

**-Unaudited-****Consolidated Financial Results for the Fiscal Year Ended March 31, 2024**

[Prepared in conformity with International Financial Reporting Standards]

Company name: ITOCHU Corporation

Stock exchange code: 8001

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

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The date of Shareholders' meeting: June 21, 2024 (Planned) The date of payout of dividend: June 24, 2024 (Planned)

The date of issue of audited financial statements: June 21, 2024 (Planned)

**1. Consolidated operating results for the FYE 2024 (from April 1, 2023 to March 31, 2024)****(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	%
FYE 2024	14,029,910	0.6	702,900	0.1	1,095,707	(1.0)	851,923	0.9	801,770	0.2	1,200,025	36.9
FYE 2023	13,945,633	13.4	701,913	20.5	1,106,861	(3.8)	844,681	(3.9)	800,519	(2.4)	876,260	(19.3)

	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		%		%	
FYE 2024	553.00		-		15.6		5.8	
FYE 2023	546.10		-		17.7		6.3	

Equity in earnings of associates and joint ventures (millions of yen) FYE 2024: 316,332 [ (1.4%) ] FYE 2023: 320,666 [ 10.0% ]

Total comprehensive income (millions of yen) FYE 2024: 1,274,590 [ 38.1% ] FYE 2023: 922,933 [ (19.7%) ]

**(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, 2024	14,489,701		5,992,121		5,426,962		37.5		3,771.77	
March 31, 2023	13,115,400		5,467,375		4,823,259		36.8		3,314.35	

**(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	
FYE 2024	978,108		(205,994)		(801,174)		600,435	
FYE 2023	938,058		(453,806)		(500,081)		606,002	

**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			
FYE 2023	yen	yen	yen	yen	yen	millions of yen	%	%
FYE 2023	-	65.00	-	75.00	140.00	204,923	25.6	4.5
FYE 2024	-	80.00	-	80.00	160.00	231,416	28.9	4.5
FYE 2025 (Planned)	-	100.00	-	100.00	200.00		32.5	

**3. Outlook of consolidated operating results for the FYE 2025 (from April 1, 2024 to March 31, 2025)**

(%: Changes from the previous fiscal year)

	Net profit attributable to ITOCHU		Basic earnings per share attributable to ITOCHU	
	millions of yen	%	yen	
FYE 2025	880,000	9.8	614.63	

(Note) Outlook of consolidated operating results for the first half of FYE 2025 is not prepared.

#### 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 (Digital Value Chain Partners GK)

Note: Due to the capital reduction made in the fourth quarter of this fiscal year, Digital Value Chain Partners GK is no longer a specified subsidiary.

For more details, please refer to page 10, "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 : Yes

(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)	FYE 2024	1,584,889,504	FYE 2023	1,584,889,504
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(b) Number of treasury stock:	FYE 2024	146,053,365	FYE 2023	129,625,295
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(c) Average number of common shares outstanding:	FYE 2024	1,449,848,444	FYE 2023	1,465,872,321
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Note: Based on the decision at the meeting of the Board of Directors,

ITOCHU has carried out share buybacks of 16,554,000 own shares during the Fiscal Year Ended March 31, 2024.

[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 151.41 yen = 1 U.S. dollar, the exchange rate prevailing on March 31, 2024.

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) Consolidated Operating Results**

### **(a) General Economic Situation**

For the fiscal year ended March 31, 2024, the global economy generally remained sluggish, although some sectors performed stably. The U.S. economy showed gradual improvement mainly in consumer spending due to strong employment conditions, despite the rise in policy interest rate. In Europe, the economy remained stagnant as inflation rate remained high despite monetary tightening. Weak recovery also continued in China due to a slowdown in the real estate market and stagnant exports. The WTI crude oil price rose from the US\$80 per barrel level at the beginning of the fiscal year, temporarily reaching the US\$93 per barrel level in September against a backdrop of supply constraints by major oil-producing countries, before trending downward to the US\$67 per barrel level through to December due to the stagnation of the global economy. It then rebounded due in part to the deteriorating situation in the Middle East to close the fiscal year at the US\$83 per barrel level.

Although the Japanese economy underwent a period of stagnation from summer to fall as rising prices curbed consumer spending, it subsequently showed a recovery trend against a backdrop of rising wages and increased demand from inbound tourism, as economic activity normalized based on the assumption of coexistence with COVID-19. The U.S. dollar-yen exchange rate depreciated from the ¥133 per dollar level at the beginning of the fiscal year to the ¥151 per dollar level in mid-November due to fluctuations in U.S. long-term interest rates. Although it temporarily appreciated to the ¥141 per dollar level through to the end of December, it once again depreciated to close the fiscal year at the ¥151 per dollar level, despite the lifting of the negative interest rate policy by the Bank of Japan in March. The Nikkei Stock Average temporarily rose from the ¥28,000 level at the beginning of the fiscal year to the ¥41,000 level in late March due to the recovery trend in the domestic economy, strong corporate performance due to the weak yen, and rising U.S. stock prices, closing the fiscal year at the ¥40,000 level. The yield on 10-year Japanese government bonds rose from the 0.4% level at the beginning of the fiscal year, reaching 0.96% in early November after the Bank of Japan decided in July to raise the ceiling on long-term interest rate target, before subsequently declining to around 0.6% in mid-January due to lower U.S. long-term interest rates. Although the Bank of Japan ended its control of long-term interest rates in March, interest rates rose only moderately to 0.75% at the end of the fiscal year due to the prevailing view that the low interest rate policy would continue.

(b) Consolidated Operating Results

	Billions of Yen				Millions of U.S. Dollars
	2024	2023	Increase (Decrease)	%	2024
Revenues.....	14,029.9	13,945.6	84.3	0.6%	92,662
Gross trading profit.....	2,232.4	2,129.9	102.5	4.8%	14,744
Selling, general and administrative expenses.....	(1,521.7)	(1,419.1)	(102.6)	7.2%	(10,051)
Gains (losses) on investments.....	34.8	67.2	(32.3)	(48.2%)	230
Gains (losses) on property, plant, equipment and intangible assets.....	(6.1)	(50.1)	44.1	-	(40)
Net interest expenses (The total of interest income and interest expense).....	(46.5)	(27.5)	(19.0)	-	(307)
Equity in earnings of associates and joint ventures.....	316.3	320.7	(4.3)	(1.4%)	2,089
Income tax expense.....	(243.8)	(262.2)	18.4	(7.0%)	(1,610)
Net profit.....	851.9	844.7	7.2	0.9%	5,626
<b>Net profit attributable to ITOCHU.....</b>	<b>801.8</b>	<b>800.5</b>	<b>1.3</b>	<b>0.2%</b>	<b>5,295</b>
(Reference) Trading income.....	702.9	701.9	1.0	0.1%	4,642

(i) Revenues (from external customers)

Increased by 0.6%, or 84.3 billion yen, compared to the previous fiscal year to 14,029.9 billion yen (92,662 million U.S. dollars).

• Food Company:

Increased by 236.7 billion yen compared to the previous fiscal year to 4,863.0 billion yen (32,118 million U.S. dollars), due to expansion of transactions resulting from the recovery of consumer activity and higher sales prices in food-distribution-related companies, and higher transaction volume in provisions-related transactions.

• General Products & Realty Company:

Increased by 117.3 billion yen compared to the previous fiscal year to 1,380.8 billion yen (9,120 million U.S. dollars), due to the stable performance in domestic real estate transactions and ETEL (European tire-related company), and the conversion of DAIKEN into a consolidated subsidiary.

• Machinery Company:

Increased by 85.4 billion yen compared to the previous fiscal year to 1,478.9 billion yen (9,767 million U.S. dollars), due to the favorable sales in automobile-related companies, higher transaction volume in operation and maintenance services, and gains on sales of renewable energy development assets in North American electric-power-related business.

• Energy & Chemicals Company:

Decreased by 344.4 billion yen compared to the previous fiscal year to 3,044.5 billion yen (20,108 million U.S. dollars), due to lower market prices in energy trading transactions, energy-related companies, and chemical-related transactions.

(ii) Gross trading profit

Increased by 4.8%, or 102.5 billion yen, compared to the previous fiscal year to 2,232.4 billion yen (14,744 million U.S. dollars).

• General Products & Realty Company:

Increased by 55.9 billion yen compared to the previous fiscal year to 280.9 billion yen (1,855 million U.S. dollars), due to the stable performance in domestic real estate transactions and ETEL, and the conversion of DAIKEN into a consolidated subsidiary.

• Food Company:

Increased by 50.0 billion yen compared to the previous fiscal year to 380.9 billion yen (2,516 million U.S. dollars), due to the improvement in logistics cost in Dole, expansion of transactions resulting from the recovery of consumer activity and higher sales prices in food-distribution-related companies, and higher transaction volume in provisions-related transactions.

• The 8th Company:

Increased by 40.8 billion yen compared to the previous fiscal year to 424.6 billion yen (2,804 million U.S. dollars), due to the increase in daily sales along with higher number of customers and spend per customer resulting from enhancement of product appeal and sales promotion in FamilyMart.

• Energy & Chemicals Company:

Decreased by 45.6 billion yen compared to the previous fiscal year to 269.7 billion yen (1,781 million U.S. dollars), due to the absence of favorable performance in energy trading transactions in the previous fiscal year.

(iii) Selling, general and administrative expenses

Increased by 7.2%, or 102.6 billion yen, compared to the previous fiscal year to 1,521.7 billion yen (10,051 million U.S. dollars), due to the conversion of DAIKEN into a consolidated subsidiary, the acquisition of DOME, the increase in personnel expenses, and the depreciation of the yen, partially offset by the decrease because of the de-consolidation of CONEXIO in the fourth quarter of the previous fiscal year.

(iv) Gains (losses) on investments

Decreased by 48.2%, or 32.3 billion yen, compared to the previous fiscal year to a gain of 34.8 billion yen (230 million U.S. dollars), due to the absence of the gains on the sales of a North American beverage-equipment-maintenance company and CONEXIO in the previous fiscal year, partially offset by the revaluation gain on a lithium-ion batteries company.

(v) Gains (losses) on property, plant, equipment and intangible assets

Improved by 44.1 billion yen compared to the previous fiscal year to a loss of 6.1 billion yen (40 million U.S. dollars), due to the gains on the sale of fixed assets in ITOCHU ENEX and the absence of impairment loss in Dole in the previous fiscal year.

(vi) Net interest expenses (The total of interest income and interest expense)

Deteriorated by 19.0 billion yen compared to the previous fiscal year to expenses of 46.5 billion yen (307 million U.S. dollars), due to the increase in interest expense with higher U.S. dollar interest rates.

(vii) Equity in earnings of associates and joint ventures

Decreased by 1.4%, or 4.3 billion yen, compared to the previous fiscal year to 316.3 billion yen (2,089 million U.S. dollars).

- General Products & Realty Company:

Decreased by 35.7 billion yen compared to the previous fiscal year to 2.8 billion yen (18 million U.S. dollars), due to lower earnings in IFL (European pulp-related company) resulting from lower pulp prices and lower sales volume, and the absence of favorable performance in overseas real estate business in the previous fiscal year.

- Others, Adjustments & Eliminations: (\*)

Decreased by 17.7 billion yen compared to the previous fiscal year to 98.6 billion yen (651 million U.S. dollars), due to lower earnings in CITIC Limited resulting from the increase in interest expense with higher U.S. dollar interest rates and the absence of revaluation gain on securities business in the previous fiscal year, partially offset by the stable performance in comprehensive financial services segment.

- Machinery Company:

Increased by 43.1 billion yen compared to the previous fiscal year to 87.8 billion yen (580 million U.S. dollars), due to higher earnings in North American electric-power-related business, the start of equity pick-up of Hitachi Construction Machinery from the third quarter of the previous fiscal year, and the absence of the losses on aircraft leased to Russian airlines in a leasing-related company in the previous fiscal year.

(\*) “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 21, “ 6. (6) Operating Segment Information”.

(viii) Income tax expense

Decreased by 7.0%, or 18.4 billion yen, compared to the previous fiscal year to 243.8 billion yen (1,610 million U.S. dollars), due to lower profit before tax.

(ix) Net profit attributable to ITOCHU

Consequently, net profit attributable to ITOCHU increased by 0.2%, or 1.3 billion yen, compared to the previous fiscal year to 801.8 billion yen (5,295 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 0.1%, or 1.0 billion yen, compared to the previous fiscal year to 702.9 billion yen (4,642 million U.S. dollars).

- Food Company:

Increased by 36.3 billion yen compared to the previous fiscal year to 102.2 billion yen (675 million U.S. dollars), due to the improvement in logistics cost in Dole, expansion of transactions resulting from the recovery of consumer activity and higher sales prices in food-distribution-related companies, and higher transaction volume in provisions-related transactions.

- The 8th Company:

Increased by 21.0 billion yen compared to the previous fiscal year to 67.1 billion yen (443 million U.S. dollars), due to the increase in daily sales along with higher number of customers and spend per customer resulting from enhancement of product appeal and sales promotion, partially offset by the increase in various costs caused by changes in external environment and execution of digital measures to strengthen business foundations in FamilyMart.

- Energy & Chemicals Company:

Decreased by 50.6 billion yen compared to the previous fiscal year to 102.6 billion yen (677 million U.S. dollars), due to the absence of favorable performance in energy trading transactions in the previous fiscal year.

## (2) Consolidated Financial Position

	Billions of Yen				Millions of U.S. Dollars
	Mar. 2024	Mar. 2023	Increase (Decrease)	%	Mar. 2024
Total assets.....	14,489.7	13,115.4	1,374.3	10.5%	95,698
Interest-bearing debt.....	3,357.6	3,006.6	351.0	11.7%	22,176
Net interest-bearing debt.....	2,741.6	2,391.2	350.4	14.7%	18,107
Total shareholders' equity.....	5,427.0	4,823.3	603.7	12.5%	35,843
Ratio of shareholders' equity to total assets.....	37.5%	36.8%	Increased 0.7pt		
NET DER (times).....	0.51	0.50	Increased 0.01pt		

### (i) Total assets

Increased by 10.5%, or 1,374.3 billion yen, compared to March 31, 2023 to 14,489.7 billion yen (95,698 million U.S. dollars), due to the increase in investments accounted for by the equity method, the increase in trade receivables resulting from the increase of trading transactions, the conversion of DAIKEN into a consolidated subsidiary, and the depreciation of the yen.

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

Increased by 14.7%, or 350.4 billion yen, compared to March 31, 2023 to 2,741.6 billion yen (18,107 million U.S. dollars), due to the additional investment in shares in ITOCHU Techno-Solutions, dividend payments and share buybacks, and the depreciation of the yen, partially offset by the stable performance in operating revenues.

Interest-bearing debt increased by 11.7%, or 351.0 billion yen, compared to March 31, 2023 to 3,357.6 billion yen (22,176 million U.S. dollars).

### (iii) Total shareholders' equity

Increased by 12.5%, or 603.7 billion yen, compared to March 31, 2023 to 5,427.0 billion yen (35,843 million U.S. dollars), due to net profit attributable to ITOCHU during this fiscal year and the depreciation of the yen, partially offset by the decrease of capital surplus resulting from the additional investment in shares in ITOCHU Techno-Solutions and dividend payments and share buybacks.

### (iv) Ratio of shareholders' equity to total assets and NET DER

Ratio of shareholders' equity to total assets increased by 0.7 points compared to March 31, 2023 to 37.5%. NET DER (net debt-to-shareholders' equity ratio) slightly increased compared to March 31, 2023 to 0.51 times.



### (3) Consolidated Cash Flows

	Billions of Yen		Millions of U.S. Dollars
	2024	2023	2024
Cash flows from operating activities.....	978.1	938.1	6,460
Cash flows from investing activities.....	(206.0)	(453.8)	(1,361)
<i>Free cash flows</i> .....	<i>772.1</i>	<i>484.3</i>	<i>5,099</i>
Cash flows from financing activities.....	(801.2)	(500.1)	(5,291)

#### (i) Cash flows from operating activities

Recorded a net cash-inflow of 978.1 billion yen (6,460 million U.S. dollars), due to the stable performance in operating revenues in The 8th, General Products & Realty, and Food Companies, and dividends received from equity method investments in Machinery and Metals & Minerals Companies.

#### (ii) Cash flows from investing activities

Recorded a net cash-outflow of 206.0 billion yen (1,361 million U.S. dollars), due to the payment resulting from the conversion of DAIKEN into a consolidated subsidiary in General Products & Realty Company, the acquisition of equity method investments in Metals & Minerals Company, and the purchase of fixed assets in The 8th, Food, and Energy & Chemicals Companies.

#### (iii) Cash flows from financing activities

Recorded a net cash-outflow of 801.2 billion yen (5,291 million U.S. dollars), due to the additional investment in shares in ITOCHU Techno-Solutions, repayments of lease liabilities, and dividend payments and share buybacks, partially offset by proceeds from debentures and loans payable.

“Cash and cash equivalents” as of March 31, 2024 decreased by 5.6 billion yen compared to March 31, 2023 to 600.4 billion yen (3,966 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) :**

Digital Value Chain Partners GK (hereinafter referred to as “DVP”), which was established as a wholly-owned subsidiary of ITOCHU, became a specified subsidiary as a result of ITOCHU’s additional contribution in DVP made in the second quarter of this fiscal year for the purpose of cash settlement related to the tender offer for shares in ITOCHU Techno-Solutions Corporation by DVP.

Due to the capital reduction made in the fourth quarter of this fiscal year, DVP is no longer a specified subsidiary.

### **(2) Changes in accounting policies and accounting estimates**

#### **(a) Changes in accounting policies required by IFRS**

ITOCHU Group has applied IFRS 17 “Insurance Contracts”, from the year ended March 31, 2024.

The cumulative effects of this adoption are reflected through adjustment of retained earnings and other components of equity.

(b) Other changes None

(c) Changes in accounting estimates None

With regards to the impact from the Russia-Ukraine situation, ITOCHU Group has exposure including resource-related investments in Russia, the ratio of them to our total assets is less than 1% as of the end of this fiscal year. As a result of continued appropriate accounting treatment reflecting the most recent situation for our Russia-Ukraine-related assets, we do not expect a material impact on our operating results and financial position.

### 3. Management Policy

#### **“The Brand-new Deal – Profit opportunities are shifting downstream –”**

ITOCHU has implemented a total of five medium-term management plans, from “Brand-new Deal 2012” since FYE 2012 to the latest management plan “Brand-new Deal 2023.” Typically, this fiscal year would be the time to announce the next medium-term management plan. However, considering the rapidly changing global situation in recent times, to deliver more useful information to our stakeholders, rather than simply following past precedents and developing a medium-term management plan for three years from now, which could be strongly affected by business environment like exchange rates and resource prices, etc., in this uncertain era, we have decided to establish a Management Policy that should serve as our compass for the long-term and publicly disclose profit plan, financial indicators and our shareholder returns policy as well, which we can commit with confidence for this coming year.

As for our Management Policy, we have titled it “The Brand-new Deal,” which adheres to the fundamental principles and business methodologies that have supported our advancement thus far. We will expand our business area through accelerating growth investments, by anticipating the changing needs of society with having all employees always enhancing their marketing capabilities based on the principle of “profit opportunities are shifting downstream” and leveraging the assets and expertise in a wide range of areas from our original downstream sector to the upstream and midstream. We aim to achieve sustainable enhancement in corporate value through three main pillars: steady earnings growth through investments as well as enhancement of corporate brand value and enhancing shareholder returns.

#### **Management Policy – // *The Brand-new Deal***

#### **– Profit opportunities are shifting downstream –**

We aim to achieve sustainable enhancement in corporate value, by having all employees, from the business divisions to the administrative divisions, always enhancing their marketing capabilities, leveraging the assets and expertise of upstream and midstream, which we have been building up for over 160 years since our founding, while developing and evolving downstream businesses that are closer to consumers.

<b>Grow earnings</b>	<b>No growth without investments</b>
<b>Enhancement of corporate brand value</b>	<b>Enhancement in qualitative aspects</b>
<b>Shareholder returns</b>	<b>Total payout ratio 40% or more The higher of 30% dividend payout ratio or dividend ¥200 per share</b>

#### <No Growth without Investments>

We aim to accelerate growth investments starting from a downstream, leveraging a stable business foundation, to grow earnings, and strive for further growth through the expansion of business areas and strengthening and expanding business foundation. We will develop and evolve downstream businesses that are more closer to consumers by realizing the below.

- Maximizing synergies by horizontal collaboration among Division Companies
- Business transformation and creation through business integration

#### <Enhancement of Corporate Brand Value>

Built a "corporate brand" through high external evaluations based on the accumulation of innovative initiatives, creating a synergy effect with financial growth, thereby enhancing corporate value. Based on the "market-oriented perspective", we aim to further enhance brand value by listening to the voices of the market, society, and consumers, and continue to refine our qualitative aspects diligently.

- Reinforcement of human capital
- Strengthening dialogue with stakeholders
- Enhancing our contribution to and engagement with the SDGs through business activities

## Outlook for the Fiscal Year Ending March 31, 2025

Regarding the global economic outlook for the next fiscal year, the effect of monetary tightening in the U.S. and Europe is forecast to put downward pressure on the economy in the near term. However, once inflation subsides, interest rates are projected to start declining, after which there will likely be a gradual pickup in economic conditions. In China, although exports are expected to recover as the U.S. and European economies rebound, the sluggish real estate market is expected to dampen domestic demand, and economic conditions are expected to remain weak.

The Japanese economy is forecast to remain on a recovery trend as wage growth accelerates and inflation slows, which is expected to bolster consumer spending, while capital expenditures are projected to increase on the back of strong corporate earnings and other factors, and exports are also expected to recover. With regard to the U.S. dollar-yen exchange rate, further depreciation of the yen is expected to be limited for as Japan's long-term interest rate continues to rise gradually. The WTI crude oil price is expected to remain firm around the US\$83 per barrel level seen at the start of the fiscal year, due to continued supply constraints by major oil-producing countries.

In addition, the further escalation of tensions between Russia and Ukraine and in the Middle East, along with a delay in the transition to lower interest rates in the U.S. and Europe, remain as risk factors with the potential to put downward pressure on the global economy. As such, we need to monitor these factors.

Under these management circumstances, by expanding our business area as well as strengthening and expanding business foundation through accelerating growth investments, under the Management Policy “The Brand-new Deal”, we expect consolidated net profit attributable to ITOCHU of 880.0 billion yen for the fiscal year ending March 31, 2025.

(Unit: Billion yen)		FYE 2025 Plan	<i>Major Indicators (Apr.-Mar.)</i>	<u>Precondition</u> <u>FYE 2025</u>
Gross trading profit	<b>2,400.0</b>		<i>Foreign exchange rate (Yen/US\$)</i>	145
Selling, general and administrative expenses	<b>(1,650.0)</b>		<i>Interest (JPY 3M TIBOR) (%)</i>	0.4
Provision for doubtful accounts	<b>(10.0)</b>		<i>Interest (US\$ 3M SOFR) (%)</i>	5.0
Trading income	<b>740.0</b>		<i>Crude oil (Brent) (US\$/BBL)</i>	80
Net interest expenses	<b>(60.0)</b>		<i>Iron ore (CFR China) (US\$/ton)</i>	N.A. <sup>(Note)</sup>
Dividends received	<b>76.0</b>			
Equity in earnings of associates and joint ventures	<b>370.0</b>			
Others	<b>54.0</b>			
Profit before tax	<b>1,180.0</b>			
Income tax expense	<b>(250.0)</b>			
Net profit	<b>930.0</b>			
Net profit attributable non-controlling interests	<b>(50.0)</b>			
Net profit attributable to ITOCHU	<b>880.0</b>			

(Note) The prices of iron ore used in the FYE 2025 Plan are assumptions made in consideration of general transaction prices based on the market. The actual prices are not presented, as they are 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. Shareholder Returns Policy / Distribution of Profit**

##### **Shareholder Returns Policy**

ITOCHU has set a dividend for FYE 2025 as the higher of ¥200 per share, which renews the highest record, or 30% dividend payout ratio.

We will actively and continuously execute share buybacks in consideration of market conditions and situation of cash allocation, aiming at total payout ratio of 50% (approximately ¥150.0 billion of share buybacks).

##### **Distribution of Profit**

ITOCHU plans to pay a dividend of ¥160 per share for the fiscal year ended March 31, 2024.  
(an interim dividend of ¥80 per share has already been 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, 2024 and 2023

	Millions of Yen		Millions of U.S. Dollars
	2024	2023	2024
<b>Revenues:</b>			
Revenues from sale of goods.....	¥ 12,657,964	¥ 12,605,631	\$ 83,601
Revenues from rendering of services and royalties.....	1,371,946	1,340,002	9,061
Total revenues.....	14,029,910	13,945,633	92,662
<b>Cost:</b>			
Cost of sale of goods.....	(11,078,471)	(11,092,435)	(73,169)
Cost of rendering of services and royalties.....	(719,079)	(723,295)	(4,749)
Total cost.....	(11,797,550)	(11,815,730)	(77,918)
<b>Gross trading profit.....</b>	<b>2,232,360</b>	<b>2,129,903</b>	<b>14,744</b>
<b>Other gains (losses):</b>			
Selling, general and administrative expenses.....	(1,521,735)	(1,419,121)	(10,051)
Provision for doubtful accounts.....	(7,725)	(8,869)	(51)
Gains (losses) on investments.....	34,817	67,157	230
Gains (losses) on property, plant, equipment and intangible assets.....	(6,059)	(50,118)	(40)
Other-net.....	13,169	15,071	87
Total other-losses.....	(1,487,533)	(1,395,880)	(9,825)
<b>Financial income (loss):</b>			
Interest income.....	54,125	39,370	358
Dividends received.....	81,064	79,667	535
Interest expense.....	(100,641)	(66,865)	(665)
Total financial income.....	34,548	52,172	228
Equity in earnings of associates and joint ventures.....	316,332	320,666	2,089
<b>Profit before tax.....</b>	<b>1,095,707</b>	<b>1,106,861</b>	<b>7,236</b>
Income tax expense.....	(243,784)	(262,180)	(1,610)
<b>Net profit.....</b>	<b>851,923</b>	<b>844,681</b>	<b>5,626</b>
Net profit attributable to ITOCHU.....	801,770	800,519	5,295
Net profit attributable to non-controlling interests.....	50,153	44,162	331

	Millions of Yen		Millions of U.S. Dollars
	2024	2023	2024
<b>Other comprehensive income, net of tax:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
FVTOCI financial assets.....	¥ 96,848	¥ (830)	\$ 640
Remeasurement of net defined pension liability.....	19,321	(1,666)	128
Other comprehensive income in associates and joint ventures.....	(2,006)	(21,868)	(13)
<b>Items that will be reclassified to profit or loss</b>			
Translation adjustments.....	258,515	111,639	1,707
Cash flow hedges.....	14	(1,145)	0
Other comprehensive income in associates and joint ventures.....	49,975	(7,878)	330
<b>Total other comprehensive income, net of tax.....</b>	<b>422,667</b>	<b>78,252</b>	<b>2,792</b>
<b>Total comprehensive income.....</b>	<b>1,274,590</b>	<b>922,933</b>	<b>8,418</b>
Total comprehensive income attributable to ITOCHU.....	1,200,025	876,260	7,926
Total comprehensive income attributable to non-controlling interests.....	74,565	46,673	492

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, 2024 and 2023 were 702,900 million yen (4,642 million U.S. dollars) and 701,913 million yen, respectively.



**(2) Consolidated Statement of Financial Position**

ITOCHU Corporation and its Subsidiaries

As of March 31, 2024 and 2023

Assets	Millions of Yen		Millions of U.S. Dollars
	Mar. 2024	Mar. 2023	Mar. 2024
<b>Current assets:</b>			
Cash and cash equivalents.....	¥ 600,435	¥ 606,002	\$ 3,966
Time deposits.....	15,582	9,467	103
Trade receivables.....	2,831,112	2,533,297	18,698
Other current receivables.....	274,313	243,043	1,812
Other current financial assets.....	73,046	73,336	482
Inventories.....	1,382,164	1,304,942	9,128
Advances to suppliers.....	159,152	142,862	1,051
Other current assets.....	287,946	208,419	1,902
Total current assets.....	<u>5,623,750</u>	<u>5,121,368</u>	<u>37,142</u>
<b>Non-current assets:</b>			
Investments accounted for by the equity method.....	3,158,520	2,828,850	20,861
Other investments.....	1,194,106	943,270	7,887
Non-current receivables.....	899,232	805,159	5,939
Non-current financial assets other than investments and receivables.....	156,929	162,768	1,036
Property, plant and equipment.....	2,110,616	1,998,485	13,940
Investment property.....	42,469	44,050	280
Goodwill and intangible assets.....	1,128,306	1,079,253	7,452
Deferred tax assets.....	68,533	54,478	453
Other non-current assets.....	107,240	77,719	708
Total non-current assets.....	<u>8,865,951</u>	<u>7,994,032</u>	<u>58,556</u>
<b>Total assets.....</b>	<u>¥14,489,701</u>	<u>¥13,115,400</u>	<u>\$ 95,698</u>

<b>Liabilities and Equity</b>	Millions of Yen		Millions of U.S. Dollars
	<b>Mar. 2024</b>	Mar. 2023	<b>Mar. 2024</b>
<b>Current liabilities:</b>			
Short-term debentures and borrowings.....	¥ 727,966	¥ 659,710	\$ 4,808
Lease liabilities (short-term).....	224,086	238,289	1,480
Trade payables.....	2,343,112	2,042,608	15,475
Other current payables.....	216,360	190,014	1,429
Other current financial liabilities.....	65,960	71,642	436
Current tax liabilities.....	86,305	118,109	570
Advances from customers.....	168,511	162,409	1,113
Other current liabilities.....	510,085	462,044	3,369
Total current liabilities.....	<b>4,342,385</b>	3,944,825	<b>28,680</b>
<b>Non-current liabilities:</b>			
Long-term debentures and borrowings.....	2,629,642	2,346,928	17,368
Lease liabilities (long-term).....	814,489	766,278	5,379
Other non-current financial liabilities.....	55,025	56,543	363
Non-current liabilities for employee benefits.....	93,469	96,942	617
Deferred tax liabilities.....	380,414	273,123	2,513
Other non-current liabilities.....	182,156	163,386	1,203
Total non-current liabilities.....	<b>4,155,195</b>	3,703,200	<b>27,443</b>
Total liabilities.....	<b>8,497,580</b>	7,648,025	<b>56,123</b>
<b>Equity:</b>			
Common stock:			
Authorized: 3,000,000,000 shares;			
issued: 1,584,889,504 shares.....	253,448	253,448	1,674
Capital surplus.....	(446,824)	(169,322)	(2,951)
Retained earnings.....	5,032,035	4,434,463	33,234
Other components of equity:			
Translation adjustments.....	744,976	458,560	4,920
FVTOCI financial assets.....	206,633	117,210	1,365
Cash flow hedges.....	38,424	30,840	254
Total other components of equity.....	<b>990,033</b>	606,610	<b>6,539</b>
Treasury stock.....	(401,730)	(301,940)	(2,653)
Total shareholders' equity.....	<b>5,426,962</b>	4,823,259	<b>35,843</b>
Non-controlling interests.....	565,159	644,116	3,732
Total equity.....	<b>5,992,121</b>	5,467,375	<b>39,575</b>
<b>Total liabilities and equity.....</b>	<b>¥14,489,701</b>	¥13,115,400	<b>\$ 95,698</b>

-Unaudited-

**(3) Consolidated Statement of Changes in Equity**

ITOCHU Corporation and its Subsidiaries

Years ended March 31, 2024 and 2023

(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, 2023	¥ 253,448	¥ (169,322)	¥ 4,434,463	¥ 606,610	¥ (301,940)	¥ 4,823,259	¥ 644,116	¥ 5,467,375
Net profit			801,770			801,770	50,153	851,923
Other comprehensive income				398,255		398,255	24,412	422,667
Total comprehensive income			801,770	398,255		1,200,025	74,565	1,274,590
Cash dividends to shareholders			(225,458)			(225,458)		(225,458)
Cash dividends to non-controlling interests						-	(21,404)	(21,404)
Net change in acquisition (disposition) of treasury stock					(99,790)	(99,790)		(99,790)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(277,502)		6,428		(271,074)	(132,118)	(403,192)
Transfer to Retained earnings			21,260	(21,260)		-		-
Balance on Mar. 31, 2024	253,448	(446,824)	5,032,035	990,033	(401,730)	5,426,962	565,159	5,992,121

(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, 2022	¥ 253,448	¥ (161,917)	¥ 3,811,991	¥ 537,007	¥ (241,204)	¥ 4,199,325	¥ 564,375	¥ 4,763,700
Cumulative effects of the application of new accounting standards			7,219	(3,471)		3,748		3,748
Net profit			800,519			800,519	44,162	844,681
Other comprehensive income				75,741		75,741	2,511	78,252
Total comprehensive income			800,519	75,741		876,260	46,673	922,933
Cash dividends to shareholders			(188,372)			(188,372)		(188,372)
Cash dividends to non-controlling interests						-	(28,437)	(28,437)
Net change in acquisition (disposition) of treasury stock					(60,736)	(60,736)		(60,736)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(7,405)		439		(6,966)	61,505	54,539
Transfer to Retained earnings			3,106	(3,106)		-		-
Balance on Mar. 31, 2023	253,448	(169,322)	4,434,463	606,610	(301,940)	4,823,259	644,116	5,467,375

(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, 2023	\$ 1,674	\$ (1,118)	\$ 29,288	\$ 4,006	\$ (1,994)	\$ 31,856	\$ 4,254	\$ 36,110
Net profit			5,295			5,295	331	5,626
Other comprehensive income				2,631		2,631	161	2,792
Total comprehensive income			5,295	2,631		7,926	492	8,418
Cash dividends to shareholders			(1,489)			(1,489)		(1,489)
Cash dividends to non-controlling interests						-	(142)	(142)
Net change in acquisition (disposition) of treasury stock					(659)	(659)		(659)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(1,833)		42		(1,791)	(872)	(2,663)
Transfer to Retained earnings			140	(140)		-		-
Balance on Mar. 31, 2024	1,674	(2,951)	33,234	6,539	(2,653)	35,843	3,732	39,575

**(4) Consolidated Statement of Cash Flows**

ITOCHU Corporation and its Subsidiaries

Years ended March 31, 2024 and 2023

	Millions of Yen		Millions of U.S. Dollars
	2024	2023	2024
<b>Cash flows from operating activities:</b>			
Net profit.....	¥ 851,923	¥ 844,681	\$ 5,626
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization.....	420,343	409,962	2,776
(Gains) losses on investments.....	(34,817)	(67,157)	(230)
(Gains) losses on property, plant, equipment and intangible assets.....	6,059	50,118	40
Financial (income) loss.....	(34,548)	(52,172)	(228)
Equity in earnings of associates and joint ventures.....	(316,332)	(320,666)	(2,089)
Income tax expense.....	243,784	262,180	1,610
Provision for doubtful accounts and other provisions.....	10,013	(3,338)	66
Changes in assets and liabilities, other-net.....	(88,646)	(183,718)	(585)
Proceeds from interest.....	61,789	35,029	408
Proceeds from dividends.....	218,814	233,884	1,445
Payments for interest.....	(96,119)	(57,855)	(635)
Payments for income taxes.....	(264,155)	(212,890)	(1,744)
Net cash provided by (used in) operating activities.....	<u>978,108</u>	<u>938,058</u>	<u>6,460</u>
<b>Cash flows from investing activities:</b>			
Net change in investments accounted for by the equity method.....	(22,926)	(294,890)	(152)
Net change in other investments.....	(60,569)	22,937	(400)
Net change in loans receivable.....	12,885	(20,035)	85
Net change in property, plant, equipment and intangible assets.....	(136,384)	(165,721)	(901)
Net change in time deposits.....	1,000	3,903	7
Net cash provided by (used in) investing activities.....	<u>(205,994)</u>	<u>(453,806)</u>	<u>(1,361)</u>
<b>Cash flows from financing activities:</b>			
Net change in debentures and loans payable.....	186,196	(16,476)	1,230
Repayments of lease liabilities.....	(252,580)	(261,271)	(1,668)
Cash dividends.....	(225,458)	(188,372)	(1,489)
Net change in treasury stock.....	(100,083)	(60,181)	(661)
Other.....	(409,249)	26,219	(2,703)
Net cash provided by (used in) financing activities.....	<u>(801,174)</u>	<u>(500,081)</u>	<u>(5,291)</u>
<b>Net change in cash and cash equivalents.....</b>	<u>(29,060)</u>	<u>(15,829)</u>	<u>(192)</u>
Cash and cash equivalents at the beginning of the year.....	606,002	611,715	4,003
Effect of exchange rate changes on cash and cash equivalents.....	23,493	10,116	155
<b>Cash and cash equivalents at the end of the year.....</b>	<u>¥ 600,435</u>	<u>¥ 606,002</u>	<u>\$ 3,966</u>

(5) Assumption for Going Concern: None

(6) Notes to Consolidated Financial Statements

(Operating Segment Information)

ITOCHU Corporation and its Subsidiaries

Years ended March 31, 2024 and 2023

Information concerning operations in different operating segments for the years ended March 31, 2024 and 2023 is as follows:

	For the year ended March 31, 2024 (April 1, 2023 -March 31, 2024)									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...	¥ 535,175	¥ 1,478,945	¥ 1,212,627	¥ 3,044,544	¥ 4,862,991	¥ 1,380,793	¥ 864,260	¥ 515,194	¥ 135,381	¥ 14,029,910
Intersegment revenues.....	27	86	-	42,921	16,989	17,334	13,862	4,065	(95,284)	-
Total revenues.....	535,202	1,479,031	1,212,627	3,087,465	4,879,980	1,398,127	878,122	519,259	40,097	14,029,910
Gross trading profit.....	128,038	250,350	195,886	269,727	380,866	280,901	296,121	424,615	5,856	2,232,360
Trading income.....	25,069	84,940	174,736	102,582	102,207	86,111	79,074	67,071	(18,890)	702,900
Net profit attributable to ITOCHU.....	27,006	131,576	226,080	91,705	66,267	66,165	67,791	35,809	89,371	801,770
[Equity in earnings of associates and joint ventures].....	[5,504]	[87,840]	[60,490]	[5,096]	[16,801]	[2,788]	[36,898]	[2,322]	[98,593]	[316,332]
Total assets on March 31, 2024.....	486,009	1,983,497	1,403,523	1,626,289	2,420,929	1,423,281	1,440,489	1,978,342	1,727,342	14,489,701
	For the year ended March 31, 2023 (April 1, 2022 -March 31, 2023)									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...	¥ 530,138	¥ 1,393,501	¥ 1,268,056	¥ 3,388,985	¥ 4,626,264	¥ 1,263,457	¥ 875,134	¥ 467,105	¥ 132,993	¥ 13,945,633
Intersegment revenues.....	4,446	124	-	41,818	14,404	21,944	14,153	4,051	(100,940)	-
Total revenues.....	534,584	1,393,625	1,268,056	3,430,803	4,640,668	1,285,401	889,287	471,156	32,053	13,945,633
Gross trading profit.....	116,523	234,822	222,009	315,356	330,913	225,024	286,125	383,845	15,286	2,129,903
Trading income.....	19,954	71,694	202,151	153,141	65,938	79,928	69,404	46,113	(6,410)	701,913
Net profit attributable to ITOCHU.....	25,477	107,371	247,361	115,792	20,191	95,067	64,551	16,594	108,115	800,519
[Equity in earnings of associates and joint ventures].....	[5,362]	[44,749]	[61,955]	[8,621]	[4,431]	[38,486]	[40,480]	[327]	[116,255]	[320,666]
Total assets on March 31, 2023.....	457,659	1,664,644	1,274,803	1,552,638	2,146,794	1,223,292	1,308,118	1,906,655	1,580,797	13,115,400
	For the year ended March 31, 2024 (April 1, 2023 -March 31, 2024)									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...	\$ 3,535	\$ 9,767	\$ 8,009	\$ 20,108	\$ 32,118	\$ 9,120	\$ 5,708	\$ 3,403	\$ 894	\$ 92,662
Intersegment revenues.....	0	1	-	283	112	114	92	27	(629)	-
Total revenues.....	3,535	9,768	8,009	20,391	32,230	9,234	5,800	3,430	265	92,662
Gross trading profit.....	846	1,653	1,294	1,781	2,516	1,855	1,956	2,804	39	14,744
Trading income.....	166	561	1,154	677	675	569	522	443	(125)	4,642
Net profit attributable to ITOCHU.....	178	869	1,493	606	438	437	448	236	590	5,295
[Equity in earnings of associates and joint ventures].....	[36]	[580]	[400]	[34]	[111]	[18]	[244]	[15]	[651]	[2,089]
Total assets on March 31, 2024.....	3,210	13,100	9,270	10,741	15,989	9,400	9,514	13,066	11,408	95,698

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.

Note 4 : As of October 1, 2022, ITOCHU dissolved the mutual-holdings for certain group companies held by The 8th segment as minority and the other segment as majority, and shares of such group companies are only held by the other segment. Accordingly, the results for the year ended March 31, 2023 are reclassified in the same manner.

**(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, 2024 and 2023.

(Unit: Yen)

	2024	2023
ITOCHU shareholders' equity per share	3,771.77	3,314.35
Earnings per share attributable to ITOCHU (basic)	553.00	546.10
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, 2024 and 2023 are as follows:

(Numerator)

(Unit: Millions of Yen)

	2024	2023
Net profit attributable to ITOCHU	801,770	800,519
Effect of dilutive securities	-	-
Net profit attributable to ITOCHU (diluted)	801,770	800,519

(Denominator)

(Unit: Share)

	2024	2023
Average number of common shares outstanding	1,449,848,444	1,465,872,321

**(Material Subsequent Events)**

Based on the decision at the meeting of the Board of Directors held on May 17, 2023, ITOCHU issued corporate bonds with an interest rate of 1.088% due 2034 for a total issue amount of ¥22,000 million yen on April 18, 2024 in Japan.