

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

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**-Unaudited-****Consolidated Financial Results for the First 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 Department: Suguru Amano TEL: 81 - 3 - 3497 - 7295  
 The date of payout of dividend: -

**1. Consolidated operating results for the first quarter of the fiscal year 2021 (from April 1, 2020 to June 30, 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 quarter of												
Fiscal Year 2021	2,388,225	(12.4)	72,081	(29.6)	138,899	(29.8)	115,319	(29.6)	104,759	(28.9)	157,998	82.1
Fiscal Year 2020	2,726,702	4.3	102,384	42.8	197,794	40.1	163,759	40.3	147,287	29.9	86,779	(30.9)

	Basic earnings per share attributable to ITOCHU		Diluted earnings per share attributable to ITOCHU	
	yen		yen	
For the first quarter of				
Fiscal Year 2021	70.29		-	
Fiscal Year 2020	97.88		-	

Equity in earnings of associates and joint ventures (millions of yen) 1st quarter of FY 2021: 43,284 [ (17.9%) ] 1st quarter of FY 2020: 52,731 [ (10.7%) ]  
 Total comprehensive income (millions of yen) 1st quarter of FY 2021: 177,152 [ 79.2% ] 1st quarter of FY 2020: 98,850 [ (23.9%) ]

## (2) Consolidated financial position

	Total assets	Total equity	Total shareholders' equity	Ratio of shareholders' equity to total assets	Shareholders' equity per share
	millions of yen	millions of yen	millions of yen	%	yen
June 30, 2020	10,919,776	3,937,655	3,091,796	28.3	2,074.54
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 quarter of				
Fiscal Year 2021	254,087	(91,189)	(111,559)	666,908
Fiscal Year 2020	153,676	(36,115)	(169,702)	513,584

**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	-				
Fiscal Year 2021 (Planned)		44.00	-	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)	268.41

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

(Note) Outlook of consolidated operating results for the first half of fiscal year 2021 is not prepared.

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

#### 4. Other information

(1) Changes in significant subsidiaries accompanied by changes in the consolidation scope: None

(2) Changes in accounting policies and accounting estimates

(a) Changes in accounting policies required by IFRS : None

(b) Other changes : None

(c) Changes in accounting estimates : None

(3) Number of common shares issued

(a) Number of common shares outstanding: (including the number of treasury stock)	1st quarter of FY 2021	1,584,889,504	Fiscal Year 2020	1,584,889,504
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(b) Number of treasury stock:	1st quarter of FY 2021	94,533,473	Fiscal Year 2020	94,612,062
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(c) Average number of common shares outstanding:	1st quarter of FY 2021	1,490,288,763	1st quarter of FY 2020	1,504,783,224
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#### [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 107.74 yen = 1 U.S. dollar, the exchange rate prevailing on June 30, 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 three-month period ended June 30, 2020]

#### (a) General Economic Situation

For the three-month period ended June 30, 2020, the global economy worsened further as various countries tightened restrictions on movement of people and corporate activities to suppress the outbreak of COVID-19. Although the Chinese economy has begun to recover as economic activities resumed, economies in other regions such as Europe and the U.S. slumped significantly. 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 due to a sharp slump in demand. After that, it gradually recovered through to the end of June to almost US\$40 as hopes for a recovery in the global economy grew.

The Japanese economy stagnated further as consumer spending cooled due to the strengthening of restrictions on movement, including a state of emergency, as well as restrictions on entry of foreign nationals, a significant decline in exports as overseas economic conditions worsened, and a decline in capital investments as companies increasingly adopted a wait-and-see approach. With regard to the U.S. dollar-yen exchange rate, although the yen fluctuated against the dollar in line with movements in long-term U.S. interest rates, it generally trended flat from the start of the fiscal year, ending June at the ¥107 level. The Nikkei Stock Average began the fiscal year at the ¥18,000 and rose to the ¥23,000 level in early June on the back of higher U.S. stock prices and hopes of a recovery in the domestic economy. Afterwards, it closed in the ¥22,000-22,500 range at the end of June. The yield on 10-year Japanese government bonds, opening the fiscal year at 0.02%, trended stably around the zero percent line as the Bank of Japan provided ample liquidity to the market and closed at 0.04% at the end of June.

#### (b) Consolidated Operating Results

	Billions of Yen				Millions of U.S. Dollars
	Apr.-Jun. 2020	Apr.-Jun. 2019	Increase (Decrease)	%	Apr.-Jun. 2020
Revenues .....	2,388.2	2,726.7	(338.5)	(12.4%)	22,166
Gross trading profit .....	401.5	433.3	(31.8)	(7.3%)	3,726
Selling, general and administrative expenses .....	(326.2)	(328.7)	2.5	(0.8%)	(3,027)
Gains on investments.....	19.9	30.7	(10.8)	(35.3%)	184
Equity in earnings of associates and joint ventures .....	43.3	52.7	(9.4)	(17.9%)	402
Income tax expense.....	(23.6)	(34.0)	10.5	(30.7%)	(219)
Net profit.....	115.3	163.8	(48.4)	(29.6%)	1,070
Net profit attributable to ITOCHU.....	104.8	147.3	(42.5)	(28.9%)	972
(Reference) Trading income.....	72.1	102.4	(30.3)	(29.6%)	669

(i) Revenues (from external customers)

Decreased by 12.4%, or 338.5 billion yen, compared with the same period of the previous fiscal year to 2,388.2 billion yen (22,166 million U.S. dollars).

• Energy & Chemicals Company:

Decreased by 237.0 billion yen compared with the same period of the previous fiscal year to 455.5 billion yen (4,228 million U.S. dollars), due to the lower sales prices and transaction volume in energy-related companies and chemical-related transactions.

• Machinery Company:

Decreased by 40.1 billion yen compared with the same period of the previous fiscal year to 224.0 billion yen (2,079 million U.S. dollars), due to unfavorable sales in automobile-related companies and the lower automobile-related transaction volume resulting from the effects of COVID-19.

• Textile Company:

Decreased by 31.1 billion yen compared with the same period of the previous fiscal year to 97.8 billion yen (908 million U.S. dollars), due to the stagnation in overall transactions centering on unfavorable sales in apparel-related companies resulting from the effects of COVID-19.

• Metals & Minerals Company:

Decreased by 28.5 billion yen compared with the same period of the previous fiscal year to 144.4 billion yen (1,340 million U.S. dollars), due to the lower steel scrap prices and coal prices.

(ii) Gross trading profit

Decreased by 7.3%, or 31.8 billion yen, compared with the same period of the previous fiscal year to 401.5 billion yen (3,726 million U.S. dollars).

• The 8th Company:

Decreased by 14.8 billion yen compared with the same period of the previous fiscal year to 99.6 billion yen (924 million U.S. dollars), due to lower daily sales in FamilyMart resulting from the effects of COVID-19.

• Machinery Company:

Decreased by 14.8 billion yen compared with the same period of the previous fiscal year to 31.9 billion yen (296 million U.S. dollars), due to unfavorable sales in automobile-related companies and the lower automobile-related transaction volume resulting from the effects of COVID-19.

• Textile Company:

Decreased by 7.9 billion yen compared with the same period of the previous fiscal year to 19.8 billion yen (184 million U.S. dollars), due to the stagnation in overall transactions centering on unfavorable sales in apparel-related companies resulting from the effects of COVID-19.

• Food Company:

Increased by 10.7 billion yen compared with the same period of the previous fiscal year to 78.0 billion yen (724 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, despite the lower transaction volume in provisions-related companies and NIPPON ACCESS resulting from the effects of COVID-19.

(iii) Selling, general and administrative expenses

Decreased by 0.8%, or 2.5 billion yen, compared with the same period of the previous fiscal year to 326.2 billion yen (3,027 million U.S. dollars), due to the effort of the reduction of expenses and the lower travel expenses resulting from the effects of COVID-19, despite the effects 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 35.3%, or 10.8 billion yen, compared with the same period of the previous fiscal year to 19.9 billion yen (184 million U.S. dollars), due to the absence of the gains accompanying partial sales of foreign companies in General Products & Realty Company and the partial sale of a domestic company in ICT & Financial Business Company in the same period of the previous fiscal year, despite the gain accompanying the partial sale of eGuarantee.

(v) Equity in earnings of associates and joint ventures

Decreased by 17.9%, or 9.4 billion yen, compared with the same period of the previous fiscal year to 43.3 billion yen (402 million U.S. dollars).

· General Products & Realty Company:

Decreased by 3.8 billion yen compared with the same period of the previous fiscal year to 1.6 billion yen (15 million U.S. dollars), due to the lower equity in earnings of Japan Brazil Paper & Pulp Resources Development and IFL (European pulp-related company) resulting from the lower pulp prices.

· Textile Company:

Decreased by 2.6 billion yen compared with the same period of the previous fiscal year to the loss of 1.0 billion yen (9 million U.S. dollars), due to the lower equity in earnings of overall companies resulting from the effects of COVID-19.

· Metals & Minerals Company:

Decreased by 2.4 billion yen compared with the same period of the previous fiscal year to 4.6 billion yen (43 million U.S. dollars), due to the lower equity in earnings of Marubeni-Itochu Steel resulting from the effects of COVID-19.

(vi) Income tax expense

Decreased by 30.7%, or 10.5 billion yen, compared with the same period of the previous fiscal year to 23.6 billion yen (219 million U.S. dollars), due to the lower profit before tax, despite the absence of lower tax expenses related to group restructuring in FamilyMart in the same period of the previous fiscal year.

(vii) Net profit attributable to ITOCHU

Consequently, Net profit attributable to ITOCHU decreased by 28.9%, or 42.5 billion yen, compared with the same period of the previous fiscal year to 104.8 billion yen (972 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 29.6%, or 30.3 billion yen, compared with the same period of the previous fiscal year to 72.1 billion yen (669 million U.S. dollars).

- The 8th Company:

Decreased by 11.0 billion yen compared with the same period of the previous fiscal year to 5.3 billion yen (49 million U.S. dollars), due to lower daily sales in FamilyMart resulting from the effects of COVID-19, despite the reduction of expenses.

- Machinery Company:

Decreased by 10.1 billion yen compared with the same period of the previous fiscal year to the loss of 3.9 billion yen (37 million U.S. dollars), due to unfavorable sales in automobile-related companies and the lower automobile-related transaction volume resulting from the effects of COVID-19, despite the reduction of expenses.

- Metals & Minerals Company:

Decreased by 4.5 billion yen compared with the same period of the previous fiscal year to 21.8 billion yen (203 million U.S. dollars), due to the lower coal prices.

- Textile Company:

Decreased by 4.3 billion yen compared with the same period of the previous fiscal year to 1.2 billion yen (11 million U.S. dollars), due to the stagnation in overall transactions centering on unfavorable sales in apparel-related companies resulting from the effects of COVID-19, despite the reduction of expenses.

## (2) Qualitative Information of the Consolidated Financial Position

### (a) Consolidated Financial Position

	Billions of Yen				Millions of U.S. Dollars
	Jun. 2020	Mar. 2020	Increase (Decrease)	%	Jun. 2020
Total assets .....	10,919.8	10,919.6	0.2	0.0%	101,353
Interest-bearing debt .....	2,906.8	2,877.0	29.9	1.0%	26,980
Net interest-bearing debt .....	2,227.2	2,256.9	(29.7)	(1.3%)	20,672
Total shareholders' equity .....	3,091.8	2,996.0	95.8	3.2%	28,697
Ratio of shareholders' equity to total assets .....	28.3%	27.4%	Increased 0.9pt		
NET DER (times) .....	0.72	0.75	Improved 0.03pt		

#### (i) Total assets

Nearly at the same level compared with March 31, 2020 at 10,919.8 billion yen (101,353 million U.S. dollars), due to the increase accompanying the rise in the fair value of stocks, the increase in Cash and cash equivalents, and additional investments in shares of domestic associated companies, despite the decrease in trade receivables accompanying unfavorable sales resulting from the effects of COVID-19.

- (ii) Net interest-bearing debt (Interest-bearing debt after deducting Cash and cash equivalents and Time deposits)  
Decreased by 1.3%, or 29.7 billion yen, compared with March 31, 2020 to 2,227.2 billion yen (20,672 million U.S. dollars), due to the stable performance in operating revenues and steady collections, despite dividend payments.  
Interest-bearing debt increased by 1.0%, or 29.9 billion yen, compared with March 31, 2020 to 2,906.8 billion yen (26,980 million U.S. dollars).
- (iii) Total shareholders' equity  
Increased by 3.2%, or 95.8 billion yen, compared with March 31, 2020 to 3,091.8 billion yen (28,697 million U.S. dollars), due to Net profit attributable to ITOCHU during this fiscal year and the increase accompanying the rise in the fair value of stocks, despite 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 0.9 points compared with March 31, 2020 to 28.3%.  
NET DER (Net debt-to-shareholders' equity ratio) improved compared with March 31, 2020 to 0.72 times.

(b) Consolidated Cash Flows

	Billions of Yen		Millions of U.S. Dollars
	Apr.-Jun. 2020	Apr.-Jun. 2019	Apr.-Jun. 2020
Cash flows from operating activities .....	254.1	153.7	2,358
Cash flows from investing activities .....	(91.2)	(36.1)	(846)
<i>Free cash flows</i> .....	<i>162.9</i>	<i>117.6</i>	<i>1,512</i>
Cash flows from financing activities .....	(111.6)	(169.7)	(1,035)

- (i) Cash flows from operating activities  
Recorded a net cash-inflow of 254.1 billion yen (2,358 million U.S. dollars), resulting from the stable performance in operating revenues, and improvement in working capital in The 8th Company.
- (ii) Cash flows from investing activities  
Recorded a net cash-outflow of 91.2 billion yen (846 million U.S. dollars), due to the investments by The 8th Company, additional investments in shares of domestic associated companies by Machinery and Food Companies, and the acquisition of fixed assets by The 8th, Food, Metals & Minerals, and Energy & Chemicals Companies.
- (iii) Cash flows from financing activities  
Recorded a net cash-outflow of 111.6 billion yen (1,035 million U.S. dollars), due to the repayment of lease liabilities and dividend payments.

“Cash and cash equivalents” as of June 30, 2020 increased by 55.7 billion yen compared with March 31, 2020 to 666.9 billion yen (6,190 million U.S. dollars).

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

**(1) Changes in significant subsidiaries accompanied by changes in the consolidation scope :** None

**(2) Changes in accounting policies and accounting estimates**

(a) Changes in accounting policies required by IFRS      None

(b) Other changes      None

(c) Changes in accounting estimates      None

Although it is extremely difficult to forecast the effects of COVID-19 infection outbreak, overall, based on our evaluation of measurable risks, we assume that the effects will become somewhat milder in the second quarter compared with the first quarter and we will see prospects for recovery to some extent except for some businesses in the second half.

**3. Quarterly Consolidated Financial Statements [Condensed]****(1) Consolidated Statement of Comprehensive Income [Condensed]**

ITOCHU Corporation and its Subsidiaries

For the three-month periods ended June 30, 2020 and 2019

	Millions of Yen		Millions of U.S. Dollars
	Apr.-Jun. 2020	Apr.-Jun. 2019	Apr.-Jun. 2020
<b>Revenues:</b>			
Revenues from sale of goods.....	¥ 2,104,596	¥ 2,427,955	\$ 19,534
Revenues from rendering of services and royalties.....	283,629	298,747	2,632
Total revenues.....	2,388,225	2,726,702	22,166
<b>Cost:</b>			
Cost of sale of goods.....	(1,842,515)	(2,143,631)	(17,101)
Cost of rendering of services and royalties.....	(144,232)	(149,818)	(1,339)
Total cost.....	(1,986,747)	(2,293,449)	(18,440)
<b>Gross trading profit .....</b>	<b>401,478</b>	<b>433,253</b>	<b>3,726</b>
<b>Other gains (losses):</b>			
Selling, general and administrative expenses.....	(326,200)	(328,694)	(3,027)
Provision for doubtful accounts.....	(3,197)	(2,175)	(30)
Gains on investments.....	19,875	30,716	184
Gains (losses) on property, plant, equipment and intangible assets.....	(3,947)	1,766	(36)
Other-net.....	2,396	1,434	22
Total other-losses.....	(311,073)	(296,953)	(2,887)
<b>Financial income (loss):</b>			
Interest income.....	6,502	8,932	60
Dividends received.....	8,829	16,026	82
Interest expense.....	(10,121)	(16,195)	(94)
Total financial income.....	5,210	8,763	48
Equity in earnings of associates and joint ventures.....	43,284	52,731	402
<b>Profit before tax.....</b>	<b>138,899</b>	<b>197,794</b>	<b>1,289</b>
Income tax expense.....	(23,580)	(34,035)	(219)
<b>Net profit.....</b>	<b>115,319</b>	<b>163,759</b>	<b>1,070</b>
Net profit attributable to ITOCHU.....	104,759	147,287	972
Net profit attributable to non-controlling interests.....	10,560	16,472	98

	Millions of Yen		Millions of
	Apr.-Jun. 2020	Apr.-Jun. 2019	U.S. Dollars
<b>Other comprehensive income, net of tax:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
FVTOCI financial assets.....	¥ 41,192	¥ (19,507)	\$ 382
Remeasurement of net defined pension liability.....	(58)	(125)	(0)
Other comprehensive income in associates and joint ventures.....	3,247	(2,800)	31
<b>Items that will be reclassified to profit or loss</b>			
Translation adjustments.....	31,296	(41,269)	290
Cash flow hedges.....	1,537	(5,345)	14
Other comprehensive income in associates and joint ventures.....	(15,381)	4,137	(143)
<b>Total other comprehensive income, net of tax.....</b>	<b>61,833</b>	<b>(64,909)</b>	<b>574</b>
<b>Total comprehensive income .....</b>	<b>177,152</b>	<b>98,850</b>	<b>1,644</b>
Total comprehensive income attributable to ITOCHU .....	157,998	86,779	1,466
Total comprehensive income attributable to non-controlling interests .....	19,154	12,071	178

Note 1 : The gains and losses on disposal and remeasurement of equity financial instruments, of which the changes in fair value are recorded in "Other comprehensive income", are recognized in "FVTOCI financial assets".

Note 2 : "Trading income" is presented in accordance with Japanese accounting practices.  
("Trading income" = "Gross trading profit" + "Selling, general and administrative expenses" + "Provision for doubtful accounts")  
Trading income for the three-month periods ended June 30, 2020 and 2019 were 72,081 million yen (669 million U.S. dollars) and 102,384 million yen, respectively.

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

ITOCHU Corporation and its Subsidiaries

As of June 30, 2020 and March 31, 2020

Assets	Millions of Yen		Millions of U.S. Dollars
	Jun. 2020	Mar. 2020	Jun. 2020
<b>Current assets:</b>			
Cash and cash equivalents.....	¥ 666,908	¥ 611,223	\$ 6,190
Time deposits.....	12,717	8,858	118
Trade receivables.....	1,912,852	2,113,746	17,754
Other current receivables.....	184,182	176,691	1,710
Other current financial assets.....	32,756	45,315	304
Inventories.....	960,448	952,029	8,914
Advances to suppliers.....	88,433	89,425	821
Other current assets.....	158,608	135,774	1,472
Total current assets.....	<u>4,016,904</u>	<u>4,133,061</u>	<u>37,283</u>
<b>Non-current assets:</b>			
Investments accounted for by the equity method.....	1,666,504	1,640,286	15,468
Other investments.....	921,209	816,518	8,550
Non-current receivables.....	650,176	660,578	6,035
Non-current financial assets other than investments and receivables.....	173,837	172,417	1,613
Property, plant and equipment.....	2,140,501	2,137,474	19,867
Investment property.....	58,831	58,595	546
Goodwill and intangible assets.....	1,154,202	1,163,107	10,713
Deferred tax assets.....	58,675	61,051	545
Other non-current assets.....	78,937	76,511	733
Total non-current assets.....	<u>6,902,872</u>	<u>6,786,537</u>	<u>64,070</u>
<b>Total assets.....</b>	<u>¥10,919,776</u>	<u>¥10,919,598</u>	<u>\$101,353</u>

Liabilities and Equity	Millions of Yen		Millions of
			U.S. Dollars
	Jun. 2020	Mar. 2020	Jun. 2020
<b>Current liabilities:</b>			
Short-term debentures and borrowings.....	¥ 706,810	¥ 684,406	\$ 6,560
Lease liabilities (short-term).....	256,399	242,076	2,380
Trade payables.....	1,597,529	1,707,472	14,828
Other current payables.....	245,661	215,175	2,280
Other current financial liabilities.....	23,182	35,699	215
Current tax liabilities.....	33,276	67,074	309
Advances from customers.....	78,378	81,799	727
Other current liabilities.....	366,847	368,163	3,405
Total current liabilities .....	<u>3,308,082</u>	<u>3,401,864</u>	<u>30,704</u>
<b>Non-current liabilities:</b>			
Long-term debentures and borrowings.....	2,200,003	2,192,557	20,420
Lease liabilities (long-term).....	912,264	937,345	8,467
Other non-current financial liabilities.....	68,534	68,900	636
Non-current liabilities for employee benefits.....	133,750	133,138	1,242
Deferred tax liabilities.....	216,366	200,912	2,008
Other non-current liabilities.....	143,122	144,273	1,328
Total non-current liabilities .....	<u>3,674,039</u>	<u>3,677,125</u>	<u>34,101</u>
<b>Total liabilities .....</b>	<u><b>6,982,121</b></u>	<u><b>7,078,989</b></u>	<u><b>64,805</b></u>
<b>Equity:</b>			
Common stock:			
Authorized: 3,000,000,000 shares;			
issued: 1,584,889,504 shares.....	253,448	253,448	2,353
Capital surplus.....	51,839	50,677	481
Retained earnings.....	2,989,267	2,948,135	27,745
Other components of equity:			
Translation adjustments.....	(19,788)	(37,836)	(184)
FVTOCI financial assets.....	3,002	(31,972)	28
Cash flow hedges.....	(18,754)	(19,163)	(174)
Total other components of equity.....	<u>(35,540)</u>	<u>(88,971)</u>	<u>(330)</u>
Treasury stock.....	(167,218)	(167,338)	(1,552)
Total shareholders' equity.....	<u>3,091,796</u>	<u>2,995,951</u>	<u>28,697</u>
Non-controlling interests.....	845,859	844,658	7,851
Total equity.....	<u>3,937,655</u>	<u>3,840,609</u>	<u>36,548</u>
<b>Total liabilities and equity.....</b>	<u><b>¥10,919,776</b></u>	<u><b>¥10,919,598</b></u>	<u><b>\$101,353</b></u>

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

ITOCHU Corporation and its Subsidiaries

For the three-month periods ended June 30, 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 April 1, 2020	¥ 253,448	¥ 50,677	¥ 2,948,135	¥ (88,971)	¥ (167,338)	¥ 2,995,951	¥ 844,658	¥ 3,840,609
Net profit			104,759			104,759	10,560	115,319
Other comprehensive income				53,239		53,239	8,594	61,833
Total comprehensive income			104,759	53,239		157,998	19,154	177,152
Cash dividends to shareholders			(63,438)			(63,438)		(63,438)
Cash dividends to non-controlling interests							(17,497)	(17,497)
Net change in acquisition (disposition) of treasury stock					120	120		120
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		1,162		3		1,165	(456)	709
Transfer to Retained earnings			(189)	189		-		-
Balance on June 30, 2020	253,448	51,839	2,989,267	(35,540)	(167,218)	3,091,796	845,859	3,937,655

(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 April 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			147,287			147,287	16,472	163,759
Other comprehensive income				(60,508)		(60,508)	(4,401)	(64,909)
Total comprehensive income			147,287	(60,508)		86,779	12,071	98,850
Cash dividends to shareholders			(70,099)			(70,099)		(70,099)
Cash dividends to non-controlling interests							(12,242)	(12,242)
Net change in acquisition (disposition) of treasury stock					(61,746)	(61,746)		(61,746)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(170)		(171)		(341)	(8,245)	(8,586)
Transfer to Retained earnings			851	(851)		-		-
Balance on June 30, 2019	253,448	49,414	2,659,781	69,704	(167,347)	2,865,000	739,497	3,604,497

(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	\$ 2,353	\$ 470	\$ 27,363	\$ (826)	\$ (1,553)	\$ 27,807	\$ 7,840	\$ 35,647
Net profit			972			972	98	1,070
Other comprehensive income				494		494	80	574
Total comprehensive income			972	494		1,466	178	1,644
Cash dividends to shareholders			(588)			(588)		(588)
Cash dividends to non-controlling interests							(163)	(163)
Net change in acquisition (disposition) of treasury stock					1	1		1
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		11		0		11	(4)	7
Transfer to Retained earnings			(2)	2		-		-
Balance on June 30, 2020	2,353	481	27,745	(330)	(1,552)	28,697	7,851	36,548

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

ITOCHU Corporation and its Subsidiaries

For the three-month periods ended June 30, 2020 and 2019

	Millions of Yen		Millions of U.S. Dollars
	Apr.-Jun. 2020	Apr.-Jun. 2019	Apr.-Jun. 2020
<b>Cash flows from operating activities:</b>			
Net profit .....	¥ 115,319	¥ 163,759	\$ 1,070
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization .....	105,370	105,433	978
(Gains) losses on investments.....	(19,875)	(30,716)	(184)
(Gains) losses on property, plant, equipment and intangible assets.....	3,947	(1,766)	36
Financial (income) loss.....	(5,210)	(8,763)	(48)
Equity in earnings of associates and joint ventures .....	(43,284)	(52,731)	(402)
Income tax expense .....	23,580	34,035	219
Provision for doubtful accounts and other provisions .....	3,197	2,175	30
Changes in assets and liabilities, other-net .....	91,540	(57,732)	849
Proceeds from interest.....	5,707	6,507	53
Proceeds from dividends.....	40,389	50,571	375
Payments for interest.....	(7,190)	(10,688)	(67)
Payments for income taxes.....	(59,403)	(46,408)	(551)
Net cash provided by (used in) operating activities .....	<u>254,087</u>	<u>153,676</u>	<u>2,358</u>
<b>Cash flows from investing activities:</b>			
Net change in investments accounted for by the equity method .....	(27,295)	(6,332)	(253)
Net change in other investments .....	(27,805)	(6,759)	(258)
Net change in loans receivable .....	4,670	6,177	43
Net change in property, plant, equipment and intangible assets .....	(36,886)	(27,291)	(342)
Net change in time deposits .....	(3,873)	(1,910)	(36)
Net cash provided by (used in) investing activities .....	<u>(91,189)</u>	<u>(36,115)</u>	<u>(846)</u>
<b>Cash flows from financing activities:</b>			
Net change in debentures and loans payable .....	38,781	42,555	360
Repayments of lease liabilities .....	(70,748)	(67,252)	(656)
Cash dividends .....	(63,438)	(70,099)	(589)
Net change in treasury stock .....	(3)	(61,994)	(0)
Other .....	(16,151)	(12,912)	(150)
Net cash provided by (used in) financing activities .....	<u>(111,559)</u>	<u>(169,702)</u>	<u>(1,035)</u>
<b>Net change in cash and cash equivalents .....</b>	<u>51,339</u>	<u>(52,141)</u>	<u>477</u>
Cash and cash equivalents at the beginning of the period .....	611,223	572,030	5,673
Effect of exchange rate changes on cash and cash equivalents .....	4,346	(6,305)	40
<b>Cash and cash equivalents at the end of the period .....</b>	<u>¥ 666,908</u>	<u>¥ 513,584</u>	<u>\$ 6,190</u>

**(5) Operating Segment Information**

ITOCHU Corporation and its Subsidiaries

For the three-month periods ended June 30, 2020 and 2019

Information concerning operations in different operating segments for the three-month periods ended June 30, 2020 and 2019 is as follows:

For the three-month period ended June 30, 2020 (April 1, 2020 -June 30, 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 .....	¥ 97,837	¥ 223,963	¥ 144,388	¥ 455,499	¥ 982,296	¥ 198,118	¥ 158,689	¥ 113,604	¥ 13,831	¥ 2,388,225
Intersegment revenues.....	6	6	-	9,149	1,312	4,621	2,818	14	(17,926)	-
Total revenues.....	97,843	223,969	144,388	464,648	983,608	202,739	161,507	113,618	(4,095)	2,388,225
Gross trading profit .....	19,775	31,923	25,997	50,443	77,979	36,042	60,077	99,603	(361)	401,478
Trading income .....	1,235	(3,937)	21,847	14,937	16,092	10,416	10,549	5,276	(4,334)	72,081
Net profit attributable to ITOCHU.....	899	5,315	22,819	11,186	8,777	8,445	22,431	5,199	19,688	104,759
[Equity in earnings of associates and joint ventures].....	(962)	[6,514]	[4,585]	[4,099]	[1,579]	[1,617]	[9,922]	[(719)]	[16,649]	[43,284]
Total assets on June 30, 2020 .....	439,462	1,189,016	825,893	1,217,115	1,788,110	975,460	1,201,982	2,371,015	911,723	10,919,776
For the three-month period ended June 30, 2019 (April 1, 2019 -June 30, 2019)										
	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 .....	¥ 128,952	¥ 264,112	¥ 172,869	¥ 692,503	¥ 943,607	¥ 210,424	¥ 159,728	¥ 121,729	¥ 32,778	¥ 2,726,702
Intersegment revenues.....	2	15	-	8,572	1,886	5,851	3,875	11,184	(31,385)	-
Total revenues.....	128,954	264,127	172,869	701,075	945,493	216,275	163,603	132,913	1,393	2,726,702
Gross trading profit .....	27,686	46,736	30,966	54,210	67,234	41,288	50,813	114,438	(118)	433,253
Trading income .....	5,490	6,181	26,352	16,131	12,804	12,724	10,189	16,290	(3,777)	102,384
Net profit attributable to ITOCHU.....	7,044	13,479	33,849	10,547	9,912	32,785	16,356	10,726	12,589	147,287
[Equity in earnings of associates and joint ventures].....	[1,669]	[7,403]	[6,935]	[2,970]	[1,589]	[5,442]	[10,575]	[196]	[15,952]	[52,731]
Total assets on June 30, 2019 .....	517,276	1,211,504	830,284	1,370,057	1,772,186	1,040,128	1,097,493	2,280,720	824,755	10,944,403
Total assets on March 31, 2020.....	451,137	1,207,681	800,022	1,237,169	1,765,292	1,007,467	1,208,310	2,293,647	948,873	10,919,598

For the three-month period ended June 30, 2020 (April 1, 2020 -June 30, 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 .....	\$ 908	\$ 2,079	\$ 1,340	\$ 4,228	\$ 9,117	\$ 1,839	\$ 1,473	\$ 1,054	\$ 128	\$ 22,166
Intersegment revenues.....	0	0	-	85	12	43	26	0	(166)	-
Total revenues.....	908	2,079	1,340	4,313	9,129	1,882	1,499	1,054	(38)	22,166
Gross trading profit .....	184	296	241	468	724	334	558	924	(3)	3,726
Trading income .....	11	(37)	203	139	149	97	98	49	(40)	669
Net profit attributable to ITOCHU.....	8	49	212	104	82	78	208	48	183	972
[Equity in earnings of associates and joint ventures].....	[(9)]	[60]	[43]	[38]	[15]	[15]	[92]	[(7)]	[155]	[402]
Total assets on June 30, 2020 .....	4,079	11,036	7,666	11,297	16,596	9,054	11,156	22,007	8,462	101,353

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.

Note 4 : On July 1, 2019, ITOCHU established The 8th Company and changed its organizational structure from seven Division Companies to eight Division Companies.

"For the three-month period ended June 30, 2019" is presented post reclassification.

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

