

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

Page:

1	:	Consolidated Financial Results for the First Quarter of the Fiscal Year 2022 ending March 31, 2022
3	:	1. Qualitative Information
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
10	:	2. Summary Information (Notes)
10	:	(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the consolidation scope)
10	:	(2) Changes in accounting policies and accounting estimates
11	:	3. Quarterly Consolidated Financial Statements [Condensed]
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 Quarter 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: -

1. Consolidated operating results for the first quarter of the fiscal year 2022 (from April 1, 2021 to June 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 quarter of												
Fiscal Year 2022	2,916,818	22.1	153,310	112.7	382,009	175.0	284,715	146.9	267,476	155.3	290,167	83.7
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

	Basic earnings per share attributable to ITOCHU	Diluted earnings per share attributable to ITOCHU
For the first quarter of	yen	yen
Fiscal Year 2022	180.09	-
Fiscal Year 2021	70.29	-

Equity in earnings of associates and joint ventures (millions of yen) 1st quarter of FYE 2022: 77,422 [78.9%] 1st quarter of FYE 2021: 43,284 [(17.9)%]
 Total comprehensive income (millions of yen) 1st quarter of FYE 2022: 308,618 [74.2%] 1st quarter of FYE 2021: 177,152 [79.2 %]

(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, 2021	11,181,701	4,071,801	3,536,774	31.6	2,381.17
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
For the first quarter of	millions of yen	millions of yen	millions of yen	millions of yen
Fiscal Year 2022	181,655	1,547	(281,364)	491,818
Fiscal Year 2021	254,087	(91,189)	(111,559)	666,908

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	-				
Fiscal Year 2022 (Planned)		47.00	-	47.00	94.00

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

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	550,000 37.0	370.31

(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 2022 is not prepared.

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 quarter of FYE 2022	1,584,889,504	Fiscal Year 2021	1,584,889,504
--	-------------------------	---------------	------------------	---------------

(b) Number of treasury stock:	1st quarter of FYE 2022	99,578,475	Fiscal Year 2021	99,659,483
-------------------------------	-------------------------	------------	------------------	------------

(c) Average number of common shares outstanding:	1st quarter of FYE 2022	1,485,242,070	1st quarter of FYE 2021	1,490,288,763
---	-------------------------	---------------	-------------------------	---------------

[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 110.58 yen = 1 U.S. dollar, which is the exchange rate prevailing on June 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 three-month period ended June 30, 2021]

(a) General Economic Situation

For the three-month period ended June 30, 2021, the global economy generally improved as the distribution of COVID-19 vaccines advanced around the world and restrictions on the movement of people were successively eased. Although the pace of recovery in the Chinese economy, which had been recovering ahead of other regions, slightly slowed, the US and European economies were boosted primarily due to the recovery in consumer spending. Amid these developments, the WTI crude oil price rose from approximately US\$60 per barrel range at the beginning of the fiscal year to nearly US\$75 per barrel at the end of June, mainly due to hopes of a recovery in the global economy.

The Japanese economy remained flat, with a decline in the service and apparel sectors in particular, stemming from the state of emergency declaration in major cities such as Tokyo and Osaka. However, there were also some positive signs as exports continued to grow and capital investment in the manufacturing industry and residential investment ceased declining. 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 a pause in the rise in the U.S. long-term interest rates, subsequently depreciating of the yen against the backdrop of economic recovery in the U.S. and forecasts that the Federal Reserve would raise interest rates earlier than previously expected, to close at approximately ¥110 per dollar at the end of June. The Nikkei Stock Average fell from approximately ¥29,000 at the beginning of the fiscal year to approximately ¥27,000 in mid-May due to the state of emergency declared by the Japanese government, among other factors. However, it later recovered to approximately ¥29,000 through to the end of June against the backdrop of rising U.S. stock prices and the depreciation of the yen. The yield on 10-year Japanese government bonds fell from 0.12% at the beginning of the fiscal year to 0.04% as the Bank of Japan continued to provide ample liquidity to the market and the rise in the U.S. long-term interest rates took a pause, but subsequently rose slightly in line with the U.S. long-term interest rates to close at 0.07% at the end of June.

(b) Consolidated Operating Results

	Billions of Yen				Millions of
	Apr.-Jun. 2021	Apr.-Jun. 2020	Increase (Decrease)	%	U.S. Dollars Apr.-Jun. 2021
Revenues	2,916.8	2,388.2	528.6	22.1 %	26,378
Gross trading profit	490.9	401.5	89.5	22.3 %	4,440
Selling, general and administrative expenses	(336.6)	(326.2)	(10.4)	3.2 %	(3,044)
Gains on investments.....	133.6	19.9	113.7	572.1 %	1,208
Equity in earnings of associates and joint ventures	77.4	43.3	34.1	78.9 %	700
Income tax expense.....	(97.3)	(23.6)	(73.7)	312.6 %	(880)
Net profit.....	284.7	115.3	169.4	146.9 %	2,575
Net profit attributable to ITOCHU.....	267.5	104.8	162.7	155.3 %	2,419
(Reference) Trading income.....	153.3	72.1	81.2	112.7 %	1,387

(i) Revenues (from external customers)

Increased by 22.1%, or 528.6 billion yen, compared to the same period of the previous fiscal year to 2,916.8 billion yen (26,378 million U.S. dollars).

• Energy & Chemicals Company:

Increased by 159.2 billion yen compared to the same period of the previous fiscal year to 614.7 billion yen (5,559 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 107.5 billion yen compared to the same period of the previous fiscal year to 251.9 billion yen (2,278 million U.S. dollars), due to higher iron ore prices.

• Food Company:

Increased by 82.2 billion yen compared to the same period of the previous fiscal year to 1,064.5 billion yen (9,627 million U.S. dollars), due to higher transaction volume in NIPPON ACCESS and the increase in food-distribution-related transactions.

• Machinery Company:

Increased by 63.1 billion yen compared to the same period of the previous fiscal year to 287.1 billion yen (2,596 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.

(ii) Gross trading profit

Increased by 22.3%, or 89.5 billion yen, compared to the same period of the previous fiscal year to 490.9 billion yen (4,440 million U.S. dollars).

• Metals & Minerals Company:

Increased by 27.5 billion yen compared to the same period of the previous fiscal year to 53.5 billion yen (484 million U.S. dollars), due to higher iron ore prices.

• Machinery Company:

Increased by 18.7 billion yen compared to the same period of the previous fiscal year to 50.6 billion yen (458 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 11.9 billion yen compared to the same period of the previous fiscal year to 47.9 billion yen (433 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.

• The 8th Company:

Increased by 10.7 billion yen compared to the same period of the previous fiscal year to 110.3 billion yen (998 million U.S. dollars), due to the recovery of daily sales resulting from expanding product offerings in FamilyMart while the impact of COVID-19 remains to some extent.

(iii) Selling, general and administrative expenses

Increased by 3.2%, or 10.4 billion yen, compared to the same period of the previous fiscal year to 336.6 billion yen (3,044 million U.S. dollars), due to the increase of expenses resulting from the stable growth in revenue and the depreciation of the yen.

(iv) Gains on investments

Increased by 572.1%, or 113.7 billion yen, compared to the same period of the previous fiscal year to 133.6 billion yen (1,208 million U.S. dollars), due to the gains on the partial sale of Taiwan FamilyMart and the sale of Japan Brazil Paper & Pulp Resources Development, and 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) Equity in earnings of associates and joint ventures

Increased by 78.9%, or 34.1 billion yen, compared to the same period of the previous fiscal year to 77.4 billion yen (700 million U.S. dollars).

• Machinery Company:

Increased by 9.3 billion yen compared to the same period of the previous fiscal year to 15.8 billion yen (143 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.

• Metals & Minerals Company:

Increased by 7.2 billion yen compared to the same period of the previous fiscal year to 11.8 billion yen (106 million U.S. dollars). The increase was caused by higher earnings in Marubeni-Itochu Steel resulting from the favorable performance in North American construction materials business and the recovery from the impact of COVID-19, and in iron ore companies due to higher prices.

• Others, Adjustments & Eliminations: (*)

Increased by 6.1 billion yen compared to the same period of the previous fiscal year to 22.8 billion yen (206 million U.S. dollars). The increase was caused by higher earnings in CITIC Limited.

• General Products & Realty Company:

Increased by 5.7 billion yen compared to the same period of the previous fiscal year to 7.3 billion yen (66 million U.S. dollars). The increase was caused by higher earnings in IFL (European pulp-related company) due to higher pulp prices.

(*) "Others, Adjustments & Eliminations" includes gains and losses, which do not belong to any operating segment and internal eliminations between operating segments. For more details, please refer to page 17, "3. (5) Operating Segment Information".

(vi) Income tax expense

Increased by 312.6%, or 73.7 billion yen, compared to the same period of the previous fiscal year to 97.3 billion yen (880 million U.S. dollars), due to the stable growth in profits.

(vii) Net profit attributable to ITOCHU

Consequently, net profit attributable to ITOCHU increased by 155.3%, or 162.7 billion yen, compared to the same period of the previous fiscal year to 267.5 billion yen (2,419 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 112.7%, or 81.2 billion yen, compared to the same period of the previous fiscal year to 153.3 billion yen (1,387 million U.S. dollars).

- Metals & Minerals Company:
Increased by 27.8 billion yen compared to the same period of the previous fiscal year to 49.6 billion yen (449 million U.S. dollars), due to higher iron ore prices.
- Machinery Company:
Improved by 19.8 billion yen compared to the same period of the previous fiscal year to 15.8 billion yen (143 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.
- The 8th Company:
Increased by 13.0 billion yen compared to the same period of the previous fiscal year to 18.3 billion yen (165 million U.S. dollars), due to the recovery of daily sales resulting from expanding product offerings and expense reduction in FamilyMart while the impact of COVID-19 remains to some extent.
- General Products & Realty Company:
Increased by 8.4 billion yen compared to the same period of the previous fiscal year to 18.8 billion yen (171 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.

(2) Qualitative Information of the Consolidated Financial Position

(a) Consolidated Financial Position

	Billions of Yen				Millions of U.S. Dollars
	Jun. 2021	Mar. 2021	Increase (Decrease)	%	Jun. 2021
Total assets	11,181.7	11,178.4	3.3	0.0%	101,119
Interest-bearing debt	3,024.2	3,155.3	(131.1)	(4.2%)	27,349
Net interest-bearing debt	2,521.8	2,601.4	(79.6)	(3.1%)	22,805
Total shareholders' equity	3,536.8	3,316.3	220.5	6.6%	31,984
Ratio of shareholders' equity to total assets	31.6%	29.7%	Increased 2.0pt		
NET DER (times)	0.71	0.78	Improved 0.07pt		

(i) Total assets

Remained consistent compared to March 31, 2021 at 11,181.7 billion yen (101,119 million U.S. dollars), due to the increase in inventories and the rise in the fair value of investments, 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 3.1%, or 79.6 billion yen, compared to March 31, 2021 to 2,521.8 billion yen (22,805 million U.S. dollars), due to the stable performance in operating revenues, partially offset by dividend payments.

Interest-bearing debt decreased by 4.2%, or 131.1 billion yen, compared to March 31, 2021 to 3,024.2 billion yen (27,349 million U.S. dollars).

(iii) Total shareholders' equity

Increased by 6.6%, or 220.5 billion yen, compared to March 31, 2021 to 3,536.8 billion yen (31,984 million U.S. dollars), due to net profit attributable to ITOCHU during this fiscal year and the increase related to the rise in the fair value of investments, 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 2.0 points compared to March 31, 2021 to 31.6%.

NET DER (Net debt-to-shareholders' equity ratio) improved compared to March 31, 2021 to 0.71 times.

(b) Consolidated Cash Flows

	Billions of Yen		Millions of U.S. Dollars
	Apr.-Jun. 2021	Apr.-Jun. 2020	Apr.-Jun. 2021
Cash flows from operating activities	181.7	254.1	1,643
Cash flows from investing activities	1.5	(91.2)	14
<i>Free cash flows</i>	<i>183.2</i>	<i>162.9</i>	<i>1,657</i>
Cash flows from financing activities	(281.4)	(111.6)	(2,545)

(i) Cash flows from operating activities

Recorded a net cash-inflow of 181.7 billion yen (1,643 million U.S. dollars), due to a stable performance in operating revenues in Metals & Minerals, The 8th, General Products & Realty, and Energy & Chemicals Companies.

(ii) Cash flows from investing activities

Recorded a net cash-inflow of 1.5 billion yen (14 million U.S. dollars), due to the sale of Japan Brazil Paper & Pulp Resources Development, offset by the purchase of fixed assets by The 8th, Food, Energy & Chemicals, and Metals & Minerals 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 281.4 billion yen (2,545 million U.S. dollars), due to the repayment of borrowings and lease liabilities in addition to dividend payments.

“Cash and cash equivalents” as of June 30, 2021 decreased by 52.2 billion yen compared to March 31, 2021 to 491.8 billion yen (4,448 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 considering the possibility of pandemic resurgence around the world and the state of emergency re-declared in Japan, while the vaccinations are progressing world-wide. We expect that COVID-19 will continue to impact areas that are affected by travel restrictions and consumer demand, especially through the second quarter, and the recovery is expected to take some time, though the impact will be slightly less than expected at the beginning of the fiscal year. In contrast, the impact is expected to be low for many other areas compared to FYE 2021.

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

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, 2021 and 2020

	Millions of Yen		Millions of
	Apr.-Jun. 2021	Apr.-Jun. 2020	U.S. Dollars
			Apr.-Jun. 2021
Revenues:			
Revenues from sale of goods.....	¥ 2,595,899	¥ 2,104,596	\$ 23,476
Revenues from rendering of services and royalties.....	320,919	283,629	2,902
Total revenues.....	2,916,818	2,388,225	26,378
Cost:			
Cost of sale of goods.....	(2,268,567)	(1,842,515)	(20,515)
Cost of rendering of services and royalties.....	(157,321)	(144,232)	(1,423)
Total cost.....	(2,425,888)	(1,986,747)	(21,938)
Gross trading profit	490,930	401,478	4,440
Other gains (losses):			
Selling, general and administrative expenses.....	(336,561)	(326,200)	(3,044)
Provision for doubtful accounts.....	(1,059)	(3,197)	(9)
Gains on investments.....	133,577	19,875	1,208
Gains (losses) on property, plant, equipment and intangible assets.....	1,560	(3,947)	14
Other-net.....	3,017	2,396	27
Total other-losses.....	(199,466)	(311,073)	(1,804)
Financial income (loss):			
Interest income.....	4,872	6,502	44
Dividends received.....	15,928	8,829	144
Interest expense.....	(7,677)	(10,121)	(69)
Total financial income.....	13,123	5,210	119
Equity in earnings of associates and joint ventures.....	77,422	43,284	700
Profit before tax	382,009	138,899	3,455
Income tax expense.....	(97,294)	(23,580)	(880)
Net profit	284,715	115,319	2,575
Net profit attributable to ITOCHU.....	267,476	104,759	2,419
Net profit attributable to non-controlling interests.....	17,239	10,560	156

	Millions of Yen		Millions of
	Apr.-Jun. 2021	Apr.-Jun. 2020	U.S. Dollars
Other comprehensive income, net of tax:			Apr.-Jun. 2021
Items that will not be reclassified to profit or loss			
FVTOCI financial assets.....	¥ 32,103	¥ 41,192	\$ 290
Remeasurement of net defined pension liability.....	(767)	(58)	(7)
Other comprehensive income in associates and joint ventures.....	(3,987)	3,247	(36)
Items that will be reclassified to profit or loss			
Translation adjustments.....	(9,598)	31,296	(87)
Cash flow hedges.....	(3,147)	1,537	(28)
Other comprehensive income in associates and joint ventures.....	9,299	(15,381)	84
Total other comprehensive income, net of tax.....	23,903	61,833	216
Total comprehensive income	308,618	177,152	2,791
Total comprehensive income attributable to ITOCHU	290,167	157,998	2,624
Total comprehensive income attributable to non-controlling interests	18,451	19,154	167

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, 2021 and 2020 were 153,310 million yen (1,387 million U.S. dollars) and 72,081 million yen, respectively.

(2) Consolidated Statement of Financial Position [Condensed]

ITOCHU Corporation and its Subsidiaries

As of June 30, 2021 and March 31, 2021

Assets	Millions of Yen		Millions of U.S. Dollars
	Jun. 2021	Mar. 2021	Jun. 2021
Current assets:			
Cash and cash equivalents.....	¥ 491,818	¥ 544,009	\$ 4,448
Time deposits.....	10,663	9,945	96
Trade receivables.....	2,137,240	2,122,815	19,327
Other current receivables.....	215,609	166,282	1,950
Other current financial assets.....	46,528	44,930	421
Inventories.....	991,171	898,692	8,963
Advances to suppliers.....	84,773	80,521	767
Other current assets.....	202,579	161,256	1,832
Assets held for sale	-	248,861	-
Total current assets.....	4,180,381	4,277,311	37,804
Non-current assets:			
Investments accounted for by the equity method.....	1,973,590	1,867,777	17,848
Other investments.....	1,019,252	952,374	9,217
Non-current receivables.....	672,279	658,658	6,080
Non-current financial assets other than investments and receivables.....	166,038	166,611	1,502
Property, plant and equipment.....	1,916,234	1,939,791	17,329
Investment property.....	47,293	50,665	428
Goodwill and intangible assets.....	1,072,227	1,125,836	9,696
Deferred tax assets.....	55,764	60,446	504
Other non-current assets.....	78,643	78,963	711
Total non-current assets.....	7,001,320	6,901,121	63,315
Total assets.....	¥11,181,701	¥11,178,432	\$101,119

Liabilities and Equity	Millions of Yen		Millions of U.S. Dollars
	Jun. 2021	Mar. 2021	Jun. 2021
Current liabilities:			
Short-term debentures and borrowings.....	¥ 562,598	¥ 710,213	\$ 5,088
Lease liabilities (short-term).....	234,674	238,446	2,122
Trade payables.....	1,713,724	1,628,766	15,498
Other current payables.....	222,243	199,757	2,010
Other current financial liabilities.....	47,296	40,172	428
Current tax liabilities.....	46,994	57,370	425
Advances from customers.....	87,616	84,699	792
Other current liabilities.....	395,140	374,489	3,573
Liabilities held for sale.....	-	220,722	-
Total current liabilities	3,310,285	3,554,634	29,936
Non-current liabilities:			
Long-term debentures and borrowings.....	2,461,649	2,445,099	22,261
Lease liabilities (long-term).....	802,172	825,170	7,254
Other non-current financial liabilities.....	52,899	53,483	479
Non-current liabilities for employee benefits.....	112,119	116,631	1,014
Deferred tax liabilities.....	201,074	150,275	1,818
Other non-current liabilities.....	169,702	162,900	1,535
Total non-current liabilities	3,799,615	3,753,558	34,361
 Total liabilities	7,109,900	7,308,192	64,297
Equity:			
Common stock:			
Authorized: 3,000,000,000 shares;			
issued: 1,584,889,504 shares.....	253,448	253,448	2,292
Capital surplus.....	(157,954)	(155,210)	(1,428)
Retained earnings.....	3,313,686	3,238,948	29,966
Other components of equity:			
Translation adjustments.....	130,369	131,612	1,179
FVTOCI financial assets.....	193,551	38,740	1,750
Cash flow hedges.....	(15,107)	(9,897)	(136)
Total other components of equity.....	308,813	160,455	2,793
Treasury stock.....	(181,219)	(181,360)	(1,639)
Total shareholders' equity.....	3,536,774	3,316,281	31,984
Non-controlling interests.....	535,027	553,959	4,838
Total equity.....	4,071,801	3,870,240	36,822
Total liabilities and equity.....	¥11,181,701	¥11,178,432	\$101,119

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

ITOCHU Corporation and its Subsidiaries

For the three-month periods ended June 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			267,476			267,476	17,239	284,715
Other comprehensive income				22,691		22,691	1,212	23,903
Total comprehensive income			267,476	22,691		290,167	18,451	308,618
Cash dividends to shareholders			(65,447)			(65,447)		(65,447)
Cash dividends to non-controlling interests							(11,142)	(11,142)
Net change in acquisition (disposition) of treasury stock					141	141		141
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(2,744)		(1,624)		(4,368)	(26,241)	(30,609)
Transfer to Retained earnings			(127,291)	127,291				
Balance on Jun. 30, 2021	253,448	(157,954)	3,313,686	308,813	(181,219)	3,536,774	535,027	4,071,801

(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			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 Jun. 30, 2020	253,448	51,839	2,989,267	(35,540)	(167,218)	3,091,796	845,859	3,937,655

(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	\$ 2,292	\$ (1,404)	\$ 29,290	\$ 1,452	\$ (1,640)	\$ 29,990	\$ 5,010	\$ 35,000
Net profit			2,419			2,419	156	2,575
Other comprehensive income				205		205	11	216
Total comprehensive income			2,419	205		2,624	167	2,791
Cash dividends to shareholders			(592)			(592)		(592)
Cash dividends to non-controlling interests							(101)	(101)
Net change in acquisition (disposition) of treasury stock					1	1		1
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(24)		(15)		(39)	(238)	(277)
Transfer to Retained earnings			(1,151)	1,151				
Balance on Jun. 30, 2021	2,292	(1,428)	29,966	2,793	(1,639)	31,984	4,838	36,822

(4) Consolidated Statement of Cash Flows [Condensed]

ITOCHU Corporation and its Subsidiaries

For the three-month periods ended June 30, 2021 and 2020

	Millions of Yen		Millions of U.S. Dollars
	Apr.-Jun. 2021	Apr.-Jun. 2020	Apr.-Jun. 2021
Cash flows from operating activities:			
Net profit	¥ 284,715	¥ 115,319	\$ 2,575
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization	104,706	105,370	947
(Gains) losses on investments.....	(133,577)	(19,875)	(1,208)
(Gains) losses on property, plant, equipment and intangible assets.....	(1,560)	3,947	(14)
Financial (income) loss.....	(13,123)	(5,210)	(119)
Equity in earnings of associates and joint ventures	(77,422)	(43,284)	(700)
Income tax expense	97,294	23,580	880
Provision for doubtful accounts and other provisions	(908)	3,197	(8)
Changes in assets and liabilities, other-net	(62,857)	91,540	(568)
Proceeds from interest.....	5,677	5,707	51
Proceeds from dividends.....	56,236	40,389	509
Payments for interest.....	(6,148)	(7,190)	(56)
Payments for income taxes.....	(71,378)	(59,403)	(646)
Net cash provided by (used in) operating activities	<u>181,655</u>	<u>254,087</u>	<u>1,643</u>
Cash flows from investing activities:			
Net change in investments accounted for by the equity method	72,039	(27,295)	651
Net change in other investments	(24,562)	(27,805)	(222)
Net change in loans receivable	(11,968)	4,670	(108)
Net change in property, plant, equipment and intangible assets	(33,027)	(36,886)	(299)
Net change in time deposits	(935)	(3,873)	(8)
Net cash provided by (used in) investing activities	<u>1,547</u>	<u>(91,189)</u>	<u>14</u>
Cash flows from financing activities:			
Net change in debentures and loans payable	(128,919)	38,781	(1,166)
Repayments of lease liabilities	(71,009)	(70,748)	(642)
Cash dividends	(65,447)	(63,438)	(592)
Net change in treasury stock	(8)	(3)	(0)
Other	(15,981)	(16,151)	(145)
Net cash provided by (used in) financing activities	<u>(281,364)</u>	<u>(111,559)</u>	<u>(2,545)</u>
Net change in cash and cash equivalents	<u>(98,162)</u>	<u>51,339</u>	<u>(888)</u>
Cash and cash equivalents at the beginning of the period (Opening balance on the consolidated statement of financial position)	544,009	611,223	4,920
Reclassification of cash and cash equivalents included in assets held for sale in the opening balance	44,331	-	401
Cash and cash equivalents at the beginning of the period	588,340	611,223	5,321
Effect of exchange rate changes on cash and cash equivalents	1,640	4,346	15
Cash and cash equivalents at the end of the period	<u>¥ 491,818</u>	<u>¥ 666,908</u>	<u>\$ 4,448</u>

(5) Operating Segment Information

ITOCHU Corporation and its Subsidiaries
For the three-month periods ended June 30, 2021 and 2020

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

For the three-month period ended June 30, 2021 (April 1, 2021 -June 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	¥ 102,122	¥ 287,063	¥ 251,922	¥ 614,701	¥ 1,064,527	¥ 249,709	¥ 191,938	¥ 128,148	¥ 26,688	¥ 2,916,818
Intersegment revenues.....	-	17	-	9,584	2,261	4,380	3,087	539	(19,868)	-
Total revenues.....	102,122	287,080	251,922	624,285	1,066,788	254,089	195,025	128,687	6,820	2,916,818
Gross trading profit	22,097	50,605	53,541	56,894	79,905	47,938	67,962	110,347	1,641	490,930
Trading income	2,401	15,846	49,633	19,615	20,977	18,844	13,966	18,273	(6,245)	153,310
Net profit attributable to ITOCHU.....	5,326	26,246	77,882	15,003	16,244	51,834	18,587	40,026	16,328	267,476
[Equity in earnings of associates and joint ventures].....	[746]	[15,807]	[11,776]	[3,945]	[3,856]	[7,275]	[11,733]	[(504)]	[22,788]	[77,422]
Total assets on Jun. 30, 2021	405,928	1,182,753	1,026,498	1,329,408	1,882,606	999,327	1,266,175	1,977,365	1,111,641	11,181,701
For the three-month period ended June 30, 2020 (April 1, 2020 -June 30, 2020)										
	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 Jun. 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
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 three-month period ended June 30, 2021 (April 1, 2021 -June 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	\$ 924	\$ 2,596	\$ 2,278	\$ 5,559	\$ 9,627	\$ 2,258	\$ 1,736	\$ 1,159	\$ 241	\$ 26,378
Intersegment revenues.....	-	0	-	87	20	39	28	5	(179)	-
Total revenues.....	924	2,596	2,278	5,646	9,647	2,297	1,764	1,164	62	26,378
Gross trading profit	200	458	484	514	723	433	615	998	15	4,440
Trading income	22	143	449	177	190	171	126	165	(56)	1,387
Net profit attributable to ITOCHU.....	48	237	704	136	147	469	168	362	148	2,419
[Equity in earnings of associates and joint ventures].....	[7]	[143]	[106]	[36]	[35]	[66]	[106]	[(5)]	[206]	[700]
Total assets on Jun. 30, 2021	3,671	10,696	9,283	12,022	17,025	9,037	11,450	17,882	10,053	101,119

Note 1 : "Equity in earnings of associates and joint ventures" is included in "Net profit attributable to ITOCHU".

Note 2 : "Trading income" = "Gross trading profit" + "Selling, general and administrative expenses" + "Provision for doubtful accounts"

Note 3 : "Others, Adjustments & Eliminations" includes gains and losses which do not belong to any operating segment and internal eliminations between operating segments.

The investments in CITIC Limited and C.P. Pokphand Co. Ltd. and the profits and losses from them are included in this segment.

(6) Assumption for Going Concern: None