

|||The Brand-new Deal

FYE 2025 1st Quarter Business Results Summary

August 5, 2024

ITOCHU Corporation (8001)

Forward-Looking Statements

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.



Summary of FYE 2025 1st Quarter



Summary of Financial Results for FYE 2025 1st Quarter



(Unit : billion yen)

	FYE 2024 Q1 Results	FYE 2025 Q1 Results	Increase/ Decrease	FYE 2025 Forecast (Disclosed on May 8)	Progress
Net profit attributable to ITOCHU	213.2	206.6	(6.6)	880.0*	23%
Extraordinary gains and losses	23.0	4.5	(18.5)	20.0 Including a loss buffer : (40.0)	
Core profit ^(*1)	190.0	202.0	+ 12.0	860.0*	23%
(*1) Core profit is shown in round figures.					
Ratio (%) of group companies reporting profits	83.0%	84.5%	Increased 1.4pt		
Core operating cash flows	172.0	238.0*	+ 66.0		



Annual (Planned)	200 yen*
Interim (Planned)	100 yen*

* Record High

- ▶ **“Net profit attributable to ITOCHU”** was **¥206.6 bil.**
The progress toward the FYE 2025 forecast was 23%, making a steady start.
- ▶ **“Core profit”** was approximately **¥202.0 bil.**, increased by ¥12.0 bil. compared to the same period of the previous fiscal year. Both Gross trading profit and Trading income increased in all operating segments, and recorded all-time high. Due to the contribution from solid earning base in Non-Resource sectors such as Machinery, Food, ICT & Financial Business, and The 8th Companies, core profit exceeded ¥200.0 bil. for 3 consecutive quarters.
- ▶ **“Core operating cash flows”** was **¥238.0 bil.**, which recorded all-time high.

Net profit attributable to ITOCHU by Segment



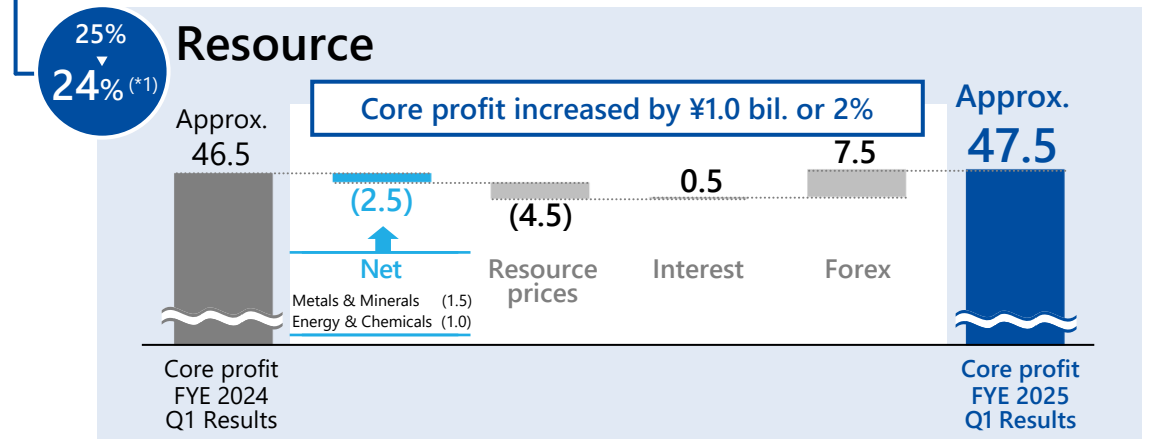
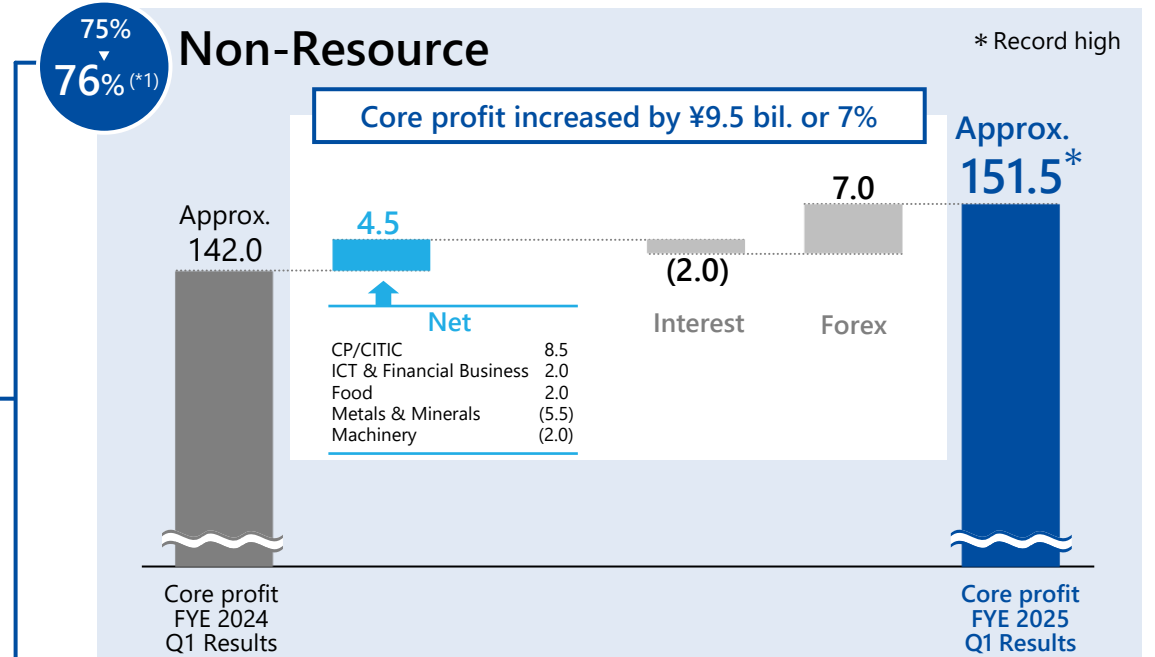
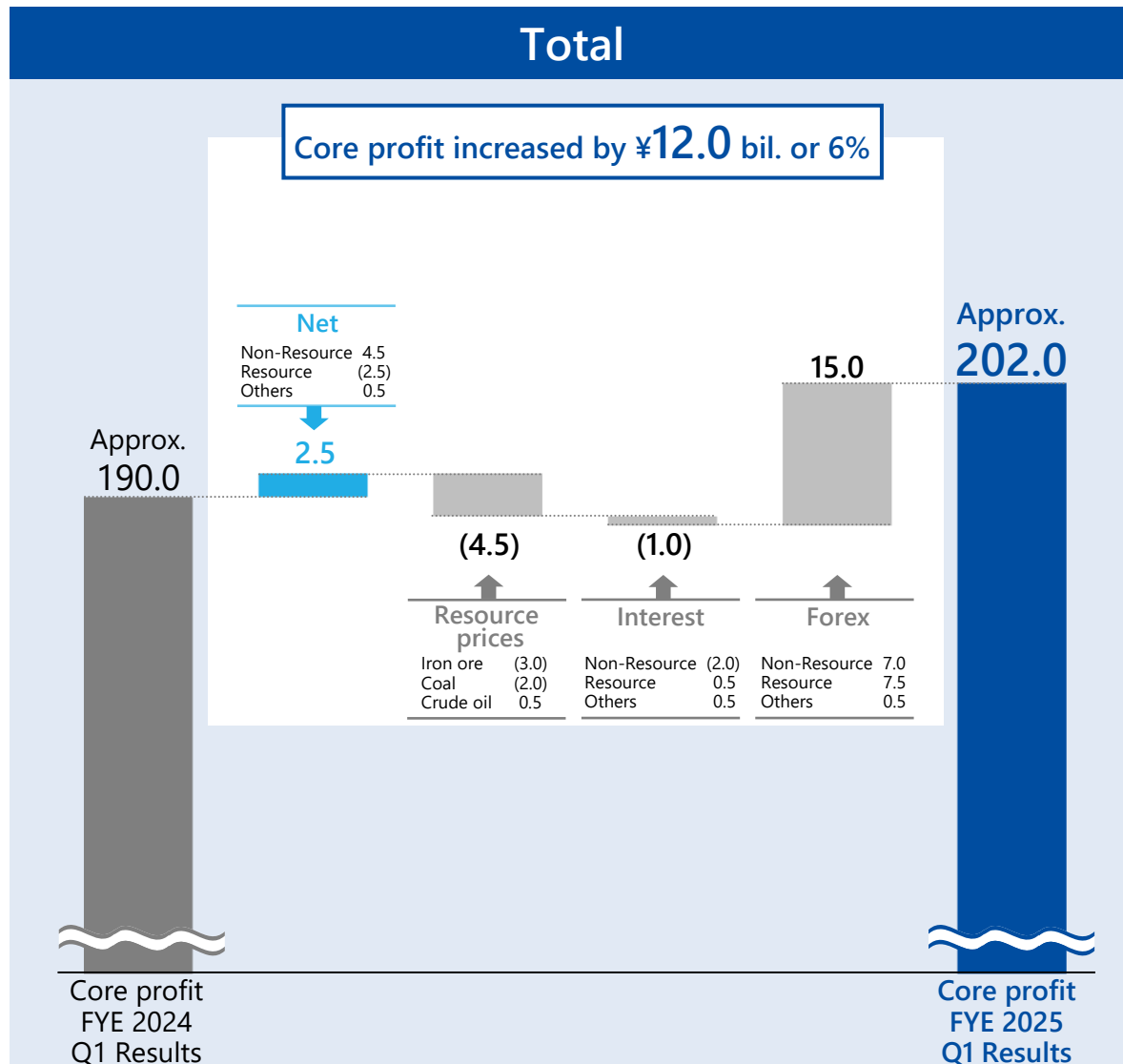
(Unit : billion yen)

		FYE 2024 Q1 Results	FYE 2025 Q1 Results	Inc/Dec <i>Incl. Extra. G&L. (*)</i>	Summary of Changes from the Same Period of the Previous Fiscal Year	FYE 2025 Forecast (Disclosed on May 8)	Progress												
<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>FYE 2024 Q1 Results</p> <p>213.2</p> </div> <div style="text-align: center;"> <p>FYE 2025 Q1 Results</p> <p>206.6</p> </div> </div>		Textile	4.6	5.3	+ 0.6	Increased due to the stable performance in apparel-related companies.	33.0	16%											
		Machinery	31.7	34.0*	+ 2.4 <i>+ 2.0</i>	Increased due to the stable sales in automobile-related companies, the recovery of aerospace-related transactions in a leasing-related company, and the extraordinary gain on the partial sale of an Australian infrastructure company, partially offset by the absence of favorable performance in North American electric-power-related business in the same period of the previous fiscal year.	130.0	26%											
		Metals & Minerals	56.2	52.5	(3.7)	Decreased due to lower earnings in Marubeni-Itochu Steel resulting from the deterioration in profitability in North American business, partially offset by the depreciation of the yen in iron ore business and the favorable sales in non-ferrous-related transactions/companies.	240.0	22%											
		Energy & Chemicals	37.5*	17.8	(19.6) <i>(18.5)</i>	Decreased due to the deterioration in profitability in energy trading transactions and the absence of extraordinary gains in the same period of the previous fiscal year, partially offset by the stable performance in chemical-related companies.	90.0	20%											
		Food	20.8*	19.0	(1.8) <i>(3.5)</i>	Decreased due to the absence of the extraordinary gain in the same period of the previous fiscal year, partially offset by expansion of transactions resulting from the recovery of consumer activity and higher sales prices in food-distribution-related companies, and the improvement in a North American meat-products-related company.	75.0	25%											
		General Products & Realty	17.5	18.8	+ 1.4 <i>+ 1.5</i>	Increased due to the conversion of DAIKEN into a consolidated subsidiary in the 3 rd quarter of the previous fiscal year and favorable performance in its domestic business, and higher transaction volume in domestic real estate companies, partially offset by lower earnings in IFL (European pulp-related company) resulting from higher material costs.	90.0	21%											
		ICT & Financial Business	14.4	16.0	+ 1.6	Increased due to the stable performance in ITOCHU Techno-Solutions, partially offset by lower earnings in overseas retail-finance-related companies and mobile-phone-related business.	82.0	19%											
		The 8th	10.6	10.9	+ 0.3	Increased due to the increase in daily sales resulting from enhancement of product appeal and sales promotion, in addition to expansion of transactions in advertising and media companies, 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.	35.0	31%											
		Others, Adjustments & Eliminations	20.1	32.2	+ 12.2	Increased due to the improvement in profitability in C.P. Pokphand resulting from the recovery of pork prices and lower feed costs in Vietnam, partially offset by continued lower pork prices in China, and higher earnings in CITIC Limited resulting from the depreciation of the yen.	105.0												
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Non-Resource</td> <td>164.8</td> <td>156.1</td> </tr> <tr> <td>Resource</td> <td>46.7</td> <td>47.3</td> </tr> <tr> <td>Others</td> <td>1.7</td> <td>3.2</td> </tr> <tr> <td>Non-Resource (%)^(*)</td> <td>78%</td> <td>77%</td> </tr> </table>		Non-Resource	164.8	156.1	Resource	46.7	47.3	Others	1.7	3.2	Non-Resource (%) ^(*)	78%	77%						
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Resource	46.7	47.3																	
Others	1.7	3.2																	
Non-Resource (%) ^(*)	78%	77%																	

(*) % composition is calculated using the total of Non-Resource and Resource sectors as 100%.
 (**) Extra. G&L. means "Extraordinary Gains and Losses".

* Record High

Core Profit (YoY Factor Comparison)



(*1) Non-Resource/Resource ratio of core profit

Extraordinary Gains and Losses



(Unit : billion yen)

	FYE 2024 Q1 Results	Major items	FYE 2025 Q1 Results	Major items
Textile	—		—	
Machinery	—		2.0	Gain on the partial sale of an Australian infrastructure company : 2.0
Metals & Minerals	—		—	
Energy & Chemicals	18.5	Revaluation gain on a lithium-ion batteries company : 16.5 Gain on the sale of fixed assets in ITOCHU ENEX : 2.0	—	
Food	4.5	Gain on the sale of fixed assets in a North American oils and fats company : 4.5	1.0	Gain on the sale of companies in a vegetable oil production and sale company : 1.0
General Products & Realty	—		1.5	Reversal for allowance in an overseas company : 1.0 Gain on the sale of an overseas sawn timber business in IFL : 0.5
ICT & Financial Business	—		—	
The 8th	—		—	
Others, Adjustments & Eliminations	—		—	
Total	23.0	Non-Resource : 23.0, Resource : — , Others : —	4.5	Non-Resource : 4.5, Resource : — , Others : —

(*) Major items are shown in round figures.

(Unit : billion yen)

Cash Flows

	FYE 2024 Q1 Results	FYE 2025 Q1 Results
Cash flows from operating activities	214.0	207.8
Cash flows from investing activities	(49.0)	(98.0)
<i>Free cash flows</i>	<i>165.0</i>	<i>109.7</i>
Cash flows from financing activities	(167.5)	(127.9)

Core Free Cash Flows

	FYE 2024 Q1 Results	FYE 2025 Q1 Results
Core operating cash flows ^(*1)	172.0	238.0*
Net investment cash flows ^(*2)	(51.0)	(98.0)
Core free cash flows	121.0	140.0

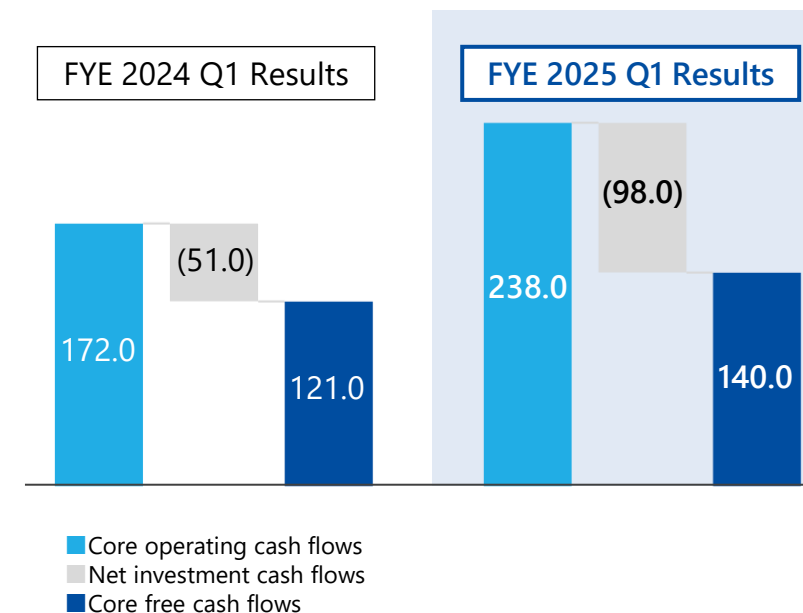
(*1) "Operating cash flows" minus "Changes in working capital" plus "Repayments of lease liabilities, etc."

(*2) Payments and collections for substantive investment and capital expenditure.

"Investment cash flows" plus "Equity transactions with non-controlling interests" minus "Changes in loan receivables", etc.

* Record High

Core Free Cash Flows



▶ Operating Cash Flows and Free Cash Flows

"Cash flows from operating activities" was a **net cash-inflow of ¥207.8 bil.**, due to the stable performance in operating revenues in The 8th and General Products & Realty Companies, and dividends received from equity method investments in Metals & Minerals Company. "Cash flows from investing activities" was a net cash-outflow of ¥98.0 bil., due to the investment in WECARS in General Products & Realty Company, the acquisition of equity method investments in Machinery Company, and the purchase of fixed assets in The 8th, General Products & Realty, and Food Companies. As a result, "**Free cash flows**" was a **net cash-inflow of ¥109.7 bil.**

▶ Core Free Cash Flows

"Core operating cash flows" after deducting changes in working capital, etc. from Cash flows from operating activities was a **net cash-inflow of ¥238.0 bil.**, which recorded all-time high.

"Core free cash flows" was a **net cash-inflow of ¥140.0 bil.**

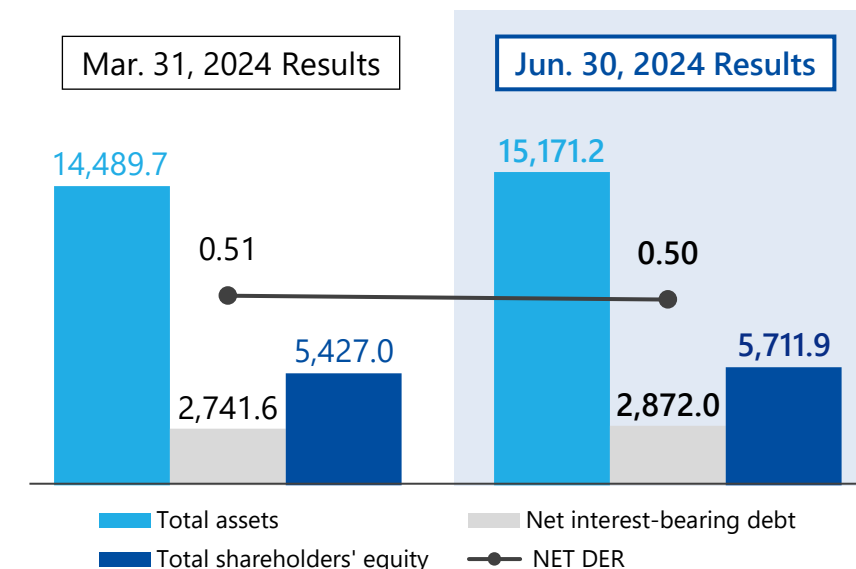
Financial Position



(Unit : billion yen)

	Mar. 31, 2024 Results	Jun. 30, 2024 Results	Increase/ Decrease	FYE 2025 Plan
Total assets	14,489.7	15,171.2*	+ 681.5	Maintaining financial foundation based on balancing three factors (Growth investments, shareholder returns, and control of interest-bearing debt)
Net interest-bearing debt	2,741.6	2,872.0	+ 130.4	
Total shareholders' equity	5,427.0	5,711.9*	+ 284.9	
Ratio of shareholders' equity to total assets	37.5%	37.6%*	Increased 0.2pt	
NET DER (times)	0.51	0.50	Nearly same level	Less than 0.6 times
ROE	15.6%	—	—	16%

* Record High



▶ Total Assets

Increased by ¥681.5 bil., compared to March 31, 2024 to **¥15,171.2 bil.**, due to the increase in trade receivables resulting from the increase of trading transactions, the increase in investments accounted for by the equity method, and the depreciation of the yen.

▶ Net Interest-bearing Debt

Increased by ¥130.4 bil., compared to March 31, 2024 to **¥2,872.0 bil.**, due to dividend payments and the depreciation of the yen, partially offset by the stable performance in operating revenues.

▶ Total Shareholders' Equity

Increased by ¥284.9 bil., compared to March 31, 2024 to **¥5,711.9 bil.**, due to net profit attributable to ITOCHU during this fiscal year and the depreciation of the yen, partially offset by dividend payments.

▶ Ratio of Shareholders' Equity to Total Assets and NET DER

Ratio of shareholders' equity to total assets increased by 0.2 points compared to March 31, 2024 to **37.6%**.

NET DER was **0.50 times**, nearly the same level compared to March 31, 2024.

FYE 2025 Shareholder Returns / Financial Policy

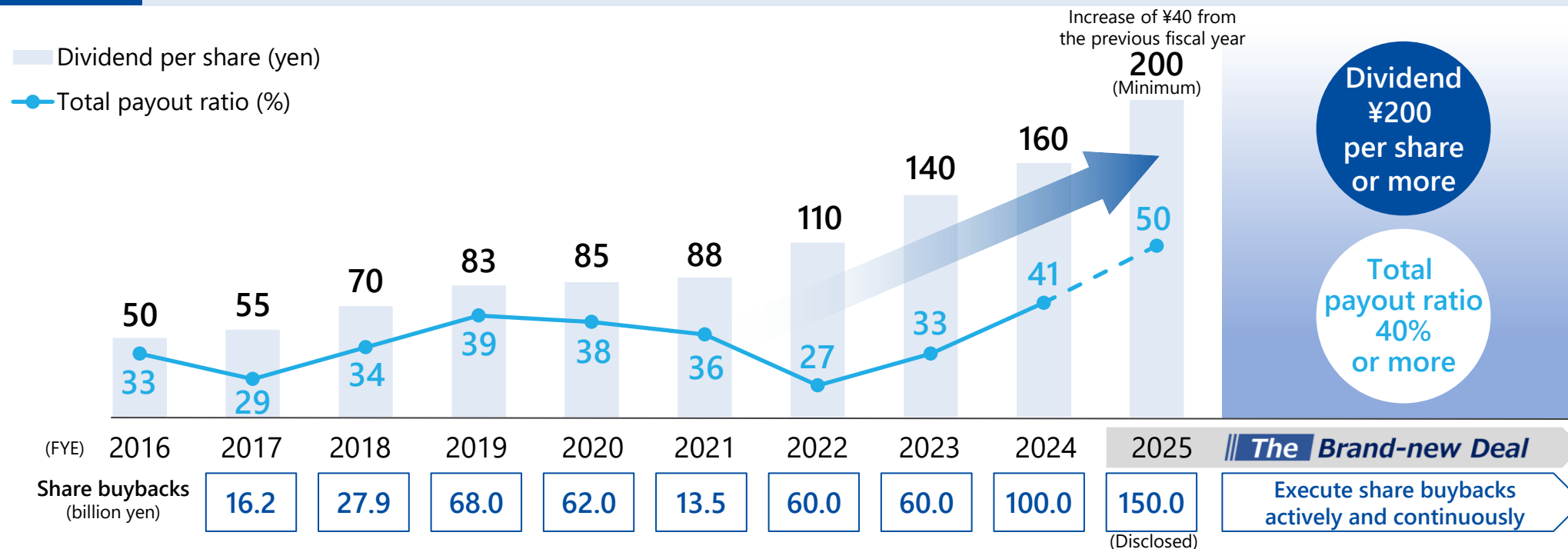


FYE 2025 Shareholder Returns Policy

Total payout ratio Aiming at **50%**

Dividends **Share buybacks**

The higher of **¥200** per share or **30%** payout ratio **¥150.0 bil.**



Financial Policy

Maintaining financial foundation based on balancing three factors

(Growth investments, shareholder returns, and control of interest-bearing debt)

Assumptions



		FYE 2024 Q1 Results	FYE 2025 Q1 Results	FYE 2025 Forecast (Disclosed on May 8)	(Reference) Sensitivities on net profit attributable to ITOCHU for FYE 2025 Q2-4	
Exchange rate (Yen/US\$)	Average	134.64	155.85	145	1 Yen fluctuation against US\$	Approx. ±¥2.6 bil. ^(*1)
	Closing	Mar. 2024 151.41	Jun. 2024 161.07	140		—
Interest rate (%)	TIBOR 3M (¥)	0.07%	0.27%	0.4%	0.1% fluctuation of interest rate	— ^(*2)
	SOFR 3M (US\$)	5.13%	5.33%	5.0%		— ^(*2)
Crude oil (Brent) (US\$/BBL)		77.73	85.03	80	± ¥0.23 bil. ^(*5)	
Iron ore (CFR China) (US\$/ton)		112 ^(*3)	111 ^(*3)	N.A. ^(*4)	± ¥1.20 bil. ^(*5)	

(*1) The impact in case the average exchange rate during FYE 2025 Q2-4 depreciated(increase)/appreciated(decrease) is shown.

(*2) It is assumed that the increase/decrease in interest income/expense will be offset by the impact of interest rate fluctuation on the transaction prices. However, in the situation that interest rate fluctuates significantly, interest cost may have temporary impact on the Company's performance.

(*3) FYE 2024 Q1 and FYE 2025 Q1 prices for iron ore are prices that ITOCHU regards as general transaction prices based on the market.

(*4) The prices of iron ore used in the FYE 2025 Forecast 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.

(*5) The above sensitivities vary according to changes in sales volume, foreign exchange rates, production cost, etc.