-Unaudited-

August 2, 2016

Consolidated Financial Results for the First Quarter of the Fiscal Year 2017 Ending March 31, 2017

[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: -

1. Consolidated operating results for the first quarter of the fiscal year 2017 (from April 1, 2016 to June 30, 2016)

(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 quarter of	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Fiscal year 2017	1,106,647	(12.1)	48,449	3.8	97,197	(21.6)	75,844	(40.4)	73,082	(39.8)	(66,268)	-
Fiscal year 2016	1,259,083	(4.9)	46,682	(12.4)	124,007	16.0	127,243	52.8	121,459	50.3	145,342	89.6

	Basic earnings per share attributable to ITOCHU	Diluted earnings per share attributable to ITOCHU
For the first quarter of	yen	yen
Fiscal year 2017	46.26	46.26
Fiscal year 2016	76.85	75.48

Equity in earnings of associates and joint ventures (millions of yen) 1st quarter of FY 2017 : 37,094 [(1.8%)] 1st quarter of FY 2016 : 37,759 [+ 12.7%]
Total comprehensive income (millions of yen) 1st quarter of FY 2017 : (68,658) [- %] 1st quarter of FY 2016 : 141,797 [+ 79.5%]

(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
June 30, 2016	7,664,525	2,339,905	2,088,270	27.2	1,321.93
March 31, 2016	8,036,395	2,452,055	2,193,677	27.3	1,388.66

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 2016	-	25.00	-	25.00	50.00
Fiscal year 2017	-				
Fiscal year 2017 (Planned)		27.50	-	27.50	55.00

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

3. Outlook of consolidated operating results for fiscal year 2017 (from April 1, 2016 to March 31, 2017)

(%: 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 2017	5,000,000	(1.6)	240,000	6.0	463,000	43.5	373,000	35.0	350,000	45.6	221.56

(Note) Revisions to the outlook of consolidated operating results announced most recently: None
(Note) Outlook of consolidated operating results for the first half of fiscal year 2017 is not prepared.

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 quarter of FY 2017	1,662,889,504	Fiscal Year 2016	1,662,889,504
(b) Number of treasury stock:	1st quarter of FY 2017	83,172,746	Fiscal Year 2016	83,176,232
(c) Average number of common shares outstanding:	1st quarter of FY 2017	1,579,712,538	1st quarter of FY 2016	1,580,461,557

[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 102.91 yen = 1 U.S. dollar, the exchange rate prevailing on June 30, 2016. 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 three-month period ended June 30, 2016]

(a) General Economic Situation

For the three-month period ended June 30, 2016, the global economy grew at a sluggish pace overall reflecting the situation in Europe which became increasingly uncertain due to the disarray surrounding the Brexit decision. In addition, the economy was slow and stagnant in certain emerging countries centered on resource-supplying countries, although the U.S. economy moderately expanded. Reflecting the expectations of improvement in supply-demand balance stemming from production adjustments made by major oil producing nations and reduced shale oil production in the U.S., the WTI crude oil price rebounded from the US$35-40 range per barrel in early April to the US$50 level in June.

In Japan, exports were down due to the deterioration of overseas economic conditions and the ease in the effect of the yen depreciation. In addition, corporate and consumer sentiment deteriorated due to the trend of yen appreciation and lower stock prices since the beginning of the year. Companies took an increasingly cautious approach to capital investment, and consumer spending remained weak due in part to stagnant wage growth. Overall, economic conditions in Japan continued to be stagnant.

The yen appreciated against the U.S. dollar from the ¥112 level in the beginning of April to the ¥102 level in the end of June since the trend toward purchasing the yen as a risk-free asset strengthened due to fading expectations for an increase in interest rates in the U.S. and the disarray surrounding the Brexit decision. Although the Nikkei Stock Average recovered to the ¥17,000 level in late April due to the expectations of additional monetary easing by the Bank of Japan and generally remained at the higher ¥16,000 range, the price weakened and temporarily dropped to below ¥15,000 due to the stagnant economy, yen appreciation and concerns about the impact of the economic uncertainty in Europe on corporate earnings. The yield on 10-year Japanese government bonds widened its negative width to the minus 0.2% level in late June due to the continued stagnant economy.

(b) Consolidated Operating Results

	Billions of Yen				Millions of U.S. Dollars
	Apr.-Jun. 2016	Apr.-Jun. 2015	Increase (Decrease)	%	Apr.-Jun. 2016
Revenues	1,106.6	1,259.1	(152.4)	(12.1%)	10,754
Gross trading profit	248.9	253.7	(4.8)	(1.9%)	2,418
Selling, general and administrative expenses	(199.7)	(205.4)	5.7	(2.8%)	(1,940)
Gains on investments	8.8	33.0	(24.2)	(73.3%)	86
Equity in earnings of associates and joint ventures	37.1	37.8	(0.7)	(1.8%)	360
Income tax expense	(21.4)	3.2	(24.6)	-	(207)
Net profit attributable to ITOCHU	73.1	121.5	(48.4)	(39.8%)	710
(Reference) Trading income	48.4	46.7	1.8	3.8%	471

(i) Revenues (from external customers)

Decreased by 12.1%, or 152.4 billion yen, compared with the same period of the previous fiscal year, to 1,106.6 billion yen (10,754 million U.S. dollars).

- Energy & Chemicals Company:
  Decreased by 83.8 billion yen compared with the same period of the previous fiscal year, to 316.1 billion yen (3,071 million U.S. dollars), due to the lower sales volume in energy trading transactions, the decline in oil prices, and the appreciation of the yen.

- General Products & Realty Company:
  Decreased by 23.8 billion yen compared with the same period of the previous fiscal year, to 133.6 billion yen (1,299 million U.S. dollars), due to the de-consolidation of a housing-materials-related company in the U.S. in the previous fiscal year, and the appreciation of the yen.

- Metals & Minerals Company:
  Decreased by 11.2 billion yen compared with the same period of the previous fiscal year, to 37.2 billion yen (361 million U.S. dollars), mainly due to the decline in iron ore and coal prices.

- Textile Company:
  Decreased by 10.6 billion yen compared with the same period of the previous fiscal year, to 119.8 billion yen (1,164 million U.S. dollars), due to the unfavorable sales in apparel-related companies.

(ii) Gross trading profit

Decreased by 1.9%, or 4.8 billion yen, compared with the same period of the previous fiscal year, to 248.9 billion yen (2,418 million U.S. dollars).

- Food Company:
  Increased by 3.4 billion yen compared with the same period of the previous fiscal year, to 67.1 billion yen (652 million U.S. dollars), due to the improvement in profitability in food-distribution-related and fresh-food-related companies.

- Energy & Chemicals Company:
  Decreased by 4.3 billion yen compared with the same period of the previous fiscal year, to 38.2 billion yen (371 million U.S. dollars), due to the lower transaction volume in crude oil, fuel oil, and self-developed crude oil transactions, and the decline in oil prices, despite the stable performance in chemical trading transactions.

- General Products & Realty Company:
  Decreased by 3.9 billion yen compared with the same period of the previous fiscal year, to 37.2 billion yen (361 million U.S. dollars), due to the de-consolidation of a housing-materials-related company in the U.S. in the previous fiscal year, and the appreciation of the yen.

(iii) Selling, general and administrative expenses

Decreased by 2.8%, or 5.7 billion yen, compared with the same period of the previous fiscal year, to 199.7 billion yen (1,940 million U.S. dollars), due to the de-consolidation of a housing-materials-related company in the U.S. in the previous fiscal year and lower expenses in foreign companies accompanying the appreciation of the yen.

(iv) Gains on investments

Decreased by 73.3%, or 24.2 billion yen, compared with the same period of the previous fiscal year, to 8.8 billion yen (86 million U.S. dollars), due to the absence of the gain on sales of a housing-materials-related company in the U.S. in the previous fiscal year, despite the gain on sales of a medical-device-related company.

(v) Equity in earnings of associates and joint ventures

Decreased by 1.8%, or 0.7 billion yen, compared with the same period of the previous fiscal year, to 37.1 billion yen (360 million U.S. dollars).

- Metals & Minerals Company:

  Decreased by 10.0 billion yen compared with the same period of the previous fiscal year, to 3.6 billion yen (35 million U.S. dollars), due to the discontinued recognition of investments accounted for by the equity method of a Brazilian iron ore company in the previous fiscal year.

- General Products & Realty Company:

  Decreased by 3.8 billion yen compared with the same period of the previous fiscal year, to 2.4 billion yen (23 million U.S. dollars), due to the stagnant market conditions and foreign currency translation in foreign pulp-related companies.

- Others, Adjustments & Eliminations(*)

  Increased by 12.9 billion yen compared with the same period of the previous fiscal year, to 13.0 billion yen (126 million U.S. dollars), due to the start of equity pick-up of CITIC Limited from the third quarter of the previous fiscal year, and other factors.

(*)Others, Adjustments & Eliminations includes gains and losses which cannot be allocated to each operating segment and internal eliminations between operating segments. For more details, please refer to page 15, "3.(5) Operating Segment Information".

(vi) Income tax expense

Deteriorated by 24.6 billion yen compared with the same period of the previous fiscal year, to 21.4 billion yen (207 million U.S. dollars), due to the absence of the improvement in tax expenses accompanying the disposal of a U.S. oil and gas development company in the same period of the previous fiscal year.

(vii) Net profit attributable to ITOCHU

Consequently, Net profit attributable to ITOCHU decreased by 39.8%, or 48.4 billion yen, compared with the same period of the previous fiscal year, to 73.1 billion yen (710 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") increased by 3.8%, or 1.8 billion yen, compared with the same period of the previous fiscal year, to 48.4 billion yen (471 million U.S. dollars).

- Food Company:
  Increased by 2.4 billion yen compared with the same period of the previous fiscal year, to 14.9 billion yen (144 million U.S. dollars), mainly due to higher gross trading profit.

- Metals & Minerals Company:
  Increased by 1.8 billion yen compared with the same period of the previous fiscal year, to 6.8 billion yen (66 million U.S. dollars), due to lower expenses and higher gross trading profit resulting from the reduction of costs in the iron ore and coal-related business, despite the decline in iron ore and coal prices.

- Energy & Chemicals Company:
  Decreased by 3.5 billion yen compared with the same period of the previous fiscal year, to 4.5 billion yen (44 million U.S. dollars), due to lower gross trading profit, despite the absence of unordinary expenses in the same period of the previous fiscal year.

(2) Qualitative Information of the Consolidated Financial Position

(a) Consolidated Financial Position

	Billions of Yen				Millions of U.S. Dollars
	Jun. 2016	Mar. 2016	Increase (Decrease)	%	Jun. 2016
Total assets	7,664.5	8,036.4	(371.9)	(4.6%)	74,478
Interest-bearing debt	3,075.4	3,196.2	(120.8)	(3.8%)	29,884
Net interest-bearing debt	2,424.9	2,555.6	(130.7)	(5.1%)	23,564
Total shareholders' equity	2,088.3	2,193.7	(105.4)	(4.8%)	20,292
Ratio of shareholders' equity to total assets	27.2%	27.3%	(0.1pt)		
NET DER (times)	1.16	1.17	nearly same level		

(i) Total assets

Decreased by 4.6%, or 371.9 billion yen, compared with March 31, 2016, to 7,664.5 billion yen (74,478 million U.S. dollars). This decrease was due to the collections of trade receivables in domestic ICT-related and mobile-phone-related companies, and the appreciation of the yen.

(ii) Interest-bearing debt

Decreased by 3.8%, or 120.8 billion yen, compared with March 31, 2016, to 3,075.4 billion yen (29,884 million U.S. dollars), due to the appreciation of the yen. Net interest-bearing debt (Interest-bearing debt after deducting Cash and cash equivalents and Time deposits) decreased by 5.1%, or 130.7 billion yen, compared with March 31, 2016, to 2,424.9 billion yen (23,564 million U.S. dollars).

(iii) Total shareholders' equity

Decreased by 4.8%, or 105.4 billion yen, compared with March 31, 2016, to 2,088.3 billion yen (20,292 million U.S. dollars), due to the dividend payments and the effect of the appreciation of the yen, despite the increase in Net profit attributable to ITOCHU.

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

Ratio of shareholders' equity to total assets slightly decreased by 0.1 points to 27.2% compared with March 31, 2016. NET DER (Net debt-to-shareholders' equity ratio) was nearly at the same level compared with March 31, 2016, at 1.16 times.

(b) Consolidated Cash Flows

	Billions of Yen		Millions of U.S. Dollars
	Apr.-Jun. 2016	Apr.-Jun. 2015	Apr.-Jun. 2016
Cash flows from operating activities	56.9	71.0	553
Cash flows from investing activities	(8.9)	(410.1)	(87)
Free cash flows.....	*48.0*	*(339.1)*	*466*
Cash flows from financing activities	(22.2)	226.3	(215)

(i) Cash flows from operating activities

Recorded a net cash-inflow of 56.9 billion yen (553 million U.S. dollars), resulting from the stable performance in operating revenue and the steady collections in the Metals & Minerals, Energy, and Machinery sectors, despite the increase in trade receivables in the Food sector and the decrease in trade payables in the Construction, Realty & Logistics sector.

(ii) Cash flows from investing activities

Recorded a net cash-outflow of 8.9 billion yen (87 million U.S. dollars), due to the additional investment in a CVS company.

(iii) Cash flows from financing activities

Recorded a net cash-outflow of 22.2 billion yen (215 million U.S. dollars), due to the dividend payments, despite the increase in debt.

Consequently, Cash and cash equivalents as of June 30, 2016, increased by 87.0 billion yen to 641.6 billion yen (6,235 million U.S. dollars) compared with March 31, 2016.

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. Quarterly Consolidated Financial Statements［Condensed］

(1) Consolidated Statement of Comprehensive Income［Condensed］

ITOCHU Corporation and its Subsidiaries

For the three-month periods ended June 30, 2016 and 2015

	Millions of Yen		Millions of U.S. Dollars
	Apr.-Jun. 2016	Apr.-Jun. 2015	**Apr.-Jun. 2016**
Revenues:			
Revenues from sale of goods	**¥ 932,325**	¥ 1,083,670	**$ 9,060**
Revenues from rendering of services and royalties	**174,322**	175,413	**1,694**
Total revenues	**1,106,647**	1,259,083	**10,754**
Cost:			
Cost of sale of goods	**(727,945)**	(874,124)	**(7,074)**
Cost of rendering of services and royalties	**(129,815)**	(131,309)	**(1,262)**
Total cost	**(857,760)**	(1,005,433)	**(8,336)**
Gross trading profit	**248,887**	253,650	**2,418**
Other gains (losses):			
Selling, general and administrative expenses	**(199,692)**	(205,406)	**(1,940)**
Provision for doubtful accounts	**(746)**	(1,562)	**(7)**
Gains on investments	**8,811**	32,996	**86**
Losses on property, plant, equipment and intangible assets	**(5)**	(613)	**(0)**
Other-net	**(2,289)**	3,088	**(23)**
Total other-losses	**(193,921)**	(171,497)	**(1,884)**
Financial income (loss):			
Interest income	**6,067**	5,173	**59**
Dividends received	**5,274**	5,692	**51**
Interest expense	**(6,204)**	(6,770)	**(60)**
Total financial income	**5,137**	4,095	**50**
Equity in earnings of associates and joint ventures	**37,094**	37,759	**360**
Profit before tax	**97,197**	124,007	**944**
Income tax expense	**(21,353)**	3,236	**(207)**
Net Profit	**75,844**	127,243	**737**
Net profit attributable to ITOCHU	**73,082**	121,459	**710**
Net profit attributable to non-controlling interests	**2,762**	5,784	**27**

	Millions of Yen		Millions of U.S. Dollars
	Apr.-Jun. 2016	Apr.-Jun. 2015	**Apr.-Jun. 2016**
Other comprehensive income, net of tax:			
Items that will not be reclassified to profit or loss			
FVTOCI financial assets	**¥ (10,080)**	¥ 5,058	**$ (98)**
Remeasurement of net defined pension liability	**(269)**	(22)	**(3)**
Other comprehensive income in associates and joint ventures	**(1,995)**	6,408	**(19)**
Items that will be reclassified to profit or loss			
Translation adjustments	**(103,981)**	27,526	**(1,010)**
Cash flow hedges	**(4)**	(1,043)	**(0)**
Other comprehensive income in associates and joint ventures	**(28,173)**	(23,373)	**(274)**
Total other comprehensive income (loss), net of tax	**(144,502)**	14,554	**(1,404)**
Total comprehensive income	**(68,658)**	141,797	**(667)**
Total comprehensive income attributable to ITOCHU	**(66,268)**	145,342	**(644)**
Total comprehensive income attributable to non-controlling interests	**(2,390)**	(3,545)	**(23)**

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 three-month periods ended June 30, 2016 and 2015 were 48,449 million yen (471 million U.S. dollars) and 46,682 million yen, respectively.

(2) Consolidated Statement of Financial Position［Condensed］

ITOCHU Corporation and its Subsidiaries

As of June 30, 2016 and March 31, 2016

Assets	Millions of Yen		Millions of U.S. Dollars
	Jun. 2016	Mar. 2016	**Jun. 2016**
Current assets:			
Cash and cash equivalents	**¥ 641,617**	¥ 632,871	**$ 6,235**
Time deposits	**8,814**	7,650	**86**
Trade receivables	**1,734,016**	1,843,541	**16,850**
Other current receivables	**123,602**	129,769	**1,201**
Other current financial assets	**43,048**	35,485	**418**
Inventories	**708,490**	717,124	**6,885**
Advances to suppliers	**172,460**	194,317	**1,676**
Other current assets	**116,893**	106,745	**1,135**
Total current assets	**3,548,940**	3,667,502	**34,486**
Non-current assets:			
Investments accounted for by the equity method	**1,452,793**	1,500,094	**14,117**
Other investments	**753,735**	804,585	**7,324**
Non-current receivables	**574,919**	634,324	**5,587**
Non-current financial assets other than investments and receivables	**110,117**	133,202	**1,070**
Property, plant and equipment	**659,943**	701,565	**6,413**
Investment property	**31,178**	29,132	**303**
Goodwill and intangible assets	**384,167**	405,862	**3,733**
Deferred tax assets	**59,163**	63,814	**575**
Other non-current assets	**89,570**	96,315	**870**
Total non-current assets	**4,115,585**	4,368,893	**39,992**
Total assets	**¥ 7,664,525**	¥ 8,036,395	**$ 74,478**

Liabilities and Equity	Millions of Yen		Millions of U.S. Dollars
	Jun. 2016	Mar. 2016	**Jun. 2016**
Current liabilities:			
Short-term debentures and borrowings	**¥ 474,050**	¥ 426,820	**$ 4,606**
Trade payables	**1,371,258**	1,469,505	**13,325**
Other current payables	**68,399**	67,837	**664**
Other current financial liabilities	**38,615**	25,164	**375**
Current tax liabilities	**16,151**	29,375	**157**
Advances from customers	**157,916**	170,194	**1,535**
Other current liabilities	**268,761**	284,303	**2,612**
Total current liabilities	**2,395,150**	2,473,198	**23,274**
Non-current liabilities:			
Long-term debentures and borrowings	**2,601,330**	2,769,345	**25,278**
Other non-current financial liabilities	**110,336**	105,722	**1,072**
Non-current liabilities for employee benefits	**67,314**	67,639	**654**
Deferred tax liabilities	**65,608**	79,637	**638**
Other non-current liabilities	**84,882**	88,799	**825**
Total non-current liabilities	**2,929,470**	3,111,142	**28,467**
Total liabilities	**5,324,620**	5,584,340	**51,741**
Equity:			
Common stock:			
Authorized: 3,000,000,000 shares;			
issued: 1,662,889,504 shares	**253,448**	253,448	**2,463**
Capital surplus	**157,228**	156,688	**1,528**
Retained earnings	**1,780,349**	1,748,375	**17,300**
Other components of equity :			
Translation adjustments	**76,915**	202,795	**747**
FVTOCI financial assets	**(61,243)**	(51,630)	**(595)**
Cash flow hedges	**(12,848)**	(10,415)	**(125)**
Total other components of equity	**2,824**	140,750	**27**
Treasury stock	**(105,579)**	(105,584)	**(1,026)**
Total shareholders' equity	**2,088,270**	2,193,677	**20,292**
Non-controlling interests	**251,635**	258,378	**2,445**
Total equity	**2,339,905**	2,452,055	**22,737**
Total liabilities and equity	**¥ 7,664,525**	¥ 8,036,395	**$ 74,478**

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

ITOCHU Corporation and its Subsidiaries

For the three-month periods ended June 30, 2016 and 2015

	Millions of Yen		Millions of U.S. Dollars
	Apr.-Jun. 2016	Apr.-Jun. 2015	**Apr.-Jun. 2016**
Common stock:			
Balance at the beginning of the period	**¥ 253,448**	¥ 253,448	**$ 2,463**
Balance at the end of the period	**¥ 253,448**	¥ 253,448	**$ 2,463**
Capital surplus:			
Balance at the beginning of the period	**¥ 156,688**	¥ 164,154	**$ 1,523**
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests	**540**	(3,322)	**5**
Balance at the end of the period	**¥ 157,228**	¥ 160,832	**$ 1,528**
Retained earnings:			
Balance at the beginning of the period	**¥ 1,748,375**	¥ 1,587,318	**$ 16,989**
Net profit attributable to ITOCHU	**73,082**	121,459	**710**
Transfer from other components of equity	**(1,567)**	3,094	**(15)**
Cash dividends	**(39,541)**	(36,379)	**(384)**
Balance at the end of the period	**¥ 1,780,349**	¥ 1,675,492	**$ 17,300**
Other components of equity:			
Balance at the beginning of the period	**¥ 140,750**	¥ 532,424	**$ 1,368**
Other comprehensive income attributable to ITOCHU	**(139,350)**	23,883	**(1,354)**
Transfer to retained earnings	**1,567**	(3,094)	**15**
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests	**(143)**	7	**(2)**
Balance at the end of the period	**¥ 2,824**	¥ 553,220	**$ 27**
Treasury stock:			
Balance at the beginning of the period	**¥ (105,584)**	¥ (104,142)	**$ (1,026)**
Net change in treasury stock	**5**	(10)	**0**
Balance at the end of the period	**¥ (105,579)**	¥ (104,152)	**$ (1,026)**
Total shareholders' equity	**¥ 2,088,270**	¥ 2,538,840	**$ 20,292**
Non-controlling interests:			
Balance at the beginning of the period	**¥ 258,378**	¥ 315,049	**$ 2,511**
Net profit attributable to non-controlling interests	**2,762**	5,784	**27**
Other comprehensive income attributable to non-controlling interests	**(5,152)**	(9,329)	**(50)**
Cash dividends to non-controlling interests	**(4,896)**	(4,554)	**(48)**
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests	**543**	(5,496)	**5**
Balance at the end of the period	**¥ 251,635**	¥ 301,454	**$ 2,445**
Total equity	**¥ 2,339,905**	¥ 2,840,294	**$ 22,737**

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

ITOCHU Corporation and its Subsidiaries

For the three-month periods ended June 30, 2016 and 2015

	Millions of Yen		Millions of U.S. Dollars
	Apr.-Jun. 2016	Apr.-Jun. 2015	**Apr.-Jun. 2016**
Cash flows from operating activities:			
Net profit	**¥ 75,844**	¥ 127,243	**$ 737**
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization	**25,575**	30,807	**249**
Provision for doubtful accounts	**746**	1,562	**7**
Gains on investments	**(8,811)**	(32,996)	**(86)**
Losses on property, plant, equipment and intangible assets	**5**	613	**0**
Financial income	**(5,137)**	(4,095)	**(50)**
Equity in earnings of associates and joint ventures	**(37,094)**	(37,759)	**(360)**
Income tax expense	**21,353**	(3,236)	**207**
Changes in assets and liabilities, other-net	**(5,010)**	5,245	**(49)**
Proceeds from interest	**3,895**	3,140	**38**
Proceeds from dividends	**25,404**	27,301	**247**
Payments for interest	**(6,395)**	(6,278)	**(62)**
Payments for income taxes	**(33,431)**	(40,537)	**(325)**
Net cash provided by operating activities	**56,944**	71,010	**553**
Cash flows from investing activities:			
Net payments for purchase of investments accounted for by the equity method	**(3,289)**	(4,893)	**(32)**
Net proceeds from sale of other investments	**1,273**	87,780	**12**
Net collection (origination) of loans receivable	**11,790**	(480,292)	**115**
Net payments for purchase of property, plant, equipment and intangible assets	**(17,288)**	(16,668)	**(168)**
Net (increase) decrease in time deposits	**(1,418)**	3,961	**(14)**
Net cash used in investing activities	**(8,932)**	(410,112)	**(87)**
Cash flows from financing activities:			
Net proceeds from debentures and loans payable	**22,913**	272,763	**223**
Cash dividends	**(39,541)**	(36,379)	**(384)**
Other	**(5,525)**	(10,121)	**(54)**
Net cash (used in) provided by financing activities	**(22,153)**	226,263	**(215)**
Net increase (decrease) in cash and cash equivalents	**25,859**	(112,839)	**251**
Cash and cash equivalents at the beginning of the period	**632,871**	700,292	**6,150**
Effect of exchange rate changes on cash and cash equivalents	**(17,113)**	7,619	**(166)**
Cash and cash equivalents at the end of the period	**¥ 641,617**	¥ 595,072	**$ 6,235**

(5) Operating Segment Information

ITOCHU Corporation and its Subsidiaries
For the three-month periods ended June 30, 2016 and 2015

Information concerning operations in different operating segments for the three-month periods ended June 30, 2016 and 2015 is as follows:

For the three-month period ended June 30, 2016 (April 1, 2016 -June 30, 2016)

Millions of Yen

	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	General Products & Realty	ICT & Financial Business	Others, Adjustments & Eliminations	Consolidated
Revenues:									
Revenues from external customers	**¥ 119,800**	**¥ 91,151**	**¥ 37,159**	**¥ 316,077**	**¥ 261,991**	**¥ 133,627**	**¥ 140,553**	**¥ 6,289**	**¥ 1,106,647**
Intersegment revenues	**158**	**-**	**-**	**183**	**83**	**3,213**	**1,536**	**(5,173)**	**-**
Total revenues	**119,958**	**91,151**	**37,159**	**316,260**	**262,074**	**136,840**	**142,089**	**1,116**	**1,106,647**
Gross trading profit	**31,012**	**25,473**	**11,134**	**38,214**	**67,083**	**37,157**	**35,465**	**3,349**	**248,887**
Trading income	**4,373**	**6,109**	**6,785**	**4,488**	**14,861**	**8,416**	**4,022**	**(605)**	**48,449**
Net profit attributable to ITOCHU	**4,240**	**16,498**	**8,381**	**4,534**	**12,772**	**9,121**	**8,444**	**9,092**	**73,082**
[Equity in earnings (losses) of associates and joint ventures]	**[473]**	**[5,457]**	**[3,642]**	**[991]**	**[3,136]**	**[2,426]**	**[8,003]**	**[12,966]**	**[37,094]**
Total assets at June 30, 2016	**495,109**	**919,882**	**798,361**	**1,014,270**	**1,718,907**	**782,043**	**627,960**	**1,307,993**	**7,664,525**

For the three-month period ended June 30, 2015 (April 1, 2015 -June 30, 2015)

Millions of Yen

	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	General Products & Realty	ICT & Financial Business	Others, Adjustments & Eliminations	Consolidated
Revenues:									
Revenues from external customers	¥ 130,372	¥ 97,364	¥ 48,400	¥ 399,843	¥ 270,227	¥ 157,441	¥ 135,631	¥ 19,805	¥ 1,259,083
Intersegment revenues	100	-	-	245	76	3,439	1,509	(5,369)	-
Total revenues	130,472	97,364	48,400	400,088	270,303	160,880	137,140	14,436	1,259,083
Gross trading profit	31,837	27,326	9,621	42,473	63,641	41,070	34,602	3,080	253,650
Trading income	3,955	6,251	4,969	7,940	12,419	8,893	3,437	(1,182)	46,682
Net profit attributable to ITOCHU	4,706	12,540	14,285	32,463	10,194	32,278	9,470	5,523	121,459
[Equity in earnings (losses) of associates and joint ventures]	[2,188]	[5,697]	[13,631]	[(562)]	[2,174]	[6,246]	[8,293]	[92]	[37,759]
Total assets at June 30, 2015	556,231	1,070,636	1,266,219	1,363,076	1,818,096	902,173	646,974	1,336,876	8,960,281
Total assets at March 31, 2016	524,452	978,067	876,386	1,077,095	1,723,074	810,803	684,806	1,361,712	8,036,395

For the three-month period ended June 30, 2016 (April 1, 2016 -June 30, 2016)

Millions of U.S. Dollars

	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	General Products & Realty	ICT & Financial Business	Others, Adjustments & Eliminations	Consolidated
Revenues:									
Revenues from external customers	**$ 1,164**	**$ 886**	**$ 361**	**$ 3,071**	**$ 2,546**	**$ 1,299**	**$ 1,366**	**$ 61**	**$ 10,754**
Intersegment revenues	**1**	**-**	**-**	**2**	**1**	**31**	**15**	**(50)**	**-**
Total revenues	**1,165**	**886**	**361**	**3,073**	**2,547**	**1,330**	**1,381**	**11**	**10,754**
Gross trading profit	**301**	**247**	**108**	**371**	**652**	**361**	**345**	**33**	**2,418**
Trading income	**43**	**59**	**66**	**44**	**144**	**82**	**39**	**(6)**	**471**
Net profit attributable to ITOCHU	**41**	**160**	**82**	**44**	**124**	**89**	**82**	**88**	**710**
[Equity in earnings (losses) of associates and joint ventures]	**[5]**	**[53]**	**[35]**	**[10]**	**[30]**	**[23]**	**[78]**	**[126]**	**[360]**
Total assets at June 30, 2016	**4,811**	**8,939**	**7,758**	**9,856**	**16,703**	**7,599**	**6,102**	**12,710**	**74,478**

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"

Note 3 : Others, Adjustments & Eliminations includes gains and losses which cannot be allocated to each operating segment and internal eliminations between operating segments. The investments against CITIC Limited and C.P. Pokphand Co. Ltd. and the profits and losses from them are included in this segment.

Note 4 : Effective from April 1, 2016, ITOCHU changed its organizational structure from six division companies to seven division companies. As a result, [ICT, General Products & Realty Company] became [General Products & Realty Company] and [ICT & Financial Business Company].

(6) Assumption for Going Concern: None

(7) Information Concerning Dividend Payments

(Dividend payments in this quarter)

(Resolution)	Stock type	Total dividend amount	Dividend resource	Dividend per share	Record date	Effective date
General meeting of Shareholders on June 24, 2016	Common Stock	39,541 million yen	Retained earnings	25.00 yen	March 31, 2016	June 27, 2016

(8) Significant Changes in Shareholders' Equity: None

(9) Material Subsequent Events: None

Highlights of Consolidated Financial Results for the 1st Quarter of FY 2017〔IFRS〕

Aug 2, 2016
ITOCHU Corporation

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

〔Financial topics for the 1st Quarter of FY 2017〕

1. "Net profit attributable to ITOCHU" decreased by ¥48.4 bil. (39.8%) compared with the same period of the previous fiscal year, to ¥73.1 bil., due to the absence of profit from special factors.

- "Net profit attributable to ITOCHU" increased in the Machinery, Food, and Others, Adjustments & Eliminations segments. On the other hand, Energy & Chemicals, General Products & Realty, and Metals & Minerals segments decreased, due to the absence of profit from special factors in the same period of the previous fiscal year. Machinery (¥16.5 bil.) and Food (¥12.8 bil.) segments achieved earnings of over ¥10.0 bil.
- "Net profit attributable to ITOCHU" excluding special factors (approximately ¥1.5 bil. (profit) in this fiscal year, approximately ¥53.0 bil. (profit) in the same period of the previous fiscal year) increased by approximately ¥3.0 bil. compared with the same period of the previous fiscal year to approximately ¥72.0 bil. (approximately ¥69.0 bil. in the same period of the previous fiscal year). The increase was due to the contribution from CITIC Limited and the favorable performance in the Food segment, despite the decrease due to the effect of the appreciation of the yen.

2. "Cash flows from operating activities" was a Net cash-inflow of ¥56.9 bil. "Free cash flows" was a Net cash-inflow of ¥48.0 bil.

- "Cash flows from operating activities" was a Net cash-inflow of ¥56.9 bil. resulting from the stable performance in operating revenue and the steady collections in the Metals & Minerals, Energy, and Machinery sectors.
- After deducting "Cash flows from investing activities" (Net cash-outflow of ¥8.9 bil.), "Free cash flows" was a Net cash-inflow of ¥48.0 bil. As there was a providing of loan accompanying the acquisition of CITIC Limited shares, and the sale of a housing-materials-related company in the U.S. in the same period of the previous fiscal year, Net cash-inflow after deducting the increase and decrease in working capital, and special factors from "Free cash flows", increased compared with the same period of the previous fiscal year.

3. "NET DER" (Net debt-to-shareholders' equity ratio) was nearly at the same level compared with March 31, 2016, at 1.16 times.

- "NET DER" was nearly at the same level compared with March 31, 2016, due to the decrease both in "Total shareholders' equity", mainly due to the effect of foreign currency translation accompanying the appreciation of the yen, and in "Net interest-bearing debt".

	1st Quarter FY 2017	1st Quarter FY 2016	Increase (Decrease)
Non-Resource	74.1	79.3	(5.2)
Natural Resource /Energy Related	3.8	37.9	(34.1)
Others	(4.8)	4.2	(9.0)
Total	73.1	121.5	(48.4)
Non-Resource/ Natural Resource	95%/5%	68%/32%	+27%/-27%

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

Consolidated Financial Results of Operations

	1st Quarter FY 2017	1st Quarter FY 2016	Increase (Decrease)
Revenues	1,106.6	1,259.1	(152.4)
Gross trading profit	248.9	253.7	(4.8)
Selling, general and administrative expenses	(199.7)	(205.4)	5.7
Provision for doubtful accounts	(0.7)	(1.6)	0.8
Gains on investments	8.8	33.0	(24.2)
Losses on property, plant, equipment and intangible assets	(0.0)	(0.6)	0.6
Other–net	(2.3)	3.1	(5.4)
Net interest expenses	(0.1)	(1.6)	1.5
Dividends received	5.3	5.7	(0.4)
Equity in earnings of associates and joint ventures	37.1	37.8	(0.7)
Profit before tax	97.2	124.0	(26.8)
Income tax expense	(21.4)	3.2	(24.6)
Net Profit	75.8	127.2	(51.4)
Net profit attributable to ITOCHU	73.1	121.5	(48.4)
Net profit attributable to non-controlling interests	2.8	5.8	(3.0)
Total comprehensive income attributable to ITOCHU	(66.3)	145.3	(211.6)
(Reference)			
Adjusted profit	91.4	90.1	1.3

"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**
  - Energy & Chemicals (-83.8) : Due to the lower sales volume in energy trading transactions, the decline in oil prices, and the appreciation of the yen
  - General Products & Realty (-23.8) : Due to the de-consolidation of a housing-materials-related company in the U.S. in the previous fiscal year, and the appreciation of the yen
  - Metals & Minerals (-11.2) : Mainly due to the decline in iron ore and coal prices
  - Textile (-10.6) : Due to the unfavorable sales in apparel-related companies
- **Gross trading profit**
  - Food (+3.4) : Due to the improvement in profitability in food-distribution-related and fresh-food-related companies
  - Energy & Chemicals (-4.3) : Due to the lower transaction volume in crude oil, fuel oil, and self-developed crude oil tansactions, and the decline in oil prices, despite the stable performance in chemical trading transactions
  - General Products & Realty (-3.9) : Due to the de-consolidation of a housing-materials-related company in the U.S. in the previous fiscal year, and the appreciation of the yen
- **SG&A expenses** Decrease due to the de-consolidation of a housing-materials-related company in the U.S. in the previous fiscal year and lower expenses in foreign companies accompanying the appreciation of the yen
- **Provision for doubtful accounts** Decrease due to the conversion of an automobile-related subsidiary to investments accounted for by the equity method
- **Gains on investments** Decrease due to the absence of the gain on sales of a housing-materials-related company in the U.S. in the previous fiscal year, despite the gain on sales of a medical-device-related company
- **Other-net** Deterioration due to the decline in foreign currency translation from the appreciation of the yen
- **Net interest expenses** Improvement due to lower interest rate of yen-denominated debt
- **Equity in earnings of associates and joint ventures**
  - Metals & Minerals (-10.0) : Decrease due to the discontinued recognition of investments accounted for by the equity method of a Brazilian iron ore company in the previous fiscal year
  - General Products & Realty (-3.8) : Decrease due to the stagnant market conditions and foreign currency translation in foreign pulp-related companies
  - Others, Adjustments &Eliminations (+12.9) : Increase due to the start of equity pick-up of CITIC Limited from the third quarter of the previous fiscal year, and other factors
- **Income tax expense** Deterioration due to the absence of the improvement in tax expenses accompanying the disposal of a U.S. oil and gas development company in the same period of the previous fiscal year

Outlook for FY 2017 (Disclosed on May 6, 2016)	Progress (%)
5,000.0	22.1%
1,080.0	23.0%
(837.0)	23.9%
(3.0)	—
42.0	—
(16.0)	0.9%
17.0	31.0%
180.0	20.6%
463.0	21.0%
(90.0)	23.7%
373.0	20.3%
350.0	20.9%
23.0	12.0%
424.0	21.6%

Financial Position

	Jun. 2016	Mar. 2016	Increase (Decrease)	Outlook for FY 2017 (Disclosed on May 6, 2016)
Total assets	7,664.5	8,036.4	(371.9)	8,200.0
Interest-bearing debt	3,075.4	3,196.2	(120.8)	3,150.0
Net interest-bearing debt	2,424.9	2,555.6	(130.7)	2,500.0
Total shareholders' equity	2,088.3	2,193.7	(105.4)	2,400.0
Ratio of shareholders' equity to total assets	27.2%	27.3%	(0.1pt)	29.3%
Net debt-to-shareholders' equity ratio (times)	1.16	1.17	nearly same level	1.0
Total equity	2,339.9	2,452.1	(112.2)	2,700.0

Summary of changes from the previous fiscal year end

•Total assets :
Decreased by 4.6%, or 371.9 billion yen, compared with March 31, 2016, to 7,664.5 billion yen (74,478 million U.S. dollars). This decrease was due to the collections of trade receivables in domestic ICT-related and mobile-phone-related companies, and the appreciation of the yen.

•Net interest-bearing debt:
Decreased by 5.1%, or 130.7 billion yen, compared with March 31, 2016, to 2,424.9 billion yen (23,564 million U.S. dollars). This decrease was due to the appreciation of the yen.

•Total shareholders' equity:
Decreased by 4.8%, or 105.4 billion yen, compared with March 31, 2016, to 2,088.3 billion yen (20,292 million U.S. dollars), due to the dividend payments and the effect of the appreciation of the yen, despite the increase in Net profit attributable to ITOCHU.
Ratio of shareholders' equity to total assets slightly decreased by 0.1 points to 27.2% compared with March 31, 2016. NET DER (Net debt-to-shareholders' equity ratio) was nearly at the same level compared with March 31, 2016, at 1.16 times.

Cash Flows

	1st Quarter FY 2017	1st Quarter FY 2016
Operating activities	56.9	71.0
Investing activities	(8.9)	(410.1)
Free cash flows	*48.0*	*(339.1)*
Financing activities	(22.2)	226.3
Cash and cash equivalents	641.6	595.1
Increase (Decrease)	8.7	(105.2)

Summary of Cash Flows for the 1st Quarter FY 2017

•Operating:
Recorded a net cash-inflow of 56.9 billion yen (553 million U.S. dollars), resulting from the stable performance in operating revenue and the steady collections in the Metals & Minerals, Energy, and Machinery sectors, despite the increase in trade receivables in the Food sector and the decrease in trade payables in the Construction, Realty & Logistics sector.

•Investing:
Recorded a net cash-outflow of 8.9 billion yen (87 million U.S. dollars), due to the additional investment in a CVS company.

•Financing:
Recorded a net cash-outflow of 22.2 billion yen (215 million U.S. dollars), due to the dividend payments, despite the increase in debt.

Operating Segment Information

	Net profit attributable to ITOCHU 1st Quarter FY 2017	1st Quarter FY 2016	Increase (Decrease)	Summary of changes from the same period of the previous fiscal year
Textile	4.2	4.7	(0.5)	Decrease due to the discontinued recognition of investments accounted for by the equity method of China-related companies in the previous fiscal year, despite higher trading income
Machinery	16.5	12.5	4.0	Increase due to the gain on sales of a medical-device-related company, despite trading income remaining nearly at the same level compared with the previous fiscal year
Metals & Minerals	8.4	14.3	(5.9)	Decrease due to the discontinued recognition of investments accounted for by the equity method of a Brazilian iron ore company in the previous fiscal year, despite higher trading income
Energy & Chemicals	4.5	32.5	(27.9)	Decrease due to lower trading income, and the absence of the improvement in tax expenses accompanying the disposal of a U.S. oil and gas development company in the same period of the previous fiscal year
Food	12.8	10.2	2.6	Increase due to higher trading income and the increase in equity in earnings of associates and joint ventures in fresh-food-related companies
General Products & Realty	9.1	32.3	(23.2)	Decrease due to lower trading income and the decrease in equity in earnings of associates and joint ventures in foreign pulp-related companies, and the absence of the gain on sales of a housing-materials-related company in the U.S. in the previous fiscal year
ICT & Financial Business	8.4	9.5	(1.0)	Decrease due to the decrease in equity in earnings of associates and joint ventures, despite higher trading income
Others, Adjustments & Eliminations	9.1	5.5	3.6	Increase due to the start of equity pick-up of CITIC Limited from the third quarter of the previous fiscal year, despite the deterioration in foreign currency translation
Consolidated	73.1	121.5	(48.4)	

Group Companies (Net profit attributable to ITOCHU)

(C): Consolidated subsidiary

		1st Quarter FY 2017	1st Quarter FY 2016	Increase (Decrease)	Summary of changes from the same period of the previous fiscal year
Orchid Alliance Holdings Limited	(C)	12.6	0.3	12.4	Increase due to the start of equity pick-up of CITIC Limited from the third quarter of the previous fiscal year
ITOCHU Minerals & Energy of Australia Pty Ltd	(C)	6.9	6.8	0.0	Nearly at the same level due to the reduction of costs, despite the decline in iron ore and coal prices
Dole International Holdings, Inc.	(C)	3.0	2.1	0.8	Increase due to the improvement in profitability in both the packaged food business and the fresh food business
ITOCHU International Inc.	(C)	2.6	17.7	(15.0)	Decrease due to the absence of the gain on sales of a housing-materials-related company in the same period of the previous fiscal year, despite the stable performance in machinery-related companies
ITOCHU Oil Exploration (Azerbaijan) Inc.	(C)	(1.9)	0.7	(2.6)	Deterioration due to the lower sales volume, the decline in oil prices, and anticipatory derivative evaluation losses

Dividend Information (Per Share)

Annual (Planned)	55.0 yen (minimum)
Interim (Planned)	27.5 yen

Major Indicates

		1st Quarter FY 2017	1st Quarter FY 2016	Variance
Foreign exchange (Yen/US$)	Average	110.38	120.21	(9.83)
	Closing	Jun. 16 102.91	Mar. 16 112.68	(9.77)
Interest	JPY TIBOR 3M, average	0.070%	0.171%	(0.101%)
	US$ LIBOR 3M, average	0.643%	0.280%	0.364%
Crude oil (Brent) (US$/BBL) average		47.03	62.76	(15.73)
Iron ore (US$/ton)	(*)	39	62	(23)
Hard coking coal (US$/ton)	(*)	84	110	(26)
Thermal coal (US$/ton)	(*)	61.6	67.8	(6.2)

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



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Exhibit (Highlights)