

January 4, 2019

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)

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**Announcement in Relation to Completion of Transfer of Shares of Subsidiary,
Recording of Deferred Tax Assets, and Revision of Performance Forecasts
by a Subsidiary (FamilyMart UNY Holdings Co., Ltd. (Code No. 8028))**

As previously announced, FamilyMart UNY Holdings Co., Ltd. (First Section of the Tokyo Stock Exchange and First Section of the Nagoya Stock Exchange, Code No. 8028; hereinafter referred to as “FamilyMart UNY HD”), a subsidiary of ITOCHU Corporation (hereinafter referred to as “ITOCHU”), decided at the meeting of its board of directors in relation to the execution of the share purchase agreement for the transfer of all shares (hereinafter referred to as the “Transfer”) of UNY CO., LTD., a subsidiary of FamilyMart UNY HD.

ITOCHU hereby announces the completion of the Transfer, the recording of deferred tax assets, and the revision of performance forecasts related to the Transfer by FamilyMart UNY HD, as attached.

The forecast of net profit attributable to ITOCHU of 500 billion yen for the fiscal year ending March 31, 2019 remains unchanged.

(Attachment)

The disclosure document released by FamilyMart UNY Holdings Co., Ltd.;

“Notice Regarding Completion of Transfer of Shares of Subsidiary, Recording of Deferred Tax Assets, and Revision of Performance Forecasts”

January 4, 2019
FamilyMart UNY Holdings Co., Ltd.
(Code No. 8028, Tokyo Stock Exchange and Nagoya Stock Exchange, 1st Section)
Representative Director and President: Koji Takayanagi
Contact: Hiroshi Iwasaki
General Manager, Public Relations Department (Tel: 03-3989-7338)

**Notice Regarding Completion of Transfer of Shares of Subsidiary, Recording of
Deferred Tax Assets, and Revision of Performance Forecasts**

FamilyMart UNY Holdings Co., Ltd. (“FamilyMart UNY HD”), gives notice of the completion of the transfer of shares in subsidiary UNY CO., LTD. (“UNY”), that was announced previously in the notice titled “Announcement of Planned Commencement of Tender Offer for Shares in Don Quijote Holdings Co., Ltd. (Code No. 7532) and Transfer of Shares Accompanied by Changes to Subsidiary” dated October 11, 2018. In addition, FamilyMart UNY HD announces the recording of deferred tax assets and the revision of performance forecasts that accompanied the transfer.

1. Completion Date of Transfer
January 4, 2019

2. Outline of Transferred Subsidiary

(1)	Name	UNY CO., LTD.
(2)	Location	1 Amaikegotanda-cho, Inazawa-shi, Aichi, Japan
(3)	Business activities	Operation of a general retail chain offering clothing, food, living, and leisure goods
(4)	Capital	10,000 million yen (non-consolidated) (as of February 20, 2018)
(5)	Date of incorporation	February 16, 2012
(6)	Number of shares transferred	120,000 (60% of total issued shares)

3. Reason for Recording of Deferred Tax Assets and Revision of Performance Forecasts

In the nine-month period ended November 30, 2018, the Company recorded deferred tax assets in conjunction with the aforementioned transfer of shares of a subsidiary, leading it to record 22.5 billion yen as income taxes-deferred.

In addition, the Company intends to introduce strategic fixtures at existing stores in the convenience store business ahead of schedule by using these deferred tax assets to fund

investments in the fourth quarter of fiscal 2018 while also recording losses on store assets to address future performance-related concerns. Accordingly, the following revision has been instituted to the full-year forecast for consolidated profit attributable to owners of parent in fiscal 2018.

The impact of the transfer of shares of a subsidiary on gross operating profit, core operating profit, and profit before taxes is currently being measured. The Company will promptly disclose its projection for this impact once determined. There has been no change to the Company's initial dividend forecasts. Should these forecasts be revised in the future, prompt disclosure will be performed.

Consolidated Performance Forecasts for Fiscal 2018

	Gross operating revenue	Core operating profit	Profit before taxes	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	Million yen 1,270,200	Million yen 77,300	Million yen 67,100	Million yen 40,000	yen 316.12
Revised forecast (B)	-	-	-	44,000	347.75
Difference (B-A)	-	-	-	4,000	
Change (%)	-	-	-	10.0%	
(Reference) Performance from fiscal 2017	637,013	41,671	5,874	33,656	265.82

Notes:

1. The businesses of UNY and its subsidiaries have been classified as businesses to be discontinued. The above reference figures for gross operating revenue, core operating profit, and profit before taxes from fiscal 2017 exclude businesses to be discontinued.
2. The forecasts contained in this news release are based on information available at the time of its issuance as well as certain assumptions that have been judged to be rational. The Company does not assure that these forecasts will be accomplished. It is possible that actual performance may differ materially from these forecasts due to various factors.