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

ITOCHU Corporation  
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**Announcement of Loss on Investments in Subsidiaries and Associated Companies  
on a Non-Consolidated Basis**

ITOCHU Corporation (hereinafter “ITOCHU”) hereby announces that it has determined to recognize a loss in its non-consolidated operating results for the fourth quarter of the fiscal year ended March 31, 2021 as described below.

1. Description of the Loss

ITOCHU owns a 50% stake in Chia Tai Bright Investment Company Limited (hereinafter “CTB”), through Orchid Alliance Holdings Limited (hereinafter “Orchid”), a wholly-owned subsidiary. CTB owns 20% of ordinary shares of CITIC Limited. The stock price of CITIC Limited on the Hong Kong Stock Exchange has significantly dropped as compared to the investment at historical cost recorded on ITOCHU’s non-consolidated financial statements. As a result of the assessment of the investment in CITIC Limited based on the stock price as of the end of the fiscal year in accordance with accounting principles generally accepted in Japan, deterioration of the investment in Orchid was confirmed, and the following loss was recognized.

On a consolidated basis, CITIC Limited is treated as an equity-method associate. For the impairment tests of equity-method investments, the recoverable amount is calculated by comprehensive consideration, referencing both fair value based on stock price and value in use based on future cash flows in accordance with International Financial Reporting Standards (IFRSs). As a result of the assessment, the recoverable amount exceeds the book value of the equity-method investment, therefore no impairment loss is recognized on ITOCHU’s consolidated financial statements.

2. Impact on Non-Consolidated Operating Results of ITOCHU

ITOCHU recognized extraordinary losses (loss on investments in subsidiaries and associated companies) of 242.7 billion yen in its non-consolidated operating results for the fourth quarter of the fiscal year ended March 31, 2021 (impact on “Net profit (loss)” is the same amount).