

-Unaudited-**Consolidated Financial Results for the Fiscal Year 2021 (Year ended March 31, 2021)**

[Prepared in conformity with International Financial Reporting Standards]

Company name: ITOCHU Corporation

Stock exchange code: 8001

<https://www.itochu.co.jp/en/ir/>

Representative Director and Executive Vice President: Tsuyoshi Hachimura

General Manager, Investor Relations Division: Suguru Amano

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The date of Shareholders' meeting:

June 18, 2021 (Planned)

The date of payout of dividend: June 21, 2021 (Planned)

The date of issue of audited financial statements:

June 18, 2021 (Planned)

1. Consolidated operating results for the fiscal year 2021 (from April 1, 2020 to March 31, 2021)**(1) Consolidated operating results (Summary)**

(%: Changes from 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	%
Fiscal Year 2021	10,362,628	(5.6)	403,414	1.0	512,475	(26.9)	440,883	(21.2)	401,433	(19.9)	655,259	134.2
Fiscal Year 2020	10,982,968	(5.3)	399,438	10.5	701,430	0.9	559,209	2.5	501,322	0.2	279,832	(39.8)

	Basic earnings per share attributable to ITOCHU		Diluted earnings per share attributable to ITOCHU		Ratio of net profit attributable to ITOCHU to shareholders' equity		Ratio of net profit attributable to ITOCHU to total assets	
	yen		yen		%		%	
Fiscal Year 2021	269.83		-		12.7		3.6	
Fiscal Year 2020	335.58		-		17.0		4.5	

Equity in earnings of associates and joint ventures (millions of yen) FYE 2021: 228,636 [11.1%] FYE 2020: 205,860 [109.9 %]

Total comprehensive income (millions of yen) FYE 2021: 729,579 [115.9%] FYE 2020: 337,944 [(33.9)%]

(2) Consolidated financial position

	Total assets	Total equity	Total shareholders' equity	Ratio of shareholders' equity to total assets	Shareholders' equity per share
	millions of yen	millions of yen	millions of yen	%	yen
March 31, 2021	11,178,432	3,870,240	3,316,281	29.7	2,232.84
March 31, 2020	10,919,598	3,840,609	2,995,951	27.4	2,010.33

(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
Fiscal Year 2021	895,900	(207,296)	(728,767)	544,009
Fiscal Year 2020	878,133	(248,766)	(575,482)	611,223

2. Dividend distribution

	Dividend distribution per share					Total Dividend distribution (Annual)	Payout ratio (Consolidated)	Ratio of dividend distribution to ITOCHU shareholders' equity (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual			
	yen	yen	yen	yen	yen	millions of yen	%	%
Fiscal Year 2020	-	42.50	-	42.50	85.00	126,875	25.3	4.3
Fiscal Year 2021	-	44.00	-	44.00	88.00	131,017	32.6	4.1
Fiscal Year 2022 (Planned)	-	47.00	-	47.00	94.00		25.4	

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) Outlook of consolidated operating results for the first half of fiscal year 2022 is not prepared.

(Note) Among the share buybacks of its own shares which was decided at the meeting of the Board of Directors held on June 12, 2020,

the effect of the share buybacks after April 1, 2021 is not included in the calculation of "Basic earnings per share attributable to ITOCHU".

4. Other information

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the consolidation scope): Yes

New company : 1 (Retail Investment Company, LLC)

Note: For more details, please refer to page 9, "2. (1) Changes in significant subsidiaries during the period".

(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)	End of Fiscal Year 2021	1,584,889,504	Fiscal Year 2020	1,584,889,504
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(b) Number of treasury stock:	End of Fiscal Year 2021	99,659,483	Fiscal Year 2020	94,612,062
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(c) Average number of common shares outstanding:	For Fiscal Year 2021	1,487,730,085	Fiscal Year 2020	1,493,881,221
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Note: Based on the decision at the meeting of the Board of Directors,

ITOCHU has carried out share buybacks of 5,213,100 own shares during the Fiscal Year 2021.

[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 actual results to differ materially from those presented in such forward-looking statements. ITOCHU Corporation, therefore, wishes to caution that readers should not practice 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 110.71 yen = 1 U.S. dollar, the exchange rate prevailing on March 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

(a) General Economic Situation

In the fiscal year ended March 31, 2021, the global economy deteriorated significantly due to tighter restrictions on corporate activities and the movement of people to suppress the spread of COVID-19, but recovered slowly in general after restrictions were eased. While the Chinese economy kept recovering, by managing the spread of infections, in other parts of the world, including the United States and Europe, the brakes were put on the economic recovery as the resurgence of infections and restrictions were tightened in quick succession. The WTI crude oil price temporarily fell sharply in late April from the US\$20–25 per barrel range at the beginning of the fiscal year, but then rebounded, and stabilized at around US\$40 per barrel, due to the recovering global economy. After mid-November, the price started to increase again due to raised expectations for economic recovery backed by the roll-out of COVID-19 vaccines and the signing into law of additional large-scale economic measures in the United States, generally trending in the low US\$60 range in March.

The Japanese economy started to recover moderately as consumer spending, which had cooled significantly due to the impact of COVID-19, rebounded when the state of emergency declaration was rescinded in May, and exports began increasing after the global economy had bottomed out. However, since late November, the recovery has been tempered by the resurgence of COVID-19 and the state of emergency redeclarations in some parts of the area especially in Tokyo and Osaka. The U.S. dollar-yen exchange rate started at approximately ¥107 per dollar at the beginning of the fiscal year, and the yen depreciated against the dollar to approximately ¥109 per dollar in early June, then appreciated from late July to early January to approximately ¥102 yen per dollar based on expectations of additional financial easing in the U.S. The yen subsequently depreciated in line with rising interest rate in the U.S. and ended the fiscal year at approximately ¥110 per dollar. The Nikkei Stock Average began the fiscal year at approximately ¥18,000 and rose to approximately ¥23,000 in early June with expectations for economic improvement in Japan. Although subsequently weakening to approximately ¥21,000 for a period, the market gradually gained resilience, and in early November it eclipsed the ¥24,000 mark, before further strengthening against the backdrop of rising U.S. stock prices and the depreciation of the yen, to pass ¥30,000 in mid-February, ended the fiscal year at approximately ¥29,000. The yield on 10-year Japanese government bonds began the fiscal year at 0.02% and generally trended flat as the Bank of Japan provided ample liquidity to the market, but from mid-January onward, it bottomed out along with the U.S. interest rates, rising to 0.17% at the end of February, and ended the fiscal year at 0.10%.

(b) Consolidated Operating Results

	Billions of Yen				Millions of U.S. Dollars
	2021	2020	Increase (Decrease)	%	2021
Revenues	10,362.6	10,983.0	(620.3)	(5.6%)	93,602
Gross trading profit	1,780.7	1,797.8	(17.0)	(0.9%)	16,085
Selling, general and administrative expenses	(1,366.5)	(1,380.9)	14.5	(1.0%)	(12,343)
Gains on investments.....	4.1	57.8	(53.7)	(92.9%)	37
Losses on property, plant, equipment and intangible assets.....	(157.5)	(4.4)	(153.1)	-	(1,423)
Equity in earnings of associates and joint ventures	228.6	205.9	22.8	11.1%	2,065
Income tax expense.....	(71.6)	(142.2)	70.6	(49.7%)	(647)
Net profit.....	440.9	559.2	(118.3)	(21.2%)	3,982
Net profit attributable to ITOCHU.....	401.4	501.3	(99.9)	(19.9%)	3,626
(Reference) Trading income.....	403.4	399.4	4.0	1.0%	3,644

(i) Revenues (from external customers)

Decreased by 5.6%, or 620.3 billion yen, compared to the previous fiscal year to 10,362.6 billion yen (93,602 million U.S. dollars).

• Energy & Chemicals Company:

Decreased by 422.8 billion yen compared to the previous fiscal year to 2,180.4 billion yen (19,694 million U.S. dollars), due to lower sales prices and transaction volume in energy-related companies and chemical-related transactions.

• Machinery Company:

Decreased by 159.1 billion yen compared to the previous fiscal year to 1,053.4 billion yen (9,515 million U.S. dollars), due to lower sales volume in overseas automobile-related companies, automobile-related and aircraft-related transactions resulting from COVID-19, partially offset by sales recovery of YANASE.

• Textile Company:

Decreased by 102.4 billion yen compared to the previous fiscal year to 435.0 billion yen (3,929 million U.S. dollars), due to the decline in sales in overall transactions, especially from sales in apparel-related companies resulting from COVID-19.

• Food Company:

Increased by 147.0 billion yen compared to the previous fiscal year to 3,975.3 billion yen (35,908 million U.S. dollars), due to the conversion of Prima Meat Packers into a consolidated subsidiary in the third quarter of the previous fiscal year, partially offset by lower transaction volume in provisions-related companies.

(ii) Gross trading profit

Decreased by 0.9%, or 17.0 billion yen, compared to the previous fiscal year to 1,780.7 billion yen (16,085 million U.S. dollars).

• The 8th Company:

Decreased by 41.1 billion yen compared to the previous fiscal year to 418.8 billion yen (3,783 million U.S. dollars), due to lower daily sales in FamilyMart resulting from COVID-19.

• Machinery Company:

Decreased by 21.3 billion yen compared to the previous fiscal year to 173.6 billion yen (1,568 million U.S. dollars), due to lower sales volume in overseas automobile-related companies, automobile-related and aircraft-related transactions resulting from COVID-19, partially offset by sales recovery of YANASE.

• Textile Company:

Decreased by 17.9 billion yen compared to the previous fiscal year to 89.5 billion yen (809 million U.S. dollars), due to the decline in sales in overall transactions, especially from sales in apparel-related companies resulting from COVID-19.

• ICT & Financial Business Company:

Increased by 30.9 billion yen compared to the previous fiscal year to 280.6 billion yen (2,534 million U.S. dollars), due to a stable performance in ITOCHU Techno-Solutions and the conversion of HOKEN NO MADOGUCHI GROUP into a consolidated subsidiary in the third quarter of the previous fiscal year.

• Food Company:

Increased by 27.2 billion yen compared to the previous fiscal year to 331.2 billion yen (2,992 million U.S. dollars), due to the conversion of Prima Meat Packers into a consolidated subsidiary in the third quarter of the previous fiscal year, partially offset by lower transaction volume in provisions-related companies, and lower transaction volume in business for CVS and food service in NIPPON ACCESS resulting from COVID-19.

(iii) Selling, general and administrative expenses

Decreased by 1.0%, or 14.5 billion yen, compared to the previous fiscal year to 1,366.5 billion yen (12,343 million U.S. dollars), due to expense reduction and lower travel expenses resulting from COVID-19, partially offset by the increase as a result of the conversion of Prima Meat Packers and HOKEN NO MADOGUCHI GROUP into consolidated subsidiaries in the third quarter of the previous fiscal year.

(iv) Gains on investments

Decreased by 92.9%, or 53.7 billion yen, compared to the previous fiscal year to 4.1 billion yen (37 million U.S. dollars), due to an impairment loss in a foreign company of Food, an impairment loss on Orient Corporation, the absence of the gain on the partial sale of the foreign business in General Products & Realty and the revaluation gain resulting from the conversion of Prima Meat Packers into a consolidated subsidiary in the previous fiscal year, partially offset by the gain on the partial sale of eGuarantee in the current fiscal year.

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

Deteriorated by 153.1 billion yen, compared to the previous fiscal year to 157.5 billion yen (losses) (1,423 million U.S. dollars), due to the impairment losses in FamilyMart and Australian coal-related company and the impairment loss on foreign companies of Machinery.

(vi) Equity in earnings of associates and joint ventures

Increased by 11.1%, or 22.8 billion yen, compared to the previous fiscal year to 228.6 billion yen (2,065 million U.S. dollars).

- Others, Adjustments & Eliminations: (*)

Increased by 36.0 billion yen compared to the previous fiscal year to 111.2 billion yen (1,005 million U.S. dollars).

The increase was mainly caused by higher earnings of CITIC Limited and higher earnings of C.P. Pokphand resulting from higher pork prices and the gain on the group reorganization.

- Machinery Company:

Decreased by 5.1 billion yen compared to the previous fiscal year to 25.6 billion yen (231 million U.S. dollars). The decrease was caused by lower earnings in aircraft-related companies and industrial-machinery-related companies resulting from COVID-19.

- Food Company:

Decreased by 3.4 billion yen compared to the previous fiscal year to 12.3 billion yen (111 million U.S. dollars). The decrease was mainly caused by lower earnings of provisions-related companies resulting from COVID-19 and the decrease resulting from the conversion of Prima Meat Packers into a consolidated subsidiary in the third quarter of the previous fiscal year, partially offset by a stable performance in meat-products-related companies.

(*) "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 18, " 6. (6) Operating Segment Information".

(vii) Income tax expense

Decreased by 49.7%, or 70.6 billion yen, compared to the previous fiscal year to 71.6 billion yen (647 million U.S. dollars), due to lower profit before tax and the improvement in the tax expenses related to FamilyMart, partially offset by the absence of lower tax expenses in natural-resource-projects in the previous fiscal year.

(viii) Net profit attributable to ITOCHU

Consequently, net profit attributable to ITOCHU decreased by 19.9%, or 99.9 billion yen, compared to the previous fiscal year to 401.4 billion yen (3,626 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 1.0%, or 4.0 billion yen, compared to the previous fiscal year to 403.4 billion yen (3,644 million U.S. dollars).

- Energy & Chemicals Company:

Increased by 17.7 billion yen compared to the previous fiscal year to 79.5 billion yen (718 million U.S. dollars), due to a stable performance in chemical-related companies, higher sales volume in hygiene products and electricity transactions, and expense reduction, partially offset by the deterioration in profitability in an oil-exploration-related company resulting from lower oil price.

- Food Company:

Increased by 12.8 billion yen compared to the previous fiscal year to 74.0 billion yen (669 million U.S. dollars), due to the conversion of Prima Meat Packers into a consolidated subsidiary in the third quarter of the previous fiscal year and expense reduction, partially offset by lower transaction volume in provisions-related companies, and lower transaction volume for CVS and food service in NIPPON ACCESS resulting from COVID-19.

- Machinery Company:

Decreased by 11.1 billion yen compared to the previous fiscal year to 24.7 billion yen (223 million U.S. dollars), due to lower sales volume in overseas automobile-related companies, automobile-related and aircraft-related transactions resulting from COVID-19, partially offset by expense reduction and sales recovery of YANASE.

- The 8th Company:

Decreased by 8.6 billion yen compared to the previous fiscal year to 41.8 billion yen (377 million U.S. dollars), due to lower daily sales in FamilyMart resulting from COVID-19, partially offset by expense reduction and the absence of the cost for the early retirement plan in the previous fiscal year.

- General Products & Realty Company:

Decreased by 8.1 billion yen compared to the previous fiscal year to 34.9 billion yen (315 million U.S. dollars), due to lower sales volume in ETEL (European tire-related company) resulting from COVID-19, partially offset by a stable performance in North American construction materials business and expense reduction.

(2) Qualitative Information of the Consolidated Financial Position

(a) Consolidated Financial Position

	Billions of Yen				Millions of U.S. Dollars
	Mar. 2021	Mar. 2020	Increase (Decrease)	%	Mar. 2021
Total assets	11,178.4	10,919.6	258.8	2.4%	100,970
Interest-bearing debt	3,155.3	2,877.0	278.3	9.7%	28,501
Net interest-bearing debt	2,601.4	2,256.9	344.5	15.3%	23,497
Total shareholders' equity	3,316.3	2,996.0	320.3	10.7%	29,954
Ratio of shareholders' equity to total assets	29.7%	27.4%	Increased 2.2pt		
NET DER (times)	0.78	0.75	Increased 0.03pt		

(i) Total assets

Increased by 2.4%, or 258.8 billion yen, compared to March 31, 2020 to 11,178.4 billion yen (100,970 million U.S. dollars), due to the increase resulting from the effect accompanying the depreciation of the yen at the end of the fiscal year, and the increase in investments accounted for by the equity method, partially offset by the decrease in property, plant and equipment.

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

Increased by 15.3%, or 344.5 billion yen, compared to March 31, 2020 to 2,601.4 billion yen (23,497 million U.S. dollars), due to the additional investment in shares in FamilyMart and dividend payments, partially offset by a stable performance in operating revenues.

Interest-bearing debt increased by 9.7%, or 278.3 billion yen, compared to March 31, 2020 to 3,155.3 billion yen (28,501 million U.S. dollars).

(iii) Total shareholders' equity

Increased by 10.7%, or 320.3 billion yen, compared to March 31, 2020 to 3,316.3 billion yen (29,954 million U.S. dollars), due to net profit attributable to ITOCHU during this fiscal year and the effect accompanying the depreciation of the yen at the end of the fiscal year, partially offset by the decrease of capital surplus due to the additional investment in shares in FamilyMart and 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 2.2 points compared to March 31, 2020 to 29.7%. NET DER (net debt-to-shareholders' equity ratio) slightly increased compared to March 31, 2020 to 0.78 times.

(b) Consolidated Cash Flows

	Billions of Yen		Millions of U.S. Dollars
	2021	2020	2021
Cash flows from operating activities	895.9	878.1	8,092
Cash flows from investing activities	(207.3)	(248.8)	(1,872)
<i>Free cash flows</i>	<i>688.6</i>	<i>629.4</i>	<i>6,220</i>
Cash flows from financing activities	(728.8)	(575.5)	(6,583)

(i) Cash flows from operating activities

Recorded a net cash-inflow of 895.9 billion yen (8,092 million U.S. dollars), due to a stable performance in operating revenues in The 8th, Metals & Minerals, ICT & Financial Business, and Energy & Chemicals Companies.

(ii) Cash flows from investing activities

Recorded a net cash-outflow of 207.3 billion yen (1,872 million U.S. dollars), due to the additional investment in shares in Tokyo Century by Machinery Company and in FUJI OIL HOLDINGS by Food Company, the investments by The 8th Company, and the purchase of fixed assets by The 8th, Food, Energy & Chemicals, and Metals & Minerals Companies.

(iii) Cash flows from financing activities

Recorded a net cash-outflow of 728.8 billion yen (6,583 million U.S. dollars), due to the additional investment in shares in FamilyMart, the repayment of lease liabilities and dividend payments, partially offset by the increase in debentures and loans payable.

“Cash and cash equivalents” as of March 31, 2021 decreased by 67.2 billion yen compared to March 31, 2020 to 544.0 billion yen (4,914 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) :

Retail Investment Company, LLC (hereinafter referred to as “RIC”) became a specified subsidiary of ITOCHU as a result of ITOCHU’s additional contribution in RIC for the purpose of cash settlement by RIC related to the tender offer for shares in FamilyMart Co., Ltd..

(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 because the impacts vary depending on the situation of the resurgence of infection, supply of vaccines, and the length of self-restraint from going outside. For the fiscal year ending 31 March, 2022, the magnitude of the impact by business area is expected to be clearer and it takes certain time to recover for the area where appetite for consumption affects significantly, on the other hand the impact will be less in many other areas. On the whole, we expect that the impacts will be reduced compared to the fiscal year ended 31 March, 2021 because some business will be significantly affected in the first half of the year and certain impact will remain through the fourth quarter, while some other business is already returned to normal.

3. Management Policy

Promote New Medium-Term Management Plan "Brand-new Deal 2023"

ITOCHU Group established "Brand-new Deal 2023" as our next medium-term management plan aiming to improve corporate value by creating new business opportunities and solving social problems.

We will strongly transform industries, cope with diversified market needs and enhance our contribution to the achievement of SDGs in such ways as maintaining foundations of everyday life and protecting the environment through our business activities.

Basic Policy

The basic policies of "Brand-new Deal 2023" are as follows:

<Aiming to achieve consolidated net profit of ¥600.0 billion as outlined in the medium-term management plan>
ITOCHU aims to achieve consolidated net profit of ¥600.0 billion as outlined in the "medium-term management plan"

<Realizing business transformation by shifting to a market-oriented perspective>

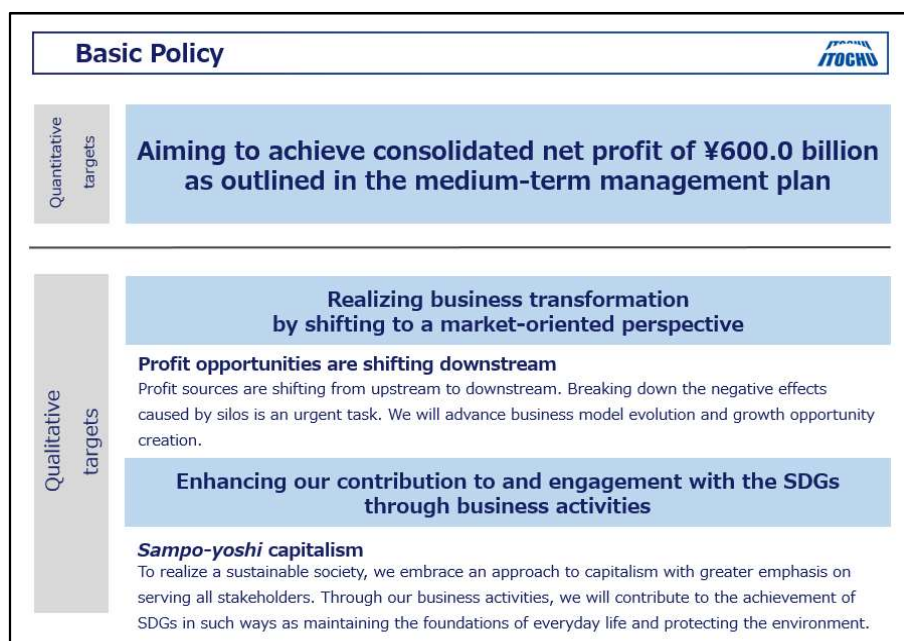
To meet the explicit and implicit needs of diversified suppliers and buyers, and expand business growth through value chain reform from downstream to upstream, we will take the following measures:

- Evolution of FamilyMart's business, the largest consumer base in the ITOCHU Group
- Transformation of the entire value chain, starting from downstream
- Expansion of profit opportunities through data utilization and DX

<Enhancing our contribution to and engagement with the SDGs through business activities>

ITOCHU aims to lead the industry in realizing a decarbonized society and contribute to SDGs by taking the following measures:

- Business expansion in accordance with a decarbonized society
- Leading development in the recycling business
- Sustained growth through strengthening the value chain



Shareholder Returns Policy

We aim to reach a dividend of ¥100 per share during the medium-term management plan "Brand-new Deal 2023".

As in the past, we will actively and continuously execute buybacks as appropriate in consideration of the cash allocation situation.

We have set a minimum dividend per share of ¥94 for FYE 2022 and will increase the dividend if we revise consolidated net profit upward during FYE 2022.

Outlook for the Fiscal Year Ending March 31, 2022

Regarding the business outlook for the fiscal year 2022, although the Chinese economy will continue to recover and the effect of additional large-scale economic measures in the U.S. will be expected, the recovery in the global economy is likely to remain sluggish for some time as the COVID-19 pandemic continues to impact primarily in Europe and some emerging countries, coupled with lingering uncertainty over the effectiveness and the availability of vaccines. The delay in Japanese economy's recovery is also concerned with the spread of COVID-19 infection showing no signs of stopping.

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

Even under these management circumstances, we will strongly realize business transformation by promoting our Basic policy "realizing business transformation by shifting to a market-oriented perspective" and "enhancing our contribution to and engagement with the SDGs through business activities" of "Brand-new Deal 2023". We expect consolidated net profit attributable to ITOCHU of 550.0 billion yen for the fiscal year ending March 31, 2022.

	(Unit: Billion yen)
	FYE 2022 Plan
Gross trading profit	1,855.0
Selling, general and administrative expenses	(1,401.0)
Provision for doubtful accounts	(10.0)
Trading income	444.0
Net interest expenses	(17.0)
Dividends received	65.0
Equity in earnings of associates and joint ventures	226.0
Others	58.0
Profit before tax	776.0
Income tax expense	(176.0)
Net profit	600.0
Net profit attributable non-controlling interests	(50.0)
Net profit attributable to ITOCHU	550.0

Major Indicators (Apr-Mar)

	<u>Precondition</u> <u>FYE 2022</u>
Foreign exchange rate (Yen/US\$)	105
Interest (JPY 3M TIBOR) (%)	0.1
Interest (US\$ 3M LIBOR) (%)	0.3
Crude oil (Brent) (US\$/BBL)	60
Iron ore (CFR China) (US\$/ton)	N.A. (Note)

(Note) The prices of iron ore used in the FYE 2022 Plan is 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. Distribution of Profit

ITOCHU plans to pay a dividend of ¥88 per share for the fiscal year ended March 31, 2021.
(an interim dividend of ¥44 per share has been already paid)

5. Basic Concept on the Selection of Accounting Standards

ITOCHU Group (ITOCHU and its subsidiaries) deals with a wide variety of business with diverse range of industries through its global network. Anticipating further global expansion in the future and in order to improve the practicability and international comparability of the company's financial information, we have prepared our consolidated financial statements in conformity with International Financial Reporting Standards (IFRS) from the annual report for the year ended March 31, 2014.

6. Consolidated Financial Statements**(1) Consolidated Statement of Comprehensive Income**

ITOCHU Corporation and its Subsidiaries

Years ended March 31, 2021 and 2020

	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
Revenues:			
Revenues from sale of goods.....	¥ 9,156,193	¥ 9,738,983	\$ 82,705
Revenues from rendering of services and royalties.....	1,206,435	1,243,985	10,897
Total revenues.....	10,362,628	10,982,968	93,602
Cost:			
Cost of sale of goods.....	(7,989,246)	(8,575,102)	(72,164)
Cost of rendering of services and royalties.....	(592,635)	(610,078)	(5,353)
Total cost.....	(8,581,881)	(9,185,180)	(77,517)
Gross trading profit	1,780,747	1,797,788	16,085
Other gains (losses):			
Selling, general and administrative expenses.....	(1,366,489)	(1,380,944)	(12,343)
Provision for doubtful accounts.....	(10,844)	(17,406)	(98)
Gains on investments.....	4,105	57,801	37
Losses on property, plant, equipment and intangible assets.....	(157,524)	(4,396)	(1,423)
Other-net.....	(6,197)	(1,414)	(56)
Total other-losses.....	(1,536,949)	(1,346,359)	(13,883)
Financial income (loss):			
Interest income.....	23,114	35,267	209
Dividends received.....	53,145	66,474	480
Interest expense.....	(36,218)	(57,600)	(327)
Total financial income.....	40,041	44,141	362
Equity in earnings of associates and joint ventures.....	228,636	205,860	2,065
Profit before tax.....	512,475	701,430	4,629
Income tax expense.....	(71,592)	(142,221)	(647)
Net profit.....	440,883	559,209	3,982
Net profit attributable to ITOCHU.....	401,433	501,322	3,626
Net profit attributable to non-controlling interests.....	39,450	57,887	356

	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
Other comprehensive income, net of tax:			
Items that will not be reclassified to profit or loss			
FVTOCI financial assets.....	¥ 80,764	¥ (67,643)	\$ 730
Remeasurement of net defined pension liability.....	12,449	(3,835)	112
Other comprehensive income in associates and joint ventures.....	13,474	(7,761)	122
Items that will be reclassified to profit or loss			
Translation adjustments.....	114,879	(92,645)	1,038
Cash flow hedges.....	3,470	(6,074)	31
Other comprehensive income in associates and joint ventures.....	63,660	(43,307)	575
Total other comprehensive income, net of tax.....	288,696	(221,265)	2,608
Total comprehensive income	729,579	337,944	6,590
Total comprehensive income attributable to ITOCHU	655,259	279,832	5,919
Total comprehensive income attributable to non-controlling interests	74,320	58,112	671

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 years ended March 31, 2021 and 2020 were 403,414 million yen
(3,644 million U.S. dollars) and 399,438 million yen, respectively.

(2) Consolidated Statement of Financial Position

ITOCHU Corporation and its Subsidiaries

As of March 31, 2021 and 2020

Assets	Millions of Yen		Millions of U.S. Dollars
	Mar. 2021	Mar. 2020	Mar. 2021
Current assets:			
Cash and cash equivalents.....	¥ 544,009	¥ 611,223	\$ 4,914
Time deposits.....	9,945	8,858	90
Trade receivables.....	2,122,815	2,113,746	19,174
Other current receivables.....	166,282	176,691	1,502
Other current financial assets.....	44,930	45,315	406
Inventories.....	898,692	952,029	8,117
Advances to suppliers.....	80,521	89,425	727
Other current assets.....	161,256	135,774	1,457
Assets held for sale	248,861	-	2,248
Total current assets.....	4,277,311	4,133,061	38,635
Non-current assets:			
Investments accounted for by the equity method.....	1,867,777	1,640,286	16,871
Other investments.....	952,374	816,518	8,603
Non-current receivables.....	658,658	660,578	5,949
Non-current financial assets other than investments and receivables.....	166,611	172,417	1,505
Property, plant and equipment.....	1,939,791	2,137,474	17,521
Investment property.....	50,665	58,595	458
Goodwill and intangible assets.....	1,125,836	1,163,107	10,169
Deferred tax assets.....	60,446	61,051	546
Other non-current assets.....	78,963	76,511	713
Total non-current assets.....	6,901,121	6,786,537	62,335
Total assets.....	¥11,178,432	¥10,919,598	\$100,970

Liabilities and Equity	Millions of Yen		Millions of U.S. Dollars
	Mar. 2021	Mar. 2020	Mar. 2021
Current liabilities:			
Short-term debentures and borrowings.....	¥ 710,213	¥ 684,406	\$ 6,415
Lease liabilities (short-term).....	238,446	242,076	2,154
Trade payables.....	1,628,766	1,707,472	14,712
Other current payables.....	199,757	215,175	1,804
Other current financial liabilities.....	40,172	35,699	363
Current tax liabilities.....	57,370	67,074	518
Advances from customers.....	84,699	81,799	765
Other current liabilities.....	374,489	368,163	3,383
Liabilities held for sale.....	220,722	-	1,994
Total current liabilities	3,554,634	3,401,864	32,108
Non-current liabilities:			
Long-term debentures and borrowings.....	2,445,099	2,192,557	22,086
Lease liabilities (long-term).....	825,170	937,345	7,453
Other non-current financial liabilities.....	53,483	68,900	483
Non-current liabilities for employee benefits.....	116,631	133,138	1,054
Deferred tax liabilities.....	150,275	200,912	1,357
Other non-current liabilities.....	162,900	144,273	1,471
Total non-current liabilities	3,753,558	3,677,125	33,904
Total liabilities	7,308,192	7,078,989	66,012
Equity:			
Common stock:			
Authorized: 3,000,000,000 shares;			
issued: 1,584,889,504 shares.....	253,448	253,448	2,289
Capital surplus.....	(155,210)	50,677	(1,402)
Retained earnings.....	3,238,948	2,948,135	29,256
Other components of equity:			
Translation adjustments.....	131,612	(37,836)	1,189
FVTOCI financial assets.....	38,740	(31,972)	350
Cash flow hedges.....	(9,897)	(19,163)	(90)
Total other components of equity.....	160,455	(88,971)	1,449
Treasury stock.....	(181,360)	(167,338)	(1,638)
Total shareholders' equity.....	3,316,281	2,995,951	29,954
Non-controlling interests.....	553,959	844,658	5,004
Total equity.....	3,870,240	3,840,609	34,958
Total liabilities and equity.....	¥ 11,178,432	¥ 10,919,598	\$ 100,970

(3) Consolidated Statement of Changes in Equity

ITOCHU Corporation and its Subsidiaries

Years ended March 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, 2020	¥ 253,448	¥ 50,677	¥ 2,948,135	¥ (88,971)	¥ (167,338)	¥ 2,995,951	¥ 844,658	¥ 3,840,609
Net profit			401,433			401,433	39,450	440,883
Other comprehensive income				253,826		253,826	34,870	288,696
Total comprehensive income			401,433	253,826		655,259	74,320	729,579
Cash dividends to shareholders			(129,008)			(129,008)		(129,008)
Cash dividends to non-controlling interests						-	(27,832)	(27,832)
Net change in acquisition (disposition) of treasury stock					(14,022)	(14,022)		(14,022)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(205,887)		13,988		(191,899)	(337,187)	(529,086)
Transfer to Retained earnings			18,388	(18,388)		-		-
Balance on Mar. 31, 2021	253,448	(155,210)	3,238,948	160,455	(181,360)	3,316,281	553,959	3,870,240

(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, 2019	¥ 253,448	¥ 49,584	¥ 2,608,243	¥ 131,234	¥ (105,601)	¥ 2,936,908	¥ 753,208	¥ 3,690,116
Cumulative effects of the application of new accounting standards			(26,501)			(26,501)	(5,295)	(31,796)
Net profit			501,322			501,322	57,887	559,209
Other comprehensive income				(221,490)		(221,490)	225	(221,265)
Total comprehensive income			501,322	(221,490)		279,832	58,112	337,944
Cash dividends to shareholders			(133,537)			(133,537)		(133,537)
Cash dividends to non-controlling interests						-	(27,295)	(27,295)
Net change in acquisition (disposition) of treasury stock					(61,737)	(61,737)		(61,737)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		1,093		(107)		986	65,928	66,914
Transfer to Retained earnings			(1,392)	1,392		-		-
Balance on Mar. 31, 2020	253,448	50,677	2,948,135	(88,971)	(167,338)	2,995,951	844,658	3,840,609

(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 April 1, 2020	\$ 2,289	\$ 458	\$ 26,629	\$ (804)	\$ (1,511)	\$ 27,061	\$ 7,629	\$ 34,690
Net profit			3,626			3,626	356	3,982
Other comprehensive income				2,293		2,293	315	2,608
Total comprehensive income			3,626	2,293		5,919	671	6,590
Cash dividends to shareholders			(1,165)			(1,165)		(1,165)
Cash dividends to non-controlling interests						-	(251)	(251)
Net change in acquisition (disposition) of treasury stock					(127)	(127)		(127)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(1,860)		126		(1,734)	(3,045)	(4,779)
Transfer to Retained earnings			166	(166)		-		-
Balance on Mar. 31, 2021	2,289	(1,402)	29,256	1,449	(1,638)	29,954	5,004	34,958

(4) Consolidated Statement of Cash Flows

ITOCHU Corporation and its Subsidiaries

Years ended March 31, 2021 and 2020

	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
Cash flows from operating activities:			
Net profit	¥ 440,883	¥ 559,209	\$ 3,982
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization	424,297	422,624	3,832
(Gains) losses on investments.....	(4,105)	(57,801)	(37)
(Gains) losses on property, plant, equipment and intangible assets.....	157,524	4,396	1,423
Financial (income) loss.....	(40,041)	(44,141)	(362)
Equity in earnings of associates and joint ventures	(228,636)	(205,860)	(2,065)
Income tax expense	71,592	142,221	647
Provision for doubtful accounts and other provisions	30,504	22,154	276
Changes in assets and liabilities, other-net	58,976	23,574	533
Proceeds from interest.....	24,142	34,460	218
Proceeds from dividends.....	144,732	152,862	1,307
Payments for interest.....	(39,412)	(62,775)	(356)
Payments for income taxes.....	(144,556)	(112,790)	(1,306)
Net cash provided by (used in) operating activities	895,900	878,133	8,092
Cash flows from investing activities:			
Net change in investments accounted for by the equity method	(20,694)	(50,915)	(187)
Net change in other investments	(50,913)	(69,382)	(460)
Net change in loans receivable	23,300	21,411	211
Net change in property, plant, equipment and intangible assets	(152,583)	(147,688)	(1,378)
Net change in time deposits	(6,406)	(2,192)	(58)
Net cash provided by (used in) investing activities	(207,296)	(248,766)	(1,872)
Cash flows from financing activities:			
Net change in debentures and loans payable	251,606	(79,726)	2,273
Repayments of lease liabilities	(277,493)	(267,193)	(2,507)
Cash dividends	(129,008)	(133,537)	(1,165)
Net change in treasury stock	(14,266)	(62,016)	(129)
Other	(559,606)	(33,010)	(5,055)
Net cash provided by (used in) financing activities	(728,767)	(575,482)	(6,583)
Net change in cash and cash equivalents	(40,163)	53,885	(363)
Cash and cash equivalents at the beginning of the year	611,223	572,030	5,521
Effect of exchange rate changes on cash and cash equivalents	17,280	(14,692)	156
Cash and cash equivalents included in assets held for sale	(44,331)	-	(400)
Cash and cash equivalents at the end of the year	¥ 544,009	¥ 611,223	\$ 4,914

(5) Assumption for Going Concern: None

(6) Notes to Consolidated Financial Statements

(Operating Segment Information)

ITOCHU Corporation and its Subsidiaries
Years ended March 31, 2021 and 2020

Information concerning operations in different operating segments for the years ended March 31, 2021 and 2020 is as follows:

For the year ended March 31, 2021 (April 1, 2020 -March 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	¥ 435,026	¥ 1,053,415	¥ 657,165	¥ 2,180,359	¥ 3,975,295	¥ 755,419	¥ 751,225	¥ 478,758	¥ 75,966	¥ 10,362,628
Intersegment revenues.....	87	50	-	37,145	5,003	18,764	12,908	1,971	(75,928)	-
Total revenues.....	435,113	1,053,465	657,165	2,217,504	3,980,298	774,183	764,133	480,729	38	10,362,628
Gross trading profit	89,521	173,596	110,380	228,225	331,192	147,440	280,579	418,819	995	1,780,747
Trading income	7,584	24,696	92,455	79,491	74,013	34,919	66,901	41,750	(18,395)	403,414
Net profit attributable to ITOCHU.....	1,609	22,830	104,078	36,066	25,032	21,270	58,134	21,267	111,147	401,433
[Equity in earnings of associates and joint ventures].....	[2,003]	[25,621]	[22,612]	[11,010]	[12,276]	[5,206]	[39,134]	[(443)]	[111,217]	[228,636]
Total assets on March 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 year ended March 31, 2020 (April 1, 2019 -March 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	¥ 537,445	¥ 1,212,478	¥ 643,912	¥ 2,603,205	¥ 3,828,309	¥ 808,103	¥ 751,084	¥ 516,893	¥ 81,539	¥ 10,982,968
Intersegment revenues.....	68	20	-	36,774	5,127	23,134	13,360	195	(78,678)	-
Total revenues.....	537,513	1,212,498	643,912	2,639,979	3,833,436	831,237	764,444	517,088	2,861	10,982,968
Gross trading profit	107,462	194,905	105,204	217,859	303,999	157,023	249,715	459,899	1,722	1,797,788
Trading income	12,483	35,827	85,313	61,743	61,186	42,974	60,706	50,356	(11,150)	399,438
Net profit attributable to ITOCHU.....	9,082	56,717	111,357	61,745	49,882	55,032	62,470	26,056	68,981	501,322
[Equity in earnings of associates and joint ventures].....	[3,675]	[30,709]	[22,275]	[11,071]	[15,636]	[5,114]	[40,686]	[1,463]	[75,231]	[205,860]
Total assets on March 31, 2020	451,137	1,207,681	800,022	1,237,169	1,765,292	1,007,467	1,208,310	2,293,647	948,873	10,919,598
For the year ended March 31, 2021 (April 1, 2020 -March 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	\$ 3,929	\$ 9,515	\$ 5,936	\$ 19,694	\$ 35,908	\$ 6,824	\$ 6,786	\$ 4,324	\$ 686	\$ 93,602
Intersegment revenues.....	1	1	-	336	45	169	116	18	(686)	-
Total revenues.....	3,930	9,516	5,936	20,030	35,953	6,993	6,902	4,342	-	93,602
Gross trading profit	809	1,568	997	2,061	2,992	1,332	2,534	3,783	9	16,085
Trading income	69	223	835	718	669	315	604	377	(166)	3,644
Net profit attributable to ITOCHU.....	15	206	940	326	226	192	525	192	1,004	3,626
[Equity in earnings of associates and joint ventures].....	[18]	[231]	[204]	[99]	[111]	[47]	[354]	[(4)]	[1,005]	[2,065]
Total assets on March 31, 2021	3,782	10,160	8,252	11,555	16,252	9,364	11,171	20,599	9,835	100,970

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.

(Per Share Information)

The following is the information on ITOCHU shareholders' equity per share and earnings per share attributable to ITOCHU for the years ended March 31, 2021 and 2020.

	(Unit: Yen)	
	2021	2020
ITOCU shareholders' equity per share	2,232.84	2,010.33
Earnings per share attributable to ITOCHU (basic)	269.83	335.58
Earnings per share attributable to ITOCHU (diluted)	-	-

The base data to calculate the basic and diluted earnings per share attributable to ITOCHU for March 31, 2021 and 2020 are as follows:

	(Unit: Millions of Yen)	
(Numerator)	2021	2020
Net profit attributable to ITOCHU	401,433	501,322
Effect of dilutive securities	-	-
Net profit attributable to ITOCHU (diluted)	401,433	501,322

	(Unit: Share)	
(Denominator)	2021	2020
Average number of common shares outstanding	1,487,730,085	1,493,881,221

(Material Subsequent Events)

None