

-Unaudited-**Consolidated Financial Results for the Third 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 third quarter of the FYE 2024 (from April 1, 2023 to December 31, 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 to third quarter of												
FYE 2024	10,451,061	(0.9)	539,082	(6.1)	849,837	(8.1)	654,050	(9.1)	611,693	(10.3)	844,858	12.4
FYE 2023	10,544,219	16.0	574,395	23.6	924,548	(3.4)	719,653	(1.5)	682,229	0.5	751,496	(1.1)

	Basic earnings per share attributable to ITOCHU		Diluted earnings per share attributable to ITOCHU	
	yen		yen	
For the first to third quarter of				
FYE 2024	421.06		-	
FYE 2023	464.66		-	

Equity in earnings of associates and joint ventures (millions of yen) 3rd quarter of FYE 2024: 229,560 [(13.2)%] 3rd quarter of FYE 2023: 264,425 [13.9%]

Total comprehensive income (millions of yen) 3rd quarter of FYE 2024: 908,902 [15.6%] 3rd quarter of FYE 2023: 786,236 [(3.0)%]

(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, 2023	14,359,582	5,669,669	5,110,907	35.6	3,537.10
March 31, 2023	13,115,400	5,467,375	4,823,259	36.8	3,314.35

(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 to third quarter of				
FYE 2024	626,284	(154,280)	(512,853)	578,136
FYE 2023	636,219	(437,081)	(289,079)	531,348

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	-	80.00	-	-	-
FYE 2024 (Planned)	-	-	-	80.00	160.00

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

3. Outlook of consolidated operating results for the 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	800,000	(0.1)	551.90	

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

4. Other information

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the consolidation scope) : Yes

New company : 1 (Digital Value Chain Partners GK)

Note: For more details, please refer to page 10, "2. (1) Changes in significant subsidiaries during the period".

(2) Changes in accounting policies and accounting estimates

(a) Changes in accounting policies required by IFRS : Yes

(b) Other changes : None

(c) Changes in accounting estimates : None

(3) Number of common shares issued

(a) Number of common shares outstanding: 3rd quarter of FYE 2024 1,584,889,504 FYE 2023 1,584,889,504
(including the number of treasury stock)

(b) Number of treasury stock: 3rd quarter of FYE 2024 139,947,871 FYE 2023 129,625,295

(c) Average number of common shares outstanding: 3rd quarter of FYE 2024 1,452,743,246 3rd quarter of FYE 2023 1,468,228,141

Note: Based on the decision at the meeting of the Board of Directors,

ITOCHU has carried out share buybacks of 10,451,500 own shares during the nine-month period ended December 31, 2023.

[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 141.83 yen= 1 U.S. dollar, the exchange rate prevailing on December 31, 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 nine-month period ended December 31, 2023]

(a) General Economic Situation

For the nine-month period ended December 31, 2023, the global economy generally remained sluggish, although some sectors performed stably. The U.S. economy showed gradual improvement mainly in consumer spending due to a decline in the inflation rate, despite the rise in policy interest rate. In Europe, the economy remained stagnant as inflation rate remained high despite monetary tightening. Weak recovery also continued in China due to a slowdown in the real estate market and stagnant exports. 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 May to June due to the stagnation of the global economy. It subsequently trended upward through to September against a backdrop of supply constraints by major oil-producing countries, temporarily reaching the US\$93 per barrel level before once again trending downward from October onward to close at the US\$71 per barrel level at the end of December.

Although the Japanese economy underwent a period of stagnation from summer to fall as rising prices curbed consumer spending, it subsequently showed a recovery trend against a backdrop of rising wages and increased demand from inbound tourism, as economic activity normalized based on the assumption of coexistence with COVID-19. The U.S. dollar-yen exchange rate depreciated from the ¥133 per dollar level at the beginning of the fiscal year to the ¥151 per dollar level in mid-November due to rising U.S. long-term interest rates and continued monetary easing by the Bank of Japan. However, the yen subsequently strengthened amid lower U.S. long-term interest rates coupled with growing expectations of a shift in the Bank of Japan's monetary easing policy, closing at the ¥141 per dollar level at the end of December. The Nikkei Stock Average temporarily rose from the ¥28,000 level at the beginning of the fiscal year to the ¥33,000 level in June due to the recovery of the domestic economy. Although it subsequently fell to the ¥30,000 level through to October as uncertainty remained over the global economy, it rebounded in November and December on the back of rising U.S. stock prices, returning to the ¥33,000 level at the end of the year. The yield on 10-year Japanese government bonds trended in the 0.4% level from April to July. After the Bank of Japan decided in late July to shift to take a flexible approach to its yield curve control policy, allowing long-term interest rates to exceed the upper limit of 0.50%, it followed an upward trend, reaching 0.96% in early November. However, it subsequently declined due to lower U.S. long-term interest rates, closing at 0.65% at the end of December.

(b) Consolidated Operating Results

	Billions of Yen				Millions of U.S. Dollars
	Apr.-Dec. 2023	Apr.-Dec. 2022	Increase (Decrease)	%	Apr.-Dec. 2023
Revenues.....	10,451.1	10,544.2	(93.2)	(0.9%)	73,687
Gross trading profit.....	1,648.4	1,634.4	14.0	0.9%	11,622
Selling, general and administrative expenses.....	(1,103.7)	(1,053.7)	(50.0)	4.7%	(7,782)
Gains (losses) on investments.....	41.6	47.1	(5.6)	(11.8%)	293
Gains (losses) on property, plant, equipment and intangible assets.....	3.8	(7.1)	10.9	-	27
Net interest expenses (The total of interest income and interest expense).....	(34.7)	(16.8)	(17.9)	-	(245)
Equity in earnings of associates and joint ventures.....	229.6	264.4	(34.9)	(13.2%)	1,619
Income tax expense.....	(195.8)	(204.9)	9.1	(4.4%)	(1,380)
Net profit.....	654.1	719.7	(65.6)	(9.1%)	4,612
Net profit attributable to ITOCHU.....	611.7	682.2	(70.5)	(10.3%)	4,313
(Reference) Trading income.....	539.1	574.4	(35.3)	(6.1%)	3,801

(i) Revenues (from external customers)

Decreased by 0.9%, or 93.2 billion yen compared to the same period of the previous fiscal year to 10,451.1 billion yen (73,687 million U.S. dollars).

- Energy & Chemicals Company:
Decreased by 277.7 billion yen compared to the same period of the previous fiscal year to 2,276.3 billion yen (16,050 million U.S. dollars), due to lower market prices in energy trading transactions, energy-related companies, and chemical-related transactions.
- Metals & Minerals Company:
Decreased by 70.9 billion yen compared to the same period of the previous fiscal year to 913.3 billion yen (6,439 million U.S. dollars), due to lower coal prices.
- Food Company:
Increased by 195.3 billion yen compared to the same period of the previous fiscal year to 3,711.6 billion yen (26,169 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, and higher transaction volume in provisions-related transactions.
- General Products & Realty Company:
Increased by 50.9 billion yen compared to the same period of the previous fiscal year to 1,020.9 billion yen (7,198 million U.S. dollars), due to the conversion of DAIKEN into a consolidated subsidiary and the stable performance in ETEL (European tire-related company), partially offset by the absence of favorable performance in a domestic construction-materials-related company in the same period of the previous fiscal year.

(ii) Gross trading profit

Increased by 0.9%, or 14.0 billion yen, compared to the same period of the previous fiscal year to 1,648.4 billion yen (11,622 million U.S. dollars).

• Food Company:

Increased by 32.9 billion yen compared to the same period of the previous fiscal year to 291.0 billion yen (2,052 million U.S. dollars), due to the improvement in logistics cost in Dole, expansion of transactions resulting from the recovery of consumer activity and higher sales prices in food-distribution-related companies, and higher transaction volume in provisions-related transactions.

• General Products & Realty Company:

Increased by 30.4 billion yen compared to the same period of the previous fiscal year to 204.2 billion yen (1,440 million U.S. dollars), due to the conversion of DAIKEN into a consolidated subsidiary and the stable performance in ETEL, partially offset by the absence of favorable performance in a domestic construction-materials-related company in the same period of the previous fiscal year.

• The 8th Company:

Increased by 29.1 billion yen compared to the same period of the previous fiscal year to 321.4 billion yen (2,266 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.

• Energy & Chemicals Company:

Decreased by 35.8 billion yen compared to the same period of the previous fiscal year to 203.6 billion yen (1,435 million U.S. dollars), due to the absence of favorable performance in energy trading transactions and chemical-related transactions in the same period of the previous fiscal year.

• Metals & Minerals Company:

Decreased by 34.0 billion yen compared to the same period of the previous fiscal year to 150.3 billion yen (1,060 million U.S. dollars), due to lower coal prices.

(iii) Selling, general and administrative expenses

Increased by 4.7%, or 50.0 billion yen, compared to the same period of the previous fiscal year to 1,103.7 billion yen (7,782 million U.S. dollars), due to the conversion of DAIKEN into a consolidated subsidiary, 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

Decreased by 11.8%, or 5.6 billion yen, compared to the same period of the previous fiscal year to a gain of 41.6 billion yen (293 million U.S. dollars), due to the absence of the gain on the sale of a North American beverage-equipment-maintenance company in the same period of the previous fiscal year, partially offset by the revaluation gain on a lithium-ion batteries company.

(v) Gains (losses) on property, plant, equipment and intangible assets

Improved by 10.9 billion yen compared to the same period of the previous fiscal year to a gain of 3.8 billion yen (27 million U.S. dollars), due to the gains on the sale of fixed assets in ITOCHU ENEX and the improvement of impairment losses on stores in FamilyMart.

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

Deteriorated by 17.9 billion yen compared to the same period of the previous fiscal year to expenses of 34.7 billion yen (245 million U.S. dollars), due to the increase in interest expense with higher U.S. dollar interest rates.

(vii) Equity in earnings of associates and joint ventures

Decreased by 13.2%, or 34.9 billion yen, compared to the same period of the previous fiscal year to 229.6 billion yen (1,619 million U.S. dollars).

- Others, Adjustments & Eliminations: (*)

Decreased by 36.4 billion yen compared to the same period of the previous fiscal year to 63.7 billion yen (449 million U.S. dollars), due to lower earnings in CITIC Limited resulting from the increase in interest expense with higher U.S. dollar interest rates and 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 31.1 billion yen compared to the same period of the previous fiscal year to 3.1 billion yen (21 million U.S. dollars), due to lower earnings in IFL (European pulp-related company) resulting from lower pulp prices and lower sales volume, and the absence of favorable performance in overseas real estate business in the same period of the previous fiscal year.

- Machinery Company:

Increased by 36.0 billion yen compared to the same period of the previous fiscal year to 68.4 billion yen (482 million U.S. dollars), due to higher earnings in North American electric-power-related business, 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 aircraft 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”.

(viii) Income tax expense

Decreased by 4.4%, or 9.1 billion yen, compared to the same period of the previous fiscal year to 195.8 billion yen (1,380 million U.S. dollars), due to lower profit before tax.

(ix) Net profit attributable to ITOCHU

Consequently, net profit attributable to ITOCHU decreased by 10.3%, or 70.5 billion yen, compared to the same period of the previous fiscal year to 611.7 billion yen (4,313 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 6.1%, or 35.3 billion yen, compared to the same period of the previous fiscal year to 539.1 billion yen (3,801 million U.S. dollars).

- Energy & Chemicals Company:

Decreased by 39.1 billion yen compared to the same period of the previous fiscal year to 80.9 billion yen (571 million U.S. dollars), due to the absence of favorable performance in energy trading transactions and chemical-related transactions in the same period of the previous fiscal year.

- Metals & Minerals Company:

Decreased by 34.5 billion yen compared to the same period of the previous fiscal year to 134.8 billion yen (951 million U.S. dollars), due to lower coal prices.

- Food Company:

Increased by 26.4 billion yen compared to the same period of the previous fiscal year to 84.8 billion yen (598 million U.S. dollars), due to the improvement in logistics cost in Dole, expansion of transactions resulting from the recovery of consumer activity and higher sales prices in food-distribution-related companies, and higher transaction volume in provisions-related transactions.

- The 8th Company:

Increased by 17.6 billion yen compared to the same period of the previous fiscal year to 60.2 billion yen (424 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.

(2) Consolidated Financial Position

	Billions of Yen				Millions of U.S. Dollars
	Dec. 2023	Mar. 2023	Increase (Decrease)	%	Dec. 2023
Total assets.....	14,359.6	13,115.4	1,244.2	9.5%	101,245
Interest-bearing debt.....	3,319.9	3,006.6	313.3	10.4%	23,408
Net interest-bearing debt.....	2,726.7	2,391.2	335.5	14.0%	19,226
Total shareholders' equity.....	5,110.9	4,823.3	287.6	6.0%	36,035
Ratio of shareholders' equity to total assets.....	35.6%	36.8%	Decreased 1.2pt		
NET DER (times).....	0.53	0.50	Increased 0.04pt		

(i) Total assets

Increased by 9.5%, or 1,244.2 billion yen, compared to March 31, 2023 to 14,359.6 billion yen (101,245 million U.S. dollars), due to the increase in trade receivables and inventories resulting from the increase of trading transactions, the conversion of DAIKEN into a consolidated subsidiary, 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 14.0%, or 335.5 billion yen, compared to March 31, 2023 to 2,726.7 billion yen (19,226 million U.S. dollars), due to the additional investment in shares in ITOCHU Techno-Solutions, dividend payments and share buybacks, and the depreciation of the yen, partially offset by the stable performance in operating revenues.

Interest-bearing debt increased by 10.4%, or 313.3 billion yen, compared to March 31, 2023 to 3,319.9 billion yen (23,408 million U.S. dollars).

(iii) Total shareholders' equity

Increased by 6.0%, or 287.6 billion yen, compared to March 31, 2023 to 5,110.9 billion yen (36,035 million U.S. dollars), due to net profit attributable to ITOCHU during this fiscal year and the depreciation of the yen, partially offset by the decrease of capital surplus resulting from the additional investment in shares in ITOCHU Techno-Solutions and dividend payments and share buybacks.

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

Ratio of shareholders' equity to total assets decreased by 1.2 points compared to March 31, 2023 to 35.6%. NET DER (net debt-to-shareholders' equity ratio) increased compared to March 31, 2023 to 0.53 times.

(3) Consolidated Cash Flows

	Billions of Yen		Millions of U.S. Dollars
	Apr.-Dec. 2023	Apr.-Dec. 2022	Apr.-Dec. 2023
Cash flows from operating activities.....	626.3	636.2	4,416
Cash flows from investing activities.....	(154.3)	(437.1)	(1,088)
<i>Free cash flows</i>	<i>472.0</i>	<i>199.1</i>	<i>3,328</i>
Cash flows from financing activities.....	(512.9)	(289.1)	(3,616)

(i) Cash flows from operating activities

Recorded a net cash-inflow of 626.3 billion yen (4,416 million U.S. dollars), due to the stable performance in operating revenues in The 8th, General Products & Realty, and Food Companies and dividends received from equity method investments in Metals & Minerals Company.

(ii) Cash flows from investing activities

Recorded a net cash-outflow of 154.3 billion yen (1,088 million U.S. dollars), due to the payment resulting from the conversion of DAIKEN into a consolidated subsidiary in General Products & Realty Company, 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 512.9 billion yen (3,616 million U.S. dollars), due to the additional investment in shares in ITOCHU Techno-Solutions, repayments of lease liabilities, and dividend payments and share buybacks, partially offset by proceeds from debentures and loans payable.

“Cash and cash equivalents” as of December 31, 2023 decreased by 27.9 billion yen compared to March 31, 2023 to 578.1 billion yen (4,076 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) :

Digital Value Chain Partners GK (hereinafter referred to as “DVP”), which was established as a wholly-owned subsidiary of ITOCHU became a specified subsidiary as a result of ITOCHU’s additional contribution in DVP for the purpose of cash settlement related to the tender offer for shares in ITOCHU Techno-Solutions Corporation by DVP.

(2) Changes in accounting policies and accounting estimates

(a) Changes in accounting policies required by IFRS

ITOCHU Group has applied IFRS 17 “Insurance Contracts”, from the nine-month period ended December 31, 2023.

The cumulative effects of this adoption are reflected through adjustment of retained earnings and other components of equity.

(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 nine-month periods ended December 31, 2023 and 2022

	Millions of Yen		Millions of U.S. Dollars
	Apr.-Dec. 2023	Apr.-Dec. 2022	Apr.-Dec. 2023
Revenues:			
Revenues from sale of goods.....	¥ 9,436,379	¥ 9,524,064	\$ 66,533
Revenues from rendering of services and royalties.....	1,014,682	1,020,155	7,154
Total revenues.....	10,451,061	10,544,219	73,687
Cost:			
Cost of sale of goods.....	(8,272,288)	(8,361,522)	(58,325)
Cost of rendering of services and royalties.....	(530,396)	(548,326)	(3,740)
Total cost.....	(8,802,684)	(8,909,848)	(62,065)
Gross trading profit.....	1,648,377	1,634,371	11,622
Other gains (losses):			
Selling, general and administrative expenses.....	(1,103,742)	(1,053,737)	(7,782)
Provision for doubtful accounts.....	(5,553)	(6,239)	(39)
Gains (losses) on investments.....	41,576	47,129	293
Gains (losses) on property, plant, equipment and intangible assets.....	3,806	(7,133)	27
Other-net.....	19,049	9,013	134
Total other-losses.....	(1,044,864)	(1,010,967)	(7,367)
Financial income (loss):			
Interest income.....	40,390	29,954	285
Dividends received.....	51,464	53,562	363
Interest expense.....	(75,090)	(46,797)	(530)
Total financial income.....	16,764	36,719	118
Equity in earnings of associates and joint ventures.....	229,560	264,425	1,619
Profit before tax.....	849,837	924,548	5,992
Income tax expense.....	(195,787)	(204,895)	(1,380)
Net profit.....	654,050	719,653	4,612
Net profit attributable to ITOCHU.....	611,693	682,229	4,313
Net profit attributable to non-controlling interests.....	42,357	37,424	299

	Millions of Yen		Millions of U.S. Dollars
	Apr.-Dec. 2023	Apr.-Dec. 2022	Apr.-Dec. 2023
Other comprehensive income, net of tax:			
Items that will not be reclassified to profit or loss			
FVTOCI financial assets.....	¥ 108,031	¥ (24,016)	\$ 762
Remeasurement of net defined pension liability.....	205	(1,036)	1
Other comprehensive income in associates and joint ventures.....	7,268	(10,733)	51
Items that will be reclassified to profit or loss			
Translation adjustments.....	138,276	96,793	975
Cash flow hedges.....	(1,743)	(3,960)	(12)
Other comprehensive income in associates and joint ventures.....	2,815	9,535	20
Total other comprehensive income, net of tax.....	254,852	66,583	1,797
Total comprehensive income.....	908,902	786,236	6,409
Total comprehensive income attributable to ITOCHU.....	844,858	751,496	5,957
Total comprehensive income attributable to non-controlling interests.....	64,044	34,740	452

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, 2023 and 2022 were 539,082 million yen (3,801 million U.S. dollars) and 574,395 million yen, respectively.

(2) Consolidated Statement of Financial Position [Condensed]

ITOCHU Corporation and its Subsidiaries
As of December 31, 2023 and March 31, 2023

Assets	Millions of Yen		Millions of U.S. Dollars
	Dec. 2023	Mar. 2023	Dec. 2023
Current assets:			
Cash and cash equivalents.....	¥ 578,136	¥ 606,002	\$ 4,076
Time deposits.....	15,107	9,467	106
Trade receivables.....	2,998,450	2,533,297	21,141
Other current receivables.....	252,031	243,043	1,777
Other current financial assets.....	67,493	73,336	476
Inventories.....	1,491,141	1,304,942	10,514
Advances to suppliers.....	151,413	142,862	1,068
Other current assets.....	249,676	208,419	1,760
Total current assets.....	<u>5,803,447</u>	<u>5,121,368</u>	<u>40,918</u>
Non-current assets:			
Investments accounted for by the equity method.....	3,011,015	2,828,850	21,230
Other investments.....	1,183,374	943,270	8,343
Non-current receivables.....	844,588	805,159	5,955
Non-current financial assets other than investments and receivables.....	155,431	162,768	1,096
Property, plant and equipment.....	2,046,063	1,998,485	14,426
Investment property.....	40,555	44,050	286
Goodwill and intangible assets.....	1,118,574	1,079,253	7,887
Deferred tax assets.....	61,525	54,478	434
Other non-current assets.....	95,010	77,719	670
Total non-current assets.....	<u>8,556,135</u>	<u>7,994,032</u>	<u>60,327</u>
Total assets.....	<u>¥ 14,359,582</u>	<u>¥ 13,115,400</u>	<u>\$ 101,245</u>

Liabilities and Equity	Millions of Yen		Millions of
			U.S. Dollars
	Dec. 2023	Mar. 2023	Dec. 2023
Current liabilities:			
Short-term debentures and borrowings.....	¥ 854,397	¥ 659,710	\$ 6,024
Lease liabilities (short-term).....	217,359	238,289	1,532
Trade payables.....	2,537,276	2,042,608	17,890
Other current payables.....	357,829	190,014	2,523
Other current financial liabilities.....	55,566	71,642	392
Current tax liabilities.....	61,064	118,109	430
Advances from customers.....	173,750	162,409	1,225
Other current liabilities.....	497,918	462,044	3,511
Total current liabilities	<u>4,755,159</u>	<u>3,944,825</u>	<u>33,527</u>
Non-current liabilities:			
Long-term debentures and borrowings.....	2,465,517	2,346,928	17,384
Lease liabilities (long-term).....	777,449	766,278	5,481
Other non-current financial liabilities.....	57,836	56,543	408
Non-current liabilities for employee benefits.....	97,249	96,942	686
Deferred tax liabilities.....	366,384	273,123	2,583
Other non-current liabilities.....	170,319	163,386	1,201
Total non-current liabilities	<u>3,934,754</u>	<u>3,703,200</u>	<u>27,743</u>
Total liabilities	<u>8,689,913</u>	<u>7,648,025</u>	<u>61,270</u>
Equity:			
Common stock:			
Authorized: 3,000,000,000 shares;			
issued: 1,584,889,504 shares.....	253,448	253,448	1,787
Capital surplus.....	(447,721)	(169,322)	(3,157)
Retained earnings.....	4,822,140	4,434,463	34,000
Other components of equity:			
Translation adjustments.....	587,030	458,560	4,139
FVTOCI financial assets.....	224,164	117,210	1,580
Cash flow hedges.....	33,603	30,840	237
Total other components of equity.....	<u>844,797</u>	<u>606,610</u>	<u>5,956</u>
Treasury stock.....	(361,757)	(301,940)	(2,551)
Total shareholders' equity.....	<u>5,110,907</u>	<u>4,823,259</u>	<u>36,035</u>
Non-controlling interests.....	558,762	644,116	3,940
Total equity.....	<u>5,669,669</u>	<u>5,467,375</u>	<u>39,975</u>
Total liabilities and equity.....	<u>¥14,359,582</u>	<u>¥13,115,400</u>	<u>\$ 101,245</u>

-Unaudited-

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

ITOCHU Corporation and its Subsidiaries

For the nine-month periods ended December 31, 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)	¥ 4,434,463	¥ 606,610	¥ (301,940)	¥ 4,823,259	¥ 644,116	¥ 5,467,375
Net profit			611,693			611,693	42,357	654,050
Other comprehensive income				233,165		233,165	21,687	254,852
Total comprehensive income			611,693	233,165		844,858	64,044	908,902
Cash dividends to shareholders			(225,458)			(225,458)		(225,458)
Cash dividends to non-controlling interests							(19,025)	(19,025)
Net change in acquisition (disposition) of treasury stock					(59,817)	(59,817)		(59,817)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(278,399)		6,464		(271,935)	(130,373)	(402,308)
Transfer to Retained earnings			1,442	(1,442)		-		-
Balance on Dec. 31, 2023	253,448	(447,721)	4,822,140	844,797	(361,757)	5,110,907	558,762	5,669,669

(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
Cumulative effects of the application of new accounting standards			7,219	(3,471)		3,748		3,748
Net profit			682,229			682,229	37,424	719,653
Other comprehensive income				69,267		69,267	(2,684)	66,583
Total comprehensive income			682,229	69,267		751,496	34,740	786,236
Cash dividends to shareholders			(188,372)			(188,372)		(188,372)
Cash dividends to non-controlling interests							(25,795)	(25,795)
Net change in acquisition (disposition) of treasury stock					(28,277)	(28,277)		(28,277)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(2,987)		123		(2,864)	90,506	87,642
Transfer to Retained earnings			1,895	(1,895)		-		-
Balance on Dec. 31, 2022	253,448	(164,904)	4,314,962	601,031	(269,481)	4,735,056	663,826	5,398,882

(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	\$ 1,787	\$ (1,194)	\$ 31,266	\$ 4,277	\$ (2,129)	\$ 34,007	\$ 4,541	\$ 38,548
Net profit			4,313			4,313	299	4,612
Other comprehensive income				1,644		1,644	153	1,797
Total comprehensive income			4,313	1,644		5,957	452	6,409
Cash dividends to shareholders			(1,590)			(1,590)		(1,590)
Cash dividends to non-controlling interests							(134)	(134)
Net change in acquisition (disposition) of treasury stock					(422)	(422)		(422)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(1,963)		46		(1,917)	(919)	(2,836)
Transfer to Retained earnings			11	(11)		-		-
Balance on Dec. 31, 2023	1,787	(3,157)	34,000	5,956	(2,551)	36,035	3,940	39,975

(4) Consolidated Statement of Cash Flows [Condensed]

ITOCHU Corporation and its Subsidiaries

For the nine-month periods ended December 31, 2023 and 2022

	Millions of Yen		Millions of
	Apr.-Dec. 2023	Apr.-Dec. 2022	U.S. Dollars
			Apr.-Dec. 2023
Cash flows from operating activities:			
Net profit.....	¥ 654,050	¥ 719,653	\$ 4,612
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization.....	311,347	303,955	2,195
(Gains) losses on investments.....	(41,576)	(47,129)	(293)
(Gains) losses on property, plant, equipment and intangible assets.....	(3,806)	7,133	(27)
Financial (income) loss.....	(16,764)	(36,719)	(118)
Equity in earnings of associates and joint ventures.....	(229,560)	(264,425)	(1,619)
Income tax expense.....	195,787	204,895	1,380
Provision for doubtful accounts and other provisions.....	2,931	(1,574)	21
Changes in assets and liabilities, other-net.....	(172,637)	(241,929)	(1,217)
Proceeds from interest.....	53,598	25,620	378
Proceeds from dividends.....	175,440	189,265	1,237
Payments for interest.....	(66,702)	(35,738)	(470)
Payments for income taxes.....	(235,824)	(186,788)	(1,663)
Net cash provided by (used in) operating activities.....	<u>626,284</u>	<u>636,219</u>	<u>4,416</u>
Cash flows from investing activities:			
Net change in investments accounted for by the equity method.....	(33,510)	(292,863)	(236)
Net change in other investments.....	(39,452)	(1,294)	(278)
Net change in loans receivable.....	12,482	(19,408)	88
Net change in property, plant, equipment and intangible assets.....	(95,141)	(127,317)	(671)
Net change in time deposits.....	1,341	3,801	9
Net cash provided by (used in) investing activities.....	<u>(154,280)</u>	<u>(437,081)</u>	<u>(1,088)</u>
Cash flows from financing activities:			
Net change in debentures and loans payable.....	228,013	79,464	1,608
Repayments of lease liabilities.....	(190,247)	(196,038)	(1,341)
Cash dividends.....	(225,458)	(188,372)	(1,590)
Net change in treasury stock.....	(60,105)	(27,559)	(424)
Other.....	(265,056)	43,426	(1,869)
Net cash provided by (used in) financing activities.....	<u>(512,853)</u>	<u>(289,079)</u>	<u>(3,616)</u>
Net change in cash and cash equivalents.....	(40,849)	(89,941)	(288)
Cash and cash equivalents at the beginning of the period.....	606,002	611,715	4,273
Effect of exchange rate changes on cash and cash equivalents.....	12,983	9,574	91
Cash and cash equivalents at the end of the period.....	¥ 578,136	¥ 531,348	\$ 4,076

(5) Operating Segment Information

ITOCHU Corporation and its Subsidiaries

For the nine-month periods ended December 31, 2023 and 2022

Information concerning operations in different operating segments for the nine-month periods ended December 31, 2023 and 2022 is as follows:

	For the nine-month period ended December 31, 2023 (April 1, 2023 -December 31, 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...	¥ 392,705	¥ 1,047,296	¥ 913,255	¥ 2,276,342	¥ 3,711,582	¥ 1,020,932	¥ 595,113	¥ 392,522	¥ 101,314	¥ 10,451,061
Intersegment revenues.....	17	63	-	32,834	13,867	12,475	10,431	3,446	(73,133)	-
Total revenues.....	392,722	1,047,359	913,255	2,309,176	3,725,449	1,033,407	605,544	395,968	28,181	10,451,061
Gross trading profit.....	94,791	176,197	150,265	203,556	291,018	204,245	206,559	321,376	370	1,648,377
Trading income.....	18,481	56,613	134,808	80,899	84,774	69,533	47,538	60,159	(13,723)	539,082
Net profit attributable to ITOCHU....	18,957	96,572	164,487	70,067	55,036	52,137	54,192	36,697	63,548	611,693
[Equity in earnings of associates and joint ventures].....	[4,082]	[68,375]	[41,269]	[5,238]	[12,637]	[3,051]	[29,171]	[2,064]	[63,673]	[229,560]
Total assets on Dec. 31, 2023.....	489,960	1,877,221	1,447,668	1,746,137	2,468,496	1,399,971	1,385,171	1,948,308	1,596,650	14,359,582

	For the nine-month period ended December 31, 2022 (April 1, 2022 -December 31, 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...	¥ 393,140	¥ 1,013,661	¥ 984,191	¥ 2,553,994	¥ 3,516,263	¥ 970,081	¥ 656,354	¥ 353,978	¥ 102,557	¥ 10,544,219
Intersegment revenues.....	3,866	80	-	32,047	10,870	14,628	9,924	3,082	(74,497)	-
Total revenues.....	397,006	1,013,741	984,191	2,586,041	3,527,133	984,709	666,278	357,060	28,060	10,544,219
Gross trading profit.....	85,136	171,102	184,240	239,403	258,070	173,895	211,470	292,282	18,773	1,634,371
Trading income.....	14,715	54,039	169,311	120,002	58,354	68,507	41,261	42,606	5,600	574,395
Net profit attributable to ITOCHU....	19,540	97,364	198,392	81,373	40,482	86,507	38,538	19,902	100,131	682,229
[Equity in earnings of associates and joint ventures].....	[5,326]	[32,358]	[47,003]	[7,651]	[5,827]	[34,193]	[31,456]	[530]	[100,081]	[264,425]
Total assets on Dec. 31, 2022.....	480,319	1,645,171	1,375,112	1,743,485	2,394,988	1,240,589	1,408,128	1,889,024	1,426,095	13,602,911
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	1,580,797	13,115,400

	For the nine-month period ended December 31, 2023 (April 1, 2023 -December 31, 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...	\$ 2,769	\$ 7,384	\$ 6,439	\$ 16,050	\$ 26,169	\$ 7,198	\$ 4,196	\$ 2,768	\$ 714	\$ 73,687
Intersegment revenues.....	0	0	-	231	98	88	74	24	(515)	-
Total revenues.....	2,769	7,384	6,439	16,281	26,267	7,286	4,270	2,792	199	73,687
Gross trading profit.....	668	1,242	1,060	1,435	2,052	1,440	1,456	2,266	3	11,622
Trading income.....	130	399	951	571	598	490	335	424	(97)	3,801
Net profit attributable to ITOCHU....	134	681	1,160	494	388	367	382	259	448	4,313
[Equity in earnings of associates and joint ventures].....	[29]	[482]	[291]	[37]	[89]	[21]	[206]	[15]	[449]	[1,619]
Total assets on Dec. 31, 2023.....	3,455	13,236	10,207	12,311	17,405	9,871	9,766	13,737	11,257	101,245

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 nine-month period ended December 31, 2022 are reclassified in the same manner.

(6) Assumption for Going Concern : None

(7) Material Subsequent Events

Issuance of Corporate Bonds

Based on the decision at the meeting of the Board of Directors held on May 17, 2023, ITOCHU issued corporate bonds with an interest rate of 0.439% due 2029 for a total issue amount of ¥17,000 million yen on January 26, 2024 in Japan.