-Unaudited-

November 5, 2015

Consolidated Financial Results for the First Half of the Fiscal Year 2016 ending March 31, 2016

[Prepared in conformity with International Financial Reporting Standards]

Company name: ITOCHU Corporation
Stock exchange code: 8001 http://www.itochu.co.jp/en/ir/
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The date of payout of dividend: Dec. 2, 2015 (Planned)

1. Consolidated operating results for the first half of the fiscal year 2016 (from April 1, 2015 to September 30, 2015)

(1) Consolidated operating results (Summary) (%: Changes from the same period of the previous fiscal year)

	Revenues		Trading income (*3)		Profit before tax		Net Profit		Net profit attributable to ITOCHU		Total comprehensive income attributable to ITOCHU	
For the first half of	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Fiscal year 2016	2,519,435	(7.4)	108,776	(10.9)	247,162	16.2	221,876	38.9	212,730	39.8	125,106	(42.5)
Fiscal year 2015	2,721,792	2.8	122,109	(1.1)	212,678	1.3	159,736	0.0	152,212	1.1	217,728	4.3

	Basic earnings per share attributable to ITOCHU	Diluted earnings per share attributable to ITOCHU
For the first half of	yen	yen
Fiscal year 2016	134.62	134.48
Fiscal year 2015	96.08	94.12

Equity in earnings of associates and joint ventures (millions of yen) 1st half of FY 2016 : 71,853 [+20.4%] 1st half of FY 2015 : 59,658 [- 9.4%]
Total comprehensive income (millions of yen) 1st half of FY 2016 : 124,822 [- 45.3%] 1st half of FY 2015 : 228,251 [+ 2.0%]

(2) Consolidated financial position

	Total assets	Total equity	Total shareholders' equity	Ratio of shareholders' equity to total assets	Shareholders' equity per share
	millions of yen	millions of yen	millions of yen	%	yen
September 30, 2015	9,194,593	2,816,854	2,507,367	27.3	1,587.39
March 31, 2015	8,560,701	2,748,251	2,433,202	28.4	1,539.55

2. Dividend distribution

	Dividend distribution per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	yen	yen	yen	yen	yen
Fiscal year 2015	-	23.00	-	23.00	46.00
Fiscal year 2016	-	25.00			
Fiscal year 2016 (Planned)			-	25.00	50.00

(Note) Revisions to the plan of dividend distribution announced most recently: None

3. Outlook of consolidated operating results for fiscal year 2016 (from April 1, 2015 to March 31, 2016)

(%: Changes from the previous fiscal year)

	Revenues		Trading income		Profit before tax		Net Profit		Net profit attributable to ITOCHU		Basic earnings per share attributable to ITOCHU
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
Fiscal year 2016	5,600,000	0.2	240,000	(12.0)	406,000	(3.0)	348,000	17.7	330,000	9.8	208.80

(Note) Revisions to the outlook of consolidated operating results announced most recently: None

4. Other information

(1) Changes in significant subsidiaries accompanied by changes in the consolidation scope: None

(2) Changes in accounting policies and accounting estimates

(a) Changes in accounting policies required by IFRS: None
(b) Other changes: None
(c) Changes in accounting estimates: None

(3) Number of common shares issued

(a) Number of common shares outstanding (including the number of treasury stock):	1st half of FY 2016	1,662,889,504	Fiscal Year 2015	1,662,889,504
(b) Number of treasury stock:	1st half of FY 2016	83,339,591	Fiscal Year 2015	82,424,923
(c) Average number of common shares outstanding:	1st half of FY 2016	1,580,214,307	1st half of FY 2015	1,584,300,241

[Note]

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

*2. The financial statements contain 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; 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.

*3. "Trading income" is presented in accordance with Japanese accounting practices.
-"Trading income" = "Gross trading profit" + "Selling, general and administrative expenses" + "Provision for doubtful accounts"

*4. The consolidated financial statements are expressed in Japanese yen and, solely for the convenience of the reader, have been translated into U.S. dollars at the rate of 119.96 yen = 1 U.S. dollar, the exchange rate prevailing on September 30, 2015. The translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at the above or any other rate.

*5. "ITOCHU" referred to in the consolidated financial statements represents ITOCHU Corporation.

1. Qualitative Information

(1) Qualitative Information of the Consolidated Operating Results

[For the six-month period ended September 30, 2015]

(a) General Economic Situation

For the six-month period ended September 30, 2015, the pace of growth in the global economy grew at a sluggish pace overall reflecting the slow economic recovery in certain emerging countries and economic slowdowns in Japan, although the U.S. and Euro zones economy showed a smooth recovery. Reflecting the expectation of the concern of the demand-supply balance stemming from the economic slowdown in certain emerging countries, the WTI crude oil price declined from approximately US$60 level per barrel in the end of June to US$35-40 range per barrel in the late August. Afterward, the price rose slightly but subsequently leveled off and the price remained at approximately US$45 level per barrel.

The trend in Japan's economy was increasingly stagnant, due to sluggish economies in certain emerging countries and a sluggish growth of household income resulting in lower exports and lower consumer spending, and the growth in corporate capital investment tapered off. The real GDP growth rate for the April-June was negative compared with previous period for the first time in three quarters.

Against a backdrop of expectations for an increase in interest rates in the U.S., the U.S. dollar appreciated against the Japanese yen, temporarily reaching approximately ¥125 level in the mid-August. However, due to the decline in the stock prices in China and the confusion surrounding the Chinese yuan market, the global financial markets became unstable. Consequently, the trend toward purchasing the yen as a risk-free asset strengthened and the yen appreciated against the U.S. dollar to approximately ¥120 level at the end of September. The Nikkei Stock Average maintained above ¥20,000 until mid-August from the expectations of domestic economic recovery, but due to the concern of the domestic economic outlook, the price dropped to approximately ¥17,000 level at the end of September. The yield on 10-year Japanese government bonds was at approximately 0.45% level at the end of June, but declined to approximately 0.35% level at the end of September.

(b) Consolidated Operating Results

	Billions of Yen				Millions of U.S. dollars
	Apr.-Sep. 2015	Apr.-Sep. 2014	Increase (Decrease)	%	Apr.-Sep. 2015
Revenues	2,519.4	2,721.8	(202.4)	(7.4%)	21,002
Gross trading profit	524.6	513.9	10.6	2.1%	4,373
Selling, general and administrative expenses	(412.8)	(390.7)	(22.1)	5.6%	(3,441)
Gains on investments	52.1	17.5	34.6	197.2%	434
Equity in earnings of associates and joint ventures	71.9	59.7	12.2	20.4%	599
Income tax expense	(25.3)	(52.9)	27.7	(52.2%)	(210)
Net profit attributable to ITOCHU	212.7	152.2	60.5	39.8%	1,773
(Reference) Trading income	108.8	122.1	(13.3)	(10.9%)	907

(i) Revenues (from external customers)

Revenues for the six-month period ended September 30, 2015, decreased by 7.4%, or 202.4 billion yen, compared with the same period of the previous fiscal year, to 2,519.4 billion yen (21,002 million U.S. dollars).

- Textile Company:
  Increased by 19.9 billion yen compared with the same period of the previous fiscal year, to 284.9 billion yen (2,375 million U.S. dollars), mainly due to the income from EDWIN CO., LTD. from the second quarter of the previous fiscal year.

- Food Company:
  Increased by 18.9 billion yen compared with the same period of the previous fiscal year, to 530.8 billion yen (4,425 million U.S. dollars), due to higher transaction volume in food-distribution-related subsidiaries.

- Energy & Chemicals Company:
  Decreased by 226.9 billion yen compared with the same period of the previous fiscal year, to 782.1 billion yen (6,520 million U.S. dollars), mainly due to the decline in oil prices in energy trading transactions.

(ii) Gross trading profit

Gross trading profit increased by 2.1%, or 10.6 billion yen, compared with the same period of the previous fiscal year, to 524.6 billion yen (4,373 million U.S. dollars).

- ICT, General Products & Realty Company:
  Increased by 9.3 billion yen compared with the same period of the previous fiscal year, to 154.5 billion yen (1,288 million U.S. dollars), due to the sales of real properties for sale, the favorable performance in European tire-related companies, and the depreciation of the yen, despite the sales of housing-materials-related subsidiaries in the U.S. in this fiscal year.

- Energy & Chemicals Company:
  Increased by 8.8 billion yen compared with the same period of the previous fiscal year, to 93.1 billion yen (776 million U.S. dollars), due to the favorable performance in the chemicals sector, and the acquisition of subsidiaries in energy-related companies in the previous fiscal year, despite the absence of the favorable performance in crude and fuel oil transactions in the same period of the previous fiscal year.

- Food Company:
  Increased by 7.0 billion yen compared with the same period of the previous fiscal year, to 127.7 billion yen (1,064 million U.S. dollars), due to higher transaction volume in food-distribution-related subsidiaries and the stable performance in provisions-related subsidiaries.

- Metals & Minerals Company :
  Decreased by 15.5 billion yen compared with the same period of the previous fiscal year, to 18.9 billion yen (158 million U.S. dollars), due to the decline in iron ore and coal prices, despite the increase in iron ore sales volume, the reduction of costs in iron ore, and the improvement in foreign currency translation in iron ore and coal companies.

(iii) Selling, general and administrative expenses

Selling, general and administrative expenses increased by 5.6%, or 22.1 billion yen, compared with the same period of the previous fiscal year, to 412.8 billion yen (3,441 million U.S. dollars), due to higher expenses in existing subsidiaries in the Food Company, the ICT, General Products & Realty Company, and the acquisition of EDWIN CO., LTD and subsidiaries in energy-related companies in the previous fiscal year.

(iv) Gains on investments

Gains on investments increased by 197.2%, or 34.6 billion yen, compared with the same period of the previous fiscal year, to 52.1 billion yen (434 million U.S. dollars), due to the gain on sales of housing-materials-related subsidiaries in the U.S. in this fiscal year.

(v) Equity in earnings of associates and joint ventures

Equity in earnings of associates and joint ventures increased by 20.4%, or 12.2 billion yen, compared with the same period of the previous fiscal year, to 71.9 billion yen (599 million U.S. dollars).

- ICT, General Products & Realty Company:
  Increased by 9.1 billion yen compared with the same period of the previous fiscal year, to 27.0 billion yen (225 million U.S. dollars), due to the contribution of new associated companies, and the improvement in foreign currency translation in foreign pulp-related companies.

- Energy & Chemicals Company:
  Improved by 3.2 billion yen compared with the same period of the previous fiscal year, to a loss of 0.5 billion yen (4 million U.S. dollars), due to the absence of the impairment loss in an U.S. oil and gas development company, despite the effect of scheduled maintenance of methanol-related companies.

- Metals & Minerals Company:
  Increased by 2.0 billion yen compared with the same period of the previous fiscal year, to 16.8 billion yen (140 million U.S. dollars), due to the improvement in foreign currency translation in a Brazilian iron ore company, despite the stagnant market conditions and lower demand in steel products-related companies.

- Food Company:
  Decreased by 5.4 billion yen compared with the same period of the previous fiscal year, to 8.8 billion yen (74 million U.S. dollars), due to the effect from the conversion of TING HSIN (CAYMAN ISLANDS) HOLDING CORP. from associated companies to other investments, and the absence of the gain on sales of affiliates in the CVS companies in the same period of the previous fiscal year.

(vi) Income tax expense

Income tax expense improved by 52.2%, or 27.7 billion yen, compared with the same period of the previous fiscal year, to 25.3 billion yen (210 million U.S. dollars), due to the improvement of tax expenses accompanying the disposal of an U.S. oil and gas development company.

(vii) Net profit attributable to ITOCHU

Consequently, **Net profit attributable to ITOCHU** increased by 39.8%, or 60.5 billion yen, compared with the same period of the previous fiscal year, to 212.7 billion yen (1,773 million U.S. dollars).

(Reference) Trading Income

"Trading Income" in accordance with Japanese accounting practices ("Trading income" = "Gross trading profit" + "Selling, general and administrative expenses" + "Provision for doubtful accounts") decreased by 10.9%, or 13.3 billion yen, compared with the same period of the previous fiscal year, to 108.8 billion yen (907 million U.S. dollars).

- ICT, General Products & Realty Company:
  Increased by 4.8 billion yen compared with the same period of the previous fiscal year, to 28.0 billion yen (234 million U.S. dollars), due to the sales of real properties for sale and the favorable performance in European tire-related companies, despite higher expenses in domestic ICT-related companies and the sales of housing-materials-related subsidiaries in the U.S. in this fiscal year.

- Energy & Chemicals Company:
  Increased by 3.2 billion yen compared with the same period of the previous fiscal year, to 24.0 billion yen (200 million U.S. dollars), due to higher gross trading profit, despite higher expenses accompanying the acquisition of subsidiaries in energy-related companies in the previous fiscal year and unordinary expenses in this fiscal year.

- Metals & Minerals Company:
  Decreased by 15.3 billion yen compared with the same period of the previous fiscal year, to 9.4 billion yen (78 million U.S. dollars), mainly due to lower gross trading profit.

- Machinery Company:
  Decreased by 2.9 billion yen compared with the same period of the previous fiscal year, to 13.9 billion yen (116 million U.S. dollars), due to the absence of the favorable performance in IPP-related companies in North America in the same period of the previous fiscal year and the increase in allowance for doubtful accounts in foreign subsidiaries, despite the favorable performance in plant-related companies.

(2) Qualitative Information of the Consolidated Financial Position

(a) Consolidated Financial Position

	Billions of Yen				Millions of U.S. dollars
	Sep. 2015	Mar. 2015	Increase (Decrease)	%	Sep. 2015
Total assets	9,194.6	8,560.7	633.9	7.4%	76,647
Interest-bearing debt	3,817.0	3,092.2	724.8	23.4%	31,819
Net interest-bearing debt	3,177.2	2,380.5	796.7	33.5%	26,485
Total shareholders' equity	2,507.4	2,433.2	74.2	3.0%	20,902
Ratio of shareholders' equity to total assets	27.3%	28.4%	(1.2pt)		
NET DER (times)	1.3	0.98	0.3		

(i) Total assets

Total assets as of September 30, 2015, increased by 7.4%, or 633.9 billion yen, compared with March 31, 2015, to 9,194.6 billion yen (76,647 million U.S. dollars). This increase was due to the investment and loan accompanying the acquisition of CITIC Limited shares, approximately 920.0 billion yen (including the temporary funding portion for CP Group, approximately 320.0 billion yen), despite the decrease in trade receivables and the sales of housing-materials-related subsidiaries in the U.S.

(ii) Interest-bearing debt

Interest-bearing debt increased by 23.4%, or 724.8 billion yen, compared with March 31, 2015, to 3,817.0 billion yen (31,819 million U.S. dollars), due to the increase in borrowings regarding the investment and loan accompanying the acquisition of CITIC Limited shares, approximately 920.0 billion yen (including the temporary funding portion for CP Group, approximately 320.0 billion yen), despite repayment of debt accompanying the steady collections of trade receivables. **Net interest-bearing debt** (**Interest-bearing debt** after deducting **Cash and cash equivalents** and **Time deposits**) increased by 33.5%, or 796.7 billion yen, compared with March 31, 2015, to 3,177.2 billion yen (26,485 million U.S. dollars).

(iii) Total shareholders' equity

Total shareholders' equity increased by 3.0%, or 74.2 billion yen, compared with March 31, 2015, to 2,507.4 billion yen (20,902 million U.S. dollars), due to the increase in **Net profit attributable to ITOCHU**, despite the dividend payments, foreign currency translation accompanying the depreciation of the Australian dollar, and the decline in the stock prices of investments.

(iv) Ratio of shareholders' equity to total assets and NET DER (Net debt-to-shareholders' equity ratio)

Ratio of shareholders' equity to total assets decreased by 1.2 point to 27.3% compared with March 31, 2015. **NET DER** (Net debt-to-shareholders' equity ratio) slightly increased compared with March 31, 2015 to 1.3 times.

(b) Consolidated Cash Flows

	Billions of Yen		Millions of U.S. dollars
	Apr.-Sep. 2015	Apr.-Sep. 2014	Apr.-Sep. 2015
Cash flows from operating activities	146.7	137.8	1,223
Cash flows from investing activities	(892.8)	(201.7)	(7,443)
Free cash flows.....	*(746.1)*	*(64.0)*	*(6,220)*
Cash flows from financing activities	676.2	33.8	5,637

(i) Cash flows from operating activities

Cash flows from operating activities for the six-month period ended September 30, 2015, recorded a net cash-inflow of 146.7 billion yen (1,223 million U.S. dollars), resulting from the steady collections of trade receivables in the food and energy sectors, the stable performance in operating revenue in the metals sector, despite the decrease in trade payable in the construction, realty & logistics sector and finance & insurance business sector, and the increase in inventories in the ICT sector.

(ii) Cash flows from investing activities

Cash flows from investing activities recorded a net cash-outflow of 892.8 billion yen (7,443 million U.S. dollars), due to the investment and loan accompanying the acquisition of CITIC Limited shares, approximately 920.0 billion yen (including the temporary funding portion for CP Group, approximately 320.0 billion yen), despite the sales of housing-materials-related subsidiaries in the U.S., approximately 100.0 billion yen.

(iii) Cash flows from financing activities

Cash flows from financing activities recorded a net cash-inflow of 676.2 billion yen (5,637 million U.S. dollars), due to the increase in debt, despite the dividend payments.

Consequently, **Cash and cash equivalents** as of September 30, 2015 decreased by 69.5 billion yen to 630.8 billion yen (5,258 million U.S. dollars), compared with March 31, 2015.

2. Summary Information (Notes)

(1) Changes in significant subsidiaries accompanied by changes in the consolidation scope: None

(2) Changes in accounting policies and accounting estimates

(a) Changes in accounting policies required by IFRS:	None
(b) Other changes:	None
(c) Changes in accounting estimates:	None

3. Outlook for Fiscal Year 2016

Looking ahead to conditions in the global economy in the second half of the fiscal year ending March 31, 2016, we expect that the developed countries will continue to lead the global economy as stable economic growth is likely to continue in the United States, and the economies in the Euro zone are also expected to grow gradually. However, uncertainty of the outlook of the global economy is increasing, due to an end of United States quantitative monetary easing, a downward pressure in certain emerging countries accompanying the structural reform centered in China, and a concern of prolonged decline in natural resource prices including oil and metals. In the Japanese economy, we anticipate a gradual recovery due to a delay in the recovery in exports and the stagnant corporate capital investment.

The forecast for the annual consolidated Net Profit attributable to ITOCHU in the fiscal year ending March 31, 2016 will remain unchanged since last announced on May 1, 2015.

For your attention, these forecasts are forward-looking statements that are based on the management's assumptions and beliefs based on information currently available and involve risks and uncertainties. Thus, the actual results could be substantially different from the above statement due to such factors including, but not limited to, global economic and market conditions, and currency exchange rate fluctuations.

Distribution of the current fiscal year's profit

For the interim dividend of the current fiscal year, ITOCHU Corporation has decided to pay 25 yen per share. And at present, for the dividend at the end of the current fiscal year, ITOCHU Corporation intends to pay 50 yen per share (minimum) including the interim dividend.

4. Quarterly Consolidated Financial Statements［Condensed］

(1) Consolidated Statement of Comprehensive Income［Condensed］

ITOCHU Corporation and its Subsidiaries

For the six-month periods ended September 30, 2015 and 2014

	Millions of Yen		Millions of U.S. dollars
	Apr.-Sep. 2015	Apr.-Sep. 2014	**Apr.-Sep. 2015**
Revenues:			
Revenues from sale of goods	**¥ 2,165,141**	¥ 2,444,142	**$ 18,049**
Revenues from rendering of services and royalties	**354,294**	277,650	**2,953**
Total revenues	**2,519,435**	2,721,792	**21,002**
Cost:			
Cost of sale of goods	**(1,732,942)**	(2,014,708)	**(14,445)**
Cost of rendering of services and royalties	**(261,940)**	(193,141)	**(2,184)**
Total cost	**(1,994,882)**	(2,207,849)	**(16,629)**
Gross trading profit	**524,553**	513,943	**4,373**
Other gains (losses):			
Selling, general and administrative expenses	**(412,796)**	(390,722)	**(3,441)**
Provision for doubtful accounts	**(2,981)**	(1,112)	**(25)**
Gains on investments	**52,075**	17,523	**434**
Gains (losses) on property, plant, equipment and intangible assets	**(278)**	2,118	**(2)**
Other-net	**8,533**	8,189	**70**
Total other-losses	**(355,447)**	(364,004)	**(2,964)**
Financial income (loss):			
Interest income	**12,588**	6,304	**105**
Dividends received	**7,545**	9,458	**63**
Interest expense	**(13,930)**	(12,681)	**(116)**
Total financial income	**6,203**	3,081	**52**
Equity in earnings of associates and joint ventures	**71,853**	59,658	**599**
Profit before tax	**247,162**	212,678	**2,060**
Income tax expense	**(25,286)**	(52,942)	**(210)**
Net Profit	**221,876**	159,736	**1,850**
Net profit attributable to ITOCHU	**212,730**	152,212	**1,773**
Net profit attributable to non-controlling interests	**9,146**	7,524	**77**

	Millions of Yen		Millions of U.S. dollars
	Apr.-Sep. 2015	Apr.-Sep. 2014	**Apr.-Sep. 2015**
Other comprehensive income, net of tax:			
Items that will not be reclassified to profit or loss			
FVTOCI financial assets	**¥ (37,531)**	¥ 34,574	**$ (313)**
Remeasurement of net defined pension liability	**(163)**	188	**(1)**
Other comprehensive income in associates and joint ventures	**(3,802)**	5,946	**(32)**
Items that will be reclassified to profit or loss			
Translation adjustments	**(33,780)**	28,986	**(282)**
Cash flow hedges	**(4,734)**	(1,303)	**(39)**
Other comprehensive income in associates and joint ventures	**(17,044)**	124	**(142)**
Total other comprehensive income (loss), net of tax	**(97,054)**	68,515	**(809)**
Total comprehensive income	**124,822**	228,251	**1,041**
Total comprehensive income attributable to ITOCHU	**125,106**	217,728	**1,043**
Total comprehensive income attributable to non-controlling interests	**(284)**	10,523	**(2)**

Note 1 : The gains and losses on disposal and remeasurement of equity financial instruments, of which the changes in fair value are recorded in other comprehensive income, are recognized in "FVTOCI financial assets".

Note 2 : "Trading income" is presented in accordance with Japanese accounting practices.
("Trading income" = "Gross trading profit" + "Selling, general and administrative expenses" + "Provision for doubtful accounts")
Trading income for the six-month periods ended September 30, 2015 and 2014 were 108,776 million yen (907 million U.S. dollars) and 122,109 million yen, respectively.

(2) Consolidated Statement of Financial Position［Condensed］

ITOCHU Corporation and its Subsidiaries

As of September 30, 2015 and March 31, 2015

Assets	Millions of Yen		Millions of U.S. dollars
	Sep. 2015	Mar. 2015	**Sep. 2015**
Current assets:			
Cash and cash equivalents	**¥ 630,769**	¥ 700,292	**$ 5,258**
Time deposits	**9,056**	11,368	**75**
Trade receivables	**1,958,795**	2,101,300	**16,329**
Other current receivables	**438,524**	132,495	**3,656**
Other current financial assets	**46,996**	53,109	**392**
Inventories	**811,899**	780,550	**6,768**
Advances to suppliers	**192,980**	167,812	**1,609**
Other current assets	**123,252**	191,026	**1,027**
Total current assets	**4,212,271**	4,137,952	**35,114**
Non-current assets:			
Investments accounted for by the equity method	**1,696,524**	1,618,138	**14,142**
Other investments	**980,565**	1,030,078	**8,175**
Non-current receivables	**681,240**	121,397	**5,679**
Non-current financial assets other than investments and receivables	**154,799**	148,391	**1,290**
Property, plant and equipment	**765,914**	786,562	**6,385**
Investment property	**30,878**	32,899	**257**
Goodwill and intangible assets	**493,927**	488,941	**4,117**
Deferred tax assets	**52,335**	55,450	**436**
Other non-current assets	**126,140**	140,893	**1,052**
Total non-current assets	**4,982,322**	4,422,749	**41,533**
Total assets	**¥ 9,194,593**	¥ 8,560,701	**$ 76,647**

Liabilities and Equity	Millions of Yen		Millions of U.S. dollars
	Sep. 2015	Mar. 2015	**Sep. 2015**
Current liabilities:			
Short-term debentures and borrowings	**¥ 1,345,671**	¥ 543,660	**$ 11,218**
Trade payables	**1,604,129**	1,669,814	**13,372**
Other current payables	**61,175**	76,605	**510**
Other current financial liabilities	**25,553**	28,082	**213**
Current tax liabilities	**26,002**	35,513	**217**
Advances from customers	**190,461**	173,683	**1,588**
Other current liabilities	**266,819**	319,154	**2,224**
Total current liabilities	**3,519,810**	2,846,511	**29,342**
Non-current liabilities:			
Long-term debentures and borrowings	**2,471,329**	2,548,504	**20,601**
Other non-current financial liabilities	**104,956**	103,819	**874**
Non-current liabilities for employee benefits	**54,935**	56,404	**458**
Deferred tax liabilities	**134,192**	166,171	**1,119**
Other non-current liabilities	**92,517**	91,041	**771**
Total non-current liabilities	**2,857,929**	2,965,939	**23,823**
Total liabilities	**6,377,739**	5,812,450	**53,165**
Equity:			
Common stock:			
Authorized: 3,000,000,000 shares;			
issued: 1,662,889,504 shares	**253,448**	253,448	**2,113**
Capital surplus	**160,813**	164,154	**1,341**
Retained earnings	**1,763,469**	1,587,318	**14,700**
Other components of equity :			
Translation adjustments	**310,156**	364,454	**2,586**
FVTOCI financial assets	**135,368**	176,487	**1,128**
Cash flow hedges	**(10,313)**	(8,517)	**(86)**
Total other components of equity	**435,211**	532,424	**3,628**
Treasury stock	**(105,574)**	(104,142)	**(880)**
Total shareholders' equity	**2,507,367**	2,433,202	**20,902**
Non-controlling interests	**309,487**	315,049	**2,580**
Total equity	**2,816,854**	2,748,251	**23,482**
Total liabilities and equity	**¥ 9,194,593**	¥ 8,560,701	**$ 76,647**

(3) Consolidated Statement of Changes in Equity［Condensed］

ITOCHU Corporation and its Subsidiaries

For the six-month periods ended September 30, 2015 and 2014

	Millions of Yen		Millions of U.S. dollars
	Apr.-Sep. 2015	Apr.-Sep. 2014	**Apr.-Sep. 2015**
Common stock:			
Balance at the beginning of the period	**¥ 253,448**	¥ 202,241	**$ 2,113**
Issuance of common stock	**-**	51,207	**-**
Balance at the end of the period	**¥ 253,448**	¥ 253,448	**$ 2,113**
Capital surplus:			
Balance at the beginning of the period	**¥ 164,154**	¥ 113,055	**$ 1,368**
Issuance of common stock	**-**	50,918	**-**
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests	**(3,341)**	(30)	**(27)**
Balance at the end of the period	**¥ 160,813**	¥ 163,943	**$ 1,341**
Retained earnings:			
Balance at the beginning of the period	**¥ 1,587,318**	¥ 1,364,295	**$ 13,232**
Net profit attributable to ITOCHU	**212,730**	152,212	**1,773**
Transfer from other components of equity	**(200)**	(3,164)	**(2)**
Cash dividends	**(36,379)**	(39,543)	**(303)**
Balance at the end of the period	**¥ 1,763,469**	¥ 1,473,800	**$ 14,700**
Other components of equity:			
Balance at the beginning of the period	**¥ 532,424**	¥ 367,329	**$ 4,438**
Other comprehensive income attributable to ITOCHU	**(87,624)**	65,516	**(730)**
Transfer to retained earnings	**200**	3,164	**2**
Transfer to non-financial assets	**(9,806)**	-	**(82)**
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests	**17**	5	**0**
Balance at the end of the period	**¥ 435,211**	¥ 436,014	**$ 3,628**
Treasury stock:			
Balance at the beginning of the period	**¥ (104,142)**	¥ (2,800)	**$ (868)**
Net change in treasury stock	**(1,432)**	(10,891)	**(12)**
Balance at the end of the period	**¥ (105,574)**	¥ (13,691)	**$ (880)**
Total shareholders' equity	**¥ 2,507,367**	¥ 2,313,514	**$ 20,902**
Non-controlling interests:			
Balance at the beginning of the period	**¥ 315,049**	¥ 353,471	**$ 2,626**
Net profit attributable to non-controlling interests	**9,146**	7,524	**77**
Other comprehensive income attributable to non-controlling interests	**(9,430)**	2,999	**(79)**
Cash dividends to non-controlling interests	**(4,630)**	(4,301)	**(39)**
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests	**(648)**	23,925	**(5)**
Balance at the end of the period	**¥ 309,487**	¥ 383,618	**$ 2,580**
Total equity	**¥ 2,816,854**	¥ 2,697,132	**$ 23,482**

(4) Consolidated Statement of Cash Flows [Condensed] -Unaudited-

ITOCHU Corporation and its Subsidiaries

For the six-month periods ended September 30, 2015 and 2014

	Millions of Yen		Millions of U.S. dollars
	Apr.-Sep. 2015	Apr.-Sep. 2014	**Apr.-Sep. 2015**
Cash flows from operating activities:			
Net profit	**¥ 221,876**	¥ 159,736	**$ 1,850**
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization	**58,926**	53,630	**491**
Provision for doubtful accounts	**2,981**	1,112	**25**
Gains on investments	**(52,075)**	(17,523)	**(434)**
Losses (Gains) on property, plant, equipment and intangible assets	**278**	(2,118)	**2**
Financial income	**(6,203)**	(3,081)	**(52)**
Equity in earnings of associates and joint ventures	**(71,853)**	(59,658)	**(599)**
Income tax expense	**25,286**	52,942	**210**
Changes in assets and liabilities, other-net	**(25,298)**	(31,998)	**(210)**
Proceeds from interest	**8,119**	6,123	**68**
Proceeds from dividends	**39,016**	41,870	**325**
Payments for interest	**(13,857)**	(12,915)	**(116)**
Payments for income taxes	**(40,488)**	(50,365)	**(337)**
Net cash provided by operating activities	**146,708**	137,755	**1,223**
Cash flows from investing activities:			
Net payments for purchase of investments accounted for by the equity method	**(41,773)**	(119,721)	**(348)**
Net proceeds from sale (payments for purchase) of other investments	**74,791**	(11,346)	**623**
Net origination of loans receivable	**(890,317)**	(16,768)	**(7,422)**
Net payments for purchase of property, plant, equipment and intangible assets	**(38,379)**	(50,200)	**(320)**
Net decrease (increase) in time deposits	**2,872**	(3,705)	**24**
Net cash used in investing activities	**(892,806)**	(201,740)	**(7,443)**
Cash flows from financing activities:			
Net proceeds from (repayments of) debentures and loans payable	**724,185**	(11,825)	**6,037**
Proceeds from issuance of common stock	**-**	101,963	**-**
Cash dividends	**(36,379)**	(39,543)	**(303)**
Other	**(11,631)**	(16,768)	**(97)**
Net cash provided by financing activities	**676,175**	33,827	**5,637**
Net decrease in cash and cash equivalents	**(69,923)**	(30,158)	**(583)**
Cash and cash equivalents at the beginning of the period	**700,292**	653,739	**5,838**
Effect of exchange rate changes on cash and cash equivalents	**400**	5,925	**3**
Cash and cash equivalents at the end of the period	**¥ 630,769**	¥ 629,506	**$ 5,258**

(5) Operating Segment Information

ITOCHU Corporation and its Subsidiaries
For the six-month periods ended September 30, 2015 and 2014

Information concerning operations in different operating segments for the six-month periods ended September 30, 2015 and 2014 is as follows:

For the six-month period ended September 30, 2015 (April 1, 2015 -September 30, 2015)

Millions of Yen

	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	ICT, General Products & Realty	Others, Adjustments & Eliminations	Consolidated
Revenues:								
Revenues from external customers	**¥ 284,911**	**¥ 200,339**	**¥ 100,696**	**¥ 782,074**	**¥ 530,803**	**¥ 581,690**	**¥ 38,922**	**¥ 2,519,435**
Intersegment revenues	**207**	**1**	**-**	**482**	**165**	**9,712**	**(10,567)**	**-**
Total revenues	**285,118**	**200,340**	**100,696**	**782,556**	**530,968**	**591,402**	**28,355**	**2,519,435**
Gross trading profit	**67,407**	**57,322**	**18,913**	**93,104**	**127,666**	**154,523**	**5,618**	**524,553**
Trading income	**10,947**	**13,930**	**9,369**	**23,979**	**23,890**	**28,033**	**(1,372)**	**108,776**
Net profit attributable to ITOCHU	**16,121**	**26,992**	**21,232**	**43,894**	**22,030**	**71,017**	**11,444**	**212,730**
[Equity in earnings (losses) of associates and joint ventures]	**[4,660]**	**[12,378]**	**[16,820]**	**[(483)]**	**[8,823]**	**[26,963]**	**[2,692]**	**[71,853]**
Total assets at September 30, 2015	**560,625**	**1,042,926**	**1,215,019**	**1,228,770**	**1,820,419**	**1,549,988**	**1,776,846**	**9,194,593**

For the six-month period ended September 30, 2014 (April 1, 2014 -September 30, 2014)

Millions of Yen

	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	ICT, General Products & Realty	Others, Adjustments & Eliminations	Consolidated
Revenues:								
Revenues from external customers	¥ 265,020	¥ 182,867	¥ 117,913	¥ 1,008,951	¥ 511,888	¥ 605,069	¥ 30,084	¥ 2,721,792
Intersegment revenues	4	52	-	534	127	10,458	(11,175)	-
Total revenues	265,024	182,919	117,913	1,009,485	512,015	615,527	18,909	2,721,792
Gross trading profit	63,579	57,110	34,424	84,347	120,628	145,269	8,586	513,943
Trading income	10,841	16,802	24,628	20,749	23,651	23,272	2,166	122,109
Net profit attributable to ITOCHU	12,240	26,126	28,134	13,281	25,959	38,135	8,337	152,212
[Equity in earnings (losses) of associates and joint ventures]	[4,747]	[11,695]	[14,847]	[(3,723)]	[14,230]	[17,828]	[34]	[59,658]
Total assets at September 30, 2014	538,568	1,013,948	1,287,644	1,465,722	1,635,694	1,552,209	845,207	8,338,992
Total assets at March 31, 2015	555,842	1,083,637	1,261,754	1,329,507	1,772,166	1,622,347	935,448	8,560,701

For the six-month period ended September 30, 2015 (April 1, 2015 -September 30, 2015)

Millions of U.S. dollars

	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	ICT, General Products & Realty	Others, Adjustments & Eliminations	Consolidated
Revenues:								
Revenues from external customers	**$ 2,375**	**$ 1,670**	**$ 839**	**$ 6,520**	**$ 4,425**	**$ 4,849**	**$ 324**	**$ 21,002**
Intersegment revenues	**2**	**0**	**-**	**4**	**1**	**81**	**(88)**	**-**
Total revenues	**2,377**	**1,670**	**839**	**6,524**	**4,426**	**4,930**	**236**	**21,002**
Gross trading profit	**562**	**478**	**158**	**776**	**1,064**	**1,288**	**47**	**4,373**
Trading income	**91**	**116**	**78**	**200**	**199**	**234**	**(11)**	**907**
Net profit attributable to ITOCHU	**134**	**225**	**177**	**366**	**184**	**592**	**95**	**1,773**
[Equity in earnings (losses) of associates and joint ventures]	**[39]**	**[103]**	**[140]**	**[(4)]**	**[74]**	**[225]**	**[22]**	**[599]**
Total assets at September 30, 2015	**4,673**	**8,694**	**10,129**	**10,243**	**15,175**	**12,921**	**14,812**	**76,647**

Note 1 : "Equity in earnings (losses) of associates and joint ventures" is included in Net profit attributable to ITOCHU.
Note 2 : "Trading income" = "Gross trading profit" + "Selling, general and administrative expenses" + "Provision for doubtful accounts"

(6) Assumption for Going Concern: None

(7) Information Concerning Dividend Payments

(Dividend payments in the six-month period ended September 30, 2015)

(Resolution)	Stock type	Total dividend amount	Dividend resource	Dividend per share	Record date	Effective date
General meeting of Shareholders on June 19, 2015	Common Stock	36,379 million yen	Retained earnings	23 yen	March 31, 2015	June 22, 2015

(The dividend which effective date is after September 30, 2015, and which record date belongs to the first half of the fiscal year)

(Resolution)	Stock type	Total dividend amount	Dividend resource	Dividend per share	Record date	Effective date
Board of directors meeting on November 5, 2015	Common Stock	39,542 million yen	Retained earnings	25 yen	September 30, 2015	December 2, 2015

(8) Significant Changes in Shareholders' Equity: None

(9) Material Subsequent Events: None

Highlights of Consolidated Financial Results for the 1st Half of FY 2016〔IFRS〕

Nov. 5, 2015
ITOCHU Corporation

(Unit: billion yen, (losses, decrease))

Financial topics for the 1st Half of FY 2016

1. "Net profit attributable to ITOCHU" increased by ¥60.5 bil. (39.8%) compared with the same period of the previous fiscal year, to ¥212.7 bil., and achieved the highest record for a 1st half and progressed 64.5% toward the outlook for FY2016

- "Net profit attributable to ITOCHU" for the Non-Resource Sector increased by ¥36.4 bil. compared with the same period of the previous fiscal year, to ¥159.1 bil., and achieved the highest record for a 1st half.
- Profits and losses from special factors included in "Net profit attributable to ITOCHU" was ¥67.0 bil. (profit) (¥6.0 bil. (profit) in the same period of the previous fiscal year).
- Ordinary profit excluding the profits and losses from special factors was nearly at the same level compared with the same period of the previous fiscal year of approximately ¥146.0 bil.

The favorable performance in the non-resource sector led by the consumer-related sector covered the decline of the natural resource-related sector.

2. "Total shareholders' equity" increased by ¥74.2 bil. (3.0%), to ¥2,507.4 bil. compared with March 31, 2015.

- "Total shareholders' equity" increased due to the increase in Net profit attributable to ITOCHU, despite the dividend payments, foreign currency translation accompanying the depreciation of the Australian dollar, and the decline in the stock prices of investments.
- NET DER was 1.3 times. NET DER excluding temporary funding portion for CP Group accompanying the acquisition of CITIC Limited shares (interest-bearing-debt of approximately ¥320.0 bil.) was at the same level as the outlook for FY2016 of 1.1 times.

3. "Cash flows from operating activities" increased by ¥9.0 bil. compared with the same period of the previous fiscal year, resulting in a Net cash-inflow of ¥146.7 bil.

- "Free cash flows" excluding the investment and loan accompanying the acquisition of CITIC Limited shares, approximately ¥920.0 bil. (including the temporary funding portion for CP Group, approximately ¥320.0 bil.) was approximately ¥170.0 bil. (Refer to "Cash Flows" section below)

	1st Half FY 2016	1st Half FY 2015	Increase (Decrease)
Non-Resource	159.1	122.7	36.4
Natural Resource /Energy-Related	47.1	21.2	25.9
Others	6.6	8.3	(1.8)
Total	212.7	152.2	60.5
Non-Resource/ Natural Resource	77%/23%	85%/15%	-8%/+8%

*The ratio is calculated excluding the [Others] from the [Total] as 100%

Consolidated Financial Results of Operations

	1st Half FY 2016	1st Half FY 2015	Increase (Decrease)
Revenues	2,519.4	2,721.8	(202.4)
Gross trading profit	524.6	513.9	10.6
Selling, general and administrative expenses	(412.8)	(390.7)	(22.1)
Provision for doubtful accounts	(3.0)	(1.1)	(1.9)
Gains on investments	52.1	17.5	34.6
Gains (losses) on property, plant, equipment and intangible assets	(0.3)	2.1	(2.4)
Other–net	8.5	8.2	0.3
Net interest expenses	(1.3)	(6.4)	5.0
Dividends received	7.5	9.5	(1.9)
Equity in earnings of associates and joint ventures	71.9	59.7	12.2
Profit before tax	247.2	212.7	34.5
Income tax expense	(25.3)	(52.9)	27.7
Net Profit	221.9	159.7	62.1
Net profit attributable to ITOCHU	212.7	152.2	60.5
Net profit attributable to non-controlling interests	9.1	7.5	1.6
Total comprehensive income attributable to ITOCHU	125.1	217.7	(92.6)

(Reference)

Trading income	108.8	122.1	(13.3)
Adjusted profit	189.8	186.0	3.9

"Trading income"= Gross trading profit + SG&A expenses + Provision for doubtful accounts
"Adjusted profit" = Gross trading profit + SG&A expenses + Net interest expenses + Dividends received + Equity in earnings of associates and joint ventures

Summary of changes from the same period of the previous fiscal year

- **Revenues**
  - Textile (+19.9): Mainly due to the income from EDWIN CO., LTD. from the second quarter of the previous fiscal year
  - Food (+18.9) : Due to higher transaction volume in food-distribution-related subsidiaries
  - Energy & Chemicals (-226.9): Mainly due to the decline in oil prices in energy trading transactions
- **Gross trading profit**
  - ICT, General Products & Realty (+9.3): Due to the sales of real properties for sale, the favorable performance in European tire-related companies, and the depreciation of the yen, despite the sales of housing-materials-related subsidiaries in the U.S. in this fiscal year
  - Energy & Chemicals (+8.8): Due to the favorable performance in the chemicals sector, and the acquisition of subsidiaries in energy-related companies in the previous fiscal year, despite the absence of the favorable performance in crude and fuel oil transactions in the same period of the previous fiscal year
  - Food (+7.0): Due to higher transaction volume in food-distribution-related subsidiaries and the stable performance in provisions-related subsidiaries
  - Metals & Minerals (-15.5): Due to the decline in iron ore and coal prices, despite the increase in iron ore sales volume, the reduction of costs in iron ore, and the improvement in foreign currency translation in iron ore and coal companies
- **SG&A expenses**
  - Increase due to higher expenses in existing subsidiaries and the acquisition of subsidiaries in the previous fiscal year
- **Provision for doubtful accounts**
  - Increase in allowance for doubtful accounts in foreign subsidiaries
- **Gains on investments**
  - Increase due to the gain on sales of housing-materials-related subsidiaries in the U.S. in this fiscal year
- **Net interest expenses**
  - Improvement due to the higher interest income accompanying the providing of loan regarding the acquisition of CITIC Limited shares
- **Equity in earnings of associates and joint ventures**
  - ICT, General Products & Realty (+9.1): Increase due to the contribution of new associated companies, and the improvement in foreign currency translation in foreign pulp-related companies
  - Energy & Chemicals (+3.2): Improvement due to the absence of the impairment loss in an U.S. oil and gas development company in the same period of the previous fiscal year, despite the effect of scheduled maintenance of methanol-related companies
  - Metals & Minerals (+2.0): Increase due to the improvement in foreign currency translation in a Brazilian iron ore company, despite the stagnant market conditions and lower demand in steel products-related companies
  - Food (-5.4): Decrease due to the effect from the conversion of TING HSIN (CAYMAN ISLANDS) HOLDING CORP. from associated companies to other investments, and the absence of the gain on sales of affiliates in the CVS companies in the same period of the previous fiscal year
- **Income tax expense**
  - Improvement of tax expenses accompanying the disposal of an U.S. oil and gas development company

Outlook for FY 2016 (Disclosed on May 1, 2015)	Progress (%)
5,600.0	45.0%
1,100.0	47.7%
(856.0)	48.2%
(4.0)	-
41.0	-
(19.0)	7.1%
24.0	31.4%
120.0	59.9%
406.0	60.9%
(58.0)	43.6%
348.0	63.8%
330.0	64.5%
18.0	50.8%
240.0	45.3%
369.0	51.4%

Operating Segment Information

	Net profit attributable to ITOCHU: 1st Half FY 2016	1st Half FY 2015	Increase (Decrease)	Summary of changes from the same period of the previous fiscal year	(Reference) Trading Income: 1st Half FY 2016	1st Half FY 2015	Increase (Decrease)
Textile	16.1	12.2	3.9	Increase due to the gain on remeasurement from the conversion of a China-related company from an associated company to other investments, despite trading income keeping nearly the same level compared with the previous fiscal year	10.9	10.8	0.1
Machinery	27.0	26.1	0.9	Increase due to the increase in equity in earnings of associates and joint ventures, the improvement in net interest expenses, and the improvement in foreign currency translation, despite lower trading income	13.9	16.8	(2.9)
Metals & Minerals	21.2	28.1	(6.9)	Decrease due to lower trading income, despite the increase in equity in earnings of associates and joint ventures accompanying the improvement in foreign currency translation in a Brazilian iron ore company, and the absence of the reversal of deferred tax assets regarding MRRT in the same period of the previous fiscal year	9.4	24.6	(15.3)
Energy & Chemicals	43.9	13.3	30.6	Increase due to higher trading income, the absence of the impairment loss in an U.S. oil and gas development company in the same period of the previous fiscal year, and the improvement in tax expenses accompanying the disposal of the company in this fiscal year	24.0	20.7	3.2
Food	22.0	26.0	(3.9)	Decrease due to the lower equity in earnings of associates and joint ventures from the effect of the conversion of TING HSIN (CAYMAN ISLANDS) HOLDING CORP. from associated companies to other investments, and the absence of the gain on sales of affiliates in the CVS companies in the same period of the previous fiscal year, despite trading income keeping nearly the same level compared with the previous fiscal year	23.9	23.7	0.2
ICT, General Products & Realty	71.0	38.1	32.9	Increase due to higher trading income, increase in equity in earnings of associates and joint ventures, and the gain on sales of housing-materials-related subsidiaries in the U.S. in this fiscal year	28.0	23.3	4.8
Others, Adjustments & Eliminations	11.4	8.3	3.1		(1.4)	2.2	(3.5)
Consolidated	212.7	152.2	60.5		108.8	122.1	(13.3)

Financial Position

	Sep. 2015	Mar. 2015	Increase (Decrease)	Outlook for FY2016 (Disclosed on May 1, 2015)
Total assets	9,194.6	8,560.7	633.9	9,200.0
Interest-bearing debt	3,817.0	3,092.2	724.8	3,550.0
Net interest-bearing debt	3,177.2	2,380.5	796.7	2,900.0
Total shareholders' equity	2,507.4	2,433.2	74.2	2,600.0
Ratio of shareholders' equity to total assets	27.3%	28.4%	(1.2 pt)	28.3%
Net debt-to-shareholders' equity ratio (times)	1.3	0.98	0.3	1.1
Total equity	2,816.9	2,748.3	68.6	2,900.0

Summary of changes from the previous fiscal year end

- **Total assets** : Increased by 7.4%, or 633.9 billion yen, compared with March 31, 2015, to 9,194.6 billion yen (76,647 million U.S. dollars). This increase was due to the investment and loan accompanying the acquisition of CITIC Limited shares, approximately 920.0 billion yen (including the temporary funding portion for CP Group, approximately 320.0 billion yen), despite the decrease in trade receivables and the sales of housing-materials-related subsidiaries in the U.S.
- **Net interest-bearing debt**: Increased by 33.5%, or 796.7 billion yen, compared with March 31, 2015, to 3,177.2 billion yen (26,485 million U.S. dollars), due to the increase in borrowings regarding the investment and loan accompanying the acquisition of CITIC Limited shares, approximately 920.0 billion yen (including the temporary funding portion for CP Group, approximately 320.0 billion yen), despite repayment of debt accompanying the steady collections of trade receivables.
- **Total shareholders' equity**: Increased by 3.0%, or 74.2 billion yen, compared with March 31, 2015, to 2,507.4 billion yen (20,902 million U.S. dollars), due to the increase in Net profit attributable to ITOCHU, despite the dividend payments, foreign currency translation accompanying the depreciation of the Australian dollar, and the decline in the stock prices of investments. Ratio of shareholders' equity to total assets decreased by 1.2 point to 27.3% compared with March 31, 2015. NET DER (Net debt-to-shareholders' equity ratio) slightly increased compared with March 31, 2015 to 1.3 times.

Cash Flows

	1st Half FY 2016	1st Half FY 2015
Operating activities	146.7	137.8
Investing activities	(892.8)	(201.7)
Free cash flows *	*(746.1)*	*(64.0)*
Financing activities	676.2	33.8
Cash and cash equivalents	630.8	629.5
Increase (Decrease)	(69.5)	(24.2)

* "Free cash flows" excluding the investment & loan (approx. ¥920.0 bil.) accompanying acquisition of CITIC Ltd. shares: approx. ¥170.0 bil.

Summary of Cash Flows for the 1st Half of FY 2016

- **Operating**: Net cash-inflow of 146.7 billion yen (1,223 million U.S. dollars), resulting from the steady collections of trade receivables in the food and energy sectors, the stable performance in operating revenue in the metals sector, despite the decrease in trade payable in the construction, realty & logistics sector and finance & insurance business sector, and the increase in inventories in the ICT sector.
- **Investing**: Net cash-outflow of 892.8 billion yen (7,443 million U.S. dollars), due to the investment and loan accompanying the acquisition of CITIC Limited shares, approximately 920.0 billion yen (including the temporary funding portion for CP Group, approximately 320.0 billion yen), despite the sales of housing-materials-related subsidiaries in the U.S., approximately 100.0 billion yen.
- **Financing**: Net cash-inflow of 676.2 billion yen (5,637 million U.S. dollars), due to the increase in debt, despite the dividend payments.

Group Companies (Net profit attributable to ITOCHU)

(C): Consolidated subsidiary (E): Equity-method company

		1st Half FY 2016	1st Half FY 2015	Increase (Decrease)	Summary of changes from the previous fiscal year
ITOCHU International Inc.	(C)	20.7	5.5	15.1	Increase due to the stable performance in the chemical-related sector, and the gain on sales of housing-materials-related subsidiaries
ITOCHU Minerals & Energy of Australia Pty Ltd	(C)	13.1	19.0	(5.9)	Decrease due to the decline in iron ore and coal prices, despite the reduction of costs, the improvement in foreign currency translation and the absence of the reversal of deferred tax assets regarding MRRT in the same period of the previous fiscal year
NIPPON ACCESS, INC.	(C)	5.0	4.9	0.1	Nearly at the same level due to higher transaction volume and the improvement in profitability, despite the increase in distribution costs, and expenses accompanying the implementation of a new system
FamilyMart Co., Ltd.	(E)	4.9	7.3	(2.3)	Decrease due to the absence of the gain on sales of affiliates in Korea in the same period of the previous fiscal year, despite the increase in trading income due to the favorable domestic business
ITOCHU Coal Americas Inc.	(C)	(1.2)	0.9	(2.1)	Deterioration due to the absence of dividends from Colombian coal companies (converted from associated companies to other investments in the third quarter of the previous fiscal year) accompanying the decline in coal prices, resulting in recognition of only interest payments and expenses

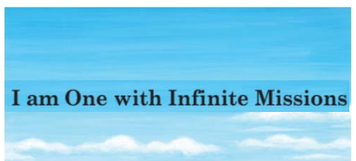
Dividend Information (Per Share)

Annual (Planned)	50 yen (minimum)
Interim	25 yen

Major Indicates

		1st Half FY 2016	1st Half FY 2015	Variance
Foreign exchange (Yen/US$)	Average	121.87	102.11	19.76
	Closing	Sep.-15 119.96	Mar.-15 120.17	(0.21)
Interest	JPY TIBOR 3M, average	0.171%	0.210%	(0.039%)
	US$ LIBOR 3M, average	0.297%	0.231%	+ 0.066%
Crude oil (Brent) (US$/BBL) average		56.53	106.57	(50.04)
Iron ore (US$/ton)		57	109	(52)
Hard coking coal (US$/ton) (*)		101	120	(19)
Thermal coal (US$/ton)		68	82	(14)

(*) The Company recognizes these prices as common transaction prices based on market information.



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Exhibit(Highlights)