

## **Consolidated Financial Results for the Third Quarter of the Fiscal Year 2021 ending March 31, 2021**

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**-Unaudited-****Consolidated Financial Results for the Third Quarter of the Fiscal Year 2021 ending March 31, 2021**

[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 Operating Officer: Yoshihisa Suzuki  
 General Manager, Investor Relations Division: Suguru Amano TEL: 81 - 3 - 3497 - 7295  
 The date of payout of dividend: -

**1. Consolidated operating results for the third quarter of the fiscal year 2021 (from April 1, 2020 to December 31, 2020)****(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 Fiscal Year 2021	7,591,150	(8.1)	305,026	(5.0)	450,152	(23.7)	393,149	(17.8)	364,318	(14.6)	417,557	16.8
Fiscal Year 2020	8,260,562	(4.2)	320,991	18.4	589,936	7.2	478,320	10.8	426,673	7.3	357,388	(1.2)

	Basic earnings per share attributable to ITOCHU	Diluted earnings per share attributable to ITOCHU
	yen	yen
For the first to third quarter of Fiscal Year 2021	244.78	-
Fiscal Year 2020	285.39	-

Equity in earnings of associates and joint ventures (millions of yen) 3rd quarter of FY 2021: 151,771 [ (9.3%) ] 3rd quarter of FY 2020: 167,340 [ 243.7% ]  
 Total comprehensive income (millions of yen) 3rd quarter of FY 2021: 460,254 [ 12.5% ] 3rd quarter of FY 2020: 408,994 [ 3.7% ]

**(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
December 31, 2020	11,125,762	3,552,234	3,059,628	27.5	2,058.96
March 31, 2020	10,919,598	3,840,609	2,995,951	27.4	2,010.33

**(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 Fiscal Year 2021	598,382	(182,407)	(415,256)	580,180
Fiscal Year 2020	619,777	(151,710)	(450,451)	585,532

**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 2020	-	42.50	-	42.50	85.00
Fiscal Year 2021	-	44.00	-		
Fiscal Year 2021 (Planned)				44.00	88.00

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

**3. Outlook of consolidated operating results for the fiscal year 2021 (from April 1, 2020 to March 31, 2021)**

(%: Changes from the previous fiscal year)

	Net profit attributable to ITOCHU		Basic earnings per share attributable to ITOCHU
	millions of yen	%	yen
Fiscal Year 2021	400,000	(20.2)	268.86

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

(Note) Among the share buybacks of own shares which was decided at the meeting of the Board of Directors held on June 12, 2020, the effect of the share buybacks after January 1, 2021 is not included in the calculation of "Basic earnings per share attributable to ITOCHU".

#### 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 (Retail Investment Company, LLC)

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 : 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 2021	1,584,889,504	Fiscal Year 2020	1,584,889,504
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(b) Number of treasury stock:	3rd quarter of FY 2021	98,879,389	Fiscal Year 2020	94,612,062
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(c) Average number of common shares outstanding:	3rd quarter of FY 2021	1,488,347,588	3rd quarter of FY 2020	1,495,072,605
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Note: Based on the decision at the meeting of the Board of Directors,

ITOCHU has carried out share buybacks of 4,123,600 own shares during nine-month period ended December 31, 2020.

[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 certificated 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 actual results to differ materially from those presented in such forward-looking statements. ITOCHU Corporation, therefore, wishes to caution that readers should not practice 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 103.50 yen = 1 U.S. dollar, the exchange rate prevailing on December 31, 2020. 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) Qualitative Information of the Consolidated Operating Results**

[For the nine-month period ended December 31, 2020]

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

For the nine-month period ended December 31, 2020, the global economy deteriorated significantly due to tighter restrictions on corporate activities and the movement of people to suppress the spread of COVID-19, but recovered temporarily after the restrictions were eased. However, toward the end of the year, the spread of infections accelerated and tighter restrictions were re-implemented, resulting in growing signs of stagnation again. The Chinese economy rebounded ahead of other countries and kept recovering, managing the spread of infections, while brakes were put on the economic recovery in other parts of the world, including the United States and Europe. Amid these developments, in late April, the WTI crude oil price temporarily fell sharply from the US\$20-25 per barrel range at the beginning of the fiscal year, but then rebounded, and stabilized at around US\$40 per barrel, due to the recovering global economy. After mid-November, the price started to increase again, reaching US\$48 per barrel toward the end of the year as the roll-out of COVID-19 vaccinations raised expectations for economic recovery.

The Japanese economy started to experience a moderate recovery as consumer spending, which had cooled significantly due to the impact of COVID-19, rebounded when the state of emergency declaration was rescinded in May, and exports began increasing after the global economy had bottomed out. However, since late November, the recovery has been tempered by the resurgence of COVID-19. The U.S. dollar-yen exchange rate, which started at approximately ¥107 per dollar at the beginning of the fiscal year, rose to approximately ¥109 per dollar in early June, appreciating in part due to rising long-term interest rates in the U.S.. After late July, the yen started to appreciate again based on expectations of additional financial easing in the U.S., and ended the year at approximately ¥103 per dollar. The Nikkei Stock Average began the fiscal year at approximately ¥18,000 and rose to approximately ¥23,000 in early June with rising U.S. stock prices and expectations for economic improvement in Japan. It temporarily fell back to approximately ¥21,000 with the resurgence of COVID-19, but it remained stable at approximately ¥23,000 from the middle of August until early November when it eclipsed the ¥24,000 mark, and reached approximately ¥27,000 toward the end of the year. The yield on 10-year Japanese government bonds began the fiscal year at 0.02%, and generally trended in the positive range near that rate throughout the term as the Bank of Japan provided ample liquidity to the market. The yield ended the year at 0.04%.

## (b) Consolidated Operating Results

	Billions of Yen				Millions of U.S. Dollars
	Apr.-Dec. 2020	Apr.-Dec. 2019	Increase (Decrease)	%	Apr.-Dec. 2020
Revenues .....	7,591.2	8,260.6	(669.4)	(8.1%)	73,344
Gross trading profit .....	1,309.8	1,337.2	(27.4)	(2.0%)	12,655
Selling, general and administrative expenses .....	(998.3)	(1,007.7)	9.5	(0.9%)	(9,645)
Gains on investments.....	29.4	61.1	(31.6)	(51.8%)	284
Gains (losses) on property, plant, equipment and intangible assets.....	(71.0)	16.0	(87.0)	-	(686)
Equity in earnings of associates and joint ventures .....	151.8	167.3	(15.6)	(9.3%)	1,466
Income tax expense.....	(57.0)	(111.6)	54.6	(48.9%)	(550)
Net profit.....	393.1	478.3	(85.2)	(17.8%)	3,799
Net profit attributable to ITOCHU.....	364.3	426.7	(62.4)	(14.6%)	3,520
(Reference) Trading income.....	305.0	321.0	(16.0)	(5.0%)	2,947

## (i) Revenues (from external customers)

Decreased by 8.1%, or 669.4 billion yen, compared to the same period of the previous fiscal year to 7,591.2 billion yen (73,344 million U.S. dollars).

- Energy & Chemicals Company:

Decreased by 483.5 billion yen compared to the same period of the previous fiscal year to 1,533.5 billion yen (14,817 million U.S. dollars), due to lower sales prices and transaction volume in energy-related companies and chemical-related transactions.

- Machinery Company:

Decreased by 119.2 billion yen compared to the same period of the previous fiscal year to 737.8 billion yen (7,129 million U.S. dollars), due to lower sales volume in overseas automobile-related companies, automobile-related and aircraft-related transactions resulting from COVID-19, partially offset by sales recovery in YANASE.

- Textile Company:

Decreased by 84.8 billion yen compared to the same period of the previous fiscal year to 324.6 billion yen (3,136 million U.S. dollars), due to the decline in sales in overall transactions, especially from sales in apparel-related companies resulting from COVID-19.

- Food Company:

Increased by 115.0 billion yen compared to the same period of the previous fiscal year to 3,034.1 billion yen (29,315 million U.S. dollars), due to the conversion of Prima Meat Packers into a consolidated subsidiary in the third quarter of the previous fiscal year, partially offset by lower transaction volume in provisions-related companies.

(ii) Gross trading profit

Decreased by 2.0%, or 27.4 billion yen, compared to the same period of the previous fiscal year to 1,309.8 billion yen (12,655 million U.S. dollars).

• The 8th Company:

Decreased by 29.7 billion yen compared to the same period of the previous fiscal year to 316.4 billion yen (3,057 million U.S. dollars), due to lower daily sales in FamilyMart resulting from COVID-19.

• Machinery Company:

Decreased by 21.0 billion yen compared to the same period of the previous fiscal year to 123.6 billion yen (1,195 million U.S. dollars), due to lower sales volume in overseas automobile-related companies and automobile-related transactions resulting from COVID-19, partially offset by sales recovery in YANASE.

• Textile Company:

Decreased by 16.6 billion yen compared to the same period of the previous fiscal year to 71.2 billion yen (688 million U.S. dollars), due to the decline in sales in overall transactions, especially from sales in apparel-related companies resulting from COVID-19.

• ICT & Financial Business Company:

Increased by 29.1 billion yen compared to the same period of the previous fiscal year to 196.1 billion yen (1,894 million U.S. dollars), due to a stable performance in ITOCHU Techno-Solutions and the conversion of HOKEN NO MADOGUCHI GROUP into a consolidated subsidiary in the third quarter of the previous fiscal year, partially offset by lower sales volume in CONEXIO.

• Food Company:

Increased by 21.8 billion yen compared to the same period of the previous fiscal year to 252.6 billion yen (2,441 million U.S. dollars), due to the conversion of Prima Meat Packers into a consolidated subsidiary in the third quarter of the previous fiscal year, partially offset by lower transaction volume in provisions-related companies and NIPPON ACCESS resulting from COVID-19.

(iii) Selling, general and administrative expenses

Decreased by 0.9%, or 9.5 billion yen, compared to the same period of the previous fiscal year at 998.3 billion yen (9,645 million U.S. dollars), due to expense reduction and lower travel expenses resulting from COVID-19, partially offset by the increase as a result of the conversion of Prima Meat Packers and HOKEN NO MADOGUCHI GROUP into consolidated subsidiaries in the third quarter of the previous fiscal year.

(iv) Gains on investments

Decreased by 51.8%, or 31.6 billion yen, compared to the same period of the previous fiscal year to 29.4 billion yen (284 million U.S. dollars), due to the absence of the gain on the partial sale of the foreign business in General Products & Realty and the revaluation gain resulting from the conversion of Prima Meat Packers into a consolidated subsidiary in the same period of the previous fiscal year, partially offset by the gain on the partial sale of eGuarantee in the current fiscal year.

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

Deteriorated by 87.0 billion yen, compared to the same period of the previous fiscal year to 71.0 billion yen (losses) (686 million U.S. dollars), due to the impairment losses in FamilyMart.

(vi) Equity in earnings of associates and joint ventures

Decreased by 9.3%, or 15.6 billion yen, compared to the same period of the previous fiscal year to 151.8 billion yen (1,466 million U.S. dollars).

• General Products & Realty Company:

Decreased by 5.9 billion yen compared to the same period of the previous fiscal year to 6.5 billion yen (63 million U.S. dollars). The decrease was mainly caused by lower earnings of Japan Brazil Paper & Pulp Resources Development and IFL (European pulp-related company), due to lower pulp prices.

• Others, Adjustments & Eliminations: (\*)

Decreased by 5.2 billion yen compared to the same period of the previous fiscal year to 55.3 billion yen (534 million U.S. dollars). The decrease was mainly caused by lower earnings of CITIC Limited, partially offset by higher earnings of C.P. Pokphand.

• Textile Company:

Decreased by 3.5 billion yen compared to the same period of the previous fiscal year to 2.6 billion yen (25 million U.S. dollars). The decrease was caused by lower earnings of overall companies mainly resulting from COVID-19.

• Food Company:

Increased by 6.2 billion yen compared to the same period of the previous fiscal year to 12.9 billion yen (125 million U.S. dollars). The increase was mainly caused by a stable performance in meat-products-related companies and the gain on the sale of North American agricultural insurance business, partially offset by the decrease resulting from the conversion of Prima Meat Packers into a consolidated subsidiary.

(\*) "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

Decreased by 48.9%, or 54.6 billion yen, compared to the same period of the previous fiscal year to 57.0 billion yen (550 million U.S. dollars), due to lower profit before tax and the improvement in the tax expenses in FamilyMart, partially offset by the absence of lower tax expenses in natural-resource-projects in the same period of the previous fiscal year.

(viii) Net profit attributable to ITOCHU

Consequently, net profit attributable to ITOCHU decreased by 14.6%, or 62.4 billion yen, compared to the same period of the previous fiscal year to 364.3 billion yen (3,520 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 5.0%, or 16.0 billion yen, compared to the same period of the previous fiscal year to 305.0 billion yen (2,947 million U.S. dollars).

- The 8th Company:  
Decreased by 18.7 billion yen compared to the same period of the previous fiscal year to 34.6 billion yen (335 million U.S. dollars), due to lower daily sales in FamilyMart resulting from COVID-19, partially offset by expense reduction.
- Machinery Company:  
Decreased by 9.8 billion yen compared to the same period of the previous fiscal year 15.2 billion yen (147 million U.S. dollars), due to lower sales volume in overseas automobile-related companies and automobile-related transactions, partially offset by expense reduction and sales recovery in YANASE.
- Textile Company:  
Decreased by 8.2 billion yen compared to the same period of the previous fiscal year to 10.3 billion yen (100 million U.S. dollars), due to the decline in sales in overall transactions, especially from sales in apparel-related companies resulting from COVID-19, partially offset by expense reduction.
- Food Company:  
Increased by 10.8 billion yen compared to the same period of the previous fiscal year to 59.4 billion yen (574 million U.S. dollars), due to the conversion of Prima Meat Packers into a consolidated subsidiary in the same period of the previous fiscal year and expense reduction, partially offset by lower transaction volume in provisions-related companies and NIPPON ACCESS resulting from COVID-19.
- ICT & Financial Business Company:  
Increased by 9.1 billion yen compared to the same period of the previous fiscal year to 41.7 billion yen (403 million U.S. dollars), due to the conversion of HOKEN NO MADOGUCHI GROUP into a consolidated subsidiary 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. 2020	Mar. 2020	Increase (Decrease)	%	Dec. 2020
Total assets .....	11,125.8	10,919.6	206.2	1.9%	107,495
Interest-bearing debt .....	2,972.1	2,877.0	95.1	3.3%	28,716
Net interest-bearing debt .....	2,385.2	2,256.9	128.4	5.7%	23,044
Total shareholders' equity .....	3,059.6	2,996.0	63.7	2.1%	29,562
Ratio of shareholders' equity to total assets .....	27.5%	27.4%	Increased 0.1pt		
NET DER (times) .....	0.78	0.75	Increased 0.03pt		

#### (i) Total assets

Increased by 1.9%, or 206.2 billion yen, compared to March 31, 2020 to 11,125.8 billion yen (107,495 million U.S. dollars), due to the rise in the fair value of stocks and the additional investment in shares in Tokyo Century by Machinery Company and in FUJI OIL HOLDINGS by Food Company, in addition to the increase in trade receivables resulting from seasonal factors in food-distribution-related companies, partially offset by the decrease in property, plant and equipment.

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

Increased by 5.7%, or 128.4 billion yen, compared to March 31, 2020 to 2,385.2 billion yen (23,044 million U.S. dollars), due to the additional investment in shares in FamilyMart and dividend payments, partially offset by a stable performance in operating revenues.

Interest-bearing debt increased by 3.3%, or 95.1 billion yen, compared to March 31, 2020 to 2,972.1 billion yen (28,716 million U.S. dollars).

#### (iii) Total shareholders' equity

Increased by 2.1%, or 63.7 billion yen, compared to March 31, 2020 to 3,059.6 billion yen (29,562 million U.S. dollars), due to net profit attributable to ITOCHU for the current fiscal year and the increase related to the rise in the fair value of stocks, partially offset by the decrease of capital surplus due to the additional investment in shares in FamilyMart and dividend payments.

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

Ratio of shareholders' equity to total assets increased by 0.1 points compared to March 31, 2020 to 27.5%. NET DER (net debt-to-shareholders' equity ratio) slightly increased compared to March 31, 2020 to 0.78 times.

(b) Consolidated Cash Flows

	Billions of Yen		Millions of U.S. Dollars
	Apr.-Dec. 2020	Apr.-Dec. 2019	Apr.-Dec. 2020
Cash flows from operating activities .....	598.4	619.8	5,781
Cash flows from investing activities .....	(182.4)	(151.7)	(1,762)
<i>Free cash flows</i> .....	<i>416.0</i>	<i>468.1</i>	<i>4,019</i>
Cash flows from financing activities .....	(415.3)	(450.5)	(4,012)

(i) Cash flows from operating activities

Recorded a net cash-inflow of 598.4 billion yen (5,781 million U.S. dollars), due to a stable performance in operating revenues in The 8th, Metals & Minerals, and Energy & Chemicals Companies.

(ii) Cash flows from investing activities

Recorded a net cash-outflow of 182.4 billion yen (1,762 million U.S. dollars), due to the additional investment in shares in Tokyo Century by Machinery Company and in FUJI OIL HOLDINGS by Food Company, the investments by The 8th Company, and the purchase of fixed assets by The 8th, Food, Energy & Chemicals, and Metals & Minerals Companies.

(iii) Cash flows from financing activities

Recorded a net cash-outflow of 415.3 billion yen (4,012 million U.S. dollars), due to the additional investment in shares in FamilyMart, the repayment of lease liabilities and dividend payments.

“Cash and cash equivalents” as of December 31, 2020 decreased by 31.0 billion yen compared to March 31, 2020 to 580.2 billion yen (5,606 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) :**

Retail Investment Company, LLC (hereinafter referred to as “RIC”) became a specified subsidiary of ITOCHU as a result of ITOCHU’s additional contribution in RIC for the purpose of cash settlement by RIC related to the tender offer for shares in FamilyMart Co., Ltd..

### **(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 COVID-19, its overall impact was less in the third quarter of the fiscal year ending March 2021, compared to that in the first half of the fiscal year. The magnitude of the impact by business area became clearer. In some areas, the business rebounded nearly to the pre-pandemic level, while the situation remains severe due to self-restraint from going outside and a reduced appetite for consumption. In the fourth quarter ending March 2021, we expect that the impact of COVID-19 will become less on the whole, compared to that in the first half of the fiscal year ending March 2021 although uncertainties remain due to resurgence of COVID-19. There are no significant changes from the description in the Annual Report 2020 for the year ended March 31, 2020.

**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, 2020 and 2019

	Millions of Yen		Millions of U.S. Dollars
	Apr.-Dec. 2020	Apr.-Dec. 2019	Apr.-Dec. 2020
<b>Revenues:</b>			
Revenues from sale of goods.....	¥ 6,695,742	¥ 7,341,601	\$ 64,693
Revenues from rendering of services and royalties.....	895,408	918,961	8,651
Total revenues.....	7,591,150	8,260,562	73,344
<b>Cost:</b>			
Cost of sale of goods.....	(5,843,159)	(6,456,113)	(56,455)
Cost of rendering of services and royalties.....	(438,189)	(467,262)	(4,234)
Total cost.....	(6,281,348)	(6,923,375)	(60,689)
<b>Gross trading profit .....</b>	<b>1,309,802</b>	<b>1,337,187</b>	<b>12,655</b>
<b>Other gains (losses):</b>			
Selling, general and administrative expenses.....	(998,253)	(1,007,730)	(9,645)
Provision for doubtful accounts.....	(6,523)	(8,466)	(63)
Gains on investments.....	29,415	61,063	284
Gains (losses) on property, plant, equipment and intangible assets.....	(71,023)	15,956	(686)
Other-net.....	15,280	6,763	148
Total other-losses.....	(1,031,104)	(932,414)	(9,962)
<b>Financial income (loss):</b>			
Interest income.....	18,352	27,494	177
Dividends received.....	29,588	35,683	286
Interest expense.....	(28,257)	(45,354)	(273)
Total financial income.....	19,683	17,823	190
Equity in earnings of associates and joint ventures.....	151,771	167,340	1,466
<b>Profit before tax.....</b>	<b>450,152</b>	<b>589,936</b>	<b>4,349</b>
Income tax expense.....	(57,003)	(111,616)	(550)
<b>Net profit.....</b>	<b>393,149</b>	<b>478,320</b>	<b>3,799</b>
Net profit attributable to ITOCHU.....	364,318	426,673	3,520
Net profit attributable to non-controlling interests.....	28,831	51,647	279

	Millions of Yen		Millions of U.S. Dollars
	Apr.-Dec. 2020	Apr.-Dec. 2019	Apr.-Dec. 2020
<b>Other comprehensive income, net of tax:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
FVTOCI financial assets.....	¥ 38,492	¥ (3,084)	\$ 372
Remeasurement of net defined pension liability.....	409	(383)	4
Other comprehensive income in associates and joint ventures.....	5,738	824	55
<b>Items that will be reclassified to profit or loss</b>			
Translation adjustments.....	31,498	(18,680)	304
Cash flow hedges.....	(3,143)	(697)	(30)
Other comprehensive income in associates and joint ventures.....	(5,889)	(47,306)	(57)
<b>Total other comprehensive income, net of tax.....</b>	<b>67,105</b>	<b>(69,326)</b>	<b>648</b>
<b>Total comprehensive income .....</b>	<b>460,254</b>	<b>408,994</b>	<b>4,447</b>
Total comprehensive income attributable to ITOCHU .....	417,557	357,388	4,034
Total comprehensive income attributable to non-controlling interests .....	42,697	51,606	413

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, 2020 and 2019 were 305,026 million yen (2,947 million U.S. dollars) and 320,991 million yen, respectively.

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

ITOCHU Corporation and its Subsidiaries

As of December 31, 2020 and March 31, 2020

Assets	Millions of Yen		Millions of U.S. Dollars
	Dec. 2020	Mar. 2020	Dec. 2020
<b>Current assets:</b>			
Cash and cash equivalents.....	¥ 580,180	¥ 611,223	\$ 5,606
Time deposits.....	6,682	8,858	66
Trade receivables.....	2,239,162	2,113,746	21,634
Other current receivables.....	181,780	176,691	1,756
Other current financial assets.....	40,617	45,315	392
Inventories.....	931,614	952,029	9,001
Advances to suppliers.....	87,807	89,425	848
Other current assets.....	161,345	135,774	1,559
Assets held for sale .....	226,250	-	2,186
Total current assets.....	4,455,437	4,133,061	43,048
<b>Non-current assets:</b>			
Investments accounted for by the equity method.....	1,737,109	1,640,286	16,784
Other investments.....	895,979	816,518	8,657
Non-current receivables.....	610,741	660,578	5,901
Non-current financial assets other than investments and receivables.....	167,624	172,417	1,619
Property, plant and equipment.....	1,920,258	2,137,474	18,553
Investment property.....	53,725	58,595	519
Goodwill and intangible assets.....	1,156,784	1,163,107	11,176
Deferred tax assets.....	55,282	61,051	534
Other non-current assets.....	72,823	76,511	704
Total non-current assets.....	6,670,325	6,786,537	64,447
<b>Total assets.....</b>	<b>¥11,125,762</b>	<b>¥10,919,598</b>	<b>\$107,495</b>

Liabilities and Equity	Millions of Yen		Millions of
	Dec. 2020	Mar. 2020	U.S. Dollars
			Dec. 2020
<b>Current liabilities:</b>			
Short-term debentures and borrowings.....	¥ 658,669	¥ 684,406	\$ 6,364
Lease liabilities (short-term).....	239,021	242,076	2,309
Trade payables.....	1,777,995	1,707,472	17,179
Other current payables.....	594,682	215,175	5,746
Other current financial liabilities.....	48,274	35,699	466
Current tax liabilities.....	32,438	67,074	313
Advances from customers.....	83,425	81,799	806
Other current liabilities.....	354,423	368,163	3,424
Liabilities held for sale.....	201,259	-	1,945
Total current liabilities .....	<u>3,990,186</u>	<u>3,401,864</u>	<u>38,552</u>
<b>Non-current liabilities:</b>			
Long-term debentures and borrowings.....	2,313,428	2,192,557	22,352
Lease liabilities (long-term).....	792,128	937,345	7,654
Other non-current financial liabilities.....	59,303	68,900	573
Non-current liabilities for employee benefits.....	133,119	133,138	1,286
Deferred tax liabilities.....	144,774	200,912	1,399
Other non-current liabilities.....	140,590	144,273	1,358
Total non-current liabilities .....	<u>3,583,342</u>	<u>3,677,125</u>	<u>34,622</u>
<b>Total liabilities .....</b>	<u><b>7,573,528</b></u>	<u><b>7,078,989</b></u>	<u><b>73,174</b></u>
<b>Equity:</b>			
Common stock:			
Authorized: 3,000,000,000 shares;			
issued: 1,584,889,504 shares.....	253,448	253,448	2,449
Capital surplus.....	(179,153)	50,677	(1,731)
Retained earnings.....	3,183,209	2,948,135	30,756
Other components of equity:			
Translation adjustments.....	(8,036)	(37,836)	(78)
FVTOCI financial assets.....	12,286	(31,972)	119
Cash flow hedges.....	(24,195)	(19,163)	(234)
Total other components of equity.....	<u>(19,945)</u>	<u>(88,971)</u>	<u>(193)</u>
Treasury stock.....	(177,931)	(167,338)	(1,719)
Total shareholders' equity.....	<u>3,059,628</u>	<u>2,995,951</u>	<u>29,562</u>
Non-controlling interests.....	492,606	844,658	4,759
Total equity.....	<u>3,552,234</u>	<u>3,840,609</u>	<u>34,321</u>
<b>Total liabilities and equity.....</b>	<u><b>¥11,125,762</b></u>	<u><b>¥10,919,598</b></u>	<u><b>\$107,495</b></u>

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

ITOCHU Corporation and its Subsidiaries

For the nine-month periods ended December 31, 2020 and 2019

(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, 2020	¥ 253,448	¥ 50,677	¥ 2,948,135	¥ (88,971)	¥ (167,338)	¥ 2,995,951	¥ 844,658	¥ 3,840,609
Net profit			364,318			364,318	28,831	393,149
Other comprehensive income				53,239		53,239	13,866	67,105
Total comprehensive income			364,318	53,239		417,557	42,697	460,254
Cash dividends to shareholders			(129,008)			(129,008)		(129,008)
Cash dividends to non-controlling interests							(26,288)	(26,288)
Net change in acquisition (disposition) of treasury stock					(10,593)	(10,593)		(10,593)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(229,830)		15,551		(214,279)	(368,461)	(582,740)
Transfer to Retained earnings			(236)	236		-		-
Balance on Dec. 31, 2020	253,448	(179,153)	3,183,209	(19,945)	(177,931)	3,059,628	492,606	3,552,234

(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, 2019	¥ 253,448	¥ 49,584	¥ 2,608,243	¥ 131,234	¥ (105,601)	¥ 2,936,908	¥ 753,208	¥ 3,690,116
Cumulative effects of the application of new accounting standards			(26,501)			(26,501)	(5,295)	(31,796)
Net profit			426,673			426,673	51,647	478,320
Other comprehensive income				(69,285)		(69,285)	(41)	(69,326)
Total comprehensive income			426,673	(69,285)		357,388	51,606	408,994
Cash dividends to shareholders			(133,537)			(133,537)		(133,537)
Cash dividends to non-controlling interests							(26,586)	(26,586)
Net change in acquisition (disposition) of treasury stock					(61,730)	(61,730)		(61,730)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(235)		(72)		(307)	62,564	62,257
Transfer to Retained earnings			2,682	(2,682)		-		-
Balance on Dec. 31, 2021	253,448	49,349	2,877,560	59,195	(167,331)	3,072,221	835,497	3,907,718

(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 April 1, 2020	\$ 2,449	\$ 490	\$ 28,484	\$ (860)	\$ (1,617)	\$ 28,946	\$ 8,160	\$ 37,106
Net profit			3,520			3,520	279	3,799
Other comprehensive income				514		514	134	648
Total comprehensive income			3,520	514		4,034	413	4,447
Cash dividends to shareholders			(1,246)			(1,246)		(1,246)
Cash dividends to non-controlling interests							(254)	(254)
Net change in acquisition (disposition) of treasury stock					(102)	(102)		(102)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(2,221)		151		(2,070)	(3,560)	(5,630)
Transfer to Retained earnings			(2)	2		-		-
Balance on Dec. 31, 2020	2,449	(1,731)	30,756	(193)	(1,719)	29,562	4,759	34,321



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

ITOCHU Corporation and its Subsidiaries

For the nine-month periods ended December 31, 2020 and 2019

	Millions of Yen		Millions of U.S. Dollars
	<u>Apr.-Dec. 2020</u>	<u>Apr.-Dec. 2019</u>	<u>Apr.-Dec. 2020</u>
<b>Cash flows from operating activities:</b>			
Net profit .....	¥ 393,149	¥ 478,320	\$ 3,799
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization .....	317,540	316,483	3,068
(Gains) losses on investments.....	(29,415)	(61,063)	(284)
(Gains) losses on property, plant, equipment and intangible assets.....	71,023	(15,956)	686
Financial (income) loss.....	(19,683)	(17,823)	(190)
Equity in earnings of associates and joint ventures .....	(151,771)	(167,340)	(1,466)
Income tax expense .....	57,003	111,616	550
Provision for doubtful accounts and other provisions .....	5,094	6,832	49
Changes in assets and liabilities, other-net .....	(16,945)	(18,955)	(164)
Proceeds from interest.....	18,352	26,315	177
Proceeds from dividends.....	108,463	105,583	1,048
Payments for interest.....	(29,392)	(45,427)	(284)
Payments for income taxes.....	(125,036)	(98,808)	(1,208)
Net cash provided by (used in) operating activities .....	<u>598,382</u>	<u>619,777</u>	<u>5,781</u>
<b>Cash flows from investing activities:</b>			
Net change in investments accounted for by the equity method .....	(31,066)	(23,021)	(300)
Net change in other investments .....	(50,334)	(46,877)	(486)
Net change in loans receivable .....	18,227	18,162	176
Net change in property, plant, equipment and intangible assets .....	(116,048)	(97,121)	(1,121)
Net change in time deposits .....	(3,186)	(2,853)	(31)
Net cash provided by (used in) investing activities .....	<u>(182,407)</u>	<u>(151,710)</u>	<u>(1,762)</u>
<b>Cash flows from financing activities:</b>			
Net change in debentures and loans payable .....	145,604	(26,034)	1,407
Repayments of lease liabilities .....	(209,892)	(198,522)	(2,028)
Cash dividends .....	(129,008)	(133,537)	(1,246)
Net change in treasury stock .....	(10,756)	(62,009)	(104)
Other .....	(211,204)	(30,349)	(2,041)
Net cash provided by (used in) financing activities .....	<u>(415,256)</u>	<u>(450,451)</u>	<u>(4,012)</u>
<b>Net change in cash and cash equivalents .....</b>	<u>719</u>	<u>17,616</u>	<u>7</u>
Cash and cash equivalents at the beginning of the period .....	611,223	572,030	5,906
Effect of exchange rate changes on cash and cash equivalents .....	8,213	(4,114)	79
Cash and cash equivalents included in assets held for sale .....	(39,975)	-	(386)
<b>Cash and cash equivalents at the end of the period .....</b>	<u>¥ 580,180</u>	<u>¥ 585,532</u>	<u>\$ 5,606</u>

**(5) Operating Segment Information**

ITOCHU Corporation and its Subsidiaries

For the nine-month periods ended December 31, 2020 and 2019

Information concerning operations in different operating segments for the nine-month periods ended December 31, 2020 and 2019 is as follows:

For the nine-month period ended December 31, 2020 (April 1, 2020 -December 31, 2020)										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 .....	¥ 324,591	¥ 737,844	¥ 457,506	¥ 1,533,545	¥ 3,034,148	¥ 563,483	¥ 523,018	¥ 362,730	¥ 54,285	¥ 7,591,150
Intersegment revenues.....	52	33	-	28,275	3,625	14,329	9,195	137	(55,646)	-
Total revenues.....	<u>324,643</u>	<u>737,877</u>	<u>457,506</u>	<u>1,561,820</u>	<u>3,037,773</u>	<u>577,812</u>	<u>532,213</u>	<u>362,867</u>	<u>(1,361)</u>	<u>7,591,150</u>
Gross trading profit .....	<u>71,212</u>	<u>123,639</u>	<u>77,930</u>	<u>162,783</u>	<u>252,643</u>	<u>109,796</u>	<u>196,075</u>	<u>316,439</u>	<u>(715)</u>	<u>1,309,802</u>
Trading income .....	<u>10,312</u>	<u>15,238</u>	<u>64,744</u>	<u>53,825</u>	<u>59,371</u>	<u>27,868</u>	<u>41,713</u>	<u>34,630</u>	<u>(2,675)</u>	<u>305,026</u>
Net profit attributable to ITOCHU.....	<u>15,842</u>	<u>32,725</u>	<u>73,658</u>	<u>34,236</u>	<u>42,694</u>	<u>26,340</u>	<u>51,413</u>	<u>23,127</u>	<u>64,283</u>	<u>364,318</u>
[Equity in earnings of associates and joint ventures].....	<u>[2,640]</u>	<u>[20,862]</u>	<u>[15,880]</u>	<u>[6,936]</u>	<u>[12,928]</u>	<u>[6,545]</u>	<u>[30,396]</u>	<u>[267]</u>	<u>[55,317]</u>	<u>[151,771]</u>
Total assets on December 31, 2020 .....	<u>436,716</u>	<u>1,163,905</u>	<u>893,293</u>	<u>1,278,372</u>	<u>1,999,117</u>	<u>1,015,522</u>	<u>1,211,087</u>	<u>2,337,093</u>	<u>790,657</u>	<u>11,125,762</u>

For the nine-month period ended December 31, 2019 (April 1, 2019 -December 31, 2019)										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 .....	¥ 409,432	¥ 857,090	¥ 488,342	¥ 2,017,092	¥ 2,919,196	¥ 601,656	¥ 515,070	¥ 390,208	¥ 62,476	¥ 8,260,562
Intersegment revenues.....	47	19	-	27,670	4,074	18,005	9,647	97	(59,559)	-
Total revenues.....	<u>409,479</u>	<u>857,109</u>	<u>488,342</u>	<u>2,044,762</u>	<u>2,923,270</u>	<u>619,661</u>	<u>524,717</u>	<u>390,305</u>	<u>2,917</u>	<u>8,260,562</u>
Gross trading profit .....	<u>87,808</u>	<u>144,636</u>	<u>78,686</u>	<u>164,389</u>	<u>230,797</u>	<u>116,008</u>	<u>166,983</u>	<u>346,137</u>	<u>1,743</u>	<u>1,337,187</u>
Trading income .....	<u>18,491</u>	<u>25,004</u>	<u>63,940</u>	<u>48,866</u>	<u>48,531</u>	<u>32,109</u>	<u>32,645</u>	<u>53,292</u>	<u>(1,887)</u>	<u>320,991</u>
Net profit attributable to ITOCHU.....	<u>21,529</u>	<u>44,080</u>	<u>84,489</u>	<u>39,406</u>	<u>40,891</u>	<u>57,977</u>	<u>47,732</u>	<u>26,167</u>	<u>64,402</u>	<u>426,673</u>
[Equity in earnings of associates and joint ventures].....	<u>[6,101]</u>	<u>[22,685]</u>	<u>[17,188]</u>	<u>[8,268]</u>	<u>[6,700]</u>	<u>[12,478]</u>	<u>[31,758]</u>	<u>[1,657]</u>	<u>[60,505]</u>	<u>[167,340]</u>
Total assets on December 31, 2019 .....	<u>522,760</u>	<u>1,271,657</u>	<u>826,172</u>	<u>1,380,883</u>	<u>1,942,290</u>	<u>1,075,887</u>	<u>1,197,958</u>	<u>2,315,898</u>	<u>838,258</u>	<u>11,371,763</u>
Total assets on March 31, 2020.....	<u>451,137</u>	<u>1,207,681</u>	<u>800,022</u>	<u>1,237,169</u>	<u>1,765,292</u>	<u>1,007,467</u>	<u>1,208,310</u>	<u>2,293,647</u>	<u>948,873</u>	<u>10,919,598</u>

For the nine-month period ended December 31, 2020 (April 1, 2020 -December 31, 2020)										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 .....	\$ 3,136	\$ 7,129	\$ 4,420	\$ 14,817	\$ 29,315	\$ 5,444	\$ 5,053	\$ 3,505	\$ 525	\$ 73,344
Intersegment revenues.....	1	0	-	273	35	139	89	1	(538)	-
Total revenues.....	<u>3,137</u>	<u>7,129</u>	<u>4,420</u>	<u>15,090</u>	<u>29,350</u>	<u>5,583</u>	<u>5,142</u>	<u>3,506</u>	<u>(13)</u>	<u>73,344</u>
Gross trading profit .....	<u>688</u>	<u>1,195</u>	<u>753</u>	<u>1,573</u>	<u>2,441</u>	<u>1,061</u>	<u>1,894</u>	<u>3,057</u>	<u>(7)</u>	<u>12,655</u>
Trading income .....	<u>100</u>	<u>147</u>	<u>625</u>	<u>520</u>	<u>574</u>	<u>269</u>	<u>403</u>	<u>335</u>	<u>(26)</u>	<u>2,947</u>
Net profit attributable to ITOCHU.....	<u>153</u>	<u>316</u>	<u>712</u>	<u>331</u>	<u>413</u>	<u>254</u>	<u>497</u>	<u>223</u>	<u>621</u>	<u>3,520</u>
[Equity in earnings of associates and joint ventures].....	<u>[25]</u>	<u>[202]</u>	<u>[153]</u>	<u>[67]</u>	<u>[125]</u>	<u>[63]</u>	<u>[294]</u>	<u>[3]</u>	<u>[534]</u>	<u>[1,466]</u>
Total assets on December 31, 2020 .....	<u>4,220</u>	<u>11,245</u>	<u>8,631</u>	<u>12,351</u>	<u>19,315</u>	<u>9,812</u>	<u>11,701</u>	<u>22,581</u>	<u>7,639</u>	<u>107,495</u>

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 &amp; 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

**(7) Material Subsequent Events**

Issuance of Commercial Paper

ITOCHU and a group finance managing company issued the commercial papers from January 4, 2021 to January 19, 2021 at a total issue price of 452.9 billion yen. All maturity dates are within three months.