

**-Unaudited-****Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2024**

[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: -

**1. Consolidated operating results for the first quarter of FYE 2024 (from April 1, 2023 to June 30, 2023)****(1) Consolidated operating results (Summary)**

(%: Changes from the same period of the previous fiscal year)

	Revenues		Trading income (*4)		Profit before tax		Net profit		Net profit attributable to ITOCHU		Total comprehensive income attributable to ITOCHU	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
For the first quarter of												
FYE 2024	3,348,491	(0.9)	167,237	(8.6)	300,224	(1.5)	229,772	(4.6)	213,237	(7.5)	403,590	(7.6)
FYE 2023	3,378,021	15.8	183,035	19.4	304,699	(20.2)	240,768	(15.4)	230,631	(13.8)	436,951	50.6

	Basic earnings per share attributable to ITOCHU		Diluted earnings per share attributable to ITOCHU	
	yen		yen	
For the first quarter of				
FYE 2024		146.53		-
FYE 2023		156.96		-

Equity in earnings of associates and joint ventures (millions of yen) 1st quarter of FYE 2024: 80,546 [ (15.8)%] 1st quarter of FYE 2023: 95,659 [ 23.6%]

Total comprehensive income (millions of yen) 1st quarter of FYE 2024: 430,917 [ (4.2)%] 1st quarter of FYE 2023: 449,774 [ 45.7%]

**(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, 2023	13,642,383	5,766,073	5,109,938	37.5	3,511.06
March 31, 2023	13,111,652	5,463,627	4,819,511	36.8	3,311.78

**(3) Consolidated cash flows information**

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents
	millions of yen	millions of yen	millions of yen	millions of yen
For the first quarter of				
FYE 2024	214,041	(49,001)	(167,508)	617,641
FYE 2023	236,030	(55,728)	(155,342)	653,429

**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
FYE 2023	-	65.00	-	75.00	140.00
FYE 2024	-				
FYE 2024 (Planned)		80.00	-	80.00	160.00

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

**3. Outlook of consolidated operating results for FYE 2024 (from April 1, 2023 to March 31, 2024)**

(%: Changes from the previous fiscal year)

	Net profit attributable to ITOCHU		Basic earnings per share attributable to ITOCHU
	millions of yen	%	yen
FYE 2024	780,000	(2.6)	536.90

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

(Note) Outlook of consolidated operating results for the first half of FYE 2024 is not prepared.

#### 4. Other information

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying 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 FYE 2024	1,584,889,504	FYE 2023	1,584,889,504
(b) Number of treasury stock:	1st quarter of FYE 2024	129,506,443	FYE 2023	129,625,295
(c) Average number of common shares outstanding:	1st quarter of FYE 2024	1,455,277,059	1st quarter of FYE 2023	1,469,382,162

[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. This document is unaudited by certified public accountants or audit firms.
- \*3. Data and projections contained in these materials are based on the information available at the time of publication, and various factors may cause the 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 has no obligation to update any forward-looking statements as a result of new information, future events or other developments.
- \*4. "Trading income" is presented in accordance with Japanese accounting practices.  
"Trading income" = "Gross trading profit" + "Selling, general and administrative expenses" + "Provision for doubtful accounts"
- \*5. 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 144.99 yen = 1 U.S. dollar, the exchange rate prevailing on June 30, 2023.  
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.
- \*6. "ITOCHU" referred to in the consolidated financial statements represents ITOCHU Corporation.

## **1. Qualitative Information**

### **(1) Consolidated Operating Results**

[For the three-month period ended June 30, 2023]

#### **(a) General Economic Situation**

For the three month period ended June 30, 2023, the global economy generally remained stagnant. The economy was negatively affected mainly by inflation spreading to wide range of sectors including the service sector and the continuing raise of interest rates by major central banks in the U.S. and Europe, and the peaking of sharp recovery in consumer spending due to the end of prevention measures against COVID-19 in China. The WTI crude oil price fell from the US\$80 per barrel level at the beginning of the fiscal year to around US \$70 per barrel in early May due to the stagnation of the global economy and subsequently remained generally flat supported by supply constraints by major oil-producing countries, closing at the US\$70 per barrel level at the end of June.

The Japanese economy continued to recover, driven by consumer spending resulting from the normalization of economic activity based on the assumption of coexistence with COVID-19, as well as rising wages and stock prices. The U.S. dollar-yen exchange rate depreciated from the ¥133 per dollar level at the beginning of the fiscal year to around ¥145 per dollar by the end of June due to rising U.S. long-term interest rates and continued monetary easing by the Bank of Japan. The Nikkei Stock Average followed an upward trend from the ¥28,000 level at the beginning of the fiscal year amid a recovery in the domestic economy and continued monetary easing by the Bank of Japan, closing at the ¥33,000 level at the end of June. The yield on 10-year Japanese government bonds rose from 0.42% at the beginning of the fiscal year to near 0.50%, the upper limit set by the Bank of Japan, in late April from the growing expectations that the Bank of Japan would revise its monetary easing policy. However, it subsequently declined to around 0.40% at the end of April after the Bank of Japan announced its intention to continue monetary easing, closing at 0.43% at the end of June.

(b) Consolidated Operating Results

	Billions of Yen				Millions of U.S. Dollars
	Apr.-Jun. 2023	Apr.-Jun. 2022	Increase (Decrease)	%	Apr.-Jun. 2023
Revenues .....	3,348.5	3,378.0	(29.5)	(0.9%)	23,095
Gross trading profit .....	517.9	525.0	(7.2)	(1.4%)	3,572
Selling, general and administrative expenses .....	(351.0)	(339.7)	(11.3)	3.3%	(2,421)
Gains (losses) on investments.....	28.8	8.7	20.1	231.4%	199
Net interest expenses (The total of interest income and interest expense).....	(10.4)	(2.7)	(7.7)	-	(72)
Equity in earnings of associates and joint ventures .....	80.5	95.7	(15.1)	(15.8%)	556
Income tax expense.....	(70.5)	(63.9)	(6.5)	10.2%	(486)
Net profit.....	229.8	240.8	(11.0)	(4.6%)	1,585
<b>Net profit attributable to ITOCHU.....</b>	<b>213.2</b>	<b>230.6</b>	<b>(17.4)</b>	<b>(7.5%)</b>	<b>1,471</b>
(Reference) Trading income.....	167.2	183.0	(15.8)	(8.6%)	1,154

(i) Revenues (from external customers)

Decreased by 0.9%, or 29.5 billion yen, compared to the same period of the previous fiscal year to 3,348.5 billion yen (23,095 million U.S. dollars).

• Energy & Chemicals Company:

Decreased by 108.0 billion yen compared to the same period of the previous fiscal year to 710.0 billion yen (4,896 million U.S. dollars), due to lower market prices in energy trading transactions, energy-related companies, and chemical-related transactions, partially offset by the stable performance in electricity transactions.

• Metals & Minerals Company:

Decreased by 65.8 billion yen compared to the same period of the previous fiscal year to 310.2 billion yen (2,140 million U.S. dollars), due to lower coal and iron ore prices.

• Food Company:

Increased by 89.5 billion yen compared to the same period of the previous fiscal year to 1,189.6 billion yen (8,205 million U.S. dollars), due to expansion of transactions resulting from the recovery of consumer activity and higher sales prices in food-distribution-related companies, in addition to higher market prices and higher transaction volume in provisions-related transactions.

• General Products & Realty Company:

Increased by 46.1 billion yen compared to the same period of the previous fiscal year to 344.4 billion yen (2,375 million U.S. dollars), due to the stable performance in domestic real estate transactions and the conversion of a North American engineered wood products company into a consolidated subsidiary in the second quarter of the previous fiscal year.

(ii) Gross trading profit

Decreased by 1.4%, or 7.2 billion yen, compared to the same period of the previous fiscal year to 517.9 billion yen (3,572 million U.S. dollars).

- Metals & Minerals Company:

Decreased by 23.2 billion yen compared to the same period of the previous fiscal year to 46.8 billion yen (323 million U.S. dollars), due to lower coal and iron ore prices.

- ICT & Financial Business Company:

Decreased by 2.6 billion yen compared to the same period of the previous fiscal year to 62.9 billion yen (434 million U.S. dollars), due to the de-consolidation of CONEXIO in the fourth quarter of the previous fiscal year, partially offset by the stable transactions in ITOCHU Techno-Solutions.

- The 8th Company:

Increased by 9.6 billion yen compared to the same period of the previous fiscal year to 103.7 billion yen (715 million U.S. dollars), due to the increase in daily sales along with higher number of customers and spend per customer resulting from enhancement of product appeal and sales promotion in FamilyMart.

- General Products & Realty Company:

Increased by 8.9 billion yen compared to the same period of the previous fiscal year to 63.0 billion yen (434 million U.S. dollars), due to the stable performance in domestic real estate transactions, the improvement in profitability in ETEL (European tire-related company), and the conversion of a North American engineered wood products company into a consolidated subsidiary in the second quarter of the previous fiscal year, partially offset by the absence of favorable performance in construction-materials-related business in the same period of the previous fiscal year.

(iii) Selling, general and administrative expenses

Increased by 3.3%, or 11.3 billion yen, compared to the same period of the previous fiscal year to 351.0 billion yen (2,421 million U.S. dollars), due to the acquisition of DOME, the increase in personnel expenses, and the depreciation of the yen, partially offset by the decrease because of the de-consolidation of CONEXIO in the fourth quarter of the previous fiscal year.

(iv) Gains (losses) on investments

Increased by 231.4%, or 20.1 billion yen, compared to the same period of the previous fiscal year to a gain of 28.8 billion yen (199 million U.S. dollars), due to the revaluation gain on a lithium-ion batteries company.

(v) Net interest expenses (The total of interest income and interest expense)

Deteriorated by 7.7 billion yen compared to the same period of the previous fiscal year to expenses of 10.4 billion yen (72 million U.S. dollars), due to the increase in interest expense with higher U.S. dollar interest rates.

(vi) Equity in earnings of associates and joint ventures

Decreased by 15.8%, or 15.1 billion yen, compared to the same period of the previous fiscal year to 80.5 billion yen (556 million U.S. dollars).

• Others, Adjustments & Eliminations: (\*)

Decreased by 23.3 billion yen compared to the same period of the previous fiscal year to 19.4 billion yen (134 million U.S. dollars), due to lower earnings in CITIC Limited resulting from the absence of revaluation gain on securities business in the same period of the previous fiscal year, partially offset by the stable performance in comprehensive financial services segment, and lower earnings in C.P. Pokphand resulting from lower pork prices.

• General Products & Realty Company:

Decreased by 10.5 billion yen compared to the same period of the previous fiscal year to 1.5 billion yen (10 million U.S. dollars), due to lower earnings in IFL (European pulp-related company) resulting from lower pulp prices and lower sales volume, the absence of favorable performance in overseas real estate business in the same period of the previous fiscal year, and the conversion of a North American engineered wood products company into a consolidated subsidiary from an investment accounted for by the equity method in the second quarter of the previous fiscal year.

• Machinery Company:

Increased by 20.3 billion yen compared to the same period of the previous fiscal year to 23.2 billion yen (160 million U.S. dollars), due to the start of equity pick-up of Hitachi Construction Machinery from the third quarter of the previous fiscal year and the absence of the losses on aircrafts leased to Russian airlines in a leasing-related company in the same period of the previous fiscal year.

(\*) “Others, Adjustments & Eliminations” includes gains and losses, which do not belong to any operating segment and internal eliminations between operating segments. For more details, please refer to page 17, “3. (5) Operating Segment Information”.

(vii) Income tax expense

Increased by 10.2%, or 6.5 billion yen, compared to the same period of the previous fiscal year to 70.5 billion yen (486 million U.S. dollars), due to higher profit before tax excluding equity in earnings of associates and joint ventures.

(viii) Net profit attributable to ITOCHU

Consequently, net profit attributable to ITOCHU decreased by 7.5%, or 17.4 billion yen, compared to the same period of the previous fiscal year to 213.2 billion yen (1,471 million U.S. dollars).

(Reference) Trading income

“Trading income” in accordance with Japanese accounting practices (“Trading income” = “Gross trading profit” + “Selling, general and administrative expenses” + “Provision for doubtful accounts”) decreased by 8.6%, or 15.8 billion yen, compared to the same period of the previous fiscal year to 167.2 billion yen (1,154 million U.S. dollars).

- Metals & Minerals Company:

Decreased by 23.1 billion yen compared to the same period of the previous fiscal year to 42.1 billion yen (290 million U.S. dollars), due to lower coal and iron ore prices.

- Energy & Chemicals Company:

Decreased by 2.4 billion yen compared to the same period of the previous fiscal year to 27.9 billion yen (192 million U.S. dollars), due to lower oil prices in CIECO Azer (Crude oil exploration and production company) and the absence of favorable performance in chemical-related transactions in the same period of the previous fiscal year, partially offset by the stable performance in electricity transactions.

- The 8th Company:

Increased by 6.6 billion yen compared to the same period of the previous fiscal year to 18.2 billion yen (126 million U.S. dollars), due to the increase in daily sales along with higher number of customers and spend per customer resulting from enhancement of product appeal and sales promotion, partially offset by the increase in various costs caused by changes in external environment and execution of digital measures to strengthen business foundations in FamilyMart.

- ICT & Financial Business Company:

Increased by 4.6 billion yen compared to the same period of the previous fiscal year to 12.7 billion yen (88 million U.S. dollars), due to the stable transactions in ITOCHU Techno-Solutions, the improvement in retail-finance-related companies, and higher agency commissions in HOKEN NO MADOGUCHI GROUP.

## (2) Consolidated Financial Position

	Billions of Yen				Millions of U.S. Dollars
	Jun. 2023	Mar. 2023	Increase (Decrease)	%	Jun. 2023
Total assets .....	13,642.4	13,111.7	530.7	4.0%	94,092
Interest-bearing debt .....	3,114.3	3,006.6	107.7	3.6%	21,480
Net interest-bearing debt .....	2,487.2	2,391.2	96.1	4.0%	17,155
Total shareholders' equity.....	5,109.9	4,819.5	290.4	6.0%	35,244
Ratio of shareholders' equity to total assets .....	37.5%	36.8%	Increased 0.7pt		
NET DER (times) .....	0.49	0.50	Improved 0.01pt		

### (i) Total assets

Increased by 4.0%, or 530.7 billion yen, compared to March 31, 2023 to 13,642.4 billion yen (94,092 million U.S. dollars), due to the increase in investments accounted for by the equity method, the increase in trade receivables resulting from the increase of trading transactions, and the depreciation of the yen.

### (ii) Net interest-bearing debt (interest-bearing debt after deducting cash and cash equivalents and time deposits)

Increased by 4.0%, or 96.1 billion yen, compared to March 31, 2023 to 2,487.2 billion yen (17,155 million U.S. dollars), due to dividend payments and the depreciation of the yen, partially offset by the stable performance in operating revenues.

Interest-bearing debt increased by 3.6%, or 107.7 billion yen, compared to March 31, 2023 to 3,114.3 billion yen (21,480 million U.S. dollars).

### (iii) Total shareholders' equity

Increased by 6.0%, or 290.4 billion yen, compared to March 31, 2023 to 5,109.9 billion yen (35,244 million U.S. dollars), due to net profit attributable to ITOCHU during this fiscal year and the depreciation of the yen, partially offset by dividend payments.

### (iv) Ratio of shareholders' equity to total assets and NET DER

Ratio of shareholders' equity to total assets increased by 0.7 points compared to March 31, 2023 to 37.5%. NET DER (Net debt-to-shareholders' equity ratio) improved compared to March 31, 2023 to 0.49 times.

### (3) Consolidated Cash Flows

	Billions of Yen		Millions of U.S. Dollars
	Apr.-Jun. 2023	Apr.-Jun. 2022	Apr.-Jun. 2023
Cash flows from operating activities .....	214.0	236.0	1,476
Cash flows from investing activities .....	(49.0)	(55.7)	(338)
<i>Free cash flows</i> .....	<i>165.0</i>	<i>180.3</i>	<i>1,138</i>
Cash flows from financing activities .....	(167.5)	(155.3)	(1,155)

(i) Cash flows from operating activities

Recorded a net cash-inflow of 214.0 billion yen (1,476 million U.S. dollars), due to the stable performance in operating revenues in General Products & Realty and The 8th Companies and dividends received from equity method investments in Metals & Minerals Company.

(ii) Cash flows from investing activities

Recorded a net cash-outflow of 49.0 billion yen (338 million U.S. dollars), due to the acquisition of equity method investments in Metals & Minerals Company and the purchase of fixed assets in The 8th, Food, and Energy & Chemicals Companies.

(iii) Cash flows from financing activities

Recorded a net cash-outflow of 167.5 billion yen (1,155 million U.S. dollars), due to dividend payments and repayments of lease liabilities.

As a result of cash flows above and the depreciation of the yen, “Cash and cash equivalents” as of June 30, 2023 increased by 11.6 billion yen compared to March 31, 2023 to 617.6 billion yen (4,260 million U.S. dollars).

## **2. Summary Information (Notes)**

**(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying 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

With regards to the impacts from the Russia-Ukraine situation, there are no significant changes from the description in the Annual Financial Statements for the year ended March 31, 2023.

**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, 2023 and 2022

	Millions of Yen		Millions of U.S. Dollars
	Apr.-Jun. 2023	Apr.-Jun. 2022	Apr.-Jun. 2023
<b>Revenues:</b>			
Revenues from sale of goods.....	¥ 3,017,371	¥ 3,049,729	\$ 20,811
Revenues from rendering of services and royalties.....	331,120	328,292	2,284
Total revenues.....	3,348,491	3,378,021	23,095
<b>Cost:</b>			
Cost of sale of goods.....	(2,655,934)	(2,677,409)	(18,318)
Cost of rendering of services and royalties.....	(174,690)	(175,569)	(1,205)
Total cost.....	(2,830,624)	(2,852,978)	(19,523)
<b>Gross trading profit.....</b>	<b>517,867</b>	<b>525,043</b>	<b>3,572</b>
<b>Other gains (losses):</b>			
Selling, general and administrative expenses.....	(351,048)	(339,713)	(2,421)
Provision for doubtful accounts.....	418	(2,295)	3
Gains (losses) on investments.....	28,837	8,702	199
Gains (losses) on property, plant, equipment and intangible assets.....	5,399	(1,921)	37
Other-net.....	5,117	(1,922)	35
Total other-losses.....	(311,277)	(337,149)	(2,147)
<b>Financial income (loss):</b>			
Interest income.....	12,867	5,860	89
Dividends received.....	23,537	23,878	162
Interest expense.....	(23,316)	(8,592)	(161)
Total financial income.....	13,088	21,146	90
Equity in earnings of associates and joint ventures.....	80,546	95,659	556
<b>Profit before tax.....</b>	<b>300,224</b>	<b>304,699</b>	<b>2,071</b>
Income tax expense.....	(70,452)	(63,931)	(486)
<b>Net profit.....</b>	<b>229,772</b>	<b>240,768</b>	<b>1,585</b>
Net profit attributable to ITOCHU.....	213,237	230,631	1,471
Net profit attributable to non-controlling interests.....	16,535	10,137	114

	Millions of Yen		Millions of U.S. Dollars
	Apr.-Jun. 2023	Apr.-Jun. 2022	Apr.-Jun. 2023
<b>Other comprehensive income, net of tax:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
FVTOCI financial assets.....	¥ 3,155	¥ (29,479)	\$ 22
Remeasurement of net defined pension liability.....	158	(1,014)	1
Other comprehensive income in associates and joint ventures.....	3,295	(2,086)	23
<b>Items that will be reclassified to profit or loss</b>			
Translation adjustments.....	167,373	165,940	1,154
Cash flow hedges.....	40	2,459	0
Other comprehensive income in associates and joint ventures.....	27,124	73,186	187
<b>Total other comprehensive income, net of tax.....</b>	<b>201,145</b>	<b>209,006</b>	<b>1,387</b>
<b>Total comprehensive income.....</b>	<b>430,917</b>	<b>449,774</b>	<b>2,972</b>
Total comprehensive income attributable to ITOCHU.....	403,590	436,951	2,784
Total comprehensive income attributable to non-controlling interests.....	27,327	12,823	188

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, 2023 and 2022 were 167,237 million yen (1,154 million U.S. dollars) and 183,035 million yen, respectively.

**(2) Consolidated Statement of Financial Position [Condensed]**

ITOCHU Corporation and its Subsidiaries

As of June 30, 2023 and March 31, 2023

Assets	Millions of Yen		Millions of U.S. Dollars
	Jun. 2023	Mar. 2023	Jun. 2023
<b>Current assets:</b>			
Cash and cash equivalents.....	¥ 617,641	¥ 606,002	\$ 4,260
Time deposits.....	9,434	9,467	65
Trade receivables.....	2,621,248	2,533,297	18,079
Other current receivables.....	267,270	243,043	1,843
Other current financial assets.....	100,307	73,336	692
Inventories.....	1,307,339	1,304,942	9,017
Advances to suppliers.....	145,668	142,862	1,005
Other current assets.....	251,041	208,419	1,731
Total current assets.....	<u>5,319,948</u>	<u>5,121,368</u>	<u>36,692</u>
<b>Non-current assets:</b>			
Investments accounted for by the equity method.....	2,976,204	2,825,102	20,527
Other investments.....	1,020,032	943,270	7,035
Non-current receivables.....	869,762	805,159	5,999
Non-current financial assets other than investments and receivables.....	162,803	162,768	1,123
Property, plant and equipment.....	2,011,104	1,998,485	13,871
Investment property.....	42,768	44,050	295
Goodwill and intangible assets.....	1,100,915	1,079,253	7,593
Deferred tax assets.....	55,608	54,478	383
Other non-current assets.....	83,239	77,719	574
Total non-current assets.....	<u>8,322,435</u>	<u>7,990,284</u>	<u>57,400</u>
<b>Total assets.....</b>	<u>¥ 13,642,383</u>	<u>¥ 13,111,652</u>	<u>\$ 94,092</u>

Liabilities and Equity	Millions of Yen		Millions of U.S. Dollars
	Jun. 2023	Mar. 2023	Jun. 2023
<b>Current liabilities:</b>			
Short-term debentures and borrowings.....	¥ 757,246	¥ 659,710	\$ 5,223
Lease liabilities (short-term).....	226,967	238,289	1,566
Trade payables.....	2,126,745	2,042,608	14,668
Other current payables.....	197,580	190,014	1,363
Other current financial liabilities.....	98,182	71,642	677
Current tax liabilities.....	87,108	118,109	601
Advances from customers.....	157,931	162,409	1,089
Other current liabilities.....	461,271	462,044	3,181
Total current liabilities.....	<b>4,113,030</b>	<b>3,944,825</b>	<b>28,368</b>
<b>Non-current liabilities:</b>			
Long-term debentures and borrowings.....	2,357,077	2,346,928	16,257
Lease liabilities (long-term).....	770,177	766,278	5,312
Other non-current financial liabilities.....	56,919	56,543	393
Non-current liabilities for employee benefits.....	98,170	96,942	677
Deferred tax liabilities.....	311,521	273,123	2,148
Other non-current liabilities.....	169,416	163,386	1,168
Total non-current liabilities.....	<b>3,763,280</b>	<b>3,703,200</b>	<b>25,955</b>
Total liabilities.....	<b>7,876,310</b>	<b>7,648,025</b>	<b>54,323</b>
<b>Equity:</b>			
Common stock:			
Authorized: 3,000,000,000 shares; issued: 1,584,889,504 shares.....	253,448	253,448	1,748
Capital surplus.....	(173,469)	(169,322)	(1,195)
Retained earnings.....	4,531,103	4,427,244	31,251
Other components of equity:			
Translation adjustments.....	636,044	458,560	4,387
FVTOCI financial assets.....	127,381	120,681	878
Cash flow hedges.....	37,122	30,840	256
Total other components of equity.....	<b>800,547</b>	<b>610,081</b>	<b>5,521</b>
Treasury stock.....	(301,691)	(301,940)	(2,081)
Total shareholders' equity.....	<b>5,109,938</b>	<b>4,819,511</b>	<b>35,244</b>
Non-controlling interests.....	<b>656,135</b>	<b>644,116</b>	<b>4,525</b>
Total equity.....	<b>5,766,073</b>	<b>5,463,627</b>	<b>39,769</b>
<b>Total liabilities and equity.....</b>	<b>¥13,642,383</b>	<b>¥13,111,652</b>	<b>\$ 94,092</b>

-Unaudited-

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

ITOCHU Corporation and its Subsidiaries

For the three-month periods ended June 30, 2023 and 2022

(Unit: Millions of Yen)

	Shareholders' equity						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Total shareholders' equity		
Balance on Apr. 1, 2023	¥ 253,448	¥ (169,322)	¥ 4,427,244	¥ 610,081	¥ (301,940)	¥ 4,819,511	¥ 644,116	¥ 5,463,627
Net profit			213,237			213,237	16,535	229,772
Other comprehensive income				190,353		190,353	10,792	201,145
Total comprehensive income			213,237	190,353		403,590	27,327	430,917
Cash dividends to shareholders			(109,265)			(109,265)		(109,265)
Cash dividends to non-controlling interests						-	(11,676)	(11,676)
Net change in acquisition (disposition) of treasury stock					249	249		249
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(4,147)		-		(4,147)	(3,632)	(7,779)
Transfer to Retained earnings			(113)	113		-		-
Balance on Jun. 30, 2023	253,448	(173,469)	4,531,103	800,547	(301,691)	5,109,938	656,135	5,766,073

(Unit: Millions of Yen)

	Shareholders' equity						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Total shareholders' equity		
Balance on Apr. 1, 2022	¥ 253,448	¥ (161,917)	¥ 3,811,991	¥ 537,007	¥ (241,204)	¥ 4,199,325	¥ 564,375	¥ 4,763,700
Net profit			230,631			230,631	10,137	240,768
Other comprehensive income				206,320		206,320	2,686	209,006
Total comprehensive income			230,631	206,320		436,951	12,823	449,774
Cash dividends to shareholders			(92,715)			(92,715)		(92,715)
Cash dividends to non-controlling interests						-	(17,696)	(17,696)
Net change in acquisition (disposition) of treasury stock					(1,253)	(1,253)		(1,253)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(7,089)		341		(6,748)	(7,515)	(14,263)
Transfer to Retained earnings			1,272	(1,272)		-		-
Balance on Jun. 30, 2022	253,448	(169,006)	3,951,179	742,396	(242,457)	4,535,560	551,987	5,087,547

(Unit: Millions of U.S. Dollars)

	Shareholders' equity						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Total shareholders' equity		
Balance on Apr. 1, 2023	\$ 1,748	\$ (1,167)	\$ 30,535	\$ 4,207	\$ (2,083)	\$ 33,240	\$ 4,443	\$ 37,683
Net profit			1,471			1,471	114	1,585
Other comprehensive income				1,313		1,313	74	1,387
Total comprehensive income			1,471	1,313		2,784	188	2,972
Cash dividends to shareholders			(754)			(754)		(754)
Cash dividends to non-controlling interests						-	(81)	(81)
Net change in acquisition (disposition) of treasury stock					2	2		2
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(28)		-		(28)	(25)	(53)
Transfer to Retained earnings			(1)	1		-		-
Balance on Jun. 30, 2023	1,748	(1,195)	31,251	5,521	(2,081)	35,244	4,525	39,769

**(4) Consolidated Statement of Cash Flows [Condensed]**

ITOCHU Corporation and its Subsidiaries

For the three-month periods ended June 30, 2023 and 2022

	Millions of Yen		Millions of
	Apr.-Jun. 2023	Apr.-Jun. 2022	U.S. Dollars
			Apr.-Jun. 2023
<b>Cash flows from operating activities:</b>			
Net profit.....	¥ 229,772	¥ 240,768	\$ 1,585
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization.....	101,214	99,690	698
(Gains) losses on investments.....	(28,837)	(8,702)	(199)
(Gains) losses on property, plant, equipment and intangible assets.....	(5,399)	1,921	(37)
Financial (income) loss.....	(13,088)	(21,146)	(90)
Equity in earnings of associates and joint ventures.....	(80,546)	(95,659)	(556)
Income tax expense.....	70,452	63,931	486
Provision for doubtful accounts and other provisions.....	(536)	(2,329)	(4)
Changes in assets and liabilities, other-net.....	(19,505)	(37,424)	(135)
Proceeds from interest.....	12,084	5,522	83
Proceeds from dividends.....	81,691	77,826	564
Payments for interest.....	(15,463)	(6,833)	(107)
Payments for income taxes.....	(117,798)	(81,535)	(812)
Net cash provided by (used in) operating activities.....	<u>214,041</u>	<u>236,030</u>	<u>1,476</u>
<b>Cash flows from investing activities:</b>			
Net change in investments accounted for by the equity method.....	(25,486)	(4,307)	(176)
Net change in other investments.....	(4,409)	(9,643)	(30)
Net change in loans receivable.....	1,164	5,275	8
Net change in property, plant, equipment and intangible assets.....	(22,599)	(48,150)	(156)
Net change in time deposits.....	2,329	1,097	16
Net cash provided by (used in) investing activities.....	<u>(49,001)</u>	<u>(55,728)</u>	<u>(338)</u>
<b>Cash flows from financing activities:</b>			
Net change in debentures and loans payable.....	15,656	34,970	108
Repayments of lease liabilities.....	(63,903)	(65,358)	(440)
Cash dividends.....	(109,265)	(92,715)	(754)
Net change in treasury stock.....	(14)	(1,726)	(0)
Other.....	(9,982)	(30,513)	(69)
Net cash provided by (used in) financing activities.....	<u>(167,508)</u>	<u>(155,342)</u>	<u>(1,155)</u>
<b>Net change in cash and cash equivalents.....</b>	<b>(2,468)</b>	<b>24,960</b>	<b>(17)</b>
Cash and cash equivalents at the beginning of the period.....	606,002	611,715	4,180
Effect of exchange rate changes on cash and cash equivalents.....	14,107	16,754	97
<b>Cash and cash equivalents at the end of the period.....</b>	<b>¥ 617,641</b>	<b>¥ 653,429</b>	<b>\$ 4,260</b>

(5) Operating Segment Information

ITOCHU Corporation and its Subsidiaries

For the three-month periods ended June 30, 2023 and 2022

Information concerning operations in different operating segments for the three-month periods ended June 30, 2023 and 2022 is as follows:

For the three-month period ended June 30, 2023 (April 1, 2023 -June 30, 2023)										Millions of Yen
	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	General Products & Realty	ICT & Financial Business	The 8th	Others, Adjustments & Eliminations	Consolidated total
Revenues:										
Revenues from external customers...	¥ 115,980	¥ 339,247	¥ 310,238	¥ 709,964	¥ 1,189,618	¥ 344,396	¥ 179,996	¥ 126,521	¥ 32,531	¥ 3,348,491
Intersegment revenues.....	15	27	-	11,116	4,104	3,861	3,401	1,064	(23,588)	-
Total revenues.....	115,995	339,274	310,238	721,080	1,193,722	348,257	183,397	127,585	8,943	3,348,491
Gross trading profit.....	28,353	55,404	46,762	67,993	88,574	62,955	62,918	103,675	1,233	517,867
Trading income.....	3,105	17,247	42,084	27,865	23,727	23,952	12,714	18,206	(1,663)	167,237
Net profit attributable to ITOCHU....	4,639	31,669	56,207	37,450	20,789	17,470	14,380	10,557	20,076	213,237
[Equity in earnings of associates and joint ventures].....	[1,550]	[23,231]	[14,227]	[614]	[9,333]	[1,476]	[10,968]	[(228)]	[19,375]	[80,546]
Total assets on Jun. 30, 2023.....	462,557	1,722,534	1,319,080	1,621,965	2,265,236	1,260,186	1,338,205	1,898,221	1,754,399	13,642,383

For the three-month period ended June 30, 2022 (April 1, 2022 -June 30, 2022)										Millions of Yen
	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	General Products & Realty	ICT & Financial Business	The 8th	Others, Adjustments & Eliminations	Consolidated total
Revenues:										
Revenues from external customers...	¥ 111,793	¥ 329,128	¥ 376,012	¥ 817,924	¥ 1,100,107	¥ 298,309	¥ 199,795	¥ 113,024	¥ 31,929	¥ 3,378,021
Intersegment revenues.....	-	31	-	10,232	3,118	4,860	3,217	483	(21,941)	-
Total revenues.....	111,793	329,159	376,012	828,156	1,103,225	303,169	203,012	113,507	9,988	3,378,021
Gross trading profit.....	23,873	52,399	69,924	70,007	82,473	54,104	65,516	94,049	12,698	525,043
Trading income.....	2,526	15,234	65,140	30,284	19,281	20,328	8,134	11,582	10,526	183,035
Net profit attributable to ITOCHU....	4,090	18,792	75,615	22,726	18,719	26,725	10,674	4,329	48,961	230,631
[Equity in earnings of associates and joint ventures].....	[1,182]	[2,946]	[17,445]	[6,162]	[3,340]	[11,969]	[10,399]	[(482)]	[42,698]	[95,659]
Total assets on Jun. 30, 2022.....	445,623	1,403,748	1,404,478	1,693,497	2,161,932	1,181,594	1,345,848	1,882,042	1,515,382	13,034,144
Total assets on Mar. 31, 2023.....	457,659	1,664,644	1,274,803	1,552,638	2,146,794	1,223,292	1,308,118	1,906,655	1,577,049	13,111,652

For the three-month period ended June 30, 2023 (April 1, 2023 -June 30, 2023)										Millions of U.S. Dollars
	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	General Products & Realty	ICT & Financial Business	The 8th	Others, Adjustments & Eliminations	Consolidated total
Revenues:										
Revenues from external customers...	\$ 800	\$ 2,340	\$ 2,140	\$ 4,896	\$ 8,205	\$ 2,375	\$ 1,241	\$ 873	\$ 225	\$ 23,095
Intersegment revenues.....	0	0	-	77	28	27	24	7	(163)	-
Total revenues.....	800	2,340	2,140	4,973	8,233	2,402	1,265	880	62	23,095
Gross trading profit.....	196	382	323	469	611	434	434	715	8	3,572
Trading income.....	21	119	290	192	164	165	88	126	(11)	1,154
Net profit attributable to ITOCHU....	32	218	388	258	143	121	99	73	139	1,471
[Equity in earnings of associates and joint ventures].....	[111]	[160]	[98]	[4]	[64]	[10]	[76]	[(1)]	[134]	[556]
Total assets on Jun. 30, 2023.....	3,190	11,880	9,098	11,187	15,623	8,692	9,230	13,092	12,100	94,092

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.

Note 4 : As of October 1, 2022, ITOCHU dissolved the mutual-holdings for certain group companies held by The 8th segment as minority and the other segment as majority, and shares of such group companies are only held by the other segment. Accordingly, the results for the three-month period ended June 30, 2022 are reclassified in the same manner.

**(6) Assumption for Going Concern : None**

**(7) Material Subsequent Events**

The resolution regarding Repurchase of Own Shares

ITOCHU has decided at the meeting of the Board of Directors held on August 4, 2023 to repurchase own shares in accordance with Article 156 of the Companies Act of Japan, as applied pursuant to Paragraph 3, Article 165 of the Companies Act of Japan.

**(a) Reason for Repurchasing Own Shares**

ITOCHU will repurchase its own shares to execute the flexible capital strategy based on the current Shareholder Returns Policy.

**(b) Details of the Repurchase**

- (i) Type of shares to be repurchased : Common stock of ITOCHU
- (ii) Total number of shares to be repurchased : 5,500,000 shares (maximum)  
(Proportion of the total number of shares issued excluding treasury stock : approximately 0.4%)
- (iii) Total amount of shares to be repurchased : ¥25,000 million (maximum)
- (iv) Period : From August 7, 2023 to September 30, 2023