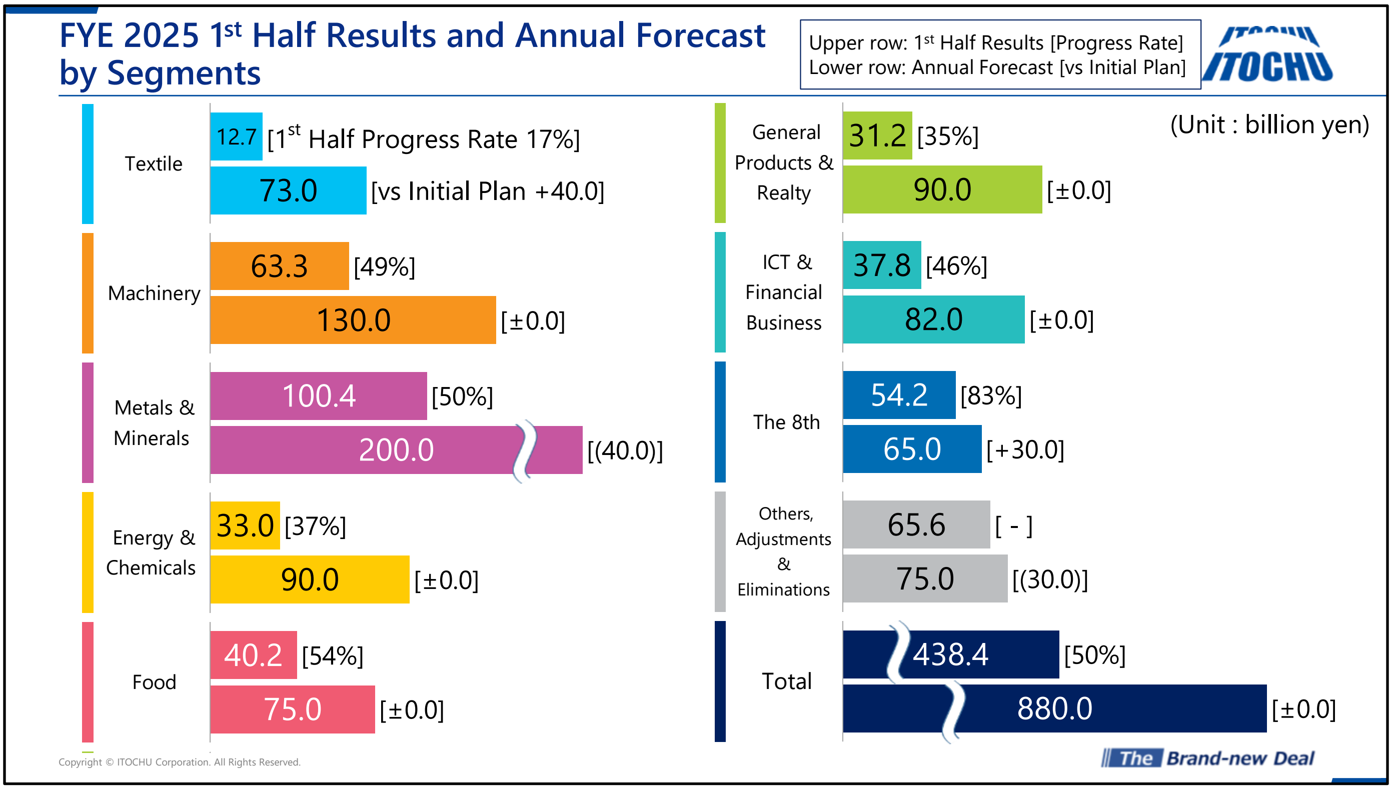

I'd like to provide additional details regarding the likelihood of achieving the forecasts for each segment.

Consolidated net profit for the first half increased by ¥25.5 billion year on year to ¥438.4 billion, achieving 50% of the annual forecast. While the overall progress is steady, I would like to explain our efforts toward achieving each segment's annual forecast and provide an overview of the strengths and weaknesses in each segment's business performance.

Textile: We are expecting extraordinary gain from the full consolidation of DESCENTE in the second half, resulting in an increase of ¥40.0 billion from the initial plan, with an annual forecast of ¥73.0 billion. The progress for the first half appears to be low due to the impact of extraordinary gain in the second half. Based on the characteristics of the apparel industry, the forecast is weighted towards the second half, and is progressing as expected. We believe we can further increase core profit through continued inbound consumption, strengthening the business foundation in the sports business, refining brand businesses, and accumulating profits in OEM businesses.

Machinery: Although there are impacts from decreased operation due to regular maintenance of owned power plants in the North American electric-power business and lower earnings in Hitachi Construction Machinery, the strong performance of YANASE in new and used car sales, continued steady performance of overseas automobile businesses, and the marine and aerospace businesses are performing well, supported by favorable market conditions for maritime transport due to solid shipping volume, as well as a recovery in air passenger demand to pre-COVID-19 levels, maintaining steady performance. Unless there are major changes in the business environment in the second half, we are aiming for further upside.

Metals & Minerals: We have revised the forecast down by ¥40.0 billion to ¥200.0 billion from the initial plan. Although the trends in resource prices, particularly iron ore, which is susceptible to the Chinese economic situation, and operational delays in the coking coal companies in North America and Australia require close monitoring, we will take measures to accumulate core profit through new investments and cost improvements in the second half, as well as through non-ferrous product businesses.

Energy & Chemicals: Although there are concerns about decline in crude oil prices and a slowdown in energy trading, our global chemical businesses including Japanese group companies such as ITOCHU CHEMICAL FRONTIER and chemical trading, as well as electric power transactions, are performing well. In the second half, we expect an increase in earnings contributions from C.I. TAKIRON, which we have completed full consolidation of at the end of October, as well as extraordinary gains in energy- and energy-storage-system-related businesses, making the annual forecast achievable.

Food: The food distribution companies' transactions for the food services and mass retailers and trading in food raw materials are performing well and are expected to continue smoothly. Additionally, the turnaround of the North American pork business HYLIFE and profit improvement in Dole are being steadily implemented, with no major negative factors. We are aiming for further upside.

General Products & Realty: Construction & Real Estate Division is performing steadily with continued stable performance in the domestic real estate business. We are aiming for further profit accumulation by an increase in earnings contributions from DAIKEN through thorough cost reduction and strengthening of profitability, as well as by enhancing synergies with Nishimatsu Construction and Oriental Shiraishi. In the Forest Products, General Merchandise & Logistics Division, while international market conditions remain challenging due to rising material costs in the North American construction-materials business and ETEL, we are strengthening profitability through price pass-through and thorough lean management. Additionally, as the asset sale initially planned at the beginning of the fiscal year have been delayed and is now unlikely that it will be realized within this fiscal year, we aim to achieve our forecast through extraordinary gains from newly implemented asset replacements and other measures.

ICT & Financial Business: In CTC, where profits are concentrated in the second half, we are further strengthening profitability through the continued strong customer demand for digitalization, which has exceeded expectations, as well as steady execution of PMI and implementation of our digital value chain strategy. Due to the impact of forex fluctuations and increasing number of individuals beginning asset management, the transaction volume at Gaitame.Com is expanding, and other finance businesses are also expected to improve. Additionally, HOKEN NO MADOGUCHI, known for its memorable TV commercials, is expected to perform steadily as a result of strengthened customer attraction strategies. Medical CRO business, healthcare business, and space & media business centered on Sky Perfect JSAT are also performing well.

The 8th: The progress for the first half was high at 83%, due to extraordinary gain from the group reorganization of Chinese business in FamilyMart. While there are concerns about the impact on the decrease of consumption from rising raw material and logistics costs and inflation due to rising interest rates, strong inbound consumption, and the enhancement of the convenience wear and private brand strategies are maintaining daily sales. We aim to further expand profits by accelerating initiatives to enhance productivity through the use of digital tools. The new businesses created based on the FamilyMart business are also expanding smoothly. Especially, the media business Gate One has grown into a business that contributes to profits, with over 10,000 stores installing signage and receiving orders from a wide range of advertisers for products and services.

Others: CITIC Limited is performing steadily, and its stock price is also rising, supported by measures from Chinese authorities to revitalize the stock market, along with increased dividends. C.P. Pokphand is also steadily recovering, driven by declining feed costs and a bottoming out of pork prices.

Overall, the outlook for Machinery, Food, and ICT & Financial Business remains strong, and steady progress is being made towards achieving the forecast in other segments as well.

We will remain vigilant about fluctuations in international supply, demand, and market conditions, particularly with respect to exchange rates; resource prices, which are easily influenced by winter weather, political environments, and international conflicts; concerns over a potential slowdown in the previously strong economies of Europe and the U.S.; and the delayed recovery in the Chinese economy. Regarding our ongoing new investments, we are steadily developing and advancing them, with plans to accelerate efforts in the second half. Depending on the timing of execution, there is a possibility that their contribution to earnings may be delayed. However, we believe this can be sufficiently absorbed within the loss buffer of ¥40.0 billion set at the beginning of the fiscal year, and we are confident in achieving the ¥880.0 billion target for this fiscal year. Furthermore, we are committed to steadily strengthening the profit base for the next fiscal year and beyond.

Lastly, I would like to report on the status of WECARS, which is of great interest to everyone. Approximately five months have passed since its establishment, and on the business front, both monthly procurement and sales are steadily recovering. As for the rebranding to WECARS, the interior renovations of all stores have been completed, and the replacement of signage is currently underway, with completion expected by the end of the year. As a crucial corporate culture reform, the President has been meeting with all store managers and plant managers, and the Compliance Headquarters has been conducting inspection training at all dealerships. Additionally, we have started providing transparent and convenient insurance services at some stores by leveraging the HOKEN NO MADOGUCHI platform. By harnessing the comprehensive strength of the ITOCHU Group, we aim for the evolution of the business with a market-oriented perspective and a return to the No.1 position in the used car industry.

That is all from me.
Thank you for your attention.