

SECTION 04

LOWER COST OF CAPITAL

Key Initiatives Related to This Section

- Establish the Governance, Nomination and Remuneration Committee through reorganization (FYE 2024)
 - Expand the training based on cases of investment failures to all employees (FYE 2023)
 - Express support for the TNFD (FYE 2023)
 - Establish the Women's Advancement Committee (FYE 2022)
- Establish GHG emissions reduction targets of net zero by 2050 and offset zero by 2040 (FYE 2021)
 - Revise the corporate mission into "Sampo-yoshi" (FYE 2021)
 - Express support for the TCFD (FYE 2020)
 - Revise material issues (FYE 2019)
- Transition to a Board of Directors with a monitoring-focused structure, achieve the ratio of Outside Directors to more than one-third (FYE 2018)
 - Start Support for Balancing Cancer Care and Work (FYE 2018)
- Introduce Morning-Focused Working System (FYE 2014)
 - Identify material issues (FYE 2014)
- Appoint Outside Directors (FYE 2012)
 - Implement hurdle rates by industry in investment criteria (FYE 2011)

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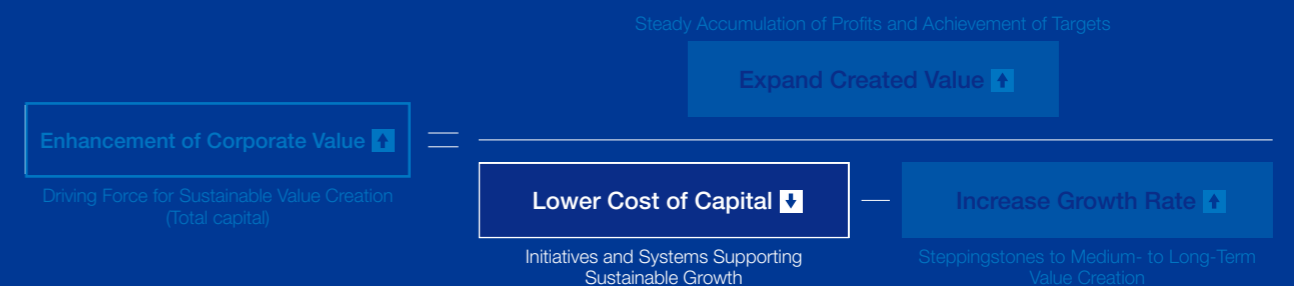
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To strengthen our management foundation for the sustainable enhancement of corporate value, we continuously engage in various initiatives, listening to the voices of the market and society, and consistently upgrading our management foundation. This section explains our mechanisms for increasing the success rate of investments, our approach to promoting sustainability, our initiatives related to climate change and natural capital, our unique human resource strategy, and the steadily evolving corporate governance framework and policies.

Component of the Corporate Value Calculation Formula focused on in this section

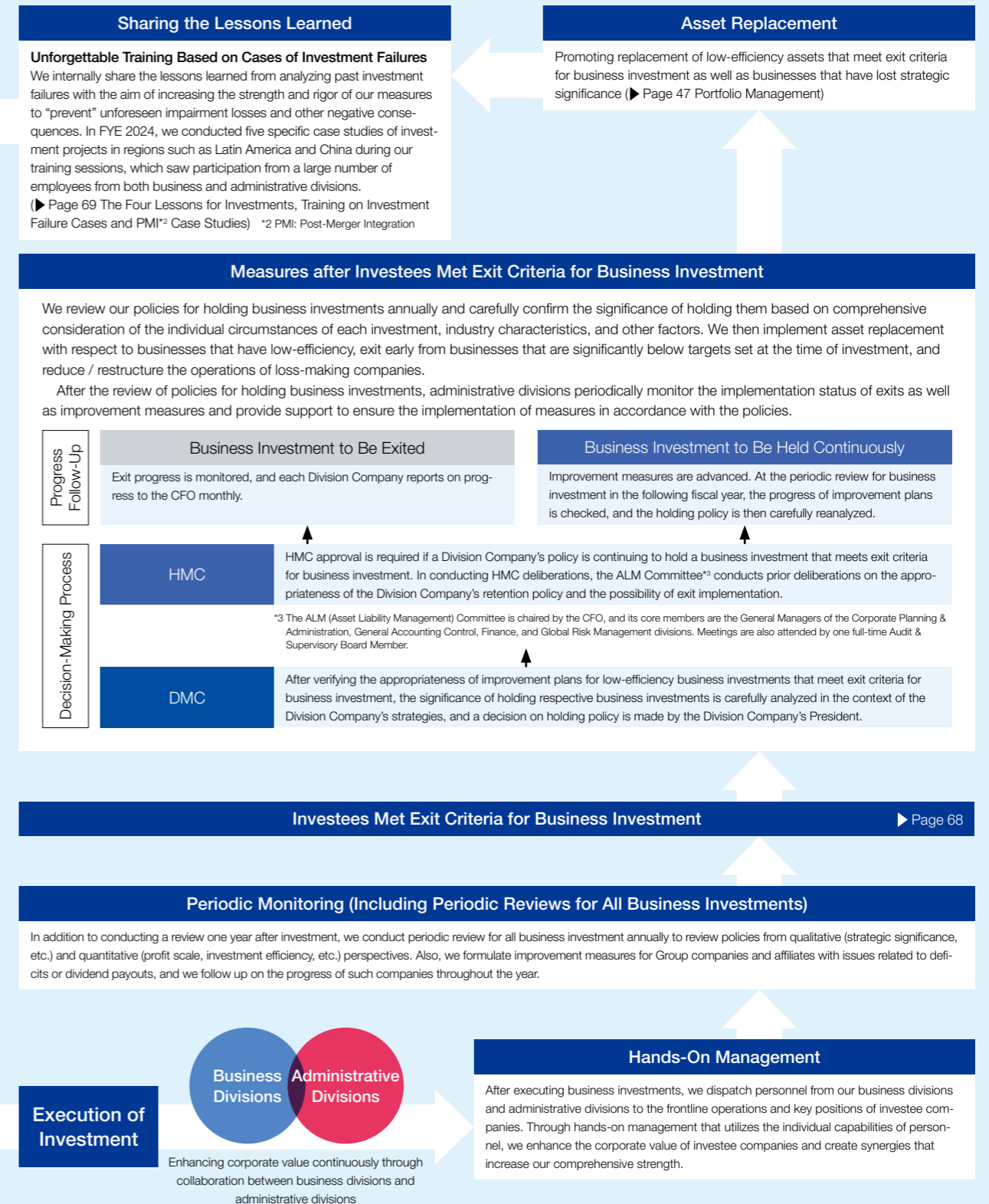
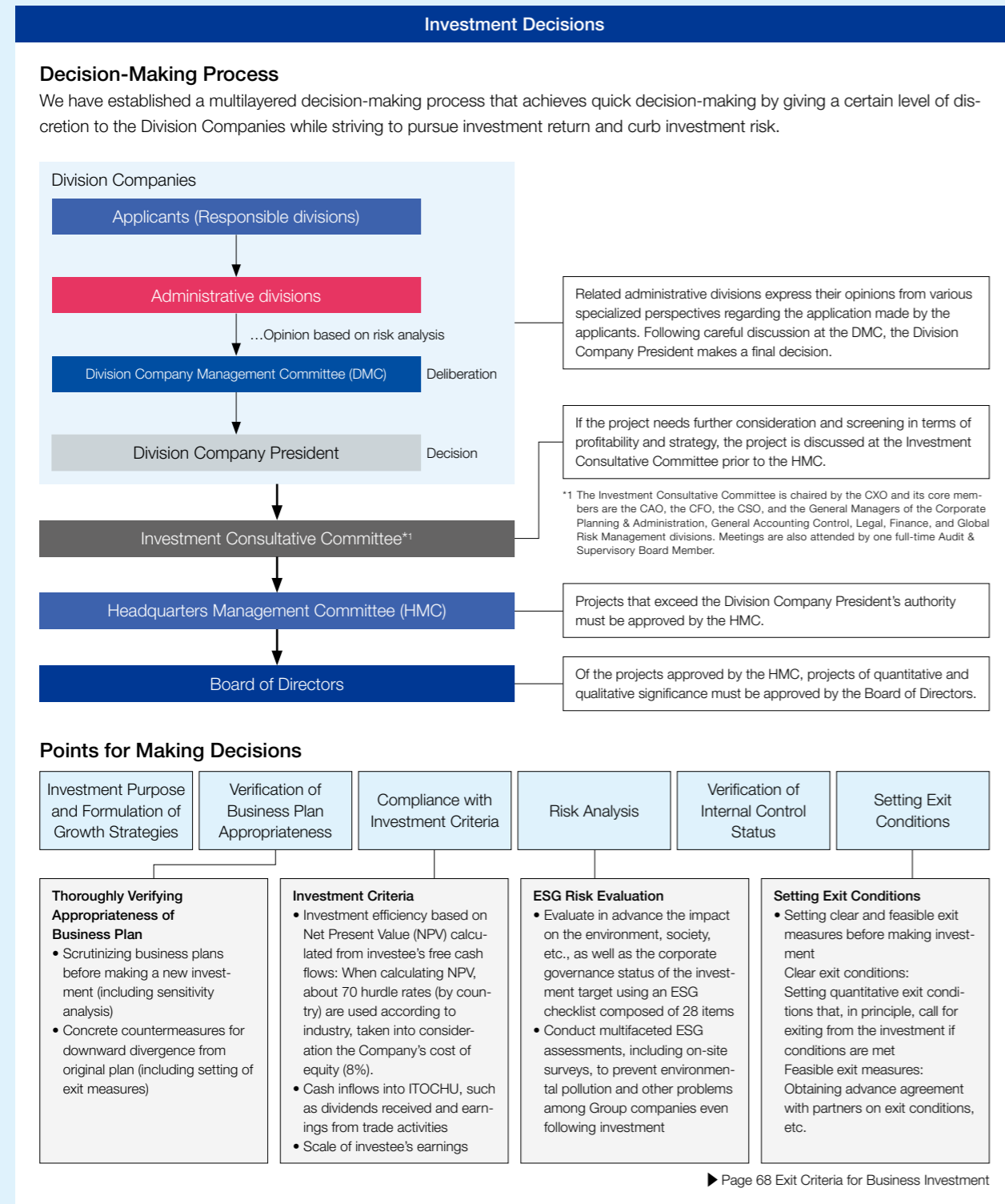


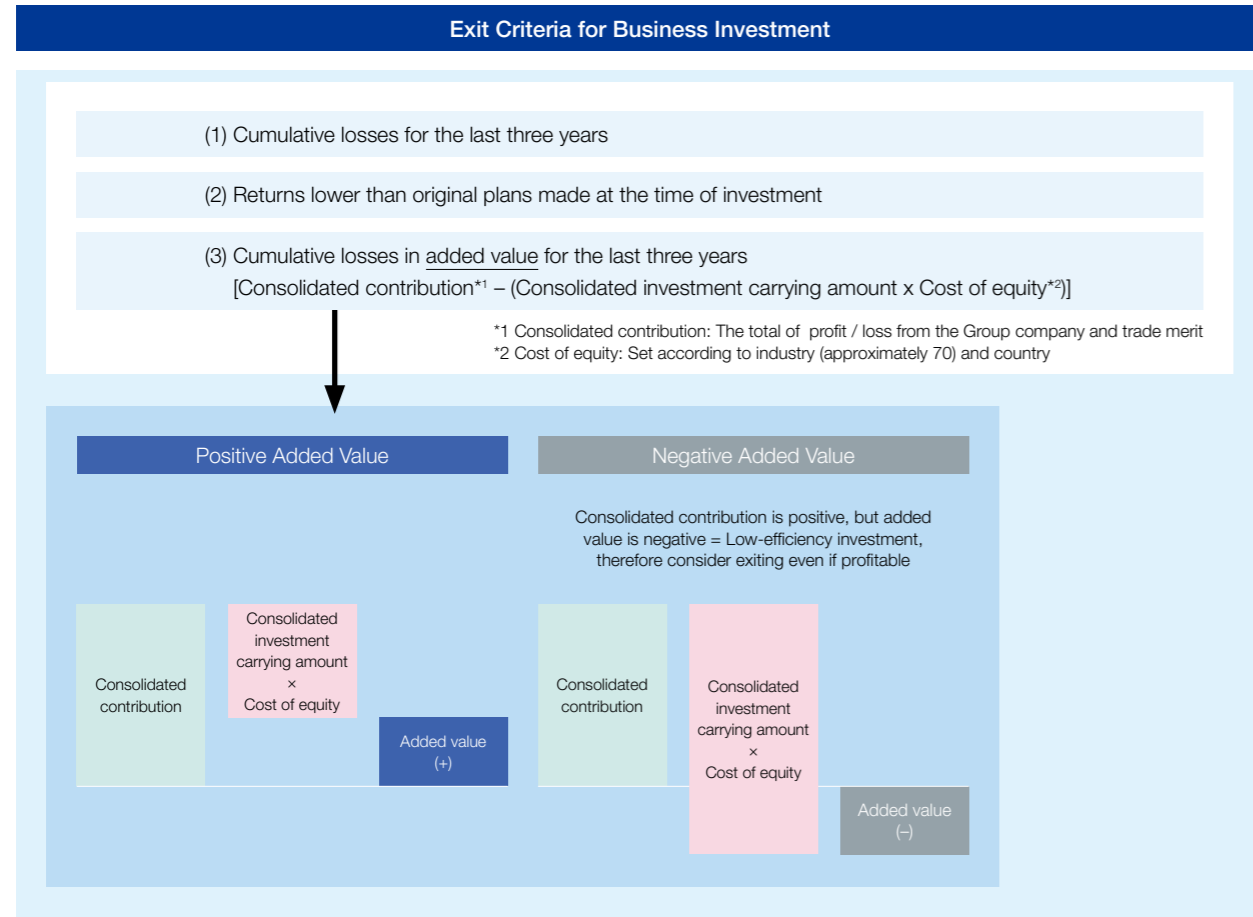
Business Investment

Business Investment Process

Along with strategic business alliances, business investment is an important means of creating and expanding businesses. To actively promote strategic investments in areas of strength in a timely manner, we choose the optimal structure from a wide range of methods, such as establishing a wholly owned subsidiary, implementing joint investment with partners, and participating in management through M&As or converting to a consolidated subsidiary. Even while steering toward growth investments, we will continue to identify various risks and thoroughly scrutinize the appropriateness of business plans and acquisition prices, with our administrative divisions utilizing their expertise and cumulative know-how to conduct even more stringent inspections. After executing each investment, we work to maximize the investee's

corporate value and to expand trading profits and dividends received by fully utilizing our Groupwide capabilities and conducting hands-on management. Also, to enhance business earnings and exit quickly from low-efficiency assets, we are further strengthening monitoring procedures centered on instituting more rigorous exit conditions and thoroughly implementing periodic reviews for all business investments. In addition, through cross-divisional internal training across Division Companies, we share the lessons learned from reviewing past investment failures and insights from within the Group, thereby endeavoring to enhance the success rates of future investments.





Toward Enhancing the Corporate Value of Group Companies

ITOCHU enhances the corporate value of Group companies by rigorously implementing the “earn, cut, prevent” principles and strengthening monitoring, which is based on various types of assessments. For example, we steadily accumulate high-quality assets by conducting qualitative and quantitative verifications that consider synergies in assessing investment efficiency and the strategic significance and earnings scale of business investments. Moreover, in relation to concern over possible future losses, at an early stage, we evaluate investments and take appropriate measures by consistently applying conservative premises both for credit management and evaluations of the recoverability of various types of assets. Centered on the non-resource sector, we have built a robust and diversified earnings base that is resilient to economic fluctuations. As of the end of FYE 2024, we had 263 Group companies, with a ratio of Group companies reporting profits of 92%. (▶Page 38 Track Record of Profit Growth under “Brand-new Deal” Strategies)

Additionally, our Chairman & CEO, as well as the President & COO, actively visit Group companies and hold meetings with their management teams. Through direct interaction with our Group companies, we obtain firsthand information from the front lines, enabling swift and flexible management decisions. Furthermore, we have a Group Companies Management Awards Program that is aimed at invigorating the Group’s management. The criteria for selections include quantitative target achievement and year-on-year increase in profit from investees in relation to the “earn” principle as well as year-on-year improvement in the ratio of SG&A expenses to gross trading profit in relation to the “cut” principle, with Group companies required to satisfy multiple criteria. At the awards ceremony, prize money is also granted to the award-winning company to allow executives and employees of the companies to share in their joy and contribute to heightening their motivation.



The 38th Group Companies Management Awards ceremony

The Four Lessons for Investments

ITOCHU has compiled the lessons learned from past investment failures as the Four Lessons for Investments and repeatedly shares these lessons through training sessions based on cases of investment failures and at various management meetings across the company. This approach ensures that these lessons are considered during the initial evaluation phase of investment opportunities on the front lines, fostering a culture of continuous learning and improvement.

The Four Lessons for Investments (To Rigorously Prevent Below)

(1) Overpaying for investments	• Make investments at a low price to minimize future risk of impairment loss
(2) Investments aimed at seizing profit from investees	• Avoid shortsighted investments that only target current profit contributions
(3) Overdependence on and overconfidence in partners	• Do not engage in projects where ITOCHU must rely on partners or sales from the specific customers
(4) Fields with limited insight	• Do not engage in projects where ITOCHU has limited experience or expertise

Training on Investment Failure Cases and PMI*3 Case Studies

Training sessions based on cases of investment failures aim to understand the essence of past investment failures so that we avoid repeating the mistakes that led to them. These sessions are conducted for all employees. The Global Risk Management Division prepares training materials based on interviews with relevant parties regarding the decision-making process at the time of investment and regarding discussions at the DMC*4 and the HMC*5. In FYE 2024, we addressed five specific case studies, including investment projects in Latin America and China as well as buyout projects from owners. Additionally, we analyzed past case studies to identify reflections and lessons learned, categorizing them by business stage. We then organized the common points across multiple failure cases into a comprehensive guide titled “Key Considerations for Each Stage of Business Investment.”

Key Considerations for Each Stage of Business Investment

Phase	(1) Establishment	(2) Development	(3) Exit
Stage	1. Feasibility Study (FS) 2. Due Diligence (DD) 3. Evaluation of Business Plan 4. Contract Execution 5. Alignment on Business Strategy	6. Post-Merger Integration (PMI) 7. Establishing Communication 8. Management Review	9. Evaluating Success or Failure
Key Considerations	Thorough Evaluation of Business Plans Precise Assessment of Business Operations	Establishing an Appropriate Governance Structure Deploying Personnel with Industry Expertise	Careful Assessment of Investment Continuation Feasibility Timely Exit Decisions

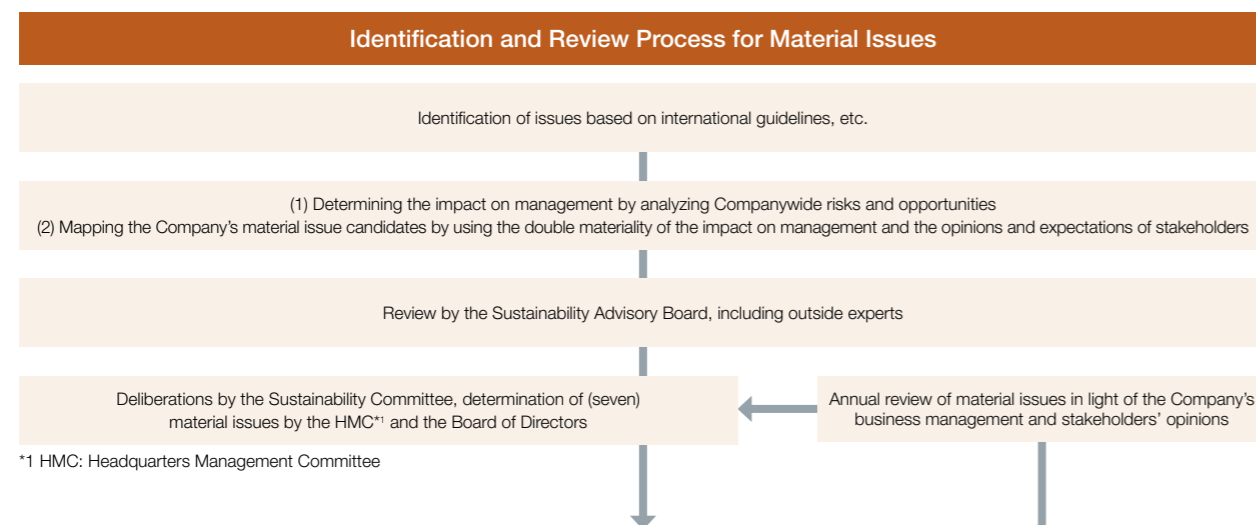
In order to lead investments to success and realize expected synergies early, hands-on actions immediately after the investment execution are crucial. To share knowledge and expertise on this vital process of PMI within the Group, we have introduced a new training program focused on PMI case studies. This program is structured in two parts: an “Introduction” section for systematically learning the basics of PMI and a “Case Study” section. The Case Study section covers four cases, both in Japan and overseas, and includes interviews with individuals who were directly involved in PMI, summarizing key management points, considerations for directors dispatched to the integrated companies, and examples of successful business integrations.

Through these training sessions, we will continue to leverage lessons from the past failure in our investment decisions and monitoring. After executing investments, we will promptly implement hands-on PMI to not only drive the principles of “earn” and “cut” but also strengthen and ensure the “prevent” principles, including avoiding unexpected impairment losses, thereby increasing the success rate of our investments.

*3 PMI: Post-Merger Integration
 *4 DMC: Division Company Management Committee
 *5 HMC: Headquarters Management Committee

Initiatives to Promote Sustainability

In our Management Policy “The Brand-new Deal,” we focus on “Grow earnings,” “Shareholder returns,” and “Enhancement of corporate brand value.” To enhance our corporate brand value, we specifically focus on promoting the reinforcement of human capital, strengthening dialogue with stakeholders, and enhancing our contribution to and engagement with the Sustainable Development Goals (SDGs) through business activities. Strengthening contributions and engagement with the SDGs is a basic policy carried over from the previous medium-term management plan. By addressing the Group’s material issues, which are linked to the SDGs’ targets, through our business activities, we contribute to achieving the goals of the Paris Agreement and the SDGs. To ensure steady progress on its material issues, ITOCHU requires each Division Company and administrative division to prepare a Sustainability Action Plan, conduct an annual review of progress, and report to the Sustainability Committee. The person responsible for environmental, social, and governance (ESG) promotion at each organization manages and monitors the progress of various sustainability-related measures and initiatives within their control and reports the results to the Sustainability Committee. The Companywide promotion of sustainability is deliberated by the Sustainability Committee and determined by the CAO, who chairs the committee, and reported to the Board of Directors. In certain cases, depending on the content, the Companywide promotion of sustainability is deliberated and decided by the Board of Directors.

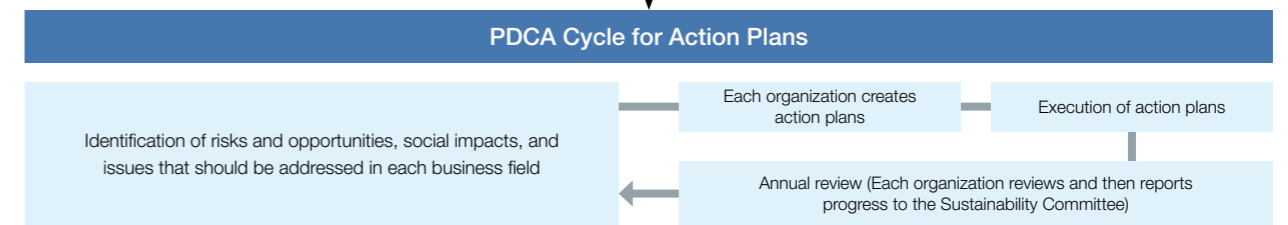
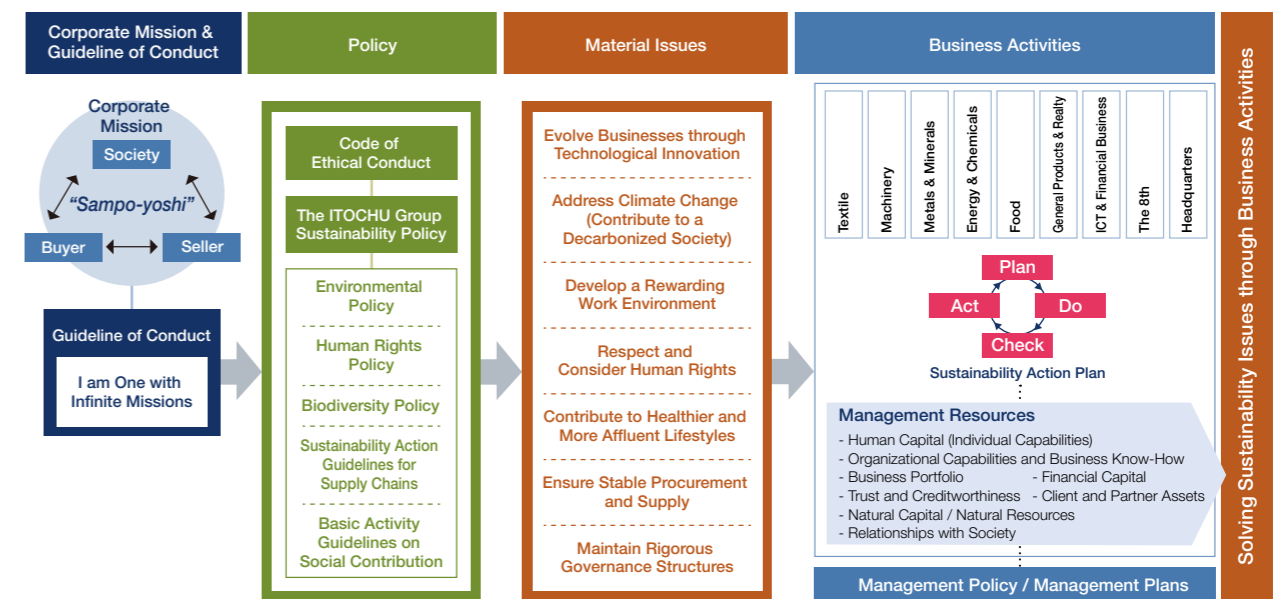


Material Issues	Related SDGs	Number of Action Plans*2
Evolve Businesses through Technological Innovation We are creating new value by proactively exploring new technologies as we adapt to changing industry structures by venturing beyond existing business frameworks.		27
Address Climate Change (Contribute to a Decarbonized Society) We are striving to adapt to the impact of climate change on our business activities, while also promoting business activities that contribute to a decarbonized society and seeking to reduce GHG emissions.		45
Develop a Rewarding Work Environment We are developing a work environment where all employees feel proud and motivated, and where they can leverage their diversity to demonstrate their abilities to the fullest.		16
Respect and Consider Human Rights We are promoting respect and consideration for human rights in our business operations and ensuring stability in our business, while also contributing to the development of local communities.		23
Contribute to Healthier and More Affluent Lifestyles We are striving to improve the quality of life for all people and are contributing to the creation of healthier and more affluent lifestyles.		16
Ensure Stable Procurement and Supply We are contributing to the creation of a circular economy by giving consideration to biodiversity and other environmental issues while undertaking the effective utilization of resources as well as their stable procurement and supply, in line with demand in each country.		41
Maintain Rigorous Governance Structures We are ensuring appropriate and efficient execution of operations through independent, objective, and effective oversight of management by the Board of Directors and increased transparency in decision-making.		10

For details on the material issue selection and review process, please visit ITOCHU's website.
https://www.itochu.co.jp/en/csr/itochu/policy/index.html#h2_03

For details on the organization and systems for promoting sustainability, please visit ITOCHU's website.
<https://www.itochu.co.jp/en/csr/itochu/governance/>

Sustainability Promotion Flow



Medium- to Long-Term Materiality Targets

With respect to its seven material issues, ITOCHU has identified four material issues that have a particularly significant impact on the Company. As well as addressing these issues through the Sustainability Action Plans established for each business field, ITOCHU tackles the issues by setting medium- to long-term numerical targets for the entire Company and managing progress toward them.

Material Issues	Medium- to Long-Term Targets	Achievements												
Evolve Businesses through Technological Innovation	The ITOCHU Group creates avoided emissions that exceed its GHG emissions by 2040 and achieves offset zero	Created avoided emissions • FYE 2024: 12.3 million t-CO ₂ e • FYE 2023: 6.4 million t-CO ₂ e • FYE 2019: 1 million t-CO ₂ e												
Address Climate Change (Contribute to a Decarbonized Society)	The ITOCHU Group achieves 75% GHG reduction from 2018 levels by 2040 and net zero GHG emissions by 2050	<table border="1"> <thead> <tr> <th></th> <th>FYE 2019</th> <th>FYE 2023</th> <th>FYE 2024</th> </tr> </thead> <tbody> <tr> <td>Scope 1, 2, and 3 total*3 (thousand t-CO₂e)</td> <td>4,161</td> <td>4,103</td> <td>3,923</td> </tr> <tr> <td>Compared to FYE 2019 (%)</td> <td></td> <td>(1.4)</td> <td>(5.7)</td> </tr> </tbody> </table> *3 Total of Scope 1, 2, and 3 emissions disclosed in ESG data		FYE 2019	FYE 2023	FYE 2024	Scope 1, 2, and 3 total*3 (thousand t-CO ₂ e)	4,161	4,103	3,923	Compared to FYE 2019 (%)		(1.4)	(5.7)
	FYE 2019	FYE 2023	FYE 2024											
Scope 1, 2, and 3 total*3 (thousand t-CO ₂ e)	4,161	4,103	3,923											
Compared to FYE 2019 (%)		(1.4)	(5.7)											
Develop a Rewarding Work Environment	ITOCHU increases the ratio of female officers (including Executive Officers) to 30% or higher by 2030	As a result of appointing five new female Executive Officers as of April 1, 2024, the ratio of female officers is 21%												
Respect and Consider Human Rights	ITOCHU conducts Sustainability Surveys of key suppliers every year, with the aim of reducing the number of noncompliant suppliers requiring corrective action to zero	• In FYE 2024, the Sustainability Survey was conducted for 305 suppliers • Requests of reconfirmation: 34 • Requests of corrective actions: 0 • Suppliers in violation: 0												

For details on the “Risks and Opportunities” and “Social Impact” of each material issue, please visit ITOCHU's website.
<https://www.itochu.co.jp/en/csr/itochu/strategy/>

For details on the Sustainability Action Plans, please visit ITOCHU's website.
<https://www.itochu.co.jp/en/csr/itochu/actionplan/>

Approach to Climate Change and Related Initiatives

Recognizing that climate change is one of the most urgent global environmental issues, ITOCHU is committed to adapting to changes in the business environment caused by climate change, which the Company views as an opportunity for further growth. To achieve our GHG emissions reduction targets for 2030, 2040, and 2050, we aim to reduce GHG emissions as much as possible. To this end, we will work with stakeholders in the value chain; save energy and use renewable energy; replace assets, including withdrawal from thermal coal interests; and offer products and services in environment-friendly ways. Also, we will actively promote businesses that contribute to the reduction of GHG emissions in society as a whole, thereby enhancing our corporate value.

We also recognize the importance of disclosing climate-related financial information and have worked to disclose information based on the TCFD*1 framework since expressing support for them in May 2019.

*1 The Task Force on Climate-related Financial Disclosures, established by the Financial Stability Board (FSB)



Please visit ITOCHU's website for details on our approach and initiatives regarding climate change, including the governance system and scenario analysis.
https://www.itochu.co.jp/en/csr/environment/climate_change/

Governance for Climate Change

At ITOCHU, the Sustainability Management Division plans and proposes measures and initiatives to address risks and opportunities related to climate change, and the Sustainability Committee deliberates and decides these measures and initiatives. Depending on the agenda item, the CAO, who is a Representative Director and chairs the Sustainability Committee, submits and reports to the Board of Directors the matters duly deliberated and decided at the Sustainability Committee. This allows the Board of Directors to refer to the deliberations and decisions of the Sustainability Committee and thereby properly supervise the appropriate promotion of business strategies that respond to environmental and social risks and opportunities. The Board of Directors deliberates and decides important matters, such as management plans based on GHG emissions reduction goals and initiatives.

Additionally, regarding our policies, initiatives, and systems related to climate change, we periodically engage in dialogue with external stakeholders, such as the Sustainability Advisory Board, to understand society's expectations and demands, etc., for the Company and incorporate them into measures addressing climate change.

Climate Change Strategy

Given the importance of disclosure in line with the TCFD framework, ITOCHU has extended the scope of analysis and disclosure since it began scenario analysis with the establishment of below 2°C and 4°C scenarios for the power generation business in FYE 2020. The results of scenario analysis have confirmed that we will be able to maintain a strong business foundation over the long term by transitioning to environment-friendly products and services that customers demand, replacing assets, and revising our business portfolio. In FYE 2024, we reanalyzed existing scenarios for the power generation business and other businesses using a 1.5°C scenario. This confirmed that the mitigation and response measures we are currently advancing will continue to be effective and that there is significant room for business growth. By conducting scenario analysis on a regular basis, we will continue to promote sustainable management that reflects climate change risks and opportunities.

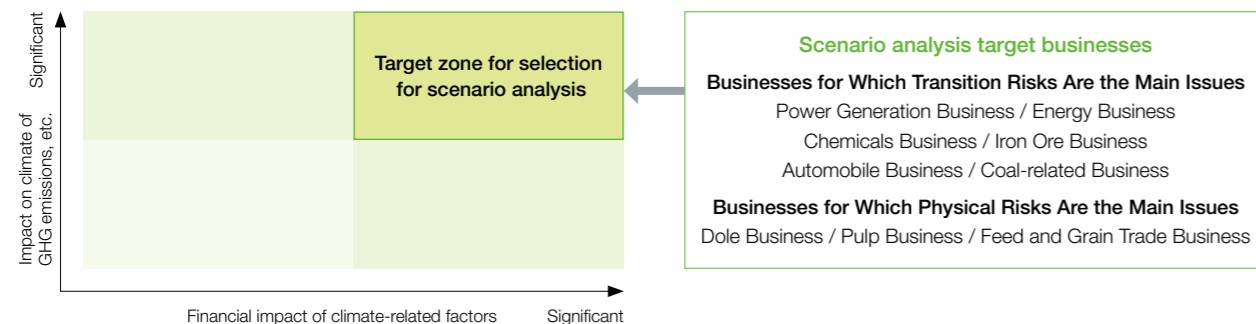


Photo courtesy of BHP

Climate Change Risk Management

Engaged in global business operations, ITOCHU constantly monitors climate change policies in each country, abnormal weather conditions around the world, or changes in average temperatures. Climate change risks identified from information regarding climate change-related regulations and abnormal weather, etc., are managed as one of the major risks, "environmental and social risks," in risk analyses conducted across the entire Group. Additionally, the identified climate change risks are evaluated and examined during the investment decision-making process, and each department in charge of risk management is responsible for constructing a consolidated basis to identify, evaluate, manage, and monitor risks.

Climate Change Risk Management and Assessment Method for Each Business Stage

Business Stage	Assessment Method
Business commencement	<ul style="list-style-type: none"> Environmental and social risk assessments including climate change risk of new investment projects Calculations of carbon tax costs, etc., using shadow pricing and implementation of stress tests (internal carbon pricing)
Business operation	<ul style="list-style-type: none"> Environmental risk assessments of products handled (life cycle assessment of the entire supply chain) Environmental status surveys of Group companies (two or three companies per year) Supply chain sustainability surveys (ITOCHU and its subsidiaries) Internal environmental audits based on ISO 14001 (Environmental Management System) (ITOCHU and three Group companies; once a year) Scope 1, 2, and 3 aggregation and assessment over time, and internal carbon pricing impact assessment (Example: \$205/t-CO₂e for power generation business (the United States))
Business strategy review	<ul style="list-style-type: none"> Examination of business strategies and asset replacement

Climate Change Metrics and Targets

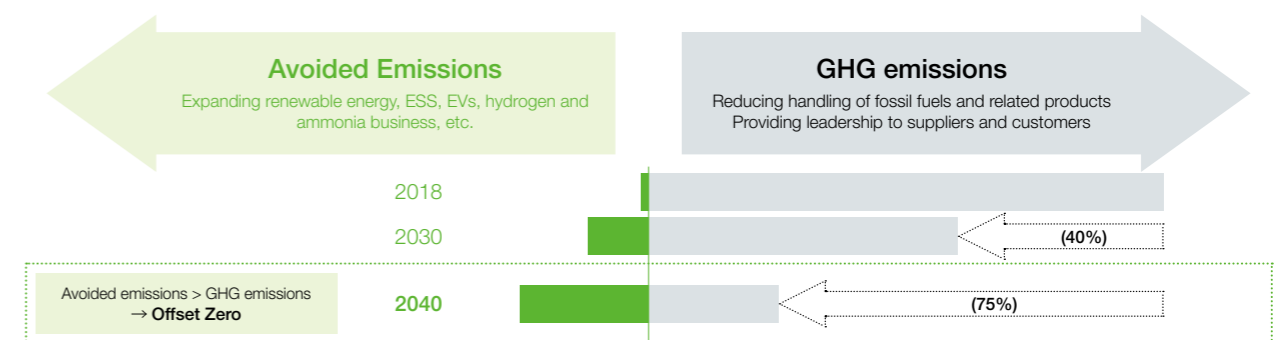
In its previous medium-term management plan, Brand-new Deal 2023, ITOCHU positioned itself ahead of other companies by establishing GHG emissions reduction targets that included Scope 3 emissions. Announced in April 2024, "The Brand-new Deal" Management Policy states that we remain committed to achieving our GHG emissions goals of net zero by 2050 and offset zero by 2040*2 and that we will continue reducing emissions from a medium- to long-term perspective through active dialogue with stakeholders involved in the supply chain.

In addition, to expand businesses that contribute to the reduction of GHG emissions for society as a whole, we have established metrics and targets for our clean-tech business, which generates avoided emissions, and we are working to achieve these targets through our core businesses. (▶ Page 63 Clean-Tech Business with Swift and Steady Execution)

GHG Avoided Emissions and Offset Targets

- Achieving net zero GHG emissions by 2050
- Reducing emissions 75% by 2040 compared with 2018 level and aiming for offset zero by actively promoting businesses that result in avoided emissions
- Achieving a 40% reduction compared with the 2018 level by 2030

*2 Offset zero: Situations where avoided emissions exceed the Company's GHG emissions



* Scope of GHG emissions: Scope 1, 2, and 3 + Fossil fuel businesses and interests (affiliates and general investments)
 * For environmental data on GHG emissions and other items, please see ▶ Page 118 ESG Data

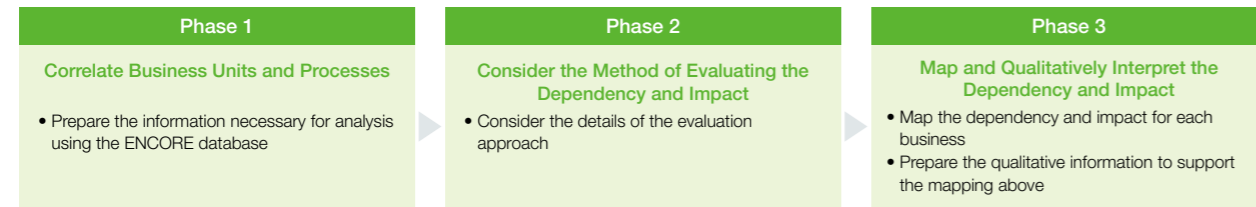
Our Approach and Initiatives on Natural Capital and Biodiversity

ITOCHU invests in businesses and trades globally from upstream to downstream business fields. We depend heavily on renewable and non-renewable natural capital which benefits people, such as plants, animals, the air, water, land, and minerals. Our businesses may also have a negative impact on that natural capital. We see addressing global environmental issues, including natural capital and biodiversity, as a top management priority. In the same manner that we established systems for climate change, we are building appropriate governance and risk management systems for global environmental issues.

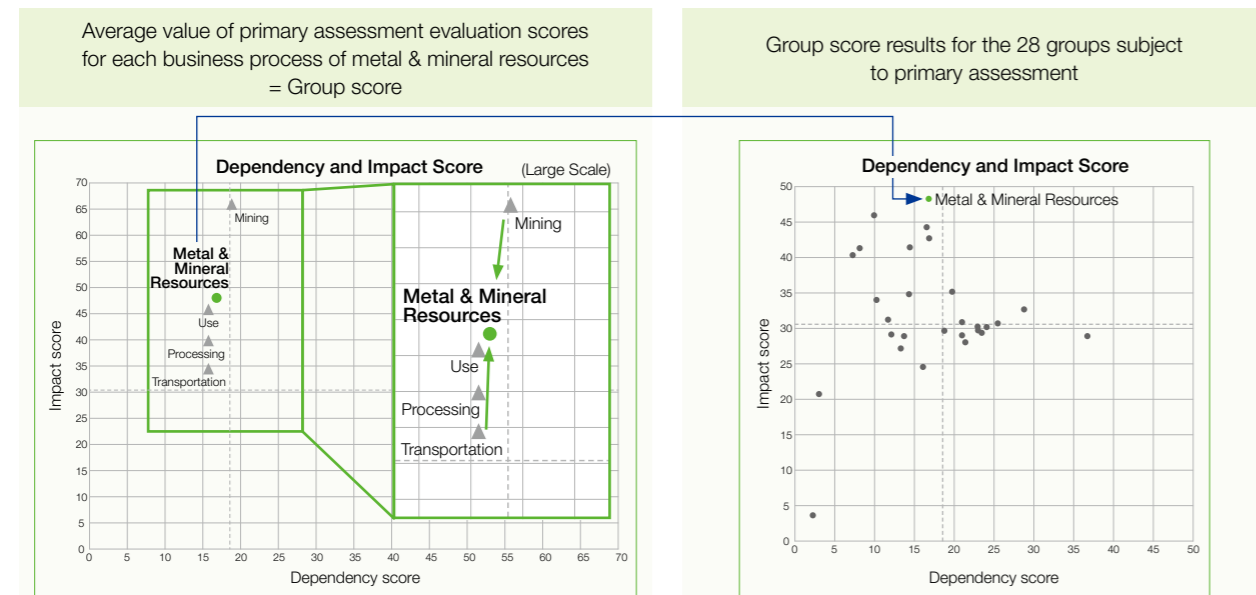
In addition, we participate in the Taskforce on Nature-related Financial Disclosures (TNFD) Forum. We will endeavor to realize disclosure in line with the final TNFD recommendations.

Companywide Portfolio Analysis on Natural Capital and Biodiversity

In conducting business analysis based on the final TNFD recommendations, the Company identified in-house business activities of our Group that have a significant dependence and impact on natural capital and biodiversity by conducting its own primary assessment on trial basis.



Specifically, while taking into account our degree of involvement in the stages (processes) of the value chains of our businesses, we calculated scores for each dependency and impact and then calculated the average of these scores. For example, our metal & mineral resources business can be broken down into the processes of mining, transportation, processing, and use. The average score for these processes is presented as the result of the aforementioned business analysis.



* The dashed lines show the average dependency and impact scores of all ENCORE processes.

Initiatives in Businesses with a High Impact on Natural Capital

In the recent primary assessment, metal & mineral resources business was identified as having a high impact on natural capital. Utilizing the LEAP Approach*¹ recommended by the TNFD, we conducted a trial secondary evaluation of this business. First, we identified ecologically sensitive locations in the Locate analysis. Taking into consideration the importance of this business, we also identified relevant biome and ecosystem information for some of our business sites and conducted the Evaluate analysis for the dependency and impact on natural capital. The results confirmed that the mining process of the business has a high impact on natural capital, as was suggested in the initial assessment of the trial.

Since the validity of the survey using ENCORE has been confirmed by utilizing the LEAP approach, we will further consider evaluating the projects and taking actions related to natural capital based on the knowledge gained through this trial analysis.

*¹ This is a method for clarifying the nature-related issues of a target business through four steps: Locate, Evaluate, Assess, and Prepare.

Initiatives for Businesses with a High Dependency on Natural Capital

Our businesses with a high dependency on natural capital are the procurement, manufacturing, processing, and distribution of forest commodities (food, timber, natural rubber, palm oil, etc.). We have established procurement policies for each product to improve the sustainability of these businesses. We strive to procure products certified by international third parties, which allow us to identify the procurement area through traceability.

Procurement Policies for Individual Product Type

Sustainable Procurement Policy on Natural Forests and Forest Resources	Natural Rubber Procurement Policy	Sustainable Palm Oil Procurement Policy	Cocoa Bean Procurement Policy
Coffee Bean Procurement Policy	Raw Material Tuna Procurement Policy	Commitment of Protecting Forests through Material Sourcing of MMCF	



Please visit ITOCHU's website for details on the management of nature-related risks and initiatives in business-related areas.
<https://www.itochu.co.jp/en/csr/environment/biodiversity/>



Please visit ITOCHU's website for more information about procurement policies for each product.
https://www.itochu.co.jp/en/csr/society/value_chain/activity/

The position of the TNFD is "in responding to risks and opportunities, business actions that avoid or minimize negative impacts on nature should be prioritized over pursuit of restoration efforts or mitigation of existing damage through reconstructive or compensatory measures." An example of this analytical approach is the AR3T Action Framework.*² Using this framework, we analyzed various businesses and initiatives that are significantly dependent on natural capital and confirmed that we are advancing nature-related risk reduction initiatives in various businesses as shown below. By promoting businesses that help to Avoid, Reduce, and Restore & Regenerate and by creating social change through Transformative Action, we will continue contributing to nature positive outcomes that halt and reverse biodiversity loss.

*² This is a method that aims to curb the negative impacts on natural capital by classifying and organizing business initiatives into four categories: Avoid, Reduce, Restore & Regenerate, and Transformative Action.

Examples of ITOCHU Initiatives in Line with the AR3T Action Framework

AR3T Action Framework classification: ■ Avoid ■ Reduce ■ Restore & Regenerate ■ Transform

Major Categories	Commodities	AR3T Classification	Specific Initiatives
Forest resources	Timber	Reduce	Achieving a handling ratio of certified or highly controlled materials of 100%
	Natural rubber	Reduce	Engaging with NGOs
	Palm oil	Reduce	Participating in the Global Platform for Sustainable Natural Rubber (GPSNR) as a founding member and cooperating in formulating and operating platform standards
	Biomass fuel	Reduce	Achieving 100% traceability at the mill level Joined the Roundtable on Sustainable Palm Oil (RSPO) and promoting initiatives
Food	Cocoa beans and coffee beans	Reduce	Enhancing traceability of cocoa beans (FYE 2031 Target: 100% / FYE 2024 Result: 64%) Enhance the handling of sustainable certified coffee beans (FYE 2031 Target: 50% / FYE 2024 Result: 37%)
	Dairy products	Reduce	Providing technical support to small farmers such as by giving them agricultural technology to improve productivity
	Meat	Reduce	Reducing ecological degradation by raising dairy cows while changing their grazing land regularly in New Zealand
	Marine products	Reduce	Built a system to enable 100% trace back to the production stage for all meat suppliers
	Fruits and vegetables	Reduce	Acquired certification for distribution and processing management (CoC) from the Marine Stewardship Council (MSC)
	Apparel	Outdoor apparel	Reduce
Textile raw materials	Cotton	Reduce	Acquired Global Organic Textile Standard (GOTS) certification and achieving 100% traceability for our procurement of organic cotton in India
	Eco-friendly materials	Reduce	Rollout of recycled polyester under the RENU project with the aim of realizing a circular economy
Apparel	Outdoor apparel	Reduce	Planning and selling charity goods, with a portion of the proceeds used for tropical rainforest restoration and the protection of Borneo elephants

Sustainability Management—Supply Chains and Business Investments

Through sustainability management that aligns with its various business activities, ITOCHU makes a concerted effort to address issues related to human rights, labor rights, and the environment in its supply chains and business investments.

Supply Chain Sustainability Surveys

Prior to commencing business with a supplier, ITOCHU notifies all its suppliers of its Sustainability Action Guidelines for Supply Chains. After commencement of business, it conducts sustainability surveys of major suppliers every year as a means of enhancing communication about its sustainability policies.

The survey contains questions based on the seven core subjects* of ISO 26000, the international standard for organizational social responsibility, that must be answered. ITOCHU selects important suppliers based on guidelines such as high-risk countries, handled products, and handled monetary amounts. After obtaining answers to the questions from these suppliers, sales managers from each Division Company and sales managers from overseas offices and Group companies visit approximately 300 suppliers every year and conduct investigative interviews based on their answers to the survey. If any violations of Sustainability Action Guidelines for Supply Chains are identified during the interview, we require corrective actions from the relevant suppliers. Additionally, we conduct on-site investigations and provide guidance and support for improvement as needed.

In FYE 2024, we conducted 305 surveys and conducted additional confirmation of 34 suppliers. No serious problems requiring immediate action were found. For concerns raised during the surveys, the implementation of prompt remedial measures and countermeasures has been confirmed. Through such efforts as reviews and the aforementioned surveys, ITOCHU will endeavor to assess the state of affairs and to prevent problems from occurring.

* Organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development

For details on supply chain sustainability surveys, please visit ITOCHU's website. The website discloses additional survey items specific to divisions in charge and products handled as well as details of the FYE 2024 survey.
https://www.itochu.co.jp/en/csr/society/value_chain/system/

Number of Suppliers Surveyed, by Region, in FYE 2024

Europe / CIS	Africa	Middle East	China	Asia (excluding China)	Oceania	North America	Latin America	Japan
5 companies	7 companies	9 companies	56 companies	169 companies	5 companies	3 companies	22 companies	29 companies

Visiting the Production Sites of the PROJECT TREE Sustainable Natural Rubber Value Chain

Natural rubber is widely used for daily necessities and industrial rubber products, such as tires. Most of this rubber is produced in Southeast Asia. The raw material for natural rubber is sap from the para rubber tree, which is collected by millions of smallholders (small-scale farmers). However, there are many problems associated with natural rubber, including illegal logging of natural forests, poverty among smallholders, and a lack of sophisticated agricultural technology. Together with other companies in the tire value chain, we are promoting PROJECT TREE, a scheme in which natural rubber that has origin information is procured, sold to tire manufacturers, and a portion of the sales of tires produced by participating companies that use the rubber is returned to smallholders.

A team of dedicated personnel from PT. Aneka Bumi Pratama, a natural rubber processing company in Indonesia, visits production sites scattered throughout the country on a daily basis to provide smallholders with assistance in inputting production site data, conducting on-site audits, and offering training activities aimed at enhancing the efficiency of raw material production. During the training, the team uses illustrations to communicate the challenges of the natural rubber industry in an easy-to-understand manner and explains ways of enhancing productivity, such as the height, angle, and frequency of cutting when collecting raw material sap. The content of the training often prompts a lively flurry of questions from participants. By increasing the number of smallholders participating in the project, we aim to realize a sustainable natural rubber industry.



Identifying production areas by using GPS



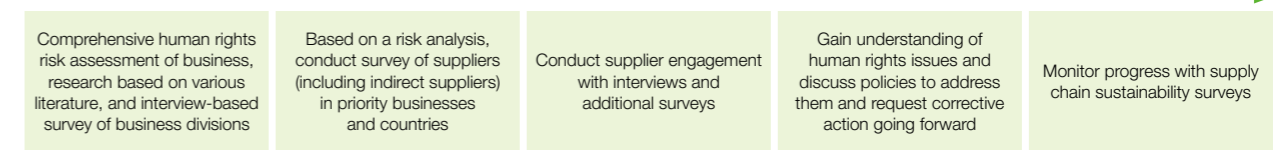
Conducting training on productivity enhancement

For details on PROJECT TREE, please visit the project website.
<https://project-tree-natural-rubber.com/>

Human Rights Due Diligence

The ITOCHU Group considers respect and consideration for human rights on a global scale to be an important issue. Based on the ITOCHU Group Human Rights Policy formulated in April 2019, we conduct annual human rights due diligence for each business field (Division Company) to prevent and mitigate negative impacts on the human rights of our stakeholders. With the cooperation of external experts, we are building a human rights due diligence system in accordance with the procedures detailed in the United Nations Guiding Principles on Business and Human Rights. In conducting surveys and on-site audits, we focus on fields and products with relatively high human rights risks and refer to international standards, such as the SA8000 labor environment assessment standard and five of the core labor standards of the ILO Declaration on Fundamental Principles and Rights at Work.

Human Rights Due Diligence Flow Chart



Please visit ITOCHU's website for more information about human rights due diligence.
https://www.itochu.co.jp/en/csr/society/human_rights/

Every year since FYE 2021, we have been conducting human rights due diligence for one Division Company. To date, we have conducted due diligence for the Food Company, Metals & Minerals Company, Textile Company, and General Products & Realty Company. An overview of the human rights due diligence conducted for the General Products & Realty Company in FYE 2024 is shown below. In FYE 2025, we are conducting human rights due diligence for The 8th Company. Going forward, we intend to conduct due diligence for other business fields.

Overview of Human Rights Due Diligence in the General Products & Realty Company (FYE 2024)

Subjects	Details	Issues and Discovered Items
Issues covered by the survey	Child labor, forced labor, safe and healthy workplace environment, freedom of association and right to collective bargaining, discrimination, disciplinary practices, working hours, remuneration, and impact on local communities and residents	Human rights issues: None identified
Products covered	Timber products, wood chips, pulp, natural rubber	Discovered items: Implementation and dissemination of information on measures for occupational safety; health and hygiene; and reporting systems. We will recommend measures in relation to the above items and continue monitoring the progress of measures through supply chain and sustainability surveys.
Selection criteria for survey targets	Transaction value and country of origin (Covering 60% of natural rubber, 70% of others)	
Questionnaire survey	64 companies	
Additional investigation by consultant	31 companies	
Site visits and interviews	3 companies	

In FYE 2024, ITOCHU conducted surveys on the timber products, wood chips, pulp, and natural rubber handled by the General Products & Realty Company, as described in the above Human Rights Due Diligence Flow Chart. With respect to the topics of the survey, there were no items indicating human rights infringements or adverse impacts on human health and safety that had already occurred, or where there is imminent concern that they will occur. However, investigative interviews with management team members and employees, which were held during on-site audits conducted with external experts, discovered companies that had room for improvement in the dissemination of information about occupational safety, health and hygiene in employee living quarters and factories, and the establishment of anonymous grievance mechanism. We asked these companies to implement improvement measures and report back. We will continuously monitor the progress of measures by including said companies in our annual supply chain sustainability surveys.



Interviewing management team members



Auditing a plant

Human Resource Strategy to Enhance Corporate Value

With a clearly identified human resource strategy as a key component of its management strategy, ITOCHU aims to create a company that is challenging but rewarding to work for, and to ensure all employees find their work rewarding and fully utilize their abilities. By achieving this, we aim to enhance not only employee motivation and labor productivity but also our social reputation, ultimately enhancing our brand value, and thereby further enhancing our corporate value. In addition, the enhancement of our brand value creates a virtuous cycle enabling us to recruit outstanding talent, which serves as the source of the Company's strength. ITOCHU disclosed detailed content of its suite of unique work-style reforms, which began from 2010, to pique the interest of society and meet its expectations. We try to connect this action to the benefit of society as described in the Company's corporate mission of "Sampo-yoshi."

Enhance Corporate Value through Improved Labor Productivity

Improving Employees' Motivation and Willingness to Contribute



- Ranked **No. 1** among general trading companies in all major company rankings by jobseekers
- Ranked **No. 1** across all industries in four of them (the Asahi Shimbun, the Yomiuri Shimbun / Toyo Keizai, the Sankei Shimbun, and Shukan Diamond)

Positive External Evaluations

Enhancement of Corporate Brand Value

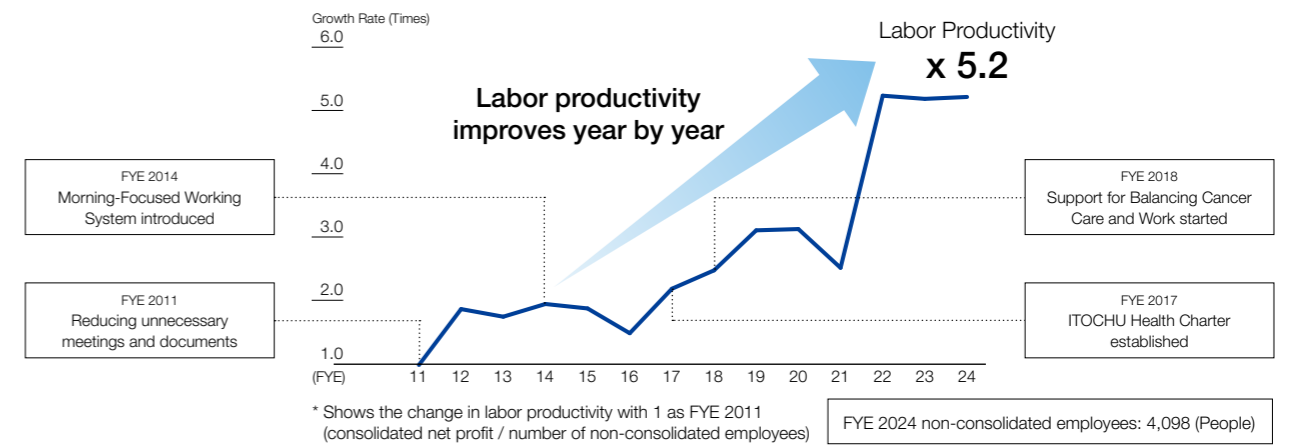


The 2024 KENKO Investment for Health Stock Selection



FY 2023 Nadeshiko Brands

Labor Productivity



Major Indicators

Recruiting Outstanding Human Resources

	FYE 2011	FYE 2024
Female employees as a percentage of new hires	41%	39%
Target for March 2026: 40%		
Percentage of female career-track employees	8.4%	11.9% ^{*1}
Voluntary resignation rate	0.9%	1.6%

Increasing Awareness of Participation in Management

	FYE 2011	FYE 2024
Percentage of membership in the Employee Shareholding Association	55%	Almost 100%

Providing Evaluation and Compensation Commensurate with Results

	FYE 2011	FYE 2024
Average annual salary (Millions of yen)	12.54	17.54
Ratio of female officers on the Board of Directors	0%	25% ^{*1}
Ratio of females among all officers (including Executive Officer)	0%	21% ^{*1}
Target for 2030: 30% or higher		
Percentage of female managers	3.5%	8.8%

^{*1} As of April 1, 2024

Evolving Work Styles

	FYE 2011	FYE 2024
Labor productivity	1.0	5.2
Percentage of employees working in Morning-Focused Working System	Approx. 20% ^{*2}	Approx. 55%
Childcare leave acquisition rate of male employees	1%	53%
Target for March 2026: 100%		

^{*2} Performance in FYE 2013 before the introduction of Morning-Focused Working System (Calculated based on the number of people entering office at or before 8:00 a.m.)

Enhancing Health

	FYE 2011	FYE 2024
Percentage for screening among people targeted for special cancer checkups ^{*3}	—	94%
Annual paid leave acquisition rate	51.9%	64.7%

^{*3} Implemented since FYE 2019

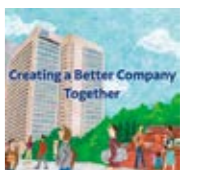
Supporting Employee-Led Career Development

	FYE 2011	FYE 2024
Total investment in human resource development (Billions of yen) ^{*4}	1.05	2.27
Investment in human resource development per employee (Thousands of yen)	243	555
Percentage of career-track employees sent overseas for training by the eighth year of joining the Company	91.0%	87.3%

^{*4} The breakdown by purpose is as follows: ¥1.49 billion for global and management talent development (such as overseas training), ¥0.44 billion for passing on The ITOCHU Way (such as visits to the Company's founding site), and ¥0.35 billion for supporting continuous learning (such as DX training).

Evolving Work-Style Reforms and Health Management

Since May 2022, we have evolved our Morning-Focused Working System by introducing the Morning-Focused Flextime System and the work from home system. These initiatives have established an environment where employees can select flexible work styles based on their workload fluctuations and family situations, thereby accelerating more efficient work practices and striving for further enhancement of labor productivity. Additionally, based on the understanding that sleep management is in harmony with the Morning-Focused Working System and that better sleep quality and quantity contributes to higher labor productivity, we participated in a consortium related to sleep management in FYE 2023. Leveraging a sleep survey conducted in FYE 2024 with 736 ITOCHU employees, we have partnered with leading bedding manufacturer, NISHIKAWA Co., Ltd. to identify and address various sleep issues, including sleep apnea syndrome.



For details on work-style reforms, please visit ITOCHU's website. We provide an introduction to our unique work-style reforms that began in FYE 2011, including the objectives and outcomes of various initiatives such as the Morning-Focused Working System, as well as the stories behind their implementation.
https://www.itochu.co.jp/en/about/work_style/files/itochu_work_style_en.pdf

PDCA Cycle for Promoting Human Resource Strategy



ITOCHU conducts an engagement survey every three to four years (in the years when the full survey is not conducted, we perform a small survey focusing on key items) to identify and address issues in a timely manner, thereby establishing a PDCA cycle to promote human resource strategies. In the FYE 2024 small survey, the items about “whether the Company values and is considerate of its employees” and “whether it has a high-performance culture of achievement” continued to receive high positive response rates. However, employees continued to have strong interest in the Company’s further improvement of job satisfaction for junior and mid-career employees and addressing diverse values. In FYE 2024, after conducting a detailed analysis of these results and reporting issues and countermeasures to the Management Meeting, we implemented a major revision of our human resource system for the first time in about 10 years. The next steps include promoting evaluations and compensation commensurate with results, and supporting employee-led career development that takes life events into consideration. The main issues and countermeasures are as follows.

Key Issues Identified Based on the Engagement Survey

Fostering job satisfaction among junior and mid-career employees	Sharing personnel and ideas beyond the boundaries of organizations	Responding to diverse values
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Specific Measure: Supporting Junior and Mid-Career Employees

Revision of Human Resource System

Since the introduction of the current human resource system in FYE 2000, we have consistently implemented revisions aimed at maintaining recruitment competitiveness and enhancing job satisfaction, based on the BAND system (fixed salary) tied to job roles and performance-linked bonuses (variable salary). The recent revision is driven by the need to strengthen differentiation in compensation according to individual efforts, the decline in motivation among junior and mid-career employees due to seniority-based promotion management, and the increasing demand for support measures for employees facing childcare and other challenges as the number of dual-income employees rises. In response to these issues, starting from FYE 2025, we have raised salary levels mainly for junior and mid-career employees and revised the ratio of variable pay, which was previously similar for individual and corporate performance, to focus more on individual performance, thereby strengthening

the differentiation in compensation. When the degree of contribution is especially high, it is possible to achieve top-class compensation in general trading companies, with an annual income of ¥30 million for section general managers and ¥35 million for department general managers, realizing evaluation and compensation with clear incentives based on performance. For employees with high contributions, we will continue to provide even more competitive compensation going forward. In addition, we have introduced a system to promote outstanding junior and mid-career employees early, such as enabling those to gain management experience as managers at Group companies around the age of 30, eliminating seniority-based elements. Furthermore, we have started initiatives to support the work-life balance by exempting employees facing childcare and other constraints from having to relocate to other locations, and reducing their authority and discretion for a certain period.

Supporting Employee-Led Career Development

ITOCHU provides each employee with opportunities for self-directed learning and challenging experiences, and promotes Groupwide career-building support and personnel development suited to diverse capabilities and characteristics. Since the introduction of the human resource assessment system in FYE 2002, we have conducted annual career vision

interviews for all employees, and have provided specialized support through the Career Counseling Office since FYE 2003. Furthermore, starting from FYE 2025, we have been implementing initiatives to alleviate career-related anxieties by sharing a personal career plan image tailored to each new career-track employee based on their individual

characteristics, and conducting regular interviews. Additionally, as part of our internal personnel mobilization measures, we have established systems to support employee-led career development, such as the Virtual Office and Challenge Career System (an internal job posting system) that allow employees to take on the jobs they are interested in beyond the boundaries of their affiliated organizations. Moreover, in response to changes in the internal and

external environment, technological innovation, and business model transformation, we are incorporating “continuous learning” (reskilling) elements into individual performance goals for all employees, in order to acquire the necessary knowledge and skills based on management strategies. This fosters a culture of continuous learning within the Company, leading to employee career development, job satisfaction, and the stimulation of the organization.

Virtual Office (In-House Dual Jobs System)

In April 2023, the Company formally introduced the Virtual Office, an online platform for cross-organization collaboration that enables passionate employees to participate in projects they have interest in beyond organizational boundaries, with the aim of further accelerating the promotion of cross-organizational projects and the creation of new businesses. Taking into consideration the balance with their duties in their affiliated organizations, the activity period for each project has been set between three to six months. In FYE 2024, a total of 82 employees, including those stationed overseas, participated in 16 projects. Through these initiatives, we aim to foster the exchange of insights that break down the industry silos, a common challenge for general trading companies, while stimulating a spirit of challenge and growth ambition among junior and mid-career employees, leading to their revitalization and growth.



In line with the decisions of employees who are highly passionate about projects



Connecting organizations virtually beyond the barriers of departments



Effectively promoting projects in the short term while mutually sharing know-how



Specific Measure: Promoting the Advancement of Female Employees

Accelerating the Development and Promotion of Female Employees

ITOCHU has been engaging in the advancement of women under the consistent belief that diversity within the organization is important for sustainably enhancing both individual and organizational capabilities and increasing earning power. Through the work-style reforms carried out from 2010, we established an environment where women can continue working without giving up their careers, and have simultaneously provided detailed individual support to remove obstacles to career development considering personal circumstances such as life events. Specifically, we have implemented the Morning-Focused Flextime System, the support for employees hoping to return to work early after child birth (a system to subsidize childcare costs for early return from childcare leave), and to support the challenge of taking on the important career opportunities of an overseas assignment, we have provided individual support for accompanying only children and subsidies for egg freezing and infertility treatments. As a result, the number of female managers increased from 35 in April 2021 to 61 in April 2024, and appointments to key management positions such as overseas office heads, and presidents of Group companies in Japan and overseas, are progressing.

To further promote appointments to managerial positions, the Board of Directors decided in December 2023

to establish special measures to appoint women to Executive Officer positions starting from FYE 2025, and five new Executive Officers were appointed as of April 1. For female employees who lack sufficient experience in key management positions or in a wide range of jobs, we have temporarily taken affirmative action by specially providing opportunities to be involved in Companywide management, thereby promoting further growth and bringing out the potential and job satisfaction of women. ITOCHU aims not only to meet the Japanese government’s requirement of raising the ratio of female officers on the Board of Directors to 30% or higher by 2030 but also to achieve a 30% or higher ratio of female officers (including Executive Officers), by 2030. (▶Page 82 Outside Directors & CAO Roundtable)

Additionally, to realize a work environment where female employees do not have to give up their career development, we have responded to diversifying health issues specific to women through femtech, aiming to improve labor productivity and promote understanding among colleagues. From FYE 2025, we have also made it mandatory for male employees to take childcare leave (at least five calendar days within one year after child birth), leading to a change of male employees’ mindset.



Makiko Nakamori
Outside Director

Fumihiko Kobayashi
Member of the Board, Executive Vice President, CAO*
* Chief Administrative Officer

Kunio Ishizuka
Outside Director

Outside Directors & CAO

ROUNDTABLE

Two Outside Directors who chair advisory committees held a discussion with Chief Administrative Officer (CAO) Kobayashi on ITOCHU's initiatives, which aims to be the best company in Japan.

Roles Expected of ITOCHU's Outside Directors

Kobayashi: Enhancing corporate governance is a never-ending challenge for corporate management. The roles expected of Outside Directors are continually evolving. Recently, you both attended a small meeting with investors and analysts. Could you first share your impressions of that meeting?

Ishizuka: I believe that the primary role of Outside Directors is supporting sustainable growth. During the meeting, various topics were discussed, such as the advancement of women in the workplace, succession plans, and Group company management. Compared to when I was involved in corporate management as the head of the company, I feel there is now a much stronger emphasis on understanding market trends and meeting the needs of investors. It is no longer sufficient for Outside Directors to simply provide advice at Board of Directors' meetings. I have come to realize that we also bear the responsibility of monitoring whether appropriate

management decisions are being made, and whether proper information disclosure is being carried out.

Nakamori: Engaging in direct conversations with investors and analysts allowed me to sense firsthand where their interests lie in ITOCHU's management. Their reactions came across clearly. What pleasantly surprised me was that there was no significant gap in understanding between the investors and analysts and us regarding the Company's strengths and future challenges. I feel this indicates that ITOCHU consistently and transparently communicates both internally and externally, presenting the Company's situation exactly as it is.

Kobayashi: I was also impressed by how deeply both of you have engaged with the Company's management and provided opinions from an external perspective. In terms of transparency, we make no distinction between Inside and Outside Directors; we disclose information without concealment and ensure frequent interactions, resulting in unbiased information. This approach allows Outside

Directors to fully commit to their roles, and their comments align seamlessly with those of Inside Directors.

Ishizuka: There was a case where a proposal deliberated by the Board of Directors was ultimately rejected based on the opinions of Outside Directors. I believe that having a proposal rejected at a Board of Directors' meeting is extremely rare, even in my own experience as a corporate executive. This demonstrates that there is a foundation of trust that allows Outside Directors to express their candid opinions, and it indicates that our Board of Directors holds healthy discussions, and that the oversight and supervisory functions of Outside Directors are effectively working.

Nakamori: There is actually a follow-up story to this. After the Board of Directors' meeting, we traveled to Australia for a site visit of an overseas business, and it so happened that I met an employee in charge of this proposal on the front lines. Typically, as Outside Directors, we form our opinions on proposals at Board of Directors' meetings by reading materials and listening to briefings. However, hearing directly from the frontline employees conveyed their passion and dedication toward the business, providing a much more vivid understanding of the project. It made me strongly feel the presence of the employees behind the written documents. In this sense, the site visit was truly meaningful. I believe this experience can also be leveraged in discussions at Board of Directors' meetings going forward.

Kobayashi: I am glad to hear that you find value not only in visiting the business operations but also in communicating with the employees working there at the front lines. ITOCHU often operates with fewer personnel on the front lines compared to other general trading companies, no matter where we are in the world. Each highly productive employee working in that kind of environment is the true source of the Company's corporate value.

Ishizuka: Talking with frontline employees makes me realize just how diverse ITOCHU's human resources are. By getting to know the people, I can gain a deeper

I hope that our initiatives for women's advancement will gradually permeate the Company's culture and collectively create a significant impact, much like how drops of water gather to form a large stream.

Makiko Nakamori
Outside Director

Ms. Nakamori possesses a high level of expertise in finance and accounting as a Certified Public Accountant in Japan, and has a wealth of experience as a corporate manager. She assumed her position as a member of the Board of Directors at ITOCHU in June 2019. She often provides insightful advice based on her specialized knowledge and unique experience in the fields of internal control, compliance, and DX. As of FYE 2025, she serves as chair of the Women's Advancement Committee, and a member of the Governance, Nomination and Remuneration Committee.

understanding of the Company and its businesses. Therefore, activities on the front lines are essential to support sustainable growth and strengthen oversight and supervisory functions. The site visits themselves were scheduled quite tightly, and I experienced firsthand the "earn, cut, prevent" principles.

Promoting the Advancement of Women, Succession Planning, and Driving Further Growth

Kobayashi: Both of you also serve as the chairs of two advisory committees. Requesting Outside Directors to serve as chairs is in line with global trends and reflects ITOCHU's desire to ensure openness, objectivity, and effectiveness in discussions. To begin with, Ms. Nakamori, how do you perceive the activities of the Women's Advancement Committee?

Nakamori: The Women's Advancement Committee was launched in 2021, and I have been serving as its chair since FYE 2024. I believe the most important aspect of our discussions in the committee is enhancing the labor productivity of all employees, including women. I recognize that the immediate challenge is the appointment of female officers. However, given the demographic reality that there are very few female employees in their 40s or 50s, which is the prime age for executive roles, the key lies in how we can promote women to these positions from this limited pool. As a first step, we have internally appointed five female Executive Officers in FYE 2025. (▶ Page 87 Women's Advancement Committee)

Kobayashi: The appointment of these female Executive Officers is positioned as affirmative action for women, who have previously had limited experience in key roles and diverse job rotations. The Company has from the past promoted work-style reforms to create a "challenging but rewarding" company, with the primary aim of improving the labor productivity of all employees, regardless of gender. As we have advanced these initiatives, we realized that they also contribute to promoting the advancement of women. However, as Ms. Nakamori





The close interaction between Outside Directors and the management talent pool itself contributes to the preparation for succession planning.

Kunio Ishizuka
Outside Director

Mr. Ishizuka has extensive knowledge of corporate management and the retail industry, which was earned through his experience as President and Chairman of Isetan Mitsukoshi Holdings Ltd. and as a Vice Chair of Nippon Keidanren (Japan Business Federation). He assumed his position as a member of the Board of Directors at ITOCHU in June 2021. As of FYE 2025, he serves as chair of the Governance, Nomination and Remuneration Committee.

pointed out, the pool of potential female executives is currently very small. While there is the option of selecting candidates from outside the Company, it was argued that without developing our internal training processes, such efforts would not be sustainable. Therefore, we decided that we must promote from within. Moreover, instead of appointing just one or two individuals, we decided to appoint five, to create a significant impact. This is not about giving them special roles; becoming an executive means they will receive vastly different quality and quantity of information. By digesting this information themselves, we expect their understanding and perspectives on management to evolve, thereby fostering their growth. (▶ Page 81 Promoting the Advancement of Female Employees)

Nakamori: I believe that both individual motivation and how one is perceived internally will change significantly. When initiatives like the Morning-Focused Working System and other work-style reform measures were introduced, I heard that most people were skeptical, thinking they would not take hold. However, after 10 years, it has become well-established within the Company, with its effectiveness in improving labor productivity being verified. It has now garnered attention as a pioneering effort from society. The same can be said for promoting women's advancement. It may take time, but I hope that our current initiatives will not just remain isolated efforts but will become interconnected, much like how drops of water gather to form a large stream, permeating and becoming part of the Company's culture. Simultaneously, I believe it is a major challenge for the Company to outline the path toward this ideal while maintaining the swift pace of our current management.

Kobayashi: Mr. Ishizuka, you chair the Governance, Nomination and Remuneration Committee. Recently, there has been increasing interest in succession planning, but from an internal standpoint, it is somewhat difficult to talk about this matter. Could you please share your thoughts on this as the chair?

Ishizuka: I am aware of the heightened interest in succession planning. The stance of the Governance, Nomination and Remuneration Committee, as an advisory body, is

that it will receive and deliberate proposals on succession plans for the Chairman & CEO. Given our exceptionally favorable current management situation, we believe there is no need to risk changing the management structure during this strong period, and thus, there is no immediate necessity for a CEO transition. However, to ensure that we are well-prepared for any future discussions on succession, the four outside officers of this committee actively engage with management personnel who are potential CEO candidates through regular activities, such as interviews with officers, Division Company Presidents, and Group company Presidents. This close interaction between Outside Directors and the management talent pool itself contributes to the preparedness of the Governance, Nomination and Remuneration Committee. Through these interactions, I have realized that the Company has many excellent personnel who could be future management candidates. The fact that one of our key performance indicators, the ratio of Group companies reporting profits, stands at an impressive 92%, for instance, reflects the presence of many competent management talents. (▶ Page 91 Succession Plan)

Kobayashi: I believe it is unique to Mr. Ishizuka to connect the high ratio of Group companies reporting profits to the quality of our management talent pool. Group management is crucial for our future development. We dispatch hundreds of personnel, including secondees, to executive positions at Group companies, promoting the Company's philosophy through their influence. However, especially in the major Group companies, the deployed leaders are often big names who have achieved significant results within ITOCHU. To ensure optimal overall management, we have established the Group CEO Office, with our CEO acting as the control tower. There will likely be room to expand this role going forward. From your perspectives, are there any other challenges that ITOCHU needs to address to achieve further growth?

Nakamori: I believe that enhancing Group management will become increasingly important for the future of ITOCHU. In this regard, I think there is still room for improvement, particularly in the offensive aspects. When I was appointed as a director at ITOCHU, I clearly

remember being impressed by the thoroughness of our risk management, and how our defensive measures for Group companies are quite advanced. However, in terms of offensive measures such as earnings, much of the responsibility is left to the management capabilities of individual companies within the Group. There are still areas that need more attention and improvement. By having the headquarters take the lead in strengthening the management foundation, we can create opportunities for further profit growth. To achieve this, it is necessary to promote horizontal collaboration and establish mechanisms that generate synergies among Division Companies, including through digital transformation initiatives, which have been ongoing challenges.

Ishizuka: As the world continues to experience changes that were unimaginable just a decade ago, such as climate change and geopolitical risks, I sometimes wonder what ITOCHU's businesses will be like going forward. While individual capabilities are a significant advantage for the Company, the nature of business and our partners are evolving. It may become necessary to discuss whether we should continue the Division Company system. At the very least, I am certain that we could achieve greater growth by leveraging our comprehensive capabilities even more effectively.

Enhancing Corporate Brand Value

Kobayashi: In "The Brand-new Deal" Management Policy announced in April 2024, we have outlined not only quantitative growth but also the enhancement of corporate brand value through the refinement of qualitative factors as a basic policy. I believe this is quite unique to ITOCHU. (▶ Page 28 Management Policy)

Ishizuka: In line with the idea of "I am One with Infinite Missions" in the Guideline of Conduct, I think each employee represents the brand. Building a brand is a tremendous task that takes a lot of time, yet it can easily crumble when things go wrong. On the other hand, when each individual engages in business, the brand that the

Company has built over time distinguishes us from others and demonstrates its strength. In this sense, from my own experience, I strongly resonate with the policy of enhancing corporate brand value, as it directly contributes to the sustainability of corporate value.

Nakamori: I believe ITOCHU's brand is shining bright right now. In everyday conversations, when I mention ITOCHU, I often receive responses such as, "ITOCHU is amazing." I believe the positive feedback we have received reflects not only an appreciation of our strong earnings but also the uniqueness of our branding. Our modern corporate image, which resonates across generations, seamlessly integrates with our more than 160-year-old philosophy of "I am One with Infinite Missions." This blend creates a distinctive brand image that is difficult to replicate. The unwavering commitment to our corporate beliefs, which permeates our corporate culture, may indeed be what defines our brand.

Kobayashi: Since its founding, "Sampo-yoshi" has been continuously passed down as an unwavering ideal and serves as the Company's unique brand and signpost. The Company's original business was linen trading by the merchants of Ohmi, and they have a history of selling products on credit. Without trust, business cannot prosper. Therefore, we aim to continue to enhance our corporate brand value by instilling "Sampo-yoshi," our corporate culture based on trust and credibility, into the public consciousness. Ultimately, our goal is to become the best company in Japan. Recently, I received a letter from an elementary school student who went to the Company's childcare center for employees, I-Kids. He wrote about how much he enjoyed going to I-Kids with his mother every morning, playing with friends, and going home with her in the evening. He said, "Thank you for creating I-Kids and for implementing work-style reforms." While it may seem like an exaggeration, knowing that the Company's initiatives can contribute to the happiness of one family is incredibly rewarding. By creating a company where employees are happy, we aim to become a challenging but rewarding workplace and ultimately the best company in Japan.

I intend to make ITOCHU the best company in Japan by enhancing corporate brand value through "Sampo-yoshi."

Fumihiko Kobayashi
Member of the Board, Executive Vice President, CAO

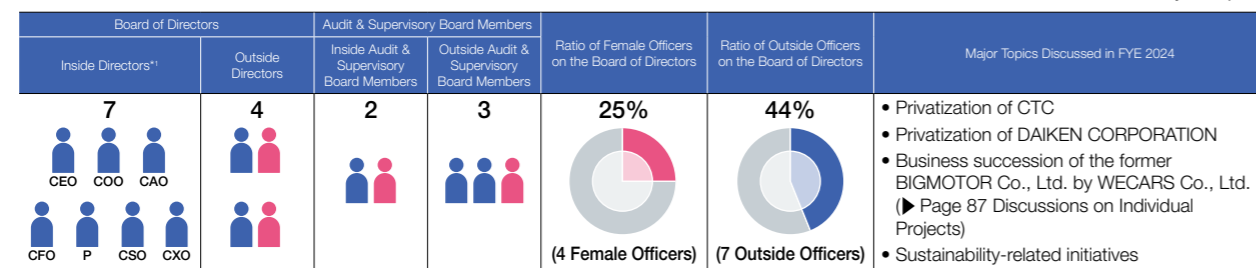


Further Enhancement of ITOCHU's Corporate Governance System

As a corporation with the Audit & Supervisory Board (*kansayaku secchi kaisha*), ITOCHU has adopted a governance structure that is centered on the Board of Directors, in which Outside Directors account for at least one-third of members; advisory committees to the Board of Directors, which mainly comprise outside officers; and an Audit & Supervisory Board with at least half of its members comprised of Outside Audit & Supervisory Board Members. Based on the belief that both the demonstration of sound leadership by members of the senior management team and transparent, fair decision-making are essential for the realization of a comprehensive corporate governance system, the Company is promoting the delegation of ordinary business execution matters to the senior management team within the scope permitted by law, while continuously enhancing the Board of Directors to strengthen the supervision of business management. The Board of Directors also deliberates on business execution matters that are highly important. Through a well-developed system for the disclosure of information and provision of support to outside officers, the Board has established innovative ways to ensure that the supervision of business execution is appropriate from outside perspectives, which is to say from the perspectives of the public and general shareholders. With a view to enhancing governance even further, ITOCHU will tirelessly pursue reforms in conjunction with continued efforts to place particular emphasis on the practical aspects of strengthening governance and to expand disclosure in light of trends related to the Corporate Governance Code and market feedback.

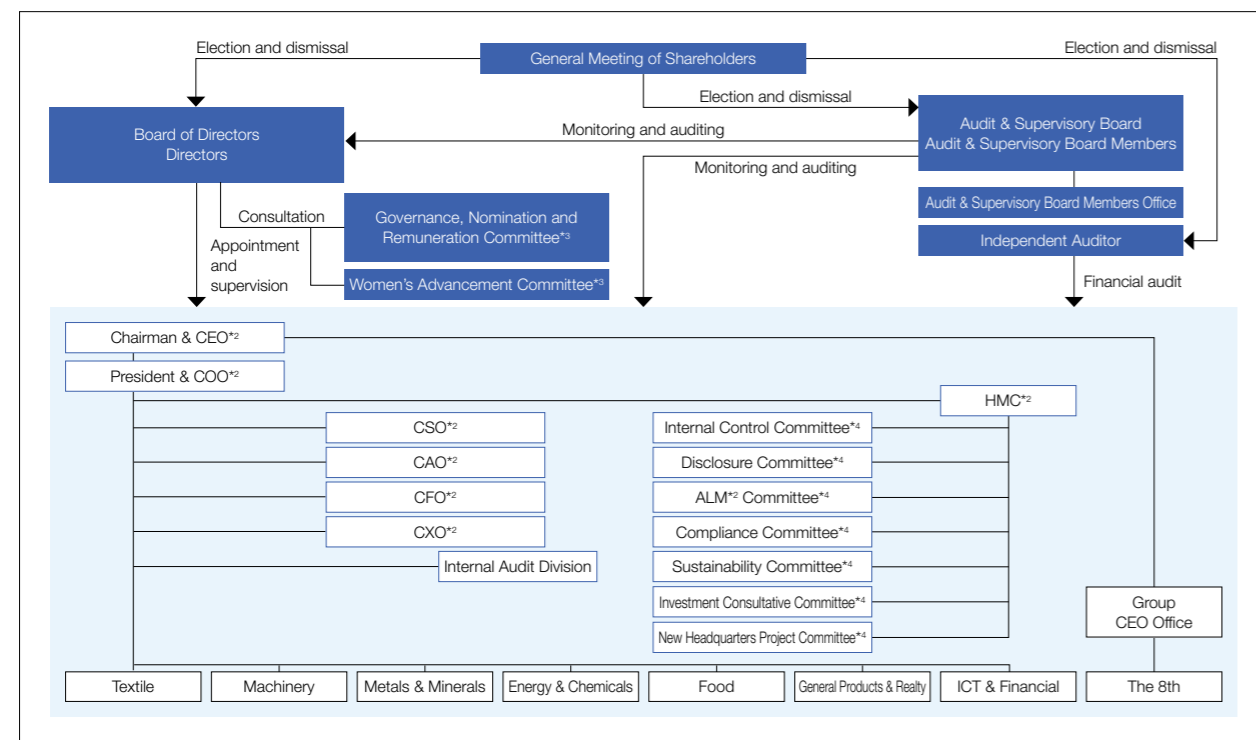
Structure of the Board of Directors

Male Female *1 "P" under Inside Directors: President, Machinery Company



Overview of Corporate Governance and Internal Control System

(As of July 1, 2024)



*2 CEO = Chief Executive Officer, COO = Chief Operating Officer, CSO = Chief Strategy Officer, CAO = Chief Administrative Officer, CFO = Chief Financial Officer, CXO = Chief Transformation Officer, HMC = Headquarters Management Committee, ALM = Asset Liability Management

*3 Established advisory committees under the Board of Directors to enhance the transparency of the decision-making process and strengthen supervisory functions.

*4 Chairperson is indicated in parentheses. Internal Control Committee (CSO): Deliberates on issues related to the development of internal control systems. Disclosure Committee (CFO): Deliberates on issues related to business activity disclosure and on issues related to the development and operation of internal control systems in the area of financial reporting. ALM Committee (CFO): Deliberates on issues related to risk management systems and balance sheet management. Compliance Committee (CAO): Deliberates on issues related to compliance. Sustainability Committee (CAO): Deliberates on issues related to sustainability, the SDGs, and ESG, excluding governance-related issues. Investment Consultative Committee (CXO): Deliberates on issues related to investment and financing. New Headquarters Project Committee (CAO): Deliberates on issues related to new headquarters project.

*5 CAO is the Chief Officer for Compliance. Also, each Division Company has a Division Company President.

*6 Internal control systems and mechanisms have been implemented at every level of ITOCHU. Only the main internal control organization and committees are described herein.

Promoting Livelier Discussions at Meetings of the Board of Directors

To heighten the effectiveness of the Board of Directors, ITOCHU is focusing on strengthening capabilities for the provision of information and support to outside officers. In addition to providing outside officers with advance briefings on agenda items, the Company promptly shares detailed information on projects related to investment and financing, including deliberations by the Investment Consultative Committee and the HMC and the opinions of related administrative divisions. In these ways, the Company is enhancing deliberations on investment and financing. Also, through the organization of individual interviews with the Company Presidents and officers in charge of administrative divisions as well as the provision of opportunities for business visits in Japan and overseas, the Company aims to further outside officers' understanding of its wide range of businesses, thereby enhancing the effectiveness of the Board of Directors and facilitating livelier discussions at Board meetings.

Discussions on Individual Projects

Based on the rules of the Board of Directors, investment or financing projects exceeding a certain monetary threshold require approval by the Board of Directors following approval by the HMC. In FYE 2024, multiple projects were submitted to the Board of Directors, including two tender offers.

More specifically, the business succession of the former BIGMOTOR Co., Ltd. by WECARS Co., Ltd. was one project that was discussed and carefully analyzed at two Board meetings. At the first meeting, the Board of Directors received a report on the methods of controlling such risks as the envisioned structure. In light of the resulting discussion, the Board of Directors expressed the intention of the business succession. At the second meeting, the Board held deliberations after receiving a report from the HMC on its discussions of the appropriateness of the investment amount, synergies with the ITOCHU Group, succession of personnel, and other items. Discussions were held not only on the profitability and risks of the project but also on the qualitative significance of the project. For example, there was a lively discussion on the significance of the project's contribution to society; the importance of Companywide efforts to revitalize the business; the need to establish systems for the facilitation of compliance and a customer-first approach; and, given the high level of public interest in the project, the need to take measures to ensure that the project would not lead to the Company's reputation being damaged. Based on these considerations, the execution of the project was unanimously approved.

Additionally, there was a project that was approved by the HMC but rejected by the Board of Directors after lively discussions that considered sustainability requirements. Such outcomes demonstrate that in the Company's Board of Directors, business management monitoring and supervision by outside officers—who represent the viewpoints of the public and general shareholders—is operating effectively.

Activities of Advisory Committees to the Board of Directors

▶ Page 82 Outside Directors & CAO Roundtable

Governance, Nomination and Remuneration Committee

In FYE 2024, including the meetings of its predecessor—the Governance and Remuneration Committee—the committee met a total of five times, with all members in attendance. Committee members engaged in lively discussions on agenda items, which included a Board effectiveness evaluation, the skills matrix, succession planning, the officer remuneration system, and revision of the officer system. In discussions on the revision of the officer system, opinions were stated to the effect that, in relation to the introduction of a system of special measures for appointment of women to Executive Officers,⁵ the pressure on selected Executive Officers is significant and that the provision of support going forward is important. The committee also expressed the opinion that regarding the introduction of tenure limits for Executive Officers and the establishment of Senior Operating Officers⁶, it is important to ensure ongoing action entrenches business management that is in line with the aims of the introduction of the system of special measures, which include rejuvenating Executive Officers and creating a pool of human resources.

Women's Advancement Committee

In FYE 2024, the committee met a total of two times, with all committee members in attendance. Committee members engaged in lively discussions on agenda items, which included overall policy for the advancement of women, elevation of the ratio of female officers, initiatives for female candidates for senior management positions, and the general employer action plan for FYE 2025 and beyond. With regard to the ratio of female officers, the committee held discussions to the effect that, given the Japanese government policy of raising the ratio of female officers on the Board of Directors to 30% or higher by 2030, there is a need to specifically consider a system for the appointment of female Executive Officers through affirmative action that includes training and that does not wait until candidates reach the average age of those normally given opportunities to become officers. The discussions of the committee were reported to the Board of Directors, which led to the introduction of the system of special measures for appointment of women to Executive Officers. Additionally, we have announced that we set a target to increase the ratio of female officers to 30% or higher by 2030, not only among Directors and Audit & Supervisory Board Members but also including Executive Officers.

*5 A system that enables affirmative action for the appointment of certain numbers of female Executive Officers by selecting female officers and giving them special opportunities to gain experience of Companywide business management

*6 Executive Officers (excluding those who hold key senior management positions such as Executive Officers who concurrently serve in senior management positions, Division Company Presidents, and officers in charge of headquarters administrative divisions as well as Executive Officers appointed through special measures for female Executive Officers) shall have tenures that are limited to a maximum of two years. After two years have elapsed, all officers shall be retired. Of those who have retired, those who continue the duties that they performed prior to retirement or who assume other positions within the Company shall be deemed Senior Operating Officers.



For executives' career profiles, please visit ITOCHU's website.
<https://www.itochu.co.jp/en/about/officer/>

Members of the Board, Audit & Supervisory Board Members, Executive Officers, and Senior Operating Officers As of July 1, 2024

Members of the Board

Chairman & Chief Executive Officer
Masahiro Okafuji ①
 1974 Joined ITOCHU Corporation
 2018 Chairman & Chief Executive Officer
Number of shares held: 434,357
 (262,362^{*1})

President & Chief Operating Officer
Keita Ishii ②
 1983 Joined ITOCHU Corporation
 2021 President & Chief Operating Officer
Number of shares held: 211,460
 (144,457^{*1})

Member of the Board
Fumihiko Kobayashi ③
 Chief Administrative Officer
 1980 Joined ITOCHU Corporation
 2021 Executive Vice President
Number of shares held: 203,901
 (118,221^{*1})

Member of the Board
Tsuyoshi Hachimura ④
 Chief Financial Officer
 1991 Joined ITOCHU Corporation
 2021 Executive Vice President
Number of shares held: 206,388
 (115,488^{*1})

Member of the Board
Hiroyuki Tsubai ⑤
 President, Machinery Company
 1982 Joined ITOCHU Corporation
 2023 Executive Vice President
Number of shares held: 111,492
 (70,237^{*1})

Member of the Board
Kenji Seto ⑥
 Chief Strategy Officer
 1987 Joined ITOCHU Corporation
 2024 Executive Officer
Number of shares held: 85,339
 (49,089^{*1})

Member of the Board
Hiroyuki Naka ⑦
 Chief Transformation Officer;
 General Manager, Group CEO Office
 1987 Joined ITOCHU Corporation
 2022 Executive Officer
Number of shares held: 52,626
 (30,697^{*1})

Member of the Board^{*2}
Masatoshi Kawana ⑧
 2018 Outside Director, ITOCHU Corporation
Number of shares held: 11,200

Member of the Board^{*2}
Makiko Nakamori ⑨
 2019 Outside Director, ITOCHU Corporation
Number of shares held: 13,000

Member of the Board^{*2}
Kunio Ishizuka ⑩
 2021 Outside Director, ITOCHU Corporation
Number of shares held: 4,600

Member of the Board^{*2}
Akiko Ito^{*3} ⑪
 2023 Outside Director, ITOCHU Corporation
Number of shares held: 1,000



Audit & Supervisory Board Members

Audit & Supervisory Board Member
Makoto Kyoda ⑫
 1987 Joined ITOCHU Corporation
 2020 Audit & Supervisory Board Member
Number of shares held: 27,710

Audit & Supervisory Board Member
Yoshiko Matoba ⑬
 1986 Joined ITOCHU Corporation
 2023 Audit & Supervisory Board Member
Number of shares held: 49,406

Audit & Supervisory Board Member^{*4}
Kentaro Uryu ⑭
 2015 Audit & Supervisory Board Member
Number of shares held: 9,000

Audit & Supervisory Board Member^{*4}
Tsutomu Fujita ⑮
 2023 Audit & Supervisory Board Member
Number of shares held: 0

Audit & Supervisory Board Member^{*4}
Kumi Kobayashi^{*5} ⑯
 2023 Audit & Supervisory Board Member
Number of shares held: 200

Executive Officers

Chairman & Chief Executive Officer
Masahiro Okafuji

President & Chief Operating Officer
Keita Ishii

Executive Vice Presidents
Fumihiko Kobayashi
 Chief Administrative Officer

Tsuyoshi Hachimura
 Chief Financial Officer

Hiroyuki Tsubai
 President, Machinery Company

Senior Managing Executive Officer
Shunsuke Noda
 President, ICT & Financial Business
 Company
Number of shares held: 46,165 (4,452^{*1})

Managing Executive Officer
Mitsuru Chino^{*6}
 General Manager, Corporate
 Communications Division
Number of shares held: 37,702 (4,198^{*1})

Executive Officers
Masaya Tanaka
 President, Energy & Chemicals Company
Number of shares held: 72,070 (41,570^{*1})

Kenji Seto
 Chief Strategy Officer

Hiroyuki Naka
 Chief Transformation Officer;
 General Manager, Group CEO Office

Shuichi Kato
 Chief Executive for Europe & CIS Bloc;
 CEO, ITOCHU Europe PLC
Number of shares held: 38,655

Masatoshi Maki
 President, General Products &
 Realty Company
Number of shares held: 55,819 (25,196^{*1})

Tatsuo Odani
 President, The 8th Company
Number of shares held: 37,283 (7,201^{*1})

Hideto Takeuchi
 President, Textile Company;
 Executive Advisory Officer for Osaka
 Headquarters
Number of shares held: 37,277 (15,216^{*1})

Shuichi Miyamoto
 President, Food Company
Number of shares held: 34,053 (11,997^{*1})

Jun Inomata
 President, Metals & Minerals Company
Number of shares held: 26,835 (3,799^{*1})

Tsutomu Yamauchi
 Executive Vice President, WECARS Co., Ltd.
Number of shares held: 21,609 (1,399^{*1})

Manabu Fukugaki
 Chief Operating Officer,
 Brand Marketing Division
Number of shares held: 22,708 (1,399^{*1})

Toshiyuki Kakimi
 General Manager, Human Resources &
 General Affairs Division
Number of shares held: 22,178 (1,399^{*1})

Tadashi Ishibashi
 CEO for East Asia Bloc
Number of shares held: 20,747

Hiroshi Ushijima
 Chief Operating Officer, Automobile,
 Construction Machinery & Industrial
 Machinery Division
Number of shares held: 24,361 (1,399^{*1})

Nario Kadono
 Senior Vice President, Machinery Company
 (Special Mission Officer);
 Chief Executive for Green Transformation
 (GX)
Number of shares held: 2,000

Keiko Ebine
 President, ITOCHU Financial Management
 Inc.
Number of shares held: 10,616

Kaori Iwasawa
 General Manager, Monitoring &
 Review Section, General Products &
 Realty Company
Number of shares held: 4,442

Hiroyuki Nakamura
 Chief Operating Officer,
 Food Products Marketing & Distribution
 Division
Number of shares held: 19,000

Yasuhiro Abe
 Chief Operating Officer, Power &
 Environmental Solution Division
Number of shares held: 13,025

Tetsuya Yamada
 Chief Operating Officer, Energy Division
Number of shares held: 13,044

Kenji Yamamoto
 General Manager, The 8th Company
Number of shares held: 15,774

Hiroshi Nakamoto
 General Manager, The 8th Company
Number of shares held: 13,280

Go Mimura
 Chief Operating Officer, Apparel Division
Number of shares held: 18,898

Daisuke Inoue
 Chief Operating Officer, Metal & Mineral
 Resources Division;
 General Manager, Non-Ferrous Metal &
 Recycle Department
Number of shares held: 14,547

Takeshi Inoue
 General Manager, Corporate Planning &
 Administration Division;
 General Manager, CP & CITIC Business
 Development Department
Number of shares held: 5,237

Shuichiro Yamaura
 General Manager, General Accounting
 Control Division
Number of shares held: 4,355

Masahiro Sogabe
 General Manager, Legal Division
Number of shares held: 20,927

Toshio Okudera
 General Manager, Planning & Administration
 Department, Machinery Company
Number of shares held: 16,565

Hiroko Tada
 SVP & General Manager,
 ITOCHU International Inc., Washington Office
Number of shares held: 4,083

Yoriko Oota
 General Manager, General Affairs
 Department, Human Resources &
 General Affairs Division
Number of shares held: 5,763

Kaori Terauchi
 General Manager, Export Control &
 Sanctions Department, Legal Division
Number of shares held: 2,041

Senior Operating Officers

Tomokuni Nishiguchi
 General Manager, Secretariat
Number of shares held: 28,047 (2,794^{*1})

Nobuyuki Tabata
 Chief Operating Officer, Chemicals Division
Number of shares held: 36,088 (2,794^{*1})

Naohiko Yoshikawa
 President & CEO, ITOCHU International Inc.
Number of shares held: 21,824

Kotaro Yamamoto
 Chief Operating Officer, Forest Products,
 General Merchandise & Logistics Division
Number of shares held: 10,587

Kuniaki Abe
 Chief Operating Officer, Fresh Food Division
Number of shares held: 24,384 (2,794^{*1})

"Number of shares held" indicates the number of ITOCHU shares.

*1 Figures indicate the number of shares scheduled to be granted post-retirement based on the stock remuneration plan (figures corresponding to points for rights determined under the performance-linked stock remuneration plan (trust type)). The number of shares held includes these shares. *2 Indicates an Outside Director as provided in Article 2, Item 15 of the Companies Act. *3 Registered name is Akiko Noda. *4 Indicates an Outside Audit & Supervisory Board Member as provided in Article 2, Item 16 of the Companies Act. *5 Registered name is Kumi Nojiri. *6 Registered name is Mitsuru Ike.

* In FYE 2013, ITOCHU established Guidelines for Share Ownership of ITOCHU Stock for Executive Officers designed to align executives with shareholders and increase their commitment to enhancing the share price of ITOCHU. Guidelines for Share Ownership of ITOCHU Stock for Executive Officers: The guidelines for stock ownership by executive officers are as follows. Chairman / President 100,000 shares, Executive Vice President 50,000 shares, Senior Managing Executive Officer 40,000 shares, Managing Executive Officer 30,000 shares, Executive Officer 20,000 shares. (Excluding newly appointed Executive Officers as of April 1, 2024.)

Skills Matrix of Officers and Structure of Advisory Committees

ITOCHU's officers, regardless of whether they are inside or outside, bring their knowledge, experience, and high level of insight in their respective fields to management. The areas in which Inside Directors have knowledge and experience are indicated by the symbol ○. Of these areas, those in which they are expected to make particular contributions are indicated by the symbol ⊙. To fully utilize the professional perspectives and high level of insight of each outside officer and Full-time Audit & Supervisory Board Member, the areas in which they are expected to make a particular contribution are indicated by the symbol ●, after consultation with each officer.

Reasons for the Selection of Areas of Knowledge and Experience and for the Selection of Areas in Which Officers are Expected to Make a Particular Contribution

Area	Reasons for Selection
All Aspects of Management	ITOCHU is a general trading company that operates in diverse business sectors. The oversight of business operations requires knowledge of this area in order to participate in discussions about business plans and strategies that can enhance corporate value based on the spirit of "Sampo-yoshi."
Global	Knowledge of this area based on understanding different cultures and geopolitics is required because ITOCHU operates on a global scale as a general trading company.
Marketing / Sales	Knowledge of these areas is required because promotion of "earn" measures is a key element of ITOCHU's operations, which depend on leveraging sales capabilities as a Merchant, from a market-oriented perspective.
Self-Transformation / Digital Transformation	ITOCHU realizes sustained growth by drawing on comprehensive strengths as a general trading company accompanied by self-transformation in a flexible manner that reflects changes in the external environment. ITOCHU does not make digital transformation itself a target. Instead, by self-transformation, ITOCHU steadily builds up individual projects that are expected to swiftly contribute to profit, namely those that optimize supply chains, etc., while leveraging existing business foundations. Knowledge of these areas is required for taking these actions.
SDGs & ESG	ITOCHU aims for sustained growth with a commitment to capitalism with greater emphasis on serving all stakeholders, which is "Sampo-yoshi capitalism." ITOCHU sets to solve the seven identified material issues through business operations, including addressing climate change, to contribute to accomplishing the Sustainable Development Goals (SDGs). Consequently, knowledge of these areas is required.
Health & Medical Care	People are the most valued management resource of ITOCHU. Developing capability and enhancing health is essential for maintaining a powerful workforce that can fulfill our Guideline of Conduct: "I am One with Infinite Missions." Consequently, knowledge of these areas is required.
Finance, Accounting & Risk Management	Sustained growth requires strong financial foundation, accurate financial reports, and the analysis of risks when examining M&A and other projects. A quantitative framework of administrative divisions which support business divisions is also essential. Consequently, knowledge of these areas is required for constantly implementing the "earn, cut, prevent" principles.
Human Resource Strategy	ITOCHU clearly identifies human resources as a key component of management strategy. Knowledge of this area is required in order to effectively implement various initiatives, such as work-style reforms to enhance corporate value.
Internal Control & Legal Affairs / Compliance	ITOCHU maintains an appropriate structure for the monitoring and audit of management in order to ensure appropriate and efficient execution of operation. Knowledge of these areas is required in order to make constant improvements to this structure and implement "prevent" measures.

Skills Matrix of Corporate Officers and Structure of Advisory Committees

Name	Title	Gender	Areas of Knowledge and Experience / Areas in Which Officers Are Expected to Make a Particular Contribution										Governance, Nomination and Remuneration Committee	Women's Advancement Committee ¹	Main Role, Career History, Qualifications, etc.
			All Aspects of Management	Global	Marketing / Sales	Self-Transformation / Digital Transformation	SDGs & ESG	Health & Medical Care	Finance, Accounting & Risk Management	Human Resource Strategy	Internal Control & Legal Affairs / Compliance				
Masahiro Okafuji	Chairman & CEO Representative Director	♂	⊙	○	⊙	○	○	○	○	○	○	○	○	□	President, Textile Company; President & CEO, ITOCHU Corporation
Keita Ishii	President & COO Representative Director	♂	⊙	○	⊙	○	○	○	○	○	○	○	□	Chief Officer for Indo-China President, Energy & Chemicals Company, ITOCHU Corporation	
Fumihiko Kobayashi	Representative Director	♂	○	○	○	○	⊙	○	○	○	⊙	○	□	□	General Manager of Human Resources & General Affairs Division; Chief Administrative Officer, ITOCHU Corporation
Tsuyoshi Hachimura	Representative Director	♂	○	⊙	○	○	○	○	○	⊙	○	○	□	□	General Manager of Finance Division; Chief Financial Officer, ITOCHU Corporation
Hiroyuki Tsubai	Representative Director	♂	○	⊙	⊙	○	○	○	○	○	○	○	□	□	CEO for Africa Bloc; CEO for Europe Bloc; President, Machinery Company, ITOCHU Corporation
Kenji Seto	Representative Director	♂	⊙	⊙	○	○	○	○	○	○	○	○	□	□	President, Metals & Minerals Company, Chief Strategy Officer, ITOCHU Corporation
Hiroyuki Naka	Representative Director	♂	○	○	○	⊙	○	○	○	○	○	○	□	□	General Manager of Corporate Planning & Administration Division; Chief Digital & Information Officer; Chief Strategy Officer; Chief Transformation Officer, ITOCHU Corporation
Masatoshi Kawana	Outside Director	♂	●				●		●				□	□	Vice-president of Tokyo Women's Medical University Hospital; Doctor of Medicine
Makiko Nakamori	Outside Director	♀				●				●		●	□	■	Certified Public Accountant in Japan
Kunio Ishizuka	Outside Director	♂	●		●						●		■	□	President and CEO / Chairman, Isetan Mitsukoshi Holdings Ltd.
Akiko Ito	Outside Director	♀					●		●		●		□	□	Commissioner, Consumer Affairs Agency
Makoto Kyoda	Full-time Audit & Supervisory Board Member	♂					●			●		●			CFO, Food Company, ITOCHU Corporation
Yoshiko Matoba	Full-time Audit & Supervisory Board Member	♀		●			●				●			□	General Manager of Research & Public Relations Division, General Manager of Human Resources & General Affairs Division, ITOCHU Corporation
Kentaro Uryu	Outside Audit & Supervisory Board Member	♂			●					●		●	※	□	Managing Partner, URYU & ITOGA; Attorney-At-Law in Japan
Tsutomu Fujita	Outside Audit & Supervisory Board Member	♂	●	●						●				□	Vice Chairman and a board member, Citigroup Global Markets Japan Inc.
Kumi Kobayashi	Outside Audit & Supervisory Board Member	♀				●				●		●		□	Certified Public Accountant in Japan; Certified Public Tax Accountant in Japan

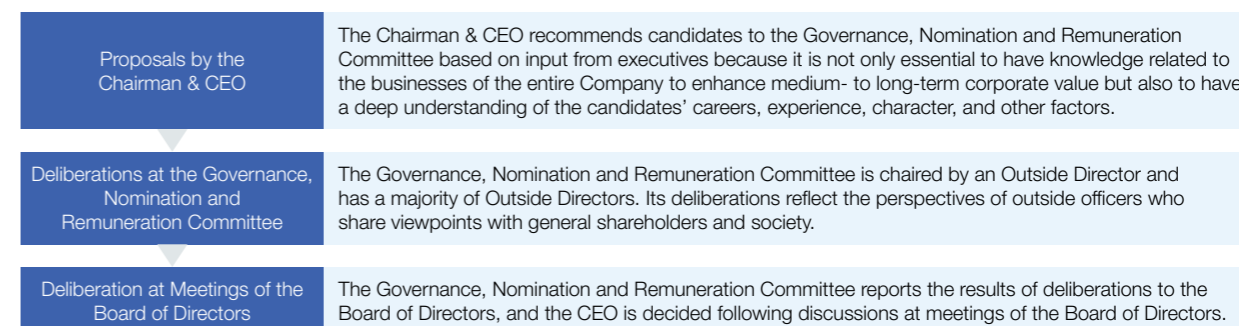
¹ In addition to the members shown above, the General Manager of the Human Resources & General Affairs Division is a member of the Women's Advancement Committee. ² Harufumi Mochizuki and Atsuko Muraki, both of whom are former Outside Directors of the Company; Kotaro Ohno, former Outside Audit & Supervisory Board Member of the Company; and Shotaro Yachi provide advice on the business management of the Company in their capacities as members of the Advisory Board, enabling their extensive experience and expertise to be utilized in the business management of the Company.

■ Chair □ Member ※ Observer

Succession Plan

The Company positions succession plans as a material management issue in an effort to enhance management sustainability and medium- to long-term corporate value. As the CEO leading ITOCHU, a general trading company, it is assumed that the most important skill is to have "business capabilities as a Merchant" and business sense, and to be able to practice "Sampo-yoshi." Based on this, we have established the CEO selection process and a policy on training CEO candidates.

CEO Selection Process



Policy on Training CEO Candidates

Officers who have "business capabilities as a Merchant" are positioned within the organization to enable them to thrive and gain experience. To train multiple candidates in leadership and enable them to learn how to engage with customers, we allow them to gain daily experience in highly challenging frontline operations, regardless of whether they are stationed at headquarters or a Group company, in Japan or overseas.

In addition, in FYE 2025 the Company established the position of Senior Operating Officer.*² The Company has established a system that selects Senior Operating Officers and former ITOCHU Executive Officers who have been transferred to Group companies for appointment to key senior management positions, thereby forming a pool of management personnel in a rigorously meritocratic manner.

*² Executive Officers (excluding those who hold key senior management positions such as Executive Officers who concurrently serve in senior management positions, Division Company Presidents, and officers in charge of headquarters administrative divisions as well as Executive Officers appointed through special measures for female Executive Officers) shall have tenures that are limited to a maximum of two years. After two years have elapsed, all officers shall be retired. Of those who have retired, those who continue the duties that they performed prior to retirement or who assume other positions within the Company shall be deemed Senior Operating Officers.

Evaluation of the Board of Directors

Every year, ITOCHU conducts an evaluation of the effectiveness of the Board of Directors. In FYE 2024, quantitatively, scores that improved in FYE 2023 increased even further, with the evaluation results showing that the Board of Directors is functioning at an advanced level with respect to all six areas focused on by the questionnaire. In particular, evaluation of the number of Directors and the composition of the Board, the attributes of the chair of the Board, and the appropriateness of the proceedings were further improved from the high evaluation in FYE 2023. Thus, efforts to enhance deliberations of the Board were reflected in the evaluation. Qualitatively, many positive comments were received, along with suggestions and remarks for further improvement. In the statements of the evaluation, it was pointed out that Group governance and forward-looking discussions for the future are priorities to be addressed in the medium to long term.

Procedure for Evaluation of the Board of Directors

Respondents	All 10 Members of the Board and all 5 Audit & Supervisory Board Members in FYE 2024	
Implementation and Evaluation Method	Step 1: Enlist external consultants to conduct questionnaires and individual interviews with each member (anonymous responses) Step 2: Have external consultants compile and analyze respondents' answers Step 3: Conduct analysis at the Governance, Nomination and Remuneration Committee with reference to the compiled answers and analysis of the external consultants Step 4: Conduct analysis and evaluation at the Board of Directors	
Items Covered by Questionnaire	<ul style="list-style-type: none"> Structure of the Board of Directors Role and duties of the Board of Directors Information provision and training for Members of the Board and Audit & Supervisory Board Members 	<ul style="list-style-type: none"> Structure of advisory committees to the Board of Directors, etc. Operation status of the Board of Directors Other important items

Results of the FYE 2024 Evaluation of the Board of Directors

Fiscal Year	Issue Identified	Progress in FYE 2024
FYE 2022	Continue discussions on strengthening management foundations	<ul style="list-style-type: none"> Investment decisions are being made for the future growth of the entire Group, including tender offers for listed subsidiaries and affiliates and consideration of investment projects that laterally encompass multiple Division Companies. The Company has newly established the position of Chief Transformation Officer (CXO) and is building a system to promote a transformation of the Group's business lines and business formats that includes the advancement of digitalization.
	Ensure further diversification of human resources	<ul style="list-style-type: none"> The Company has decided on and announced specific measures and targets for the advancement of women, and these are resulting in concrete initiatives. For example, with reference to the discussions and recommendations of the Women's Advancement Committee, the Company has set new numerical targets for the appointment of female Executive Officers and for female officers as a percentage of all officers. The Company is implementing specific efforts to further diversify human resources, such as the introduction of the Virtual Office (in-house dual jobs system) to promote the growth and career development of junior employees and cross-organization business initiatives as well as the introduction of other work-style reform measures. An overall increase in the percentage of female Directors and Audit & Supervisory Board Members has further increased the diversity of officers and facilitated in-depth discussions at meetings of the Board of Directors.
FYE 2023	Hold ongoing discussions on succession planning for senior management throughout the Group	<ul style="list-style-type: none"> The Governance, Nomination and Remuneration Committee (in which the chair and a majority of the committee members are Outside Directors) is establishing a governance structure that will enable cross-divisional and organic discussions on succession planning, selection of Executive Officers, remuneration, and other issues. By establishing the new position of Senior Operating Officer and increasing the number of experienced Executive Officers, the Company will secure personnel who, together with those in management positions at Group companies, are potential candidates for key senior management positions in the Company.
	Continue strengthening monitoring and supervision systems in light of changes in the external environment	<ul style="list-style-type: none"> The effectiveness of supervision is heightened by furthering outside officers' understanding of the Company and its Group companies through the provision of inspection tours to business bases in Japan and overseas for outside officers; interviews between outside officers and Division Company Presidents, officers in charge of administrative divisions, members of the management teams of the Group companies, and junior employees; explanations of audit plans by Audit & Supervisory Board Members at meetings of the Board of Directors; and collaboration between Audit & Supervisory Board Members and Outside Directors. Two advisory committees have been reorganized to establish the Governance, Nomination and Remuneration Committee, with the chair and a majority of the committee members being Outside Directors, which has strengthened the supervisory function of the Board of Directors. Investment and business decisions reflect discussions and supervision of the Board of Directors that take into account GHG emissions reductions and contributions to the Sustainable Development Goals (SDGs).

Issues Identified in FYE 2024

The following issues have been identified as new areas where the Board of Directors should make further efforts to enhance its effectiveness.

- Supervising the implementation status of diversity strengthening measures
- Supervising governance strengthening measures for sustainable growth of the Group

Messages from Outside Directors



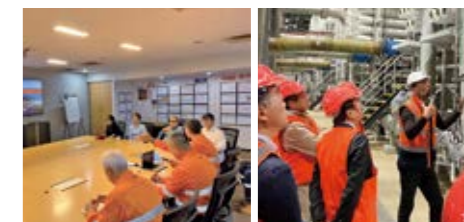
Masatoshi Kawana

Outside Director

Mr. Kawana served as Vice-president of Tokyo Women's Medical University Hospital, in addition to other positions, where he gained a high level of experience in hospital management and advanced knowledge of medical care. He assumed his position as a member of the Board of Directors at ITOCHU in June 2018. He uses his expertise to provide many useful proposals and suggestions in the fields of health management and setting preventive measures against in-office infection of post COVID-19. As of FYE 2025, he serves on the Governance, Nomination and Remuneration Committee.

Activities of Outside Officers Focused on the Front Lines

To enhance the effectiveness of the Board of Directors, ITOCHU actively creates opportunities for outside officers to gain a deep understanding of the diverse businesses of the general trading company, as well as challenges the Company faces. Specifically, the Company facilitates one-on-one meetings with key internal executives and top management of the Group companies, arranges site visits to global



Site visit to iron ore operations and seawater desalination projects in Australia

operations, and organizes discussions with junior and mid-career employees. These efforts include numerous opportunities to engage directly with frontline employees. From my experience, compared to other companies, ITOCHU offers significantly more opportunities for outside officers to interact with the frontlines and its personnel. In FYE 2024, we conducted site visits to iron ore operations and seawater desalination projects in Australia. These visits went beyond simple business tours, allowing us to directly sense the atmosphere of the front lines and the motivation of employees through exchanges of opinions, thereby gaining a deeper understanding of the significance of our business endeavors. Additionally, I experienced firsthand how our employees are deeply embedded in the front lines, and how the thorough implementation of the "earn, cut, prevent" principles through hands-on management have permeated every aspect of the Group companies, highlighting our strengths. Based on the profound understanding gained from these frontline visits, I will engage in more comprehensive and substantive discussions at Board of Directors' meetings, thereby fulfilling oversight and monitoring functions as Outside Directors, and contributing to the sustainable enhancement of corporate value.

Expectations for Horizontal Collaboration toward Further Growth of ITOCHU

It has been one year since I assumed the position of Outside Director of ITOCHU. Through dialogues with Inside Directors and interviews with Group companies, I have deepened my understanding of various businesses, and we have had active discussions among the Outside Directors, who bring a wide range of experiences. One particularly memorable discussion this past year was about WECARS Co., Ltd., which has garnered significant attention from society and sparked various opinions at the Board of Directors' meetings. While we anticipate future growth by leveraging our extensive expertise, the prerequisite for this is to thoroughly reform the organizational culture. I will leverage my experience in engaging with people's lives and lifestyles from a consumer's perspective to fulfill my oversight and supervisory function as a Director of WECARS Co., Ltd. (▶ Page 62 Rebuilding WECARS by Leveraging Our Comprehensive Capabilities)

From my many years of experience in government administration, I have recognized both the strengths and limitations of vertically structured organizations. At ITOCHU, while these vertical silos have provided a robust business foundation for our growth, they now pose significant challenges in addressing the increasingly diverse needs of consumers. However, this also presents a substantial growth opportunity. In order for ITOCHU to break down traditional silos with a comprehensive downstream perspective and promote new business developments through horizontal collaboration, I aim to leverage my insights to offer valuable recommendations, and contribute to the sustainable enhancement of our corporate value.



Akiko Ito

Outside Director

Ms. Ito served as Commissioner of the Consumer Affairs Agency after playing other vital roles. As Director-General of the Housing Bureau, she became the first female Director in the Ministry of Land, Infrastructure, Transport and Tourism. Subsequently, she served as Councillor in the Cabinet Secretariat, as well as Director General in the Secretariat of the Headquarters for Overcoming Population Decline and Vitalizing Local Economy in Japan. She brings extensive knowledge on consumer issues. She assumed her position as a member of the Board of Directors at ITOCHU in June 2023. As of FYE 2025, she serves on the Governance, Nomination and Remuneration Committee.



Corporate Officer Remuneration

ITOCHU's remuneration plan for Directors is designed to be an incentive to grow business performance and enhance the share price of the Company. The variable remuneration ratio 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 fixed remuneration (1) monthly remuneration, and variable 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 enhancement of corporate value in the medium to long term.

Monthly remuneration is decided based on the standard amount by position and the level of contribution to ITOCHU, including its response to climate change, the SDGs, and ESG.

The Company has adopted consolidated net profit as the linked indicator for the performance-linked bonus and performance-linked stock remuneration, as it is the source of capital for growth-oriented investment and returns to shareholders, and is of high interest on the stock market. In the unlikely event that consolidated net profit falls into a deficit, there is a strict system whereby no such bonus or remuneration is paid out. Furthermore, the share-price linked bonuses, which are indices linked to ITOCHU's share price, are calculated based on the increase in ITOCHU's stock price for two consecutive fiscal years and relative evaluation between the growth rate of the average value of ITOCHU's share price and the growth rate of the average value of the Tokyo Stock Price Index (TOPIX).

Overview of Remuneration System and Maximum Remuneration Limit

Fixed / Variable	Overview	Remuneration Limit	Resolution at General Meeting of Shareholders
Fixed remuneration	(1) Monthly remuneration Determined based on the standard amount by position and the level of contribution to ITOCHU, including its response to climate change, the SDGs, and ESG.	¥1.0 billion per year as total amount of monthly remuneration (including ¥0.1 billion per year as a portion paid to Outside Directors)	June 24, 2022
Variable remuneration (Single year)	(2) Performance-linked bonuses Determined based on consolidated net profit, and each individual payment amount is determined in relation to the position points for the Director.	¥3.0 billion per year as total bonuses paid to all Directors * Not paid to Outside Directors	
Variable remuneration (Medium to long term)	(3) Share price-linked bonuses Calculated based on the increase in ITOCHU's stock price for two consecutive fiscal years and relative growth rate of ITOCHU's stock price compared to TOPIX.		
	(4) Performance-linked stock remuneration (Non-monetary remuneration) Number of shares delivered as remuneration is determined based on consolidated net profit and in relation to the position of the Director.* *1 Under the previous system, the number of shares delivered was calculated by dividing the remuneration amount that is calculated based on consolidated net profit and position points by the average acquisition stock price of the trust. Under the current system, the number of shares delivered is calculated directly, without reference to the stock remuneration amount.	The amounts below are limits for two fiscal years, for Directors, Senior Operating Officers, and Executive Officers. • Limit on contribution to trust by ITOCHU: ¥5.0 billion • Total number of points granted to eligible person: 0.6 million points (conversion at 1 point = 1 share) * Not paid to Outside Directors	June 21, 2024

Details of the Remuneration Paid to Directors and Audit & Supervisory Board Members of the Company in FYE 2024

(Rounded to the nearest million yen)

Type	Number of People	Total Amount of Remuneration (Millions of yen)	Details (Millions of yen)				
			Monthly Remuneration	Performance-Linked Remuneration			
				Performance-Linked Bonuses	Share Price-Linked Bonuses	Stock Remuneration	
Directors	Inside	6	3,579	633	1,966	512	469
	Outside	5	81	81	—	—	—
	Total	11	3,661	714	1,966	512	469
Audit & Supervisory Board Members	Inside	2	100	100	—	—	—
	Outside	5	61	61	—	—	—
	Total	7	160	160	—	—	—

Calculation Formula for (2) Performance-Linked Bonuses

Total Amount Paid to All Directors

Total amount paid to all Directors
= (A + B + C) x Sum of position points for all the eligible Directors ÷ 52
A = (Of consolidated net profit for FYE 2025, the portion up to ¥200.0 billion) x 0.35%
B = (Of consolidated net profit for FYE 2025, the portion exceeding ¥200.0 billion and up to ¥300.0 billion) x 0.525%

C = (Of consolidated net profit for FYE 2025, the portion exceeding ¥300.0 billion) x 0.35%
The total amount paid shall be the sum of A, B, and C, which shall be adjusted with due regard to the increase / decrease in the number of eligible Directors, the change in position, and other factors.

Amount Paid to an Individual Director

Amount paid to an individual Director = Total amount paid to all Directors x Position points ÷ Sum of position points for all the eligible Directors.
Amount paid to an individual Director is determined by dividing total amount paid to all Directors based on points assigned by position shown below:

Chairman	President	Executive Vice President	Senior Managing Executive Officers	Managing Executive Officers	Executive Officers
10	7.5	5	4	3	2.2

The maximum amount paid to an individual Director is separately determined.

Of the amount paid to an individual Director, 80%*2 is linked to a rate determined based on the plan achievement rate of the assigned division / department and a comparison of the performance of the assigned division / department during the Director's tenure with its performance in the fiscal year before the assignment.

*2 Formula for 80% of the amount paid to an individual Director:
(Total base amount paid to all Directors x Position point / Sum of position points for all the eligible Directors) x 80% x (Rate determined based on plan achievement rate of the consolidated net profit of the assigned division / department*3 x 70% + rate determined based on a comparison of the

performance of the assigned division / department during the Director's tenure with its performance in the fiscal year before the assignment*4 x 30%)
*3 Rate determined based on plan achievement rate of the consolidated net profit of the assigned division / department:
100% + (Plan achievement rate of the consolidated net profit target for the assigned division / department - 100%) x 2 (if negative, it will be 0%. Maximum will be 200%.)
*4 Rate determined based on a comparison of the performance of the assigned division / department during the Director's tenure with its performance in the fiscal year before the assignment:
100% + (Consolidated net profit of the assigned division / department in FYE 2025 / (Consolidated net profit of the assigned division / department in the previous fiscal year - 100%) x 2 (if negative, it will be 0%. The maximum will be 200%.) However, for Directors who were already serving in positions with assigned divisions / departments as of June 13, 2023, which was the date of the system revision, the consolidated net profit of the assigned division / department in the previous fiscal year shall be read as the consolidated net profit of the assigned division / department in FYE 2024.

* Among the Company's Directors in FYE 2025, a Director has been assigned the Machinery Company as the division / department whose business performance evaluation is reflected. The plan value for the consolidated net profit of the Machinery Company in FYE 2025 is ¥130.0 billion (announced on May 8, 2024). For a Director with respect to whom the performance of the assigned division / department is not measurable, the rate determined based on the plan achievement rate of the consolidated net profit of the assigned division / department and the rate determined based on a comparison of the performance of the assigned division / department during the Director's tenure with its performance in the fiscal year before the assignment shall be 100%.

Calculation Formula for (3) Share Price-Linked Bonuses

Amount Paid to an Individual Director*5 (FYE 2025)
= ((Simple average of daily closing price of ITOCHU stock from FYE 2024 to FYE 2025) - (Simple average of daily closing price of ITOCHU stock from FYE 2022 to FYE 2023)) x 1,300,000 x (Total position points*6 of FYE 2024 and FYE 2025) / (108.8 points x 2) x Relative stock price growth rate*7 - Share Price-linked Bonuses of FYE 2024

*5 Share price-linked bonus amounts are determined and paid after the Director retires (after the Executive Officer retires, in the case of taking on the position of Executive Officer after retirement of the Director). If the amount calculated based on the calculation formula is negative, the amount paid to an individual Director for the relevant year will be zero.

*6 The position points assigned to each Director are the same as those applied for calculating (2) performance-linked bonuses.

*7 Relative stock price growth rate = (Simple average of daily closing price of ITOCHU stock from FYE 2024 to FYE 2025 / Simple average of daily closing price of ITOCHU stock from FYE 2022 to FYE 2023) / (Simple average of daily TOPIX from FYE 2024 to FYE 2025 / Simple average of TOPIX from FYE 2022 to FYE 2023)

Calculation Formula for (4) Performance-Linked Stock Remuneration

Points*8 = Base points for each position*9 x Point calculation rate based on performance*10 x [(Number of months of service during Applicable Period of Payment, which is from July through to June of the following year (rounding up fractions of less than one month)) / 12] (rounding down fractions)

*8 In regard to stock remuneration during the term of office, annual points are awarded (1 point = 1 share), and after retirement stock remuneration is paid from the trust in correspondence with accumulated points.

*9 The base points for each position are as follows.

Chairman	President	Executive Vice President	Senior Managing Executive Officers	Managing Executive Officers	Executive Officers
31,900	23,900	16,000	12,800	9,600	7,000

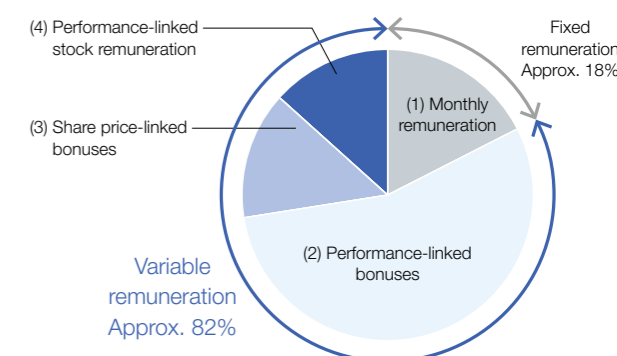
The maximum number of share delivery points is separately determined.

*10 The point calculation rate based on performance is as follows.
(Consolidated net profit for FYE 2025 - ¥300 billion) / ¥10 billion x 2%

We implement the clawback and malus provisions for the Performance-linked Stock Remuneration Plan. In the event that a Director is found to have committed major infractions of their duties or internal rules, or in the event that a Director is subject to resigns or is dismissed due to serious unlawful acts, etc. that warrant disciplinary action, including the occurrence of similar cases, the delivery, etc., of ITOCHU Shares, etc., under the Plan shall not be conducted. If the delivery, etc.

has already been conducted, ITOCHU shall be able to demand compensation from said Director of an amount, etc. obtained by multiplying the number of shares delivered under the Plan (including the number of shares converted) by the closing stock price of ITOCHU shares on the Tokyo Stock Exchange on the date on which ITOCHU provided notification of the return to said Director.

Composition Image of Remuneration for Directors (Excluding Outside Directors) (FYE 2024)



Policy on the Governance of Listed Subsidiaries and Affiliates













ITOCHU respects the autonomy of listed subsidiaries and prohibits any acts that contradict the principle of shareholder equality, in accordance with ITOCHU's Policy on the Governance of Its Listed Subsidiaries, which was announced in October 2019. Each subsidiary and ITOCHU are in a mutually beneficial relationship to enhance corporate value as business partners. With the recognition that there is a potential conflict of interest between ITOCHU and the minority shareholders of these listed subsidiaries, we ensure independent decision-making at listed subsidiaries by encouraging them to establish well-functioning governance structures that effectively utilize independent Outside Directors. Further, the Company does not conclude governance-related agreements with any listed subsidiary.

ITOCHU periodically reviews the significance of holding listed subsidiaries in light of their position in management strategies and then purchases additional shares or disposes of shares as necessary. In FYE 2021, the Company privatized FamilyMart Co., Ltd., in FYE 2023 the Company disposed of shares of CONEXIO Corporation, and in FYE 2024 the Company privatized CTC. Going forward, the Company will continue to periodically review the significance of holding listed subsidiaries and further improve Group governance systems in light of the Corporate Governance Code. In addition, the Company has investments in multiple listed affiliates. The Company gives due consideration to avoiding conflicts of interest in transactions with such affiliates.


Also, taking into consideration the actual situations of each affiliate, including capital relationships and the status of transactions, the Company implements measures in accordance with those implemented for listed subsidiaries as necessary. The significance of holding each listed subsidiary and listed affiliate from perspectives including the Group's management strategy is as follows:

Listed Subsidiaries

(As of July 1, 2024)

Company Name	Significance of Holding	Ratio of Independent Outside Directors	Advisory Committees to the Board of Directors	Ratio of Independent Outside Audit & Supervisory Board Members
	Utilizing its wide and diverse domestic customer base, ITOCHU ENEX CO., LTD. is developing new fuel sales, services to enhance logistics efficiency, and next-generation businesses, etc., in addition to existing energy business and power business. It is an important and indispensable presence for the Group in order to build a stable earnings base both in Japan and overseas. In addition, ITOCHU ENEX CO., LTD., with utilizing the Group's extensive domestic and international network, promotes initiatives in the new energy field based on the SDGs, and carries out the fuel supply businesses for the Group.	43%  (3 out of 7 directors)	<ul style="list-style-type: none"> Governance Committee Special Committee 	75%  (3 out of 4 directors)
	C.I. TAKIRON Corporation is positioned as a core enterprise in the Group's plastic resin business, due to its advanced technological capabilities and large-scale production capacity. C.I. TAKIRON Corporation utilizes the Group's extensive domestic and international network for overseas expansion of C.I. TAKIRON Corporation's film business, stable procurement of competitive raw materials, and expansion of sales of C.I. TAKIRON Corporation's various products.	43%  (3 out of 7 directors)	<ul style="list-style-type: none"> Nomination / Remuneration Committee Governance Committee 	50%  (2 out of 4 directors)
	The principal and main business of ITOCHU-SHOKUJIN Co., Ltd. is the sale and distribution of alcoholic beverages and processed foods. Based on its presence, ITOCHU secures stable contact points with various domestic retailers, and maximizes profit in the food distribution field by utilizing this sales channel. In addition, by utilizing the Group's diverse customer base and knowledge in implementing the growth strategy of ITOCHU-SHOKUJIN Co., Ltd., such as "Contribution to customers through creating sales floors which utilize digital transformation," etc., ITOCHU is contributing to the expansion and evolution of the services provided by ITOCHU-SHOKUJIN Co., Ltd.	33%  (3 out of 9 directors)	<ul style="list-style-type: none"> Governance Committee 	50%  (2 out of 4 directors)
	The principal and main business of Prima Meat Packers, Ltd. is to sell meat and processed livestock products, and it assumes the important role of selling final products in the ITOCHU Group's livestock value chain. Prima Meat Packers, Ltd. utilizes the Group's extensive domestic and international network to ensure a stable supply of high-quality imported raw materials for its core products and to jointly develop pork brands with overseas partners in the Group.	60%  (3 out of 5 directors)	<ul style="list-style-type: none"> Management Advisory Committee Sustainability Committee 	50%  (2 out of 4 directors)

*1 In August 2024, ITOCHU announced a tender offer aimed at privatizing C.I. Takiron Corporation.

 For details on policy for the governance of listed subsidiaries and affiliates, as well as cross-shareholdings, please see the Corporate Governance Report.
https://www.itochu.co.jp/en/files/CG_e.pdf

Major Listed Affiliates

(As of July 1, 2024)

Company Name	Significance of Holding
	DESCENTE LTD.'s mainstay sports apparel brands are DESCENTE, Le Coq Sportif, and Munsingwear. Because it has built a stable earnings base in one of ITOCHU's key fields, sports-related business, DESCENTE LTD. occupies an important and indispensable position for the Company. DESCENTE LTD. has solidified its position as a premium brand, especially the DESCENTE brand, and aims to maximize profit by leveraging the Company's human resources and expertise in manufacturing, as well as through support from the Company in building platforms for production, logistics, and digital transformation.
	The principal and main business of JAMCO Corporation is the manufacture of aircraft interiors. JAMCO Corporation is positioned as a core enterprise in ITOCHU's private aircraft business, which has the world's top market share for lavatories and galleys for large-scale aircraft. In some of its marketing efforts, JAMCO Corporation utilizes the Group's extensive network.
	Tokyo Century Corporation operates a wide variety of businesses, including business investment, across its five business fields, starting with its traditional field of domestic leases in Japan and going on to encompass auto mobility, specialty (including aircraft, ships, and real estate), environmental infrastructure, and international business. Tokyo Century Corporation and ITOCHU have a collaborative relationship in a wide range of fields, including information, environmental energy, and such machinery fields as automobiles, construction machinery, and aircraft. Both companies are expanding their mutual businesses in part by offering joint proposals and providing joint funding to promising candidates in new business fields.
 	Hitachi Construction Machinery Co., Ltd. is working to expand its businesses, including finance business, rental business, and used equipment sales in addition to the sale of new construction machinery. Hitachi Construction Machinery Co., Ltd. has had various kinds of business relationships in part through the joint expansion of the finance business and export trade. Hitachi Construction Machinery Co., Ltd. has an important and indispensable position as ITOCHU builds a stable earnings base in the construction machinery business. In addition, Hitachi Construction Machinery Co., Ltd. utilizes ITOCHU's extensive network and promotes collaboration in a wide range of business fields and various regions, including the United States.
	WELLNEO SUGAR Co., Ltd. is expected to further demonstrate sales synergy utilizing the ITOCHU Group's intermediate distribution and downstream network as well as the Company's overseas raw material procurement function, which is top class among general trading companies.
	FUJI OIL HOLDINGS INC. develops, manufactures, and sells food products, including those made with plant-based oils, cacao, and soybeans. FUJI OIL HOLDINGS INC. has an important position in ITOCHU's portfolio because, in the development of plant-based ingredients, it boasts unique technological capabilities accumulated since its founding, a shift to high-value-added businesses, and global operations. In addition to the joint promotion of the oil business in the United States, ITOCHU and FUJI OIL HOLDINGS INC. utilize the Group's network in the stable procurement of raw materials, sale of products, and personnel exchanges.
	BELLSYSTEM24 Holdings, Inc. assumes an important role in elevating the customer experience in ITOCHU's digital businesses. Its principal and main business is the operation of contact centers and the provision of business process outsourcing (BPO) services in the form of solutions to business issues. BELLSYSTEM24 Holdings, Inc. utilizes the Group's extensive network in such fields as AI and data analysis.
	SKY Perfect JSAT Holdings Inc. assumes an important role in strengthening space, satellite, and media-related businesses in ITOCHU's data and telecommunication field. Its principal and main business is the space business, which is centered on satellite telecommunication services, and the media business, which provides the pay TV channel SKY PerfecTV!. SKY Perfect JSAT Holdings Inc. aligns with the Group's extensive domestic and international network in the construction of new businesses in the media field, which utilizes content and solutions, and in the space and satellite field, which utilizes satellite imagery and data.
	Orient Corporation operates a wide range of businesses, including loans, credit cards, and guarantor for rent and financial settlements; is an important partner in ITOCHU's retail financing business; and utilizes the Group's network in commercialization surveys for overseas expansion. In addition, Orient Corporation works to expand its business through investment in fintech companies and is considering collaboration with ITOCHU in these efforts.

*2 In August 2024, ITOCHU announced a tender offer aimed at privatizing DESCENTE LTD.

Policy on Cross-Shareholdings

ITOCHU classifies investments other than for pure investment purposes and to consolidated companies as "Investments to non-affiliated companies." ITOCHU engages in investments to non-affiliated companies in order to create business relationships. In principle, it is the Company's policy to limit investments to non-affiliated companies to those that have a high likelihood of generating investment returns, and those with a high strategic significance including potential future subsidiaries or affiliates. This policy remains the same, regardless of whether investments are in or outside Japan, listed or unlisted. Based on this policy, we conduct an annual review of all these investments in the Management Committee to assess the economic (quantitative) rationale based on the returns on our investments and the strategic significance of each holding, considering the likelihood that our investment objectives will be realized in the future.

Investments to non-affiliated companies currently held by the Company are shares held with the expectation of the expansion of business fields, the realization of synergies, and other benefits. For example, in FYE 2024 ITOCHU entered into capital and business alliances with bridge manufacturer Oriental Shiraishi Corporation, which is expected to generate synergies with our construction and construction materials business, and with COMTURE CORPORATION, which has abundant development resources in the cloud computing field and that is expected to collaborate with CTC.