

Editorial Policy

In compiling this annual report, ITOCHU focuses on three functions in particular: (1) providing an in-depth understanding of its unique business model to a wide range of readers around the world, (2) effectively explaining the processes and potential for ITOCHU to achieve sustainable growth in corporate value over the long term, and (3) clearly communicating the relationship between management strategies and financial and non-financial capital to internal and external stakeholders to foster the virtuous cycle of cultivating mutual understanding through dialogue and achieving a greater level of management sophistication for the Company.

We have prepared ANNUAL REPORT 2022 based on the aforementioned approach and with reference to a disclosure framework for integrated reports. This year's report places particular emphasis on our strategic focus and forward-looking mindset, relationships with stakeholders and connectivity. Moreover, ANNUAL REPORT 2022 was designed according to an information framework distinctive to ITOCHU of "Corporate Value Calculation Formula," which serves as a perspective for investment decision-making.

The resilience of companies is being put to the test by the unprecedented degree of uncertainty in the business environment, which is stemming from an as yet uncontained COVID-19 pandemic, the actualization of geopolitical risks, persistently high commodity prices and inflation, rising interest rates mainly in North America and Europe, yen depreciation, and the restructuring of supply chains. Undeterred by these challenges, we will continuously enhance corporate value by strengthening and expanding our business foundations through steady transformation of business models and work-style reforms. This report is an account of how, with "Sampo-yoshi" as its corporate mission, ITOCHU will realize further growth by exploiting accumulated "comprehensive strength and ability of self-transformation."



Reporting Scope and Other Items

Reporting Period: April 1, 2021 to March 31, 2022 (Certain contents include activities occurring in or after April 2022.)

Reporting Scope: ITOCHU Corporation and the ITOCHU Group

Accounting Standards: Unless otherwise noted, this annual report is prepared in accordance with U.S. GAAP through FYE 2014, and with IFRS from FYE 2015.

Terminology: Unless otherwise noted, throughout this report, "consolidated net profit" is used to refer to "net profit attributable to ITOCHU." Moreover, "GHG" is used to refer to "greenhouse gas." FamilyMart refers to both FamilyMart Co., Ltd. and FamilyMart convenience stores, CITIC refers to CITIC Limited, and CTC refers to ITOCHU Techno-Solutions Corporation.

Detailed Financial Information

For detailed financial information for FYE 2022, please see the Financial Information Report.

<https://www.itochu.co.jp/en/files/FIR2022E.pdf>

Information about Sustainability

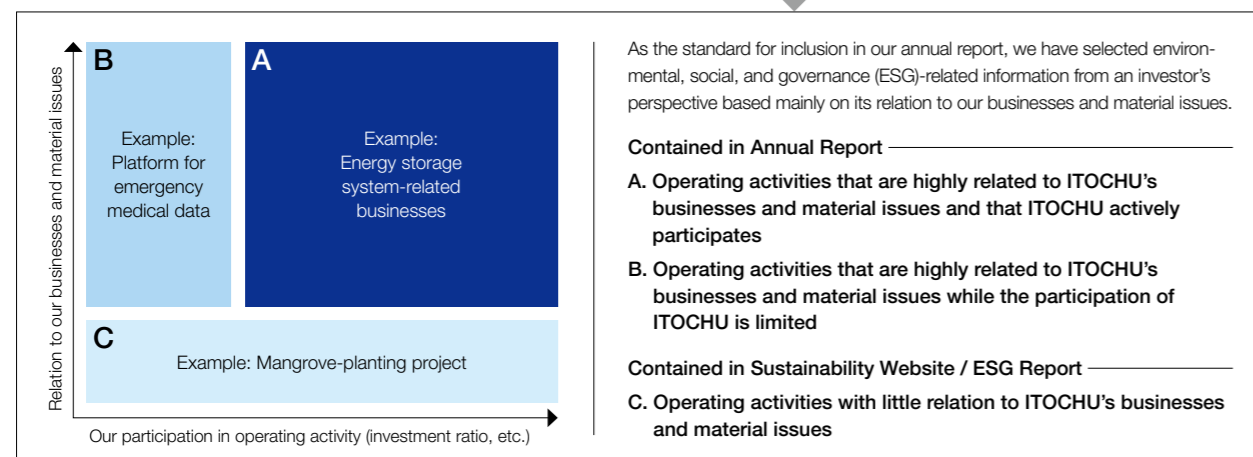
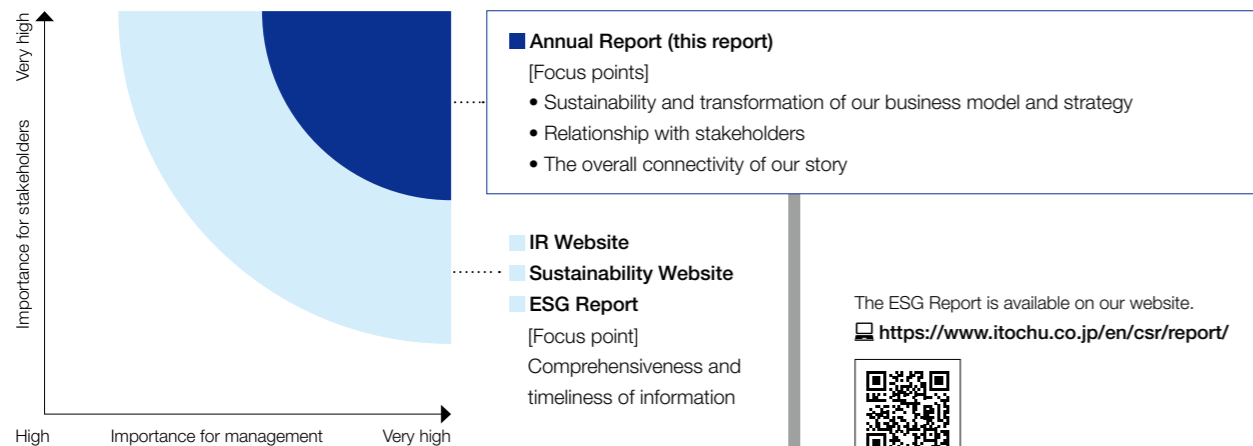
For more information on sustainability, please visit our sustainability website.

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

- Top commitment
- Sustainability at the ITOCHU Group
- ESG Report (Environment, Society, Governance)
- Social contribution activities
- GRI standard reference table, etc.

Inquiries for Annual Reports

Investor Relations Division ☎ +81 (3)-3497-7295



Key Points of ANNUAL REPORT 2022

Key Points of ANNUAL REPORT 2022

In the ANNUAL REPORT 2022, the Chairman & CEO gives an overview of management strategies and priority initiatives, while each officer explains the details of strategies with a focus on their area of responsibility. Further, we continue to use a framework based on the "Corporate Value Calculation Formula," which serves as a perspective for investment decision-making, to organize information logically and to explain driving forces and initiatives to enhance corporate value.

$$\text{Corporate Value} = \frac{\text{Created Value}}{\text{Cost of Capital} - \text{Growth Rate}}$$



Aiming to heighten trust in our management's capabilities to respond to changes in external environment, we have used this latest report as an opportunity to focus on topics that are of particular interest to stakeholders. These topics include management strategy, climate change initiatives, policy on shareholder returns, examples of business model transformation enabled by our "ability of self-transformation," countermeasures for country risks and other risks, and human resource strategies and governance that encompass the advancement of women.

- Priorities of Our Management Strategy → Page 12
- Dialogues on Shareholder Returns → Page 36
- Countermeasures for Business Risks and Other Risks → Page 56 → Page 78
- Response to Climate Change and Other Issues → Page 18 → Page 86
- Examples of Ability of Self-Transformation → Page 58
- Advancement of Women → Page 80 → Page 96

Changes in the External Environment in FYE 2022

In FYE 2022, uncertainty with regard to the global economy increased even further due to such factors as the impact of the COVID-19 pandemic and actualization of geopolitical risk in the form of the Russia-Ukraine situation. In addition, new lifestyles and ways of working became more prevalent in anticipation of the post-COVID-19 era, consumer preferences diversified, and society became even more digitalized. Other developments included a marked increase in concern about the sustainability of society and companies. For example, the Japanese government issued a roadmap for the creation of a decarbonized society, while a revised Corporate Governance Code requires companies to heighten diversity and further strengthen governance.

<Examples of changes in the external environment>

- Supply chain disruption and spiking in resource prices
- Actualization of geopolitical risks due to the Russian invasion of Ukraine
- Announcement of new GHG emissions reduction targets by the Japanese government
- Publication of revised Corporate Governance Code

Key Points of Annual Report 2021

Annual Report 2021 clarifies the important drivers of the Company's business management by including an explanation of overall management strategy from the Chairman & CEO together with broader, in-depth explanations from officers that are focused on their particular areas of responsibility. In addition, we increased the usefulness of the annual report as a tool for promoting dialogue with stakeholders by incorporating and highlighting the unifying concept of the "Corporate Value Calculation Formula," which serves as a perspective for investment decision-making. The aim of the report is to further understanding of the growth scenario set out in the medium-term management plan "Brand-new Deal 2023" as well as the underlying factors supporting solid corporate value built up through consistent implementation of the "Brand-new Deal" strategy over many years.



CONTENTS

ANNUAL REPORT 2022 (INTEGRATED REPORT)

For the Fiscal Year Ended March 31, 2022

Management Messages

— Market-Oriented Perspective,
SDG Initiatives, and Management Priorities 12

CEO Message 12



COO Message 18



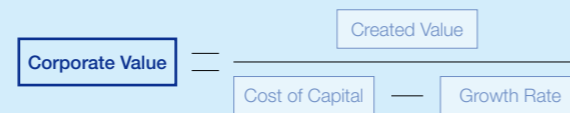
The “Merchant” Business Model

— Expansion of Both Economic Value and
Environmental / Social Value 22

01

Driving Force for Sustainable Value Creation

— Strengths, Non-Financial Capital, and
Financial and Capital Strategies 26



KEY POINTS: Financial capital and non-financial capital are the very essence of corporate value and the driving force for ITOCHU's virtuous cycle of sustainable enhancement of corporate value. This section explains four strengths accumulated over the Company's history as well as their relationships with management strategies and material issues.

Accumulated Strengths	28
Accumulation of Non-Financial Capital	34
CFO Interview	36
Business Investment	40
Logic Tree (Strategic Framework for Growth in Non-Financial Capital and Corporate Value)	44

02

Achievement of Short-Term Targets

— Review of Previous Medium-Term
Management Plans, Financial Results,
and Management Plan 46



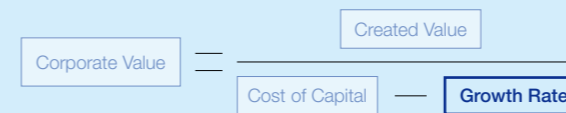
KEY POINTS: In enhancing the level of trust with respect to the feasibility of medium- to long-term management strategies, the steady achievement of short-term targets each fiscal year and the continuity of management strategies are important. With this in mind, we highlight our track record of achievements and our commitment to short-term goals, etc.

Trajectory of Corporate Value Enhancement	48
Business Results for FYE 2022	50
FYE 2023 Management Plan	52

03

Steppingstones to Medium- to Long-Term Value Creation

— Examples of Business Transformation 54



KEY POINTS: This section describes our approach and priorities in relation to business transformation, which we are pursuing in accordance with the basic policies of the medium-term management plan “Brand-new Deal 2023” to keep on a trajectory of solid growth over the medium- to long-term. We also provide specific examples of business transformation.

CSO Interview	56
SPECIAL FEATURE Merchants Who Continue to Transform	58

04

Initiatives and Systems Supporting Sustainable Growth

— Climate Change and Human Rights,
Human Resource Strategy, and Governance 74



KEY POINTS: This section outlines initiatives that, in light of PEST analysis of the business environment, ITOCHU is advancing to respond to business risks and promote climate change mitigation, sustainability, human resource strategies, and corporate governance policies, etc. These initiatives are aimed at lowering the cost of capital to enhance the sustainability of value creation.

PEST Analysis (Macroenvironmental Factors through 2030)	76
Countermeasures for Business Risks and Other Risks	78
CAO Interview	80
Initiatives to Promote Sustainability	84
Approach to Climate Change and Related Initiatives	86
Sustainability Management	90
Human Resource Strategy	92
Corporate Governance	94
Members of the Board, Audit & Supervisory Board Members, and Executive Officers	104

Business Portfolio

— Business Strategies of
Each Division Company 107

Financial Summary	108
Textile Company	110
Machinery Company	112
Metals & Minerals Company	114
Energy & Chemicals Company	116
Food Company	118
General Products & Realty Company	120
ICT & Financial Business Company	122
The 8th Company	124

Data Section 126

ESG Data	126
Selected Financial Data	128
Consolidated Financial Statements	130
Major Indicators	135
Performance Trends by Segment	136
Quarterly Information	140
Profits / Losses from Major Group Companies	142

IR Activities 144



Explanation of the Cover
Beyond the clouds, there is always a clear blue sky. The cover expresses ITOCHU's commitment as the original company of “Sampo-yoshi” to continue advancement of business management that performs the role of a “merchant” who consistently supports daily life—both in the current uncertain business environment and in the future.

Forward-Looking Statements

Data and projections contained in this report are based on the information available at the time of publication, and various factors may cause actual results to differ materially from those presented in such forward-looking statements. ITOCHU Corporation, therefore, wishes to caution that readers should not practice undue reliance on forward-looking statements, and further, that ITOCHU Corporation has no obligation to update any forward-looking statements as a result of new information, future events or other developments.