approximately 30% on the portion of Net income attributable to ITOCHU exceeding ¥200.0 billion, we will set a minimum dividend per share of ¥50 for FY2016, ¥55 for FY2017 and ¥60 for FY2018.





Forward-Looking Statements

This material contains 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 and 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.