February 2, 2018

-Unaudited-

Consolidated Financial Results for the Third Quarter of the Fiscal Year 2018 ending March 31, 2018

[Prepared in conformity with International Financial Reporting Standards]

Company name: ITOCHU Corporation
Stock exchange code: 8001 https://www.itochu.co.jp/en/ir/
President and Chief Executive Officer: Masahiro Okafuji
General Manager, Investor Relations Department: Kazuaki Yamaguchi TEL: 81 - 3 - 3497 - 7295

The date of payout of dividend: -

1. Consolidated operating results for the third quarter of the fiscal year 2018 (from April 1, 2017 to December 31, 2017)

(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 to third quarter of	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Fiscal Year 2018	4,019,802	15.8	231,644	15.4	459,045	16.6	380,377	20.7	357,132	18.9	462,527	67.6
Fiscal Year 2017	3,471,072	(8.0)	200,812	23.6	393,618	12.8	315,098	0.8	300,336	6.9	275,948	57.4

	Basic earnings per share attributable to ITOCHU	Diluted earnings per share attributable to ITOCHU
For the first to third quarter of	yen	yen
Fiscal Year 2018	230.02	-
Fiscal Year 2017	190.43	-

Equity in earnings of associates and joint ventures (millions of yen) 3rd quarter of FY 2018: 170,200 [+19.4%] 3rd quarter of FY 2017: 142,508 [+ 23.6%]
Total comprehensive income (millions of yen) 3rd quarter of FY 2018: 488,899 [+67.7%] 3rd quarter of FY 2017: 291,497 [+ 50.0%]

(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
December 31, 2017	8,975,908	3,059,140	2,741,012	30.5	1,768.24
March 31, 2017	8,122,032	2,662,811	2,401,893	29.6	1,532.56

(3) Consolidated cash flows information

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents
For the first to third quarter of	millions of yen	millions of yen	millions of yen	millions of yen
Fiscal Year 2018	210,028	(99,202)	(255,193)	466,696
Fiscal Year 2017	232,312	(31,839)	(242,603)	591,621

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 2017	-	27.50	-	27.50	55.00
Fiscal Year 2018	-	32.00	-		
Fiscal Year 2018 (Planned)				38.00	70.00

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

3. Outlook of consolidated operating results for the fiscal year 2018 (from April 1, 2017 to March 31, 2018)

(%: 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 2018	5,800,000	19.9	307,000	6.4	536,000	7.2	433,000	15.6	400,000	13.6	257.89

(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)	3rd quarter of FY 2018	1,662,889,504	Fiscal Year 2017	1,662,889,504
(b) Number of treasury stock:	3rd quarter of FY 2018	112,754,641	Fiscal Year 2017	95,642,000
(c) Average number of common shares outstanding:	3rd quarter of FY 2018	1,552,625,361	3rd quarter of FY 2017	1,577,147,248

[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. 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. Therefore, 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 113.00 yen = 1 U.S. dollar, the exchange rate prevailing on December 31, 2017. 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 nine-month period ended December 31, 2017]

(a) General Economic Situation

For the nine-month period ended December 31, 2017, the global economy maintained a moderate recovery overall reflecting that the U.S. economy continued expanding due to improvement in domestic employment and income environments, the European economy recovered smoothly despite there being certain concerns over the progress of Brexit talks, and emerging countries showed signs of improvement, such as China maintained a recovery trend. The WTI crude oil price, although it had fallen from the US$50 level per barrel in May to the mid-US$40s level in June, strengthened and recovered to the US$60 level in the end of December due to decreasing inventories in the U.S. market and another extension of the period of oil production curtailment by major oil-producing countries including OPEC.

The Japanese economy expanded moderately overall due to a remaining upward trend in exports and a slight increase in companies' capital investment, despite ups and downs in consumer spending. Although the yen had temporarily appreciated against the U.S. dollar to the ¥107 level in early September mainly due to increasing tensions with North Korea, the yen returned to ¥113 in the end of December on the back of the further growth expectation of the U.S. economy following tax cuts. The Nikkei Stock Average surged from the ¥18,000 level in April to near the ¥23,000 level in the end of December due to the rise in the U.S. stock market and the depreciation of the yen. The yield on 10-year Japanese government bonds had temporarily dipped below zero in early September, but recovered and stayed around the 0.05% level from late September onwards due to the depreciation of the yen and the rise in interest rates in the U.S.

(b) Consolidated Operating Results

	Billions of Yen				Millions of U.S. Dollars
	Apr.-Dec. 2017	Apr.-Dec. 2016	Increase (Decrease)	%	Apr.-Dec. 2017
Revenues	4,019.8	3,471.1	548.7	15.8%	35,573
Gross trading profit	891.6	792.3	99.3	12.5%	7,890
Selling, general and administrative expenses	(657.3)	(590.6)	(66.7)	11.3%	(5,817)
Gains on investments	42.0	35.4	6.6	18.5%	372
Equity in earnings of associates and joint ventures	170.2	142.5	27.7	19.4%	1,506
Income tax expense	(78.7)	(78.5)	(0.1)	0.2%	(696)
Net profit attributable to ITOCHU	357.1	300.3	56.8	18.9%	3,160
(Reference) Trading income	231.6	200.8	30.8	15.4%	2,049

(i) Revenues (from external customers)

Increased by 15.8%, or 548.7 billion yen, compared with the same period of the previous fiscal year to 4,019.8 billion yen (35,573 million U.S. dollars).

- Machinery Company:
  Increased by 240.3 billion yen compared with the same period of the previous fiscal year to 501.5 billion yen (4,438 million U.S. dollars), due to the conversion of YANASE into a consolidated subsidiary and the favorable performance in aircraft-related and plant-related companies.

- Energy & Chemicals Company:
  Increased by 140.4 billion yen compared with the same period of the previous fiscal year to 1,161.4 billion yen (10,278 million U.S. dollars), due to the conversion of Takiron into a consolidated subsidiary as a result of its merger with C. I. Kasei and the higher sales prices in energy-related companies.

- Food Company:
  Increased by 72.7 billion yen compared with the same period of the previous fiscal year to 876.9 billion yen (7,760 million U.S. dollars), due to the higher transaction volume with FamilyMart UNY Holdings in fresh-food-related and provisions-related transactions, and food-distribution-related companies.

(ii) Gross trading profit

Increased by 12.5%, or 99.3 billion yen, compared with the same period of the previous fiscal year to 891.6 billion yen (7,890 million U.S. dollars).

- Machinery Company:
  Increased by 47.2 billion yen compared with the same period of the previous fiscal year to 122.4 billion yen (1,084 million U.S. dollars), due to the conversion of YANASE into a consolidated subsidiary, the favorable performance in aircraft-related and plant-related companies, and the absence of deterioration in profitability in ship-related business affected by stagnant market conditions in the same period of the previous fiscal year.

- Metals & Minerals Company:
  Increased by 27.1 billion yen compared with the same period of the previous fiscal year to 66.1 billion yen (585 million U.S. dollars), due to the higher iron ore and coal prices, and the higher sales volume in iron ore-related business.

- Energy & Chemicals Company:
  Increased by 17.5 billion yen compared with the same period of the previous fiscal year to 151.6 billion yen (1,342 million U.S. dollars), due to the conversion of Takiron into a consolidated subsidiary as a result of its merger with C. I. Kasei and the favorable performance in plastic-related companies, despite the deterioration in profitability in energy trading transactions.

(iii) Selling, general and administrative expenses

Increased by 11.3%, or 66.7 billion yen, compared with the same period of the previous fiscal year to 657.3 billion yen (5,817 million U.S. dollars), due to the conversion of YANASE into a consolidated subsidiary, the conversion of Takiron into a consolidated subsidiary as a result of its merger with C. I. Kasei, and other factors.

(iv) Gains on investments

Increased by 18.5%, or 6.6 billion yen, compared with the same period of the previous fiscal year to 42.0 billion yen (372 million U.S. dollars), due to the gain accompanying the merger of C. I. Kasei and Takiron, and the gain accompanying the partial sales of a Chinese fresh-food-related company, despite the absence of the gain accompanying the changes in equity resulting from the merger of FamilyMart and UNY Holdings, and the gain on sales of a medical-device-related company in the same period of the previous fiscal year.

(v) Equity in earnings of associates and joint ventures

Increased by 19.4%, or 27.7 billion yen, compared with the same period of the previous fiscal year to 170.2 billion yen (1,506 million U.S. dollars).

・ Food Company:

Increased by 17.0 billion yen compared with the same period of the previous fiscal year to 32.0 billion yen (283 million U.S. dollars), due to the higher operating revenues resulting from the merger of FamilyMart and UNY Holdings and the improvement in tax expenses.

・ ICT & Financial Business Company:

Increased by 6.0 billion yen compared with the same period of the previous fiscal year to 27.5 billion yen (244 million U.S. dollars), due to the recovery of foreign finance-related companies.

(vi) Income tax expense

Increased by 0.2%, or 0.1 billion yen, compared with the same period of the previous fiscal year to 78.7 billion yen (696 million U.S. dollars), due to stable growth in profits, despite the positive effects of the U.S. tax reform and the decrease in tax expenses in pulp-related companies.

(vii) Net profit attributable to ITOCHU

Consequently, Net profit attributable to ITOCHU increased by 18.9%, or 56.8 billion yen, compared with the same period of the previous fiscal year to 357.1 billion yen (3,160 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 15.4%, or 30.8 billion yen, compared with the same period of the previous fiscal year to 231.6 billion yen (2,049 million U.S. dollars).

・ Metals & Minerals Company:

Increased by 26.5 billion yen compared with the same period of the previous fiscal year to 52.7 billion yen (466 million U.S. dollars), due to the higher iron ore and coal prices, and the higher sales volume in iron ore-related business.

・ Machinery Company:

Increased by 8.2 billion yen compared with the same period of the previous fiscal year to 26.5 billion yen (234 million U.S. dollars), due to the conversion of YANASE into a consolidated subsidiary, the favorable performance in aircraft-related and plant-related companies, and the absence of deterioration in profitability in ship-related business affected by stagnant market conditions 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
	Dec. 2017	Mar. 2017	Increase (Decrease)	%	Dec. 2017
Total assets	8,975.9	8,122.0	853.9	10.5%	79,433
Interest-bearing debt	2,878.4	2,944.7	(66.3)	(2.3%)	25,472
Net interest-bearing debt	2,394.3	2,330.7	63.6	2.7%	21,188
Total shareholders' equity	2,741.0	2,401.9	339.1	14.1%	24,257
Ratio of shareholders' equity to total assets	30.5%	29.6%	Increased 1.0pt		
NET DER (times)	0.87	0.97	Improved 0.1pt		

(i) Total assets

Increased by 10.5%, or 853.9 billion yen, compared with March 31, 2017 to 8,975.9 billion yen (79,433 million U.S. dollars), due to the conversion of YANASE into a consolidated subsidiary, the conversion of Takiron into a consolidated subsidiary as a result of its merger with C. I. Kasei, the increased trade receivables accompanying the higher transaction volume and the seasonal factors in food-distribution-related companies, the increased trade receivables accompanying the rise in oil prices in energy-related companies and energy trading transactions, and the increase in investments accounted for by the equity method.

(ii) Interest-bearing debt

Decreased by 2.3%, or 66.3 billion yen, compared with March 31, 2017 to 2,878.4 billion yen (25,472 million U.S. dollars), due to the repayment of borrowings accompanying stable performance in operating revenues and steady collections, despite the conversion of YANASE into a consolidated subsidiary, the investments in IPP-related companies, and the additional investments in FamilyMart UNY Holdings and a provisions-related company. Whereas, Net interest-bearing debt (Interest-bearing debt after deducting Cash and cash equivalents and Time deposits) increased by 2.7%, or 63.6 billion yen, compared with March 31, 2017 to 2,394.3 billion yen (21,188 million U.S. dollars), due to the decrease in Cash and cash equivalents.

(iii) Total shareholders' equity

Increased by 14.1%, or 339.1 billion yen, compared with March 31, 2017 to 2,741.0 billion yen (24,257 million U.S. dollars), due to Net profit attributable to ITOCHU during this fiscal year, the effect of foreign currency translation, and the rise in the fair value of stocks, despite dividend payments and acquisition of treasury stock.

(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 1.0 points compared with March 31, 2017 to 30.5%. NET DER (Net debt-to-shareholders' equity ratio) improved compared with March 31, 2017 to 0.87 times.

(b) Consolidated Cash Flows

	Billions of Yen		Millions of U.S. Dollars
	Apr.-Dec. 2017	Apr.-Dec. 2016	Apr.-Dec. 2017
Cash flows from operating activities	210.0	232.3	1,859
Cash flows from investing activities	(99.2)	(31.8)	(878)
Free cash flows.....	*110.8*	*200.5*	*981*
Cash flows from financing activities	(255.2)	(242.6)	(2,258)

(i) Cash flows from operating activities

Recorded a net cash-inflow of 210.0 billion yen (1,859 million U.S. dollars), resulting from the stable performance in operating revenues in the Metals & Minerals, Food, ICT, and Energy sectors.

(ii) Cash flows from investing activities

Recorded a net cash-outflow of 99.2 billion yen (878 million U.S. dollars), due to the investments in IPP-related companies, the additional investments in FamilyMart UNY Holdings and a provisions-related company, and the acquisition of fixed assets mainly in the Food, Energy, and Metals & Minerals sectors, despite the increase in cash resulting from the conversion of Takiron into a consolidated subsidiary as a result of its merger with C. I. Kasei.

(iii) Cash flows from financing activities

Recorded a net cash-outflow of 255.2 billion yen (2,258 million U.S. dollars), due to the repayment of borrowings, dividend payments, and acquisition of treasury stock.

Consequently, Cash and cash equivalents as of December 31, 2017 decreased by 138.9 billion yen compared with March 31, 2017 to 466.7 billion yen (4,130 million U.S. dollars).

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 nine-month periods ended December 31, 2017 and 2016

	Millions of Yen		Millions of U.S. Dollars
	Apr.-Dec. 2017	Apr.-Dec. 2016	**Apr.-Dec. 2017**
Revenues:			
Revenues from sale of goods	**¥ 3,433,066**	¥ 2,940,139	**$ 30,381**
Revenues from rendering of services and royalties	**586,736**	530,933	**5,192**
Total revenues	**4,019,802**	3,471,072	**35,573**
Cost:			
Cost of sale of goods	**(2,682,872)**	(2,284,931)	**(23,742)**
Cost of rendering of services and royalties	**(445,338)**	(393,813)	**(3,941)**
Total cost	**(3,128,210)**	(2,678,744)	**(27,683)**
Gross trading profit	**891,592**	792,328	**7,890**
Other gains (losses):			
Selling, general and administrative expenses	**(657,285)**	(590,566)	**(5,817)**
Provision for doubtful accounts	**(2,663)**	(950)	**(24)**
Gains on investments	**42,008**	35,441	**372**
Gains (losses) on property, plant, equipment and intangible assets	**5,071**	(101)	**45**
Other-net	**(989)**	7,677	**(8)**
Total other-losses	**(613,858)**	(548,499)	**(5,432)**
Financial income (loss):			
Interest income	**25,523**	19,540	**226**
Dividends received	**15,178**	9,593	**134**
Interest expense	**(29,590)**	(21,852)	**(262)**
Total financial income	**11,111**	7,281	**98**
Equity in earnings of associates and joint ventures	**170,200**	142,508	**1,506**
Profit before tax	**459,045**	393,618	**4,062**
Income tax expense	**(78,668)**	(78,520)	**(696)**
Net Profit	**380,377**	315,098	**3,366**
Net profit attributable to ITOCHU	**357,132**	300,336	**3,160**
Net profit attributable to non-controlling interests	**23,245**	14,762	**206**

	Millions of Yen		Millions of U.S. Dollars
	Apr.-Dec. 2017	Apr.-Dec. 2016	**Apr.-Dec. 2017**
Other comprehensive income, net of tax:			
Items that will not be reclassified to profit or loss			
FVTOCI financial assets	**¥ 41,340**	¥ 21,213	**$ 366**
Remeasurement of net defined pension liability	**(291)**	(177)	**(3)**
Other comprehensive income in associates and joint ventures	**7,315**	104	**65**
Items that will be reclassified to profit or loss			
Translation adjustments	**28,790**	(4,998)	**254**
Cash flow hedges	**(1,278)**	3,547	**(11)**
Other comprehensive income in associates and joint ventures	**32,646**	(43,290)	**289**
Total other comprehensive income, net of tax	**108,522**	(23,601)	**960**
Total comprehensive income	**488,899**	291,497	**4,326**
Total comprehensive income attributable to ITOCHU	**462,527**	275,948	**4,093**
Total comprehensive income attributable to non-controlling interests	**26,372**	15,549	**233**

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 nine-month periods ended December 31, 2017 and 2016 were 231,644 million yen (2,049 million U.S. dollars) and 200,812 million yen, respectively.

(2) Consolidated Statement of Financial Position ［Condensed］

ITOCHU Corporation and its Subsidiaries

As of December 31, 2017 and March 31, 2017

Assets	Millions of Yen		Millions of U.S. Dollars
	Dec. 2017	Mar. 2017	**Dec. 2017**
Current assets:			
Cash and cash equivalents	**¥ 466,696**	¥ 605,589	**$ 4,130**
Time deposits	**17,398**	8,381	**154**
Trade receivables	**2,275,050**	1,949,049	**20,133**
Other current receivables	**81,269**	74,322	**719**
Other current financial assets	**47,666**	28,999	**422**
Inventories	**931,008**	775,396	**8,239**
Advances to suppliers	**186,292**	161,855	**1,649**
Other current assets	**120,671**	97,224	**1,068**
Total current assets	**4,126,050**	3,700,815	**36,514**
Non-current assets:			
Investments accounted for by the equity method	**1,835,569**	1,626,583	**16,244**
Other investments	**904,019**	793,589	**8,000**
Non-current receivables	**658,803**	656,774	**5,830**
Non-current financial assets other than investments and receivables	**94,898**	118,511	**840**
Property, plant and equipment	**791,426**	680,375	**7,004**
Investment property	**19,588**	26,605	**173**
Goodwill and intangible assets	**375,073**	369,378	**3,319**
Deferred tax assets	**67,810**	54,660	**600**
Other non-current assets	**102,672**	94,742	**909**
Total non-current assets	**4,849,858**	4,421,217	**42,919**
Total assets	**¥ 8,975,908**	¥ 8,122,032	**$ 79,433**

Liabilities and Equity	Millions of Yen		Millions of U.S. Dollars
	Dec. 2017	Mar. 2017	**Dec. 2017**
Current liabilities:			
Short-term debentures and borrowings	**¥ 545,751**	¥ 563,033	**$ 4,830**
Trade payables	**1,966,097**	1,588,783	**17,399**
Other current payables	**71,223**	53,494	**630**
Other current financial liabilities	**37,660**	15,729	**333**
Current tax liabilities	**36,750**	40,660	**325**
Advances from customers	**168,287**	149,921	**1,489**
Other current liabilities	**294,751**	288,785	**2,609**
Total current liabilities	**3,120,519**	2,700,405	**27,615**
Non-current liabilities:			
Long-term debentures and borrowings	**2,332,601**	2,381,620	**20,642**
Other non-current financial liabilities	**114,178**	108,333	**1,010**
Non-current liabilities for employee benefits	**104,276**	59,614	**923**
Deferred tax liabilities	**148,988**	123,374	**1,319**
Other non-current liabilities	**96,206**	85,875	**852**
Total non-current liabilities	**2,796,249**	2,758,816	**24,746**
Total liabilities	**5,916,768**	5,459,221	**52,361**
Equity:			
Common stock:			
Authorized: 3,000,000,000 shares;			
issued: 1,662,889,504 shares	**253,448**	253,448	**2,243**
Capital surplus	**159,234**	162,038	**1,409**
Retained earnings	**2,277,158**	2,020,018	**20,152**
Other components of equity :			
Translation adjustments	**197,278**	137,085	**1,746**
FVTOCI financial assets	**3,154**	(50,353)	**28**
Cash flow hedges	**939**	1,997	**8**
Total other components of equity	**201,371**	88,729	**1,782**
Treasury stock	**(150,199)**	(122,340)	**(1,329)**
Total shareholders' equity	**2,741,012**	2,401,893	**24,257**
Non-controlling interests	**318,128**	260,918	**2,815**
Total equity	**3,059,140**	2,662,811	**27,072**
Total liabilities and equity	**¥ 8,975,908**	¥ 8,122,032	**$ 79,433**

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

ITOCHU Corporation and its Subsidiaries

For the nine-month periods ended December 31, 2017 and 2016

	Millions of Yen		Millions of U.S. Dollars
	Apr.-Dec. 2017	Apr.-Dec. 2016	**Apr.-Dec. 2017**
Common stock:			
Balance at the beginning of the period	**¥ 253,448**	¥ 253,448	**$ 2,243**
Balance at the end of the period	**¥ 253,448**	¥ 253,448	**$ 2,243**
Capital surplus:			
Balance at the beginning of the period	**¥ 162,038**	¥ 156,688	**$ 1,434**
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests	**(2,804)**	932	**(25)**
Balance at the end of the period	**¥ 159,234**	¥ 157,620	**$ 1,409**
Retained earnings:			
Balance at the beginning of the period	**¥ 2,020,018**	¥ 1,748,375	**$ 17,877**
Net profit attributable to ITOCHU	**357,132**	300,336	**3,160**
Transfer from other components of equity	**(7,147)**	(2,286)	**(63)**
Cash dividends	**(92,845)**	(83,037)	**(822)**
Balance at the end of the period	**¥ 2,277,158**	¥ 1,963,388	**$ 20,152**
Other components of equity:			
Balance at the beginning of the period	**¥ 88,729**	¥ 140,750	**$ 785**
Other comprehensive income attributable to ITOCHU	**105,395**	(24,388)	**933**
Transfer to retained earnings	**7,147**	2,286	**63**
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests	**100**	(138)	**1**
Balance at the end of the period	**¥ 201,371**	¥ 118,510	**$ 1,782**
Treasury stock:			
Balance at the beginning of the period	**¥ (122,340)**	¥ (105,584)	**$ (1,082)**
Net change in treasury stock	**(27,859)**	(16,749)	**(247)**
Balance at the end of the period	**¥ (150,199)**	¥ (122,333)	**$ (1,329)**
Total shareholders' equity	**¥ 2,741,012**	¥ 2,370,633	**$ 24,257**
Non-controlling interests:			
Balance at the beginning of the period	**¥ 260,918**	¥ 258,378	**$ 2,309**
Net profit attributable to non-controlling interests	**23,245**	14,762	**206**
Other comprehensive income attributable to non-controlling interests	**3,127**	787	**27**
Cash dividends to non-controlling interests	**(10,640)**	(8,584)	**(94)**
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests	**41,478**	(10,798)	**367**
Balance at the end of the period	**¥ 318,128**	¥ 254,545	**$ 2,815**
Total equity	**¥ 3,059,140**	¥ 2,625,178	**$ 27,072**

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

ITOCHU Corporation and its Subsidiaries

For the nine-month periods ended December 31, 2017 and 2016

	Millions of Yen		Millions of U.S. Dollars
	Apr.-Dec. 2017	Apr.-Dec. 2016	**Apr.-Dec. 2017**
Cash flows from operating activities:			
Net profit	**¥ 380,377**	¥ 315,098	**$ 3,366**
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization	**84,264**	79,408	**746**
Provision for doubtful accounts	**2,663**	950	**24**
(Gains) losses on investments	**(42,008)**	(35,441)	**(372)**
(Gains) losses on property, plant, equipment and intangible assets	**(5,071)**	101	**(45)**
Financial (income) loss	**(11,111)**	(7,281)	**(98)**
Equity in earnings of associates and joint ventures	**(170,200)**	(142,508)	**(1,506)**
Income tax expense	**78,668**	78,520	**696**
Changes in assets and liabilities, other-net	**(104,695)**	(66,903)	**(926)**
Proceeds from interest	**22,948**	19,535	**203**
Proceeds from dividends	**74,601**	60,389	**660**
Payments for interest	**(25,298)**	(17,089)	**(224)**
Payments for income taxes	**(75,110)**	(52,467)	**(665)**
Net cash provided by (used in) operating activities	**210,028**	232,312	**1,859**
Cash flows from investing activities:			
Net change in investments accounted for by the equity method	**(85,141)**	(8,390)	**(753)**
Net change in other investments	**18,508**	(11,392)	**164**
Net change in loans receivable	**19,826**	44,413	**175**
Net change in property, plant, equipment and intangible assets	**(54,570)**	(54,462)	**(483)**
Net change in time deposits	**2,175**	(2,008)	**19**
Net cash provided by (used in) investing activities	**(99,202)**	(31,839)	**(878)**
Cash flows from financing activities:			
Net change in debentures and loans payable	**(125,005)**	(134,788)	**(1,106)**
Cash dividends	**(92,845)**	(83,037)	**(822)**
Net change in treasury stock	**(27,886)**	(16,749)	**(247)**
Other	**(9,457)**	(8,029)	**(83)**
Net cash provided by (used in) financing activities	**(255,193)**	(242,603)	**(2,258)**
Net change in cash and cash equivalents	**(144,367)**	(42,130)	**(1,277)**
Cash and cash equivalents at the beginning of the period	**605,589**	632,871	**5,359**
Effect of exchange rate changes on cash and cash equivalents	**5,474**	880	**48**
Cash and cash equivalents at the end of the period	**¥ 466,696**	¥ 591,621	**$ 4,130**

(5) Operating Segment Information

ITOCHU Corporation and its Subsidiaries
For the nine-month periods ended December 31, 2017 and 2016

Information concerning operations in different operating segments for the nine-month periods ended December 31, 2017 and 2016 is as follows:

For the nine-month period ended December 31, 2017 (April 1, 2017 -December 31, 2017)

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	**¥ 390,341**	**¥ 501,482**	**¥ 163,167**	**¥ 1,161,420**	**¥ 876,877**	**¥ 425,335**	**¥ 488,122**	**¥ 13,058**	**¥ 4,019,802**
Intersegment revenues	**30**	**17**	**-**	**870**	**349**	**9,698**	**5,089**	**(16,053)**	**-**
Total revenues	**390,371**	**501,499**	**163,167**	**1,162,290**	**877,226**	**435,033**	**493,211**	**(2,995)**	**4,019,802**
Gross trading profit	**95,727**	**122,432**	**66,079**	**151,649**	**215,743**	**110,649**	**124,514**	**4,799**	**891,592**
Trading income	**16,206**	**26,513**	**52,717**	**35,123**	**50,286**	**26,673**	**26,420**	**(2,294)**	**231,644**
Net profit attributable to ITOCHU	**21,998**	**37,376**	**57,098**	**23,789**	**83,829**	**41,490**	**36,029**	**55,523**	**357,132**
[Equity in earnings of associates and joint ventures]	**[5,699]**	**[18,798]**	**[15,715]**	**[2,520]**	**[32,025]**	**[12,818]**	**[27,520]**	**[55,105]**	**[170,200]**
Total assets at December 31, 2017	**512,462**	**1,220,431**	**940,158**	**1,351,768**	**2,072,339**	**971,672**	**738,740**	**1,168,338**	**8,975,908**

For the nine-month period ended December 31, 2016 (April 1, 2016 -December 31, 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	¥ 386,873	¥ 261,192	¥ 131,717	¥ 1,021,060	¥ 804,223	¥ 383,390	¥ 463,324	¥ 19,293	¥ 3,471,072
Intersegment revenues	365	1	-	679	276	10,102	4,822	(16,245)	-
Total revenues	387,238	261,193	131,717	1,021,739	804,499	393,492	468,146	3,048	3,471,072
Gross trading profit	99,981	75,263	39,025	134,189	208,694	104,991	116,113	14,072	792,328
Trading income	19,224	18,342	26,263	33,378	47,796	24,140	23,110	8,559	200,812
Net profit attributable to ITOCHU	20,930	37,602	24,716	17,059	63,045	26,629	26,967	83,388	300,336
[Equity in earnings of associates and joint ventures]	[4,961]	[19,047]	[11,596]	[2,970]	[15,045]	[8,298]	[21,515]	[59,076]	[142,508]
Total assets at December 31, 2016	518,731	987,520	884,999	1,174,443	1,977,647	857,012	670,772	1,325,424	8,396,548
Total assets at March 31, 2017	495,892	989,662	854,905	1,169,503	1,773,166	840,350	718,594	1,279,960	8,122,032

For the nine-month period ended December 31, 2017 (April 1, 2017 -December 31, 2017)

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	**$ 3,454**	**$ 4,438**	**$ 1,444**	**$ 10,278**	**$ 7,760**	**$ 3,764**	**$ 4,320**	**$ 115**	**$ 35,573**
Intersegment revenues	**0**	**0**	**-**	**8**	**3**	**86**	**45**	**(142)**	**-**
Total revenues	**3,454**	**4,438**	**1,444**	**10,286**	**7,763**	**3,850**	**4,365**	**(27)**	**35,573**
Gross trading profit	**847**	**1,084**	**585**	**1,342**	**1,909**	**979**	**1,102**	**42**	**7,890**
Trading income	**143**	**234**	**466**	**311**	**445**	**236**	**234**	**(20)**	**2,049**
Net profit attributable to ITOCHU	**195**	**331**	**505**	**210**	**742**	**367**	**319**	**491**	**3,160**
[Equity in earnings of associates and joint ventures]	**[51]**	**[166]**	**[139]**	**[22]**	**[283]**	**[113]**	**[244]**	**[488]**	**[1,506]**
Total assets at December 31, 2017	**4,535**	**10,800**	**8,320**	**11,963**	**18,339**	**8,599**	**6,538**	**10,339**	**79,433**

Note 1 : "Equity in earnings 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 do not belong to any operating segment and internal eliminations between operating segments. The investments in CITIC Limited and C.P. Pokphand Co. Ltd. and the profits and losses from them are included in this segment.

(6) Assumption for Going Concern: None