

This document is an unofficial translation of the Notice of the 98th Ordinary General Meeting of Shareholders and is provided for your convenience only, without any warranty as to its accuracy or as to the completeness of the information. The Japanese original version of the document is the sole official version.

Stock Code: 8001

June 2, 2022

To Those Shareholders with Voting Rights

Masahiro Okafuji
Chairman & Chief Executive Officer
ITOCHU Corporation
1-3, Umeda 3-chome, Kita-ku, Osaka

NOTICE OF THE 98TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 98th Ordinary General Meeting of Shareholders of ITOCHU Corporation to be held as described below.

Although ITOCHU Corporation plans to hold this Ordinary General Meeting of Shareholders taking measures to prevent the spread of the new coronavirus disease (COVID-19), **we ask that shareholders carefully consider whether to attend the meeting in person, taking into consideration the situation regarding the spread of COVID-19 on the day of the meeting and their own health condition.**

If you are unable to attend the meeting in person, you may exercise your voting rights in writing or via the Internet. Please read the attached REFERENCE DOCUMENTS OF THE GENERAL MEETING OF SHAREHOLDERS and exercise your voting rights so that it will reach us by 5 p.m., Thursday, June 23, 2022. (Please refer to “Information on Exercise of Voting Rights” on pages 3 to 4.)

1. Date: 10 a.m., Friday, June 24, 2022 (Reception commences at 9 a.m.)

2. Place: The Hō Banquet Hall (2F), Hotel New Otani Osaka
4-1, Shiromi 1-chome, Chuo-ku, Osaka

3. Objectives of the Meeting:

- Reports:**
1. The Business Report, the Consolidated Financial Statements and the report of the audit of the Consolidated Financial Statements by the Independent Auditor and Audit & Supervisory Board for the 98th Fiscal Term (from April 1, 2021 to March 31, 2022) will be reported at the meeting.
 2. The Non-Consolidated Financial Statements for the 98th Fiscal Term (from April 1, 2021 to March 31, 2022) will be reported at the meeting.

- Agenda:**
- Proposal No. 1:** Appropriation of Surplus
 - Proposal No. 2:** Proposed Amendments to the Articles of Incorporation
 - Proposal No. 3:** Election of Ten (10) Directors
 - Proposal No. 4:** Election of One (1) Audit & Supervisory Board Member
 - Proposal No. 5:** Revision of Remuneration Amount for Directors
 - Proposal No. 6:** Revision of Remuneration Amount for Audit & Supervisory Board Members

*Other matters relating to ordinary general meetings of shareholders

- (1) In the event that a shareholder provides no indication of approval or disapproval with regard to the proposals, the shareholder shall be considered to have expressed approval, which shall be handled accordingly.
- (2) In the event that a vote is exercised in duplicate via enclosed Exercise Voting Rights Form and via the Internet, or more than one vote is exercised electronically, the latest vote shall be effective.
- (3) For those attending, please present the enclosed Exercise Voting Rights Form at the reception desk on arrival at the meeting. Please take note that persons other than shareholders who may exercise voting rights, such as proxy agents who are not shareholders themselves, or those accompanying shareholders, will not be permitted to enter the meeting venue.

- ◆ This Notice of Meeting does not include the part of the Consolidated Financial Statements and Non-Consolidated Financial Statements audited by Audit & Supervisory Board Members and Independent Auditor in preparing the respective reports of audit. The Notes to Consolidated Financial Statements, the Notes to Non-Consolidated Financial Statements, also the Consolidated Statements of Cash Flows and the Operating Segment Information as reference materials are provided on ITOCHU Corporation's website (https://www.itochu.co.jp/en/ir/shareholder/general_meeting/), pursuant to the provisions of applicable laws and regulations as well as Article 16 of ITOCHU Corporation's Articles of Incorporation.
- ◆ If circumstances are generated whereby revisions should be made to the content of the Business Report, the Consolidated Financial Statements, the Non-Consolidated Financial Statements or the REFERENCE DOCUMENTS OF THE GENERAL MEETING OF SHAREHOLDERS, such notification shall be published on ITOCHU Corporation's website (https://www.itochu.co.jp/en/ir/shareholder/general_meeting/).

Information on Exercise of Voting Rights

The right to vote at the general meeting of shareholders is a principal right of shareholders.

Please exercise your voting rights after reading the attached REFERENCE DOCUMENTS OF THE GENERAL MEETING OF SHAREHOLDERS.

Apart from attending the general meeting of shareholders in person, you may exercise your voting rights by one of the following two methods.

1. Instructions on exercise of voting rights in writing (by mail)

Please indicate your approval or disapproval to each of the proposals on the enclosed Exercise Voting Rights Form and return it to ITOCHU Corporation.

<Voting deadline>

Your vote must be arrived at ITOCHU Corporation no later than 5 p.m. on Thursday, June 23, 2022.

2. Instructions on exercise of voting rights via the Internet

Please follow the instructions on the next page and input your approval or disapproval to each of the proposals.

<Voting deadline>

You have to complete to enter your approval or disapproval of the proposal by 5 p.m. on Thursday, June 23, 2022.

Exercise of Voting Rights via the Internet

<Scanning QR code “smart vote”>

You can simply login to the website for the exercise of voting rights without entering your voting rights exercise code and password.

1. Please scan the QR code located on the bottom right of the Exercise Voting Rights Form.

* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.

2. Indicate your approval or disapproval by following the instructions on the screen.

Note that you may exercise your voting rights only once by using “smart vote”

If you want to change your votes after exercising your voting rights, please access the PC site, log in with the voting rights exercise code and password on the Exercise Voting Rights Form, and exercise your voting rights again. It is possible to access the PC site by re-reading the QR code.

<Entering voting rights exercise code and password>

[Website for the exercise of voting rights] <https://www.web54.net> (This website is available in Japanese only.)

1. Please access the website for the exercise of voting rights
2. Enter your voting rights exercise code printed on the Exercise Voting Rights Form.
3. Enter your password printed on the Exercise Voting Rights Form.
4. Indicate your approval or disapproval by following the instructions on the screen.

If you are unclear as to the operation of your PC, smart phone, and mobile phone regarding the exercise of voting rights via the Internet, please contact the following number.

Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Web Support (dedicated line)

Tel: 0120-652-031 (toll free, available only in Japan)

(Service hours: 9 a.m. to 9 p.m.)

- Institutional investors may use the “Voting Rights Electronic Exercise Platform” operated by ICJ Co., Ltd.
- If you have exercised your voting rights both in writing (by mail) and via the Internet, the last one to arrive at ITOCHU Corporation shall be deemed effective. Also, if both votes have arrived on the same day, the one exercised via the Internet will be deemed effective.
- If you have exercised your voting rights multiple times via the Internet, the last one shall be deemed effective.

Guide to General Meeting of Shareholders Live Stream and Pre-Meeting Fielding of Questions

General Meeting of Shareholders Live Stream

An online live stream of the General Meeting of Shareholders will be provided as follows for shareholders who will be unable to attend in person.

Stream date: 10:00 a.m., Friday June 24, 2022
(Stream will be set up around 9:30 a.m., Friday June 24, 2022)

[Notes]

- Only shareholders may view the stream.
- Please refrain from capturing, recording, or storing video or audio from the stream, and from sharing the stream on places such as social media.
- Please note that video and audio quality may be erratic depending on the device or Internet environment.
- Those attending via live stream will not be able to exercise their voting rights, ask questions, or make comments. Please exercise voting rights beforehand in writing (by mail) or via the Internet.
- If for some reason the live stream shall be canceled, notification will be provided on ITOCHU Corporation's website.

Pre-Meeting Fielding of Questions

ITOCHU Corporation will field questions from shareholders at the website below in advance. We will answer questions about topics of interest to shareholders in the General Meeting of Shareholders.

Question fielding period: Through 5:00 p.m., Tuesday, June 14, 2022

[Notes]

- Only shareholders may submit questions.
- Please ensure questions are as specific and concise as possible, and that they relate to matters on the agenda for the General Meeting of Shareholders.
- Please note that it may not be possible to respond to questions submitted by shareholders whose identity cannot be confirmed due to an erroneous entry of data such as shareholder number or ZIP Code.
- Please note that there is no guarantee that all questions received in advance will be answered in the General Meeting of Shareholders.

How to Log In (Everyone)

1. From a PC or smartphone <https://v.sokai.jp/8001/2022/itochu/>
2. Enter your ID (shareholder number) and password (ZIP Code) on the login screen and click the Login button

About IDs and Passwords

Viewing the stream will require entering your ID (shareholder number) and password (ZIP Code). Your shareholder number may be found on the included Exercise Voting Rights Form.

About IDs (shareholder numbers)

Please enter the 9-digit number printed on the Exercise Voting Rights Form included in the envelope.

About passwords (ZIP Code)

Please enter your 7-digit ZIP Code (no hyphen, half-width digits) as printed on the Exercise Voting Rights Form.

REFERENCE DOCUMENTS OF THE GENERAL MEETING OF SHAREHOLDERS

Proposals and references

Proposal No. 1: Appropriation of Surplus

ITOCHU Corporation has the following intention with regard to Appropriation of Surplus.

Term-end Dividends

Our policy seeks the enhancement of shareholder returns through a focus on enhancing consistent dividends on a real-amount basis. We will continue to pay progressive dividends in the current medium-term management plan and carry out incremental increases to the minimum dividend.

For the FY2022 shareholder dividend, we plan to pay ¥110 per share (including an interim dividend of ¥47), which is the record high in ITOCHU Corporation, and propose to pay a term-end dividend of ¥63 for the current term.

(1) Type of the dividend assets

Cash

(2) Allocation of dividend assets to be paid to shareholders and total dividend amount:

¥63 per share of common stock

Total: ¥92,714,565,573

(3) Date on which the appropriation of surplus goes into effect:

June 27, 2022

Proposal No. 2: Proposed Amendments to the Articles of Incorporation

1. Reasons for the Proposal

(1) Amendments concerning the general meeting of shareholders without prescribed location

Article 13, Paragraph 3 of the Articles of Incorporation is amended with the approval to convene general meetings of shareholders without prescribed locations (hereinafter, “Virtual Only Shareholders Meeting”) in accordance with the Act for Partial Revision of the Act on Strengthening Industrial Competitiveness (Act No. 70 of 2021), enacted on June 16, 2021. In case that ITOCHU Corporation believes it not necessarily appropriate to convene a general meeting of shareholders at a prescribed location due to the spread of an infectious disease such as COVID-19 or due to a natural disaster, the ability to convene a Virtual Only Shareholders Meeting is considered to be beneficial for mitigating the impact on management as well as being in the interests of shareholders. The Articles of Incorporation are amended to enable Virtual Only Shareholders Meeting only under such circumstances. On the other hand, there are no plans to convene Virtual Only Shareholders Meeting in the case that it is appropriate to convene a general meeting of shareholders at a prescribed location.

Coming into effect of such amendments to the Articles of Incorporation is conditional upon the resolution at this general meeting of shareholders as well as upon the receipt of confirmation from the Minister of Economy, Trade and Industry and the Minister of Justice to the effect that the requirements of the Order of the Ministry of Economy, Trade and Industry and the Ministry of Justice Order have been met.

(2) Amendments concerning the system for providing informational materials for the general meeting of shareholders in electronic format

Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, ITOCHU Corporation proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.

- (i) Article 16, Paragraph 1 in “Proposed Amendments” below will stipulate that ITOCHU Corporation shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.
- (ii) Article 16, Paragraph 2 in “Proposed Amendments” below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- (iii) Since the provisions for Disclosure of Reference Materials for General Meeting of Shareholders, etc. over the Internet and Deemed Provision (Article 16 of the Current Articles of Incorporation) will no longer be required, they will be deleted.
- (iv) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

2. Contents of the Amendments

The contents of the amendments are as follows:

(Underlined parts are to be amended.)

Current Articles of Incorporation	Proposed Amendments
<p>Article 13. (Time and Place of Convocation of General Meeting of Shareholders)</p> <p>(1) The Ordinary General Meeting of Shareholders of the Company shall be convened in June of each year.</p> <p>(2) Extraordinary General Meeting of Shareholders may be convened at any time whenever necessary.</p> <p>(3) The General Meeting of Shareholders of the Company shall be convened at the seat of the head office or at any place adjacent thereto, or at any place in the ward, Tokyo.</p>	<p>Article 13. (Time and Place of Convocation of General Meeting of Shareholders)</p> <p>(1) The Ordinary General Meeting of Shareholders of the Company shall be convened in June of each year.</p> <p>(2) Extraordinary General Meeting of Shareholders may be convened at any time whenever necessary.</p> <p>(3) The General Meeting of Shareholders of the Company shall be convened at the seat of the head office or at any place adjacent thereto, or at any place in the ward, Tokyo. <u>However, if the Company deems that it would not be appropriate to convene a general meeting of shareholders at a prescribed location due to the spread of an infectious disease or due to a natural disaster, as well as being considered in the interests of shareholders, the Company may convene a general meeting of shareholders without a prescribed location.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="178 203 790 293"><u>Article 16. (Disclosure of Reference Materials for General Meeting of Shareholders, etc. over the Internet and Deemed Provision)</u></p> <p data-bbox="209 320 790 591"><u>In the course of convening a General Meeting of Shareholders, any information related to items that should be entered or displayed in reference materials for the General Meeting of Shareholders, in business reports, in accounting statements, and in consolidated statements that the Company has disclosed over the Internet in accordance with the Order of the Ministry of Justice may be considered as having been provided to the shareholders.</u></p> <p data-bbox="376 618 592 645">(Newly established)</p> <p data-bbox="376 1200 592 1227">(Newly established)</p>	<p data-bbox="1059 203 1163 230">(Deleted)</p> <p data-bbox="804 618 1418 674"><u>Article 16. (Measures, etc. for Providing Information in Electronic Format)</u></p> <p data-bbox="804 701 1418 853"><u>(1) When the Company convenes a General Meeting of Shareholders, it shall take measures for providing information that constitutes the content of reference documents for the General Meeting of Shareholders, etc. in electronic format.</u></p> <p data-bbox="804 880 1418 1122"><u>(2) Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p> <p data-bbox="804 1149 1107 1176"><u>(Supplementary Provisions)</u></p> <p data-bbox="804 1202 1418 1597"><u>(1) The deletion of Article 16 (Disclosure of Reference Materials for General Meeting of Shareholders, etc. over the Internet and Deemed Provision) in the pre-amended Articles of Incorporation and the establishment of the new Article 16 (Measures, etc. for Providing Information in Electronic Format) in the amended Articles of Incorporation shall be effective from the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u></p> <p data-bbox="804 1624 1418 1776"><u>(2) Notwithstanding the provision of the preceding paragraph, Article 16 of the current Articles of Incorporation shall remain effective regarding any General Meeting of Shareholders held on a date within six months from the Date of Enforcement.</u></p> <p data-bbox="804 1803 1418 1955"><u>(3) These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the General Meeting of Shareholders in the preceding paragraph, whichever is later.</u></p>

Proposal No. 3: Election of Ten (10) Directors

Directors Yoshihisa Suzuki, Tomofumi Yoshida, and Yuji Fukuda resigned from the office on as of March 31, 2022. In addition, at the conclusion of this Ordinary General Meeting of Shareholders, the terms of office of the eight (8) current directors will expire: Masahiro Okafuji, Keita Ishii, Fumihiko Kobayashi, Tsuyoshi Hachimura, Atsuko Muraki, Masatoshi Kawana, Makiko Nakamori and Kunio Ishizuka. Accordingly, we hereby propose the election of ten (10) Directors, a reduction of one (1) Director from the previous fiscal year to ensure strategic and agile decision-making at the Board of Directors. The candidates for the new Directors are as follows:

Of the ten (10) candidates, four (4) are candidates for Outside Directors.

(For independence criteria for Outside Directors of ITOCHU Corporation, please refer to pages 24 to 25.)

No.	Name	Current position and responsibility in ITOCHU Corporation	Number of Attendance at Meetings of the Board of Directors	Number of years in office	Governance and Remuneration Committee	Nomination Committee	Women's Advancement Committee
1	* Masahiro Okafuji <input type="checkbox"/> Reelection	Chairman & Chief Executive Officer	15/15 (100%)	18 years	<input type="radio"/>	<input type="radio"/>	—
2	* Keita Ishii <input type="checkbox"/> Reelection	Member of the Board, President & Chief Operating Officer	11/11 (100%) (since his appointment)	1 year	<input type="radio"/>	<input type="radio"/>	—
3	* Fumihiko Kobayashi <input type="checkbox"/> Reelection	Member of the Board, Executive Vice President Chief Administrative Officer	15/15 (100%)	7 years	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4	* Tsuyoshi Hachimura <input type="checkbox"/> Reelection	Member of the Board, Executive Vice President Chief Financial Officer	15/15 (100%)	7 years	—	—	—
5	* Hiroyuki Tsubai <input type="checkbox"/> New election	Senior Managing Executive Officer President, Machinery Company	—	—	—	—	—
6	* Hiroyuki Naka <input type="checkbox"/> New election	Executive Officer Chief Strategy Officer; Chief Digital & Information Officer; General Manager, Corporate Planning & Administration Division	—	—	—	—	—
7	Atsuko Muraki <input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Member of the Board	15/15 (100%)	6 years	—	<input type="radio"/>	<input type="checkbox"/>
8	Masatoshi Kawana <input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Member of the Board	15/15 (100%)	4 years	<input type="radio"/>	<input type="radio"/>	—
9	Makiko Nakamori <input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Member of the Board	15/15 (100%)	3 years	<input type="checkbox"/>	—	<input type="radio"/>

No.	Name	Current position and responsibility in ITOCHU Corporation	Number of Attendance at Meetings of the Board of Directors	Number of years in office	Governance and Remuneration Committee	Nomination Committee	Women's Advancement Committee
10	Kunio Ishizuka <div style="display: flex; justify-content: space-around; font-size: small;"> Reelection Outside Independent </div>	Member of the Board	11/11 (100%) (since his appointment)	1 year	-	<input type="checkbox"/>	-

: Chair

○: Member

- Notes:
1. “*” indicates persons to be elected as representative directors at the Board of Directors meeting held after the conclusion of this Ordinary General Meeting of Shareholders in the event that this proposal is approved.
 2. The number of years in office as a director is counted as of the conclusion of this Ordinary General Meeting of Shareholders.
 3. The above list shows the persons to compose the respective advisory committees in the case of approval of Proposal No. 3 and No. 4 at this Ordinary General Meeting of Shareholders.
 4. The Outside Directors are listed in order of their appointment as director of ITOCHU Corporation.

Policy and Process for Appointing Candidates for Directors

In order to effectively supervise management and decide important business matters as the Board of Directors of a general trading company with broad range of business, ITOCHU Corporation's Board of Directors consists of, in principle, the Chairman, President, officers in charge of headquarters administrative functions, one appropriate Division Company president as an (internal) director, and such several Outside Directors that the percentage of Outside Directors in our Board of Directors is one-third or more to improve supervisory function of the Board of Directors. In nominating Outside Directors, ITOCHU Corporation prioritizes candidates with higher independence, based on the criteria for “independent directors” prescribed by the Tokyo Stock Exchange, Inc. and ITOCHU Corporation's “Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members,” who with his or her experience and knowledge in the relevant category, are expected to contribute to the management of ITOCHU Corporation. Proposal on candidates for directors is created by Chairman & Chief Executive Officer taking into consideration diversity such as knowledge, experience, gender and international experience, and submitted to the Nomination Committee for further deliberation before the Board of Directors finally nominates the candidates for election at the General Meeting of Shareholders.

No.	Name	Brief personal history (Important concurrent occupations or positions)			
1 <u>Reelection</u>	Masahiro Okafuji (December 12, 1949) Number of Attendance at Meetings of the Board of Directors: 15/15 (100%) Number of ITOCHU Corporation's shares held (of which, number of shares to be provided under the stock remuneration plan): 287,235 shares (115,340 shares)	April	1974 Joined ITOCHU Corporation		
		June	2002 Executive Officer		
		April	2004 Managing Executive Officer		
		June	2004 Managing Director		
		April	2006 Senior Managing Director		
		April	2009 Executive Vice President		
		April	2010 President & Chief Executive Officer		
		April	2018 Chairman & Chief Executive Officer (current position)		
		(Important concurrent occupations or positions)		Outside Director, NISSIN FOODS HOLDINGS CO., LTD.	
		<u>Reason for the nomination of the candidate for director</u>		Since joining ITOCHU Corporation, Mr. Masahiro Okafuji primarily engaged in textile-related business including brand marketing business. After serving in key positions including President of the Textile Company, he assumed the position of President & Chief Executive Officer of ITOCHU Corporation in April 2010. Since then, he has thoroughly pursued outstanding commitment-based management and a hands-on approach, and has significantly increased corporate value through excellent management skills and leadership. He assumed the position of Chairman & Chief Executive Officer of ITOCHU Corporation in April 2018. As he possesses a track record as the top executive of ITOCHU Corporation and outstanding knowledge of general trading company management overall and global operational management, we propose him as a candidate for director.	

No.	Name	Brief personal history (Important concurrent occupations or positions)			
2 <u>Reelection</u>	Keita Ishii (October 23, 1960) Number of Attendance at Meetings of the Board of Directors (since his appointment): 11/11 (100%) Number of ITOCHU Corporation's shares held (of which, number of shares to be provided under the stock remuneration plan): 100,894 shares (34,191 shares)	April 1983	Joined ITOCHU Corporation		
		April 2014	Executive Officer of ITOCHU Corporation Chief Operating Officer, Chemicals Division		
		April 2017	Managing Executive Officer		
		April 2018	President, Energy & Chemicals Company		
		April 2020	Senior Managing Executive Officer		
		April 2021	President & Chief Operating Officer (current position)		
		June 2021	Member of the Board, President (current position)		
			<u>Reason for the nomination of the candidate for director</u> Since joining ITOCHU Corporation, Mr. Keita Ishii primarily engaged in chemicals-related business, and after he served as President of ITOCHU (Thailand) Ltd., and Chief Operating Officer of Chemicals Division of ITOCHU Corporation, as President of Energy & Chemicals Company since April 2018, he had worked to build a revenue base for our energy and chemicals businesses, enter the electric power sales market, promote the development of strategies for next-generation electric power businesses, such as the storage battery business. He assumed the position of President & Chief Operating Officer of ITOCHU Corporation in April 2021. As he possesses abundant work experience in ITOCHU Corporation and outstanding knowledge of general trading company management overall and global operational management, we propose him as a candidate for director.		
		3 <u>Reelection</u>	Fumihiko Kobayashi (June 21, 1957) Number of Attendance at Meetings of the Board of Directors: 15/15 (100%) Number of ITOCHU Corporation's shares held (of which, number of shares to be provided under the stock remuneration plan): 129,291 shares (44,711 shares)	April 1980	Joined ITOCHU Corporation
				April 2010	Executive Officer
April 2013	Managing Executive Officer				
April 2015	Chief Administrative Officer				
June 2015	Member of the Board, Managing Executive Officer				
April 2017	Member of the Board, Senior Managing Executive Officer				
April 2018	Chief Administrative & Information Officer				
April 2019	Chief Administrative Officer (current position)				
April 2021	Member of the Board, Executive Vice President (current position)				
	<u>Reason for the nomination of the candidate for director</u> Since joining ITOCHU Corporation, Mr. Fumihiko Kobayashi primarily engaged in human resources-related operations, and served as General Manager of Human Resources & General Affairs Division. Since April 2015, he has implemented unique work style reform, health management of ITOCHU Corporation, and other areas as Chief Administrative Officer. Furthermore, as the chief officer for compliance, he has overseen the construction and operation of legal affairs and compliance systems, has promoted the strengthening of sustainability management, and has demonstrated excellent management skills. Since April 2020, he has been responsible for expanding ITOCHU's corporate brand. As he possesses abundant work experience in ITOCHU Corporation and outstanding knowledge of general trading company management overall and global operational management, we propose him as a candidate for director.				

No.	Name	Brief personal history (Important concurrent occupations or positions)	
4 <u>Reelection</u>	Tsuyoshi Hachimura (July 6, 1957) Number of Attendance at Meetings of the Board of Directors: 15/15 (100%) Number of ITOCHU Corporation's shares held (of which, number of shares to be provided under the stock remuneration plan): 127,678 shares (41,978 shares)	October 1991	Joined ITOCHU Corporation
		April 2012	Executive Officer
		April 2015	Managing Executive Officer Chief Financial Officer (current position)
		June 2015	Member of the Board, Managing Executive Officer
		April 2018	Member of the Board, Senior Managing Executive Officer
		April 2021	Member of the Board, Executive Vice President (current position)
		<u>Reason for the nomination of the candidate for director</u> Since joining ITOCHU Corporation, Mr. Tsuyoshi Hachimura primarily engaged in metals-related business, demonstrating excellent management skills while serving as Chief Executive Officer of ITOCHU Minerals & Energy of Australia Pty Ltd. (IMEA), a group company of ITOCHU Corporation in Australia. He also served as CAO of ITOCHU International Inc. and as General Manager of the Finance Division of ITOCHU Corporation. Since April 2015, he has worked toward the improvement and operation of financial strategy, managerial administration, risk management, and internal control as Chief Financial Officer. He has further served for many years as the chair of key committees within ITOCHU Corporation. As he possesses abundant work experience in ITOCHU Corporation and outstanding knowledge of general trading company management overall and global operational management, we propose him as a candidate for director.	
5 <u>New election</u>	Hiroyuki Tsubai (March 28, 1960) Number of ITOCHU Corporation's shares held (of which, number of shares to be provided under the stock remuneration plan): 52,439 shares (12,784 shares)	April 1982	Joined ITOCHU Corporation
		April 2007	General Manager, Plant & Project Department No. 1
		April 2011	CEO for Middle East Chairman, ITOCHU Middle East F.Z.E.
		April 2014	Executive Officer Chief Executive for Africa
		April 2016	Managing Executive Officer Chief Executive for European Operation; Chief Executive for Africa; CEO, ITOCHU Europe PLC
		April 2019	President, Machinery Company (current position)
		April 2022	Senior Managing Executive Officer (current position)
<u>Reason for the nomination of the candidate for director</u> Since joining ITOCHU Corporation, Mr. Hiroyuki Tsubai primarily engaged in machinery-related businesses, serving in positions including General Manager of Plant & Project Department No. 1, General Manager of Plant & Project Department No. 2, CEO for Middle East Bloc, Chief Executive for Africa, and Chief Executive for European Operation. After serving in key positions in the machinery sector and as top senior manager at overseas business sites, since April 2019, as President of Machinery Company, he has demonstrated excellent management skills, including overseeing the management and business activities of ITOCHU Corporation's machinery sector overall and promoting new business cultivation and business improvements. As he possesses abundant work experience in ITOCHU Corporation and outstanding knowledge of general trading company management overall and global operational management, we propose him as a candidate for director.			

No.	Name	Brief personal history (Important concurrent occupations or positions)	
6 <small>New election</small>	Hiroyuki Naka (January 14, 1964) Number of ITOCHU Corporation's shares held (of which, number of shares to be provided under the stock remuneration plan): 22,958 shares (1,529 shares)	April 1987	Joined ITOCHU Corporation
		April 2018	General Manager, Corporate Planning & Administration Division
		April 2019	Executive Officer (current position) General Manager, Corporate Planning & Administration Division
		April 2021	Chief Digital & Information Officer; General Manager, Corporate Planning & Administration Division
		April 2022	Chief Strategy Officer (current position); Chief Digital & Information Officer (current position); General Manager, Corporate Planning & Administration Division (current position)
		Reason for the nomination of the candidate for director	

No.	Name	Brief personal history (Important concurrent occupations or positions)		
<p data-bbox="204 965 225 987">7</p> <div data-bbox="177 1003 252 1077" style="border: 1px solid black; padding: 2px;"> Reelection Outside Independent </div>	<p data-bbox="284 813 448 898">Atsuko Muraki (December 28, 1955)</p> <p data-bbox="284 931 448 1066">Number of Attendance at Meetings of the Board of Directors: 15/15 (100%)</p> <p data-bbox="284 1099 448 1234">Number of ITOCHU Corporation's shares held: 3,100 shares</p>	April	1978	Joined Ministry of Labour
		October	2005	Counsellor for Policy Evaluation, Minister's Secretariat, Ministry of Health, Labour and Welfare
		September	2006	Deputy Director-General, Equal Employment, Children and Families Bureau, Ministry of Health, Labour and Welfare
		July	2008	Director-General, Equal Employment, Children and Families Bureau, Ministry of Health, Labour and Welfare
		September	2010	Director-General for Policies on Cohesive Society, Cabinet Office
		September	2012	Director-General, Social Welfare and War Victims' Relief Bureau, Ministry of Health, Labour and Welfare
		July	2013	Vice-Minister of Health, Labour and Welfare, Ministry of Health, Labour and Welfare
		October	2015	Retired from Ministry of Health, Labour and Welfare
		June	2016	Outside Member of the Board of ITOCHU Corporation (current position)
		April	2017	Guest Professor, Tsuda University (current position)
		June	2017	Outside Audit & Supervisory Board Member, Sompo Holdings, Inc.
		June	2018	Outside Director, Sumitomo Chemical Company, Limited (current position)
		June	2019	Outside Director, Sompo Holdings, Inc.
		(Important concurrent occupations or positions)		Outside Director, Sumitomo Chemical Company, Limited
<u>Reason for the nomination of the candidate for outside director and summary of her expected role</u>		<p data-bbox="475 1021 1415 1581">Ms. Atsuko Muraki is nominated as a candidate for outside director because she has extensive knowledge of working environment improvement, human resource development, and social security, and other topics accumulated through many years of experience at the Ministry of Health, Labour and Welfare (and the former Ministry of Labour). We expect that she will continue to use her knowledge to supervise the performance of the directors from a professional perspective, particularly in the areas of internal control, compliance, human resource utilization and organizational revitalization. In the event that she is elected, she is expected to contribute to further energize the committee through her contribution of new perspectives in light of her career and expertise in discussions concerning policies to promote advancement of female employees as Chair of the Women's Advancement Committee and to be involved in the nomination of candidates for the corporate officers of ITOCHU Corporation from an objective and neutral standpoint as a Member of the Nomination Committee. While she does not have experience with direct involvement in corporate management other than as an outside director of ITOCHU Corporation and as an outside director and outside audit & supervisory board member for other companies, we have determined that we may continue to leverage her high-level knowledge in the management of ITOCHU Corporation as before, and propose her as a candidate for outside director.</p>		
<u>Special notes concerning the candidate for outside director</u>		<p data-bbox="475 1626 1415 1836">Ms. Atsuko Muraki is currently an outside director of ITOCHU Corporation, and she will have served in that capacity for six (6) years at the conclusion of this Ordinary General Meeting of Shareholders. She fulfills the criteria for independent directors prescribed by the Tokyo Stock Exchange, Inc. and ITOCHU Corporation's "Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members" (please refer to pages 24 to 25) and is registered as an independent director at Tokyo Stock Exchange, Inc.</p>		

No.	Name	Brief personal history (Important concurrent occupations or positions)	
8 <input type="checkbox"/> Reelection <input checked="" type="checkbox"/> Outside <input type="checkbox"/> Independent	Masatoshi Kawana (November 27, 1953) Number of Attendance at Meetings of the Board of Directors: 15/15 (100%) Number of ITOCHU Corporation's shares held: 10,700 shares	May 1978	Joined the Department of Cardiology, Tokyo Women's Medical University
		September 1991	Research fellow at Massachusetts General Hospital, Harvard Medical School
		December 1991	Research fellow at Vanderbilt University School of Medicine
		March 2004	Professor of Cardiology, Tokyo Women's Medical University
		April 2005	President of Aoyama Hospital, Tokyo Women's Medical University
		April 2014	Vice-president of Tokyo Women's Medical University Hospital
		November 2014	Professor of General Medicine, Tokyo Women's Medical University Hospital
		June 2018	Outside Member of the Board of ITOCHU Corporation (current position)
		February 2019	Visiting Professor of Graduate School of Advanced Science and Engineering, Waseda University
		April 2019	Professor Emeritus of Tokyo Women's Medical University (current position) Specially Appointed Professor
		December 2019	Outside Director of MedPeer, Inc. (current position)
		(Important concurrent occupations or positions) Outside Director of MedPeer, Inc.	
		<u>Reason for the nomination of the candidate for outside director and summary of his expected role</u>	
<p>Mr. Masatoshi Kawana is nominated as a candidate for outside director because he has extensive knowledge of medical care and experience in hospital management as the President of Aoyama Hospital, Tokyo Women's Medical University as well as the Vice-president of Tokyo Women's Medical University Hospital. We expect that he will continue using his knowledge to supervise the performance of the directors from a professional perspective especially in relation to Health and Productivity Management and the internal COVID-19 countermeasures that ITOCHU Corporation is promoting. In the event that he is elected, he is expected to be involved in the determination of the executive remuneration of ITOCHU Corporation as a member of the Governance and Remuneration Committee and to be involved in the nomination of candidates for the corporate officers of ITOCHU Corporation as a member of the Nomination Committee from an objective and neutral standpoint.</p>			
<u>Special notes concerning the candidate for outside director</u>			
<p>Mr. Masatoshi Kawana is currently an outside director of ITOCHU Corporation, and at the conclusion of this Ordinary General Meeting of Shareholders, he will have served in that capacity for four (4) years. He fulfills the criteria for independent directors prescribed by the Tokyo Stock Exchange, Inc. and ITOCHU Corporation's "Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members" (please refer to pages 24 to 25) and is registered as an independent director at Tokyo Stock Exchange, Inc.</p>			

No.	Name	Brief personal history (Important concurrent occupations or positions)			
<p data-bbox="204 936 225 965">9</p> <div data-bbox="177 972 252 1048" style="border: 1px solid black; padding: 2px; display: inline-block;"> Reelection Outside Independent </div>	<p data-bbox="268 792 464 853">Makiko Nakamori (August 18, 1963)</p> <p data-bbox="288 891 443 1025">Number of Attendance at Meetings of the Board of Directors: 15/15 (100%)</p> <p data-bbox="268 1055 464 1189">Number of ITOCHU Corporation's shares held: 11,500 shares</p>	April	1987	Joined Nippon Telegraph and Telephone Corporation	
		October	1991	Inoue Saito Eiwa Audit Corporation (currently KPMG AZSA LLC)	
		April	1996	Registered as a certified public accountant	
		July	1997	Representative Partner, NAKAMORI CPA OFFICES (current position)	
		August	2000	Outside Audit & Supervisory Board Member, Oracle Corporation Japan	
		December	2006	Auditor (Outside), istyle Inc.	
		August	2008	Outside Director, Oracle Corporation Japan	
		December	2011	Outside Audit & Supervisory Board Member, M&A Capital Partners Co., Ltd. (current position)	
		June	2013	Outside Director, ITOCHU Techno-Solutions Corporation Outside Audit & Supervisory Board Member, NEXT Co., Ltd. (currently LIFULL Co., Ltd.) (current position)	
		November	2015	Auditor (external), TeamSpirit Inc.	
		June	2019	Outside Member of the Board of ITOCHU Corporation (current position)	
				(Important concurrent occupations or positions)	
				Representative Partner, NAKAMORI CPA OFFICES	
		Outside Audit & Supervisory Board Member, M&A Capital Partners Co., Ltd.			
		Outside Audit & Supervisory Board Member, LIFULL Co., Ltd.			
		<u>Reason for the nomination of the candidate for outside director and summary of her expected role</u>			
		<p data-bbox="475 940 1415 1352">Ms. Makiko Nakamori is nominated as a candidate for outside director because she has extensive knowledge of accounting and finance through her extensive experience as a certified public accountant and corporate management as a company manager in multiple executive positions. We expect her to continue using her knowledge to supervise the performance of the directors from a professional perspective, particularly in the areas of internal control, compliance, and DX. In the event that she is elected, she is expected to be involved in the determination of the executive remuneration of ITOCHU Corporation from an objective and neutral standpoint as Chair of the Governance and Remuneration Committee and to further energize the committee through her contribution of new perspectives in light of her career and expertise in discussions concerning policies to promote advancement of female employees as a member of the Women's Advancement Committee.</p>			
		<u>Special notes concerning the candidate for outside director</u>			
		<ul style="list-style-type: none"> <li data-bbox="475 1388 1415 1621">• Ms. Makiko Nakamori is currently an outside director of ITOCHU Corporation, and at the conclusion of this Ordinary General Meeting of Shareholders, she will have served in that capacity for three (3) years. She fulfills the criteria for independent directors prescribed by the Tokyo Stock Exchange, Inc. and ITOCHU Corporation's "Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members" (please refer to pages 24 to 25) and is registered as an independent director at Tokyo Stock Exchange, Inc. <li data-bbox="475 1621 1415 1684">• Ms. Makiko Nakamori served as an outside director of ITOCHU Techno-Solutions Corporation, a subsidiary of ITOCHU Corporation, from June 2013 to June 2019. <li data-bbox="475 1684 1415 1778">• Although she is currently engaged in business execution of NAKAMORI CPA OFFICES as Representative Partner of the offices, there is no business relationship between the offices and ITOCHU Corporation in the most recent fiscal year. 			

No.	Name	Brief personal history (Important concurrent occupations or positions)		
10	Kunio Ishizuka (September 11, 1949)	May	1972	Joined Mitsukoshi, Ltd.
		February	2003	Executive Officer and General Manager of Operations Department, Mitsukoshi, Ltd.
		March	2004	Executive Officer, General Manager, Corporate Planning Department, Mitsukoshi, Ltd.
		March	2005	Senior Executive Officer, General Manager, Strategy Department, Mitsukoshi, Ltd.
		May	2005	President and Representative Director, Mitsukoshi, Ltd.
		April	2008	President and Representative Director, Isetan Mitsukoshi Holdings Ltd.
		February	2012	Chairman and Representative Director, Isetan Mitsukoshi Holdings Ltd.
		June	2013	Outside Director, SEKISUI CHEMICAL CO., LTD.
		June	2017	Senior Advisor, Isetan Mitsukoshi Holdings Ltd.
		July	2017	Supervisory Board Member, National Federation of Agricultural Cooperative Associations (current position)
		May	2021	Outside Director, Welcia Holdings Co., Ltd. (current position)
		June	2021	Outside Member of the Board of ITOCHU Corporation (current position)
				(Important concurrent occupations or positions) Outside Director, Welcia Holdings Co., Ltd.
		<u>Reason for the nomination of the candidate for outside director and summary of his expected role</u> Mr. Kunio Ishizuka is nominated as a candidate for outside director because he has extensive knowledge of corporate management and the retail industry, having served as President and Chairman of Isetan Mitsukoshi Holdings Ltd. and as a Vice Chair of Nippon Keidanren (Japan Business Federation). We expect him to continue to use his knowledge to supervise the performance of the directors from a professional perspective, especially in relation to the business transformation that ITOCHU Corporation is promoting which incorporates the needs of the market into ITOCHU Corporation's products and services. In the event that he is elected, he is expected to be involved in the nomination of candidates for the corporate officers of ITOCHU Corporation as Chair of the Nomination Committee from an objective and neutral standpoint.		
		<u>Special notes concerning the candidate for outside director</u> Mr. Kunio Ishizuka is currently an outside director of ITOCHU Corporation, and at the conclusion of this Ordinary General Meeting of Shareholders, he will have served in that capacity for one (1) year. He fulfills the criteria for independent directors prescribed by the Tokyo Stock Exchange, Inc. and ITOCHU Corporation's "Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members" (please refer to pages 24 to 25) and is registered as an independent director at Tokyo Stock Exchange, Inc.		
	Number of Attendance at Meetings of the Board of Directors (since his appointment): 11/11 (100%)			
	Number of ITOCHU Corporation's shares held: 2,000 shares			

- Notes:
- All candidates do not have any special interest with ITOCHU Corporation.
 - The number of ITOCHU Corporation's shares held by each candidate includes the number of shares noted in parentheses which indicates shares scheduled to be provided in accordance with the stock remuneration plan when the candidate retires (i.e., a number of shares commensurate with vested points under the performance-linked stock remuneration plan (trust type)). Please refer to the attached Business Report "(3) Remunerations etc. to Directors and Audit & Supervisory Board Members" for the overview of the remuneration plan for directors of ITOCHU Corporation.
 - Ms. Atsuko Muraki, Mr. Masatoshi Kawana, Ms. Makiko Nakamori and Mr. Kunio Ishizuka are candidates for Outside Directors.
 - ITochu Corporation, in order for its Outside Directors to perform their expected roles fully, has provided in Article 24 of its Articles of Incorporation that it may conclude an agreement with an outside director limiting his or her liability to an amount provided for by laws and regulations as long as there are good faith and no gross negligence regarding the outside director's performance of duties. Therefore, in the event that this proposal is approved, we intend to continue the agreements on limited liability that it has concluded with Ms. Atsuko Muraki, Mr. Masatoshi Kawana, Ms. Makiko Nakamori and Mr. Kunio Ishizuka.
The content of the contract may be outlined as follows:
 - It limits, based on the provisions of Article 427, Paragraph 1 of the Companies Act, responsibility as specified in Article 423, Paragraph 1 of that Act.

- As long as there are good faith and no gross negligence regarding an outside director's performance of duties, ITOCHU Corporation may limit responsibility to the extent permitted under Article 425, Paragraph 1 of that Act.
5. If this proposal is approved and adopted, ITOCHU Corporation plans, pursuant to the provisions of Article 430-2, Paragraph 1 of the Companies Act, to enter into indemnity agreements with each candidate under which we agree to indemnify costs and losses, as provided for by Item 1 and Item 2, respectively, of said paragraph, within the ranges prescribed by laws and regulations.
 6. ITOCHU Corporation has entered into a director and officer's liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The policy covers the compensation for damages and litigation costs incurred in damage suits against an insured person arising from the performance of duties of the insured. The candidates will be included as insured persons in the policy. In addition, when the policy is renewed, we plan to renew the policy with the same terms.

Proposal No. 4: Election of One (1) Audit & Supervisory Board Member

The terms of office of the current Audit & Supervisory Board Member Shuzaburo Tsuchihashi will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, we hereby propose the election of one (1) Audit & Supervisory Board Member. The candidate for the new Audit & Supervisory Board Member is as follows. The Audit & Supervisory Board has given its accord to this proposal.

Policy and Process for Appointing Candidates for Audit & Supervisory Board Members

In order to appropriately audit and supervise management as Audit & Supervisory Board Members of a general trading company with broad range of business, candidates for Audit & Supervisory Board Members are selected from those with understanding about ITOCHU Corporation's management, high-level expertise in fields including accounting, finance, law, and risk management, and a broad range of experience. As a company with an Audit & Supervisory Board, half or more of the members always consist of Outside Audit & Supervisory Board Members. In nominating Outside Audit & Supervisory Board Members, ITOCHU Corporation prioritizes candidates with higher independence, based on the criteria for "independent auditors" prescribed by the Tokyo Stock Exchange, Inc. and ITOCHU Corporation's "Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members," who with his or her high-level expertise and extensive experience in the relevant category, are expected to appropriately audit and supervise the management of ITOCHU Corporation. Moreover, among the Audit & Supervisory Board Members, ITOCHU Corporation nominates at least one person who possesses considerable knowledge concerning finance and accounting. A proposal on candidates for Audit & Supervisory Board Members is created by Chairman & Chief Executive Officer through consultation with full-time Audit & Supervisory Board Members with consent of the Audit & Supervisory Board. It is then submitted to the Nomination Committee for further deliberation before the Board of Directors finally nominates the candidates for election at the General Meeting of Shareholders.

No.	Name	Brief personal history (Important concurrent occupations or positions)	
	Mitsuru Chino (May 26, 1966)	December 1991	Registered as attorney at law in California
		February 2000	Joined ITOCHU Corporation
		April 2013	Executive Officer General Manager, Legal Division
		April 2017	EVP & CAO, ITOCHU International Inc.; President & CEO, ITOCHU Canada Ltd.
		April 2018	Managing Executive Officer (current position) President & CEO, ITOCHU International Inc. (current position)
New election	Number of ITOCHU Corporation's shares held: 26,204 shares (Registered name: Mitsuru Ike)	<u>Reason for the nomination of the candidate for audit & supervisory board member</u> Since joining ITOCHU Corporation, Ms. Mitsuru Chino primarily engaged in legal related operations. After serving as General Manager of Legal Division and EVP, SVP & CAO of ITOCHU International Inc., since April 2018, as President & CEO of ITOCHU International Inc., she has overseen the management and business activities of the North American bloc overall, has promoted new business cultivation and business improvements, and has demonstrated excellent management skills. As she possesses expertise and outstanding insight in the legal field, we have determined that she is able to properly execute duties as an audit & supervisory board member, and have proposed her as a new candidate for audit & supervisory board member.	

- Notes:
1. The candidate does not have any special interest with ITOCHU Corporation.
 2. ITOCHU Corporation plans, pursuant to the provisions of Article 430-2, Paragraph 1 of the Companies Act, to enter into indemnity agreements under which we agree to indemnify costs and losses, as provided for by Item 1 and Item 2, respectively, of said paragraph, within the ranges prescribed by laws and regulations. We plan to enter into an indemnity agreements with each existing Audit & Supervisory Board Member and Ms. Mitsuru Chino if her election as Audit & Supervisory Board Member is approved.
 3. ITOCHU Corporation has entered into directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The policy covers the compensation for damages and litigation costs incurred in damage suits against an insured person arising from the performance of duties of the insured. The candidates will be included as insured persons in the policy. In addition, when the policy is renewed, we plan to renew the policy with the same terms.

If this proposal is approved as submitted, the Audit & Supervisory Board is scheduled to be comprised of the following.

	Name	Position in ITOCHU Corporation	Number of Attendance at Meetings of the Board of Directors	Number of Attendance at Meetings of the Audit & Supervisory Board	Number of years in office	Governance and Remuneration Committee	Nomination Committee	Women's Advancement Committee
	Makoto Kyoda	Full-time Audit & Supervisory Board Member	15/15 (100%)	14/14 (100%)	2 years	–	※	○
New election	Mitsuru Chino	Full-time Audit & Supervisory Board Member	–	–	–	※	–	–
Outside Independent	Shingo Majima	Audit & Supervisory Board Member	15/15 (100%)	14/14 (100%)	9 years	○	–	–
Outside Independent	Kentaro Uryu	Audit & Supervisory Board Member	15/15 (100%)	14/14 (100%)	7 years	–	○	–
Outside Independent	Masumi Kikuchi	Audit & Supervisory Board Member	10/11 (91%) (since his appointment)	9/10 (90%) (since his appointment)	1 year	○	–	○

○: Member

※: Observer

- Notes:
1. The number of years in office as the Audit & Supervisory Board Member is measured as of the conclusion of this Ordinary General Meeting of Shareholders.
 2. The above list shows the persons (intended) to compose the respective advisory committees in the case of approval of Proposal No. 3 and No. 4 at this Ordinary General Meeting of Shareholders.
 3. The Outside Audit & Supervisory Board Members are listed in order of their appointment as the Audit & Supervisory Board Member of ITOCHU Corporation.

Proposal No. 5: Revision of Remuneration Amount for Directors

Monthly remuneration for Directors of ITOCHU Corporation is within ¥0.8 billion annually (of which, the amount for Outside Directors is within ¥0.1 billion annually), and separately from the above, bonuses paid to Directors (excluding Outside Directors) depending on the business performance and stock price are within ¥2.0 billion annually, as approved at the 95th Ordinary General Meeting of Shareholders held on June 21, 2019, and the amount has remained unchanged to the present. For the following reasons, at this meeting we would like to revise the monthly remuneration for Directors to within ¥1.0 billion annually (¥0.1 billion for Outside Directors), and separately from the above an amount of ¥3.0 billion annually for bonuses paid to Directors (excluding Outside Directors) depending on business performance and stock price. Also, we would like to have the payment of bonuses for Directors after this revision to be applied from the payment connected to the business performance and share price from FY2022.

Remuneration Plan for Directors of ITOCHU Corporation is designed to be an incentive to grow business performance (please refer to pages 56 to 59 (Remunerations etc. to Directors and Audit & Supervisory Board Members) for an overview of the remuneration plan). Directors' monthly remuneration is assessed and determined according to the individual's contribution to ITOCHU Corporation, etc., based on the standard amount for each position and with the goal of increasing earnings. With regard to bonuses, we are aware that making performance-linked remuneration a very significant portion of Directors' total remuneration has been effective in growing earnings and increasing stock price. More specifically, the limits on monthly remuneration and various bonuses approved at the 95th Ordinary General Meeting of Shareholders that was held on June 21, 2019, were set based on FY2019 earnings (¥500.5 billion) reported at the meeting and the earnings level ITOCHU Corporation was targeting at that time, as well as an upward trending stock price every year. However, FY2022 earnings far outpaced this level, rising to over ¥800.0 billion. Furthermore, ITOCHU Corporation's average fiscal year stock price greatly exceeded expectations, growing to 1.5 times the level in FY2020. In light of the earnings increase, ITOCHU Corporation significantly increased shareholder return.

The current limit increase for Directors' monthly remuneration and bonuses was done with the goal of providing an incentive for Directors to make even greater contributions to ITOCHU Corporation, further expand earnings, and raise the stock price.

We currently have eight (8) Directors (of which, four (4) are Outside Directors, and six (6) Directors are eligible to receive FY2022 bonuses, including two (2) who have left offices), and if Proposal No. 3 is approved as originally proposed, there will be ten (10) Directors (of which four (4) are Outside Directors).

Proposal No. 6: Revision of Remuneration Amount for Audit & Supervisory Board Members

Remuneration for Audit & Supervisory Board Members of ITOCHU Corporation is within ¥13 million monthly, as approved at the 81st Ordinary General Meeting of Shareholders held on June 29, 2005, and the amount has remained unchanged to the present. Economic conditions have recently undergone significant change and the Audit & Supervisory Board Members' duties and the roles expected of them have expanded due to business environment changes. This has necessitated the recruiting of individuals with a suitable and diverse knowledge set. In light of this, and of current remuneration levels in the industry, we ask that auditor remuneration limits be calculated on a yearly rather than monthly basis and that the monthly limit of ¥13 million per month be revised to ¥250 million per year.

We currently have five (5) Audit & Supervisory Board Members (of which, three (3) are Outside Audit & Supervisory Board Members), and if proposal No. 4 is approved as originally proposed, the number of Audit & Supervisory Board Members and Outside Audit & Supervisory Board Members will not change.

[Reference] ITOCHU Corporation Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members

For Outside Directors or Outside Audit & Supervisory Board Members of ITOCHU Corporation to be qualified as “independent directors/auditors” as defined by the Tokyo Stock Exchange, Inc., they must NOT fall under any of the following items:

- A. A person whose major business partner is ITOCHU Corporation or an executing person (Note 1) of such person
 - “A person whose major business partner is ITOCHU Corporation” in the above criteria means a person whose accounts receivable from ITOCHU Corporation exceed 2% of such person’s consolidated net sales in any one of its last three (3) fiscal years.
- B. A person who is a major business partner of ITOCHU Corporation or an executing person of such person
 - “A person who is a major business partner of ITOCHU Corporation” in the above criteria means a person to which ITOCHU Corporation’s revenues exceed 2% of ITOCHU Corporation’s consolidated revenues in any one of ITOCHU Corporation’s last three (3) fiscal years.
- C.
 1. A consultant, an accounting professional, a legal professional, or a tax professional receiving a significant amount of money or other assets from ITOCHU Corporation other than executive remunerations (which shall be read as a consultant, an accounting professional, a legal professional, or a tax professional of an organization if such person receiving the said assets is an organization such as corporation and partnership)
 - “A significant amount of money” in the above criteria means, if such person receiving the money is an individual, 10 million yen or higher per year on average of the past three years, or, if such person is an organization, in respect of the payments made by ITOCHU Corporation on average over the last three (3) fiscal years (of such organization), the higher of 10 million yen or 2% of the consolidated gross sales of the organization.
 2. A member or a partner of an auditing firm which is Independent Auditor of ITOCHU Corporation, or other accounting professional who undertakes audits on ITOCHU Corporation or its subsidiary.
- D. A major shareholder (or its executing person) of ITOCHU Corporation
 - “A major shareholder” in the above criteria means a shareholder who directly or indirectly holds 10% or more of voting rights of ITOCHU Corporation.
- E. A director or other executing person of an organization (limited to those who are involved in business execution of such organization) to which ITOCHU Corporation has made a significant amount of donation
 - “A significant amount of donation” in the above criteria means a donation of an amount exceeding 20 million yen per year on average over the last three (3) fiscal years.
- F. A major lender of ITOCHU Corporation, its parent company, or their respective executing person
 - “A major lender” of ITOCHU Corporation in the above criteria means the top three (3) companies of the lenders of ITOCHU Corporation in terms of the amount of borrowings in the last fiscal year.
- G. A person who was an executing person of ITOCHU Corporation or its subsidiary at a certain point in time during ten (10) years prior to their appointment
- H. An executing person of a company which has Director(s) on loan from ITOCHU Corporation

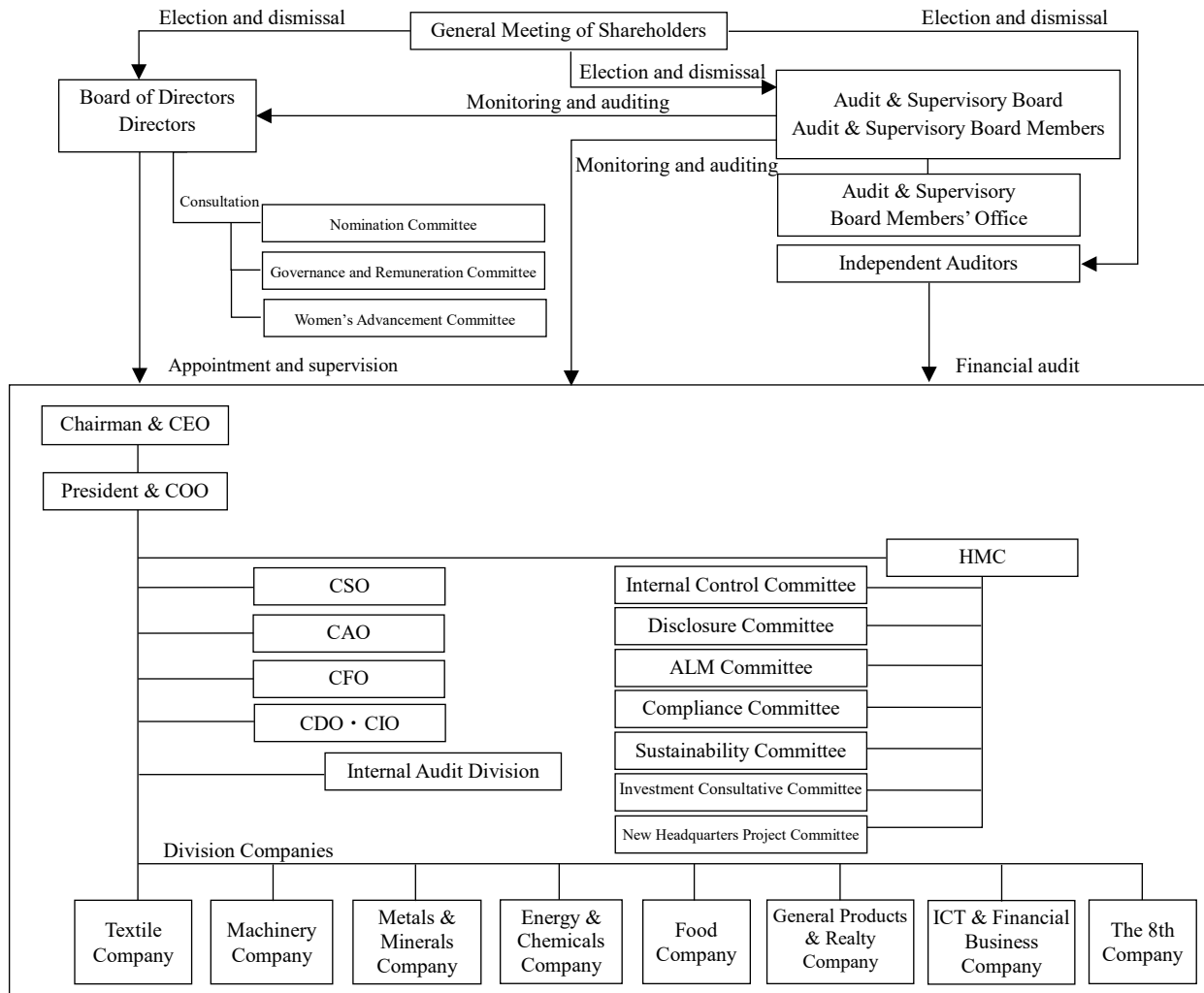
- I.
 - 1. In case there is an organization falling under A, B or C-1 above as of their appointment, a person who belonged to such organization at a certain point in time during three (3) years prior to their appointment.
 - 2. A person who fell under C-2 above at a certain point in time during three (3) years prior to their appointment.
 - 3. In case there is an organization falling under E above as of their appointment, a person who belonged to such organization at a certain point in time during three (3) years prior to their appointment.
 - 4. A person who fell under D or F above at a certain point in time during three (3) years prior to their appointment.

- J. A close relative (Note 2) of a person falling under one of the following items (limited to an important person)
 - (A) A person falling under any of items A through C above, or a person falling under I-1 or I-2 (For A and B, an “important person” means an executive director, executive officer or corporate officer. For C-1, “important person” means, in case of an organization, a member or a partner of such organization, and for C-2, “important person” means a member, a partner or an accounting professional who directly engages in auditing on ITOCHU Corporation’s group)
 - (B) An executing person of ITOCHU Corporation’s subsidiary
 - (C) A non-executive director or an Accounting Advisor of ITOCHU Corporation’s subsidiary (limited to a case where an outside audit & supervisory board member is to be designated as an independent director/auditor)
 - (D) A person who fell under (B) or (C), or was an executing person of ITOCHU Corporation (including non-executive director if an outside audit & supervisory board member is to be designated as an independent director/ auditor) at a certain point in time during one (1) year prior to their appointment

- Notes:
- 1. “An executing person” means a person who executes business as provided for in Article 2, Paragraph 3, Item 6 of the Ordinance for Enforcement of the Companies Act.
 - 2. “Close relative” means a relative within the second degree of kinship.

[Reference] Corporate Governance and Overview of Internal Control System

(as of April 1, 2022)



- Notes: 1. CEO: Chief Executive Officer COO: Chief Operating Officer CSO: Chief Strategy Officer
 CAO: Chief Administrative Officer CFO: Chief Financial Officer CDO · CIO: Chief Digital & Information Officer
 HMC: Headquarters Management Committee ALM: Asset Liability Management
2. CAO is the chief officer for compliance. Also, each Division Company has a Division Company president.
3. Internal control systems and mechanisms have been implemented at every level of ITOCHU Corporation. Only the main internal control organization and committees are described herein.

[Reference] Ensuring Diversity of Officers

In FY2018, ITOCHU Corporation has shifted to a monitoring-oriented Board of Directors with the aim of promoting the separation of management execution and supervision. To ensure that the Board of Directors is able to provide appropriate management supervision, ITOCHU Corporation has appointed officers in charge of headquarters administrative functions and such several Outside Directors that the percentage of Outside Directors in our Board of Directors is one-third or more. By appointing Outside Directors with more specialized viewpoints and greater diversity, we are further enhancing the functions of ITOCHU Corporation's Board of Directors. In addition, by appointing Outside Audit & Supervisory Board Members with knowledge of finance, accounting and legal affairs, we are able to monitor and supervise ITOCHU Corporation's management from a neutral and objective viewpoint. ITOCHU Corporation's officers appointed in accordance with the above, both inside and outside, are engaged in management with their knowledge, experience and high level of insight in their respective fields. With respect to Outside Directors and full-time Audit & Supervisory Board Members, we indicate the following areas in which they are expected to contribute to the management of ITOCHU Corporation, in order to make maximum use of their specialized perspectives and high level of insight, according to discussion with each officer (marked with ⊙).

Name	Role	Principal specialized area of experience and areas of particular potential contribution				
		All aspects of management	Global	Marketing/sales	SDGs and ESG	Health and medical care
Masahiro Okafuji	Chairman & Chief Executive Officer Representative Director	○	○	○	○	○
Keita Ishii	President & Chief Operating Officer Representative Director	○	○	○	○	○
Fumihiko Kobayashi	Representative Director	○	○		○	○
Tsuyoshi Hachimura	Representative Director	○	○	○	○	
Hiroyuki Tsubai	Representative Director	○	○	○	○	
Hiroyuki Naka	Representative Director	○	○	○	○	
Atsuko Muraki	Outside Director				⊙	⊙
Masatoshi Kawana	Outside Director	⊙			⊙	⊙
Makiko Nakamori	Outside Director			⊙		
Kunio Ishizuka	Outside Director	⊙		⊙		
Makoto Kyoda	Full-time Audit & Supervisory Board Member				⊙	
Mitsuru Chino	Full-time Audit & Supervisory Board Member	⊙	⊙			
Shingo Majima	Outside Audit & Supervisory Board Member		⊙			
Kentaro Uryu	Outside Audit & Supervisory Board Member			⊙		
Masumi Kikuchi	Outside Audit & Supervisory Board Member	⊙		⊙		

■Chair □Member *Observer

Name	Principal specialized area of experience and areas of particular potential contribution			Governance and Remuneration Committee	Nomination Committee	Women's Advancement Committee	Main role, career history, qualifications, etc.
	Finance and accounting Risk management	Human resources and labor	Internal control and legal affairs /compliance				
Masahiro Okafuji	○	○	○	□	□		President, Textile Company; President & CEO, ITOCHU Corporation
Keita Ishii	○	○	○	□	□		President, Energy & Chemicals Company, ITOCHU Corporation
Fumihiko Kobayashi	○	○	○	□	□	□	General Manager of Human Resources & General Affairs Division; Chief Administrative Officer, ITOCHU Corporation
Tsuyoshi Hachimura	○	○	○				General Manager of Finance Division; Chief Financial Officer, ITOCHU Corporation
Hiroyuki Tsubai	○	○	○				Chief Executive for European Operation; Chief Executive for Africa; President, Machinery Company, ITOCHU Corporation
Hiroyuki Naka	○	○	○				General Manager, Corporate Planning & Administration Division; Chief Strategy Officer; Chief Digital & Information Officer, ITOCHU Corporation
Atsuko Muraki		◎			□	■	Vice-Minister of Health, Labour and Welfare
Masatoshi Kawana				□	□		Vice-president of Tokyo Women's Medical University Hospital; Doctor of Medicine
Makiko Nakamori	◎		◎	■		□	Certified Public Accountant
Kunio Ishizuka		◎			■		President and CEO/Chairman, Isetan Mitsukoshi Holdings Ltd.
Makoto Kyoda	◎		◎		*	□	CFO, Food Company, ITOCHU Corporation
Mitsuru Chino			◎	*			General Manager, Legal Division, ITOCHU Corporation; President & CEO, ITOCHU International Inc.; Attorney-At-Law in the U.S. (California)
Shingo Majima	◎		◎	□			Partner, KPMG (U.S.); Certified public Accountant in Japan and U.S. (New York State)
Kentaro Uryu	◎		◎		□		Managing Partner, URYU & ITOGA; Attorney-At-Law
Masumi Kikuchi		◎		□		□	President and Representative Director, Sendai Terminal Building Co., Ltd.; President and Representative Director/Director and Chairman, Atre Co., Ltd.

- Notes:
1. Knowledge and experience held by internal directors are indicated with ○, and areas in which full-time Audit & Supervisory Board Members, Outside Directors and Outside Audit & Supervisory Board Members are expected to contribute in particular are indicated with ◎ as the above list shows.
 2. The above list shows the composition if Proposal No. 3 and Proposal No. 4 are approved at this Ordinary General Meeting of Shareholders.
 3. In order to strengthen the supervisory function of the Board of Directors and increase the transparency of the decision-making process, voluntary advisory committees have been established under the Board of Directors. The roles of each committee are as follows;
 - Governance and Remuneration Committee: Deliberates on the remuneration system for executive officers and directors and other governance-related proposals
 - Nominating Committee: Deliberates on proposals for the election and dismissal of executive officers, nomination of candidates for directors and Audit & Supervisory Board Members, dismissal of directors and Audit & Supervisory Board Members, and the selection and dismissal of directors and executive officers with special responsibilities.
 - Women's Advancement Committee: Deliberates on the implementation of policies and strategies for the advancement of female employees (excluding Directors, Executive Officers and Associate Executive Officers)
 4. The Women's Advancement Committee includes the General Manager of Human Resources & General Affairs Division, besides the persons described below.
 5. The Nominating Committee includes the General Manager of Secretariat as observer, besides Audit & Supervisory Board Member Makoto Kyoda

[Reference] Structures of the Board of Directors

Structure of the Members of the Board of Directors

Internal directors	Outside Directors	Ratio of female directors	Ratio of Outside Directors	Distinctive feature
6	4	20% (Two female directors)	40% (Four Outside Directors)	Maintain the ratio of Outside Directors at more than one-third at all times. Paying attention to the diversity of the Board of Directors, in FY2020 we increased the number of female Directors (Outside Directors) from one to two. In FY2022, in order to further promote diversity, ITOCHU Corporation appointed one (Outside) Director with management experience.
CEO	Two males			
COO	Two females			
CAO				
CFO				
Division Company President				
CSO				

- Notes:
1. The above list shows the composition if Proposal No. 3 is approved at this Ordinary General Meeting of Shareholders.
 2. Division Company President: President, Machinery Company

Structure of the Audit & Supervisory Board Members

Internal Audit & Supervisory Board Members	Outside Audit & Supervisory Board Members	Ratio of female Audit & Supervisory Board Members	Ratio of Outside Audit & Supervisory Board Members	Distinctive feature
2	3	20% (One female Audit & Supervisory Board Member)	60% (Three Audit & Supervisory Board Members)	ITOCHU Corporation will appoint one female Audit & Supervisory Board Member (scheduled) to promote further enhancement of diversity in FY2023
One male	Three males			
One female				

[Reference] Board of Directors' Effectiveness Evaluation

ITOCHU Corporation conducted the evaluation as to the effectiveness of the Board of Directors targeting directors and Audit & Supervisory Board Members in FY2022.

As a result of this evaluation, in terms of the structure of the Board of Directors and its advisory committees as well as the roles and duties, operation status, information provision to Directors and Audit & Supervisory Board Members, and training, etc., the Board of Directors of ITOCHU Corporation confirmed that the effectiveness of the Board of Directors was secured.

It was confirmed that there was concrete proof of the effectiveness of the Board of Directors, including (1) enhancement of profitability and corporate value in a rapidly changing environment, (2) measures for increasing human resource diversity through the establishment of the Women's Advancement Committee, (3) revitalization of discussions through the election of two external officers with experience in corporate management, and (4) strengthening of measures for discussions for the medium- to long-term, such as on SDGs and corporate branding.

Additionally, it was confirmed that there was steady improvement and progress with regard to issues identified in the previous evaluation (the necessity to expand discussions that contribute to the further enhancement of corporate value in order to have the Board of Directors better perform its function not only formally, but also materially, as well as the need to promote strengthening of oversight with regard to business execution).

On the other hand, it is recognized that the Board of Director needs to perform its function better than ever, with two issues to prioritize going forward: (1) continuous discussions in order to strengthen the management foundation, and (2) securing an increase in human resource diversity.

Based on the results of the above evaluation, ITOCHU Corporation will realize deeper discussions by making use of various opportunities not limited only to the Board of Directors, such as off-site discussions outside of the Board of Directors, etc., and work to maintain and enhance the effectiveness of its Board of Directors.

[Reference] Overview of the Internal Committees

Each internal committee carries out careful review and discussion of management issues in each field the committee oversees. Some internal committees, such as the Internal Control Committee, have outside experts among their members, who bring outside opinions into ITOCHU Corporation and assist with the execution of business by the management and decision-making by Board of Directors. The following table lists the main internal committees and their roles (as of April 1, 2022).

Name	Main topics of discussion	Chair
Internal Control Committee	<ul style="list-style-type: none">• Issues related to the development of internal control systems	CAO
Disclosure Committee	<ul style="list-style-type: none">• Issues related to business activity disclosure• Issues related to the development and operation of internal control systems in the area of financial reporting	CFO
Asset Liability Management (ALM) Committee	<ul style="list-style-type: none">• Issues related to risk management systems• Issues related to balance sheet management	CFO
Compliance Committee	<ul style="list-style-type: none">• Issues related to compliance	CAO
Sustainability Committee	<ul style="list-style-type: none">• Sustainability promotion issues related to SDGs and ESG efforts (including environmental and social related issues; excluding governance-related issues)	CAO
Investment Consultative Committee	<ul style="list-style-type: none">• Issues related to investment and financing	CFO
New Headquarters Project Committee	<ul style="list-style-type: none">• Issues related to new Tokyo Head Office building	CAO

[Reference] Information Provision and Support Structure for Outside Directors and Outside Audit & Supervisory Board Members

ITOCHU Corporation believes it is essential to strengthen the monitoring and supervision of management as much as possible by outside officers as “the public eye” (the eyes of general shareholders) to energize the Board of Directors. So we focus attention on strengthening communication and information sharing with outside officers, providing opportunities to deepen their understanding of the wide range of businesses operated as a general trading company.

Pre-briefing to outside officers, etc.

Careful explanation of each agenda item is provided to outside officers together with responses to questions, etc. before each meeting of the Board of Directors in an effort to ensure deliberations at the Board of Directors are practical and essential. In addition to the details of the agenda item, information is provided on the background of such agenda item and how such agenda item fits into the company-wide plans and strategies in an effort to reduce the asymmetry between information available to internal officers and outside officers.

In addition, ITOCHU Corporation makes it possible to reflect the diverse insights and perspectives of outside officers by creating opportunities for outside officers to exchange opinions with executives before meetings when formulating management plans and in the multiple stages of the formulation process.

Various meetings and interviews, etc.

ITOCHU Corporation places emphasis on direct conversations between ITOCHU Corporation officers and employees and outside officers and conducts interviews between outside officers and each individual Division Company president and officer in charge of headquarters administrative functions.

In addition to measures such as sharing the status of audits at the offices of group companies through liaison committees that have to date been held between Outside Directors and Full-Time Audit & Supervisory Board Members, coordination has been deepened since FY2022 with the Internal Audit Division establishing opportunities for direct reporting of auditing plans and other activities to Outside Directors.

Promoting understanding of the ITOCHU Group such as with on-site visits

ITOCHU Corporation provides outside officers with opportunities to deepen their understanding about the broad scope of business activities and traded products and services of the ITOCHU Group through regular visits to group companies and investment targets and discussion with senior management of group companies, etc.

In FY2022, to verify the initiatives in FamilyMart’s new business innovations, outside officers visited the stores with digital signage and unmanned stores, to experience the new technologies and talk with on-site employees, etc.

In addition, opportunities were created to have interviews between outside officers and senior management of 12 key group companies with active exchange of opinions concerning each company’s business strategies and initiatives for expanding the business scope.

Business Report

(From April 1, 2021 to March 31, 2022)

1. Current Conditions of the ITOCHU Group

(1) Business Progress and Achievement

[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.

[Operating Results of the ITOCHU Group]

(Billions of Yen)

	97th Fiscal Term (FY2021)	98th Fiscal Term (FY2022)	Increase (Decrease)	%
Revenues	10,362.6	12,293.3	1,930.7	18.6%
Gross trading profit	1,780.7	1,937.2	156.4	8.8%
Selling, general and administrative expenses	(1,366.5)	(1,346.7)	19.8	(1.4%)
Others	98.2	559.6	461.4	469.7%
[Equity in earnings of associates and joint ventures]	[228.6]	[291.4]	[62.8]	[27.5%]
Profit before tax	512.5	1,150.0	637.6	124.4%
Net profit attributable to ITOCHU	401.4	820.3	418.8	104.3%
(Reference) Trading income	403.4	582.5	179.1	44.4%

Revenues for the fiscal year ended March 31, 2022 increased by 18.6%, or 1,930.7 billion yen, compared to the previous fiscal year to 12,293.3 billion yen. This increase was attributable to higher revenue from Energy & Chemicals Company, due to higher market prices and transaction volume in energy-related companies and chemical-related companies; higher revenue from Metals & Minerals Company, due to higher iron ore prices and coal prices; higher revenue from Food Company, due to higher transaction volume in NIPPON ACCESS INC. and higher market prices in provision-related transactions; and higher revenue from General Products & Realty Company, due to the sales volume recovery in European Tyre Enterprise Limited (European tire-related company) resulting from the alleviation of the impact of COVID-19 and the favorable performance in construction materials business.

Gross trading profit increased by 8.8%, or 156.4 billion yen, compared to the previous fiscal year to 1,937.2 billion yen. Gross trading profits increased in Metals & Minerals Company, due to higher iron ore prices and coal prices; in General Products & Realty Company, due to the sales volume recovery in European Tyre Enterprise Limited resulting from the alleviation of the impact of COVID-19 and the favorable performance in construction materials business; in Machinery Company, due to the favorable sales in YANASE & CO., LTD., 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; and Energy & Chemicals Company, due to the improvement in profitability in energy trading transactions and ITOCHU Oil Exploration (Azerbaijan) Inc. (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.

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, due to the conversion of Taiwan FamilyMart Co., Ltd. (“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.

Provision for doubtful accounts decreased by 2.9 billion yen compared to the previous fiscal year to a loss of 7.9 billion yen, due to the decreases in provision for doubtful accounts in general receivables.

Gains on investments increased by 207.7 billion yen, compared to the previous fiscal year to 211.9 billion yen, due to the gains on the partial sale of Taiwan FamilyMart, the de-consolidation of Paidy Inc., and the sale of Japan Brazil Paper & Pulp Resources Development Co., Ltd., in addition to the realization of foreign exchange gains due to the de-consolidation of ITOCHU Coal Americas Inc.

Losses on property, plant, equipment and intangible assets improved by 139.9 billion yen, compared to the previous fiscal year to a loss of 17.6 billion yen, due to the absence of the impairment losses in FamilyMart Co., Ltd. and Australian coal-related company, and of the impairment loss on a foreign company of Machinery in the previous fiscal year.

Other-net improved by 15.8 billion yen, compared to the previous fiscal year to a profit of 9.6 billion yen, due to the absence of the loss from long-term energy contract in the previous fiscal year, partially offset by deterioration in foreign exchange gains and losses.

Net interest expenses, which is the total of **Interest income** and **Interest expense**, improved by 4.5 billion yen, compared to the previous fiscal year to expenses of 8.6 billion yen, caused by a decrease in interest expenses due to lower U.S. dollar interest rates. **Dividends received** increased by 51.9%, or 27.6 billion yen, compared to the previous fiscal year to 80.7 billion yen, due to an increase in dividends from iron ore companies. Net financial income, which is the total of net interest expenses and dividends received, increased by 32.1 billion yen, compared to the previous fiscal year to a gain of 72.2 billion yen.

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. This increase was attributable to increases in General Products & Realty Company, caused by improvement of earnings in ITOCHU FIBRE LIMITED (European pulp-related company)

due to higher pulp prices, and higher earnings in construction materials business; in Metals & Minerals Company, caused by higher earnings in Marubeni-Itochu Steel Inc. 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; in Machinery Company, caused by higher earnings in I-ENVIRONMENT INVESTMENTS LIMITED (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; and a decrease in the Others, Adjustments & Eliminations (Note), caused by lower earnings in C.P. Pokphand Co. Ltd. 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.

(Note) “Others, Adjustments & Eliminations” includes gains and losses which do not belong to any operating segment and internal eliminations between operating segments.

Consequently, **Profit before tax** increased by 124.4%, or 637.6 billion yen, compared to the previous fiscal year to 1,150.0 billion yen. **Income tax expense** increased by 278.6%, or 199.5 billion yen, compared to the previous fiscal year to 271.1 billion yen, due to stable growth in profits and the absence of lower tax expenses related to FamilyMart Co., Ltd. in the previous fiscal year. **Net profit**, which is calculated as profit before tax of 1,150.0 billion yen minus income tax expense of 271.1 billion yen, increased by 99.4%, or 438.1 billion yen, compared to the previous fiscal year to 879.0 billion yen. **Net profit attributable to ITOCHU**, which is calculated as Net profit minus **Net profit attributable to non-controlling interests** of 58.7 billion yen, increased by 104.3%, or 418.8 billion yen, compared to the previous fiscal year to 820.3 billion yen.

(Reference)

“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. This increase was attributable to increases in Metals & Minerals Company, due to higher iron ore prices and coal prices; in Machinery Company, due to the favorable sales in YANASE & CO., LTD., 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; in General Products & Realty Company, due to the sales volume recovery in European Tyre Enterprise Limited resulting from the alleviation of the impact of COVID-19 and the favorable performance in construction materials business; and in Energy & Chemicals Company, due to the improvement in profitability in energy trading transactions and ITOCHU Oil Exploration (Azerbaijan) Inc. 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.

Cautionary Notes concerning Forecasts

Data and projections contained in this business report are based on the current information available, 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 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.

[Main Business]

The ITOCHU Group, through its network in Japan and overseas, engages in the domestic trading, import/export and overseas trading of various products such as textiles, machinery, information and communications-related products, metals, products related to oil and other energy sources, general merchandise, chemicals, and provisions and food. Moreover, the ITOCHU Group is making multifaceted investments in insurance agencies, finance, construction, real estate trading, and warehousing as well as operations and businesses incidental or related to those fields.

[Operating Results by Segment]**Net profit attributable to ITOCHU**

(Billions of Yen)

Segment	97th Fiscal Term (FY2021)	98th Fiscal Term (FY2022)
Textile	1.6	25.1
Machinery	22.8	80.0
Metals & Minerals	104.1	226.0
Energy & Chemicals	36.1	89.6
Food	25.0	59.0
General Products & Realty	21.3	105.2
ICT & Financial Business	58.1	104.3
The 8th	21.3	49.0
Others, Adjustments & Eliminations	111.1	82.0
Total	401.4	820.3

Financial Highlights by Segment

Segment	
Textile Company	Increased due to the recovery trend especially in apparel-related companies, higher equity in earnings and the gain on the partial sale of a foreign company, in addition to the absence of extraordinary losses in the previous fiscal year, partially offset by the impact of COVID-19.
Machinery Company	Increased due to the favorable sales in YANASE & CO., LTD., the recovery in overall automobile-related business resulting from the alleviation of the impact of COVID-19, the favorable performance in almost all businesses such as ship-related companies and North American IPP-related business, and the gain on the sale of a water utility company in I-ENVIRONMENT INVESTMENTS LIMITED, in addition to the absence of the extraordinary losses in the previous fiscal year.
Metals & Minerals Company	Increased due to higher iron ore prices and coal prices, higher equity in earnings in Marubeni-Itochu Steel Inc., and the realization of foreign exchange gains due to the de-consolidation of ITOCHU Coal Americas Inc., in addition to the absence of extraordinary losses in the previous fiscal year.
Energy & Chemicals Company	Increased due to the improvement in profitability in energy trading transactions and ITOCHU Oil Exploration (Azerbaijan) Inc. as well as higher dividends resulting from higher market prices, and the stable performance in chemical-related companies, in addition to the absence of extraordinary losses in the previous fiscal year.
Food Company	Increased due to the improvement in North American grain-related companies and higher transaction volume in NIPPON ACCESS, INC. as well as the absence of extraordinary losses in the previous fiscal year, partially offset by the deterioration in profitability in meat-products-related companies.
General Products & Realty Company	Increased due to the favorable performance in construction materials business, the improvement in European Tyre Enterprise Limited resulting from the alleviation of the impact of COVID-19, improvement of equity in earnings in ITOCHU FIBRE LIMITED due to higher pulp prices, and the gain on the sale of Japan Brazil Paper & Pulp Resources Development Co., Ltd., in addition to the absence of extraordinary losses in the previous fiscal year.
ICT & Financial Business Company	Increased due to the favorable performance in ITOCHU Techno-Solutions Corporation, the higher gain on fund operation, and the gain due to the de-consolidation of Paidy Inc.
The 8th Company	Increased due to the recovery of daily sales resulting from the alleviation of the impact of COVID-19 and expanding product offerings by FamilyMart Co., Ltd., the increased ownership percentage in FamilyMart Co., Ltd., and the gain on the partial sale of Taiwan FamilyMart, partially offset by the absence of extraordinary gains in the previous fiscal year.
Others, Adjustments & Eliminations	Decreased due to lower equity in earnings in C.P. Pokphand Co. Ltd. due to the deterioration in profitability resulting from lower pork prices and the absence of extraordinary gain in the previous fiscal year, in addition to higher tax expenses, partially offset by higher equity in earnings in CITIC Limited resulting from the stable performance especially in comprehensive financial business.

- Notes: 1. ITOCHU Corporation prepared the consolidated financial statements in conformity with IFRS.
2. [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.

[Consolidated Financial Position]

(Billions of Yen)

	97th Fiscal Term (FY2021)	98th Fiscal Term (FY2022)	Increase (Decrease)	%
Total assets	11,178.4	12,153.7	975.2	8.7%
Interest-bearing debt	3,155.3	2,905.9	(249.4)	(7.9%)
Net interest-bearing debt	2,601.4	2,283.0	(318.4)	(12.2%)
Total shareholders' equity	3,316.3	4,199.3	883.0	26.6%

Ratio of shareholders' equity to total assets	29.7%	34.6%	Increased 4.9 pt
NET DER (Net debt-to-shareholders' equity ratio) (times)	0.78	0.54	Improved 0.24 pt

Total assets increased by 8.7%, or 975.2 billion yen, compared to March 31, 2021 to 12,153.7 billion yen, 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.

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, 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.

Total shareholders' equity increased by 26.6%, or 883.0 billion yen, compared to March 31, 2021 to 4,199.3 billion yen, 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.

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.

[Consolidated Cash Flows]

(Billions of Yen)

	97th Fiscal Term (FY2021)	98th Fiscal Term (FY2022)
Cash flows from operating activities	895.9	801.2
Cash flows from investing activities	(207.3)	38.6
Free cash flows	688.6	839.8
Cash flows from financing activities	(728.8)	(846.7)

Cash flows from operating activities recorded a net cash-inflow of 801.2 billion yen, due to the stable performance in operating revenues in The 8th, Metals & Minerals, Energy & Chemicals and Food Companies.

Cash flows from investing activities recorded a net cash-inflow of 38.6 billion yen, due to the partial sale of Pan Pacific International Holdings Corporation, the sale of Japan Brazil Paper & Pulp Resources Development Co., Ltd. and Paidy Inc., 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.

Cash flows from financing activities recorded a net cash-outflow of 846.7 billion yen, 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.

[Qualitative Results for FY2022]

The ITOCHU Group has established “realizing business transformation by shifting to a market-oriented perspective” and “enhancing our contribution to and engagement with the SDGs through business activities” as the basic policies of the medium-term management plan, “Brand-new Deal 2023” (Three-Year Plan from FY2022 to FY2024). The following are the specific achievements made in FY2022, the first fiscal year of Brand-new Deal 2023.

■Textile Company

Acquisition of Shares in DOME Corporation, the Exclusive Distributor for U.S.-Based Under Armour in Japan

An agreement has been reached that ITOCHU Corporation will acquire a majority of the outstanding shares of DOME Corporation, the exclusive distributor in Japan for Under Armour. One of the world’s top sports brands, Under Armour maximizes athlete performance with functional and innovative products. Through a collaboration with U.S.-based Under Armour, Inc., ITOCHU Corporation will enhance corporate value of DOME Corporation.

With a market-oriented perspective, ITOCHU Corporation will continue expanding its sports-related business, a growth market, by staying abreast of diversifying lifestyles and changes in consumer behavior.

Textile Collection Service for a Circular Economy

The RENU Project, which aims to solve the problem of excessive waste in the textile industry, has launched a textile collection service in the Japanese market. Aiming to achieve a circular economy, the service will collect and sort discarded textiles, circulate products and materials through solutions such as reusing and recycling into polyester materials, and reduce textile product waste.

By assessing the needs of consumers and society, evolving our business model, and providing new services, ITOCHU Corporation will contribute to achieving the SDGs.

■Machinery Company

Expansion of the Construction Machinery Business Through Capital Alliance With Hitachi Construction Machinery Co., Ltd.

ITOCHU Corporation will acquire 26% of the total voting rights of Hitachi Construction Machinery Co., Ltd. through a special-purpose corporation jointly established with Japan Industrial Partners, Inc., and make it into an equity-method associated company. Hitachi Construction Machinery Co., Ltd. is working to enhance its value chain businesses in areas such as rentals, used equipment, and after-sales services, in addition to new machinery sales, and is strengthening customer engagement using digital technologies.

Through means that include expanding sales opportunities and establishment of sales networks by leveraging the ITOCHU Group’s customer network as well as its logistics and finance functions, this capital alliance will see ITOCHU Corporation provide services that maximize the collective strengths of the two groups.

Start of Construction in Dubai on One of the World’s Largest Energy-from-Waste Plants

ITOCHU Corporation is currently building one of the world’s largest Energy-from-Waste plants in Dubai, and will operate the facility for 35 years after commencement of commercial operation, which is slated for 2024. Once built, the plant will incinerate roughly 45% (1.9 million tons annually) of all general waste produced in Dubai and generate electricity from the heat that is produced during incineration.

Through this project, ITOCHU Corporation will contribute to the achievement of Dubai policy goals with regard to the environment and health, including reducing landfill disposal volume, contributing to sustainable and ecologically friendly waste management, and promoting the development of alternative energy sources not reliant on fossil fuels.

■Metals & Minerals Company

Further Strengthening of Western Australian Iron Ore Business

Through the Western Australian Iron Ore Business joint venture with BHP Group Limited (BHP) and others, production at South Flank mine started on schedule in May 2021 following the decision to develop the mine in 2018. Together with the adjacent mine of Mining Area C (MAC), South Flank mine will form the world’s largest iron ore production hub producing 145 million tons of iron ore per year. The project will also help to significantly stabilize Western Australian Iron Ore Business.

In 2021, we also acquired a partial interest in the Western Ridge iron ore deposits owned by BHP. Western Ridge consists of four vast iron ore deposits where we are able to keep cost low by utilizing existing rail and port infrastructure, of which we have begun production at an open-pit mine.

Through efforts to strengthen and further stabilize Western Australian Iron Ore Business, ITOCHU Corporation will provide a stable and long-term supply of high-grade iron ore resources to customers around the world.

■Energy & Chemicals Company

Launch of Surplus Solar Power Circulation Model Initiative

ITOCHU Group company i GRID SOLUTIONS, Inc. has launched a service for purchasing surplus electric power generated from solar power generation systems on rooftop of commercial building. The service enables the introduction of solar power generation at logistics and commercial facilities, where it was difficult to start the third party-owned distributed power supply business (Solar PPA) from the electricity supply-and-demand point of view. i GRID SOLUTIONS, Inc. already operates on-site solar power stations at over 350 locations nationwide. It has the largest track record for Solar PPA in Japan, providing low-cost electricity stably to customers amid soaring electricity prices driven by tight supply and demand. By purchasing surplus electricity and supplying it as CO₂-free electricity to the surrounding area, i GRID SOLUTIONS, Inc. is constructing a “surplus solar power circulation model” and promoting the maximization of renewable energy in various communities. In addition to the integrated control of distributed electricity sources such as storage batteries which ITOCHU has been working on, networking renewable energy in each region provide next-generation electric power platform services and contributes towards the realization of a carbon-neutral society by 2050.

Renewable Resource-Based Fuel Business

In February 2022, ITOCHU Corporation signed an exclusive contract with Finland-based NESTE OYJ (NESTE), a producer of Sustainable Aviation Fuel (SAF), to sell SAF to customers in Japan. This follows on business we began with the company in 2020 involving the import and sale of NESTE’s SAF to aviation companies in Japan. We have also expanded the import and sale of renewable diesel (RD) made by NESTE and have begun operating the first RD refueling facility in Japan. NESTE’s renewable fuels are made from components such as waste cooking oil. Compared to petroleum-based fuels, SAF and RD reduce greenhouse gas emissions by up to 80% and roughly 90%, respectively, based on Life-Cycle Assessments.

ITOCHU Corporation will continue to work toward achieving a decarbonized society through renewable fuel-related efforts that leverage the collective strengths of the ITOCHU Group.

■Food Company

Investment in Soybean Processing Plant Through CGB Enterprises, Inc. (CGB)

CGB, an associated company of ITOCHU Corporation, has decided to build a new soybean processing plant in North Dakota. CGB supports a stable food supply through the operation of grain, soybean processing, and transportation businesses in North America.

Soybean oil produced through the company’s soybean processing plant is now being used as biofuel feedstock, a renewable energy source, and is likely to see even further demand in the future.

By expanding its soybean oil production, CGB will better contribute to providing clean energy in growing energy market in the U.S., as well.

Capital and Business Alliance with Shanghai Weiming Food Co., Ltd. (Weiming Food)

In October 2021, ITOCHU Corporation signed a capital and business alliance agreement with Weiming Food, a major coffee industry player in China. Changing lifestyles in China are seeing a rapid increase in coffee consumption, making roast & ground coffee likely to see greater demand, especially among consumers looking for great quality and flavor. Weiming Food provides a variety of coffee products and related equipment to cafés, restaurants, and online merchants. It also deals in roast & ground coffees, as well as specialty coffees that require quality management in all processes from cultivation, transport to roasting.

We will further dig into China’s growing coffee market by providing a consistent supply of green coffee beans through the ITOCHU Group’s sourcing network, and by selling products from Weiming Food via our customer network.

Going forward, we will work with Farmer Connect SA, another capital and business alliance partner that runs a traceability platform for coffee beans. Together, we will supply Asia’s market, including Japan and China, with safe and delicious coffee while contributing also to the growth of coffee culture.

■General Products & Realty Company

Expanding Our Tire Value Chain in the UK

European Tyre Enterprise Limited (ETEL), an ITOCHU Corporation subsidiary that operates wholesale and retail business in UK, expands its operation into the waste tire collection and recycling business by the acquisition of Murfitts Group Limited (Murfitts) in December 2021. The company aims to help achieve a recycling-based society by providing an integrated tire business from wholesale, to retail and collection, the likes of which is unprecedented in the industry. ETEL collects roughly 20 million units worth of waste tires every year and processes them into products such as recycled construction materials for use as an asphalt alternative. Leveraging the current national distribution network throughout the UK, the company will further enhance the efficiency and profitability of the business.

Capital and Business Alliance With Nishimatsu Construction Co., Ltd.

ITOCHU Corporation signed a capital and business alliance agreement with Nishimatsu Construction Co., Ltd. and acquired 10% of the issued shares of the company in December 2021. We have developed strong partnership with the company through businesses which include real estate development, construction project orders, and procurement of equipment and materials. This capital and business alliance is the result of the two companies' shared belief that gathering expertise and corporate resources, while strengthening the collaboration will lead to create new synergies and maximize corporate value. Through this capital and business alliance, ITOCHU Corporation will strengthen its alliance with leading companies in the construction and building materials industries by forging value chains that span upstream business (building materials) to downstream business (real estate), with contractor functions. In turn, we will address social issues that include working toward SDGs and making Japan's infrastructure more resilient.

■ICT & Financial Business Company

Conversion of U.S.-Based Securities Firm SilverSky Inc. (SilverSky) Into Equity-Method Associated Company

In the digitalization and digital transformations that companies are undergoing, system environments change significantly and become increasingly diverse and complicated. This has been accompanied by a sharp rise in cyber attacks aimed at system vulnerabilities, increasing the importance of comprehensively monitoring systems and promptly addressing attacks.

Against this backdrop, ITOCHU Corporation has acquired a stake in SilverSky, a leading U.S.-based securities firm. Soon, we will join forces with ITOCHU Techno-Solutions Corporation, which has extensive expertise in areas such as system development, to minimize our customers' cyber security concerns while supporting sustainable growth in the digital age by contributing to business development in not only the U.S. but also Japan and other parts of Asia, as well.

Expansion of Sales of Used Mobile Devices by Belong Inc.

ITOCHU Corporation's fully-owned subsidiary Belong Inc. conducts sales of used mobile devices, mainly through e-commerce, anticipating market expansion driven by factors such as increasing device prices and a growing interest in the SDGs. To enable people to purchase with confidence, even if they have little knowledge of technology, Belong Inc. carefully inspects the surface scratches, status of battery wear, and other aspects of the mobile devices and explains the results clearly. The inspection and selection work is carried out by Belong Inc.'s dedicated operation centers, which have accumulated expertise, enabling the sale of high quality devices at reasonable prices. As a result, Belong Inc. has received extremely high evaluations of customer satisfaction from purchasing customers, recording an approximately four-fold year-on-year increase in sales volume in fiscal 2022. Looking ahead, through Belong Inc.'s business, ITOCHU Corporation will expand its share in this growing market and strengthen its earnings base, while also contributing to the realization of a recycling-oriented society.

■The 8th Company

Establishment of Gate One Corp.

In September 2021, ITOCHU Corporation and FamilyMart Co., Ltd. established Gate One Corp. The new company will run a media business that involves the usage of digital signage installed inside FamilyMart stores. Three signages mounted behind the register counters will display advertisements that mesmerize through sound and the large screen. They will also be used to show entertainment-related information that includes original interviews with actors on the promotional circuit, for new TV dramas or movies, as well as artist promotion videos, in addition to regional information, news, and weather forecasts etc. The business will not only boost advertising revenues — the exciting store design also help bring in customers and improve daily sales.

With the objective of making FamilyMart's digital signage the third media choice, after TV and Internet, 3,000

FamilyMart stores will be equipped with digital signage by around June 2022, and all stores capable of signage installation will be equipped within the next three years.

■ Other

Establishment of ITOCHU SDGs STUDIO as a Communication Center for the SDGs

ITOCHU opened ITOCHU SDGs STUDIO on the premises of the Tokyo headquarter as a communication center intended to increase public support for SDGs initiatives, appointing supermodel Ai Tominaga as an evangelist. Over 20,000 people have visited ITOCHU SDGs STUDIO thus far, as a result of communicating and raising public awareness about SDGs initiatives through a radio program hosted by SHELLY and sponsored by ITOCHU on J-WAVE (81.3FM), and through exhibitions held on site by such organizations as the Ministry of Agriculture, Forestry and Fisheries and WWF. Among the visitors are well-known figures, and their social media followers add up to be over 15 million people.

ITOCHU SDGs STUDIO will continue to serve as a communication center creating opportunities to contribute to pursuing the achievement of the SDGs.

(2) Management Policy for the Future

[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.

[Further Promoting Medium-Term Management Plan “Brand-new Deal 2023”]

In FY2023, the second year of the Brand-new Deal 2023 medium-term management plan (a three-year plan from FY2022 to FY2024), we will continue to address increasingly diverse market needs and contribute to achieving the SDGs, including effecting environmental improvements and maintaining people's quality of life through our businesses, by stepping up efforts concerning “realizing business transformation by shifting to a market-oriented perspective” and “enhancing our contribution to and engagement with SDGs through business activities.”

Basic Policies

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

To meet the explicit and implicit needs of diversified suppliers and buyers, and expand business growth through value chain reform from downstream to upstream, we will continue with our initiatives in the current medium-term management plan.

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

Beginning with FamilyMart, the ITOCHU Group's largest consumer base, we will further expand earnings through digitalization of FamilyMart by making the most of the Group's functions, building new revenue bases in media, finance, and other businesses by advancing customer engagement and utilizing data platforms, while further enhancing the new consumer engagement and data platforms outside of FamilyMart.

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

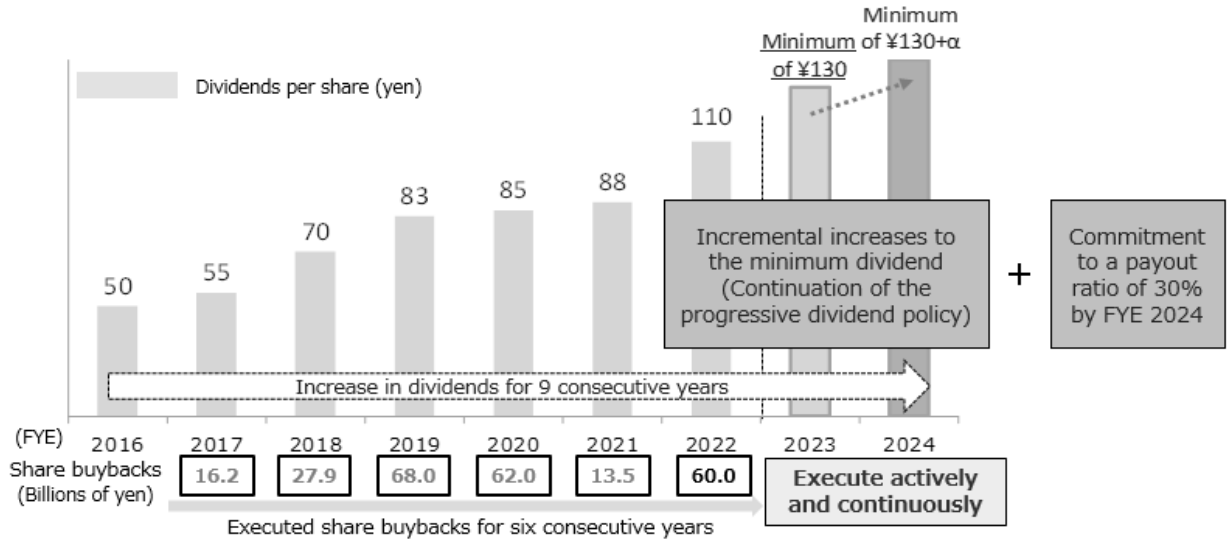
We will contribute to achieving the SDGs with the view that this greatly changing business environment presents opportunities.

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

[Shareholder Returns Policy]

As announced on May 10, 2022, we will continue 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 FY 2024, the final year of “Brand-new Deal 2023,” and have set a minimum dividend of ¥130 per share for FY 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.



ITOCHU Group appreciates the continuing support of our shareholders.

(3) Changes in Assets and Operating Results

1) Changes in Assets and Operating Results of the ITOCHU Group

Category	95th Fiscal Term (FY2019)	96th Fiscal Term (FY2020)	97th Fiscal Term (FY2021)	98th Fiscal Term (FY2022) (Current term)
Revenues (Millions of Yen)	11,600,485	10,982,968	10,362,628	12,293,348
Gross trading profit (Millions of Yen)	1,563,772	1,797,788	1,780,747	1,937,165
Net profit attributable to ITOCHU (Millions of Yen)	500,523	501,322	401,433	820,269
Basic earnings per share attributable to ITOCHU (Yen)	324.07	335.58	269.83	552.86
Total assets (Millions of Yen)	10,098,703	10,919,598	11,178,432	12,153,658
Total shareholders' equity (Millions of Yen)	2,936,908	2,995,951	3,316,281	4,199,325

(Amounts less than 1 million yen have been rounded to the nearest 1 million yen)

2) Changes in Assets and Operating Results of ITOCHU Corporation (Non-Consolidated)

Category	95th Fiscal Term (FY2019)	96th Fiscal Term (FY2020)	97th Fiscal Term (FY2021)	98th Fiscal Term (FY2022) (Current term)
Total trading transactions (Millions of Yen)	4,983,051	4,411,184	3,575,369	–
Revenues (Millions of Yen)	–	–	–	3,317,288
Ordinary income (Millions of Yen)	307,065	287,696	305,892	404,537
Net profit (loss) (Millions of Yen)	286,479	248,410	(71,341)	450,423
Earnings (loss) per share (Yen)	185.37	166.18	(47.92)	303.44
Total assets (Millions of Yen)	3,086,494	3,046,455	3,158,247	3,659,443
Equity (Millions of Yen)	1,081,068	1,123,143	928,762	1,186,810

(Amounts less than 1 million yen have been rounded to the nearest 1 million yen)

Note: Upon the adoption of “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan No.29) from the fiscal year ended March 31, 2022, the “Total trading transactions” line item has been changed to “Revenues” in the Non-Consolidated Statement of Income. In “Total trading transactions,” consideration for all transactions is presented as the gross amount. In contrast, in “Revenues,” the net amount of consideration, or the commission or fee amount, is presented for transactions conducted as an agent.

(4) Status of Major Group Companies

1) Major Subsidiaries and Associated Companies

Name		Common stock	Voting shares ratio	Main business
Domestic	Dole International Holdings, Inc.	33,976 million yen	100.00%	Investment in Dole Asian fresh produce business and worldwide packaged foods business
	ITOCHU Techno-Solutions Corporation	21,764 million yen	59.45%	Software development, system integration, IT management, and other IT solutions business
	ITOCHU ENEX CO., LTD.	19,878 million yen	54.01%	Wholesale of petroleum products and LPG and electricity and supply business
	FamilyMart Co., Ltd.	16,659 million yen	94.67%	Convenience store operations under franchise system
	C.I. TAKIRON Corporation	15,189 million yen	55.76%	Manufacture, processing and sale of plastic products
	POCKET CARD CO., LTD.	14,374 million yen	80.00%	Credit card business
	ITOCHU PROPERTY DEVELOPMENT, LTD.	10,225 million yen	100.00%	Development and sale of housing
	Prima Meat Packers, Ltd.	7,909 million yen	50.14%	Production and marketing of meat, ham, sausage, and processed foods
	YANASE & CO., LTD.	6,976 million yen	66.10%	Sales and repair of automobile and related parts
	ITOCHU LOGISTICS CORP.	5,084 million yen	100.00%	Comprehensive logistics services
	ITOCHU-SHOKUHIN Co., Ltd.	4,923 million yen	52.32%	Wholesale and distribution of foods and liquor
	CONEXIO Corporation	2,778 million yen	60.36%	Sale of mobile phone units, mobile phones-related solution business
NIPPON ACCESS, INC.	2,620 million yen	100.00%	Wholesale and distribution of foods	
Overseas	ITOCHU International Inc.	625,640 thousand US\$	100.00%	Wholesale and investment
	ITOCHU Europe PLC	70,449 thousand GBP	100.00%	Wholesale and investment
	ITOCHU Hong Kong Ltd.	1,248,621 thousand HK\$	100.00%	Wholesale and investment
	ITOCHU (CHINA) HOLDING CO., LTD.	300,000 thousand US\$	100.00%	Wholesale and investment
	Orchid Alliance Holdings Limited	1,500,055 thousand US\$	100.00%	Investment and shareholder loan to a company investing in CITIC Limited
	European Tyre Enterprise Limited	451,230 thousand GBP	100.00%	Wholesale and retail of tire, and waste tire collection business in Europe
	ITOCHU Minerals & Energy of Australia Pty Ltd	276,965 thousand AU\$	100.00%	Investment and sales in resource development projects including those of iron ore, coal, and non-ferrous metals
	ITOCHU FIBRE LIMITED	168,822 thousand EUR	100.00%	Distribution and trading of pulp, wood chip and paper materials and investment in METSA FIBRE OY

	Name	Common stock	Voting shares ratio	Main business
Associated companies	Orient Corporation	150,069 million yen	16.53%	Consumer credit
	Tokyo Century Corporation	81,129 million yen	30.07%	Equipment leasing, mobility & fleet management, specialty financing and international business
	C.P. Pokphand Co. Ltd.	253,329 thousand US\$	25.00%	Compound animal feed business, livestock and aquatic product related businesses, and manufacture and sale business of food products
	Marubeni-Itochu Steel Inc.	30,000 million yen	50.00%	Import/export and wholesale of steel products
	FUJI OIL HOLDINGS INC.	13,209 million yen	39.94%	Management of group strategy and business operations
	DESCENTE LTD.	3,846 million yen	39.98%	Manufacture and sales of sportswear, etc.

(Amounts less than 1 million or 1 thousand have been rounded to the nearest unit.)

- Notes:
1. The column of voting shares ratio shows the total of shareholding by ITOCHU Corporation and indirect shareholding by its subsidiaries.
 2. While the voting shares ratio of Orient Corporation is less than 20%, ITOCHU Corporation participates in the determination of sales and financial directions by dispatching its Directors, including its Representative Directors, to the Board of Directors of Orient Corporation. Accordingly, ITOCHU Corporation exerts an important influence and Orient Corporation is considered an associated company of ITOCHU Corporation.

2) Consolidated Subsidiaries and Equity-Method Associated Companies

Category	95th Fiscal Term (FY2019)	96th Fiscal Term (FY2020)	97th Fiscal Term (FY2021)	98th Fiscal Term (FY2022) (Current term)
Consolidated subsidiaries	203 companies	203 companies	199 companies	192 companies
Equity-method associated companies	88 companies	86 companies	80 companies	82 companies
Total of group companies	291 companies	289 companies	279 companies	274 companies

Note: Investment companies which are directly invested in by ITOCHU Corporation and its Overseas trading subsidiaries are included in the above-mentioned number of companies. Investment companies which are considered as part of the parent company are not included.

(5) Main Offices

1) Domestic

Head Office of ITOCHU Corporation	Osaka Head Office: 1-3, Umeda 3-chome, Kita-ku, Osaka Tokyo Head Office: 5-1, Kita-Aoyama 2-chome, Minato-ku, Tokyo
Areas of ITOCHU Corporation	Chubu Area (Nagoya), Kyushu Area (Fukuoka), Chugoku & Shikoku Area (Hiroshima), Hokkaido Area (Sapporo), Tohoku Area (Sendai)

2) Overseas

Branches of ITOCHU Corporation	Johannesburg, Manila, Kuala Lumpur
Offices of ITOCHU Corporation	31 offices including Lima, Istanbul, Moscow, Nairobi, Riyadh, and Jakarta
Overseas trading subsidiaries	52 overseas trading subsidiaries including headquarters/branches such as ITOCHU International Inc. (U.S.A.) ITOCHU Brasil S.A. ITOCHU Europe PLC (U.K.) ITOCHU MIDDLE EAST FZE (U.A.E.) ITOCHU (CHINA) HOLDING CO., LTD. ITOCHU Hong Kong Ltd. ITOCHU Singapore Pte, Ltd. ITOCHU (Thailand) LTD.

(6) Status of Employees

1) Status of Employees of the ITOCHU Group

(Number of employees)

Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	General Products & Realty	ICT & Financial Business	The 8th	Other	Total
5,999 [1,778]	13,152 [1,350]	485 [62]	12,344 [3,808]	35,561 [19,365]	16,671 [2,919]	21,210 [8,724]	7,021 [5,065]	2,681 [124]	115,124 [43,195]

Notes: 1. The number of employees refers to actual working employees and the average annual number of temporary employees shown in the square bracket [] is not included in total.

2. The number of employees decreased by 6,189 from the end of the previous fiscal year due to a change in subsidiaries in FamilyMart Co., Ltd. in the 8th Company,

2) Status of Employees of ITOCHU Corporation (Non-Consolidated)

Number of employees	Changes from the previous term-end	Average age	Average service years
4,170 employees	-45 employees	42.2 years old	18 years and 2 months

Note: The above number of employees includes 857 employees and 312 employees seconded to other companies in Japan and overseas respectively, and, 288 employees at overseas trading subsidiaries.

(7) Status of Capital Investment

No important matter to be stated.

(8) Status of Financing

ITOCHU Group raises funds through financing carried out by ITOCHU Corporation, domestic and overseas treasury centers, overseas trading subsidiaries, and other entities, and undertook borrowing from financial institutions, issuance of short-term corporate bonds (electronic CP), and other actions.

(9) Main Lenders

ITOCHU Corporation, domestic and overseas treasury centers, overseas trading subsidiaries, and other entities undertake borrowings of the ITOCHU Group and ITOCHU Corporation's main lenders at the end of the current term are as follows.

Lenders	Outstanding amount of borrowings
	(Millions of Yen)
Mizuho Bank, Ltd.	268,196
Sumitomo Mitsui Banking Corporation	176,155
MUFG Bank, Ltd.	118,851
Sumitomo Mitsui Trust Bank, Limited	99,422
Nippon Life Insurance Company	49,500
The Norinchukin Bank	30,000
Shinkin Central Bank	30,000
Meiji Yasuda Life Insurance Company	27,500
The Hachijuni Bank, Ltd.	24,909
Development Bank of Japan Inc.	21,000

(Amounts less than 1 million yen have been rounded to the nearest 1 million yen)

(10) Other Significant Matters Regarding the Current Conditions of the ITOCHU Group

No important matter to be stated.

2. Shares of ITOCHU Corporation

(1) Total Number of Authorized Shares 3,000,000,000 shares

(2) Total Number of Issued Shares 1,584,889,504 shares

(3) Number of Shareholders 207,790 persons

(4) Major Shareholders (top 10)

Shareholders	Numbers of shares held	Shareholding ratio
	Thousands of shares	%
The Master Trust Bank of Japan, Ltd. (trust account)	260,645	17.71
Custody Bank of Japan, Ltd. (trust account)	81,906	5.57
EUROCLEAR BANK S.A./N.V.	81,873	5.56
CP WORLDWIDE INVESTMENT COMPANY LIMITED	63,500	4.31
Nippon Life Insurance Company	34,056	2.31
Mizuho Bank, Ltd.	31,200	2.12
Asahi Mutual Life Insurance Company	23,400	1.59
STATE STREET BANK WEST CLIENT - TREATY 505234	21,671	1.47
SSBTC CLIENT OMNIBUS ACCOUNT	20,176	1.37
BNYM AS AGT/CLTS NON TREATY JASDEC	19,086	1.30

(A fraction of shares less than one thousand is truncated)

Notes: 1. ITOCHU Corporation owns 113,229 thousand shares of treasury stock but has been omitted from the major shareholders listed above.

2. The treasury stock is excluded from the calculation of shareholding ratio.

(5) Other Significant Matters Regarding Shares

In order to pursue a flexible capital management policy, ITOCHU Corporation has carried out share buybacks as follows, in accordance with the provisions of Article 156 of the Companies Act applied mutatis mutandis pursuant to Article 165, Paragraph 3 of the same Act.

Date of resolution of the Board of Directors	June 12, 2020	January 19, 2022
Period	From June 12, 2020 to June 11, 2021	From January 20, 2022 to March 24, 2022
Number of share buybacks	5,213 thousand shares	15,757 thousand shares

(A fraction of shares less than one thousand is truncated)

3. Corporate Officers

(1) Status of Directors and Audit & Supervisory Board Members (as of March 31, 2022)

Position in ITOCHU Corporation	Name	Responsibility	Important Concurrent Occupations or Positions
Chairman & Chief Executive Officer	* Masahiro Okafuji	Chief Executive Officer	Outside Director, NISSIN FOODS HOLDINGS CO., LTD.
Vice Chairman	Yoshihisa Suzuki		Outside Director of the Board, Kyowa Kirin Co., Ltd.
President & Chief Operating Officer	* Keita Ishii	Chief Operating Officer	
Member of the Board	* Tomofumi Yoshida	President, General Products & Realty Company	
Member of the Board	* Yuji Fukuda	CEO for East Asia Bloc; CEO for Asia & Oceania Bloc; Executive Advisory Officer for CP & CITIC Operations	
Member of the Board	* Fumihiko Kobayashi	Chief Administrative Officer	
Member of the Board	* Tsuyoshi Hachimura	Chief Financial Officer	
Member of the Board	Atsuko Muraki		Outside Director, Sumitomo Chemical Company, Limited
Member of the Board	Masatoshi Kawana		Outside Director, MedPeer, Inc.
Member of the Board	Makiko Nakamori		Representative Partner, NAKAMORI CPA OFFICES Outside Audit & Supervisory Board Member, M&A Capital Partners Co., Ltd. Outside Audit & Supervisory Board Member, LIFULL Co., Ltd.
Member of the Board	Kunio Ishizuka		Outside Director, Welcia Holdings Co., Ltd.

Position in ITOCHU Corporation	Name	Responsibility	Important Concurrent Occupations or Positions
Full-time Audit & Supervisory Board Member	Shuzaburo Tsuchihashi		
Full-time Audit & Supervisory Board Member	Makoto Kyoda		
Audit & Supervisory Board Member	Shingo Majima		Outside Director, WIN-Partners Co., Ltd.
Audit & Supervisory Board Member	Kentaro Uryu		Managing Partner, URYU & ITOGA Attorney-At-Law, CEO, U&I Advisory Service Co., Ltd.
Audit & Supervisory Board Member	Masumi Kikuchi		

- Notes:
1. “*” indicates a representative director.
 2. There is no special relation between ITOCHU Corporation and the above organizations where important concurrent occupations or positions are held.
 3. Members of the Board, Ms. Atsuko Muraki, Mr. Masatoshi Kawana, Ms. Makiko Nakamori and Mr. Kunio Ishizuka are Outside Directors. They are registered as independent directors at the Tokyo Stock Exchange, Inc.
 4. Audit & Supervisory Board Member, Mr. Shingo Majima, Mr. Kentaro Uryu and Mr. Masumi Kikuchi are Outside Audit & Supervisory Board Members. They are registered as independent auditors at the Tokyo Stock Exchange, Inc.
 5. Audit & Supervisory Board Member Mr. Makoto Kyoda has primarily engaged in finance, accounting, and risk management-related operations in ITOCHU Corporation over many years, and through his experience as CFO of the Food Company possesses considerable knowledge of finance and accounting.
 6. Audit & Supervisory Board Member, Mr. Shingo Majima is a certified public accountant in Japan and the United States (New York State). Also he has a long-standing career as a university professor of accounting and auditing and considerable expertise in finance and accounting.
 7. Members of the Board, Mr. Harufumi Mochizuki and Mr. Kotaro Ohno resigned as Outside Director and Outside Audit & Supervisory Board Member respectively as of June 18, 2021.
 8. Member of the Board, Ms. Atsuko Muraki resigned as Outside Director of Sompo Holdings, Inc. as of June 28, 2021.
 9. Member of the Board, Ms. Makiko Nakamori resigned as Auditor (external), TeamSpirit Inc. as of November 30, 2021.
 10. Mr. Yoshihisa Suzuki, Mr. Tomofumi Yoshida and Mr. Yuji Fukuda resigned as Director as of March 31, 2022.

[Reference] Policy and Process for Appointing Executive Officers

Policy and Process for Appointing Executive Officers

Executive officers are appointed annually by the Board of Directors among, in principle, employees regarded as candidates for executives based on our HR system with high integrity and exceptional ability (or those who have already been appointed as executive officers) who are judged to be capable of assuming the role as the executive officers. Candidates for executive officers are first selected by the Chairman & Chief Executive Officer based on, among others, recommendations from other officers (or in terms of incumbent executive officers, based on their respective performance) and submitted to the Nomination Committee for further deliberation. Based on the deliberation and advice of the Nomination Committee, the Board of Directors appoints executive officers by its resolution. In case that an executive officer breaches the Executive Officers' Regulation of ITOCHU Corporation or otherwise his or her performance is judged to be not appropriate, the Chairman & Chief Executive Officer (or the chair of the Nomination Committee) firstly makes a proposal of dismissal, and the Board of Directors dismisses such executive officer by its resolution based on the deliberation and advice of the Nomination Committee.

(2) Status of Executive Officers (as of April 1, 2022)

Name	Position in ITOCHU Corporation	Responsibility
Masahiro Okafuji	Chairman & Chief Executive Officer	Chief Executive Officer
Keita Ishii	President & Chief Operating Officer	Chief Operating Officer
Fumihiko Kobayashi	Executive Vice President	Chief Administrative Officer
Tsuyoshi Hachimura	Executive Vice President	Chief Financial Officer
Hiroyuki Tsubai	Senior Managing Executive Officer	President, Machinery Company
Masahiro Morofuji	Managing Executive Officer	President, Textile Company; Executive Advisory Officer for Osaka Headquarters
Mitsuru Chino	Managing Executive Officer	President & CEO, ITOCHU International Inc.
Hiroyuki Kaizuka	Managing Executive Officer	President, Food Company
Tomoyuki Takada	Managing Executive Officer	General Manager, Corporate Communications Division
Tatsushi Shingu	Managing Executive Officer	President, ICT & Financial Business Company
Takanori Morita	Executive Officer	Chief Executive for Europe & CIS Bloc; CEO, ITOCHU Europe PLC
Masaya Tanaka	Executive Officer	President, Energy & Chemicals Company
Kenji Seto	Executive Officer	President, Metals & Minerals Company
Yoshiko Matoba	Executive Officer	General Manager, Human Resources & General Affairs Division
Hiroyuki Naka	Executive Officer	CSO; Chief Digital & Information Officer; General Manager, Corporate Planning & Administration Division
Shuichi Kato	Executive Officer	President, The 8th Company
Masatoshi Maki	Executive Officer	President, General Products & Realty Company
Tadayoshi Yamaguchi	Executive Officer	SVP & CAO, ITOCHU International Inc.; President & CEO, ITOCHU Canada Ltd.
Satoshi Watanabe	Executive Officer	General Manager, Finance Division
Hideto Takeuchi	Executive Officer	Chief Operating Officer, Brand Marketing Division 2
Kenichi Tai	Executive Officer	Chief Operating Officer, Fresh Food Division
Hiroshi Kajiwara	Executive Officer	Chief Operating Officer, ICT Division
Akira Saito	Executive Officer	CEO for East Asia Bloc
Yoshinori Kitajima	Executive Officer	Chief Operating Officer, Brand Marketing Division 1, General Manager, Brand Marketing Department 2

Name	Position in ITOCHU Corporation	Responsibility
Tomokuni Nishiguchi	Executive Officer	General Manager, Secretariat
Kazuaki Yamaguchi	Executive Officer	General Manager, General Accounting Control Division
Nobuyuki Tabata	Executive Officer	Chief Operating Officer, Chemicals Division
Naohiko Yoshikawa	Executive Officer	Chief Operating Officer, Plant Project, Marine & Aerospace Division
Kotaro Yamamoto	Executive Officer	Director, President & CEO, ITOCHU Building Products Holdings Inc.
Kuniaki Abe	Executive Officer	General Manager, Planning & Administration Department, Food Company

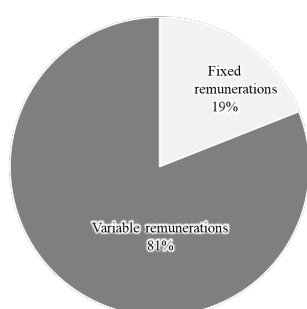
Note: Ms. Mitsuru Chino's registered name is Mitsuru Ike.

(3) Remunerations etc. to Directors and Audit & Supervisory Board Members

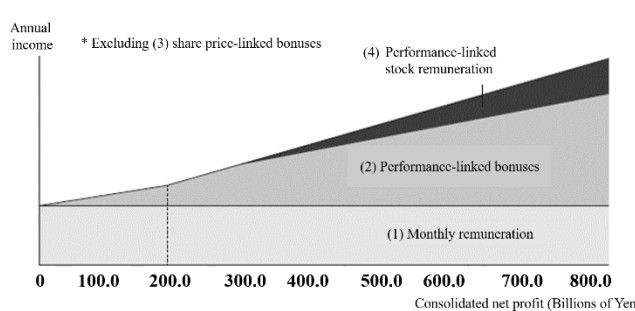
1) Overview (Outline) of the Remuneration Plan for Directors and the Policy for Determination

ITOCHU Corporation's remuneration plan for Directors is designed to be an incentive to grow business performance. As indicated in the FY2022 Ratio of Fixed/Variable Remunerations below, variable remuneration is approximately 81% of overall remuneration (FY2022), which is extremely high, even when compared to other companies. The system clarifies management's responsibility, with Director remuneration increasing as performance improves, and significantly decreasing if performance deteriorates. Furthermore, this remuneration plan, including the calculation method, has been previously disclosed publicly, making it highly transparent. More specifically, the remuneration plan consists of (1) monthly remuneration, (2) performance-linked bonuses, (3) share price-linked bonuses, and (4) performance-linked stock remuneration, with performance-linked bonuses reflecting short-term performance and share price-linked bonuses and performance-linked stock remuneration reflecting the increase of corporate value in the medium to long term.

FY2022 Ratio of Fixed/Variable Remunerations



Remuneration image of Directors (excluding Outside Directors)



The above chart shows the figures in the case of approval of Proposal No. 5 at 98th Ordinary General Meeting of Shareholders.

* In the event of net loss attributable to ITOCHU (consolidated) (referred to as “net profit (consolidated)” in this section), Directors will receive neither performance-linked bonuses nor performance-linked stock remuneration.

- In accordance with the decision policy for remuneration to Directors mentioned above, the remuneration plan for each fiscal year, which includes the formula and calculation method for the individual payment amount for each director, is determined by the Board of Directors upon deliberation by the Governance and Remuneration Committee, which is a voluntary advisory committee to the Board of Directors that is chaired by an Outside Director and composed of a majority of Outside Directors and Audit & Supervisory Board Members, within the range of remuneration limits decided at the General Meeting of Shareholders.
- Of these, monthly remuneration, which is approximately 19% of the total amount of remuneration as stated in “FY2022 Ratio of Fixed/Variable Remunerations,” is evaluated and determined according to factors that include the degree of contribution to ITOCHU Corporation, including addressing the response to climate change, ESG and SDGs, based on a standard amount for each position. (The final evaluation of the method and process is made by Chairman & Chief Executive Officer Masahiro Okafuji, who is best suited to assess and most familiar with the individual degree of contribution of each Director, in accordance with the method discussed by the Governance and Remuneration Committee.)
- Furthermore, performance-linked bonuses and performance-linked stock remuneration are calculated based on the calculation formula determined by the Board of Directors using net profit attributable to ITOCHU (consolidated) as the linked indicator. Share price-linked bonuses are calculated based on the calculation formula determined by the Board of Directors using ITOCHU Corporation's share price as the linked indicator.
- The Board of Directors has deemed that this is appropriate based on the fact that it adheres to the decision policy for the details of remuneration as individual remuneration for Directors was decided using the calculation process and procedures in line with deliberations by the Governance and Remuneration Committee and the resolution of the Board of Directors.

2) Details of Resolution

The remuneration limits for Directors of ITOCHU Corporation have been decided as indicated below.

	Type of remuneration	Details	Fixed / Variable	Remuneration limits	Resolution at General Meeting of Shareholders	Number of officers regarding the resolution
Directors	(1) Monthly remuneration	Determined according to factors that include degree of contribution to ITOCHU Corporation, including addressing climate change, ESG and SDGs, based on a standard amount for each position	Fixed	¥0.8 billion per year as total amount of monthly remuneration (of that amount, ¥0.1 billion per year for Outside Directors)	June 21, 2019	10 (of which, 4 are Outside Directors)
	(2) Performance-linked bonuses	Total amount of payment is determined based on net profit (consolidated), and the each individual payment amount is determined in relation to the position points, etc. for the Director	Variable (single year)	¥2.0 billion per year as the total amount of bonus * Not paid to Outside Directors		6 (excluding Outside Directors)
	(3) Share price-linked bonuses	Calculated by adding the evaluation of the relative growth rate of ITOCHU Corporation's share price and Tokyo Stock Price Index (TOPIX) to the amount of increase of ITOCHU Corporation's share price for two consecutive fiscal years	Variable (medium- to long-term)	The amounts below are limits for two fiscal years, for Directors and Executive Officers • Limit on contribution to trust by ITOCHU Corporation: ¥1.5 billion • Total number of points granted to eligible person: 1.3 million points (conversion at 1 point = 1 share) * Not paid to Outside Directors	June 24, 2016	11 (excluding Outside Directors)
	(4) Performance-linked stock remuneration	Total payment amount is determined based on net profit (consolidated), and each individual payment amount is determined in relation to the position points for the Director used in calculating the individual performance-linked bonus				

- The remuneration limit for ITOCHU Corporation's Audit & Supervisory Board Members was set at up to ¥13 million monthly at the 81st Ordinary General Meeting of Shareholders held on June 29, 2005. There were five (5) Audit & Supervisory Board Members as of the end of the 81st Ordinary General Meeting of Shareholders.
- Contingent on the approval of proposal No. 5 (Revision of Remuneration Amount for Directors) as proposed at the 98th Ordinary General Meeting of Shareholders held on June 24, 2022, the following changes to Directors' remuneration limits will go into effect in FY2023 for (1) monthly remuneration and in FY2022 for (2) performance-linked bonuses and (3) share price-linked bonuses (Performance-linked stock remuneration will remain unchanged).

Upper limits of Directors' remuneration

Type of remuneration	Current	After approval
(1) Monthly remuneration	¥0.8 billion per year (of that amount, ¥0.1 billion per year for Outside Directors)	¥1.0 billion per year (of that amount, ¥0.1 billion per year for Outside Directors)
(2) Performance-linked bonuses	¥2.0 billion per year	¥3.0 billion per year
(3) Share price-linked bonuses		
(4) Performance-linked stock remuneration	• Upper limit of contributions to the trust: ¥1.5 billion • Total number of points granted to recipients: 1.3 million points	No change

- Contingent on approval of proposal No. 6 (Revision of Remuneration Amount for Audit & Supervisory Board members)

as proposed at the 98th Ordinary General Meeting of Shareholders held on June 24, 2022, the limit on ITOCHU Corporation's Audit & Supervisory Board members' annual remuneration will be set to ¥250 million.

3) Percentage of Performance-Linked Remuneration in Total Director Remuneration

ITOCHU Corporation's remuneration plan for Directors does not have a fixed percentage of Performance-linked remuneration (performance-linked bonuses, share price-linked bonuses, performance-linked stock remuneration) and is designed so the percentage of performance-linked remuneration in total director remuneration increases as ITOCHU Corporation's performance improves and its share price increases. We believe that this design/system is in line with the decision policy of our remuneration plan for Directors, which is designed to be an incentive to grow business performance.

4) Remunerations etc. to Directors and Audit & Supervisory Board Members

(Millions of Yen)

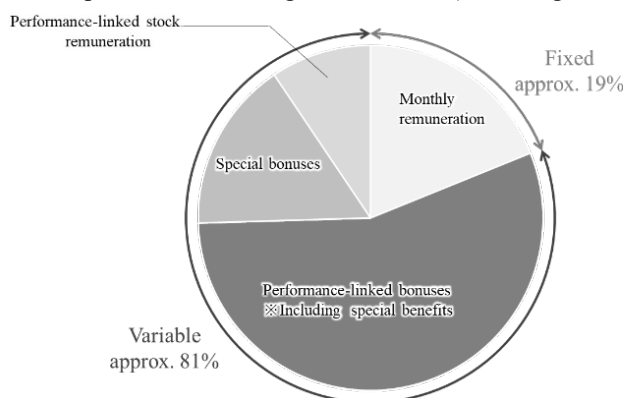
Category		Number of persons (Persons)	Total amount of remuneration	Breakdown				
				Monthly remuneration	Performance-Linked Remuneration			
					Performance-linked bonuses	Share price-linked bonuses	Special bonuses	Stock remuneration (Non-Monetary Remuneration)
Director	Director (Internal)	7	3,611	682	2,000	–	576	352
	Outside Director	5	81	81	–	–	–	–
	Total	12	3,692	763	2,000	–	576	352
Audit & Supervisory Board Member	Audit & Supervisory Board Member (Internal)	2	92	92	–	–	–	–
	Outside Audit & Supervisory Board Member	4	60	60	–	–	–	–
	Total	6	152	152	–	–	–	–

(Amounts less than 1 million yen have been rounded to the nearest 1 million yen)

- FY2022 Director remuneration is composed of monthly remuneration, performance-linked bonuses as performance-linked remuneration, share price-linked bonuses, special bonuses, and stock remuneration (non-monetary remuneration). These remunerations and bonuses were approved unanimously by the Board of Directors following deliberation by the Governance and Remuneration Committee.
- Monthly remuneration is decided based on the standard amount by position and the level of contribution to ITOCHU Corporation, including its response to climate change, ESG and SDGs.

- At the Board of Directors meeting held on March 17, 2022, a resolution was passed following deliberation by the Governance and Remuneration Committee to pay a special bonus, on the condition that proposal No. 5 (Revision of Remuneration Amount for Directors) is passed at this Ordinary General Meeting of Shareholders. ITOCHU Corporation will pay a Director bonus, calculated using the current formula, that is within the range of the existing bonus (¥2.0 billion per year) (As the performance-linked bonus amount reaches ¥2.0 billion per year, the share price linked bonuses will be zero). Contingent on the approval of proposal No. 5 at this Ordinary General Meeting of Shareholders, (Revision of Remuneration Amount for Directors) any amount exceeding the said range shall be paid as a special bonus, separate from the Director bonus, whereby the amount of special bonus and Director bonus combined does not exceed the bonus limit (¥3.0 billion per year).

FY2022 Remuneration composition ratios image of Directors (excluding Outside Directors) (intended)



The above chart shows the figures in the case of approval of Proposal No. 5 at 98th Ordinary General Meeting of Shareholders.

5) Performance-Linked Remuneration and Non-Monetary Remuneration

- We have net profit (consolidated) as the linked indicator for the performance-linked bonus and performance-linked stock remuneration, which is a non-monetary remuneration. Net profit (consolidated) is of high interest on the stock market because it is an easy-to-understand indicator of capital for growth-oriented investment and returns to shareholders, and we believe that its importance as an indicator going forward is unshakeable. In addition, employee bonuses are also linked to net income (Consolidated). The change of net profit (consolidated), including this fiscal year, is indicated in “1. (3) Changes in Assets and Operating Results.”
- When calculating the performance-linked bonuses paid to each Director, the total amount of payment is determined based on net profit (consolidated), and each individual payment amount is determined in relation to the position points, etc. for the Director. The performance-linked bonuses are paid following the end of every Ordinary General Meeting of Shareholders.
- To align with our shareholders and create greater awareness of increasing corporate value, we are introducing share-price linked bonuses with ITOCHU Corporation’s share price as the linked indicator. This bonus is an index linked to the increase in the average daily value of ITOCHU Corporation’s stock price for the consecutive two fiscal years. To ensure fairness, the calculation scheme includes the relative evaluation between the growth rate of the average value of the ITOCHU Corporation’s stock price and the growth rate of the average value of the Tokyo Stock Price Index (TOPIX) for the consecutive two fiscal years. The total amount of bonuses during the term of Directors is paid to them after their retirement. ITOCHU Corporation’s average share price in FY2022 increased by approximately ¥767 compared to the average shares price in FY2021.
- We have performance-linked stock remuneration, a type of non-monetary remuneration, for Directors via a Board Incentive Plan Trust (“BIP Trust”) as approved at the 92nd Ordinary General Meeting of Shareholders held on June 24, 2016. ITOCHU Corporation grants points (equal to one share), according to net profit (consolidated), to each Director each year during their terms of office (excluding periods when not residing in Japan), and after the retirement of a Director, stock remuneration equivalent to the accumulated number of points and an amount of money equivalent to the portion of ITOCHU Corporation’s shares converted into cash together with the shares’ dividends are delivered and provided to the Director from the BIP Trust. For Directors who do not reside in Japan, remuneration is calculated each year as an amount equivalent to stock remuneration, and is paid following the end of every Ordinary General Meeting of Shareholders, as a performance-linked bonus separate from the performance-linked bonuses above.

(4) Outside Directors and Outside Audit & Supervisory Board Members

1) Primary Activities of Outside Director

Name	Outline of Primary Activities and Duties Performed With Respect to the Expected Role
Atsuko Muraki	She attended all of the 15 meetings of the Board of Directors held during the current term. She mainly made statements from an objective and neutral position as an outside director based on her high-level knowledge of working environment improvement, human resource development, social security, and other topics accumulated through many years of experience at the Ministry of Health, Labour and Welfare (and the former Ministry of Labour). In addition, during the current term she chaired the Nominating Committee, and led substantive discussions on the appointment and dismissal of key management members and succession plans, chaired the Women's Advancement Committee, where she led discussions on measures to promote the advancement of ITOCHU Corporation's female employees from a real-world perspective, and performed the important role expected of an outside director by ITOCHU Corporation. Furthermore, she provided many beneficial suggestions in the areas of internal control, compliance, human resource utilization, and organizational revitalization.
Masatoshi Kawana	He attended all of the 15 meetings of the Board of Directors held during the current term. He mainly made statements from an objective and neutral position as an outside director based on his experience in hospital management and high-level knowledge of medical care as the President of Aoyama Hospital, Tokyo Women's Medical University as well as the Vice-president of Tokyo Women's Medical University Hospital. In addition, during the current term, he chaired the Governance and Remuneration Committee, leading discussions on governance issues such as the evaluation of the effectiveness of the Board of Directors and director remuneration, and he also served as a member of the Nominating Committee, contributing to improving the objectivity of ITOCHU Corporation's succession plan and director nomination process, and performed the important role expected of an outside director by ITOCHU Corporation. Additionally, he used his expertise to provide many beneficial suggestions in the areas of health management and medical care-related business.
Makiko Nakamori	She attended all of the 15 meetings of the Board of Directors held during the current term. She mainly made statements from an objective and neutral position as an outside director based on her experience as a company manager in multiple executive positions, in addition to her expertise on finance and accounting and her extensive experience as a certified public accountant. In addition, during the current term, she served as a member of the Nominating Committee and the Women's Advancement Committee, contributing to improving the objectivity of ITOCHU Corporation's succession plan and director nomination process and accelerating support for women's advancement, and performed the important role expected of an outside director by ITOCHU Corporation. She drew on her experience and expertise to provide many beneficial suggestions in the areas of internal control, compliance, and reinvented business.
Kunio Ishizuka	He attended all of the 11 meetings of the Board of Directors held during the current term. (since his appointment) He mainly made statements from an objective and neutral position as an outside director based on his extensive experience as a top executive of a company and Vice Chair of Nippon Keidanren (Japan Business Federation), as well as based on his knowledge of corporate management and the retail industry. In addition, during the current term, he was a member of the Governance and Remuneration Committee and contributed to the further enhancement of governance at ITOCHU Corporation, and performed the important role expected of an outside director by ITOCHU Corporation. He also made many useful suggestions and proposals based on his expertise and experience regarding promoting the business transformation from the point of view of incorporating the needs of the market into ITOCHU Corporation's products and services.

2) Primary Activities of Outside Audit & Supervisory Board Member

Name	Primary activities
Shingo Majima	He attended all of the 15 meetings of the Board of Directors and all of the 14 meetings of the Audit & Supervisory Board held during the current term. He mainly made statements from an objective and neutral position as an outside Audit & Supervisory Board Member based on his wealth of experience and expertise on finance and accounting as a certified public accountant and over many years as a university professor. In addition, during the current term, he was a member of the Governance and Remuneration Committee and contributed to the further enhancement of governance at ITOCHU Corporation.
Kentaro Uryu	He attended all of the 15 meetings of the Board of Directors and all of the 14 meetings of the Audit & Supervisory Board held during the current term. He made statements from an objective and neutral position as an outside Audit & Supervisory Board Member, based on his wealth of experience and expertise as an attorney in wide-ranging fields of corporate legal matters. In addition, during the current term, he was a member of the Nomination Committee and made contributions toward improving the objectivity of ITOCHU Corporation's officer nomination process.
Masumi Kikuchi	He attended 10 of the 11 meetings of the Board of Directors and 9 of the 10 meetings of the Audit & Supervisory Board held during the current term. (since his appointment) He mainly made statements from an objective and neutral position as an outside Audit & Supervisory Board Member based on his deep insight gained through his experience of having worked for many years as a top executive of a company. In addition, during the current term, he served as a member of the Governance and Remuneration Committee and the Women's Advancement Committee, contributing to the further evolution of ITOCHU Corporation's governance and the acceleration of support for women's advancement.

3) Outline of Limitation of Liability Contracts

ITOCHU Corporation entered into a limitation of liability contract as stipulated in Article 423, Paragraph 1 of the Companies Act, with Outside Directors and Outside Audit & Supervisory Board Members pursuant to Article 427, Paragraph 1 of the same Act and the Articles of Incorporation. Under this contract, liabilities for compensation are the lowest amount of liability stipulated by Article 425, Paragraph 1 of the Companies Act if they have acted in good faith and without gross negligence in performing their duties.

(5) Outline of Directors and Officers Liability Insurance Policy

ITOCHU Corporation has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The policy covers the losses, such as damages payable and litigation costs in damage suits, incurred by all of ITOCHU Corporation's directors and Audit & Supervisory Board Members, etc. who are the insureds. However, the scope of compensation does not cover the damages and litigation costs of a director or officer involved in an intentional illegal act or criminal act such as bribery, to ensure that the appropriateness of the performance of director or officer duties is not lost. The full amount of the insurance premiums is borne by ITOCHU Corporation.

4. Status of Independent Auditor

(1) Name of Independent Auditor

Deloitte Touche Tohmatsu LLC

(2) Remuneration of the Independent Auditor during the Current Term

1) Amount of remuneration paid by ITOCHU Corporation to the Independent Auditor for audit certification in accordance with Article 2, Paragraph 1 of the Certified Public Accountants Law.	¥695 million
2) Total amount of remuneration paid by ITOCHU Corporation and its subsidiaries	¥2,356 million

- Notes: 1. The audit agreement between the Independent Auditor and ITOCHU Corporation does not separately stipulate audit remunerations based on the Companies Act and the Financial Instruments and Exchange Act. Hence, the remuneration in 1) above includes remunerations for auditing based on the Financial Instruments and Exchange Act and auditing of financial statements in English based on International Financial Reporting Standards (IFRS).
2. ITOCHU Corporation and its subsidiaries have paid remuneration to the Independent Auditor for services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Law which include internal control system assessment support, and such amount is included in the above 2) total amount of remuneration.
3. The Audit & Supervisory Board, having checked the audit plans of the Independent Auditor and having reviewed and investigated the status of its performance of duties and quality of audits in past fiscal years, the grounds for calculation of remuneration estimates, and other matters, has given consent to the remuneration for the Independent Auditor in accordance with Article 399, Paragraph 1 of the Companies Act.
4. Of the major subsidiaries and associated companies as described in “1. Current Conditions of the ITOCHU Group, (4) Status of Major Group Companies, 1) Major Subsidiaries and Associated Companies,” Prima Meat Packers, Ltd., YANASE & CO., LTD., and Orient Corporation are audited by Ernst & Young ShinNihon LLC, FUJI OIL HOLDINGS INC. and DESCENTE LTD. are audited by KPMG AZSA LLC, and overseas subsidiaries and affiliates are audited by local auditing firms possessing similar qualifications under the relevant laws and regulations.

(3) Policy Regarding Decisions to Dismiss or Deny Reappointment of Independent Auditor

The Audit & Supervisory Board shall dismiss the Independent Auditor if any of the items of Article 340, Paragraph 1 of the Companies Act applies with respect to the Independent Auditor by unanimous consent of the Audit & Supervisory Board. In this case, an Audit & Supervisory Board Member selected by the Audit & Supervisory Board will report on the reason for the dismissal of the Independent Auditor at the first General Meeting of Shareholders held after the Independent Auditor’s dismissal.

In addition, if it is determined that the appropriateness and credibility of audits by the Independent Auditor cannot be ensured, the Audit & Supervisory Board shall decide on the content of the proposal to dismiss or deny the reappointment of the Independent Auditor to be submitted to the General Meeting of Shareholders.

5. Overview of the Basic Policy Regarding Internal Control Systems and the Operational Status Thereof

(1) Outline of Basic Policy Regarding the Internal Control System

ITOCHU Corporation has established the following internal control systems, which are necessary to ensure that directors' implementation of duties are in compliance with laws and statutory regulations and Articles of Incorporation and ensure the appropriateness of other operations. Below is a summary of the Basic Policy regarding the Internal Control System, which the Board of Directors approved on April 19, 2006. (Recent revisions have been made, dated May 14, 2021.)

1) System to Ensure Compliance by Directors and Employees to Laws, Regulations and the Articles of Incorporation

[Corporate Governance]

- 1) As the decision-making body, the Board of Directors, consisting of Directors and Outside Directors, is to decide important matters in accordance with laws and regulations, the Articles of Incorporation, the "Board of Directors Regulations," and other internal regulations, and as the supervisory body, the Board of Directors is to supervise the performance of the directors.
- 2) Each director is to carry out such director's functions and duties as designated by the Board of Directors in accordance with laws and regulations, the Articles of Incorporation, resolutions by the Board of Directors, and internal regulations.
- 3) ITOCHU Corporation is to adopt the Executive Officer System to strengthen the decision-making function and supervisory function of the Board of Directors, and to streamline executive decision-making. Based on the approval of the Board of Directors, executive officers implement their designated duties based on delegation from the Board of Directors and representative directors.
- 4) The Audit & Supervisory Board Members are to oversee the performance of the directors based on the "Audit & Supervisory Board Regulations" and "Auditors' Auditing Standards."

[Compliance]

- 1) Directors, executive officers and employees are to conduct themselves in accordance with the ITOCHU Group Corporate Mission and the ITOCHU Group Guideline of Conduct.
- 2) ITOCHU Corporation is to designate a representative director as the chief officer responsible for supervising compliance and also establish the Compliance Committee and a department that oversees all compliance matters. In addition, the "ITOCHU Group Compliance Program" is to be created to further enhance our compliance system.

[Internal Control to Ensure Reliability of Financial Reporting]

- 1) ITOCHU Corporation is to have in place internal regulations concerning commercial transactions management and accounting, and is to create the position of CFO (Chief Financial Officer) to ensure the reliability of financial reporting.
- 2) ITOCHU Corporation is to establish the Disclosure Committee and regularly review and improve the development and implementation status of the internal control systems to ensure the reliability of financial reporting.

[Internal Audits]

ITOCHU Corporation is to establish the Internal Audit Division under the direct control of the President & Chief Operating Officer. The Internal Audit Division is to regularly implement internal audits of all aspects of business operations based on the "Audit Regulations." Such internal audits are to examine compliance with laws and regulations, the Articles of Incorporation, and internal regulations, as well as, among other matters, the appropriateness of the procedures and nature of the exercise of duties and responsibilities.

2) System for the Storage and Preservation of Information Related to Director Duties

The directors are to appropriately store and preserve important documents and related materials concerning the performance of their duties, including the minutes of the General Meeting of Shareholders, in accordance with the “Information Management Regulations,” the “Document Management Rules” and other internal regulations. All documents and information so stored and preserved are to be subject to inspection by the directors and auditors at any time. Further, ITOCHU Corporation will establish departments responsible for the timely disclosure of important corporate information and other information. At the same time, directors will rapidly and comprehensively gather information that requires disclosure and implement timely and appropriate disclosure in compliance with laws and statutory regulations.

3) Regulations Concerning the Management of the Risk of Loss and Other Relevant Risk Management System

To adequately address the various risks associated with our business operations, such as market risk, credit risk, country risk, investment risk, and environmental/social risks, ITOCHU Corporation is to establish internal committees and responsible departments, and is to develop the necessary risk management system and risk management techniques, for example establishing a full range of management regulations, investment criteria, risk limits and transaction limits, and developing reporting and monitoring systems, and managing company-wide as well as matter-specific risks. Furthermore, ITOCHU Corporation is to regularly review the effectiveness of the risk management system.

4) System to Ensure Efficient Performance of Directors

[The HMC and Other Internal Committees]

The HMC (Headquarters Management Committee) as a supporting body to the President & Chief Operating Officer, and a number of other internal committees, are to facilitate the proper and agile decision-making by the President & Chief Operating Officer and the Board of Directors.

[Division Company System]

Under the Division Company System, the position of Division Company president is to be created at each Company, and each Company is to manage its business autonomously in accordance with laws and regulations, the Articles of Incorporation, and internal regulations. Furthermore, each Company is to establish its own numerical targets, and regularly evaluate its performance by comparing against such numerical targets.

[Clearly Define the Scope of Authority and Responsibilities]

In order to ensure the appropriateness and efficiency of the performance of the management, ITOCHU Corporation is to develop internal regulations to clearly define the scope of authority and responsibilities of each corporate officer and divisional manager.

5) System to Ensure the Adequacy of Operations of the ITOCHU Group (Consisting of ITOCHU Corporation and Its Subsidiaries)

[Subsidiary Management and Reporting System]

- 1) ITOCHU Corporation is to establish a department that oversees all the subsidiaries. Furthermore, relevant departments within ITOCHU Corporation are to exercise jurisdiction over their responsible subsidiaries, and provide managerial guidance to such subsidiaries in accordance with the internal regulations concerning consolidated company management. In principle, ITOCHU Corporation is to send directors and Audit & Supervisory Board Members to each subsidiary to ensure the adequacy of the subsidiary’s operations.
- 2) With respect to subsidiaries that ITOCHU Corporation owns indirectly through its directly-owned subsidiaries, ITOCHU Corporation is to strive to ensure the adequacy of operations by such indirectly-owned subsidiaries in accordance with this Basic Policy by way of, in principle, causing directly-owned subsidiaries to provide managerial guidance to indirectly-owned subsidiaries.
- 3) With respect to important matters on the management of subsidiaries, ITOCHU Corporation is to, in principle, agree and specify with each subsidiary what matters will require the prior approval of or reporting to ITOCHU Corporation, as appropriate, taking into account, among others, each subsidiary’s nature and size of business and whether it is listed or unlisted.

[Rules and Other Systems to Manage the Risk of Loss at Subsidiaries]

ITOCHU Corporation is to identify the subsidiaries which shall be subject to our Group-wide risk management in respect of each risk category, taking into account, among others, each subsidiary's nature and size of business and whether it is listed or unlisted. In addition, ITOCHU Corporation is to periodically review the effectiveness of such Group-wide management system.

[System to Ensure the Efficient Performance of Duties by Directors, etc. of Subsidiaries]

ITOCHU Corporation is to formulate a management plan on a consolidated basis and undertake managerial guidance of subsidiaries in order to attain the said management plan as well as to provide support to subsidiaries such as provision of group financing from ITOCHU Corporation.

[System to Ensure Compliance by Directors, etc. and Employees of Subsidiaries to Laws, Regulations and the Articles of Incorporation]

- 1) In principle, ITOCHU Corporation is to send directors and Audit & Supervisory Board Members to each subsidiary and strive to ensure that the performance of duties of directors, etc. and employees of a subsidiary complies with laws and regulations, and the Articles of Incorporation of such subsidiary through supervision and audit of the performance of duties at the subsidiary by the said directors and auditors sent from ITOCHU Corporation.
- 2) ITOCHU Corporation is to provide guidance to its subsidiaries for the purpose of implementing a compliance system under the "ITOCHU Group Compliance Program" and to perform periodic monitoring and review of the implementation status of the relevant matters as well as providing education and training at subsidiaries whenever necessary for the purpose of securing compliance by the entire ITOCHU Group.
- 3) All of the operations and activities of the subsidiaries are to be subject to internal audits by the Internal Audit Division.

6) Matters Concerning Supporting Personnel to Audit & Supervisory Board Members, Independence of Such Personnel from the Directors and Ensuring the Effectiveness of Instructions to Such Personnel

ITOCHU Corporation is to establish the Audit & Supervisory Board Members' Office under the direct jurisdiction of the Audit & Supervisory Board and is to put in place full-time employees with the sole responsibility of supporting the work of the Audit & Supervisory Board Members. The supervisory authority over such employees is to belong exclusively to the Audit & Supervisory Board Members, and evaluation of such employees is to be carried out by the Audit & Supervisory Board Member designated by the Audit & Supervisory Board. Any transfer orders or disciplinary actions relating to such employees are to require prior approval by such Audit & Supervisory Board Member.

7) System for Reporting by Directors and Employees to Audit & Supervisory Board Members

[Attendance at Important Meetings]

The Audit & Supervisory Board Members are to attend meetings of the Board of Directors, the HMC meetings, and other important meetings, and interview the directors and other relevant persons regarding the performance of their duties. In addition, the Audit & Supervisory Board Members are to have the right to inspect all relevant materials.

[Reporting System]

- 1) The directors and corporate officers are to regularly report to the Audit & Supervisory Board Members about their performance. Furthermore, in addition to the matters required by laws and regulations, the directors and corporate officers are to report all the decisions that could have a major impact on the finance or business of ITOCHU Corporation to the Audit & Supervisory Board Members immediately after such decisions are made.
- 2) Employees are to have the right to report directly to the Audit & Supervisory Board Members any matters that could cause serious damage to ITOCHU Corporation.
- 3) In the "ITOCHU Group Compliance Program," ITOCHU Corporation is to explicitly prohibit disadvantageous treatment of directors and employees who have reported to the Audit & Supervisory Board Members and to ensure thorough familiarization with this prohibition.

8) System for Reporting by Directors, Audit & Supervisory Board Members and Employees of Subsidiaries or by a Person who Received a Report from Them to Audit & Supervisory Board Members

[Reporting System]

- 1) The directors and Audit & Supervisory Board Members of subsidiaries may report directly to the Audit & Supervisory Board Members of ITOCHU Corporation any matters that could cause serious damage to the said subsidiary.
- 2) A department that oversees compliance is to periodically report to the Audit & Supervisory Board Members of ITOCHU Corporation a summary of matters that could cause serious damage to a subsidiary that were reported by the officers and employees of the said subsidiary.
- 3) In the “ITOCHU Group Compliance Program,” ITOCHU Corporation is to explicitly prohibit disadvantageous treatment of persons who have reported to the Audit & Supervisory Board Members under the provisions listed above and to ensure full familiarization with this prohibition.

9) Matters Concerning Policy on Procedures for Prepayment or Refund of Expenses Arising in Relation to Performance of Duties of Audit & Supervisory Board Members and Processing of Expenses or Obligations Arising in Relation to the Performance of Other Duties

When an Audit & Supervisory Board Member claims prepayment, etc. from ITOCHU Corporation in relation to the performance of duties under Article 388 of the Companies Act, we are to process the relevant expense or claim promptly upon confirmation by the responsible department.

10) Other Relevant Systems to Ensure the Proper Functioning of Audits

[Coordination with the Audit & Supervisory Board Members by the Internal Audit Division]

The Internal Audit Division is to maintain close communication and coordination with the Audit & Supervisory Board Members with respect to matters such as formulation of the internal audit plan for each business year, and internal audit results.

[Retaining Outside Experts]

When deemed necessary, the Audit & Supervisory Board Members are to independently retain outside experts for the implementation of an audit.

(2) Overview of the Operational Status of Internal Control Systems

For the proper operation of internal control systems, ITOCHU Corporation has adopted a system by which it further segments items stipulated by the Basic Policy into more detailed confirmatory items in respect of each fiscal year, and, after setting the department in charge of each of these confirmatory items, conducts checks of the construction and the operational status of internal control systems by each department (and by other related internal committees) at the Internal Control Committee meetings held each half year. The Internal Control Committee in FY2023, chaired by the Chief Administrative Officer and with the Corporate Planning & Administration Division as its secretariat, consists of the Chief Financial Officer, General Manager of Internal Audit Division, and an external expert (attorney) as members. Audit & Supervisory Board Members also attend the meetings and voice opinions every time.

At its meetings, the Internal Control Committee verifies the content of checklists summarizing achievement status, issues, etc. for each of the above confirmatory items, as submitted by the departments in charge of each. It also confirms the construction and operational status of internal control systems by verifying the content of individual reports from the departments in charge, with respect to important matters such as systems to ensure the reliability of financial reporting, compliance systems, systems to manage the risk of losses, and the construction and operational status of internal control systems in the ITOCHU Group.

The results of deliberations by the Internal Control Committee are reported twice per year to the HMC and the Board of Directors, the latter of which conducts a full-year evaluation of the construction and operational status of internal control systems.

Regarding the meetings of main internal committees related to internal control in FY2022, the Internal Control Committee met 2 times, the Compliance Committee met 2 times, and the Asset Liability Management (ALM) Committee met 16 times.

Our internal control systems are constructed on the base of the ITOCHU Group, consisting of ITOCHU Corporation and its subsidiaries, and the operational status of the Group base internal control systems, and the construction and operational status of internal control systems in subsidiaries, are reported regularly to the Internal Control Committee.

We intend to revise and improve these internal control systems tirelessly in order to build systems that are even more appropriate and efficient. Further, a meeting of the Board of Directors convened on May 10, 2022, evaluated the development and implementation status of each item enumerated in the Basic Policy regarding the Internal Control System for FY2022 and confirmed that there were no significant deficiencies or defects.

Consolidated Financial Statements
Consolidated Statement of Financial Position
ITOCHU Corporation and its Subsidiaries
As of March 31, 2022 and 2021

(Amounts less than 1 million yen have been rounded to the nearest 1 million yen)

Assets	Millions of Yen	
	2022	2021 (Reference)
Current assets:		
Cash and cash equivalents	¥ 611,715	¥ 544,009
Time deposits	11,185	9,945
Trade receivables	2,458,991	2,122,815
Other current receivables	236,864	166,282
Other current financial assets	101,932	44,930
Inventories	1,077,160	898,692
Advances to suppliers	123,382	80,521
Other current assets	188,727	161,256
Assets held for sale	—	248,861
Total current assets	4,809,956	4,277,311
Non-current assets:		
Investments accounted for by the equity method	2,288,762	1,867,777
Other investments	958,218	952,374
Non-current receivables	728,965	658,658
Non-current financial assets other than investments and receivables	172,191	166,611
Property, plant and equipment	1,936,044	1,939,791
Investment property	47,742	50,665
Goodwill and intangible assets	1,081,607	1,125,836
Deferred tax assets	54,639	60,446
Other non-current assets	75,534	78,963
Total non-current assets	7,343,702	6,901,121
Total assets	¥ 12,153,658	¥ 11,178,432

Liabilities and Equity	Millions of Yen	
	2022	2021 (Reference)
Current liabilities:		
Short-term debentures and borrowings	¥ 522,448	¥ 710,213
Lease liabilities (short-term)	235,791	238,446
Trade payables	1,967,117	1,628,766
Other current payables	210,857	199,757
Other current financial liabilities	83,724	40,172
Current tax liabilities	74,026	57,370
Advances from customers	132,513	84,699
Other current liabilities	424,071	374,489
Liabilities held for sale	–	220,722
Total current liabilities	3,650,547	3,554,634
Non-current liabilities:		
Long-term debentures and borrowings	2,383,455	2,445,099
Lease liabilities (long-term)	775,180	825,170
Other non-current financial liabilities	58,217	53,483
Non-current liabilities for employee benefits	103,975	116,631
Deferred tax liabilities	250,999	150,275
Other non-current liabilities	167,585	162,900
Total non-current liabilities	3,739,411	3,753,558
Total liabilities	7,389,958	7,308,192
Equity:		
Common stock	253,448	253,448
Capital surplus	(161,917)	(155,210)
Retained earnings	3,811,991	3,238,948
Other components of equity:		
Translation adjustments	383,215	131,612
FVTOCI financial assets	146,638	38,740
Cash flow hedges	7,154	(9,897)
Total other components of equity	537,007	160,455
Treasury stock	(241,204)	(181,360)
Total shareholders' equity	4,199,325	3,316,281
Non-controlling interests	564,375	553,959
Total equity	4,763,700	3,870,240
Total liabilities and equity	¥ 12,153,658	¥ 11,178,432

Note: ITOCHU Corporation prepared the consolidated financial statements in conformity with IFRS.

Consolidated Statement of Comprehensive Income

ITOCHU Corporation and its Subsidiaries

Years ended March 31, 2022 and 2021

(Amounts less than 1 million yen have been rounded to the nearest 1 million yen)

	Millions of Yen	
	2022	2021 (Reference)
Revenues:		
Revenues from sale of goods	¥ 11,011,816	¥ 9,156,193
Revenues from rendering of services and royalties	1,281,532	1,206,435
Total revenues	12,293,348	10,362,628
Cost:		
Cost of sale of goods	(9,696,532)	(7,989,246)
Cost of rendering of services and royalties	(659,651)	(592,635)
Total cost	(10,356,183)	(8,581,881)
Gross trading profit	1,937,165	1,780,747
Other gains (losses):		
Selling, general and administrative expenses	(1,346,720)	(1,366,489)
Provision for doubtful accounts	(7,923)	(10,844)
Gains on investments	211,851	4,105
Losses on property, plant, equipment and intangible assets	(17,601)	(157,524)
Other-net	9,645	(6,197)
Total other-losses	(1,150,748)	(1,536,949)
Financial income (loss):		
Interest income	20,412	23,114
Dividends received	80,741	53,145
Interest expense	(28,976)	(36,218)
Total financial income	72,177	40,041
Equity in earnings of associates and joint ventures	291,435	228,636
Profit before tax	1,150,029	512,475
Income tax expense	(271,056)	(71,592)
Net profit	878,973	440,883
Net profit attributable to ITOCHU	¥ 820,269	¥ 401,433
Net profit attributable to non-controlling interests	58,704	39,450
Other comprehensive income, net of tax:		
Items that will not be reclassified to profit or loss:		
FVTOCI financial assets	(8,927)	80,764
Remeasurement of net defined pension liability	3,897	12,449
Other comprehensive income in associates and joint ventures	(4,932)	13,474
Items that will be reclassified to profit or loss:		
Translation adjustments	170,109	114,879
Cash flow hedges	4,519	3,470
Other comprehensive income in associates and joint ventures	105,500	63,660
Total other comprehensive income, net of tax	270,166	288,696
Total comprehensive income	1,149,139	729,579
Total comprehensive income attributable to ITOCHU	¥ 1,086,431	¥ 655,259
Total comprehensive income attributable to non-controlling interests	62,708	74,320

Note: ITOCHU Corporation prepared the consolidated financial statements in conformity with IFRS.

Consolidated Statement of Changes in Equity

ITOCHU Corporation and its Subsidiaries

Year ended March 31, 2022

(Amounts less than 1 million yen have been rounded to the nearest 1 million yen)

(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 at the beginning of the year	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 at the end of the year	253,448	(161,917)	3,811,991	537,007	(241,204)	4,199,325	564,375	4,763,700

Note: ITOCHU Corporation prepared the consolidated financial statements in conformity with IFRS.

Consolidated Statement of Changes in Equity

ITOCHU Corporation and its Subsidiaries

Year ended March 31, 2021 (Reference)

(Amounts less than 1 million yen have been rounded to the nearest 1 million yen)

(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 at the beginning of the year	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 at the end of the year	253,448	(155,210)	3,238,948	160,455	(181,360)	3,316,281	553,959	3,870,240

Note: ITOCHU Corporation prepared the consolidated financial statements in conformity with IFRS.

Non-Consolidated Balance Sheet

ITOCHU Corporation

As of March 31, 2022 and 2021

(Amounts less than 1 million yen have been rounded to the nearest 1 million yen)

Assets	Millions of Yen	
	2022	2021 (Reference)
Current assets:		
Cash and deposits with banks	¥ 133,621	¥ 82,362
Trade notes receivable	27,161	24,543
Trade accounts receivable	683,777	543,150
Inventories	276,045	215,984
Prepaid expenses	6,911	5,631
Other receivable	225,796	166,026
Short-term loans receivable	103	155
Short-term loans receivable from subsidiaries and associated companies	61,243	3,587
Other current assets	171,295	65,118
Allowance for doubtful receivables	(2,051)	(1,727)
Total current assets	1,583,901	1,104,829
Non-current assets:		
Property, plant and equipment:		
Buildings and structures	1,319	1,602
Land	26,755	26,755
Others	4,278	4,504
Total property, plant and equipment net of accumulated depreciation	32,352	32,861
Intangible assets:		
Software	18,224	19,518
Others	12,320	14,536
Total intangible assets	30,544	34,054
Investments and other assets:		
Investments in securities	233,461	204,305
Investments in subsidiaries' and associated companies' equity securities	1,525,728	1,525,466
Investments in subsidiaries' and associated companies' securities other than equity securities and corporate bonds	14,673	12,115
Investments in equity interests	28,965	26,450
Investments in subsidiaries' and associated companies' equity interests	169,283	170,557
Long-term loans receivable	10	12
Long-term loans receivable from subsidiaries and associated companies	19,099	2,546
Claims provable in bankruptcy	35,636	32,586
Deferred tax assets	3,195	39,187
Other investments	21,626	12,071
Allowance for doubtful receivables	(25,408)	(22,423)
Allowance for loss on investments	(13,622)	(16,369)
Total investments and other assets	2,012,646	1,986,503
Total non-current assets	2,075,542	2,053,418
Total Assets	¥ 3,659,443	¥ 3,158,247

Liabilities and Equity	Millions of Yen	
	2022	2021 (Reference)
Current liabilities:		
Trade notes payable	¥ 16,613	¥ 12,789
Trade accounts payable	422,727	323,794
Short-term debt	725,127	580,900
Bonds, due within one year	45,445	70,000
Other payable	234,551	124,561
Accrued expenses	72,840	58,875
Income taxes payable	6,272	1,678
Advances from customers	35,600	22,006
Deposits received	133,132	113,712
Deferred income	8,485	6,036
Other current liabilities	56,203	15,558
Total current liabilities	1,756,995	1,329,909
Non-current liabilities:		
Bonds	101,195	140,800
Long-term debt	385,118	406,091
Provision for retirement benefits for employees	13,828	21,697
Provision for stock benefits	2,575	2,151
Provision for retirement benefits for directors, corporate auditors and executive officers	31	31
Provision for loss on guarantees	112,350	233,712
Other non-current liabilities	100,541	95,094
Total non-current liabilities	715,638	899,576
Total liabilities	2,472,633	2,229,485
Equity	1,120,240	865,017
Common stock	253,448	253,448
Capital surplus	62,600	62,600
Additional paid-in capital	62,600	62,600
Other capital surplus	0	0
Retained earnings	1,044,424	729,357
Legal reserve	36,323	36,323
Other retained earnings		
Reserve for promotion of open innovation	62	—
Retained earnings unappropriated	1,008,039	693,034
Treasury stock, at cost	(240,232)	(180,388)
Valuation, translation adjustments and others	66,570	63,745
Unrealized gain on available-for-sale securities	70,099	62,218
Deferred gain (loss) on derivatives under hedge accounting	(3,529)	1,527
Total equity	1,186,810	928,762
Total Liabilities and Equity	¥ 3,659,443	¥ 3,158,247

Non-Consolidated Statement of Income

ITOCHU Corporation

Years ended March 31, 2022 and 2021

(Amounts less than 1 million yen have been rounded to the nearest 1 million yen)

	Millions of Yen	
	2022	2021 (Reference)
Revenues	¥ 3,317,288	¥ –
Cost	3,143,897	–
Total trading transactions	–	3,575,369
Cost of trading transactions	–	3,423,113
Gross trading profit	173,391	152,256
Selling, general and administrative expenses	128,037	137,136
Operating income	45,354	15,120
Other income:		
Interest income	3,171	2,689
Dividends received	343,036	281,932
Others	28,420	18,046
Total other income	374,627	302,667
Other expenses:		
Interest expense	2,875	2,599
Compensation expenses	3,250	2,692
Others	9,319	6,604
Total other expenses	15,444	11,895
Ordinary income	404,537	305,892
Extraordinary gains:		
Gain on sales of property, plant and equipment	349	352
Gain on sales of investments in securities	103,466	12,195
Total extraordinary gains	103,815	12,547
Extraordinary losses:		
Loss on sales of property, plant and equipment	5	31
Loss on investments in subsidiaries and associated companies	5,851	380,869
Loss on sales of investments in securities	195	2,150
Loss on devaluation of investments in securities	2,436	9,242
Loss on impairment of long-lived assets	102	399
Provision for loss on long-term energy contracts	–	36,625
Total extraordinary losses	8,589	429,316
Profit (loss) before income taxes	499,763	(110,877)
Income taxes — current	13,899	(984)
Income taxes — deferred	35,441	(38,552)
Net profit (loss)	¥ 450,423	¥ (71,341)

Non-Consolidated Statement of Changes in Equity
ITOCHU Corporation
Year ended March 31, 2022

(Amounts less than 1 million yen have been rounded to the nearest 1 million yen)

(Millions of Yen)

	Shareholders' equity									Valuation, translation adjustments and others			Total equity	
	Common stock	Capital surplus			Retained earnings				Treasury stock, at cost	Total shareholders' equity	Unrealized gain on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting		Total valuation, translation adjustments and others
		Additional paid-in capital	Other capital surplus	Total capital surplus	Legal reserve	Other retained earnings		Total retained earnings						
						Reserve for promotion of open innovation	Retained earnings unappropriated							
Balance at beginning of year	253,448	62,600	0	62,600	36,323	-	693,034	729,357	(180,388)	865,017	62,218	1,527	63,745	928,762
Changes during the year														
Dividends							(135,356)	(135,356)		(135,356)				(135,356)
Provision of reserve for promotion of open innovation						62	(62)	-		-				-
Net profit							450,423	450,423		450,423				450,423
Purchase of treasury stock									(60,036)	(60,036)				(60,036)
Disposal of treasury stock			0	0					192	192				192
Net changes of items other than shareholders' equity											7,881	(5,056)	2,825	2,825
Net change in the year	-	-	0	0	-	62	315,005	315,067	(59,844)	255,223	7,881	(5,056)	2,825	258,048
Balance at end of year	253,448	62,600	0	62,600	36,323	62	1,008,039	1,044,424	(240,232)	1,120,240	70,099	(3,529)	66,570	1,186,810

Non-Consolidated Statement of Changes in Equity
ITOCHU Corporation
Year ended March 31, 2021 (reference)

(Amounts less than 1 million yen have been rounded to the nearest 1 million yen)

(Millions of Yen)

	Shareholders' equity								Valuation, translation adjustments and others			Total equity		
	Common stock	Capital surplus			Retained earnings				Treasury stock, at cost	Total shareholders' equity	Unrealized gain on available-for-sale securities		Deferred gain (loss) on derivatives under hedge accounting	Total valuation, translation adjustments and others
		Additional paid-in capital	Other capital surplus	Total capital surplus	Legal reserve	Other retained earnings		Total retained earnings						
						Reserve for promotion of open innovation	Retained earnings unappropriated							
Balance at beginning of year	253,448	62,600	0	62,600	36,323	-	893,383	929,706	(166,342)	1,079,412	36,694	7,037	43,731	1,123,143
Changes during the year														
Dividends							(129,008)	(129,008)		(129,008)				(129,008)
Provision of reserve for promotion of open innovation										-				-
Net profit (loss)							(71,341)	(71,341)		(71,341)				(71,341)
Purchase of treasury stock									(14,266)	(14,266)				(14,266)
Disposal of treasury stock			0	0					220	220				220
Net changes of items other than shareholders' equity											25,524	(5,510)	20,014	20,014
Net change in the year	-	-	0	0	-	-	(200,349)	(200,349)	(14,046)	(214,395)	25,524	(5,510)	20,014	(194,381)
Balance at end of year	253,448	62,600	0	62,600	36,323	-	693,034	729,357	(180,388)	865,017	62,218	1,527	63,745	928,762

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 12, 2022

To the Board of Directors of
ITOCHU Corporation:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant: Koichi Okubo
Designated Engagement Partner,
Certified Public Accountant: Haruko Nagayama
Designated Engagement Partner,
Certified Public Accountant: Susumu Nakamura

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of ITOCHU Corporation and its consolidated subsidiaries (the "Group"), namely, the consolidated statement of financial position as of March 31, 2022, and the consolidated statement of comprehensive income, and consolidated statement of changes in equity for the fiscal year from April 1, 2021 to March 31, 2022, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2022, and its consolidated financial performance for the year then ended in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under International Financial Reporting Standards.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first

paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under International Financial Reporting Standards, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partner[s] do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader, and "the related notes" referred to in this report are not included in the attached financial documents.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 12, 2022

To the Board of Directors of
ITOCHU Corporation:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant: Koichi Okubo
Designated Engagement Partner,
Certified Public Accountant: Haruko Nagayama
Designated Engagement Partner,
Certified Public Accountant: Susumu Nakamura

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the non-consolidated financial statements of ITOCHU Corporation (the "Company"), namely, the non-consolidated balance sheet as of March 31, 2022, and the non-consolidated statement of income and non-consolidated statement of changes in equity for the 98th fiscal year from April 1, 2021 to March 31, 2022, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2022, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the non-consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-

consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the non-consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any

significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader, and "the related notes and the accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.

(Translation)

AUDIT REPORT OF THE Audit & Supervisory Board

This audit report was prepared following the discussions based on the respective audit reports of each Audit & Supervisory Board Member concerning the conduct of the Directors in the performance of their duties during the 98th fiscal year from April 1, 2021 to March 31, 2022. The Audit & Supervisory Board submits its report as follows.

1. Methods and Details of the Audit by the Audit & Supervisory Board Members and the Audit & Supervisory Board

The Audit & Supervisory Board established the policies of audit, the division of duties and other matters, and received reports from each Audit & Supervisory Board Member on the status and results of its audits. In addition, the Audit & Supervisory Board received reports from the Directors, etc., and the Independent Auditor regarding the performance of their duties, and requested explanations as necessary.

In accordance with the policies of audit, division of duties and the standards for the Audit & Supervisory Board Members as established by the Audit & Supervisory Board, each Audit & Supervisory Board Member communicated with the Directors, the Internal Audit Department, employees and others, committed to gather information and to enhance the audit environment, attended the meetings of the Board of Directors and other important meetings, received reports from the Directors, employees and others regarding the performance of their duties, requested explanations as necessary, and inspected important documents supporting decisions and other records and examined the status of operations and assets at the head office and important operating locations. In addition, the Audit & Supervisory Board periodically received reports from the Directors, employees and others, requested explanations as necessary, inspected important documents supporting decisions and other records, and expressed opinions regarding the details of the Board of Directors' resolutions and the system that is developed and operated in accordance with such resolution concerning the development of system to ensure that Directors' performance of their duties are in compliance with the laws and regulations, and the Articles of Incorporation of ITOCHU Corporation and the system to ensure the adequacy of operations of the ITOCHU Group consisting of ITOCHU Corporation and its subsidiaries as stipulated under Article 100, paragraphs 1 and 3 of the Ordinance for Enforcement of Company Act (internal control system).

As for the subsidiaries, each Audit & Supervisory Board Member promoted communications with the directors, Audit & Supervisory Board Members and, etc. of the subsidiaries, and received reports on the business of the subsidiaries as necessary.

Based on the above-mentioned methods, the business report and its supplemental schedules for the fiscal year under review were examined.

Moreover, each Audit & Supervisory Board Member monitored and verified whether the Independent Auditor, Deloitte Touche Tohmatsu LLC, maintained independence and conducted proper audit, received reports from the Independent Auditor regarding the status of the performance of its duties, and requested explanations as necessary. The Audit & Supervisory Board Members also received the notification from the Independent Auditor that it had established a "system to ensure appropriate performance of its duties" (pursuant to Article 131 of the Company Accounting Regulations) in accordance with the "Quality Control Standards for Auditing" (issued by the Business Accounting Council on October 28, 2005), and requested explanation as necessary.

Based on the above-mentioned methods, the Audit & Supervisory Board examined the consolidated financial statements (the consolidated statements of financial position, the consolidated statements of income, the consolidated statements of changes in equity, and the notes to consolidated financial statements) as well as the non-consolidated financial statements (the non-consolidated balance sheet, the non-consolidated statements of income, the non-consolidated statements of changes in equity, and the notes to non-consolidated financial statements) and the accompanying supplemental schedules for the fiscal year under review.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

We confirm as follows;

- (a) The business report and the accompanying supplemental schedules present ITOCHU Corporation's situation correctly in accordance with laws and regulations, and the Articles of Incorporation of ITOCHU Corporation.
- (b) There was no improper behavior, or serious violation of any applicable laws and regulations or of the Articles of Incorporation of ITOCHU Corporation concerning the Directors' performance of their duties.
- (c) The details of the Board of Directors resolutions concerning the internal control system were appropriate and adequate. Furthermore, there was no matter we must point out, regarding the description of the internal control system in the business report and the Directors' performance of their duties concerning the internal control system.

(2) Results of Audit of Consolidated Financial Statements

We confirm that the auditing method and results of the Independent Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

(3) Results of Audit of Non-Consolidated Financial Statements and the Accompanying Supplemental Schedules

We confirm that the auditing method and results of the Independent Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

May 12, 2022

ITOCHU Corporation Audit & Supervisory Board

Shuzaburo Tsuchihashi
Audit & Supervisory Board Member (full time)

Makoto Kyoda
Audit & Supervisory Board Member (full time)

Shingo Majima
Outside Audit & Supervisory Board Member

Kentaro Uryu
Outside Audit & Supervisory Board Member

Masumi Kikuchi
Outside Audit & Supervisory Board Member

End