

# FYE 2024 Business Results Summary

ITOCHU Corporation  
May 8, 2024



I am One with Infinite Missions

## Forward-Looking Statements

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.

# Summary of Financial Results for FYE 2024



(Unit : billion yen)

- **“Net profit attributable to ITOCHU”** was **¥801.8 bil.**  
Established a strong foundation towards the next growth stage, with solid earning base mainly in Non-Resource sectors, contribution from strategic investments, and improvement in underperformed businesses, while taking early measures to address future concerns.
- **“Core profit”** was approximately **¥789.0 bil.** Driven by Non-Resource sectors, the core profit for the Q4 was approximately ¥205.5 bil, the first time exceeding ¥200.0 bil.  
Annual results for Machinery, ICT & Financial Business, Food, and The 8th Companies recorded all-time high, and the total profit also recorded all-time high for 3 consecutive years.
- **“Ratio of group companies reporting profits”** was **92%**, recorded all-time high due to asset replacement and business polishment.
- **“Core operating cash flows”** was **¥823.0 bil.**, due to payments of interest expenses by higher interest rates and taxes, even with the stable performance in operating revenues in The 8th, General Products & Realty, and Food Companies.

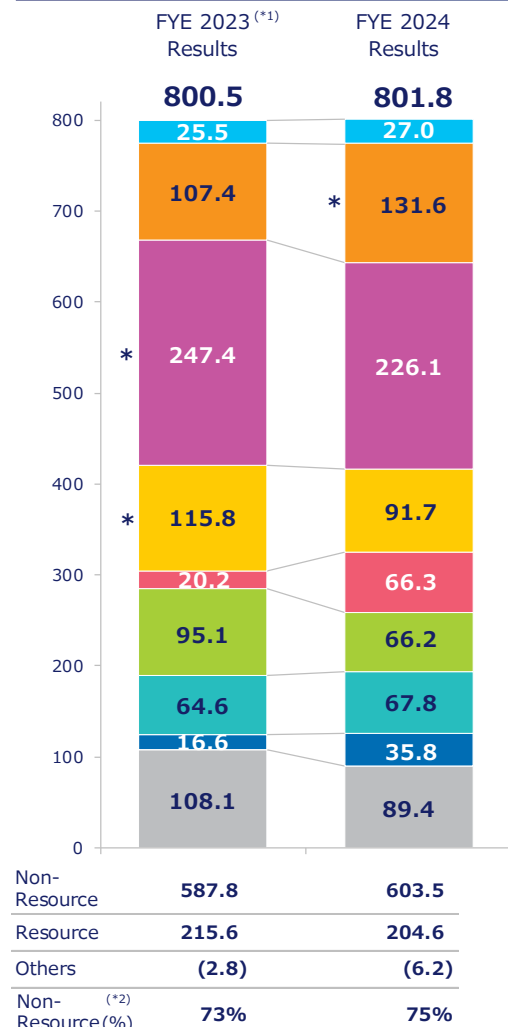
	FYE 2023 Results	FYE 2024 Results	Increase/ Decrease	FYE 2024 Forecast (Disclosed on Nov. 6)	Achievement
Net profit attributable to ITOCHU	<b>800.5</b>	<b>801.8</b>	<b>+ 1.3</b>	<b>800.0</b>	<b>100%</b>
Extraordinary gains and losses	13.0	13.0	—	Dividend information (per share)	
Core profit <sup>(*)</sup>	787.5	* 789.0	+ 1.5	Annual (Planned)	* 160 yen
				Interim (Paid)	* 80 yen
Ratio (%) of group companies reporting profits	88.6%	* 92.0%	Increased 3.5pt	(Reference)	
Core operating cash flows	* 871.0	823.0	(48.0)	CAGR (FYE 2011-FYE 2024)	13%
NET DER (times)	* 0.50	0.51	Increased 0.01pt	Average ROE (FYE 2011-FYE 2024)	16%
ROE	17.7%	15.6%	Decreased 2.1pt		
EPS	546.10 yen	* 553.00 yen	+ 6.90 yen		

\* : Record High (NET DER: Best Record)

# Net profit attributable to ITOCHU by Segment



(Unit : billion yen)



## Summary of Changes from the Previous Fiscal Year

### Textile [Inc/(Dec) : ¥1.5 bil.(incl. Extra. G&L. <sup>(\*\*3)</sup> : (2.5))]

Increased due to the stable performance in apparel-related companies resulting from the recovery of retail market because of the alleviation of the impact of COVID-19, partially offset by the absence of extraordinary gains in the previous fiscal year.

### Machinery [Inc/(Dec) : ¥24.2 bil.(incl. Extra. G&L. : (1.0))]

Increased due to the favorable sales in automobile-related transactions/companies, higher earnings in North American electric-power-related business, and the start of equity pick-up of Hitachi Construction Machinery from the 3<sup>rd</sup> quarter of the previous fiscal year.

### Metals & Minerals [Inc/(Dec) : ¥(21.3) bil.(incl. Extra. G&L. : 0.5)]

Decreased due to lower coal prices and lower earnings in Marubeni-Itochu Steel resulting from the absence of favorable performance in North American steel pipe business in the previous fiscal year, partially offset by higher earnings in iron ore companies.

### Energy & Chemicals [Inc/(Dec) : ¥(24.1) bil.(incl. Extra. G&L. : 10.0)]

Decreased due to the absence of favorable performance in energy trading transactions in the previous fiscal year, partially offset by the revaluation gain on a lithium-ion batteries company.

### Food [Inc/(Dec) : ¥46.1 bil.(incl. Extra. G&L. : 14.5)]

Increased 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, higher transaction volume in provisions-related transactions, the improvement in earnings of North American meat-products-related company, and the absence of extraordinary gains and losses in the previous fiscal year.

### General Products & Realty [Inc/(Dec) : ¥(28.9) bil.(incl. Extra. G&L. : 1.5)]

Decreased due to the 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 previous fiscal year, partially offset by the stable performance in domestic real estate transactions and the increased ownership percentage in DAIKEN.

### ICT & Financial Business [Inc/(Dec) : ¥3.2 bil.(incl. Extra. G&L. : (16.0))]

Increased due to the stable transactions in ITOCHU Techno-Solutions, higher agency commissions in HOKEN NO MADOGUCHI GROUP, and the improvement of remeasurement gains (losses) for fund held investments, partially offset by the impairment loss on Orient Corporation.

### The 8th [Inc/(Dec) : ¥19.2 bil.(incl. Extra. G&L. : 3.5)]

Increased 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 addition to the improvement in performance of group companies and impairment losses on stores, and the extraordinary gain on the sale of a domestic company, 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.

### Others, Adjustments & Eliminations [Inc/(Dec) : ¥(18.7) bil.(incl. Extra. G&L. : (10.5))]

Decreased due to lower earnings in CITIC Limited resulting from the absence of revaluation gain on securities business in the previous fiscal year, partially offset by the stable performance in comprehensive financial services segment, and the increase in interest expense with higher U.S. dollar interest rates.

\* : Record High

(\*\*1) As of October 1, 2022, ITOCHU dissolved the mutual-holdings for certain group companies held by The 8th Company as minority and the other Division Company as majority, and shares of such group companies are only held by the other Division Company. Accordingly, FYE 2023 Results are reclassified in the same manner.

(\*\*2) % composition is calculated using the total of Non-Resource and Resource sectors as 100%.

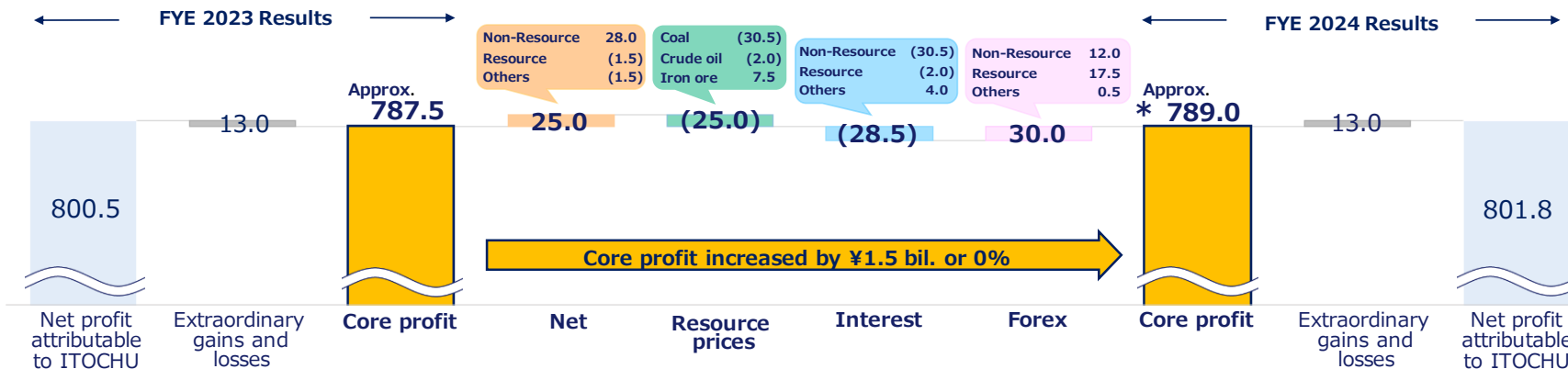
(\*\*3) Extra. G&L. means "Extraordinary Gains and Losses".

# Core Profit (YoY Factor Comparison)

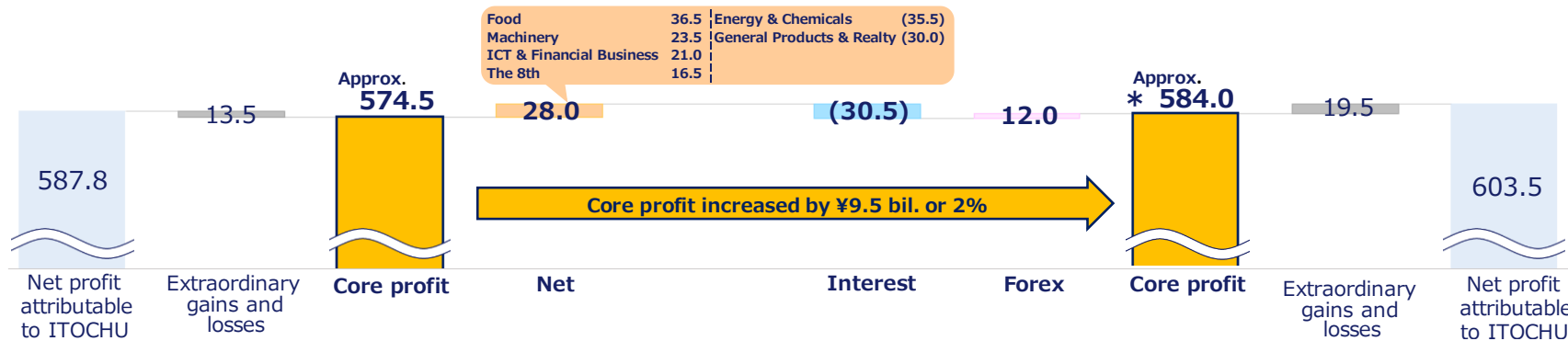


**[Total]**

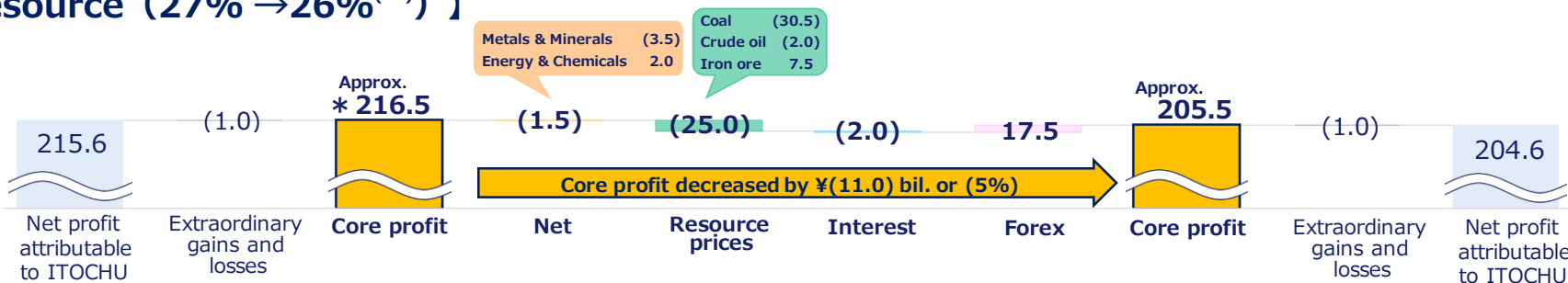
(Unit : billion yen)



**[Non-Resource (73% →74%<sup>(\*1)</sup>) ]**



**[Resource (27% →26%<sup>(\*1)</sup>) ]**



\* : Record High

(\*1) Non-Resource/Resource ratio of core profit



# Extraordinary Gains and Losses



(Unit : billion yen)

Segments	FYE 2023 Results		Major items	FYE 2024 Results		Major items
		[Q4]			[Q4]	
Textile	2.5	0.5	[Q3]Gain on the partial sales of an industrial-material-related company:1.0	-	-	
Machinery	0.5	(14.0)	[Q1, Q3]Losses on aircraft leased to Russian airlines in a leasing-related company:(14.0) [Q1:(8.5), Q3:(5.5)] [Q1, Q3]Gains on a specific overseas project and business:3.5 [Q1:2.5, Q3:1.0] [Q2]Gain on the sale of a North American beverage-equipment-maintenance company:22.0 Gain on the sale of a vehicle-related company:3.0 [Q4]Impairment losses on foreign companies:(14.0)	(0.5)	(0.5)	
Metals & Minerals	1.0	1.0		1.5	1.0	[Q2]Gain on the sale of fixed assets in Marubeni-Itochu Steel:0.5
Energy & Chemicals	7.0	7.0	[Q4]Reversal of allowance for long-term energy contract:8.5	17.0	(2.0)	[Q1]Revaluation gain on a lithium-ion batteries company:16.5 [Q1-2]Gains on the sale of fixed assets in ITOCHU ENEX:2.5[Q1:2.0, Q2:0.5] [Q4]Impairment loss in an overseas energy-related company:(2.0)
Food	(18.0)	(21.5)	[Q1]Gain on the group reorganization in North American oils and fats companies:3.5 [Q4]Impairment loss in Dole:(22.5) Impairment loss in a North American meat-products-related company:(4.5) Impairment losses in Prima Meat Packers:(1.5) Gain on the reorganization in domestic sugar companies:7.0	(3.5)	-	[Q1]Gain on the sale of fixed assets in a North American oils and fats company:4.5 [Q2]Loss from the withdrawal of a North American meat-products-related company:(1.5) [Q3]Impairment loss on a North American industrial chocolate company:(6.5)
General Products & Realty	5.5	(1.0)	[Q1]Impairment loss on sawn timber business in IFL:(1.5) [Q2]Revaluation gain resulting from the conversion of a North American engineered wood products company into a consolidated subsidiary:8.5	7.0	5.0	[Q3]Revaluation gain resulting from the conversion of DAIKEN into a consolidated subsidiary:2.0 [Q4]Gain on the partial sale of an overseas company:3.5 Gain on the de-consolidation of an overseas real estate company:1.5
ICT & Financial Business	7.0	7.0	[Q4]Gain on the sale of CONEXIO:6.5 Gain on the partial sale of a domestic company:2.0 Impairment loss in ITOCHU Techno-Solutions:(1.5)	(9.0)	(13.5)	[Q2]Gain on the sale of an overseas retail-finance-related company:2.5 Revaluation gain on a medical-related company:2.0 [Q4]Impairment loss on Orient Corporation:(15.0) Lower tax expenses related to an overseas retail-finance-related company:2.0
The 8th	(1.5)	(1.5)	[Q4]Losses related to fixed assets in FamilyMart:(1.5)	2.0	(1.0)	[Q3]Gain on the sale of a domestic company in FamilyMart:3.0 [Q4]Loss related to equipment in FamilyMart:(1.0)
Others, Adjustments & Eliminations	9.0	(12.5)	[Q1]Revaluation gain on securities business in CITIC Limited:20.5 [Q3]Impairment loss on CTEI:(2.0) [Q4]Impairment losses on group companies of CITIC Limited:(8.5) Impairment loss on C.P. Pokphand:(1.5)	(1.5)	(4.0)	[Q2-4]Impairment loss related to C.P. Pokphand/CITIC Limited, etc.:(1.5)
Total	13.0	(35.0)	[FYE 2023 Results] Non-Resource:13.5, Resource:(1.0), Others:0.5	13.0	(15.0)	[FYE 2024 Results] Non-Resource:19.5, Resource:(1.0), Others:(5.5)

(\* ) Major items are shown in round figures.

# Cash Flows



(Unit : billion yen)

## ■ Operating Cash Flows and Free Cash Flows:

“Cash flows from operating activities” was a **net cash-inflow of ¥978.1 bil.**, recorded all-time high, 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 Machinery and Metals & Minerals Companies.

“Cash flows from investing activities” was a net cash-outflow of ¥206.0 bil., 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. As a result, “Free cash flows” was a **net cash-inflow of ¥772.1 bil.**

## ■ Core Free Cash Flows:

“Core operating cash flows” after deducting changes in working capital, etc. from Cash flows from operating activities was a **net cash-inflow of ¥823.0 bil.** “Net investment cash flows” was a net cash-outflow of ¥614.0 bil., due to the additional investment in shares in ITOCHU Techno-Solutions and the payment resulting from the conversion of DAIKEN into a consolidated subsidiary.

As a result, “Core free cash flows” was a **net cash-inflow of ¥209.0 bil.**

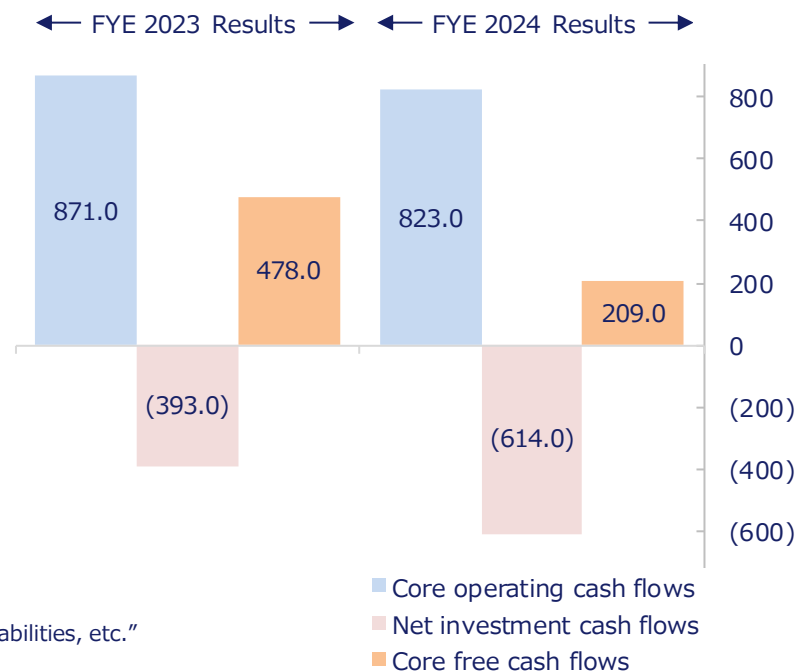
## Cash Flows

	FYE 2023 Results	FYE 2024 Results
Cash flows from operating activities	938.1	* 978.1
Cash flows from investing activities	(453.8)	(206.0)
Free cash flows	484.3	772.1
Cash flows from financing activities	(500.1)	(801.2)

## Core Free Cash Flows

	FYE 2023 Results	FYE 2024 Results
Core operating cash flows <sup>(*1)</sup>	* 871.0	823.0
Net investment cash flows <sup>(*2)</sup>	(393.0)	(614.0)
Core free cash flows	478.0	209.0

## Core Free Cash Flows



\*: Record High

(\*1) “Operating cash flows” minus “Changes in working capital” plus “Repayments of lease liabilities, etc.”

(\*2) Payments and collections for substantive investment and capital expenditure.

“Investment cash flows” plus “Equity transactions with non-controlling interests” minus “Changes in loan receivables”, etc.

# Financial Position



(Unit : billion yen)

## ■ Total Assets:

Increased by ¥1,374.3 bil., compared to March 31, 2023 to **¥14,489.7 bil.**, due to the increase in investments accounted for by the equity method, the increase in trade receivables resulting from the increase of trading transactions, the conversion of DAIKEN into a consolidated subsidiary, and the depreciation of the yen.

## ■ Net Interest-bearing Debt:

Increased by ¥350.4 bil., compared to March 31, 2023 to **¥2,741.6 bil.**, 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.

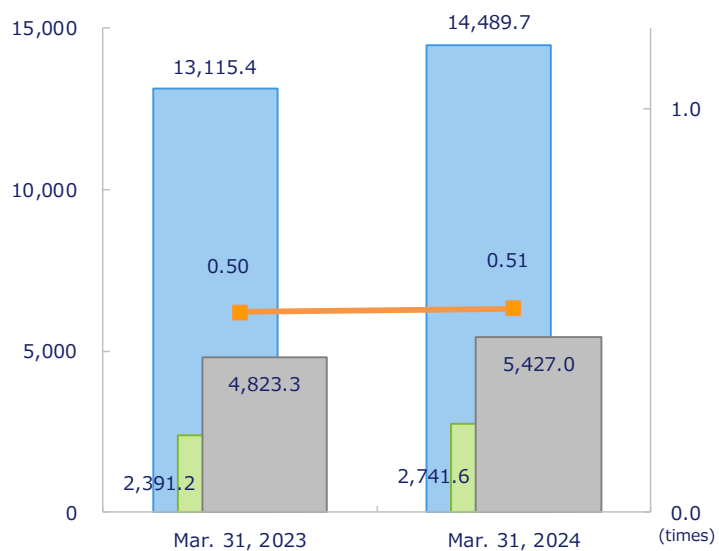
## ■ Total Shareholders' Equity:

Increased by ¥603.7 bil., compared to March 31, 2023 to **¥5,427.0 bil.**, 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.

## ■ 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** slightly increased compared to March 31, 2023 to **0.51 times**.



	Mar. 31, 2023	Mar. 31, 2024	Increase/Decrease	Brand-new Deal 2023
Total assets	13,115.4	* 14,489.7	+ 1,374.3	B/S control appropriate for A ratings
Net interest-bearing debt	2,391.2	2,741.6	+ 350.4	
Total shareholders' equity	4,823.3	* 5,427.0	+ 603.7	
Ratio of shareholders' equity to total assets	36.8%	* 37.5%	Increased 0.7pt	
NET DER (times)	* 0.50	0.51	Increased 0.01pt	
ROE	17.7%	15.6%	Decreased 2.1pt	Maintain high efficiency about 13-16%

\* : Record High as of the end of the fiscal year (NET DER: Best Record)

(\*) Due to the adoption of IFRS 17, the results for March 31, 2023 are presented post retroactive adjustment.

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**|| The Brand-new Deal**  
**FYE 2025 Management Plan**

ITOCHU Corporation  
May 8, 2024



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Forward-Looking Statements

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# Brand-new Deal 2023 General Review (Quantitative Targets)

- ✓ Practiced "commitment-based management" exceeding the target. Consolidated net profit achieved ¥800.0 bil. for 3 consecutive years, establishing a new profit stage. Also continued to improve the financial position.

	Target of BND2023	Results
Consolidated net profit	¥600.0 bil.	FYE 2024 results: ¥801.8 bil. Achieved over ¥800.0 bil. for 3 consecutive years
Cash flows	Positive core free cash flows after deducting shareholder returns	Total cash-inflow of approx. ¥700.0 bil. in 3 fiscal years
NET DER	About 0.7-0.8 times	0.51 times (as of the end of FYE 2024)
Total shareholders' equity		¥5.4 tril. (as of the end of FYE 2024)
ROE	About 13-16%	18% (3 years average)
Ratio of group companies reporting profits	<b>Announcement of "New Dividend Policy"</b>	92% (FYE 2024)
Dividend per share	Continue progressive dividend policy Minimum of ¥130 for FYE 2024 Dividend payout ratio of 30% by FYE 2024	Steadily executed progressive dividend policy (FYE 2022: ¥110 → FYE 2024: ¥160) FYE 2024 dividend payout ratio: 29%
Share buybacks	Execute actively and continuously Total payout ratio of 33% for FYE 2024 (Aim at 40% when revising upward the forecast during the fiscal year)	Executed total ¥220.0 bil. during the Medium-Term Management Plan Total payout ratio for FYE 2024: 41%

# Brand-new Deal 2023 General Review (Qualitative Targets)



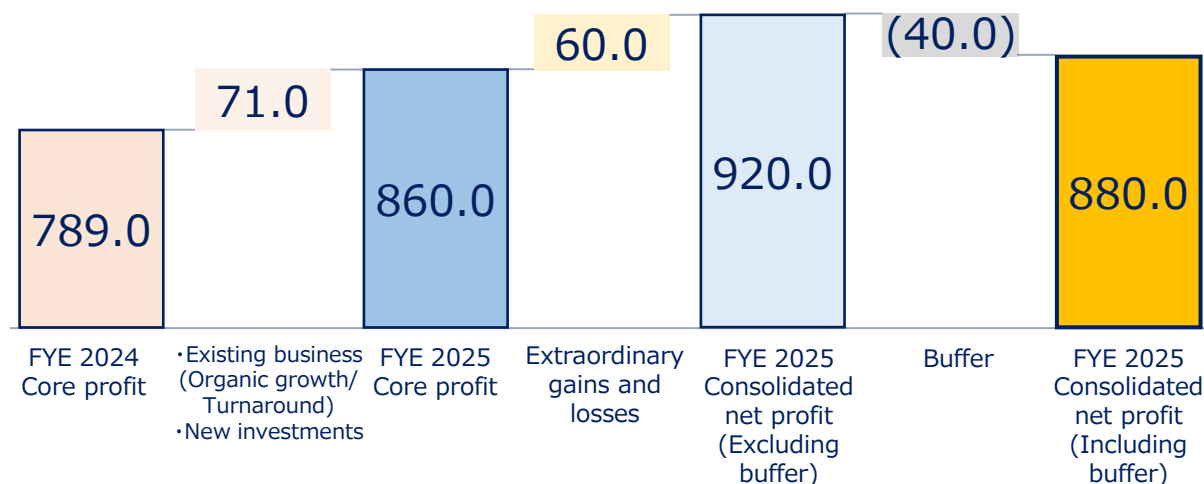
- ✓ Promoted the realization of business transformation by shifting to a “market-oriented perspective”, and built/enhanced competitive business foundations in various fields. Steadily promoted the enhancement of our contribution to and engagement with the SDGs through business activities.
- ✓ Laid the steppingstones for our growth, including large-scale projects, as well as strengthening efforts towards the expansion of non-financial capital, such as human resources strategy.

<p>Realizing business transformation by shifting to a “market-oriented perspective”</p>	<ul style="list-style-type: none"> <li>■ Steadily increased FamilyMart’s daily sales and revenue by continuously strengthening product appeal. Furthermore, created new profit source such as advertising and media business utilizing purchase data.</li> <li>■ Expanded the area and features of North American construction material business with fence business as its core, through extension of value chain to engineered wood products and fencing tube manufacturing business.</li> <li>■ Privatized ITOCHU Techno-Solutions with the purpose of strengthening consulting and data analysis to capture the diversifying digitalization needs. Enabled further expansion of our earning base.</li> </ul>
<p>Enhancing our contribution to and engagement with the SDGs through business activities</p>	<ul style="list-style-type: none"> <li>■ Reduced half of GHG emissions from fossil fuel businesses and interests compared to FYE 2019, while steadily accumulated businesses that contribute to reduction of GHG emissions such as renewable energy business and energy-storage-system business.</li> </ul>
<p>Basic Policy</p>	
<p>Growth Investments</p>	<ul style="list-style-type: none"> <li>■ Conducted major investments and purchases of additional shares in fields where we have knowledge, such as the privatization of ITOCHU Techno-Solutions and DAIKEN with the purpose of expanding existing business and strengthening new/growth areas, investment in Hitachi Construction Machinery with intention to expand collaboration of construction-machinery-related business, and investment in iron ore business in Canada which contributes to the decarbonization of steel industry.</li> </ul>
<p>Credit Ratings</p>	<ul style="list-style-type: none"> <li>■ Obtained the highest credit rating among the general trading companies from all major credit rating agencies.</li> </ul>
<p>Human Resources Strategy</p>	<ul style="list-style-type: none"> <li>■ Introduced our own personnel system to enhance “job satisfaction” by strengthening well-balanced working style, such as “Morning-Focused Flextime System”, and evaluation and compensation commensurate with results.</li> <li>■ Introduced “Virtual Office”, where enthusiastic employees collaborate beyond the boundaries between departments, which led to successful results such as Femtech.</li> </ul>

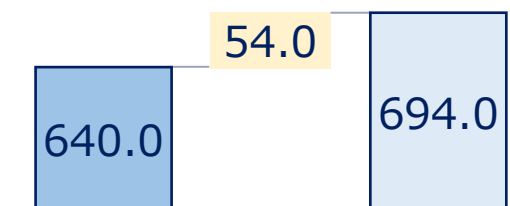
# FYE 2025 Management Plan

Profit Plan	Shareholder Returns	Growth Investments
<p><b>Consolidated net profit</b> ¥880.0 bil.</p> <p><b>ROE</b> 16%</p>	<p><b>Total payout ratio</b> Aiming at <b>50%</b></p> <p><b>Dividend</b> The higher of <b>¥200</b> per share or <b>30%</b> dividend payout ratio</p> <p><b>Share buybacks</b> Approx. <b>¥150.0 bil.</b></p>	<p><b>Investment amount</b> <b>Max. ¥1 tril.</b></p> <p>Core operating cash flows after deducting shareholder returns in FYE 2025 + Surplus capital in the previous medium-term management plan</p> <p><b>NET DER</b> Less than <b>0.6</b> times</p>

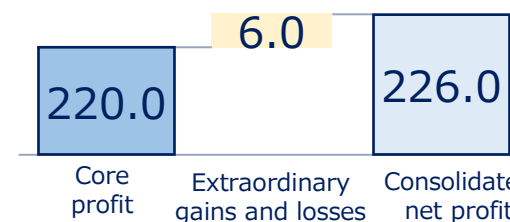
## 【Consolidated net profit/Core profit】



## Non-Resource (Unit : billion yen)



## Resource



# FYE 2025 Management Plan



## 【Profit plan by Segment】

(Unit : billion yen)

	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	General Products & Realty	ICT & Financial Business	The 8th	Others, Adjustments & Eliminations	Total	Non-Resource	Resource	Others
FYE 2022	25.1	80.6	226.9	92.1	65.2	105.6	104.6	38.2	82.0	820.3	610.3	221.6	(11.6)
FYE 2023	25.5	107.4	247.4	115.8	20.2	95.1	64.6	16.6	108.1	800.5	587.8	215.6	(2.8)
FYE 2024	27.0	131.6	226.1	91.7	66.3	66.2	67.8	35.8	89.4	801.8	603.5	204.6	(6.2)
FYE 2025 Plan	<b>33.0</b>	<b>130.0</b>	<b>240.0</b>	<b>90.0</b>	<b>75.0</b>	<b>90.0</b>	<b>82.0</b>	<b>35.0</b>	<b>105.0</b> <sup>(*1)</sup>	<b>880.0</b>	<b>694.0</b>	<b>226.0</b>	<b>(40.0)</b> <sup>(*1)</sup>
Increase/Decrease	+6.0	(1.6)	+13.9	(1.7)	+8.7	+23.8	+14.2	(0.8)	+15.6	+78.2	+90.6	+21.4	(33.8)

(\*1) Including a loss buffer: (40.0)

## 【Cash allocation/NET DER】

	Past results			FYE 2025 Image	
	BND2017 Total	BND2020 Total <sup>(*2)</sup>	BND2023 Total	Cash allocation focused on growth investments	
Core operating CFs	1,255.0	1,691.0	2,484.0	Core operating CFs	900.0
Net investment CFs	(970.0)	(1,065.0)	(960.0)	Net investment CFs	(460.0) + α
Percentage	77%	63%	39%	Dividend/Share buybacks	(440.0)
Shareholder returns	(318.5)	(528.9)	(818.9)	NET DER	Less than 0.6 times
Percentage	25%	31%	33%		
Core FCFs after deducting shareholder returns	(33.5)	+97.0	+705.0		
NET DER (times) <sup>(*3)</sup>	0.87	0.78	0.51		

(\*2) BND2020 includes FYE 2021 Management Plan.

(\*3) NET DER are the figures of the final fiscal year.



# Assumptions



		FYE 2023 Results	FYE 2024 Results	FYE 2025 Plan	(Reference) Sensitivities on net profit attributable to ITOCHU for FYE 2025	
Exchange rate (Yen/US\$)	Average	134.48	144.59	145 <sup>(*1)</sup>	1 Yen fluctuation against US\$	
	Closing	133.53	151.41	140	Approx. ±¥3.5 bil. <sup>(*2)</sup>	
Interest rate (%)	TIBOR 3M (¥)	0.07%	0.08%	0.4%	0.1% fluctuation of interest rate	
	LIBOR 3M (US\$) <sup>(*3)</sup>	3.52%	—	—		— <sup>(*4)</sup>
	SOFR 3M (US\$) <sup>(*3)</sup>	—	5.30%	5.0%		— <sup>(*4)</sup>
Crude oil (Brent) (US\$/BBL)		95.07	82.08	80	±¥0.27 bil. <sup>(*7)</sup>	
Iron ore (CFR China) (US\$/ton)		117 <sup>(*5)</sup>	119 <sup>(*5)</sup>	N.A. <sup>(*6)</sup>	±¥1.60 bil. <sup>(*7)</sup>	

(\*1) The exchange rate of 140 Yen/US\$ announced on Apr. 3, 2024 has been revised.

(\*2) The impact in case the average exchange rate during FYE 2025 depreciated(increase)/appreciated(decrease) is shown.

(\*3) Due to the cessation of LIBOR publication in June 2023, the US\$ benchmark interest rate has been changed to Term SOFR.

(\*4) It is assumed that the increase/decrease in interest income/expense will be offset by the impact of interest rate fluctuation on the transaction prices. However, in the situation that interest rate fluctuates significantly, interest cost may have temporary impact on the Company's performance.

(\*5) FYE 2023 and FYE 2024 prices for iron ore are prices that ITOCHU regards as general transaction prices based on the market.

(\*6) The prices of iron ore used in the FYE 2025 Plan are assumptions made in consideration of general transaction prices based on the market.

The actual prices are not presented, as they are subject to negotiation with individual customers and vary by ore type.

(\*7) The above sensitivities vary according to changes in sales volume, foreign exchange rates, production cost, etc.