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

ITOCHU Corporation

(Code No. 8001, Tokyo Stock Exchange, First Section)

Representative Director and President and Chief Operating Officer: Yoshihisa Suzuki

Contact: Suguru Amano

General Manager, Investor Relations Department

(TEL. +81-3-3497-7295)

Announcement of Impairment Loss Related to the Investment in CITIC Limited

ITOCHU Corporation (hereinafter referred to as “ITOCHU”) announces an impairment loss on the investment in CITIC Limited in the second quarter of the fiscal year ending March 31, 2019 (hereinafter referred to as “FY2019”) as follows.

1. Description of the Impairment Loss

Chia Tai Bright Investment Company Limited (hereinafter referred to as “CTB”), a company in which ITOCHU and Charoen Pokphand Group Company Limited each invested 50%, owns 20% of CITIC Limited ordinary shares. Accordingly, CTB applied the equity-method to account for the investment in CITIC Limited. ITOCHU conducts assessment of equity-method investments on a quarterly basis in order to determine whether an indicator of impairment exists, and various factors such as expected future profitability, stock price, economic environment, and industry trends are considered at the assessment.

In light of the current status of the trade conflicts between the U.S. and China, ITOCHU considered the uncertainty of the economic outlook of China, where CITIC Limited conducts its primary business activities, was increasing. Also, ITOCHU judged the stock price of CITIC limited, which is listed on the Hong Kong Stock Exchange, was unlikely to recover to its carrying amount of the investment accounted for by the equity-method of CITIC Limited held by CTB in the short term. Given the above factors, the recoverable amount calculated based on the expected future cash flows was less than the carrying amount of the investment accounted for by the equity-method; therefore, the difference was recognized as an impairment loss in ITOCHU’s consolidated financial results.

2. Impact on the Consolidated Financial Results

The impact on Net Profit attributable to ITOCHU for the second quarter of FY2019 was 143.3 billion yen (loss).

3. Outlook of FY2019 Consolidated Financial Results

The forecast of Net Profit attributable to ITOCHU of 500 billion yen revised on October 1, 2018 remains unchanged.