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This document is an English translation of a statement written originally in Japanese. The Japanese original should be considered as the primary version.

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**Announcement in Relation to Capital Alliance with Hitachi Construction Machinery Co., Ltd.
and a Change in Specified Subsidiaries**

ITOCHU Corporation (“ITOCHU”) is as of today to obtain the ordinary shares of Hitachi Construction Machinery Co., Ltd. (“Hitachi Construction Machinery”) held by Hitachi, Ltd., jointly with Japan Industrial Partners, Inc. (“JIP”) through the structure mentioned below (the “Share Acquisition”). ITOCHU agreed on the capital alliance with Hitachi Construction Machinery (the “Capital Alliance”) on the premise of the Share Acquisition, and it is hereby announced as follows.

In connection with the Share Acquisition and the Capital Alliance, a change in ITOCHU’s specified subsidiaries is expected, thus it is also hereby announced.

I. Capital Alliance

1. Reason and Purpose of the Capital Alliance

In the construction machinery area, ITOCHU has maintained a wide array of business relationships with Hitachi Construction Machinery, such as through business developments by export trade finance projects and establishing joint ventures. Particularly in Indonesia, ITOCHU has been operating in the manufacturing, sales and finance business domains for 30 years jointly with Hitachi Construction Machinery. Further, ITOCHU owns ITOCHU TC CONSTRUCTION MACHINERY CO., LTD. (“ITOCHU TC CONSTRUCTION MACHINERY”), which operates sales businesses for construction machinery and finance businesses in Japan, and it also owns MULTIQUIP INC. (“MULTIQUIP”), which operates the manufacture and sales businesses for light construction equipment and power generators in North America. Through these businesses, ITOCHU has accelerated businesses utilizing its broad sales channels targeting domestic and overseas construction business operators and construction machinery rental companies, as well as other businesses including the rental business.

In addition to the above conventional approach, ITOCHU has made upfront investments that will help evolve the construction machinery business utilizing AI and IoT. To that end, ITOCHU has made capital participation through ITOCHU TC CONSTRUCTION MACHINERY in SORABITO Co., Ltd. which operates businesses such as used construction machinery online auctions and an online construction machinery rental marketplace in Japan and has made capital participation in BigRentz, Inc. (“BigRentz”), which operates an online construction machinery rental marketplace in North America.

JIP was established in November 2002 with the purpose of operating a Japanese-style private equity business contributing to corporate restructuring and business reconstruction of domestic companies. The company has since been providing capital and management support to encourage domestic corporations to revitalize their potential by utilizing their existing business foundations and to accelerate their

business growth. JIP has a track record of a number of investments in carve-outs of business units (spin-offs of businesses or subsidiaries into independent companies) and delisting. At present, JIP manages Japan Industrial Partners V Investment Limited Partnership and other multiple investment partnerships.

The basic policy of Hitachi Construction Machinery with regard to growth strategy is to contribute to customers resolving issues that they face on-site through Hitachi Construction Machinery's new equipment sales business, as well as the value chain business (including parts service, rental, and used equipment businesses) by focusing on major construction machinery, such as hydraulic excavators, wheel loaders, and dump trucks. Hitachi Construction Machinery aims to intensively follow and further deepen its basic policy on growth strategy set out in its three-year medium-term management plan, "Realizing Tomorrow's Opportunities 2022" for the period ending in March 2023. In doing so, the company is working to achieve sustainable growth and enhance its corporate value by setting the following three management strategy pillars to: (i) strengthen its value chain business; (ii) provide enhanced solutions at every contact with customers; and (iii) build a highly flexible corporate structure that is resilient in the face of change.

In its North, Central and South American business, Hitachi Construction Machinery reached an agreement to dissolve its alliance with U.S. Deere & Company ("Deere & Company") which it had maintained since 1988. As a result, Hitachi Construction Machinery is working to rebuild its sales and service channels to directly provide customers with state-of-the-art products, technology and services through its independent distributor network across all markets from North through to South America.

Hitachi, Ltd. and Hitachi Construction Machinery had been seeking a new partner capable of assisting Hitachi Construction Machinery's growth from a medium- to long-term perspective. At the end of 2020, ITOCHU, which had a long business relationship history with Hitachi Construction Machinery, received a proposal through JIP for the transfer of Hitachi Construction Machinery shares, and started examining the proposal.

ITOCHU believes that ITOCHU can contribute to achieving the growth strategy and enhancing the corporate value of Hitachi Construction Machinery by making the capital participation in it based on the structure outlined below, through HCJI Holdings G.K. (the "Joint Venture") to be invested in by the 50/50 contribution of ITOCHU operating a broad range of businesses in diverse domains, and of JIP with an abundant track record of providing capital and management support.

Through the Capital Alliance, ITOCHU contemplates accelerating multifaceted businesses by generating synergies with its existing businesses and expanding its value chain in collaboration with Hitachi Construction Machinery in the United States and a variety of other geographical areas, as well as a wide range of business domains. The specific contemplated initiatives are as outlined below.

(i) Sales and service domain in the North American business

Since its establishment in 1973, MULTIQUIP, ITOCHU's wholly-owned subsidiary, has been manufacturing and selling light construction equipment and power generators across North America. MULTIQUIP has more than 4,000 customers, including the U.S. government and major construction companies, and has a high market share in North America. BigRentz, in which ITOCHU made a capital participation in 2020, operates a next-generation online construction machinery rental business and is working to diversify its customer contact points through a network of over 30,000 end users across North America. Hitachi Construction Machinery has been working to build its own distributor network immediately after reaching an agreement to dissolve its alliance with Deere & Company and contemplates generating synergies by rebuilding its sales channels and cross-selling products utilizing ITOCHU's North American customer network.

The construction machinery industry is seeing an accelerated flow from "ownership (purchasing)" to "use (renting)." This will require a business transformation to cater to

diversified customer needs, including preventive maintenance and enhancement of the uptime ratio by utilizing construction machinery uptime data; online purchases of new equipment and parts and sales of used equipment; and support for rentals. ITOCHU will endeavor to provide customers with new value by tapping into its existing business foundation and working with Hitachi Construction Machinery to deepen the solution business on which it focuses, based on a market-oriented perspective.

(ii) Financial domain

ITOCHU and its group company, Tokyo Century Corporation (“Tokyo Century”) already manage a construction machinery finance company jointly with Hitachi Construction Machinery in Indonesia. Tokyo Century and Hitachi Construction Machinery manage a construction machinery finance company in Thailand as well. ITOCHU and Tokyo Century also own business operators that provide financial services in the United States. Going forward, ITOCHU and Tokyo Century contemplate collaborating by providing financial services together with Hitachi Construction Machinery in the United States and a variety of other geographical areas.

(iii) Logistics domain

Hitachi Construction Machinery plans to export Hitachi-branded hydraulic excavators to North America after dissolving its alliance with Deere & Company. ITOCHU has commenced discussions with Hitachi Construction Machinery on a collaboration for higher supply chain efficiency, such as by sharing logistics utilizing land and marine logistics networks between Japan and the United States and properly managing inventory in North America.

(iv) SDGs domain

Hitachi Construction Machinery aims to contribute to the net-zero emission initiative, on which mining companies across the world are working, through efforts relating to electric dump trucks under joint development with ABB Ltd, as well as efficiently operating and digitizing mines in order to reduce costs and achieve a higher level of safety in collaboration with the Hitachi group.

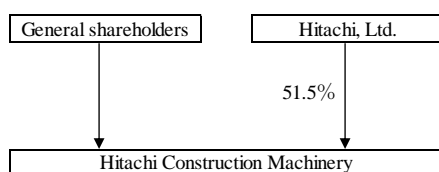
ITOCHU will consider collaborating with Hitachi Construction Machinery through initiatives that will assist in the contribution to and engagements with the SDGs, including initiatives implemented by its Metals & Minerals Company, which owns interests in metal resources, and by its Energy & Chemicals Company, which operates the energy storage systems (ESS) business.

2. Outline of the Share Acquisition Structure and Details of the Capital Alliance

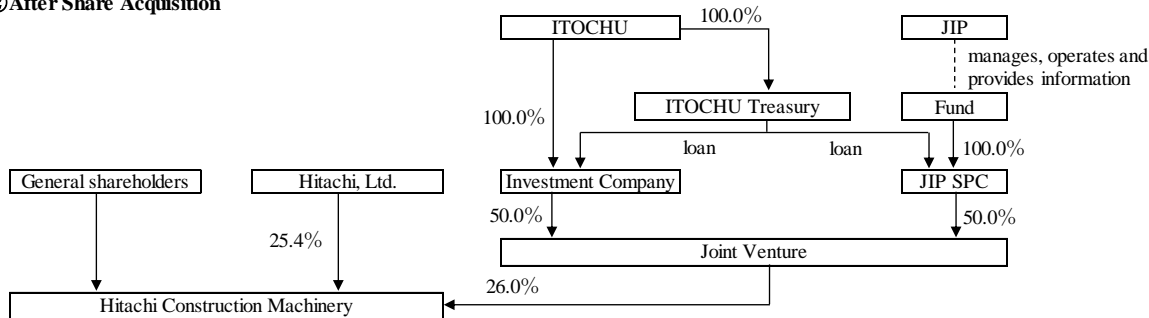
(1) Outline of the Share Acquisition Structure

The Joint Venture concluded a share transfer agreement as of today (the “Share Transfer Agreement”) to obtain 55,290,000 common shares in Hitachi Construction Machinery held by Hitachi, Ltd. (voting rights ownership ratio: 26.0%). The Joint Venture will be held jointly by (a) the company ITOCHU will newly establish (the “Investment Company”) and (b) HCJ Holdings² G.K. (“JIP SPC”), a special purpose company 100% contributed by the fund which JIP manages, operates, and provides information to. The Share Acquisition structure is as outlined below.

① Before Share Acquisition



② After Share Acquisition



- (Note 1) All percentages in the above figure are voting rights ownership ratios or percentages of the amount of contribution to the total amount of contribution (any fractions less than one have been rounded off to one decimal place).
- (Note 2) ITOCHU Treasury Corporation is ITOCHU's wholly-owned subsidiary that is a registered money lender providing financial services.
- (Note 3) Hitachi Construction Machinery is scheduled to become ITOCHU's affiliate through the Share Acquisition.

(2) Details of Capital Alliance

The Capital Alliance intends to achieve the business growth in the medium- to long-term and enhance the corporate value of Hitachi Construction Machinery. To that end, the Joint Venture concluded a capital alliance agreement (the "Capital Alliance Agreement"), on the premise that it will hold Hitachi Construction Machinery shares in the medium- to long-term. The main contents of the Capital Alliance Agreement are as follows:

- (i) the proposal of one candidate to be Hitachi Construction Machinery's director to its nominating committee; and
- (ii) the establishment of a capital alliance committee to regularly discuss Hitachi Construction Machinery's business management and business development policies.

The Share Acquisition and the Capital Alliance are subject to the acquisition of permissions and approvals of relevant authorities required in the execution of the Share Acquisition (the "Acquisition of Permissions").

The number of shares to be acquired by the Joint Venture through the Share Acquisition, the acquisition value, and the number of shares held before and after the acquisition are as set forth below.

(1) Number of Shares Held Before the Change	Hitachi Construction Machinery's common shares: – shares (Voting rights ownership ratio: - %)
(2) Number of Shares to be Acquired	Hitachi Construction Machinery's common shares: 55,290,000 shares
(3) Acquisition Value	182,457 million yen (3,300 yen per share) (Note 1)
(4) Number of Shares Held After the Change	Hitachi Construction Machinery's common shares: 55,290,000 shares (Voting rights ownership ratio: 26.0%) (Note 2)

(Note 1) The acquisition value has been reasonably calculated using multiple corporate valuation methods such as the market share price of such shares and the discounted cash flow method.

(Note 2) The percentage of the earnings contribution to ITOCHU through the Investment Company is scheduled to be 13.0%.

3. Outline of the Counterparties to the Capital Alliance

(1) Name	Hitachi Construction Machinery Co., Ltd.	
(2) Location	16-1 Higashi Ueno 2-chome, Taito-ku, Tokyo	
(3) Name and Title of Representative	Kotaro Hirano, Executive Officer, President & CEO	
(4) Description of Business Activities	Manufacturing, sales, rental and after service of construction machinery, transportation machinery, environment-related products, and other machines and devices	
(5) Capital	81,577 million yen (as of September 30, 2021)	
(6) Date of Establishment	October 1, 1970	
(7) Major Shareholders and Ownership Percentages (as of September 30, 2021)		
	Hitachi, Ltd.	51.42%
	The Master Trust Bank of Japan, Ltd. (Trust Account)	14.69%
	Custody Bank of Japan, Ltd. (Trust Account)	5.33%
	Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	1.14%
	Custody Bank of Japan, Ltd. (Trust Account 9)	0.97%
	Custody Bank of Japan, Ltd. (Trust Account 7)	0.96%
	STATE STREET BANK WEST CLIENT - TREATY 505234	0.90%
	(Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	
	The Bank of New York Mellon (International) Limited 131800	0.75%
	(Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	
	HSBC Hong Kong Treasury Services Account Asian Equities Derivatives	0.71%
	(Standing Proxy: The Hong Kong and Shanghai Banking Corporation Tokyo Branch Custodian Service Department)	
	JP MORGAN CHASE BANK 385781	0.62%
	(Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	
(8) Relationship between ITOCHU and Hitachi Construction Machinery		
	Capital Relationship	ITOCHU holds 18,980 common shares of Hitachi Construction Machinery's subsidiary, P.T. Hitachi Construction Machinery Indonesia (11.0% of its total voting rights); 210,400,000 common shares of Hitachi Construction Machinery's subsidiary, P.T. Hexindo Adiperkasa Tbk (25.0% of its total voting rights); and 150,000,000 common shares of Hitachi Construction Machinery's affiliate, P.T. Hexa Finance Indonesia (50.0% of its total voting rights (including indirectly owned portions)).
	Personnel Relationship	One ITOCHU employee holds posts as both a director of Hitachi Construction Machinery's subsidiary, P.T. Hitachi Construction Machinery Indonesia, and a director of Hitachi Construction Machinery's subsidiary, P.T. Hexindo Adiperkasa Tbk.

		Two directors and one corporate auditor of Hitachi Construction Machinery's affiliate, P.T. Hexa Finance Indonesia, are ITOCHU employees.		
	Business Relationship	There are transactions concerning the joint management of, and product sales through, an overseas business corporation between ITOCHU and Hitachi Construction Machinery.		
	Status as Related Party	N/A		
(9)	Financial Conditions and Operating Results for the Last Three Years			
	Accounting period (consolidated)	FY ending March 2019	FY ending March 2020	FY ending March 2021
	Total equity attributable to owners of the parent	486,407 million yen	473,537 million yen	514,291 million yen
	Total Assets	1,185,256 million yen	1,167,567 million yen	1,220,571 million yen
	Equity per share attributable to owners of the parent	2,287.31 yen	2,226.80 yen	2,418.46 yen
	Revenue	1,033,703 million yen	931,347 million yen	813,331 million yen
	Operating income	102,296 million yen	72,849 million yen	28,235 million yen
	Income before income taxes	102,702 million yen	67,103 million yen	25,578 million yen
	Net income attributable to owners of the parent	68,542 million yen	41,171 million yen	10,340 million yen
	Net income attributable to owners of the parent per share	322.31 yen	193.61 yen	48.62 yen
	Dividends per share	100.00 yen	60.00 yen	20.00 yen

4. Schedule

(1)	Date of the Share Transfer Agreement and the Capital Alliance Agreement	January 14, 2022
(2)	Date of Completion of the Share Acquisition	June 2022 (tentative) (Note)
(3)	Date of Commencement of the Capital Alliance	June 2022 (tentative) (Note)

(Note) The Acquisition of Permissions must have been completed before the completion of the Share Acquisition and the commencement of the Capital Alliance.

II. Change in Specified Subsidiaries

1. Reason for Change

ITOCHU plans to establish the Investment Company and to make a capital contribution to the Joint Venture through the Investment Company in connection with the Share Acquisition. The Investment Company and the Joint Venture will become ITOCHU's subsidiaries. The amount of capital contribution to the Investment Company following ITOCHU's additional capital contribution, and the amount of capital contribution to the Joint Venture following the additional contributions by the Investment Company and JIP SPC, respectively set forth below, will be equivalent to ten-hundredths or more of the amount of the stated capital of ITOCHU. Therefore, the Investment Company and the Joint Venture will become specified subsidiaries of ITOCHU.

2. Outline of the Investment Company and the Joint Venture

(1) Outline of the Investment Company (tentative)

(1) Name	Citrus Investment LLC
(2) Location	5-1, Kita Aoyama 2-chome, Minato-ku, Tokyo
(3) Name and Title of Representative	Representative member ITOCHU Corporation (Executor: Hiroshi Ushijima)
(4) Description of Business Activities	Holding interests in the Joint Venture (or its shares after its conversion into a stock company)
(5) Amount of Capital Contribution	10,000 yen (Note)
(6) Date of Establishment	February 2022
(7) Member and Ownership Percentage	ITOCHU: 100.0%
(8) Relationship between ITOCHU and the Investment Company	
Capital Relationship	The Investment Company is scheduled to be established by a 100% capital contribution by ITOCHU.
Personnel Relationship	An employee of ITOCHU (Hiroshi Ushijima) will be appointed as the executor of the representative member.
Business Relationship	N/A

(Note) The amount of capital contribution as of the establishment of the company is stated. Prior to the implementation of the Share Acquisition, ITOCHU plans to make additional capital contributions to the Investment Company. The amount of capital contribution to the Investment Company after the additional capital contributions is scheduled to be 50,187 million yen.

(2) Outline of the Joint Venture

(1) Name	HCJI Holdings G.K. (Note 1)
(2) Location	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo
(3) Name and Title of Representative	Representative member Japan Industrial Partners, Inc. (JIP) (Executor: Hidemi Moue) (Note 2)
(4) Description of Business Activities	1. To hold Hitachi Construction Machinery shares 2. All business incidental to the foregoing
(5) Amount of Capital Contribution	10,000 yen (Note 3)
(6) Date of Establishment	December 23, 2021
(7) Member and Capital Contribution Ratio	Japan Industrial Partners, Inc.: 100.0% (Note 2)
(8) Relationship between ITOCHU and the Joint Venture	
Capital Relationship	N/A
Personnel Relationship	N/A
Business Relationship	N/A

(Note 1) After the Share Acquisition, the Joint Venture plans to implement an entity conversion from G.K. (*godo kaisha*) to stock company (*kabushiki kaisha*), after which the Investment Company and JIP SPC plan to dispatch directors to the Joint Venture.

(Note 2) The above information is as of the present. Before the Share Acquisition, JIP plans to transfer all of its equity interest in the Joint Venture to JIP SPC.

(Note 3) The amount of capital contribution as of the establishment of the company is stated. Prior to the implementation of the Share Acquisition, the Investment Company and JIP SPC plan to make additional capital contributions to the Joint Venture. The amount of capital contribution (100%) to the Joint Venture after the additional capital contributions is scheduled to be 182,477 million yen. For an outline of the additional capital contributions, please see II. 3 below.

3. Details of the Capital Contributions by the Investment Company to the Joint Venture

(1) Amount and date of capital contributions	91,239 million yen/June, 2022 (tentative) (Note 1)
(2) Total amount of capital contribution after the capital contributions	182,477 million yen (Note 2)
(3) Capital contribution ratio after the capital contributions	The Investment Company: 50.0% JIP SPC: 50.0%

(Note 1) The above capital contributions will be implemented upon the completion of the Acquisition of Permissions.

(Note 2) The total capital contribution by the Investment Company and JIP SPC is stated.

4. Schedule

(1) Date of Resolution Approving the Establishment of the Investment Company	February 2022 (tentative)
(2) Date of Establishment of the Investment Company	February 2022 (tentative)
(3) Date of Capital Contribution to the Joint Venture	June 2022 (tentative) (Note)

(Note) The capital contribution to the Joint Venture will be implemented upon the completion of the Acquisition of Permissions.

III. Forecast of Consolidated Operating Results for the FY Ending March 2022

The impact on the net profit attributable to ITOCHU is not significant and the full-year forecast for net profit attributable to ITOCHU remains unchanged from 750.0 billion yen as announced on November 5, 2021.

End