-Unaudited-

November 2, 2016

Consolidated Financial Results for the First Half 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 https://www.itochu.co.jp/en/ir/
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The date of payout of dividend: Dec.2, 2016 (Planned)

1. Consolidated operating results for the first half of the fiscal year 2017 (from April 1, 2016 to September 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 half of	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Fiscal year 2017	2,246,482	(10.8)	116,895	7.5	259,028	4.8	210,263	(5.2)	202,171	(5.0)	8,813	(93.0)
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)

	Basic earnings per share attributable to ITOCHU	Diluted earnings per share attributable to ITOCHU
For the first half of	yen	yen
Fiscal year 2017	127.99	127.99
Fiscal year 2016	134.62	134.48

Equity in earnings of associates and joint ventures (millions of yen) 1st half of FY 2017 : 96,009 [+ 33.6%] 1st half of FY 2016 : 71,853 [+ 20.4%]
Total comprehensive income (millions of yen) 1st half of FY 2017 : 12,010 [(90.4%)] 1st half of FY 2016 : 124,822 [(45.3%)]

(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, 2016	7,657,400	2,419,387	2,161,731	28.2	1,368.83
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	-	27.50			
Fiscal year 2017 (Planned)			-	27.50	55.00

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

3. Outlook of consolidated operating results for the 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	4,600,000	(9.5)	265,000	17.0	475,000	47.2	372,000	34.6	350,000	45.6	221.56

(Note) Revisions to the outlook of consolidated operating results announced most recently: Yes

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 2017	1,662,889,504	Fiscal Year 2016	1,662,889,504
(b) Number of treasury stock:	1st half of FY 2017	83,639,654	Fiscal Year 2016	83,176,232
(c) Average number of common shares outstanding:	1st half of FY 2017	1,579,566,248	1st half of FY 2016	1,580,214,307

[Note]

*1. This document is an English translation of a statement initially written in Japanese. The original Japanese 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 101.12 yen = 1 U.S. dollar, the exchange rate prevailing on September 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 six-month period ended September 30, 2016]

(a) General Economic Situation

For the six-month period ended September 30, 2016, the global economy grew at a sluggish pace overall reflecting the slow and stagnant economy in certain emerging countries centered on resource-supplying countries, while the U.S. economy moderately expanded despite downward pressure from the appreciation of the U.S. dollar. Further, the uncertainty in Europe surrounding the Brexit decision temporarily subsided and other emerging economies such as China showed partial signs of recovery. In early August, the WTI crude oil price temporarily dropped from the US$45-50 range per barrel in the beginning of July to below US$40 from concerns over excess supply, but the price recovered the US$45-50 range again in the end of September due to the expectations of OPEC's decision to reduce oil production.

In Japan, corporate earnings deteriorated reflecting the drop in exports due to the yen appreciation since the beginning of the year. In addition, due to companies' increasing cautious approach to capital investment and the delay in the recovery of consumer expenditure reflecting weak sentiments, economic conditions in Japan continued to be stagnant overall.

The yen, in late July, depreciated against the U.S. dollar from the ¥102 level in the beginning of July to the ¥106 level from the expectations of additional monetary easing by the Bank of Japan (BOJ). However, since BOJ did not implement additional easing and the Federal Reserve Bank postponed further interest rate hikes, the yen rebounded to the ¥100 level in late September. The Nikkei Stock Average surged from the mid ¥15,000 level in the beginning of July to above ¥17,000 in early September due to the expansion of ETF purchasing by the BOJ and generally remained at the higher ¥16,000 range thereafter. The yield on 10-year Japanese government bonds (JGB) narrowed its negative width from the minus 0.2% level in the beginning of July to the minus 0.1% level in the end of September due to the expectations of BOJ reducing JGB purchasing.

(b) Consolidated Operating Results

	Billions of Yen				Millions of U.S. Dollars
	Apr.-Sep. 2016	Apr.-Sep. 2015	Increase (Decrease)	%	Apr.-Sep. 2016
Revenues	2,246.5	2,519.4	(273.0)	(10.8%)	22,216
Gross trading profit	514.1	524.6	(10.4)	(2.0%)	5,085
Selling, general and administrative expenses	(395.5)	(412.8)	17.2	(4.2%)	(3,912)
Gains on investments	38.9	52.1	(13.2)	(25.3%)	385
Equity in earnings of associates and joint ventures	96.0	71.9	24.2	33.6%	949
Income tax expense	(48.8)	(25.3)	(23.5)	92.9%	(482)
Net profit attributable to ITOCHU	202.2	212.7	(10.6)	(5.0%)	1,999
(Reference) Trading income	116.9	108.8	8.1	7.5%	1,156

(i) Revenues (from external customers)

Decreased by 10.8%, or 273.0 billion yen, compared with the same period of the previous fiscal year to 2,246.5 billion yen (22,216 million U.S. dollars).

- Energy & Chemicals Company:
  Decreased by 144.8 billion yen compared with the same period of the previous fiscal year to 637.3 billion yen (6,302 million U.S. dollars), due to the lower energy trading transaction volume, the decline in oil prices, and the appreciation of the yen.

- General Products & Realty Company:
  Decreased by 32.4 billion yen compared with the same period of the previous fiscal year to 260.9 billion yen (2,581 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.

- Textile Company:
  Decreased by 29.8 billion yen compared with the same period of the previous fiscal year to 255.1 billion yen (2,523 million U.S. dollars), due to the unfavorable sales in apparel-related companies.

- Metals & Minerals Company:
  Decreased by 25.8 billion yen compared with the same period of the previous fiscal year to 74.9 billion yen (740 million U.S. dollars), due to the lower sales volume in iron ore transactions, the decline in coal prices, and the appreciation of the yen.

(ii) Gross trading profit

Decreased by 2.0%, or 10.4 billion yen, compared with the same period of the previous fiscal year to 514.1 billion yen (5,085 million U.S. dollars).

- Food Company:
  Increased by 9.9 billion yen compared with the same period of the previous fiscal year to 137.6 billion yen (1,361 million U.S. dollars), due to the improvement in profitability in fresh-food-related and food-distribution-related companies.

- General Products & Realty Company:
  Decreased by 9.6 billion yen compared with the same period of the previous fiscal year to 72.3 billion yen (715 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, despite the favorable performance in apartment/condominium-related companies.

- Energy & Chemicals Company:
  Decreased by 8.3 billion yen compared with the same period of the previous fiscal year to 84.8 billion yen (839 million U.S. dollars), due to the lower energy trading transaction volume and the decline in self-developed crude oil transaction prices.

(iii) Selling, general and administrative expenses

Decreased by 4.2%, or 17.2 billion yen, compared with the same period of the previous fiscal year to 395.5 billion yen (3,912 million U.S. dollars), due to the improvement of expenses in the Textile sector, 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, despite higher expenses accompanying rise in revenues in existing companies.

(iv) Gains on investments

Decreased by 25.3%, or 13.2 billion yen, compared with the same period of the previous fiscal year to 38.9 billion yen (385 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 accompanying the changes in equity resulting from the merger of FamilyMart and UNY Holdings.

(v) Equity in earnings of associates and joint ventures

Increased by 33.6%, or 24.2 billion yen, compared with the same period of the previous fiscal year to 96.0 billion yen (949 million U.S. dollars).

- Metals & Minerals Company:
  Decreased by 9.5 billion yen compared with the same period of the previous fiscal year to 7.3 billion yen (72 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 4.9 billion yen compared with the same period of the previous fiscal year to 5.6 billion yen (55 million U.S. dollars), due to the stagnant market conditions and foreign currency translation in foreign pulp-related companies.

- Others, Adjustments & Eliminations(*)
  Increased by 41.2 billion yen compared with the same period of the previous fiscal year to 43.9 billion yen (434 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 17, "4.(5) Operating Segment Information".

(vi) Income tax expense

Increased by 92.9%, or 23.5 billion yen, compared with the same period of the previous fiscal year to 48.8 billion yen (482 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 5.0%, or 10.6 billion yen, compared with the same period of the previous fiscal year to 202.2 billion yen (1,999 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 7.5%, or 8.1 billion yen, compared with the same period of the previous fiscal year to 116.9 billion yen (1,156 million U.S. dollars).

- Food Company:
  Increased by 7.7 billion yen compared with the same period of the previous fiscal year to 31.6 billion yen (313 million U.S. dollars), due to the improvement in profitability in fresh-food-related and food-distribution-related companies.

- ICT & Financial Business Company:
  Increased by 3.0 billion yen compared with the same period of the previous fiscal year to 13.5 billion yen (133 million U.S. dollars), due to the higher transaction volume in domestic ICT-related companies.

- Metals & Minerals Company:
  Increased by 2.3 billion yen compared with the same period of the previous fiscal year to 11.6 billion yen (115 million U.S. dollars), due to the reduction of costs in the iron ore and coal-related business, despite the decline in coal prices and the appreciation of the yen.

- Energy & Chemicals Company:
  Decreased by 6.5 billion yen compared with the same period of the previous fiscal year to 17.5 billion yen (173 million U.S. dollars), due to the lower energy trading transaction volume and the decline in self-developed crude oil transaction prices.

(2) Qualitative Information of the Consolidated Financial Position

(a) Consolidated Financial Position

	Billions of Yen				Millions of U.S. Dollars
	Sep. 2016	Mar. 2016	Increase (Decrease)	%	Sep. 2016
Total assets	7,657.4	8,036.4	(379.0)	(4.7%)	75,726
Interest-bearing debt	2,957.1	3,196.2	(239.0)	(7.5%)	29,244
Net interest-bearing debt	2,297.8	2,555.6	(257.8)	(10.1%)	22,724
Total shareholders' equity	2,161.7	2,193.7	(31.9)	(1.5%)	21,378
Ratio of shareholders' equity to total assets	28.2%	27.3%	Increased 0.9pt		
NET DER (times)	1.06	1.17	Improved 0.1pt		

(i) Total assets

Decreased by 4.7%, or 379.0 billion yen, compared with March 31, 2016 to 7,657.4 billion yen (75,726 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, despite the additional investments and merging transaction relating to FamilyMart and UNY Holdings.

(ii) Interest-bearing debt

Decreased by 7.5%, or 239.0 billion yen, compared with March 31, 2016 to 2,957.1 billion yen (29,244 million U.S. dollars), due to the repayment of debt through steady collections and the appreciation of the yen. Net interest-bearing debt (Interest-bearing debt after deducting Cash and cash equivalents and Time deposits) decreased by 10.1%, or 257.8 billion yen, compared with March 31, 2016 to 2,297.8 billion yen (22,724 million U.S. dollars).

(iii) Total shareholders' equity

Decreased by 1.5%, or 31.9 billion yen, compared with March 31, 2016 to 2,161.7 billion yen (21,378 million U.S. dollars), due to the dividend payments and the effect of the appreciation of the yen, despite Net profit attributable to ITOCHU during this fiscal year.

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

Ratio of shareholders' equity to total assets increased by 0.9 points compared with March 31, 2016 to 28.2%. NET DER (Net debt-to-shareholders' equity ratio) improved compared with March 31, 2016 to 1.06 times.

(b) Consolidated Cash Flows

	Billions of Yen		Millions of U.S. Dollars
	Apr.-Sep. 2016	Apr.-Sep. 2015	Apr.-Sep. 2016
Cash flows from operating activities	162.4	146.7	1,606
Cash flows from investing activities	(19.9)	(892.8)	(197)
Free cash flows.....	*142.5*	*(746.1)*	*1,409*
Cash flows from financing activities	(102.7)	676.2	(1,016)

(i) Cash flows from operating activities

Recorded a net cash-inflow of 162.4 billion yen (1,606 million U.S. dollars), resulting from the stable performance in operating revenue in the Food, Energy, Metals & Minerals, and ICT sectors.

(ii) Cash flows from investing activities

Recorded a net cash-outflow of 19.9 billion yen (197 million U.S. dollars) mainly due to the acquisition of fixed assets in the Food, ICT and Metals & Minerals sectors, and the additional investment in a CVS company.

(iii) Cash flows from financing activities

Recorded a net cash-outflow of 102.7 billion yen (1,016 million U.S. dollars) due to the repayment of debt and the dividend payments.

Consequently, Cash and cash equivalents as of September 30, 2016 increased by 19.5 billion yen to 652.4 billion yen (6,451 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. Outlook for the Fiscal Year 2017

Looking ahead to the second half of the fiscal year ending March 31, 2017, we expect that the global economy will gradually turn towards recovery since the U.S. and European economies are expected to continue to improve despite the continued uncertainty surrounding the Brexit decision, and resource-supplying countries are expected to pick up due to the bottoming out of natural resource prices such as crude oil and metals. The Chinese economy, however, is likely to remain under downward pressure due to the cooling measures on real-estate investments and reduction of excess capital expenditures despite stable consumer spending.

In Japan, as a modest recovery is expected due to the implementation of the economic stimulus package, its fundamentals may still remain weak amid the uncertainty over the foreign exchange rate movement.

Under these economical circumstances, ITOCHU expects consolidated Net profit attributable to ITOCHU of 350 billion yen for the fiscal year ending March 31, 2017.

For your attention, these forecasts are forward-looking statements that are based on 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.

(Unit: billion yen)

Consolidated	Results	Forecast	Previous Forecast (Disclosed on May 6)	Results
	1st half of FY2017	FY2017	FY2017	FY2016
Revenues	2,246.5	4,600.0	5,000.0	5,083.5
Gross trading profit	514.1	1,080.0	1,080.0	1,069.7
Selling, general and administrative expenses	(395.5)	(810.0)	(837.0)	(835.5)
Provision for doubtful accounts	(1.7)	(5.0)	(3.0)	(7.8)
Trading Income	116.9	265.0	240.0	226.4
Net interest expenses	(0.5)	(8.0)	(16.0)	(0.4)
Dividends received	6.8	18.0	17.0	37.5
Equity in earnings of associates and joint ventures	96.0	170.0	180.0	147.7
Others	39.9	30.0	42.0	(88.5)
Profit before tax	259.0	475.0	463.0	322.7
Income tax expense	(48.8)	(103.0)	(90.0)	(46.4)
Net Profit	210.3	372.0	373.0	276.4
Less: Net profit attributable to non-controlling interests	(8.1)	(22.0)	(23.0)	(36.0)
Net profit attributable to ITOCHU	202.2	350.0	350.0	240.4
Basic earnings per share attributable to ITOCHU	127.99 yen	221.56 yen	221.56 yen	152.14 yen
Total assets	7,657.4	8,000.0	8,200.0	8,036.4
Interest-bearing debt	2,957.1	3,000.0	3,150.0	3,196.2
Net interest-bearing debt	2,297.8	2,350.0	2,500.0	2,555.6
Total equity	2,419.4	2,650.0	2,700.0	2,452.1
Total shareholders' equity	2,161.7	2,350.0	2,400.0	2,193.7

(Note) (*1)	Results 1st half of FY2017	Forecast	Previous Forecast (Disclosed on May 6)	Results FY2016
Exchange rate (Yen/US$ Average exchange rate)	*106.93*	*105*	*110*	*120.65*
Crude oil (Brent) (US$/BBL)	*47.01*	*45*	*35*	*48.73*
Iron ore (CFR China) (US$/ton) (*2)	*55*	*N.A.*	*N.A.*	*51*
Hard coking coal (FOB Australia) (US$/ton) (*2)	*89*	*N.A.*	*N.A.*	*93*
Thermal coal (FOB Australia) (US$/ton) (*2)	*61.6*	*N.A.*	*N.A.*	*67.8*

(*1) The exchange rate, crude oil (Brent), iron ore (CFR China), hard coking coal (FOB Australia), and thermal coal (FOB Australia) data above are on a fiscal year basis (April to March).
(*2) Based on market information, the Company recognizes these prices as common transaction prices. However, actual prices are negotiated separately with each customer.

Distribution of the current fiscal year's profit

For the interim dividend of the current fiscal year, ITOCHU Corporation has decided to pay 27.5 yen per share. And at present, for the dividend at the end of the current fiscal year, ITOCHU Corporation intends to pay 55.0 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, 2016 and 2015

	Millions of Yen		Millions of U.S. Dollars
	Apr.-Sep. 2016	Apr.-Sep. 2015	**Apr.-Sep. 2016**
Revenues:			
Revenues from sale of goods	**¥ 1,896,937**	¥ 2,165,141	**$ 18,759**
Revenues from rendering of services and royalties	**349,545**	354,294	**3,457**
Total revenues	**2,246,482**	2,519,435	**22,216**
Cost:			
Cost of sale of goods	**(1,472,624)**	(1,732,942)	**(14,563)**
Cost of rendering of services and royalties	**(259,709)**	(261,940)	**(2,568)**
Total cost	**(1,732,333)**	(1,994,882)	**(17,131)**
Gross trading profit	**514,149**	524,553	**5,085**
Other gains (losses):			
Selling, general and administrative expenses	**(395,547)**	(412,796)	**(3,912)**
Provision for doubtful accounts	**(1,707)**	(2,981)	**(17)**
Gains on investments	**38,902**	52,075	**385**
Gains (losses) on property, plant, equipment and intangible assets	**374**	(278)	**4**
Other-net	**604**	8,533	**5**
Total other-losses	**(357,374)**	(355,447)	**(3,535)**
Financial income (loss):			
Interest income	**12,887**	12,588	**127**
Dividends received	**6,781**	7,545	**67**
Interest expense	**(13,424)**	(13,930)	**(132)**
Total financial income	**6,244**	6,203	**62**
Equity in earnings of associates and joint ventures	**96,009**	71,853	**949**
Profit before tax	**259,028**	247,162	**2,561**
Income tax expense	**(48,765)**	(25,286)	**(482)**
Net Profit	**210,263**	221,876	**2,079**
Net profit attributable to ITOCHU	**202,171**	212,730	**1,999**
Net profit attributable to non-controlling interests	**8,092**	9,146	**80**

	Millions of Yen		Millions of U.S. Dollars
	Apr.-Sep. 2016	Apr.-Sep. 2015	**Apr.-Sep. 2016**
Other comprehensive income, net of tax:			
Items that will not be reclassified to profit or loss			
FVTOCI financial assets	**¥ (12,835)**	¥ (37,531)	**$ (127)**
Remeasurement of net defined pension liability	**(286)**	(163)	**(3)**
Other comprehensive income in associates and joint ventures	**(5,333)**	(3,802)	**(53)**
Items that will be reclassified to profit or loss			
Translation adjustments	**(116,311)**	(33,780)	**(1,150)**
Cash flow hedges	**1,618**	(4,734)	**16**
Other comprehensive income in associates and joint ventures	**(65,106)**	(17,044)	**(643)**
Total other comprehensive loss, net of tax	**(198,253)**	(97,054)	**(1,960)**
Total comprehensive income	**12,010**	124,822	**119**
Total comprehensive income attributable to ITOCHU	**8,813**	125,106	**87**
Total comprehensive income (loss) attributable to non-controlling interests	**3,197**	(284)	**32**

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, 2016 and 2015 were 116,895 million yen (1,156 million U.S. dollars) and 108,776 million yen, respectively.

(2) Consolidated Statement of Financial Position［Condensed］

ITOCHU Corporation and its Subsidiaries

As of September 30, 2016 and March 31, 2016

Assets	Millions of Yen		Millions of U.S. Dollars
	Sep. 2016	Mar. 2016	**Sep. 2016**
Current assets:			
Cash and cash equivalents	**¥ 652,351**	¥ 632,871	**$ 6,451**
Time deposits	**6,956**	7,650	**69**
Trade receivables	**1,761,671**	1,843,541	**17,422**
Other current receivables	**103,790**	129,769	**1,026**
Other current financial assets	**34,425**	35,485	**340**
Inventories	**729,986**	717,124	**7,219**
Advances to suppliers	**159,332**	194,317	**1,576**
Other current assets	**114,698**	106,745	**1,134**
Total current assets	**3,563,209**	3,667,502	**35,237**
Non-current assets:			
Investments accounted for by the equity method	**1,479,868**	1,500,094	**14,635**
Other investments	**751,532**	804,585	**7,432**
Non-current receivables	**574,584**	634,324	**5,682**
Non-current financial assets other than investments and receivables	**93,199**	133,202	**922**
Property, plant and equipment	**656,271**	701,565	**6,490**
Investment property	**30,479**	29,132	**301**
Goodwill and intangible assets	**377,615**	405,862	**3,734**
Deferred tax assets	**44,776**	63,814	**443**
Other non-current assets	**85,867**	96,315	**850**
Total non-current assets	**4,094,191**	4,368,893	**40,489**
Total assets	**¥ 7,657,400**	¥ 8,036,395	**$ 75,726**

Liabilities and Equity	Millions of Yen		Millions of U.S. Dollars
	Sep. 2016	Mar. 2016	**Sep. 2016**
Current liabilities:			
Short-term debentures and borrowings	**¥ 441,464**	¥ 426,820	**$ 4,366**
Trade payables	**1,425,249**	1,469,505	**14,095**
Other current payables	**57,232**	67,837	**566**
Other current financial liabilities	**34,460**	25,164	**341**
Current tax liabilities	**22,805**	29,375	**226**
Advances from customers	**148,061**	170,194	**1,464**
Other current liabilities	**263,905**	284,303	**2,609**
Total current liabilities	**2,393,176**	2,473,198	**23,667**
Non-current liabilities:			
Long-term debentures and borrowings	**2,515,673**	2,769,345	**24,878**
Other non-current financial liabilities	**111,459**	105,722	**1,102**
Non-current liabilities for employee benefits	**67,929**	67,639	**672**
Deferred tax liabilities	**72,913**	79,637	**721**
Other non-current liabilities	**76,863**	88,799	**760**
Total non-current liabilities	**2,844,837**	3,111,142	**28,133**
Total liabilities	**5,238,013**	5,584,340	**51,800**
Equity:			
Common stock:			
Authorized: 3,000,000,000 shares;			
issued: 1,662,889,504 shares	**253,448**	253,448	**2,506**
Capital surplus	**156,152**	156,688	**1,544**
Retained earnings	**1,907,798**	1,748,375	**18,867**
Other components of equity:			
Translation adjustments	**28,734**	202,795	**284**
FVTOCI financial assets	**(66,557)**	(51,630)	**(658)**
Cash flow hedges	**(11,721)**	(10,415)	**(116)**
Total other components of equity	**(49,544)**	140,750	**(490)**
Treasury stock	**(106,123)**	(105,584)	**(1,049)**
Total shareholders' equity	**2,161,731**	2,193,677	**21,378**
Non-controlling interests	**257,656**	258,378	**2,548**
Total equity	**2,419,387**	2,452,055	**23,926**
Total liabilities and equity	**¥ 7,657,400**	¥ 8,036,395	**$ 75,726**

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

ITOCHU Corporation and its Subsidiaries

For the six-month periods ended September 30, 2016 and 2015

	Millions of Yen		Millions of U.S. Dollars
	Apr.-Sep. 2016	Apr.-Sep. 2015	**Apr.-Sep. 2016**
Common stock:			
Balance at the beginning of the period	**¥ 253,448**	¥ 253,448	**$ 2,506**
Balance at the end of the period	**¥ 253,448**	¥ 253,448	**$ 2,506**
Capital surplus:			
Balance at the beginning of the period	**¥ 156,688**	¥ 164,154	**$ 1,549**
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests	**(536)**	(3,341)	**(5)**
Balance at the end of the period	**¥ 156,152**	¥ 160,813	**$ 1,544**
Retained earnings:			
Balance at the beginning of the period	**¥ 1,748,375**	¥ 1,587,318	**$ 17,290**
Net profit attributable to ITOCHU	**202,171**	212,730	**1,999**
Transfer from other components of equity	**(3,207)**	(200)	**(31)**
Cash dividends	**(39,541)**	(36,379)	**(391)**
Balance at the end of the period	**¥ 1,907,798**	¥ 1,763,469	**$ 18,867**
Other components of equity:			
Balance at the beginning of the period	**¥ 140,750**	¥ 532,424	**$ 1,392**
Other comprehensive income attributable to ITOCHU	**(193,358)**	(87,624)	**(1,912)**
Transfer to retained earnings	**3,207**	200	**31**
Transfer to non-financial assets	**-**	(9,806)	**-**
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests	**(143)**	17	**(1)**
Balance at the end of the period	**¥ (49,544)**	¥ 435,211	**$ (490)**
Treasury stock:			
Balance at the beginning of the period	**¥ (105,584)**	¥ (104,142)	**$ (1,044)**
Net change in treasury stock	**(539)**	(1,432)	**(5)**
Balance at the end of the period	**¥ (106,123)**	¥ (105,574)	**$ (1,049)**
Total shareholders' equity	**¥ 2,161,731**	¥ 2,507,367	**$ 21,378**
Non-controlling interests:			
Balance at the beginning of the period	**¥ 258,378**	¥ 315,049	**$ 2,555**
Net profit attributable to non-controlling interests	**8,092**	9,146	**80**
Other comprehensive income attributable to non-controlling interests	**(4,895)**	(9,430)	**(48)**
Cash dividends to non-controlling interests	**(4,982)**	(4,630)	**(49)**
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests	**1,063**	(648)	**10**
Balance at the end of the period	**¥ 257,656**	¥ 309,487	**$ 2,548**
Total equity	**¥ 2,419,387**	¥ 2,816,854	**$ 23,926**

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

ITOCHU Corporation and its Subsidiaries

For the six-month periods ended September 30, 2016 and 2015

	Millions of Yen		Millions of U.S. Dollars
	Apr.-Sep. 2016	Apr.-Sep. 2015	**Apr.-Sep. 2016**
Cash flows from operating activities:			
Net profit	**¥ 210,263**	¥ 221,876	**$ 2,079**
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization	**53,795**	58,926	**532**
Provision for doubtful accounts	**1,707**	2,981	**17**
(Gains) losses on investments	**(38,902)**	(52,075)	**(385)**
(Gains) losses on property, plant, equipment and intangible assets	**(374)**	278	**(4)**
Financial (income) loss	**(6,244)**	(6,203)	**(62)**
Equity in earnings of associates and joint ventures	**(96,009)**	(71,853)	**(949)**
Income tax expense	**48,765**	25,286	**482**
Changes in assets and liabilities, other-net	**(14,821)**	(25,298)	**(147)**
Proceeds from interest	**13,397**	8,119	**132**
Proceeds from dividends	**37,899**	39,016	**375**
Payments for interest	**(12,191)**	(13,857)	**(120)**
Payments for income taxes	**(34,923)**	(40,488)	**(344)**
Net cash provided by (used in) operating activities	**162,362**	146,708	**1,606**
Cash flows from investing activities:			
Net change in investments accounted for by the equity method	**(607)**	(41,773)	**(6)**
Net change in other investments	**(13,410)**	74,791	**(133)**
Net change in loans receivable	**28,801**	(890,317)	**285**
Net change in property, plant, equipment and intangible assets	**(34,793)**	(38,379)	**(344)**
Net change in time deposits	**102**	2,872	**1**
Net cash provided by (used in) investing activities	**(19,907)**	(892,806)	**(197)**
Cash flows from financing activities:			
Net change in debentures and loans payable	**(58,158)**	724,185	**(575)**
Cash dividends	**(39,541)**	(36,379)	**(391)**
Other	**(5,018)**	(11,631)	**(50)**
Net cash provided by (used in) financing activities	**(102,717)**	676,175	**(1,016)**
Net change in cash and cash equivalents	**39,738**	(69,923)	**393**
Cash and cash equivalents at the beginning of the period	**632,871**	700,292	**6,259**
Effect of exchange rate changes on cash and cash equivalents	**(20,258)**	400	**(201)**
Cash and cash equivalents at the end of the period	**¥ 652,351**	¥ 630,769	**$ 6,451**

(5) Operating Segment Information

ITOCHU Corporation and its Subsidiaries
For the six-month periods ended September 30, 2016 and 2015

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

For the six-month period ended September 30, 2016 (April 1, 2016 -September 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	**¥ 255,080**	**¥ 180,733**	**¥ 74,874**	**¥ 637,282**	**¥ 526,100**	**¥ 260,939**	**¥ 297,914**	**¥ 13,560**	**¥ 2,246,482**
Intersegment revenues	**269**	**-**	**-**	**437**	**181**	**6,247**	**3,149**	**(10,283)**	**-**
Total revenues	**255,349**	**180,733**	**74,874**	**637,719**	**526,281**	**267,186**	**301,063**	**3,277**	**2,246,482**
Gross trading profit	**64,771**	**50,375**	**21,057**	**84,794**	**137,586**	**72,314**	**75,736**	**7,516**	**514,149**
Trading income	**10,929**	**11,399**	**11,640**	**17,500**	**31,603**	**17,121**	**13,452**	**3,251**	**116,895**
Net profit attributable to ITOCHU	**11,951**	**25,999**	**14,803**	**13,407**	**49,374**	**19,192**	**17,602**	**49,843**	**202,171**
[Equity in earnings (losses) of associates and joint ventures]	**[2,485]**	**[12,122]**	**[7,294]**	**[1,753]**	**[7,674]**	**[5,587]**	**[15,202]**	**[43,892]**	**[96,009]**
Total assets at September 30, 2016	**498,694**	**904,860**	**787,117**	**1,019,062**	**1,743,709**	**781,510**	**648,061**	**1,274,387**	**7,657,400**

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	General Products & Realty	ICT & Financial Business	Others, Adjustments & Eliminations	Consolidated
Revenues:									
Revenues from external customers	¥ 284,911	¥ 200,339	¥ 100,696	¥ 782,074	¥ 530,803	¥ 293,313	¥ 288,377	¥ 38,922	¥ 2,519,435
Intersegment revenues	207	1	-	482	165	6,650	3,062	(10,567)	-
Total revenues	285,118	200,340	100,696	782,556	530,968	299,963	291,439	28,355	2,519,435
Gross trading profit	67,407	57,322	18,913	93,104	127,666	81,914	72,609	5,618	524,553
Trading income	10,947	13,930	9,369	23,979	23,890	17,565	10,468	(1,372)	108,776
Net profit attributable to ITOCHU	16,121	26,992	21,232	43,894	22,030	42,838	28,179	11,444	212,730
[Equity in earnings (losses) of associates and joint ventures]	[4,660]	[12,378]	[16,820]	[(483)]	[8,823]	[10,529]	[16,434]	[2,692]	[71,853]
Total assets at September 30, 2015	560,625	1,042,926	1,215,019	1,228,770	1,820,419	884,320	665,668	1,776,846	9,194,593
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 six-month period ended September 30, 2016 (April 1, 2016 -September 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	**$ 2,523**	**$ 1,787**	**$ 740**	**$ 6,302**	**$ 5,203**	**$ 2,581**	**$ 2,946**	**$ 134**	**$ 22,216**
Intersegment revenues	**3**	**-**	**-**	**4**	**2**	**62**	**31**	**(102)**	**-**
Total revenues	**2,526**	**1,787**	**740**	**6,306**	**5,205**	**2,643**	**2,977**	**32**	**22,216**
Gross trading profit	**641**	**498**	**208**	**839**	**1,361**	**715**	**749**	**74**	**5,085**
Trading income	**108**	**113**	**115**	**173**	**313**	**169**	**133**	**32**	**1,156**
Net profit attributable to ITOCHU	**118**	**257**	**146**	**133**	**488**	**190**	**174**	**493**	**1,999**
[Equity in earnings (losses) of associates and joint ventures]	**[25]**	**[120]**	**[72]**	**[17]**	**[76]**	**[55]**	**[150]**	**[434]**	**[949]**
Total assets at September 30, 2016	**4,932**	**8,948**	**7,784**	**10,078**	**17,244**	**7,728**	**6,409**	**12,603**	**75,726**

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 the six-month period ended September 30, 2016)

(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

(The dividend which effective date is after September 30, 2016, 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 2, 2016	Common Stock	43,495 million yen	Retained earnings	27.50 yen	September 30, 2016	December 2, 2016

(8) Significant Changes in Shareholders' Equity: None

(9) Material Subsequent Events: None