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**Announcement of Loss related to the investment to Colombia coal companies in  
Non-Consolidated Financial Statements of ITOCHU**

ITOCHU Corporation (“ITOCHU”) announces to post a loss on investment to ITOCHU Coal Americas Inc. (100% owned by ITOCHU, headquarters: Delaware, U.S.A., “ICA”) in the 4<sup>th</sup> quarter of the fiscal year ending March 31, 2016. ICA was established to own 20% of Drummond International, LLC (“Drummond International”) a company owns the rights to coal mines and infrastructure in Colombia.

1. Description of the loss

Shareholders’ equity of ICA is deteriorated in the 4<sup>th</sup> quarter of the fiscal year ending March 31, 2016, due to the decline in fair value of Drummond International caused by decline in coal price. Therefore ITOCHU posted a loss in non-consolidated financial statements as below.

2. Impact on Non-Consolidated Financial Statements of ITOCHU

Due to the deterioration of investment to ICA, ITOCHU posted a 46.5 billion yen loss in the 4<sup>th</sup> quarter of the fiscal year ending March 31, 2016 as “Extraordinary loss (Loss on investments in subsidiaries and associated companies)”(Impact on Net profit is same amount).

3. Impact on Consolidated Financial Statement of ITOCHU

Since the investment to Drummond International is categorized as “FVTOCI financial assets” in Consolidated Financial Statement which the movement of fair value is recognized in “Other components of equity (FVTOCI financial assets)”, there is no impact on “Net Profit attributable to ITOCHU”.