

<p style="text-align: center;">ANNUAL FINANCIAL STATEMENTS For years ended March 31, 2022 and 2021</p>
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-Unaudited-**Consolidated Financial Results for the Fiscal Year 2022 (Year ended March 31, 2022)**

[Prepared in conformity with International Financial Reporting Standards]

Company name: ITOCHU Corporation

Stock exchange code: 8001

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

President and Chief Operating Officer: Keita Ishii

General Manager, Investor Relations Division: Suguru Amano

TEL: 81 - 3 - 3497 - 7295

The date of Shareholders' meeting: June 24, 2022 (Planned) The date of payout of dividend: June 27, 2022 (Planned)

The date of issue of audited financial statements: June 24, 2022 (Planned)

1. Consolidated operating results for the fiscal year 2022 (from April 1, 2021 to March 31, 2022)**(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 2022	12,293,348	18.6	582,522	44.4	1,150,029	124.4	878,973	99.4	820,269	104.3	1,086,431	65.8
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

	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 2022	552.86		-		21.8		7.0	
Fiscal Year 2021	269.83		-		12.7		3.6	

Equity in earnings of associates and joint ventures (millions of yen) FYE 2022: 291,435 [27.5%] FYE 2021: 228,636 [11.1%]

Total comprehensive income (millions of yen) FYE 2022: 1,149,139 [57.5%] FYE 2021: 729,579 [115.9%]

(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, 2022	12,153,658	4,763,700	4,199,325	34.6	2,857.50
March 31, 2021	11,178,432	3,870,240	3,316,281	29.7	2,232.84

(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 2022	801,163	38,637	(846,706)	611,715
Fiscal Year 2021	895,900	(207,296)	(728,767)	544,009

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					millions of yen	%	%
Fiscal Year 2021	-	44.00	-	44.00	88.00	131,017	32.6	4.1
Fiscal Year 2022	-	47.00	-	63.00	110.00	162,623	19.9	4.3
Fiscal Year 2023 (Planned)	-	65.00	-	65.00	130.00		27.3	

3. Outlook of consolidated operating results for the fiscal year 2023 (from April 1, 2022 to March 31, 2023)

(%: Changes from the previous fiscal year)

	Net profit attributable to ITOCHU		Basic earnings per share attributable to ITOCHU
	millions of yen	%	yen
Fiscal Year 2023	700,000	(14.7)	476.33

(Note) Outlook of consolidated operating results for the first half of fiscal year 2023 is not prepared.

4. Other information

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the consolidation scope): None

(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: End of Fiscal Year 2022	1,584,889,504	Fiscal Year 2021	1,584,889,504
(including the number of treasury stock)			
(b) Number of treasury stock: End of Fiscal Year 2022	115,310,164	Fiscal Year 2021	99,659,483
(c) Average number of common shares outstanding: For Fiscal Year 2022	1,483,691,851	Fiscal Year 2021	1,487,730,085

Note: Based on the decision at the meeting of the Board of Directors, ITOCHU has carried out share buybacks of 15,757,200 own shares during the Fiscal Year 2022.

[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 122.39 yen = 1 U.S. dollar, the exchange rate prevailing on March 31, 2022.
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

Looking back at the global economy in the fiscal year ended March 31, 2022, the U.S. and Europe temporarily experienced a strong recovery as the distribution of COVID-19 vaccines progressed and restrictions on the movement of people were eased. However, the pace of recovery subsequently slowed as new variants of the COVID-19 virus spread and upward pressure on prices intensified due to factors including disruptions in supply chains and the Russia-Ukraine situation. Meanwhile, emerging countries experienced an increasing sense of slowdown amid the resurgence of infections, as exemplified by China where domestic demand in particular stagnated. The WTI crude oil price gradually rose from the US\$60 per barrel range at the beginning of the fiscal year as global oil production remained below demand. From late February onward, the price fluctuated sharply in the US\$90–\$130 per barrel range due to the economic sanctions imposed on Russia by various countries and uncertainty over the impact on supply and demand, before ending the fiscal year in the US\$100 per barrel range.

Although the Japanese economy saw an upturn in consumer spending from autumn through to the end of the calendar year as COVID-19 temporarily subsided, overall the economy remained flat as the nation experienced cycles of COVID-19 resurgence and the issuance of countermeasures including state of emergency declarations. The U.S. dollar-yen exchange rate started at about ¥110 per dollar at the beginning of the fiscal year, with the temporal appreciation of the yen to approximately ¥107 per dollar in April, afterwards subsequently weakened due to the forecast that the Federal Reserve would raise interest rates earlier than previously expected. The start of U.S. interest rate hikes in March saw the yen depreciate from about ¥114 to approximately ¥125 at one point, due to factors including forecasts of accelerated interest rate hikes, before ending the fiscal year at approximately ¥122. The Nikkei Stock Average declined from approximately ¥29,000 at the beginning of the fiscal year due to the state of emergency declared by the Japanese government, among other factors, to below the ¥27,000 mark at one point in August. Although it temporarily recovered to approximately ¥30,000 due in part to expectations of economic recovery, it trended downward again due to factors including the spread of new variants of the COVID-19 virus, rising oil prices, and the Russia-Ukraine situation, falling below the ¥25,000 at one point in March, before ending the fiscal year at approximately ¥27,000. The yield on 10-year Japanese government bonds fell from 0.12% at the beginning of the fiscal year to 0.01% at the beginning of August as the Bank of Japan continued to provide ample liquidity to the market and U.S. long-term interest rates declined, but subsequently rose to 0.26% through to late March in line with U.S. long-term interest rates to close at 0.22% at the end of the fiscal year.

(b) Consolidated Operating Results

	Billions of Yen				Millions of U.S. Dollars
	2022	2021	Increase (Decrease)	%	2022
Revenues	12,293.3	10,362.6	1,930.7	18.6%	100,444
Gross trading profit	1,937.2	1,780.7	156.4	8.8%	15,828
Selling, general and administrative expenses	(1,346.7)	(1,366.5)	19.8	(1.4%)	(11,004)
Gains on investments.....	211.9	4.1	207.7	-	1,731
Losses on property, plant, equipment and intangible assets.....	(17.6)	(157.5)	139.9	-	(143)
Equity in earnings of associates and joint ventures	291.4	228.6	62.8	27.5%	2,381
Income tax expense.....	(271.1)	(71.6)	(199.5)	278.6%	(2,215)
Net profit.....	879.0	440.9	438.1	99.4%	7,182
Net profit attributable to ITOCHU.....	820.3	401.4	418.8	104.3%	6,702
(Reference) Trading income.....	582.5	403.4	179.1	44.4%	4,759

(i) Revenues (from external customers)

Increased by 18.6%, or 1,930.7 billion yen, compared to the previous fiscal year to 12,293.3 billion yen (100,444 million U.S. dollars).

• Energy & Chemicals Company:

Increased by 683.8 billion yen compared to the previous fiscal year to 2,864.1 billion yen (23,402 million U.S. dollars), due to higher market prices and transaction volume in energy-related companies and chemical-related companies.

• Metals & Minerals Company:

Increased by 385.9 billion yen compared to the previous fiscal year to 1,043.1 billion yen (8,523 million U.S. dollars), due to higher iron ore prices and coal prices.

• Food Company:

Increased by 318.2 billion yen compared to the previous fiscal year to 4,293.5 billion yen (35,081 million U.S. dollars), due to higher transaction volume in NIPPON ACCESS and higher market prices in provision-related transactions.

• General Products & Realty Company:

Increased by 281.6 billion yen compared to the previous fiscal year to 1,037.0 billion yen (8,473 million U.S. dollars), due to the sales volume recovery in ETEL (European tire-related company) resulting from the alleviation of the impact of COVID-19 and the favorable performance in construction materials business.

(ii) Gross trading profit

Increased by 8.8%, or 156.4 billion yen, compared to the previous fiscal year to 1,937.2 billion yen (15,828 million U.S. dollars).

• Metals & Minerals Company:

Increased by 68.6 billion yen compared to the previous fiscal year to 179.0 billion yen (1,462 million U.S. dollars), due to higher iron ore prices and coal prices.

• General Products & Realty Company:

Increased by 42.9 billion yen compared to the previous fiscal year to 190.3 billion yen (1,555 million U.S. dollars), due to the sales volume recovery in ETEL resulting from the alleviation of the impact of COVID-19 and the favorable performance in construction materials business.

• Machinery Company:

Increased by 32.2 billion yen compared to the previous fiscal year to 205.8 billion yen (1,682 million U.S. dollars), due to the favorable sales in YANASE, the recovery in overall automobile-related business resulting from the alleviation of the impact of COVID-19, and the favorable performance in almost all businesses such as ship-related companies and North American IPP-related business.

• Energy & Chemicals Company:

Increased by 24.8 billion yen compared to the previous fiscal year to 253.1 billion yen (2,068 million U.S. dollars), due to the improvement in profitability in energy trading transactions and CIECO Azer (Crude oil exploration and production company) resulting from higher market prices, and the stable performance in chemical-related companies, partially offset by the absence of the favorable performance in electricity transactions in the previous fiscal year.

(iii) Selling, general and administrative expenses

Decreased by 1.4%, or 19.8 billion yen, compared to the previous fiscal year to 1,346.7 billion yen (11,004 million U.S. dollars), due to the conversion of Taiwan FamilyMart into an investment accounted for by the equity method from a consolidated subsidiary in the first quarter of this fiscal year, partially offset by the increase of expenses resulting from the stable growth in revenue and the depreciation of the yen.

(iv) Gains on investments

Increased by 207.7 billion yen, compared to the previous fiscal year to 211.9 billion yen (1,731 million U.S. dollars), due to the gains on the partial sale of Taiwan FamilyMart, the de-consolidation of Paidy, and the sale of Japan Brazil Paper & Pulp Resources Development, in addition to the realization of foreign exchange gains due to the de-consolidation of ITOCHU Coal Americas.

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

Improved by 139.9 billion yen, compared to the previous fiscal year to 17.6 billion yen (losses) (143 million U.S. dollars), due to the absence of the impairment losses in FamilyMart and Australian coal-related company, and of the impairment loss on a foreign company of Machinery in the previous fiscal year.

(vi) Equity in earnings of associates and joint ventures

Increased by 27.5%, or 62.8 billion yen, compared to the previous fiscal year to 291.4 billion yen (2,381 million U.S. dollars).

- General Products & Realty Company:

Increased by 25.1 billion yen compared to the previous fiscal year to 30.3 billion yen (248 million U.S. dollars). The increase was caused by improvement of earnings in IFL (European pulp-related company) due to higher pulp prices, and higher earnings in construction materials business.

- Metals & Minerals Company:

Increased by 24.6 billion yen compared to the previous fiscal year to 47.2 billion yen (385 million U.S. dollars). The increase was caused by higher earnings in Marubeni-Itochu Steel because of some factors such as the favorable results in North American sheet construction materials business, the improvement in North American steel pipe business and the steady performance in overall business due to higher steel material prices, in addition to higher earnings in iron ore companies due to higher prices.

- Machinery Company:

Increased by 16.8 billion yen compared to the previous fiscal year to 42.4 billion yen (347 million U.S. dollars). The increase was caused by higher earnings in IEI (European water-and-environment-related company) resulting from the gain on the sale of a water utility company, and higher earnings in ship-related companies.

- Others, Adjustments & Eliminations: (*)

Decreased by 17.6 billion yen compared to the previous fiscal year to 93.7 billion yen (765 million U.S. dollars). The decrease was caused by lower earnings in C.P. Pokphand due to the deterioration in profitability resulting from lower pork prices and the absence of extraordinary gain in the previous fiscal year, partially offset by higher earnings in CITIC Limited due to the stable performance especially in comprehensive financial business.

(*) “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 19, “6. (6) Operating Segment Information”.

(vii) Income tax expense

Increased by 278.6%, or 199.5 billion yen, compared to the previous fiscal year to 271.1 billion yen (2,215 million U.S. dollars), due to the stable growth in profits and the absence of lower tax expenses related to FamilyMart in the previous fiscal year.

(viii) Net profit attributable to ITOCHU

Consequently, net profit attributable to ITOCHU increased by 104.3%, or 418.8 billion yen, compared to the previous fiscal year to 820.3 billion yen (6,702 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 44.4%, or 179.1 billion yen, compared to the previous fiscal year to 582.5 billion yen (4,759 million U.S. dollars).

- Metals & Minerals Company:

Increased by 69.7 billion yen compared to the previous fiscal year to 162.1 billion yen (1,325 million U.S. dollars), due to higher iron ore prices and coal prices.

- Machinery Company:

Increased by 32.6 billion yen compared to the previous fiscal year to 57.3 billion yen (468 million U.S. dollars), due to the favorable sales in YANASE, the recovery in overall automobile-related business resulting from the alleviation of the impact of COVID-19, and the favorable performance in almost all businesses such as ship-related companies and North American IPP-related business.

- General Products & Realty Company:

Increased by 30.7 billion yen compared to the previous fiscal year to 65.7 billion yen (536 million U.S. dollars), due to the sales volume recovery in ETEL resulting from the alleviation of the impact of COVID-19 and the favorable performance in construction materials business.

- Energy & Chemicals Company:

Increased by 20.5 billion yen compared to the previous fiscal year to 100.0 billion yen (817 million U.S. dollars), due to the improvement in profitability in energy trading transactions and CIECO Azer resulting from higher market prices, and the stable performance in chemical-related companies, partially offset by the absence of the favorable performance in electricity transactions in the previous fiscal year.

(2) Qualitative Information of the Consolidated Financial Position

(a) Consolidated Financial Position

	Billions of Yen				Millions of U.S. Dollars
	Mar. 2022	Mar. 2021	Increase (Decrease)	%	Mar. 2022
Total assets	12,153.7	11,178.4	975.2	8.7%	99,303
Interest-bearing debt	2,905.9	3,155.3	(249.4)	(7.9%)	23,743
Net interest-bearing debt	2,283.0	2,601.4	(318.4)	(12.2%)	18,654
Total shareholders' equity	4,199.3	3,316.3	883.0	26.6%	34,311
Ratio of shareholders' equity to total assets	34.6%	29.7%	Increased 4.9pt		
NET DER (times)	0.54	0.78	Improved 0.24pt		

(i) Total assets

Increased by 8.7%, or 975.2 billion yen, compared to March 31, 2021 to 12,153.7 billion yen (99,303 million U.S. dollars), due to the impact of the depreciation of the yen, the increase in trade receivables and inventories resulting from the increase of trading transactions and higher market prices, and the increase in investments accounted for by the equity method, partially offset by the decrease due to the partial sale of Taiwan FamilyMart.

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

Decreased by 12.2%, or 318.4 billion yen, compared to March 31, 2021 to 2,283.0 billion yen (18,654 million U.S. dollars), due to the stable performance in operating revenues and sales of investments, partially offset by dividend payments and share buybacks.

Interest-bearing debt decreased by 7.9%, or 249.4 billion yen, compared to March 31, 2021 to 2,905.9 billion yen (23,743 million U.S. dollars).

(iii) Total shareholders' equity

Increased by 26.6%, or 883.0 billion yen, compared to March 31, 2021 to 4,199.3 billion yen (34,311 million U.S. dollars), due to net profit attributable to ITOCHU during this fiscal year and the impact of the depreciation of the yen, partially offset by 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 4.9 points compared to March 31, 2021 to 34.6%. NET DER (net debt-to-shareholders' equity ratio) improved by 0.24 points compared to March 31, 2021 to 0.54 times.

(b) Consolidated Cash Flows

	Billions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Cash flows from operating activities	801.2	895.9	6,546
Cash flows from investing activities	38.6	(207.3)	316
<i>Free cash flows</i>	839.8	688.6	6,862
Cash flows from financing activities	(846.7)	(728.8)	(6,918)

(i) Cash flows from operating activities

Recorded a net cash-inflow of 801.2 billion yen (6,546 million U.S. dollars), due to the stable performance in operating revenues in The 8th, Metals & Minerals, Energy & Chemicals and Food Companies.

(ii) Cash flows from investing activities

Recorded a net cash-inflow of 38.6 billion yen (316 million U.S. dollars), due to the partial sale of Pan Pacific International Holdings Corporation, the sale of Japan Brazil Paper & Pulp Resources Development and Paidy, partially offset by the purchase of fixed assets by Food, The 8th and Machinery Companies, and the decrease in cash as the conversion of Taiwan FamilyMart into an investment accounted for by the equity method from a consolidated subsidiary accompanying the partial sale.

(iii) Cash flows from financing activities

Recorded a net cash-outflow of 846.7 billion yen (6,918 million U.S. dollars), due to the repayment of borrowings and lease liabilities in addition to dividend payments and share buybacks.

As a result of cash flows above and the impact of the depreciation of the yen, “Cash and cash equivalents” as of March 31, 2022 increased by 67.7 billion yen compared to March 31, 2021 to 611.7 billion yen (4,998 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) : None

(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 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. In fair value measurement of resource-related investments, we use certain assumptions such as commodity prices and discount rate. Even if the assumptions change to the extent rationally possible, we do not expect a material impact on our operating results and financial position. In addition, we also do not expect a material impact on our subsidiaries and associates operating automobile-related business and aircraft-leasing-related business in Russia and Ukraine.

Regarding COVID-19, we expect the impact will decrease in the fiscal year ending March 31, 2023 compared to the fiscal year ended March 31, 2022 though it remains uncertain that the pandemic around the world can be contained.

3. Outlook for the Fiscal Year Ending March 31, 2023

Regarding the business outlook for the fiscal year ending March 31, 2023, with a high level of uncertainty surrounding Russia's invasion of Ukraine, there are concerns that the surge in international commodity prices and supply chain disruptions will persist and continue to place downward pressure on the global economy through higher prices. Additionally, although an increasing number of countries are lifting restrictions on the movement of people, there is no guarantee that the COVID-19 pandemic can be contained, and the risk remains that a resurgence in the spread of infections could restrict economic activity. We therefore recognize that there are a range of uncertain factors in the future business outlook.

Amid such conditions, the U.S. dollar-yen exchange rate is expected to remain yen weakness in the near future with U.S. interest rates projected to continue rising. In addition, crude oil prices are expected to remain high in the near future due to the unstable supply-demand environment caused by economic sanctions against Russia.

Under these management circumstances, we will strongly realize business transformation and steadily increase core profit 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 700.0 billion yen for the fiscal year ending March 31, 2023.

(Unit: Billion yen)			
	FYE 2023 Plan	<i>Major Indicators (Apr-Mar)</i>	<u><i>Precondition</i></u> <u><i>FYE 2023</i></u>
Gross trading profit	2,020.0	<i>Foreign exchange rate (Yen/US\$)</i>	<i>120</i>
Selling, general and administrative expenses	(1,421.0)	<i>Interest (JPY 3M TIBOR) (%)</i>	<i>0.1</i>
Provision for doubtful accounts	(9.0)	<i>Interest (US\$ 3M LIBOR) (%)</i>	<i>2.5</i>
Trading income	590.0	<i>Crude oil (Brent) (US\$/BBL)</i>	<i>90</i>
Net interest expenses	(21.0)	<i>Iron ore (CFR China) (US\$/ton)</i>	<i>N.A.^(Note)</i>
Dividends received	94.0		
Equity in earnings of associates and joint ventures	300.0		
Others	27.0		
Profit before tax	990.0		
Income tax expense	(220.0)		
Net profit	770.0		
Net profit attributable non-controlling interests	(70.0)		
Net profit attributable to ITOCHU	700.0		

(Note) The prices of iron ore used in the FYE 2023 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 continues the progressive dividend policy during Medium-Term Management Plan “Brand-new Deal 2023” and implements incremental increases to the minimum dividend. Meanwhile, we commit to a payout ratio of 30% by FYE 2024, the final year of “Brand-new Deal 2023”, and have set a minimum dividend of ¥130 per share for FYE 2023, which renews the highest record.

In addition, we will actively and continuously execute share buybacks as appropriate in consideration of the cash allocation situation based on market environment.

Distribution of Profit

ITOCHU plans to pay a dividend of ¥110 per share for the fiscal year ended March 31, 2022.

(an interim dividend of ¥47 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, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Revenues:			
Revenues from sale of goods.....	¥ 11,011,816	¥ 9,156,193	\$ 89,973
Revenues from rendering of services and royalties.....	1,281,532	1,206,435	10,471
Total revenues.....	12,293,348	10,362,628	100,444
Cost:			
Cost of sale of goods.....	(9,696,532)	(7,989,246)	(79,226)
Cost of rendering of services and royalties.....	(659,651)	(592,635)	(5,390)
Total cost.....	(10,356,183)	(8,581,881)	(84,616)
Gross trading profit.....	1,937,165	1,780,747	15,828
Other gains (losses):			
Selling, general and administrative expenses.....	(1,346,720)	(1,366,489)	(11,004)
Provision for doubtful accounts.....	(7,923)	(10,844)	(65)
Gains on investments.....	211,851	4,105	1,731
Losses on property, plant, equipment and intangible assets.....	(17,601)	(157,524)	(143)
Other-net.....	9,645	(6,197)	79
Total other-losses.....	(1,150,748)	(1,536,949)	(9,402)
Financial income (loss):			
Interest income.....	20,412	23,114	167
Dividends received.....	80,741	53,145	660
Interest expense.....	(28,976)	(36,218)	(237)
Total financial income.....	72,177	40,041	590
Equity in earnings of associates and joint ventures.....	291,435	228,636	2,381
Profit before tax.....	1,150,029	512,475	9,397
Income tax expense.....	(271,056)	(71,592)	(2,215)
Net profit.....	878,973	440,883	7,182
Net profit attributable to ITOCHU.....	820,269	401,433	6,702
Net profit attributable to non-controlling interests.....	58,704	39,450	480

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Other comprehensive income, net of tax:			
Items that will not be reclassified to profit or loss			
FVTOCI financial assets.....	¥ (8,927)	¥ 80,764	\$ (73)
Remeasurement of net defined pension liability.....	3,897	12,449	32
Other comprehensive income in associates and joint ventures.....	(4,932)	13,474	(41)
Items that will be reclassified to profit or loss			
Translation adjustments.....	170,109	114,879	1,390
Cash flow hedges.....	4,519	3,470	37
Other comprehensive income in associates and joint ventures.....	105,500	63,660	862
Total other comprehensive income, net of tax.....	270,166	288,696	2,207
Total comprehensive income.....	1,149,139	729,579	9,389
Total comprehensive income attributable to ITOCHU.....	1,086,431	655,259	8,877
Total comprehensive income attributable to non-controlling interests.....	62,708	74,320	512

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, 2022 and 2021 were 582,522 million yen (4,759 million U.S. dollars) and 403,414 million yen, respectively.

(2) Consolidated Statement of Financial Position

ITOCHU Corporation and its Subsidiaries

As of March 31, 2022 and 2021

Assets	Millions of Yen		Millions of U.S. Dollars
	Mar. 2022	Mar. 2021	Mar. 2022
Current assets:			
Cash and cash equivalents.....	¥ 611,715	¥ 544,009	\$ 4,998
Time deposits.....	11,185	9,945	91
Trade receivables.....	2,458,991	2,122,815	20,092
Other current receivables.....	236,864	166,282	1,935
Other current financial assets.....	101,932	44,930	833
Inventories.....	1,077,160	898,692	8,801
Advances to suppliers.....	123,382	80,521	1,008
Other current assets.....	188,727	161,256	1,542
Assets held for sale	-	248,861	-
Total current assets.....	4,809,956	4,277,311	39,300
Non-current assets:			
Investments accounted for by the equity method.....	2,288,762	1,867,777	18,701
Other investments.....	958,218	952,374	7,829
Non-current receivables.....	728,965	658,658	5,956
Non-current financial assets other than investments and receivables.....	172,191	166,611	1,407
Property, plant and equipment.....	1,936,044	1,939,791	15,819
Investment property.....	47,742	50,665	390
Goodwill and intangible assets.....	1,081,607	1,125,836	8,837
Deferred tax assets.....	54,639	60,446	447
Other non-current assets.....	75,534	78,963	617
Total non-current assets.....	7,343,702	6,901,121	60,003
Total assets.....	¥ 12,153,658	¥ 11,178,432	\$ 99,303

Liabilities and Equity	Millions of Yen		Millions of U.S. Dollars
	Mar. 2022	Mar. 2021	Mar. 2022
Current liabilities:			
Short-term debentures and borrowings.....	¥ 522,448	¥ 710,213	\$ 4,269
Lease liabilities (short-term).....	235,791	238,446	1,926
Trade payables.....	1,967,117	1,628,766	16,072
Other current payables.....	210,857	199,757	1,723
Other current financial liabilities.....	83,724	40,172	684
Current tax liabilities.....	74,026	57,370	605
Advances from customers.....	132,513	84,699	1,083
Other current liabilities.....	424,071	374,489	3,465
Liabilities held for sale.....	-	220,722	-
Total current liabilities	<u>3,650,547</u>	<u>3,554,634</u>	<u>29,827</u>
Non-current liabilities:			
Long-term debentures and borrowings.....	2,383,455	2,445,099	19,474
Lease liabilities (long-term).....	775,180	825,170	6,334
Other non-current financial liabilities.....	58,217	53,483	476
Non-current liabilities for employee benefits.....	103,975	116,631	850
Deferred tax liabilities.....	250,999	150,275	2,051
Other non-current liabilities.....	167,585	162,900	1,369
Total non-current liabilities	<u>3,739,411</u>	<u>3,753,558</u>	<u>30,554</u>
Total liabilities	<u>7,389,958</u>	<u>7,308,192</u>	<u>60,381</u>
Equity:			
Common stock:			
Authorized: 3,000,000,000 shares;			
issued: 1,584,889,504 shares.....	253,448	253,448	2,071
Capital surplus.....	(161,917)	(155,210)	(1,323)
Retained earnings.....	3,811,991	3,238,948	31,146
Other components of equity:			
Translation adjustments.....	383,215	131,612	3,131
FVTOCI financial assets.....	146,638	38,740	1,198
Cash flow hedges.....	7,154	(9,897)	59
Total other components of equity.....	<u>537,007</u>	<u>160,455</u>	<u>4,388</u>
Treasury stock.....	(241,204)	(181,360)	(1,971)
Total shareholders' equity.....	<u>4,199,325</u>	<u>3,316,281</u>	<u>34,311</u>
Non-controlling interests.....	564,375	553,959	4,611
Total equity.....	<u>4,763,700</u>	<u>3,870,240</u>	<u>38,922</u>
Total liabilities and equity.....	<u>¥12,153,658</u>	<u>¥11,178,432</u>	<u>\$ 99,303</u>

-Unaudited-

(3) Consolidated Statement of Changes in Equity

ITOCHU Corporation and its Subsidiaries

Years ended March 31, 2022 and 2021

(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, 2021	¥ 253,448	¥ (155,210)	¥ 3,238,948	¥ 160,455	¥ (181,360)	¥ 3,316,281	¥ 553,959	¥ 3,870,240
Net profit			820,269			820,269	58,704	878,973
Other comprehensive income				266,162		266,162	4,004	270,166
Total comprehensive income			820,269	266,162		1,086,431	62,708	1,149,139
Cash dividends to shareholders			(135,356)			(135,356)		(135,356)
Cash dividends to non-controlling interests						-	(20,897)	(20,897)
Net change in acquisition (disposition) of treasury stock					(59,844)	(59,844)		(59,844)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(6,707)		(1,480)		(8,187)	(31,395)	(39,582)
Transfer to Retained earnings			(111,870)	111,870		-		-
Balance on Mar. 31, 2022	253,448	(161,917)	3,811,991	537,007	(241,204)	4,199,325	564,375	4,763,700

(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 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, 2021	\$ 2,071	\$ (1,268)	\$ 26,464	\$ 1,311	\$ (1,482)	\$ 27,096	\$ 4,526	\$ 31,622
Net profit			6,702			6,702	480	7,182
Other comprehensive income				2,175		2,175	32	2,207
Total comprehensive income			6,702	2,175		8,877	512	9,389
Cash dividends to shareholders			(1,106)			(1,106)		(1,106)
Cash dividends to non-controlling interests						-	(171)	(171)
Net change in acquisition (disposition) of treasury stock					(489)	(489)		(489)
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests		(55)		(12)		(67)	(256)	(323)
Transfer to Retained earnings			(914)	914		-		-
Balance on Mar. 31, 2022	2,071	(1,323)	31,146	4,388	(1,971)	34,311	4,611	38,922

(4) Consolidated Statement of Cash Flows

ITOCHU Corporation and its Subsidiaries

Years ended March 31, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Cash flows from operating activities:			
Net profit.....	¥ 878,973	¥ 440,883	\$ 7,182
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization.....	404,184	424,297	3,302
(Gains) losses on investments.....	(211,851)	(4,105)	(1,731)
(Gains) losses on property, plant, equipment and intangible assets.....	17,601	157,524	143
Financial (income) loss.....	(72,177)	(40,041)	(590)
Equity in earnings of associates and joint ventures.....	(291,435)	(228,636)	(2,381)
Income tax expense.....	271,056	71,592	2,215
Provision for doubtful accounts and other provisions.....	(2,836)	30,504	(23)
Changes in assets and liabilities, other-net.....	(241,650)	58,976	(1,974)
Proceeds from interest.....	19,706	24,142	161
Proceeds from dividends.....	201,532	144,732	1,647
Payments for interest.....	(29,807)	(39,412)	(244)
Payments for income taxes.....	(142,133)	(144,556)	(1,161)
Net cash provided by (used in) operating activities.....	<u>801,163</u>	<u>895,900</u>	<u>6,546</u>
Cash flows from investing activities:			
Net change in investments accounted for by the equity method.....	67,043	(20,694)	548
Net change in other investments.....	83,344	(50,913)	681
Net change in loans receivable.....	15,672	23,300	128
Net change in property, plant, equipment and intangible assets.....	(124,883)	(152,583)	(1,020)
Net change in time deposits.....	(2,539)	(6,406)	(21)
Net cash provided by (used in) investing activities.....	<u>38,637</u>	<u>(207,296)</u>	<u>316</u>
Cash flows from financing activities:			
Net change in debentures and loans payable.....	(349,350)	251,606	(2,854)
Repayments of lease liabilities.....	(266,974)	(277,493)	(2,181)
Cash dividends.....	(135,356)	(129,008)	(1,106)
Net change in treasury stock.....	(60,036)	(14,266)	(491)
Other.....	(34,990)	(559,606)	(286)
Net cash provided by (used in) financing activities.....	<u>(846,706)</u>	<u>(728,767)</u>	<u>(6,918)</u>
Net change in cash and cash equivalents.....	<u>(6,906)</u>	<u>(40,163)</u>	<u>(56)</u>
Cash and cash equivalents at the beginning of the year (Opening balance on the consolidated statement of financial position).....	544,009	611,223	4,445
Reclassification of cash and cash equivalents included in assets held for sale in the opening balance.....	44,331	-	362
Cash and cash equivalents at the beginning of the year.....	588,340	611,223	4,807
Effect of exchange rate changes on cash and cash equivalents.....	30,281	17,280	247
Cash and cash equivalents included in assets held for sale.....	-	(44,331)	-
Cash and cash equivalents at the end of the year.....	<u>¥ 611,715</u>	<u>¥ 544,009</u>	<u>\$ 4,998</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, 2022 and 2021

Information concerning operations in different operating segments for the years ended March 31, 2022 and 2021 is as follows:

	For the year ended March 31, 2022 (April 1, 2021 -March 31, 2022)									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...	¥ 444,750	¥ 1,193,976	¥ 1,043,071	¥ 2,864,111	¥ 4,293,543	¥ 1,036,990	¥ 863,997	¥ 457,920	¥ 94,990	¥ 12,293,348
Intersegment revenues.....	13	84	-	38,624	11,886	21,883	13,077	1,942	(87,509)	-
Total revenues.....	444,763	1,194,060	1,043,071	2,902,735	4,305,429	1,058,873	877,074	459,862	7,481	12,293,348
Gross trading profit.....	96,775	205,799	178,957	253,050	320,437	190,338	295,876	387,588	8,345	1,937,165
Trading income.....	13,669	57,254	162,126	100,020	74,221	65,651	78,522	42,140	(11,081)	582,522
Net profit attributable to ITOCHU.....	25,142	80,039	225,971	89,629	58,988	105,239	104,288	49,021	81,952	820,269
[Equity in earnings of associates and joint ventures].....	[4,464]	[42,439]	[47,167]	[12,444]	[16,679]	[30,289]	[43,504]	[797]	[93,652]	[291,435]
Total assets on March 31, 2022.....	436,807	1,302,692	1,285,258	1,489,260	1,979,520	1,126,171	1,350,414	1,813,769	1,369,767	12,153,658

	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, 2022 (April 1, 2021 -March 31, 2022)									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...	\$ 3,634	\$ 9,755	\$ 8,523	\$ 23,402	\$ 35,081	\$ 8,473	\$ 7,059	\$ 3,741	\$ 776	\$ 100,444
Intersegment revenues.....	0	1	-	315	97	179	107	16	(715)	-
Total revenues.....	3,634	9,756	8,523	23,717	35,178	8,652	7,166	3,757	61	100,444
Gross trading profit.....	791	1,682	1,462	2,068	2,618	1,555	2,417	3,167	68	15,828
Trading income.....	112	468	1,325	817	606	536	642	344	(91)	4,759
Net profit attributable to ITOCHU.....	205	654	1,846	732	482	860	852	401	670	6,702
[Equity in earnings of associates and joint ventures].....	[36]	[347]	[385]	[102]	[136]	[248]	[355]	[7]	[765]	[2,381]
Total assets on March 31, 2022.....	3,569	10,644	10,501	12,168	16,174	9,201	11,034	14,820	11,192	99,303

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.

-Unaudited-

(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, 2022 and 2021.

(Unit: Yen)

	2022	2021
ITOCHE shareholders' equity per share	2,857.50	2,232.84
Earnings per share attributable to ITOCHU (basic)	552.86	269.83
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, 2022 and 2021 are as follows:

(Numerator)

(Unit: Millions of Yen)

	2022	2021
Net profit attributable to ITOCHU	820,269	401,433
Effect of dilutive securities	-	-
Net profit attributable to ITOCHU (diluted)	820,269	401,433

(Denominator)

(Unit: Share)

	2022	2021
Average number of common shares outstanding	1,483,691,851	1,487,730,085

(Material Subsequent Events)

None