

## **Consolidated Financial Results for the First Half of the Fiscal Year 2022 ending March 31, 2022**

---

Page:

1	:	<b>Consolidated Financial Results for the First Half of the Fiscal Year 2022 ending March 31, 2022</b>
3	:	<b>1. Qualitative Information</b>
3	:	(1) Qualitative Information of the Consolidated Operating Results
3	:	(a) General Economic Situation
4	:	(b) Consolidated Operating Results
8	:	(2) Qualitative Information of the Consolidated Financial Position
8	:	(a) Consolidated Financial Position
9	:	(b) Consolidated Cash Flows
9	:	<b>2. Summary Information (Notes)</b>
9	:	(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the consolidation scope)
9	:	(2) Changes in accounting policies and accounting estimates
10	:	<b>3. Qualitative Information of Outlook for the Fiscal Year Ending March 31, 2022</b>
11	:	<b>4. Quarterly Consolidated Financial Statements [Condensed]</b>
11	:	(1) Consolidated Statement of Comprehensive Income [Condensed]
13	:	(2) Consolidated Statement of Financial Position [Condensed]
15	:	(3) Consolidated Statement of Changes in Equity [Condensed]
16	:	(4) Consolidated Statement of Cash Flows [Condensed]
17	:	(5) Operating Segment Information
17	:	(6) Assumption for Going Concern

---

**Consolidated Financial Results for the First Half of the Fiscal Year 2022 ending March 31, 2022**

[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: Keita Ishii  
 General Manager, Investor Relations Division: Suguru Amano TEL: 81 - 3 - 3497 - 7295  
 The date of payout of dividend: December 2, 2021 (Planned)

**1. Consolidated operating results for the first half of the fiscal year 2022 (from April 1, 2021 to September 30, 2021)**

(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 half of												
Fiscal Year 2022	5,874,770	19.5	304,128	59.3	699,887	140.9	534,282	97.8	500,612	98.3	515,729	63.3
Fiscal Year 2021	4,917,716	(10.4)	190,936	(14.2)	290,561	(27.1)	270,111	(16.7)	252,508	(12.6)	315,754	69.7

	Basic earnings per share attributable to ITOCHU		Diluted earnings per share attributable to ITOCHU	
	yen		yen	
For the first half of				
Fiscal Year 2022	337.05		-	
Fiscal Year 2021	169.55		-	

Equity in earnings of associates and joint ventures (millions of yen) 1st half of FYE 2022: 168,532 [ 80.5% ] 1st half of FYE 2021: 93,364 [ (20.7)% ]  
 Total comprehensive income (millions of yen) 1st half of FYE 2022: 546,779 [ 57.0% ] 1st half of FYE 2021: 348,293 [ 60.9 % ]

(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
September 30, 2021	11,243,359	4,306,567	3,762,585	33.5	2,533.20
March 31, 2021	11,178,432	3,870,240	3,316,281	29.7	2,232.84

(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 half of				
Fiscal Year 2022	413,990	60,570	(555,607)	507,001
Fiscal Year 2021	459,137	(137,975)	(264,551)	625,599

**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 2021	-	44.00	-	44.00	88.00
Fiscal Year 2022	-	47.00	-	-	-
Fiscal Year 2022 (Planned)	-	-	-	63.00	110.00

(Note) Revisions to the plan of dividend distribution announced most recently: Yes

**3. Outlook of consolidated operating results for the fiscal year 2022 (from April 1, 2021 to March 31, 2022)**

(%: Changes from the previous fiscal year)

	Net profit attributable to ITOCHU		Basic earnings per share attributable to ITOCHU
	millions of yen	%	yen
Fiscal Year 2022	750,000	86.8	504.95

(Note) Revisions to the outlook of consolidated operating results announced most recently: Yes

(Note) For more details, please refer to page 10, "3. Qualitative Information of Outlook for the Fiscal Year Ending March 31, 2022".

#### 4. Other information

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the consolidation scope): None

(2) Changes in accounting policies and accounting estimates

- (a) Changes in accounting policies required by IFRS : None
- (b) Other changes : None
- (c) Changes in accounting estimates : None

(3) Number of common shares issued

(a) Number of common shares outstanding: (including the number of treasury stock)	1st half of FYE 2022	1,584,889,504	Fiscal Year 2021	1,584,889,504
(b) Number of treasury stock:	1st half of FYE 2022	99,577,715	Fiscal Year 2021	99,659,483
(c) Average number of common shares outstanding:	1st half of FYE 2022	1,485,276,645	1st half of FYE 2021	1,489,308,596

#### [Note]

\*1. This document is an English translation of a statement initially written in Japanese. The original Japanese document should be considered as the primary version.

\*2. This document is unaudited by certified public accountants or audit firms.

\*3. Data and projections contained in these materials are based on the information available at the time of publication, and various factors may cause the actual results to differ materially from those presented in such forward-looking statements. ITOCHU Corporation, therefore, wishes to caution that readers should not place undue reliance on forward-looking statements, and further, that ITOCHU Corporation has no obligation to update any forward-looking statements as a result of new information, future events or other developments.

\*4. "Trading income" is presented in accordance with Japanese accounting practices.

- "Trading income" = "Gross trading profit" + "Selling, general and administrative expenses" + "Provision for doubtful accounts"

\*5. The consolidated financial statements are expressed in Japanese yen and, solely for the convenience of the reader, have been translated into U.S. dollars at the rate of 111.92 yen = 1 U.S. dollar, which is the exchange rate prevailing on September 30, 2021. 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 six-month period ended September 30, 2021]

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

Looking back at the global economy for the six-month period ended September 30, 2021, although the US and Europe temporarily experienced a strong recovery as the distribution of COVID-19 vaccines progressed and restrictions on the movement of people were eased, the pace of recovery slowed from the summer onward due to the spread of new COVID-19 variants. Meanwhile, the sense of slowdown generally sharpened due to the resurgence of infections in emerging countries, such as in China where domestic and foreign demand were stagnated. The WTI crude oil price rose from approximately US\$60 per barrel range at the beginning of the fiscal year to around US\$75 per barrel in early July due to hopes of recovery in the global economy, temporarily dropped below US\$62 per barrel through to late August as the economy slowed down during the summer, but subsequently increased again to approximately US\$75 at the end of September with the expectations of controlling COVID-19 infections and of economic recovery gathering pace once again.

The Japanese economy remained flat, with a decline in the service and apparel sectors in particular, as the nation experienced cycles of COVID-19 resurgence and state of emergency declarations. However, there were also some positive signs including the recovery of capital investment in the manufacturing industry and residential investment. The U.S. dollar-yen exchange rate started at approximately ¥110 per dollar at the beginning of the fiscal year, with the appreciation of the yen to approximately ¥107 per dollar towards late April due to the decline in the U.S. long-term interest rates. The yen subsequently depreciated to approximately ¥112 per dollar at the end of September due to the forecast that the Federal Reserve would raise interest rates earlier than previously expected. The Nikkei Stock Average trended downward from approximately ¥29,000 at the beginning of the fiscal year due to the state of emergency declared by the Japanese government, among other factors, to below the ¥27,000 mark at one point in August. However, it subsequently recovered to approximately ¥30,000 in September due to expectations of economic recovery, among other factors, before ending September at almost the same level as the beginning of the fiscal year. The yield on 10-year Japanese government bonds fell from 0.12% at the beginning of the fiscal year to 0.01% at the beginning of August as the Bank of Japan continued to provide ample liquidity to the market and the U.S. long-term interest rates declined, but subsequently rose in line with the U.S. long-term interest rates to close at 0.08% at the end of September.

(b) Consolidated Operating Results

	Billions of Yen				Millions of
	Apr.-Sep. 2021	Apr.-Sep. 2020	Increase (Decrease)	%	U.S. Dollars Apr.-Sep. 2021
Revenues .....	5,874.8	4,917.7	957.1	19.5 %	52,491
Gross trading profit .....	968.0	853.0	115.0	13.5 %	8,649
Selling, general and administrative expenses .....	(661.3)	(656.7)	(4.6)	0.7 %	(5,909)
Gains on investments.....	190.7	26.2	164.5	628.4 %	1,704
Losses on property, plant, equipment and intangible assets.....	(1.0)	(41.0)	40.0	-	(9)
Equity in earnings of associates and joint ventures .....	168.5	93.4	75.2	80.5 %	1,506
Income tax expense.....	(165.6)	(20.5)	(145.2)	709.8 %	(1,480)
Net profit.....	534.3	270.1	264.2	97.8 %	4,774
Net profit attributable to ITOCHU.....	500.6	252.5	248.1	98.3 %	4,473
(Reference) Trading income.....	304.1	190.9	113.2	59.3 %	2,717

(i) Revenues (from external customers)

Increased by 19.5%, or 957.1 billion yen, compared to the same period of the previous fiscal year to 5,874.8 billion yen (52,491 million U.S. dollars).

• Energy & Chemicals Company:

Increased by 291.0 billion yen compared to the same period of the previous fiscal year to 1,252.7 billion yen (11,192 million U.S. dollars), due to higher sales prices and transaction volume in energy-related companies and chemical-related companies.

• Metals & Minerals Company:

Increased by 218.4 billion yen compared to the same period of the previous fiscal year to 503.5 billion yen (4,499 million U.S. dollars), due to higher iron ore prices and coal prices.

• Food Company:

Increased by 144.7 billion yen compared to the same period of the previous fiscal year to 2,137.8 billion yen (19,101 million U.S. dollars), due to higher transaction volume in NIPPON ACCESS and the increase in food-distribution-related transactions.

• Machinery Company:

Increased by 124.3 billion yen compared to the same period of the previous fiscal year to 598.2 billion yen (5,345 million U.S. dollars), due to the favorable sales in YANASE and the recovery in overall automobile-related business resulting from the alleviation of the impact of COVID-19.

• General Products & Realty Company:

Increased by 109.4 billion yen compared to the same period of the previous fiscal year to 489.8 billion yen (4,377 million U.S. dollars), due to the sales volume recovery in ETEL (European tire-related company) resulting from the alleviation of the impact of COVID-19 and the favorable performance in North American construction materials business.

(ii) Gross trading profit

Increased by 13.5%, or 115.0 billion yen, compared to the same period of the previous fiscal year to 968.0 billion yen (8,649 million U.S. dollars).

• Metals & Minerals Company:

Increased by 53.4 billion yen compared to the same period of the previous fiscal year to 104.0 billion yen (929 million U.S. dollars), due to higher iron ore prices.

• Machinery Company:

Increased by 25.6 billion yen compared to the same period of the previous fiscal year to 100.7 billion yen (900 million U.S. dollars), due to the favorable sales in YANASE, the recovery in overall automobile-related business resulting from the alleviation of the impact of COVID-19, the recovery of the shipping market, and the favorable performance in North American IPP-related business.

• General Products & Realty Company:

Increased by 21.1 billion yen compared to the same period of the previous fiscal year to 94.7 billion yen (847 million U.S. dollars), due to the sales volume recovery in ETEL resulting from the alleviation of the impact of COVID-19 and the favorable performance in North American construction materials business.

• ICT & Financial Business Company:

Increased by 13.4 billion yen compared to the same period of the previous fiscal year to 139.7 billion yen (1,248 million U.S. dollars), due to the stable performance in ITOCHU Techno-Solutions and the sales recovery in CONEXIO resulting from the alleviation of the impact of COVID-19.

(iii) Selling, general and administrative expenses

Increased by 0.7%, or 4.6 billion yen, compared to the same period of the previous fiscal year to 661.3 billion yen (5,909 million U.S. dollars), due to the increase of expenses resulting from the stable growth in revenue and the depreciation of the yen, partially offset by the conversion of Taiwan FamilyMart into an investment accounted for by the equity method from a consolidated subsidiary in the first quarter of this fiscal year.

(iv) Gains on investments

Increased by 628.4%, or 164.5 billion yen, compared to the same period of the previous fiscal year to 190.7 billion yen (1,704 million U.S. dollars), due to the gains on the partial sale of Taiwan FamilyMart, the de-consolidation of Paidy, and the sale of Japan Brazil Paper & Pulp Resources Development, in addition to the realization of foreign exchange gains due to the de-consolidation of ITOCHU Coal Americas, partially offset by the absence of the gain on the partial sale of eGuarantee in the same period of the previous fiscal year.

(v) Losses on property, plant, equipment and intangible assets

Improved by 40.0 billion yen compared to the same period of the previous fiscal year to 1.0 billion yen (losses) (9 million U.S. dollars), due to the absence of the impairment losses in FamilyMart in the same period of the previous fiscal year.

(vi) Equity in earnings of associates and joint ventures

Increased by 80.5%, or 75.2 billion yen, compared to the same period of the previous fiscal year to 168.5 billion yen (1,506 million U.S. dollars).

• Others, Adjustments & Eliminations: (\*)

Increased by 23.0 billion yen compared to the same period of the previous fiscal year to 63.5 billion yen (567 million U.S. dollars). The increase was caused by higher earnings in CITIC Limited, partially offset by lower earnings in C.P. Pokphand.

• Metals & Minerals Company:

Increased by 15.3 billion yen compared to the same period of the previous fiscal year to 24.6 billion yen (220 million U.S. dollars). The increase was caused by the stable performance in Marubeni-Itochu Steel because of the favorable results in North American sheet construction materials business and the recovery resulting from the alleviation of the impact of COVID-19, and higher earnings in iron ore companies due to higher prices.

• General Products & Realty Company:

Increased by 12.7 billion yen compared to the same period of the previous fiscal year to 16.3 billion yen (146 million U.S. dollars). The increase was caused by higher earnings in IFL (European pulp-related company) due to higher pulp prices.

• Machinery Company:

Increased by 11.6 billion yen compared to the same period of the previous fiscal year to 24.3 billion yen (217 million U.S. dollars). The increase was caused by higher earnings in IEI (European water-and-environment-related company) resulting from the gain on the sale of a water utility company.

(\*) "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, " 4. (5) Operating Segment Information".

(vii) Income tax expense

Increased by 709.8%, or 145.2 billion yen, compared to the same period of the previous fiscal year to 165.6 billion yen (1,480 million U.S. dollars), due to the stable growth in profits and the absence of lower tax expenses related to FamilyMart in the same period of the previous fiscal year.

(viii) Net profit attributable to ITOCHU

Consequently, net profit attributable to ITOCHU increased by 98.3%, or 248.1 billion yen, compared to the same period of the previous fiscal year to 500.6 billion yen (4,473 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") increased by 59.3%, or 113.2 billion yen, compared to the same period of the previous fiscal year to 304.1 billion yen (2,717 million U.S. dollars).

- Metals & Minerals Company:  
Increased by 54.1 billion yen compared to the same period of the previous fiscal year to 96.0 billion yen (858 million U.S. dollars), due to higher iron ore prices.
- Machinery Company:  
Increased by 25.8 billion yen compared to the same period of the previous fiscal year to 29.1 billion yen (260 million U.S. dollars), due to the favorable sales in YANASE, the recovery in overall automobile-related business resulting from the alleviation of the impact of COVID-19, the recovery of the shipping market, and the favorable performance in North American IPP-related business.
- General Products & Realty Company:  
Increased by 15.3 billion yen compared to the same period of the previous fiscal year to 35.2 billion yen (315 million U.S. dollars), due to the sales volume recovery in ETEL resulting from the alleviation of the impact of COVID-19 and the favorable performance in North American construction materials business.
- The 8th Company:  
Increased by 10.1 billion yen compared to the same period of the previous fiscal year to 34.2 billion yen (306 million U.S. dollars), due to the recovery of daily sales resulting from the alleviation of the impact of COVID-19 and expanding product offerings, in addition to expense reduction in FamilyMart, partially offset by the conversion of Taiwan FamilyMart into an investment accounted for by the equity method from a consolidated subsidiary in the first quarter of this fiscal year.



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

### (a) Consolidated Financial Position

	Billions of Yen				Millions of U.S. Dollars
	Sep. 2021	Mar. 2021	Increase (Decrease)	%	Sep. 2021
Total assets .....	11,243.4	11,178.4	64.9	0.6%	100,459
Interest-bearing debt .....	2,823.0	3,155.3	(332.4)	(10.5%)	25,222
Net interest-bearing debt .....	2,305.8	2,601.4	(295.5)	(11.4%)	20,601
Total shareholders' equity .....	3,762.6	3,316.3	446.3	13.5%	33,619
Ratio of shareholders' equity to total assets .....	33.5%	29.7%	Increased 3.8pt		
NET DER (times) .....	0.61	0.78	Improved 0.17pt		

#### (i) Total assets

Increased by 0.6%, or 64.9 billion yen, compared to March 31, 2021 to 11,243.4 billion yen (100,459 million U.S. dollars), due to the increase in inventories and investments accounted for by the equity method, partially offset by the decrease due to the partial sale of Taiwan FamilyMart.

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

Decreased by 11.4%, or 295.5 billion yen, compared to March 31, 2021 to 2,305.8 billion yen (20,601 million U.S. dollars), due to the stable performance in operating revenues, partially offset by dividend payments.

Interest-bearing debt decreased by 10.5%, or 332.4 billion yen, compared to March 31, 2021 to 2,823.0 billion yen (25,222 million U.S. dollars).

#### (iii) Total shareholders' equity

Increased by 13.5%, or 446.3 billion yen, compared to March 31, 2021 to 3,762.6 billion yen (33,619 million U.S. dollars), due to net profit attributable to ITOCHU during this fiscal year, partially offset by 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 3.8 points compared to March 31, 2021 to 33.5%.

NET DER (net debt-to-shareholders' equity ratio) improved by 0.17 points compared to March 31, 2021 to 0.61 times.

(b) Consolidated Cash Flows

	Billions of Yen		Millions of U.S. Dollars
	Apr.-Sep. 2021	Apr.-Sep. 2020	Apr.-Sep. 2021
Cash flows from operating activities .....	414.0	459.1	3,699
Cash flows from investing activities .....	60.6	(138.0)	541
<i>Free cash flows</i> .....	474.6	321.2	4,240
Cash flows from financing activities .....	(555.6)	(264.6)	(4,964)

(i) Cash flows from operating activities

Recorded a net cash-inflow of 414.0 billion yen (3,699 million U.S. dollars), due to the stable performance in operating revenues in The 8th, Metals & Minerals, Food, and Machinery Companies.

(ii) Cash flows from investing activities

Recorded a net cash-inflow of 60.6 billion yen (541 million U.S. dollars), due to the partial sale of Pan Pacific International Holdings Corporation and the sale of Japan Brazil Paper & Pulp Resources Development, partially offset by the purchase of fixed assets by The 8th, Food, and Machinery Companies, and the decrease in cash as the conversion of Taiwan FamilyMart into an investment accounted for by the equity method from a consolidated subsidiary accompanying the partial sale.

(iii) Cash flows from financing activities

Recorded a net cash-outflow of 555.6 billion yen (4,964 million U.S. dollars), due to the repayment of borrowings and lease liabilities in addition to dividend payments.

“Cash and cash equivalents” as of September 30, 2021 decreased by 37.0 billion yen compared to March 31, 2021 to 507.0 billion yen (4,530 million U.S. dollars).

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

**(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the consolidation scope) : None**

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

- |   |      |
|---|------|
| (a) Changes in accounting policies required by IFRS | None |
| (b) Other changes                                   | None |
| (c) Changes in accounting estimates                 | None |

With regards to the impacts of COVID-19, uncertainties remain due to the reinforcement of restrictions on the movement of people and the impact on supply chains resulting from the possibility of COVID-19 resurgence both in Japan and overseas, while the distribution of vaccines are progressing world-wide.

The impact of COVID-19 remained significantly in the first half of the fiscal year on the areas that are affected by travel restrictions and consumer demand, though it was less than the same period of the previous fiscal year. We expect that the impact will decrease after the second quarter compared to the first half, however, it will remain to some extent. In contrast, we expect the impact of COVID-19 will be limited for many sectors other than the aforementioned areas after the second quarter.

There are no significant changes from the description in the Annual Financial Statements for the year ended March 31, 2021 as a whole.

### 3. Qualitative Information of Outlook for the Fiscal Year Ending March 31, 2022

Regarding the future business outlook, the global economy is expected to recover due to factors including reaccelerated economic growth in the US and Europe, which are at advanced stages of COVID-19 vaccine distribution, while the Japanese economy is also expected to trend toward recovery as vaccination progresses, primarily in the area of consumer spending. However, the extent to which the COVID-19 pandemic can be contained remains unpredictable, and the risk of a resurgence in the spread of infection remains a threat. Accordingly we should pay attention to the possibility of economic stagnation both in Japan and overseas due to reinforcing restrictions on movement of people, increasing upward pressure on prices resulting from prolonged disruptions in supply chains, or other factors. In addition, rising prices may lead to a decline in international commodity prices due to economic slowdown and a rise in long-term interest rates.

Amid such conditions, the U.S. dollar-yen exchange rate is expected to remain generally flat, while any increase in crude oil prices is likely to be limited as upward pressure on them will be partially offset by an expected recovery in production volume by major oil-producing countries.

Although we recognize that future business environment is subject to a variety of uncertain factors and accordingly require to maintain conservative business outlook, we revised upward its forecast of "Net profit attributable to ITOCHU" to 750.0 billion yen for the fiscal year ending March 31, 2022, in accordance with the steady growth of core profit in this first half.

(Unit: billion yen)				<u>Precondition</u>		
	<b>Results 1st half of FYE 2022</b>	<b>Forecast</b>	<b>Previous Forecast (Disclosed on May 10)</b>	<u>Results 1st half of FYE 2022</u>	<u>Forecast</u>	<u>Previous Forecast (Disclosed on May 10)</u>
Gross trading profit	968.0	1,920.0	1,855.0			
Selling, general and administrative expenses	(661.3)	(1,372.0)	(1,401.0)			
Provision for doubtful accounts	(2.5)	(8.0)	(10.0)			
Trading income	304.1	540.0	444.0			
Net interest expenses	(5.1)	(11.0)	(17.0)			
Dividends received	35.7	75.0	65.0			
Equity in earnings of associates and joint ventures	168.5	276.0	226.0			
Others	196.6	191.0	58.0			
Profit before tax	699.9	1,071.0	776.0			
Income tax expense	(165.6)	(256.0)	(176.0)			
Net profit	534.3	815.0	600.0			
Net profit attributable to non-controlling interests	(33.7)	(65.0)	(50.0)			
Net profit attributable to ITOCHU	500.6	750.0	550.0			
<i>Major Indicators</i>						
<i>Foreign exchange rate (Yen/US\$)</i>				109.51	110	105
<i>Interest (JPY 3M TIBOR) (%)</i>				0.06	0.1	0.1
<i>Interest (US\$ 3M LIBOR) (%)</i>				0.14	0.5	0.3
<i>Crude oil (Brent) (US\$/BBL)</i>				71.19	75	60
<i>Iron ore (CFR China) (US\$/ton)</i>				183 <sup>(Note1)</sup>	N.A. <sup>(Note2)</sup>	N.A. <sup>(Note2)</sup>

(Note1)FYE 2022 1st half prices for iron ore are prices that ITOCHU regards as general transaction prices based on the market.

(Note2)The prices of iron ore used in "Forecast" are assumptions made in consideration of general transaction price based on the market. The actual price is not presented, as this is subject to negotiation with individual customers and vary by ore type.

These plans are forward-looking statements that are based on management's assumptions and beliefs based on information currently available and involve risks and uncertainties. Thus, the actual results could be substantially different from the above statements due to such factors including, but not limited to, global economic and market conditions, and currency exchange rate fluctuations.

#### Distribution of the current fiscal year's profit

For the interim dividend of the current fiscal year, we have decided to pay 47 yen per share. At present, we intend to pay a minimum dividend per share of 110 yen for FYE 2022, including the interim dividend, an increase of 16 yen compared to the previous forecast of 94 yen.

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

ITOCHU Corporation and its Subsidiaries

For the six-month periods ended September 30, 2021 and 2020

	Millions of Yen		Millions of
	Apr.-Sep. 2021	Apr.-Sep. 2020	U.S. Dollars
			Apr.-Sep. 2021
<b>Revenues:</b>			
Revenues from sale of goods.....	¥ 5,237,513	¥ 4,332,990	\$ 46,797
Revenues from rendering of services and royalties.....	637,257	584,726	5,694
Total revenues.....	5,874,770	4,917,716	52,491
<b>Cost:</b>			
Cost of sale of goods.....	(4,588,895)	(3,781,976)	(41,001)
Cost of rendering of services and royalties.....	(317,922)	(282,767)	(2,841)
Total cost.....	(4,906,817)	(4,064,743)	(43,842)
<b>Gross trading profit .....</b>	<b>967,953</b>	<b>852,973</b>	<b>8,649</b>
<b>Other gains (losses):</b>			
Selling, general and administrative expenses.....	(661,297)	(656,687)	(5,909)
Provision for doubtful accounts.....	(2,528)	(5,350)	(23)
Gains on investments.....	190,654	26,175	1,704
Losses on property, plant, equipment and intangible assets.....	(1,005)	(41,044)	(9)
Other-net.....	6,960	9,972	62
Total other-losses.....	(467,216)	(666,934)	(4,175)
<b>Financial income (loss):</b>			
Interest income.....	9,797	12,533	88
Dividends received.....	35,720	17,229	319
Interest expense.....	(14,899)	(18,604)	(133)
Total financial income.....	30,618	11,158	274
Equity in earnings of associates and joint ventures.....	168,532	93,364	1,506
<b>Profit before tax.....</b>	<b>699,887</b>	<b>290,561</b>	<b>6,254</b>
Income tax expense.....	(165,605)	(20,450)	(1,480)
<b>Net profit.....</b>	<b>534,282</b>	<b>270,111</b>	<b>4,774</b>
Net profit attributable to ITOCHU.....	500,612	252,508	4,473
Net profit attributable to non-controlling interests.....	33,670	17,603	301

	Millions of Yen		Millions of
	Apr.-Sep. 2021	Apr.-Sep. 2020	U.S. Dollars
<b>Other comprehensive income, net of tax:</b>			<b>Apr.-Sep. 2021</b>
<b>Items that will not be reclassified to profit or loss</b>			
FVTOCI financial assets.....	¥ 16,563	¥ 75,157	\$ 148
Remeasurement of net defined pension liability.....	(726)	225	(7)
Other comprehensive income in associates and joint ventures.....	(6,284)	2,268	(56)
<b>Items that will be reclassified to profit or loss</b>			
Translation adjustments.....	(22,033)	28,921	(197)
Cash flow hedges.....	(4,316)	(1,065)	(39)
Other comprehensive income in associates and joint ventures.....	29,293	(27,324)	262
<b>Total other comprehensive income, net of tax.....</b>	<b>12,497</b>	<b>78,182</b>	<b>111</b>
<b>Total comprehensive income .....</b>	<b>546,779</b>	<b>348,293</b>	<b>4,885</b>
Total comprehensive income attributable to ITOCHU .....	515,729	315,754	4,608
Total comprehensive income attributable to non-controlling interests .....	31,050	32,539	277

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 six-month periods ended September 30, 2021 and 2020 were 304,128 million yen (2,717 million U.S. dollars) and 190,936 million yen, respectively.

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

ITOCHU Corporation and its Subsidiaries

As of September 30, 2021 and March 31, 2021

Assets	Millions of Yen		Millions of U.S. Dollars
	Sep. 2021	Mar. 2021	Sep. 2021
<b>Current assets:</b>			
Cash and cash equivalents.....	¥ 507,001	¥ 544,009	\$ 4,530
Time deposits.....	10,146	9,945	91
Trade receivables.....	2,141,755	2,122,815	19,136
Other current receivables.....	208,488	166,282	1,863
Other current financial assets.....	77,370	44,930	691
Inventories.....	1,019,451	898,692	9,109
Advances to suppliers.....	83,498	80,521	746
Other current assets.....	187,729	161,256	1,677
Assets held for sale .....	-	248,861	-
Total current assets.....	<u>4,235,438</u>	<u>4,277,311</u>	<u>37,843</u>
<b>Non-current assets:</b>			
Investments accounted for by the equity method.....	2,052,077	1,867,777	18,335
Other investments.....	987,521	952,374	8,824
Non-current receivables.....	659,395	658,658	5,892
Non-current financial assets other than investments and receivables.....	164,323	166,611	1,468
Property, plant and equipment.....	1,896,506	1,939,791	16,945
Investment property.....	45,174	50,665	404
Goodwill and intangible assets.....	1,069,215	1,125,836	9,553
Deferred tax assets.....	53,483	60,446	478
Other non-current assets.....	80,227	78,963	717
Total non-current assets.....	<u>7,007,921</u>	<u>6,901,121</u>	<u>62,616</u>
<b>Total assets.....</b>	<u><u>¥11,243,359</u></u>	<u><u>¥11,178,432</u></u>	<u><u>\$100,459</u></u>

Liabilities and Equity	Millions of Yen		Millions of
			U.S. Dollars
	Sep. 2021	Mar. 2021	Sep. 2021
<b>Current liabilities:</b>			
Short-term debentures and borrowings.....	¥ 553,286	¥ 710,213	\$ 4,943
Lease liabilities (short-term).....	230,524	238,446	2,060
Trade payables.....	1,733,050	1,628,766	15,485
Other current payables.....	191,086	199,757	1,707
Other current financial liabilities.....	89,518	40,172	800
Current tax liabilities.....	59,194	57,370	529
Advances from customers.....	98,909	84,699	884
Other current liabilities.....	386,540	374,489	3,454
Liabilities held for sale.....	-	220,722	-
Total current liabilities .....	<b>3,342,107</b>	<b>3,554,634</b>	<b>29,862</b>
<b>Non-current liabilities:</b>			
Long-term debentures and borrowings.....	2,269,670	2,445,099	20,279
Lease liabilities (long-term).....	774,379	825,170	6,919
Other non-current financial liabilities.....	55,659	53,483	497
Non-current liabilities for employee benefits.....	111,486	116,631	996
Deferred tax liabilities.....	212,754	150,275	1,901
Other non-current liabilities.....	170,737	162,900	1,526
Total non-current liabilities .....	<b>3,594,685</b>	<b>3,753,558</b>	<b>32,118</b>
<b>Total liabilities .....</b>	<b>6,936,792</b>	<b>7,308,192</b>	<b>61,980</b>
<b>Equity:</b>			
Common stock:			
Authorized: 3,000,000,000 shares;			
issued: 1,584,889,504 shares.....	253,448	253,448	2,265
Capital surplus.....	(157,700)	(155,210)	(1,409)
Retained earnings.....	3,555,184	3,238,948	31,765
Other components of equity:			
Translation adjustments.....	136,456	131,612	1,219
FVTOCI financial assets.....	170,918	38,740	1,527
Cash flow hedges.....	(14,497)	(9,897)	(129)
Total other components of equity.....	<b>292,877</b>	<b>160,455</b>	<b>2,617</b>
Treasury stock.....	(181,224)	(181,360)	(1,619)
Total shareholders' equity.....	<b>3,762,585</b>	<b>3,316,281</b>	<b>33,619</b>
Non-controlling interests.....	543,982	553,959	4,860
Total equity.....	<b>4,306,567</b>	<b>3,870,240</b>	<b>38,479</b>
<b>Total liabilities and equity.....</b>	<b>¥11,243,359</b>	<b>¥11,178,432</b>	<b>\$100,459</b>

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

ITOCHU Corporation and its Subsidiaries

For the six-month periods ended September 30, 2021 and 2020

(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, 2021	¥ 253,448	¥ (155,210)	¥ 3,238,948	¥ 160,455	¥ (181,360)	¥ 3,316,281	¥ 553,959	¥ 3,870,240
Net profit			500,612			500,612	33,670	534,282
Other comprehensive income				15,117		15,117	(2,620)	12,497
Total comprehensive income			500,612	15,117		515,729	31,050	546,779
Cash dividends to shareholders			(65,447)			(65,447)		(65,447)
Cash dividends to non-controlling interests							(12,856)	(12,856)
Net change in acquisition (disposition) of treasury stock					136	136		136
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(2,490)		(1,624)		(4,114)	(28,171)	(32,285)
Transfer to Retained earnings			(118,929)	118,929				
Balance on Sep. 30, 2021	253,448	(157,700)	3,555,184	292,877	(181,224)	3,762,585	543,982	4,306,567

(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			252,508			252,508	17,603	270,111
Other comprehensive income				63,246		63,246	14,936	78,182
Total comprehensive income			252,508	63,246		315,754	32,539	348,293
Cash dividends to shareholders			(63,438)			(63,438)		(63,438)
Cash dividends to non-controlling interests							(19,182)	(19,182)
Net change in acquisition (disposition) of treasury stock					(6,184)	(6,184)		(6,184)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(70,993)		4,929		(66,064)	(116,410)	(182,474)
Transfer to Retained earnings			(919)	919				
Balance on Sep. 30, 2020	253,448	(20,316)	3,136,286	(19,877)	(173,522)	3,176,019	741,605	3,917,624

(Unit: Millions of U.S. Dollars)

	Shareholders' equity						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Total shareholders' equity		
Balance on Apr. 1, 2021	\$ 2,265	\$ (1,387)	\$ 28,940	\$ 1,433	\$ (1,620)	\$ 29,631	\$ 4,950	\$ 34,581
Net profit			4,473			4,473	301	4,774
Other comprehensive income				135		135	(24)	111
Total comprehensive income			4,473	135		4,608	277	4,885
Cash dividends to shareholders			(585)			(585)		(585)
Cash dividends to non-controlling interests							(115)	(115)
Net change in acquisition (disposition) of treasury stock					1	1		1
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(22)		(14)		(36)	(252)	(288)
Transfer to Retained earnings			(1,063)	1,063				
Balance on Sep. 30, 2021	2,265	(1,409)	31,765	2,617	(1,619)	33,619	4,860	38,479



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

ITOCHU Corporation and its Subsidiaries

For the six-month periods ended September 30, 2021 and 2020

	Millions of Yen		Millions of U.S. Dollars
	<u>Apr.-Sep. 2021</u>	<u>Apr.-Sep. 2020</u>	<u>Apr.-Sep. 2021</u>
<b>Cash flows from operating activities:</b>			
Net profit .....	¥ 534,282	¥ 270,111	\$ 4,774
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization .....	203,184	210,124	1,816
(Gains) losses on investments.....	(190,654)	(26,175)	(1,704)
(Gains) losses on property, plant, equipment and intangible assets.....	1,005	41,044	9
Financial (income) loss.....	(30,618)	(11,158)	(274)
Equity in earnings of associates and joint ventures .....	(168,532)	(93,364)	(1,506)
Income tax expense .....	165,605	20,450	1,480
Provision for doubtful accounts and other provisions .....	(431)	4,329	(4)
Changes in assets and liabilities, other-net .....	(115,269)	61,177	(1,030)
Proceeds from interest.....	9,871	12,071	88
Proceeds from dividends.....	104,130	72,530	931
Payments for interest.....	(15,543)	(21,087)	(139)
Payments for income taxes.....	(83,040)	(80,915)	(742)
Net cash provided by (used in) operating activities .....	<u>413,990</u>	<u>459,137</u>	<u>3,699</u>
<b>Cash flows from investing activities:</b>			
Net change in investments accounted for by the equity method .....	77,333	(30,242)	691
Net change in other investments .....	50,755	(33,988)	454
Net change in loans receivable .....	6,307	9,700	56
Net change in property, plant, equipment and intangible assets .....	(74,179)	(80,478)	(663)
Net change in time deposits .....	354	(2,967)	3
Net cash provided by (used in) investing activities .....	<u>60,570</u>	<u>(137,975)</u>	<u>541</u>
<b>Cash flows from financing activities:</b>			
Net change in debentures and loans payable .....	(335,592)	143,671	(2,998)
Repayments of lease liabilities .....	(135,989)	(139,846)	(1,215)
Cash dividends .....	(65,447)	(63,438)	(585)
Net change in treasury stock .....	(20)	(6,319)	(0)
Other .....	(18,559)	(198,619)	(166)
Net cash provided by (used in) financing activities .....	<u>(555,607)</u>	<u>(264,551)</u>	<u>(4,964)</u>
<b>Net change in cash and cash equivalents .....</b>	<b>(81,047)</b>	<b>56,611</b>	<b>(724)</b>
Cash and cash equivalents at the beginning of the period (Opening balance on the consolidated statement of financial position) .....	544,009	611,223	4,861
Reclassification of cash and cash equivalents included in assets held for sale in the opening balance .....	44,331	-	396
Cash and cash equivalents at the beginning of the period .....	588,340	611,223	5,257
Effect of exchange rate changes on cash and cash equivalents .....	(292)	5,550	(3)
Cash and cash equivalents included in assets held for sale .....	-	(47,785)	-
<b>Cash and cash equivalents at the end of the period .....</b>	<b>¥ 507,001</b>	<b>¥ 625,599</b>	<b>\$ 4,530</b>

**(5) Operating Segment Information**

ITOCHU Corporation and its Subsidiaries

For the six-month periods ended September 30, 2021 and 2020

Information concerning operations in different operating segments for the six-month periods ended September 30, 2021 and 2020 is as follows:

For the six-month period ended September 30, 2021 (April 1, 2021 -September 30, 2021)										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 .....	¥ 209,565	¥ 598,184	¥ 503,477	¥ 1,252,669	¥ 2,137,830	¥ 489,834	¥ 393,805	¥ 244,303	¥ 45,103	¥ 5,874,770
Intersegment revenues.....	2	40	-	19,646	5,936	9,823	6,161	991	(42,599)	-
Total revenues.....	209,567	598,224	503,477	1,272,315	2,143,766	499,657	399,966	245,294	2,504	5,874,770
Gross trading profit .....	44,396	100,741	103,992	111,558	161,533	94,749	139,680	208,366	2,938	967,953
Trading income .....	4,382	29,141	95,980	36,862	41,288	35,232	32,064	34,240	(5,061)	304,128
Net profit attributable to ITOCHU.....	10,023	45,540	135,249	29,900	31,563	72,467	66,668	50,514	58,688	500,612
[Equity in earnings of associates and joint ventures].....	[2,016]	[24,272]	[24,578]	[7,003]	[7,753]	[16,294]	[22,645]	[496]	[63,475]	[168,532]
Total assets on Sep. 30, 2021 .....	414,948	1,184,689	1,079,818	1,343,699	1,889,036	1,021,020	1,295,538	1,881,017	1,133,594	11,243,359
For the six-month period ended September 30, 2020 (April 1, 2020 -September 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 .....	¥ 214,518	¥ 473,845	¥ 285,041	¥ 961,703	¥ 1,993,086	¥ 380,424	¥ 336,134	¥ 239,721	¥ 33,244	¥ 4,917,716
Intersegment revenues.....	32	17	-	18,932	2,981	9,543	6,093	32	(37,630)	-
Total revenues.....	214,550	473,862	285,041	980,635	1,996,067	389,967	342,227	239,753	(4,386)	4,917,716
Gross trading profit .....	46,137	75,132	50,561	107,947	164,042	73,665	126,232	209,914	(657)	852,973
Trading income .....	6,557	3,372	41,852	36,320	37,169	19,954	25,042	24,101	(3,431)	190,936
Net profit attributable to ITOCHU.....	8,365	16,669	47,775	23,481	23,802	18,060	37,076	30,043	47,237	252,508
[Equity in earnings of associates and joint ventures].....	[(519)]	[12,651]	[9,318]	[4,216]	[2,776]	[3,590]	[20,997]	[(145)]	[40,480]	[93,364]
Total assets on Sep. 30, 2020 .....	440,454	1,154,465	870,955	1,199,270	1,811,188	974,608	1,191,081	2,361,399	901,932	10,905,352
Total assets on Mar. 31, 2021.....	418,720	1,124,873	913,582	1,279,210	1,799,320	1,036,682	1,236,777	2,280,472	1,088,796	11,178,432
For the six-month period ended September 30, 2021 (April 1, 2021 -September 30, 2021)										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 .....	\$ 1,872	\$ 5,345	\$ 4,499	\$ 11,192	\$ 19,101	\$ 4,377	\$ 3,519	\$ 2,183	\$ 403	\$ 52,491
Intersegment revenues.....	0	0	-	176	53	88	55	9	(381)	-
Total revenues.....	1,872	5,345	4,499	11,368	19,154	4,465	3,574	2,192	22	52,491
Gross trading profit .....	397	900	929	997	1,443	847	1,248	1,862	26	8,649
Trading income .....	39	260	858	329	369	315	286	306	(45)	2,717
Net profit attributable to ITOCHU.....	90	407	1,208	267	282	648	596	451	524	4,473
[Equity in earnings of associates and joint ventures].....	[18]	[217]	[220]	[63]	[69]	[146]	[202]	[4]	[567]	[1,506]
Total assets on Sep. 30, 2021 .....	3,707	10,585	9,648	12,006	16,878	9,123	11,576	16,807	10,129	100,459

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**