

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

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Consolidated Financial Results for the Third 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 third quarter of the fiscal year 2022 (from April 1, 2021 to December 31, 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 to third quarter of Fiscal Year 2022	9,093,654	19.8	464,729	52.4	957,332	112.7	730,297	85.8	678,864	86.3	759,810	82.0
Fiscal Year 2021	7,591,150	(8.1)	305,026	(5.0)	450,152	(23.7)	393,149	(17.8)	364,318	(14.6)	417,557	16.8

	Basic earnings per share attributable to ITOCHU	Diluted earnings per share attributable to ITOCHU
	yen	yen
For the first to third quarter of Fiscal Year 2022	457.06	-
Fiscal Year 2021	244.78	-

Equity in earnings of associates and joint ventures (millions of yen) 3rd quarter of FYE 2022: 232,223 [53.0%] 3rd quarter of FYE 2021: 151,771 [(9.3 %)]
 Total comprehensive income (millions of yen) 3rd quarter of FYE 2022: 810,810 [76.2%] 3rd quarter of FYE 2021: 460,254 [12.5 %]

(2) Consolidated financial position

	Total assets	Total equity	Total shareholders' equity	Ratio of shareholders' equity to total assets	Shareholders' equity per share
	millions of yen	millions of yen	millions of yen	%	yen
December 31, 2021	11,766,981	4,490,777	3,936,660	33.5	2,650.36
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 to third quarter of Fiscal Year 2022	572,031	56,011	(760,958)	463,627
Fiscal Year 2021	598,382	(182,407)	(415,256)	580,180

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: 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	820,000 104.3	552.08

(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)	3rd quarter of FYE 2022	1,584,889,504	Fiscal Year 2021	1,584,889,504
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(b) Number of treasury stock:	3rd quarter of FYE 2022	99,556,702	Fiscal Year 2021	99,659,483
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(c) Average number of common shares outstanding:	3rd quarter of FYE 2022	1,485,288,920	3rd quarter of FYE 2021	1,488,347,588
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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 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 115.02 yen = 1 U.S. dollar, which is the exchange rate prevailing on December 31, 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 nine-month period ended December 31, 2021]

(a) General Economic Situation

Looking back at the global economy for the nine-month period ended December 31, 2021, although the U.S. 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 spread of the infection could not be fully controlled due to factors such as the spread of new variants of COVID-19, and the pace of recovery slowed from the summer onward as upward pressure on prices intensified. Meanwhile, emerging countries experienced a general slowdown amid the resurgence of infections, as exemplified by China where domestic demand in particular stagnated. The WTI crude oil price rose from about US\$60 per barrel range at the beginning of the fiscal year to approximately US\$85 in late October as global oil production remained below demand, and although the price temporarily fell to approximately US\$62 due to the resurgence of COVID-19, it subsequently steadied to end the year at approximately US\$75.

The Japanese economy remained flat as the nation experienced cycles of COVID-19 resurgence and state of emergency declarations. However, there were positive signs from autumn through to the end of the year such as an upturn in consumer spending, primarily in the service sector, as the distribution of vaccines helped curb the spread of infection. The U.S. dollar-yen exchange rate started at approximately ¥110 per dollar at the beginning of the fiscal year, with the temporal 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 ¥115 per dollar at the end of the year 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 temporarily recovered to approximately ¥30,000 in September due to expectations of economic recovery, among other factors, and subsequently remained firm, ending the year in the ¥28,500-29,000 level. 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 U.S. long-term interest rates declined, but subsequently rose to 0.10% through to late October in line with U.S. long-term interest rates to close at 0.09% at the end of the year.

(b) Consolidated Operating Results

	Billions of Yen				Millions of
	Apr.-Dec. 2021	Apr.-Dec. 2020	Increase (Decrease)	%	U.S. Dollars Apr.-Dec. 2021
Revenues	9,093.7	7,591.2	1,502.5	19.8 %	79,062
Gross trading profit	1,463.2	1,309.8	153.4	11.7 %	12,722
Selling, general and administrative expenses	(993.3)	(998.3)	5.0	(0.5 %)	(8,636)
Gains on investments.....	204.6	29.4	175.2	595.6 %	1,779
Gains (losses) on property, plant, equipment and intangible assets.....	0.6	(71.0)	71.6	-	5
Equity in earnings of associates and joint ventures	232.2	151.8	80.5	53.0 %	2,019
Income tax expense.....	(227.0)	(57.0)	(170.0)	298.3 %	(1,974)
Net profit.....	730.3	393.1	337.1	85.8 %	6,349
Net profit attributable to ITOCHU.....	678.9	364.3	314.5	86.3 %	5,902
(Reference) Trading income.....	464.7	305.0	159.7	52.4 %	4,041

(i) Revenues (from external customers)

Increased by 19.8%, or 1,502.5 billion yen, compared to the same period of the previous fiscal year to 9,093.7 billion yen (79,062 million U.S. dollars).

• Energy & Chemicals Company:

Increased by 524.1 billion yen compared to the same period of the previous fiscal year to 2,057.7 billion yen (17,890 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 314.7 billion yen compared to the same period of the previous fiscal year to 772.2 billion yen (6,713 million U.S. dollars), due to higher iron ore prices and coal prices.

• Food Company:

Increased by 220.9 billion yen compared to the same period of the previous fiscal year to 3,255.0 billion yen (28,300 million U.S. dollars), due to higher transaction volume in NIPPON ACCESS and the increase in food-distribution-related transactions.

• General Products & Realty Company:

Increased by 193.0 billion yen compared to the same period of the previous fiscal year to 756.5 billion yen (6,577 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.

• Machinery Company:

Increased by 157.5 billion yen compared to the same period of the previous fiscal year to 895.4 billion yen (7,784 million U.S. dollars), due to the increase in aircraft-related transactions, the favorable sales in YANASE, the recovery in overall automobile-related business resulting from the alleviation of the impact of COVID-19, and the favorable performance in almost all businesses.

(ii) Gross trading profit

Increased by 11.7%, or 153.4 billion yen, compared to the same period of the previous fiscal year to 1,463.2 billion yen (12,722 million U.S. dollars).

• Metals & Minerals Company:

Increased by 62.8 billion yen compared to the same period of the previous fiscal year to 140.7 billion yen (1,223 million U.S. dollars), due to higher iron ore prices and coal prices.

• General Products & Realty Company:

Increased by 33.4 billion yen compared to the same period of the previous fiscal year to 143.2 billion yen (1,245 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.

• Energy & Chemicals Company:

Increased by 32.3 billion yen compared to the same period of the previous fiscal year to 195.0 billion yen (1,696 million U.S. dollars), due to the improvement in profitability in energy trading transactions and CIECO Azer (Crude oil exploration and production company) resulting from higher market prices, and the stable performance in chemical-related companies.

• Machinery Company:

Increased by 29.5 billion yen compared to the same period of the previous fiscal year to 153.1 billion yen (1,331 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, and the favorable performance in almost all businesses such as ship-related companies and North American IPP-related business.

(iii) Selling, general and administrative expenses

Decreased by 0.5%, or 5.0 billion yen, compared to the same period of the previous fiscal year to 993.3 billion yen (8,636 million U.S. dollars), due to 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, partially offset by the increase of expenses resulting from the stable growth in revenue and the depreciation of the yen.

(iv) Gains on investments

Increased by 595.6%, or 175.2 billion yen, compared to the same period of the previous fiscal year to 204.6 billion yen (1,779 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) Gains (losses) on property, plant, equipment and intangible assets

Improved by 71.6 billion yen compared to the same period of the previous fiscal year to 0.6 billion yen (5 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 53.0%, or 80.5 billion yen, compared to the same period of the previous fiscal year to 232.2 billion yen (2,019 million U.S. dollars).

• Metals & Minerals Company:

Increased by 20.8 billion yen compared to the same period of the previous fiscal year to 36.6 billion yen (319 million U.S. dollars). The increase was caused by higher earnings in Marubeni-Itochu Steel because of some factors such as the favorable results in North American sheet construction materials business, the improvement in North American steel pipe business and the steady performance in overall business due to higher steel material prices, in addition to higher earnings in iron ore companies due to higher prices.

• Others, Adjustments & Eliminations: (*)

Increased by 19.5 billion yen compared to the same period of the previous fiscal year to 74.8 billion yen (650 million U.S. dollars). The increase was caused by higher earnings in CITIC Limited, partially offset by lower earnings in C.P. Pokphand due to the deterioration in profitability in hog farming business resulting from lower pork prices.

• General Products & Realty Company:

Increased by 18.0 billion yen compared to the same period of the previous fiscal year to 24.5 billion yen (213 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 12.3 billion yen compared to the same period of the previous fiscal year to 33.2 billion yen (288 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 298.3%, or 170.0 billion yen, compared to the same period of the previous fiscal year to 227.0 billion yen (1,974 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 86.3%, or 314.5 billion yen, compared to the same period of the previous fiscal year to 678.9 billion yen (5,902 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 52.4%, or 159.7 billion yen, compared to the same period of the previous fiscal year to 464.7 billion yen (4,041 million U.S. dollars).

- Metals & Minerals Company:

Increased by 63.8 billion yen compared to the same period of the previous fiscal year to 128.5 billion yen (1,117 million U.S. dollars), due to higher iron ore prices and coal prices.

- Machinery Company:

Increased by 29.6 billion yen compared to the same period of the previous fiscal year to 44.8 billion yen (390 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, and the favorable performance in almost all businesses such as ship-related companies and North American IPP-related business.

- Energy & Chemicals Company:

Increased by 28.4 billion yen compared to the same period of the previous fiscal year to 82.2 billion yen (715 million U.S. dollars), due to the improvement in profitability in energy trading transactions and CIECO Azer resulting from higher market prices, and the stable performance in chemical-related companies.

- General Products & Realty Company:

Increased by 24.6 billion yen compared to the same period of the previous fiscal year to 52.4 billion yen (456 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
	Dec. 2021	Mar. 2021	Increase (Decrease)	%	Dec. 2021
Total assets	11,767.0	11,178.4	588.5	5.3%	102,304
Interest-bearing debt	2,802.6	3,155.3	(352.8)	(11.2%)	24,366
Net interest-bearing debt	2,329.1	2,601.4	(272.2)	(10.5%)	20,250
Total shareholders' equity	3,936.7	3,316.3	620.4	18.7%	34,226
Ratio of shareholders' equity to total assets	33.5%	29.7%	Increased 3.8pt		
NET DER (times)	0.59	0.78	Improved 0.19pt		

(i) Total assets

Increased by 5.3%, or 588.5 billion yen, compared to March 31, 2021 to 11,767.0 billion yen (102,304 million U.S. dollars), due to the increase in trade receivables and inventories in food distribution-related companies and energy trading transactions, and the increase in 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 10.5%, or 272.2 billion yen, compared to March 31, 2021 to 2,329.1 billion yen (20,250 million U.S. dollars), due to the stable performance in operating revenues and sale of investments, partially offset by dividend payments.

Interest-bearing debt decreased by 11.2%, or 352.8 billion yen, compared to March 31, 2021 to 2,802.6 billion yen (24,366 million U.S. dollars).

(iii) Total shareholders' equity

Increased by 18.7%, or 620.4 billion yen, compared to March 31, 2021 to 3,936.7 billion yen (34,226 million U.S. dollars), due to net profit attributable to ITOCHU during this fiscal year and the effect of the depreciation of the yen, 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 0.19 points compared to March 31, 2021 to 0.59 times.

(b) Consolidated Cash Flows

	Billions of Yen		Millions of U.S. Dollars
	Apr.-Dec. 2021	Apr.-Dec. 2020	Apr.-Dec. 2021
Cash flows from operating activities	572.0	598.4	4,973
Cash flows from investing activities	56.0	(182.4)	487
<i>Free cash flows</i>	628.0	416.0	5,460
Cash flows from financing activities	(761.0)	(415.3)	(6,616)

(i) Cash flows from operating activities

Recorded a net cash-inflow of 572.0 billion yen (4,973 million U.S. dollars), due to the stable performance in operating revenues in Metals & Minerals, The 8th, Machinery and Energy & Chemicals Companies.

(ii) Cash flows from investing activities

Recorded a net cash-inflow of 56.0 billion yen (487 million U.S. dollars), due to the partial sale of Pan Pacific International Holdings Corporation, the sale of Japan Brazil Paper & Pulp Resources Development and Paidy, partially offset by the purchase of fixed assets by Food, The 8th 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 761.0 billion yen (6,616 million U.S. dollars), due to the repayment of borrowings and lease liabilities in addition to dividend payments.

“Cash and cash equivalents” as of December 31, 2021 decreased by 80.4 billion yen compared to March 31, 2021 to 463.6 billion yen (4,031 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 COVID-19, its overall impact was less significant in the third quarter of the fiscal year ending March 2022, compared to that in the first half of the fiscal year. Although we recognize that the extent to which the new COVID-19 variants can spread remains unpredictable in the fourth quarter of the fiscal year and accordingly we should keep paying attention to the impact, 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 U.S. 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.

Amid such conditions, the U.S. dollar-yen exchange rate is expected to remain generally flat, while the upward pressure on overall international commodity prices may lead to keep crude oil prices high, 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, we revised upward its forecast of "Net profit attributable to ITOCHU" to 820.0 billion yen for the fiscal year ending March 31, 2022, in accordance with the steady growth of core profit in each business during this Q1-3.

	(Unit: billion yen)			<i>Precondition</i>		
	Results Q1-3 of FYE 2022	Forecast (Disclosed on Feb. 3)	Forecast (Disclosed on Nov. 5)	<i>Results</i> <i>Q1-3 of</i> <i>FYE 2022</i>	<i>Forecast</i> <i>(Disclosed</i> <i>on Feb. 3)</i>	<i>Forecast</i> <i>(Disclosed</i> <i>on Nov. 5)</i>
Gross trading profit	1,463.2	1,950.0	1,920.0			
Selling, general and administrative expenses	(993.3)	(1,362.0)	(1,372.0)			
Provision for doubtful accounts	(5.2)	(8.0)	(8.0)			
Trading income	464.7	580.0	540.0			
Net interest expenses	(6.6)	(9.0)	(11.0)			
Dividends received	50.9	89.0	75.0			
Equity in earnings of associates and joint ventures	232.2	282.0	276.0			
Others	216.0	216.0	191.0			
Profit before tax	957.3	1,158.0	1,071.0			
Income tax expense	(227.0)	(273.0)	(256.0)			
Net profit	730.3	885.0	815.0			
Net profit attributable to non-controlling interests	(51.4)	(65.0)	(65.0)			
Net profit attributable to ITOCHU	678.9	820.0	750.0			
<i>Major Indicators</i>						
<i>Foreign exchange rate (Yen/US\$)</i>				110.55	110	110
<i>Interest (JPY 3M TIBOR) (%)</i>				0.06	0.1	0.1
<i>Interest (US\$ 3M LIBOR) (%)</i>				0.15	0.5	0.5
<i>Crude oil (Brent) (US\$/BBL)</i>				74.04	77	75
<i>Iron ore (CFR China) (US\$/ton)</i>				158 ^(Note1)	N.A. ^(Note2)	N.A. ^(Note2)

(Note1)FYE 2022 Q1-3 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.

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

ITOCHU Corporation and its Subsidiaries

For the nine-month periods ended December 31, 2021 and 2020

	Millions of Yen		Millions of
	Apr.-Dec. 2021	Apr.-Dec. 2020	U.S. Dollars
			Apr.-Dec. 2021
Revenues:			
Revenues from sale of goods.....	¥ 8,136,065	¥ 6,695,742	\$ 70,736
Revenues from rendering of services and royalties.....	957,589	895,408	8,326
Total revenues.....	9,093,654	7,591,150	79,062
Cost:			
Cost of sale of goods.....	(7,142,910)	(5,843,159)	(62,102)
Cost of rendering of services and royalties.....	(487,508)	(438,189)	(4,238)
Total cost.....	(7,630,418)	(6,281,348)	(66,340)
Gross trading profit	1,463,236	1,309,802	12,722
Other gains (losses):			
Selling, general and administrative expenses.....	(993,302)	(998,253)	(8,636)
Provision for doubtful accounts.....	(5,205)	(6,523)	(45)
Gains on investments.....	204,606	29,415	1,779
Gains (losses) on property, plant, equipment and intangible assets.....	587	(71,023)	5
Other-net.....	10,822	15,280	93
Total other-losses.....	(782,492)	(1,031,104)	(6,804)
Financial income (loss):			
Interest income.....	15,470	18,352	135
Dividends received.....	50,923	29,588	443
Interest expense.....	(22,028)	(28,257)	(192)
Total financial income.....	44,365	19,683	386
Equity in earnings of associates and joint ventures.....	232,223	151,771	2,019
Profit before tax.....	957,332	450,152	8,323
Income tax expense.....	(227,035)	(57,003)	(1,974)
Net profit.....	730,297	393,149	6,349
Net profit attributable to ITOCHU.....	678,864	364,318	5,902
Net profit attributable to non-controlling interests.....	51,433	28,831	447

	Millions of Yen		Millions of
	Apr.-Dec. 2021	Apr.-Dec. 2020	U.S. Dollars
			Apr.-Dec. 2021
Other comprehensive income, net of tax:			
Items that will not be reclassified to profit or loss			
FVTOCI financial assets.....	¥ 16,367	¥ 38,492	\$ 142
Remeasurement of net defined pension liability.....	(767)	409	(6)
Other comprehensive income in associates and joint ventures.....	(8,490)	5,738	(74)
Items that will be reclassified to profit or loss			
Translation adjustments.....	25,877	31,498	225
Cash flow hedges.....	(1,001)	(3,143)	(9)
Other comprehensive income in associates and joint ventures.....	48,527	(5,889)	422
Total other comprehensive income, net of tax.....	80,513	67,105	700
Total comprehensive income	810,810	460,254	7,049
Total comprehensive income attributable to ITOCHU	759,810	417,557	6,606
Total comprehensive income attributable to non-controlling interests	51,000	42,697	443

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

Note 2 : "Trading income" is presented in accordance with Japanese accounting practices.
("Trading income" = "Gross trading profit" + "Selling, general and administrative expenses" + "Provision for doubtful accounts")
Trading income for the nine-month periods ended December 31, 2021 and 2020 were 464,729 million yen (4,041 million U.S. dollars) and 305,026 million yen, respectively.

(2) Consolidated Statement of Financial Position [Condensed]

ITOCHU Corporation and its Subsidiaries

As of December 31, 2021 and March 31, 2021

Assets	Millions of Yen		Millions of U.S. Dollars
	Dec. 2021	Mar. 2021	Dec. 2021
Current assets:			
Cash and cash equivalents.....	¥ 463,627	¥ 544,009	\$ 4,031
Time deposits.....	9,785	9,945	85
Trade receivables.....	2,516,071	2,122,815	21,875
Other current receivables.....	227,503	166,282	1,978
Other current financial assets.....	58,887	44,930	512
Inventories.....	1,126,144	898,692	9,791
Advances to suppliers.....	98,217	80,521	854
Other current assets.....	169,503	161,256	1,473
Assets held for sale	-	248,861	-
Total current assets.....	<u>4,669,737</u>	<u>4,277,311</u>	<u>40,599</u>
Non-current assets:			
Investments accounted for by the equity method.....	2,136,643	1,867,777	18,576
Other investments.....	947,959	952,374	8,242
Non-current receivables.....	694,210	658,658	6,036
Non-current financial assets other than investments and receivables.....	165,083	166,611	1,435
Property, plant and equipment.....	1,899,189	1,939,791	16,512
Investment property.....	47,026	50,665	409
Goodwill and intangible assets.....	1,078,249	1,125,836	9,374
Deferred tax assets.....	50,004	60,446	435
Other non-current assets.....	78,881	78,963	686
Total non-current assets.....	<u>7,097,244</u>	<u>6,901,121</u>	<u>61,705</u>
Total assets.....	<u>¥11,766,981</u>	<u>¥11,178,432</u>	<u>\$102,304</u>

Liabilities and Equity	Millions of Yen		Millions of U.S. Dollars
	Dec. 2021	Mar. 2021	Dec. 2021
Current liabilities:			
Short-term debentures and borrowings.....	¥ 642,827	¥ 710,213	\$ 5,589
Lease liabilities (short-term).....	228,191	238,446	1,984
Trade payables.....	2,121,220	1,628,766	18,442
Other current payables.....	196,902	199,757	1,712
Other current financial liabilities.....	47,409	40,172	412
Current tax liabilities.....	65,909	57,370	573
Advances from customers.....	105,186	84,699	915
Other current liabilities.....	399,260	374,489	3,471
Liabilities held for sale.....	-	220,722	-
Total current liabilities	3,806,904	3,554,634	33,098
Non-current liabilities:			
Long-term debentures and borrowings.....	2,159,729	2,445,099	18,777
Lease liabilities (long-term).....	760,004	825,170	6,608
Other non-current financial liabilities.....	54,672	53,483	475
Non-current liabilities for employee benefits.....	110,776	116,631	963
Deferred tax liabilities.....	213,117	150,275	1,853
Other non-current liabilities.....	171,002	162,900	1,487
Total non-current liabilities	3,469,300	3,753,558	30,163
 Total liabilities	7,276,204	7,308,192	63,261
Equity:			
Common stock:			
Authorized: 3,000,000,000 shares;			
issued: 1,584,889,504 shares.....	253,448	253,448	2,203
Capital surplus.....	(157,825)	(155,210)	(1,372)
Retained earnings.....	3,665,477	3,238,948	31,868
Other components of equity:			
Translation adjustments.....	198,595	131,612	1,727
FVTOCI financial assets.....	166,753	38,740	1,450
Cash flow hedges.....	(8,592)	(9,897)	(75)
Total other components of equity.....	356,756	160,455	3,102
Treasury stock.....	(181,196)	(181,360)	(1,575)
Total shareholders' equity.....	3,936,660	3,316,281	34,226
Non-controlling interests.....	554,117	553,959	4,817
Total equity.....	4,490,777	3,870,240	39,043
Total liabilities and equity.....	¥11,766,981	¥11,178,432	\$102,304

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

ITOCHU Corporation and its Subsidiaries

For the nine-month periods ended December 31, 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			678,864			678,864	51,433	730,297
Other comprehensive income				80,946		80,946	(433)	80,513
Total comprehensive income			678,864	80,946		759,810	51,000	810,810
Cash dividends to shareholders			(135,356)			(135,356)		(135,356)
Cash dividends to non-controlling interests							(20,716)	(20,716)
Net change in acquisition (disposition) of treasury stock					164	164		164
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(2,615)		(1,624)		(4,239)	(30,126)	(34,365)
Transfer to Retained earnings			(116,979)	116,979				
Balance on Dec. 31, 2021	253,448	(157,825)	3,665,477	356,756	(181,196)	3,936,660	554,117	4,490,777

(Unit: Millions of Yen)

	Shareholders' equity						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Total shareholders' equity		
Balance on Apr. 1, 2020	¥ 253,448	¥ 50,677	¥ 2,948,135	¥ (88,971)	¥ (167,338)	¥ 2,995,951	¥ 844,658	¥ 3,840,609
Net profit			364,318			364,318	28,831	393,149
Other comprehensive income				53,239		53,239	13,866	67,105
Total comprehensive income			364,318	53,239		417,557	42,697	460,254
Cash dividends to shareholders			(129,008)			(129,008)		(129,008)
Cash dividends to non-controlling interests							(26,288)	(26,288)
Net change in acquisition (disposition) of treasury stock					(10,593)	(10,593)		(10,593)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(229,830)		15,551		(214,279)	(368,461)	(582,740)
Transfer to Retained earnings			(236)	236				
Balance on Dec. 31, 2020	253,448	(179,153)	3,183,209	(19,945)	(177,931)	3,059,628	492,606	3,552,234

(Unit: Millions of 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	\$ 2,203	\$ (1,349)	\$ 28,160	\$ 1,395	\$ (1,577)	\$ 28,832	\$ 4,816	\$ 33,648
Net profit			5,902			5,902	447	6,349
Other comprehensive income				704		704	(4)	700
Total comprehensive income			5,902	704		6,606	443	7,049
Cash dividends to shareholders			(1,177)			(1,177)		(1,177)
Cash dividends to non-controlling interests							(180)	(180)
Net change in acquisition (disposition) of treasury stock					2	2		2
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(23)		(14)		(37)	(262)	(299)
Transfer to Retained earnings			(1,017)	1,017				
Balance on Dec. 31, 2021	2,203	(1,372)	31,868	3,102	(1,575)	34,226	4,817	39,043

(4) Consolidated Statement of Cash Flows [Condensed]

ITOCHU Corporation and its Subsidiaries

For the nine-month periods ended December 31, 2021 and 2020

	Millions of Yen		Millions of U.S. Dollars
	<u>Apr.-Dec. 2021</u>	<u>Apr.-Dec. 2020</u>	<u>Apr.-Dec. 2021</u>
Cash flows from operating activities:			
Net profit	¥ 730,297	¥ 393,149	\$ 6,349
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization	303,681	317,540	2,640
(Gains) losses on investments.....	(204,606)	(29,415)	(1,779)
(Gains) losses on property, plant, equipment and intangible assets.....	(587)	71,023	(5)
Financial (income) loss.....	(44,365)	(19,683)	(386)
Equity in earnings of associates and joint ventures	(232,223)	(151,771)	(2,019)
Income tax expense	227,035	57,003	1,974
Provision for doubtful accounts and other provisions	1,773	5,094	16
Changes in assets and liabilities, other-net	(230,238)	(16,945)	(2,002)
Proceeds from interest.....	14,577	18,352	127
Proceeds from dividends.....	151,386	108,463	1,316
Payments for interest.....	(21,165)	(29,392)	(184)
Payments for income taxes.....	(123,534)	(125,036)	(1,074)
Net cash provided by (used in) operating activities	<u>572,031</u>	<u>598,382</u>	<u>4,973</u>
Cash flows from investing activities:			
Net change in investments accounted for by the equity method	68,743	(31,066)	598
Net change in other investments	73,418	(50,334)	638
Net change in loans receivable	10,597	18,227	92
Net change in property, plant, equipment and intangible assets	(97,335)	(116,048)	(846)
Net change in time deposits	588	(3,186)	5
Net cash provided by (used in) investing activities	<u>56,011</u>	<u>(182,407)</u>	<u>487</u>
Cash flows from financing activities:			
Net change in debentures and loans payable	(397,654)	145,604	(3,457)
Repayments of lease liabilities	(200,888)	(209,892)	(1,747)
Cash dividends	(135,356)	(129,008)	(1,177)
Net change in treasury stock	(27)	(10,756)	(0)
Other	(27,033)	(211,204)	(235)
Net cash provided by (used in) financing activities	<u>(760,958)</u>	<u>(415,256)</u>	<u>(6,616)</u>
Net change in cash and cash equivalents	(132,916)	719	(1,156)
Cash and cash equivalents at the beginning of the period (Opening balance on the consolidated statement of financial position)	544,009	611,223	4,730
Reclassification of cash and cash equivalents included in assets held for sale in the opening balance	44,331	-	385
Cash and cash equivalents at the beginning of the period	588,340	611,223	5,115
Effect of exchange rate changes on cash and cash equivalents	8,203	8,213	72
Cash and cash equivalents included in assets held for sale	-	(39,975)	-
Cash and cash equivalents at the end of the period	¥ 463,627	¥ 580,180	\$ 4,031

(5) Operating Segment Information

ITOCHU Corporation and its Subsidiaries

For the nine-month periods ended December 31, 2021 and 2020

Information concerning operations in different operating segments for the nine-month periods ended December 31, 2021 and 2020 is as follows:

For the nine-month period ended December 31, 2021 (April 1, 2021 -December 31, 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	¥ 329,524	¥ 895,364	¥ 772,191	¥ 2,057,676	¥ 3,255,026	¥ 756,453	¥ 604,665	¥ 353,331	¥ 69,424	¥ 9,093,654
Intersegment revenues.....	3	62	-	29,346	8,903	15,317	9,398	1,450	(64,479)	-
Total revenues.....	<u>329,527</u>	<u>895,426</u>	<u>772,191</u>	<u>2,087,022</u>	<u>3,263,929</u>	<u>771,770</u>	<u>614,063</u>	<u>354,781</u>	<u>4,945</u>	<u>9,093,654</u>
Gross trading profit	<u>71,529</u>	<u>153,110</u>	<u>140,713</u>	<u>195,049</u>	<u>243,379</u>	<u>143,199</u>	<u>210,796</u>	<u>299,881</u>	<u>5,580</u>	<u>1,463,236</u>
Trading income	<u>9,391</u>	<u>44,826</u>	<u>128,517</u>	<u>82,216</u>	<u>59,277</u>	<u>52,448</u>	<u>49,939</u>	<u>43,457</u>	<u>(5,342)</u>	<u>464,729</u>
Net profit attributable to ITOCHU.....	<u>16,607</u>	<u>65,937</u>	<u>180,222</u>	<u>64,663</u>	<u>44,801</u>	<u>91,948</u>	<u>88,603</u>	<u>55,816</u>	<u>70,267</u>	<u>678,864</u>
[Equity in earnings of associates and joint ventures].....	<u>[3,732]</u>	<u>[33,168]</u>	<u>[36,640]</u>	<u>[9,256]</u>	<u>[12,737]</u>	<u>[24,525]</u>	<u>[36,597]</u>	<u>[753]</u>	<u>[74,815]</u>	<u>[232,223]</u>
Total assets on Dec. 31, 2021	<u>436,286</u>	<u>1,212,675</u>	<u>1,108,560</u>	<u>1,538,977</u>	<u>2,118,416</u>	<u>1,110,834</u>	<u>1,306,739</u>	<u>1,833,979</u>	<u>1,100,515</u>	<u>11,766,981</u>
For the nine-month period ended December 31, 2020 (April 1, 2020 -December 31, 2020)										Millions of Yen
	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	General Products & Realty	ICT & Financial Business	The 8th	Others, Adjustments & Eliminations	Consolidated total
Revenues:										
Revenues from external customers	¥ 324,591	¥ 737,844	¥ 457,506	¥ 1,533,545	¥ 3,034,148	¥ 563,483	¥ 523,018	¥ 362,730	¥ 54,285	¥ 7,591,150
Intersegment revenues.....	52	33	-	28,275	3,625	14,329	9,195	137	(55,646)	-
Total revenues.....	<u>324,643</u>	<u>737,877</u>	<u>457,506</u>	<u>1,561,820</u>	<u>3,037,773</u>	<u>577,812</u>	<u>532,213</u>	<u>362,867</u>	<u>(1,361)</u>	<u>7,591,150</u>
Gross trading profit	<u>71,212</u>	<u>123,639</u>	<u>77,930</u>	<u>162,783</u>	<u>252,643</u>	<u>109,796</u>	<u>196,075</u>	<u>316,439</u>	<u>(715)</u>	<u>1,309,802</u>
Trading income	<u>10,312</u>	<u>15,238</u>	<u>64,744</u>	<u>53,825</u>	<u>59,371</u>	<u>27,868</u>	<u>41,713</u>	<u>34,630</u>	<u>(2,675)</u>	<u>305,026</u>
Net profit attributable to ITOCHU.....	<u>15,842</u>	<u>32,725</u>	<u>73,658</u>	<u>34,236</u>	<u>42,694</u>	<u>26,340</u>	<u>51,413</u>	<u>23,127</u>	<u>64,283</u>	<u>364,318</u>
[Equity in earnings of associates and joint ventures].....	<u>[2,640]</u>	<u>[20,862]</u>	<u>[15,880]</u>	<u>[6,936]</u>	<u>[12,928]</u>	<u>[6,545]</u>	<u>[30,396]</u>	<u>[267]</u>	<u>[55,317]</u>	<u>[151,771]</u>
Total assets on Dec. 31, 2020	<u>436,716</u>	<u>1,163,905</u>	<u>893,293</u>	<u>1,278,372</u>	<u>1,999,117</u>	<u>1,015,522</u>	<u>1,211,087</u>	<u>2,337,093</u>	<u>790,657</u>	<u>11,125,762</u>
Total assets on Mar. 31, 2021.....	<u>418,720</u>	<u>1,124,873</u>	<u>913,582</u>	<u>1,279,210</u>	<u>1,799,320</u>	<u>1,036,682</u>	<u>1,236,777</u>	<u>2,280,472</u>	<u>1,088,796</u>	<u>11,178,432</u>
For the nine-month period ended December 31, 2021 (April 1, 2021 -December 31, 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	\$ 2,865	\$ 7,784	\$ 6,713	\$ 17,890	\$ 28,300	\$ 6,577	\$ 5,257	\$ 3,072	\$ 604	\$ 79,062
Intersegment revenues.....	0	1	-	255	77	133	82	13	(561)	-
Total revenues.....	<u>2,865</u>	<u>7,785</u>	<u>6,713</u>	<u>18,145</u>	<u>28,377</u>	<u>6,710</u>	<u>5,339</u>	<u>3,085</u>	<u>43</u>	<u>79,062</u>
Gross trading profit	<u>622</u>	<u>1,331</u>	<u>1,223</u>	<u>1,696</u>	<u>2,116</u>	<u>1,245</u>	<u>1,833</u>	<u>2,607</u>	<u>49</u>	<u>12,722</u>
Trading income	<u>82</u>	<u>390</u>	<u>1,117</u>	<u>715</u>	<u>515</u>	<u>456</u>	<u>434</u>	<u>378</u>	<u>(46)</u>	<u>4,041</u>
Net profit attributable to ITOCHU.....	<u>144</u>	<u>573</u>	<u>1,567</u>	<u>562</u>	<u>390</u>	<u>800</u>	<u>770</u>	<u>485</u>	<u>611</u>	<u>5,902</u>
[Equity in earnings of associates and joint ventures].....	<u>[32]</u>	<u>[288]</u>	<u>[319]</u>	<u>[81]</u>	<u>[111]</u>	<u>[213]</u>	<u>[318]</u>	<u>[7]</u>	<u>[650]</u>	<u>[2,019]</u>
Total assets on Dec. 31, 2021	<u>3,793</u>	<u>10,543</u>	<u>9,638</u>	<u>13,380</u>	<u>18,418</u>	<u>9,658</u>	<u>11,361</u>	<u>15,945</u>	<u>9,568</u>	<u>102,304</u>

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

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

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

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

(6) Assumption for Going Concern: None

(7) Material Subsequent Events

The resolution regarding Repurchase of Own Shares

ITOCHU has decided at the meeting of the Board of Directors held on January 19, 2022 to repurchase own shares in accordance with Article 156 of the Companies Act of Japan, as applied pursuant to Paragraph 3, Article 165 of the Companies Act of Japan.

(a) Reason for Repurchasing Own Shares

ITOCHU will repurchase its own shares to execute the flexible capital strategy based on the Shareholder Returns Policy of the Medium-Term Management Plan announced on May 10, 2021.

(b) Details of the Repurchase

- | | |
|---|---|
| (i) Type of shares to be repurchased | : Common stock of ITOCHU |
| (ii) Total number of shares to be repurchased | : 20,000,000 shares (maximum) |
| (Proportion of the total number of shares issued excluding treasury stock : approximately 1.3%) | |
| (iii) Total amount of shares to be repurchased | : ¥60,000 million (maximum) |
| (iv) Period | : From January 20, 2022 to March 31, 2022 |