The Brand-new Deal

Integrated Report 2024

For the Fiscal Year Ended March 31, 2024

ITOCHU Corporation

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Integrated Report 2024

ITOCHU Corporation

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The spirit we have upheld as a Merchant

Founded in 1858

"Trade is a compassionate business.
It is noble when it accords with the spirit of Buddha
by profiting those who sell and those who buy
and supplying the needs of society."

Chubei Itoh I

ITOCHU Mission *Sampo-yoshi*

ITOCHU upholds the spirit of *"Sampo-yoshi"* (meaning good for the seller, good for the buyer, and good for society) as our corporate mission, based on the philosophy of our founder, Chubei Itoh I. This founding spirit has been passed down to the present day and will continue to be upheld as an enduring value into the future.


Embracing the voices of all stakeholders with a market-oriented perspective, we are moving into a new phase of management.

Toward a new phase of management.






ITOCHU

Editorial Policy

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

We have prepared Integrated Report 2024 based on the aforementioned approach, with reference to a disclosure framework for integrated reports. This year's report places particular emphasis on our strategic focus and future orientation, connectivity of information, and stakeholder relationships. Further, as in the past, while utilizing the Corporate Value Calculation Formula* as the overall concept of the report, we have integrated the contents of our Management Policy, announced in April 2024, which serves as a long-term management compass, to clarify the connection between our management strategies and initiatives toward a new phase of management, and the enhancement of our corporate value. Please explore our value creation story, which evolves with the corporate mission of "*Sampo-yoshi*," aiming for the sustainable enhancement of corporate value by balancing our financial and non-financial capital.

Environment
Social
Governance
Guidance for Collaborative Value Creation

* Corporate Value Calculation Formula

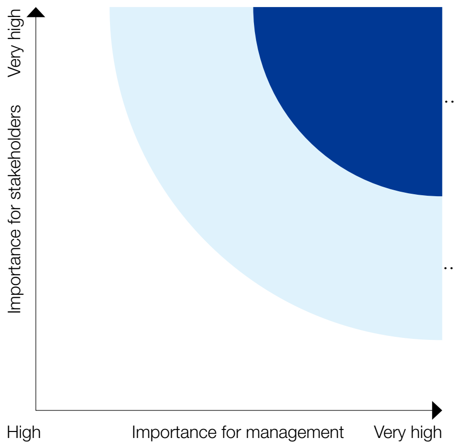
Steady Accumulation of Profits and Achievement of Targets

Enhancement of Corporate Value ↑ = **Expand Created Value** ↑ / (**Lower Cost of Capital** ↓ − **Increase Growth Rate** ↑)

Enhancement of Corporate Value: Driving Force for Sustainable Value Creation (Total capital)

Lower Cost of Capital: Initiatives and Systems Supporting Sustainable Growth

Increase Growth Rate: Steppingstones to Medium- to Long-Term Value Creation



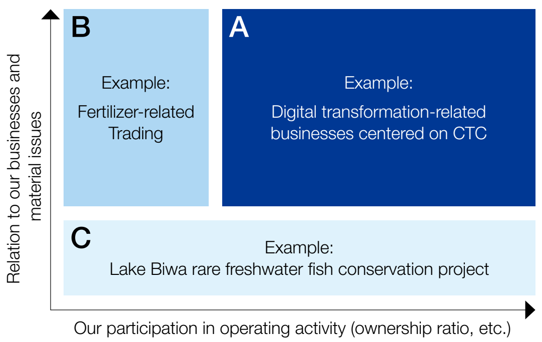
Integrated Report (this report)

[Focus points]
- Sustainability and the future of our strategy and business model
- The overall connectivity of our story
- Relationship with stakeholders

IR Website
Sustainability Website
ESG Report
Corporate Governance Report
Financial Information Report

[Focus point]
Comprehensiveness and timeliness of information

The ESG Report is available on ITOCHU's website.
https://www.itochu.co.jp/en/csr/report/



As the standard for inclusion in our Integrated Report, we have selected environmental, social, and governance (ESG)-related information from an investor's perspective based mainly on its relation to our businesses and material issues.

Contained in Integrated Report
- **A. Operating activities that are highly related to ITOCHU's businesses and material issues and that ITOCHU actively participates**
- **B. Operating activities that are highly related to ITOCHU's businesses and material issues while the participation of ITOCHU is limited**

Only Included in Sustainability Website / ESG Report
- **C. Operating activities with little relation to ITOCHU's businesses and material issues**

Publication of Integrated Report 2024

The Management Policy announced in April 2024 embodies our strong commitment to achieving sustainable enhancement of corporate value. In Integrated Report 2024, we have included key elements to enable our stakeholders, including investors and shareholders, to gain a deeper understanding of this policy. Additionally, this report focuses on clearly demonstrating the foundations of our growth strategy: the spirit of "*Sampo-yoshi*" that we have consistently upheld since our founding, the financial and non-financial capital we have accumulated over many years; the strengths we have refined as a Merchant; and ITOCHU's extensive track record built up by integrating all of these elements. I hereby affirm that the creation process and contents of Integrated Report 2024 are fair and accurate. I sincerely hope this report serves as a catalyst for meaningful dialogue with all our stakeholders. Going forward, we will continue to engage actively with all of you to sustainably enhance our corporate value.

Tsuyoshi Hachimura
Member of the Board,
Executive Vice President, CFO

Contents that address the expectations and frequently asked questions from stakeholders

Contents

Integrated Report 2024
For the Fiscal Year Ended March 31, 2024

About the Cover

Since 2011, we have executed five medium-term management plans, from Brand-new Deal 2012 to Brand-new Deal 2023. While adhering to the philosophies and management methods that have supported our growth thus far, we have evolved these elements into a unique and unparalleled Management Policy, "The Brand-new Deal." By featuring "The Brand-new Deal" Management Policy on the cover, which serves as a compass and lights our way forward, we express our strong commitment to growth.

Corporate Value = Created Value / (Cost of Capital − Growth Rate)

We outline the capital, which is the driving force behind the virtuous cycle of sustainable corporate value enhancement, and our strengths forged through history. Additionally, we explain their relationship with our material issues, the Management Policy that serves as a long-term management compass, and the financial logic behind the policy.

Corporate Value = Created Value / (Cost of Capital − Growth Rate)

To improve the credibility of our Management Policy, we believe it is important to demonstrate our results of steadily accumulating profits and achieving targets in each fiscal year. We have included the track record we have built, the factors supporting it, as well as our understanding of the external environment and countermeasures for business risks.

Corporate Value = Created Value / (Cost of Capital − Growth Rate)

We outline the strategic focuses for growth investments necessary to sustain medium- to long-term growth and the evolution of our business model. We also present specific examples that illustrate how we create business opportunities leveraging our strengths.

Corporate Value = Created Value / (Cost of Capital − Growth Rate)

We outline the key elements for reducing cost of capital, a crucial factor in sustainable corporate value enhancement. These elements include mechanisms that enhance the success rates of investments, our perspectives on sustainability promotion, initiatives concerning climate change and natural capital, unique human resource strategies, and the steadily evolving corporate governance system.

Reporting Scope and Other Items

Reporting Period: April 1, 2023 to March 31, 2024 (Certain contents include activities occurring in or after April 2024.)

Reporting Scope: ITOCHU Corporation and the ITOCHU Group

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

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

Detailed Financial Information

For detailed financial information for FYE 2024, please refer to the Financial Information Report.
https://www.itochu.co.jp/en/files/FIR2024E.pdf

Information about Sustainability

For more information on sustainability, please refer to ITOCHU's website.
https://www.itochu.co.jp/en/csr/

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

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Forward-Looking Statements

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

CEO MESSAGE

ITOCHU is advancing into a new stage. Regardless of the changes we face, we are committed to achieving growth and steadily enhancing corporate value.

Under "The Brand-new Deal" Management Policy, we will move forward into a higher phase of management by leveraging and further enhancing our accumulated strengths.

Masahiro Okafuji
Chairman & Chief Executive Officer

“Tigers’ Blood”

As a child, I vividly remember how my mother’s mood would sour whenever the professional baseball team beloved in my hometown of Osaka, the HANSHIN Tigers, lost a game. This naturally led me to begin rooting for the Tigers. In 2023, they won the Japan Series for the first time in 38 years, but my memories from those days are filled with their disappointing losses. Recently, I picked up a book about this baseball team titled, *Tora no Chi* (Tigers’ Blood), which focuses on Ichiro Kishi, the eighth manager of the Tigers. Few people are likely to know about this person. He led the team only for 33 games, less than two months. Despite having no professional baseball experience, he wrote a letter to the owner outlining his “Tigers Rebuilding Plan,” and was subsequently appointed as manager in the hope of turning around the struggling team. However, he was immediately met with resistance from all the players, and criticism from the media, ultimately leading to his resignation. The book suggests that this episode marked the beginning of several negative traditions within the team, such as players’ arrogant behaviors, conflicts between management and the working level, and internal disputes.

From this nonfiction book, we can discern principles of organizational collapse that are also applicable to corporate management. One principle is that no matter how brilliant a professional manager’s theories may be, if they lack firsthand experience and understanding of the front lines, they cannot effectively run an organization. Another principle is the importance of the quality of interpersonal relationships. Deterioration in relationships between top management and the founding family, shareholders, or retired veteran employees, mistakes in successor selection, and conflicts among executives due to clashing egos, can render an organization dysfunctional. No matter how excellent the management strategies are, there are likely many companies that have faced decline for these reasons.

Scorecard for Managers

Even when reading a single book, if you consistently maintain an awareness of management issues, you will invariably glean some valuable lessons. I make it a habit to immediately take notes whenever I notice something, from everyday events to stories I hear during business meals, to seek out hints for better management. This continuous effort to learn from everything derives from my strong desire to always enhance corporate value as one of the management personnel. For a publicly listed company, enhancing corporate value essentially means raising the stock price and growing market capitalization. While one should not be overly concerned with the daily fluctuations of the stock price, it goes without saying that it is the most important indicator that we, as a public company, must always engage with as our scorecard.

I am constantly researching the various case studies from other companies, looking for management insights. Here, I would like to introduce three examples of significant market capitalization growth. The first case is that of a megabank. Back in 1989, its market capitalization was ranked fifth among Japanese banks. By executing bold M&A with a clear strategy to complement its weak domestic and international businesses and investment banking operations, the bank has now achieved second-highest market capitalization across all industries in Japan. The second case involves a general electric manufacturer, that executed a selection and concentration strategy to reform its business portfolios aiming to eliminate the conglomerate discount and significantly increase its market capitalization. The third case is of an industry peer that made a significant impact on the market through aggressive shareholder returns, such as large-scale share buybacks and substantial dividend increases, as well as the stock split. These cases were shared and deeply discussed at our internal Management Meeting. I believe it is important to integrate these case studies to formulate our own strategies, taking into account the business characteristics of the general trading company industry and our inherent uniqueness.

The stock prices of general trading companies have significantly risen since Berkshire Hathaway Inc.’s acquisition of shares in the five major general trading companies in 2020, with each company taking turns in the spotlight. In FYE 2024, ITOCHU’s stock price benefited from the announcement of additional purchases by Berkshire Hathaway Inc. in June 2023, repeatedly hitting record highs. As a result, it outperformed the market average for the year, achieving an increase of around 50%. However, when compared to our peers, although our stock price has risen nearly tenfold since FYE 2011, an impressive feat that outshines others, we have unfortunately underperformed over the past year. This situation has caused me to feel a strong sense of urgency.

Our Long-Term Compass—Management Policy and Profit Opportunities Are Shifting Downstream

On April 3, 2024, approximately one month earlier than the usual May announcement of our management plan, we announced our Management Policy, “The Brand-new Deal,” which serves as a long-term management compass. Since the beginning of the year, ITOCHU’s stock price had significantly risen, hitting record highs five times. However, as other general trading companies began to catch up and raise their stock prices in February, our stock price was relatively stagnant. This prompted us to swiftly communicate our perspective to the market and our employees. Amid the increasingly complex international political and economic landscape, the volatility of the business environment has reached unprecedented levels. How many could have predicted the yen depreciation to nearly ¥160 to the U.S. dollar? In such unpredictable circumstances, I have always questioned the value of dedicating huge amounts of time and effort to formulating three- or five-year medium-term management plans based on assumptions that may need to be revised. I believe that what shareholders and investors are seeking is simply for us to consistently improve our performance and enhance shareholder returns, under any business environment.

In “The Brand-new Deal,” we set out three major pillars: Grow earnings, Enhancement of corporate brand value, and Shareholder returns. The phrase “we aim to achieve sustainable enhancement in corporate value” encapsulates the essence of “The Brand-new Deal.” (▶Page 28 Management Policy ▶Page 30 CFO Message)

It is extremely important to address the stock market with a market-oriented perspective. From the day of the announcement of our new Management Policy, our stock price rose significantly, hitting a record high, and in June 2024, our market capitalization reached over ¥12 trillion. This, we believe, is a testament to the market’s renewed appreciation of our commitment to continuous growth.

There is a Group company called ROYNE CO., LTD., founded in 1916, which primarily deals in underwear. Among our approximately 260 Group companies, only four were founded over 100 years ago, and ROYNE CO., LTD. is one of them. It is an old business handling a mature product like underwear, and with its profit level being only around ¥100 million back then, there was a time when we seriously considered whether we should shut it down. However, in 2018, the company developed and launched a functional underwear using fabric embedded with deodorant agents, which quickly gained consumer support and became a bestseller in mass retail stores. As a result, the company’s profit soared to ¥600 million. Although the company faced challenges due to significant yen depreciation and soaring raw material costs, it successfully rebranded by renewing the original product name, which was the same for both men and women, to new names that appealed specifically to each gender. Particularly for women, the product name was changed to something more approachable rather than directly emphasizing the deodorizing effect. By launching the product at a new price that absorbed the increased costs, the product once again gained consumer support and has now grown to a profit level over ¥1.2 billion. This is a prime example of how, even in the textile industry, which is often regarded as a mature industry, profits can be expanded through slight innovations with a market-oriented perspective.

In today’s market, where consumers hold the reins, a “product-out” approach can be fatal. The key to business success always lies downstream. ITOCHU must seriously change its perspectives and approaches. We have once again placed “Profit opportunities are shifting downstream” at the center of our Management Policy. By thoroughly adopting a market-oriented perspective and making growth investments that are generated from our strength downstream, we aim to further accelerate our transformation into a business model that generates high added value. (▶Page 14 COO Message)

No Growth without Investments

When climbing a mountain, it can be discouraging to look at the summit right from the start. Instead, by focusing on each step and climbing steadily, only occasionally looking up to see your progress, and then concentrating on your steps again, you can reach the summit without losing motivation. This is exactly the approach ITOCHU has taken from FYE 2011 to FYE 2024. We have steadily increased our profit stage, securing an earnings base from ¥300.0 billion, to ¥400.0 billion, ¥500.0 billion, and then to ¥800.0 billion in FYE 2024. This steady growth and our unwavering commitment-based management must continue in the future.

From FYE 2011 to FYE 2024, ITOCHU has achieved profit growth with a compound annual growth rate of 13%. In the single-year management plan for FYE 2025, we set a target of a 10% increase in profits, aiming for a record-high consolidated net profit of ¥880.0 billion. To achieve this, the principle of “No growth without investments” is critical, highlighting the necessity of growth investments. To demonstrate our commitment to growth through investment, in the FYE 2025 management plan we outlined our plan to invest up to ¥1 trillion, the largest for a single fiscal year.

We remain committed to not boldly investing in unfamiliar areas. However, as seen in cases such as CTC and our North American construction materials business, both ITOCHU and its Group companies are steadily expanding our business domains. Many fields that were previously beyond our reach are now within neighboring areas, not too far off. This is similar to how, as a person grows, we can reach areas we couldn't before. What we grasp in these new areas can lead to new opportunities. In addition, our growth investments are not limited to downstream areas. As long as the investment starts from a market-oriented perspective, we are also willing to invest actively in upstream and midstream areas. Given the increasing scale of our profits, it goes without saying that we must carefully evaluate investments to avoid significant losses. It is also crucial to assess whether synergies can be expected in terms of stabilizing and expanding trade and gaining initiatives in the supply chain. FamilyMart, which is not only expanding inter-Group trade but also creating new businesses such as advertising, media, and financial services, and Hitachi Construction Machinery Co., Ltd., which strengthens the Group's profits through trade expansion and the growth of Group companies, are prime examples. Furthermore, ITOCHU aims for a higher level of growth by moving to a stage where the Group CEO Office acts as the central hub, maximizing synergies through cross-segment collaboration. (▶Page 50 CXO Interview ▶Page 55 Special Feature: Creating Businesses by Leveraging Our Strengths)

One notable example where I have great expectations in demonstrating the Group's comprehensive strengths is WECARS Co., Ltd. The first step in the transformation is to embody the principle of customers first, by sincerely engaging with customers and society, earning their trust, and becoming a company they find attractive. WECARS Co., Ltd., which boasts one of the largest used car business platforms in Japan with around 250 stores nationwide, has significant potential to leverage the Group's comprehensive strengths through a wide range of Group companies with downstream advantages. We are fully aware that rebuilding will require considerable time and effort, but we view the revitalization of this business as a social mission aligned with our corporate mission of "*Sampo-yoshi*." (▶Page 62 Rebuilding WECARS by Leveraging Our Comprehensive Capabilities)

Nurturing People

Mr. Noriyuki Inoue, Chairman Emeritus of Daikin Industries, Ltd. who retired from the position of Chairman of the Board in June 2024, has grown the company into the world's No. 1 air conditioning manufacturer through proactive M&A efforts. I have tremendous respect for him, and have learned many valuable lessons from his management skills. Under the belief that the cumulative growth of all employees is the foundation for the company's development, he has thoroughly implemented "People-Centered Management." Based on his belief in the inherent goodness of people, that there are no significant differences in individual abilities and that every employee has potential, he continuously provides opportunities and challenges, believing that growth curves vary for each person and waiting for results to emerge. This explains how Daikin Industries, Ltd. has a low employee turnover rate of around 3%, compared to the Japanese manufacturing industry's average of around 10%. I am deeply impressed by his courage and patience in his management style of "waiting for growth."

In April 2024, ITOCHU introduced a new policy for appointing Executive Officers. The key points of this system include expanding the management talent pool, promoting rejuvenation of Executive Officers and providing opportunities to employees, and accelerating women's advancement. In particular, based on the proposals from the Women's Advancement Committee, which is chaired by an Outside Director, we have established a new framework aimed at providing female employees with opportunities to gain management experience and involvement as Executive Officers. As a result, five new female Executive Officers have been appointed. ITOCHU is committed to continuously providing opportunities and challenges to our diverse range of capable employees and occasionally "waiting for growth," to foster an environment which nurtures more talented individuals. This philosophy applies not only to executives but also to all employees. We will continue executing reforms to achieve this goal. (▶Page 78 Human Resource Strategy to Enhance Corporate Value)

Enhancement of Corporate Brand Value

During my business trip to Osaka, I was greeted at Haneda Airport by a female Executive Officer from the airline, who immediately remarked, "It's impressive that ITOCHU ranked No. 1 in the student employment popularity rankings among all companies!" I also heard that, in a video message at the Population Strategy Symposium, Prime Minister Kishida mentioned that our Company's initiatives, such as the establishment of a childcare center for employees and introduction of the Morning-Focused Working System, as examples that have contributed to raising the birthrate, and encouraged other companies to implement similar workplace reforms. Our initiatives have also been highly regarded in South Korea, which is eagerly promoting initiatives to address its declining birthrate. The Vice Chairman of the Presidential Committee on Ageing Society and Population Policy, which is chaired by the President of the country, visited Japan to learn about work-style reform initiatives. I am delighted that our Company's advanced initiatives are increasingly being recognized in various

qualitative aspects. These are truly moments where we can feel the spirit of "good for society" within the "*Sampo-yoshi*" corporate mission of "good for the seller, good for the buyer, and good for society."

Based on my past experience in the brand business while I was with the Textile Company, I fully understand the significance of brands. The same principle applies to corporate names. For example, the NISSIN FOODS Group has achieved numerous successes in areas far removed from its original instant noodle business, such as lactic acid beverages. This demonstrates that the name "NISSIN" on a product instills trust in consumers, which clearly reflects the value of the corporate brand. Similarly, ITOCHU has enhanced its corporate brand value through high external evaluations in qualitative aspects, such as company rankings among jobseekers. In other words, this is synonymous with enhancing our trust and creditworthiness garnered from the society. We believe that the synergy between these qualitative evaluations and our quantitative performance will lead to further enhancement of our corporate value. This is why "Enhancement of corporate brand value" is one of the pillars of our Management Policy. (▶Page 82 Outside Directors & CAO Roundtable)

Aiming to Sustainably Enhance Corporate Value

Let's return to the topic of books. *The Man from Tehran* is another book I recently read, and it provided valuable insights from a managerial perspective. It details the journey of how the once prestigious Toshiba Corporation underwent significant change. Readers may have different interpretations, but as I mentioned at the beginning, it reaffirmed to me that successful corporate management is achieved through a sense of unity. Over the past 14 years of elevating our profit stage, I have always strived to foster a sense of unity among the management team, including our Group companies. In addition, I have placed great importance on building unity and empathy with all stakeholders, including employees, shareholders, and business partners.

"I was filled with pride when a friend complimented me, saying, 'ITOCHU has really changed for the better now.' Thank you for making ITOCHU a great company." Recently, I received a letter from a former senior colleague expressing the gratitude with these words. Every time I receive words of appreciation from our esteemed predecessors and individual shareholders, or receive praise from institutional investors, I am filled with a sense of fulfillment as a manager. The joy of celebrating the growth of the ITOCHU Group together with everyone, and the desire to share further joy, is what motivates my corporate management. It is an utmost joy for me to see this translates into enhanced corporate value.

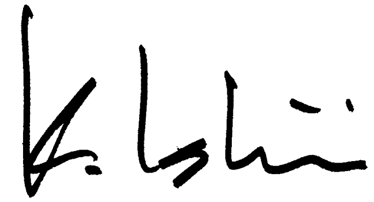
I wake up every morning just after 4:00 a.m. and arrive at the office at 5:45 a.m. After that, I convey the thoughts I had from the previous day to my secretary and give instructions to officers who arrive at around 6:30 a.m. With the desire to make ITOCHU an even better company, I devote myself to management every day. There is still much to be done to achieve this goal. As the top executive entrusted with the current ITOCHU Group, my primary duty is to demonstrate that we can continue to sustainably grow in the future. If we can achieve this, we will see a new profit level in the not-too-distant future. However, we view this as merely a milestone in our growth journey, and I will continue to drive management forward to ensure ongoing growth beyond that.

With the announcement of "The Brand-new Deal" Management Policy, I am renewing my commitment and determination to this vision.

COO MESSAGE

While sharing the joy of the front lines, we will drive the expansion of our business fields and steadily advance toward new heights.

By thoroughly embracing the basic principles of business with all employees working together, we will steadily execute growth strategies based on the initiative of "Profit opportunities are shifting downstream," as outlined in the Management Policy.



Keita Ishii
President & Chief Operating Officer

The Joy of the Front Lines

It has been three years since I assumed the role of President. With the lifting of restrictions related to the COVID-19 pandemic, I was finally able to travel around to various front lines in FYE 2024. While appreciating the simple yet precious experience of face-to-face interactions with colleagues, I met with employees stationed overseas and Group company members in person, enabling them to understand my character, and sharing with them the direction our Group is heading. Although I receive a variety of information every day, I still believe that it is crucial to see and experience firsthand what is happening at the front lines.

During my visits to overseas sites, I was delighted to witness some very encouraging scenes. At ITOCHU, even junior employees who have only been with us for a few years are sent out to various frontline assignments, including secondments to overseas Group companies. At one of our Group companies in the United States, I saw a junior employee working energetically alongside local staff, fully engaged in the role. Given the limited personnel at each site, this junior employee was assigned substantial role within the team and worked with a strong sense of mission, full of energy and determination to meet expectations. The younger generation, often referred to as Generation Z, is sometimes labeled as indifferent or only willing to do what is within their bounds. However, regardless of generation, when people are given responsible roles and feel that they are contributing to their team or organization, they find fulfillment and work hard. This is the joy of the front lines unique to a general trading company, and it reinforced my belief in nurturing Merchants through accumulated frontline experiences. It also reminded me of my own early days, running around on the front lines with the same enthusiasm.

I joined ITOCHU in 1983, and in the Chemicals Division, I devoted myself to sales activities, experiencing the joy of the front lines through both failures and successes. I encountered many failures by misreading customer needs and making procedural mistakes. However, failure is not always a bad thing. The drive to recover from failure forces us to dive back into work with full force and teaches us the importance of having options for when things don't go as planned. In today's rapidly changing world, it is normal for things to not go as expected. Therefore, having multiple options is fundamental to doing business. Accordingly, when deliberating projects at Management Committees, I always ensure that we discuss not only based on the assumptions outlined in the presented materials, but also how we can handle unexpected circumstances and how many options have been prepared.

The Era of "Profit Opportunities Are Shifting Downstream"

The way of doing business in my early years was entirely different from today. Back then, as a general trading company acting as a sales agent for manufacturers, our role was to vigorously sell whatever products the manufacturer wanted to sell. It was truly the era of "product-out." I found great satisfaction in traveling worldwide to secure products from manufacturers, swiftly delivering market information and developing new sales channels.

But how about now? Today, we can access the same quality of information simultaneously from anywhere through the internet. If manufacturers connect directly with their buyers, they can negotiate deals without the need for a general trading company. The significance of general trading companies is diminishing, and we now need to take on greater risks to stay involved in business. Without offering new functions, networks, or solutions that address customer challenges, we cannot create or sustain business. ITOCHU's response to these changes is "Profit opportunities are shifting downstream" and the "market-oriented perspective." The driving force behind business has shifted downstream, which is closer to customers and end consumers. By leveraging our downstream business foundation that is among the most robust of any general trading company, ITOCHU will continue creating business opportunities through the market-oriented perspective, accurately capturing the needs of customers and end consumers.

There is another meaning behind "Profit opportunities are shifting downstream." It refers to our initiative of capturing business insights from a downstream perspective, and significantly expanding that domain with a downstream-driven approach. ITOCHU was founded as a textile business, but has diversified its business portfolio in all directions, centering on customer touchpoints and the closely related consumer sector, including food, finance, and retail. The prime example is FamilyMart. While FamilyMart itself strives to increase customer visits and daily sales for further growth, we leverage direct daily interaction with around 15 million customers through FamilyMart to nurture related businesses such as food distribution, packaging development, private brand (PB) development, and even the establishment of an advertisement and media business, thereby expanding profits across the entire Group. Additionally, CTC, which was privatized in 2023, is expanding the entire digital value chain from upstream to downstream, including consulting and data analysis to meet the rising digitalization needs of customers. By integrating the ITOCHU Group and our customers in various industries with the digital value chain centered on CTC, we aim to further expand these business fields. (▶Page 55 Special Feature: Creating Businesses by Leveraging Our Strengths)

Visits to a Group company in the United Kingdom

On the other hand, I also have a sense of crisis. For example, in the environment surrounding EVs, which are expected to become widely adopted going forward. Having grown up in the Chemicals Division, I realize that if someone is, for example, a sales representative for plastic raw materials and exclusively focuses on the current business of today, their business field is unlikely to expand going forward and the business itself could even disappear entirely. The needs of society and our customers are constantly changing day by day. For example, with the shift from gasoline cars to EVs, the structure of the vehicle bodies changes. In addition, because vehicle batteries are heavy, there is a need and challenge for weight reduction. Is a stronger yet lighter structural material a metal other than steel? Or is it a synthetic resin? What about adhesives and coatings used on these materials? What functions are required for EV tires? What about the lifespan and recyclability of onboard batteries? What are the application areas of EV communication functions? Identifying these questions and gathering knowledge through conversations with customers is the starting point of business. From there, by interacting and engaging in dialogue with related industries internally, such as the automotive team of the Machinery Company and the battery team of the Energy & Chemicals Company, and the Metals & Minerals Company, we may expand into a broad range of business opportunities. In today's market, such multifaceted agility has come to be highly valued, and if we fail to meet this expectation, we will not survive. Conversely, by leveraging our networks and connections as a general trading company and providing broad solutions to the various needs and challenges faced by customers, we can sustain and expand our business. This approach to business is precisely what is required in an era where "Profit opportunities are shifting downstream." This is why the subtitle of our Management Policy is "Profit opportunities are shifting downstream." (▶Page 28 Management Policy)

Decarbonization throughout the Entire Value Chain

At the 28th Conference of the Parties (COP28) to the United Nations Framework Convention on Climate Change, held from November 2023, the call was reiterated for an energy transition away from fossil fuels. Meanwhile, against the backdrop of soaring global energy prices triggered by Russia's invasion of Ukraine, countries are confronting the challenging issue of balancing decarbonization with energy security. ITOCHU is also promoting the reduction of GHG emissions in its fossil fuel projects and interests. Since FYE 2019, we have already divested three out of four thermal coal interests. For the remaining interest, we are paying close attention to the situation to ensure a flexible and agile exit, carefully considering our supply responsibilities to the relevant industry, as well as the potential sale price.

With the expansion of data utilization, including generative AI, and the explosive increase in power demand, it will be challenging in the near term to meet the demand solely by decarbonized and low-carbon energy sources, including renewable energy. These decarbonization and low-carbon projects will not be sustainable without economic viability. In particular, renewable energy initiatives will require collaboration between value chain participants, unlike resource interests businesses where only rights holders profit. In hydrogen and ammonia initiatives, it is necessary to take a comprehensive approach by securing green hydrogen, ensuring high-efficiency production and operation, developing transportation methods such as vessels, and establishing storage and distribution centers in consumption areas. For instance, involving the maritime industry, particularly operators of ammonia-fueled vessels, is also crucial. Furthermore, energy storage systems (ESS), which serve as hubs connecting unstable renewable energy sources, are areas I have long emphasized for their importance, and I am pleased to see growing interest in this field. If we can store electric power like we store water in dams, it can become an even more effective power source. The potential for business is limitless with the further deployment of household ESS, the installation of industrial ESS to meet the decarbonization needs of operators, and the construction of network for grid-scale energy storage plant connecting renewable energy with customers.

Our new Management Policy continues the basic policy of "Enhancing our contribution to and engagement with the SDGs through business activities" set forth in the previous medium-term management plan. By leveraging our networks and connections as a general trading company and involving partners from various industries, we will continue to steadily promote new SDGs-aligned businesses while pursuing economic value as well as environmental and social value. (▶Page 63 Clean-Tech Business with Swift and Steady Execution)

Reaching New Heights Together as a Group

ITOCHU's roots trace back to the Merchants of Ohmi, who traveled far and wide across Japan, understanding customer needs through dialogue and observation. They scoured the country for the best products to meet those needs, earning trust and expanding their business. This embodies the concept of a market-oriented perspective and represents ITOCHU's fundamental business principle of responding accurately to needs, as a Merchant flexible as water. There was another important principle the Merchants of Ohmi valued. Chubei Itoh I held a casual gathering called "Sukiyaki parties" six times a month, for all employees. I feel that this family-like management approach has evolved into a culture of valuing everyone involved with ITOCHU, including Group companies. For example, while many companies hold orientation ceremonies welcoming new recruits, we also host retirement ceremonies. At these semi-annual events, I, as President, hand out letters of appreciation to each employee who has loyally served the Company for many years. We seek to make these events memorable, with warm, handmade touches like reviewing photos and videos from their early and mid-career years. Another distinctive initiative is our Group Companies Management Awards Program, where we celebrate and reward Group companies that have achieved outstanding business results, sharing the joy with employees. The ratio of Group companies reporting profits is at a very high 92%, and many Group companies achieved record-high profits in FYE 2024, steadily improving their performance. I think this success is built on our unified management with Group companies, which we believe are the treasures that support the steady growth of the Group.

As for consolidated net profit in FYE 2025, which is the first year of the new Management Policy, we plan to achieve a 10% increase year on year to ¥880.0 billion. ITOCHU aims to steadily achieve the plan while striving to reach an even higher stage, and we have no time to waste. As we head for new heights, everyone, from business and administrative divisions to both young and veteran employees, as well as the Group companies, will come together to fully commit to a market-oriented perspective and generate new downstream-driven businesses. I would like to thank all our stakeholders for the support thus far and humbly request your continued support in our future endeavors.

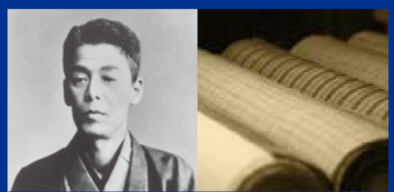
SECTION 01

DRIVING FORCE FOR SUSTAINABLE VALUE CREATION

CONTENTS

Consolidated Net Profit

Founded–



Chubei Itoh I

Focus Mainly on the Textile Sector

Chubei Itoh I commenced linen trading operations via Osaka in Senshu (now the southwestern part of Osaka Prefecture) and Kishu (now Wakayama Prefecture). From a base in Osaka we expanded business, mainly in the textile sector.

1950s–

Diversification, Including Automobiles, Petroleum, and Food

We pursued a path of diversification, and as a result non-textile areas accounted for around 40% of trading volume in 1958. In the 1960s, we expanded our business to include energy, machinery, general merchandise projects, and the iron and steel business, becoming a "¥1 trillion trading company." In 1977, we further expanded the iron and steel business through a merger with Ataka & Co., Ltd.

1980s–

Expansion in the ICT Sector

As yen appreciation became a fixture of the economy, we promoted internationalization and globalization. We moved aggressively into the ICT field and entered the satellite business.

1990s–

Set the Steppingstones for the Current Business

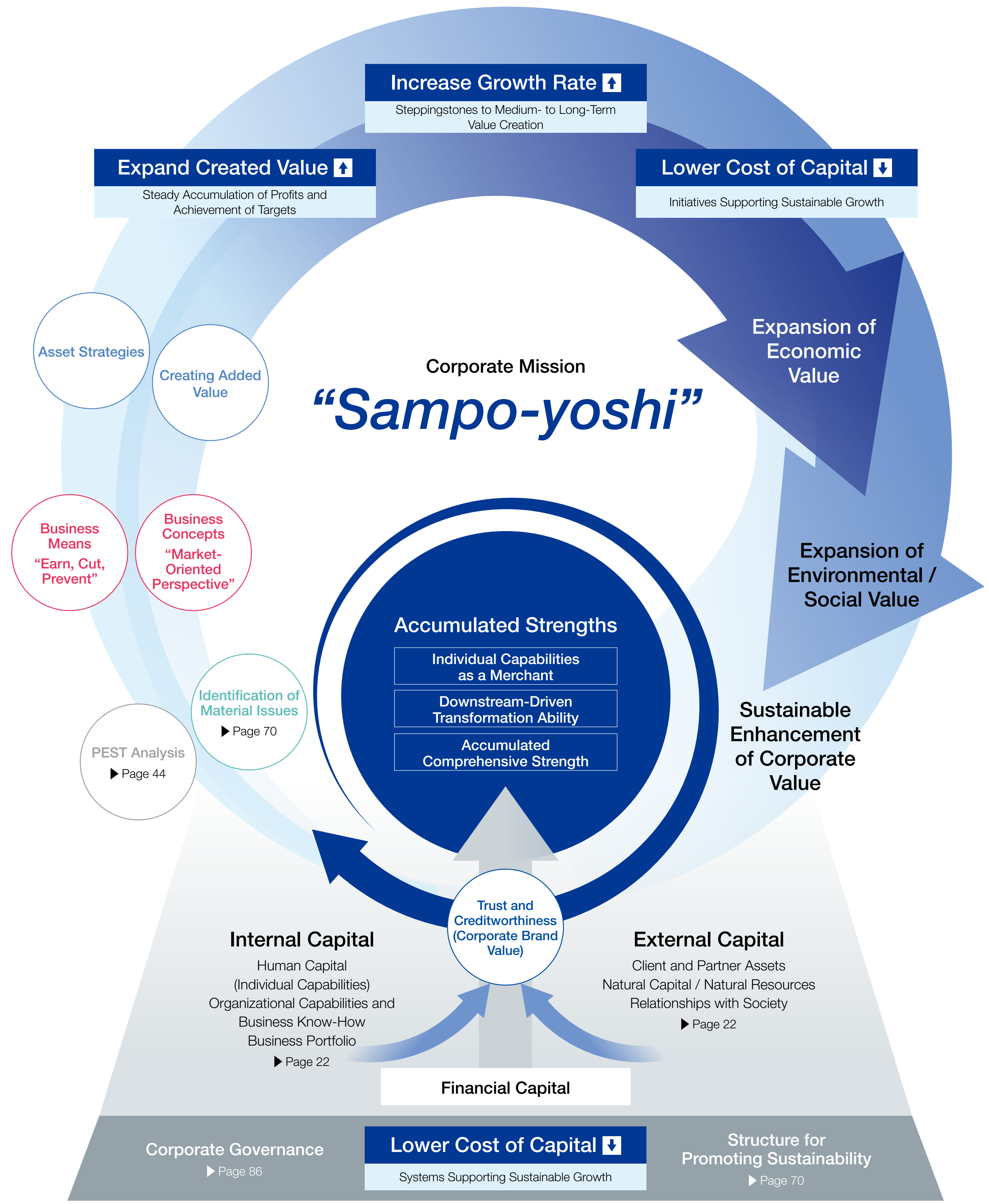
We took decisive action to dispose of low-efficiency and unprofitable assets to sweep away negative legacy assets from the bubble era. At the same time, we set in place the steppingstones for the future, such as acquiring shares in FamilyMart in 1998.

2010s–

Enhancing Comprehensive Strength through Downstream-Driven Transformation

Ahead of other general trading companies, we began focusing on the non-resource sector. We commenced a strategic business and capital alliance with CITIC and CP Group, strengthened the North American construction materials business, acquired the Dole business, increased stake in major Group companies, and privatized FamilyMart and CTC. While creating multifaceted businesses that connect for synergy through strategic investments, we have pursued downstream-driven business model transformation with a market-oriented perspective. This is exemplified by the establishment of The 8th Company and the expansion of our business fields of North American electric power business. By enhancing our comprehensive capabilities, we have built an earnings base that is resilient to economic fluctuations.

The Merchant Value Creation Cycle Centered on “*Sampo-yoshi*”



To achieve sustainable enhancement of corporate value, it is necessary to leverage our accumulated capital and strengths as driving forces to expand both our economic value and environmental / social value. Specifically, we will achieve sustainable value creation by aiming to expand created value (Steady Accumulation of Profits and Achievement of Targets), increase growth rate (Steppingstones to Medium- to Long-Term Value Creation), and lower cost of capital (Initiatives and Systems Supporting Sustainable Growth), thereby strengthening our capital and strengths, which are its driving forces, and continuing the virtuous cycle.

What is ITOCHU focusing on?

Sustaining Commitment-Based Management Centered on “*Sampo-yoshi*”

Centered on our corporate mission of “*Sampo-yoshi*,” we advance our management strategies and initiatives swiftly and flexibly through a market-oriented perspective and rigorous implementation of the “earn, cut, prevent” principles. By consistently practicing commitment-based management, we will achieve sustainable enhancement of corporate value.

Building a Track Record, Enhancing Our Trust and Creditworthiness

We will steadily accumulate profits and build a track record by continuously and soundly achieving our stated targets, thereby enhancing our trust and creditworthiness, which will lead to the sustainable enhancement of value.

Steady Accumulation of Profits and Achievement of Targets

Enhancement of Corporate Value ⬆ = **Expand Created Value** ⬆ / (**Lower Cost of Capital** ⬇ − **Increase Growth Rate** ⬆)

Enhancement of Corporate Value: Driving Force for Sustainable Value Creation (Total capital)

Lower Cost of Capital: Initiatives and Systems Supporting Sustainable Growth

Increase Growth Rate: Steppingstones to Medium- to Long-Term Value Creation

Establishing a Management Foundation to Support Sustainable Growth

By enhancing dialogue with our stakeholders and continuously refining qualitative aspects such as our unique human resource strategy and corporate governance, we will achieve sustainable enhancement of corporate value.

No Growth without Investments

To sustain medium- to long-term growth, we will accelerate downstream-driven growth investments, leveraging our stable business foundation, and strive for further growth through the expansion of business areas and strengthening and expanding the business foundation.

Business Concepts “Market-Oriented Perspective”

Creating businesses by understanding diverse needs, adapting to changes, and providing high added value.

Business Means “Earn, Cut, Prevent”

“Earn”: Conduct business aligning with changes in the world and customer needs

“Cut”: Reduce expenses that are not cost-effective and cut down on unnecessary meetings and documents, etc., ensuring proper expense control

“Prevent”: Prevent outflows due to losses on receivables and impairment losses

Creating Added Value

By leveraging our unique ability as a general trading company to act as a coordinator, upgrade business management, and create synergies, we continuously create added value from customers’ point of views, stabilize commercial rights, expand trade, and increase the overall value of businesses, including investees.

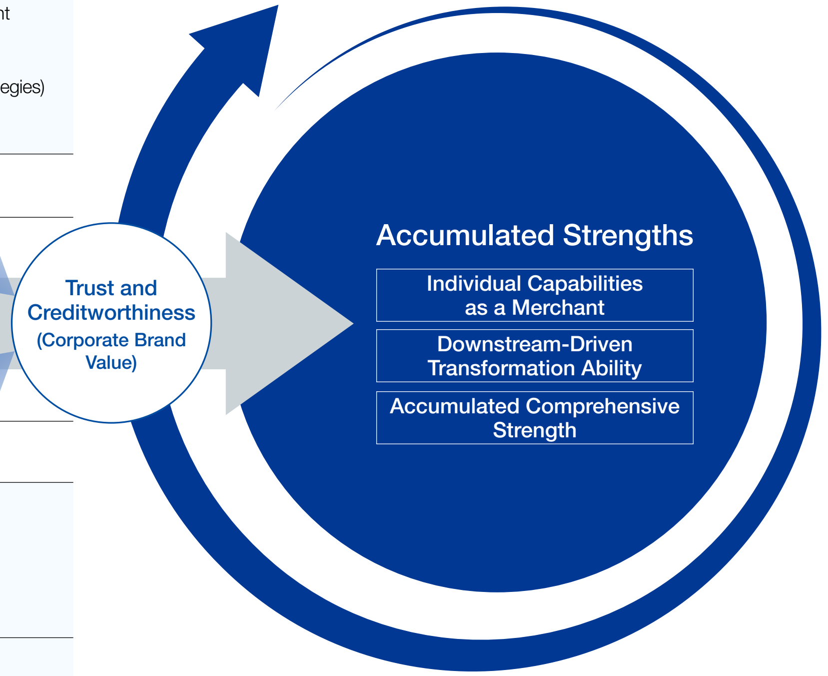
Asset Strategies

In addition to investing in areas where we have strengths, we are promoting growth investments that expand business areas and strengthen our business foundation. At the same time, we are committed to thoroughly managing risks and executing asset strategies that pursue asset efficiency, taking into account the characteristics of each segment.

Sustainable Value Creation through Accumulation of Capital and Strengthening of Trust and Creditworthiness

ITOCHU conducts its business through both trade and business investment. During our history of more than 160 years, we have steadily accumulated and evolved our internal capital through our business, such as human capital, organizational capabilities, and business know-how. Trust and creditworthiness are extremely important for the symbiosis of internal and external capital, which mutually influence each other. Moreover, we believe that trust and creditworthiness foster a favorable social reputation, which in turn enhances corporate brand value. By always remaining conscious of trust and creditworthiness in our management practices, we aim to continuously enhance corporate value through realizing growth in both economic value and environmental / social value.

		Explanation of Each Capital (Importance)	Examples of Strengthening Measures	Examples of KPI and Monitoring Indicators
Internal Capital	Human Capital (Individual Capabilities)	Aiming to be a company that is a challenging but rewarding workplace, we have made human resource strategy one of our key management strategies. By increasing labor productivity through improving employees' motivation and willingness to contribute, we are linking individual capabilities to the enhancement of corporate value. Additionally, through accumulating extensive frontline experience, we are heightening the individual capabilities as a Merchant.	• Realization of corporate mission and Guideline of Conduct • Conducting PDCA cycle based on engagement surveys • Morning-Focused Flextime System and adoption of the work from home system (for all employees) • Health management (Support for Balancing Cancer Care and Work, etc.) • Strengthening frontline capabilities, including overseas assignments and dispatches to Group companies • Establishment of the Women's Advancement Committee as an advisory committee to the Board of Directors • Enhancing diversity and expanding promotion opportunities through a new policy for appointing Executive Officers	• Company ranking among jobseekers • Engagement survey • Labor productivity of employees • Investment in human resource development • Percentage of career-track employees sent overseas training • Ratio of females among all officers (▶ Page 78 Human Resource Strategy to Enhance Corporate Value) (▶ Page 118 ESG Data)
Internal Capital	Organizational Capabilities and Business Know-How	We have established business divisions with deep insights and experience across various industries, as well as highly specialized administrative divisions. Under a quick decision-making system, both divisions collaborate closely together, effectively exercising their respective functions. Our extensive and advanced business know-how, which includes lessons learned from past failures, has accumulated into an intangible asset that is indispensable for creating new businesses.	• Creation of business by business divisions with strong frontline capabilities • Implementation of business support and control function by administrative divisions with specialized expertise • Rigorous application of the "earn, cut, prevent" principles through collaboration between business divisions and administrative divisions • Transforming business models based on a market-oriented perspective • Refining businesses through hands-on management • Rigorous focus on the Four Lessons for Investments, as well as implementation of trainings on investment failure cases and PMI* case studies	• Compound annual growth rate of consolidated net profit • Management efficiency indicators (ROE, etc.) • Ratio of Group companies reporting profits • Number of employees participating in training (Training on investment failure cases and PMI case studies) (▶ Page 38 Track Record of Profit Growth under "Brand-new Deal" Strategies) (▶ Page 66 Business Investment)
Internal Capital	Business Portfolio	Eight Division Companies operate businesses across a wide range of industries. By swiftly responding to rapid changes in business environment and diverse consumer needs, we create multifaceted, linked businesses and drive business model transformation, leading to a highly flexible, wide-ranging, and balanced business portfolio.	• Breaking down product silos and strengthening collaboration among Division Companies • Pursuit of highly efficient management (rigorously selected investments and continuous asset replacement) • Analysis of key management indicators • Practice of consistent management that elevates our entire business	• Compound annual growth rate of consolidated net profit by segment • Management efficiency indicators by segment (ROA, etc.) (▶ Page 38 Track Record of Profit Growth under "Brand-new Deal" Strategies) (▶ Page 47 Portfolio Management) (▶ Page 98 Business Portfolio)
Financial Capital		We steadily accumulate profits and maintain financial foundation based on balancing three factors: growth investments, shareholder returns, and control of interest-bearing debt.	• Reinforcement of shareholders' equity • Steady improvement in NET DER • B/S control appropriate for A credit rating • Obtained the highest credit ratings among the trading companies from all major credit rating agencies	• EPS · BPS • NET DER • Credit ratings • Shareholder returns (dividends and share buybacks) • Share price and market capitalization, TSR (▶ Page 30 CFO Message)
External Capital	Client and Partner Assets	We maintain win–win relationships with our clients and partners, which include a large number of leading companies. This is vital for acquiring and developing trade, as well as expanding business domains. Our abundant client and partner assets enable sustainable earnings growth and contribute to "*Sampo-yoshi*."	• Selection and securing of blue-chip partners • Collaboration with partners who complement functions each other • Complying with Environment, Health, and Safety (EHS) Guidelines • Building of secure and safe supply chains	• Profits from initiatives with blue-chip partners • Number of clients and partners
External Capital	Natural Capital / Natural Resources	Through our business in the non-resource and resource sectors, we meet social demand for stable procurement and supply of natural resources. At the same time, we recognize that our broad value chain both depends on and impacts the bounty of all kinds of natural capital, and we capture new business opportunities in responding to social issues outlined in the SDGs.	• Aiming for GHG emissions net zero by 2050 and offset zero by 2040 • Withdrawing completely from thermal coal interests • Enhancement of disclosures in line with TCFD and TNFD frameworks • Strengthening the sustainability management of the supply chain and business investees • Enhancing our contribution to and engagement with the SDGs through eco-friendly businesses, etc. • Expansion of opportunities for dialogue and deeper business understanding through events such as project briefings and facility tours for analysts and institutional investors • Deployment of unique information-sharing bases and tools for dissemination, including ITOCHU SDGs STUDIO and SHONIN of the Earth (corporate PR magazine)	• Renewable energy ratio • GHG emissions • Electricity consumption • Water withdrawal • Waste volume • Number of engagements with stakeholders • Number of sustainability surveys conducted • Number and percentage of employees participating in sustainability and compliance-related internal training • Number of compliance violation incidents • External evaluation by ESG rating agencies, etc., and inclusions to indices (▶ Page 63 Clean-Tech Business with Swift and Steady Execution) (▶ Page 70 Initiatives to Promote Sustainability) (▶ Page 118 ESG Data) (▶ Page 132 IR Activities)
External Capital	Relationships with Society	ITOCHU engages in continuous and constructive communication with its stakeholders to grasp and address their expectations and demands toward the Company. These efforts enable us to stably promote business activities in Japan and overseas and heighten corporate brand value, thereby further enhancing corporate value.		
		Explanation of Each Capital (Importance)	Examples of Strengthening Measures	Examples of KPI and Monitoring Indicators



* PMI: Post-Merger Integration

Individual Capabilities as a Merchant

Non-consolidated employees (People)

4,098

(FYE 2024)

Consolidated employees (People)

113,733

(FYE 2024)

The spirit of the Merchants of Ohmi, which serves as the foundation of all our endeavors, and the entrepreneurial DNA of pioneering business endeavors, has been steadily passed down through the eras until the present as individual capabilities.

Since its founding, ITOCHU did not maintain freestanding stores, but instead cultivated a spirit of creating businesses on its own. Based on this DNA of the Merchants of Ohmi and our core focus on the non-resource sector, which consists of small businesses and a large number of customers, we have cultivated individual capabilities.
The individuals, who are also referred to as “brave warriors,” have built the business by personally visiting the front lines where the customers are located. The ability of individuals to understand and respond to customers’ constantly changing needs and to create business through their own discretion on the front lines is a characteristic of the Company and the driving force for sustainable value creation.
Going forward, each ITOCHU employee—regardless of their department or job responsibilities—will enhance their marketing capabilities and continue to create added value by understanding peoples’ emotions and situations and providing them with what we believe they desire.

Downstream-Driven Transformation Ability

The Merchants of Ohmi, based in the former Ohmi Province, transported their wares on shoulder poles, peddling items nationwide. Chubei Ito I began his business by trading linen and gradually expanded into the textile sector. Over time, as customer and societal needs evolved, the Company adapted flexibly by capturing these shifts at the front lines and employing strategies such as expanding the value chain from upstream to downstream and moving into brand businesses in the Textile Company. The transformation ability driven by downstream areas such as FamilyMart, the Group’s largest consumer touchpoint, has been a driving force for sustainable growth. Going forward, we will continue to leverage our stable business foundation in the downstream areas, along with assets and expertise in the upstream and midstream areas, to create businesses with a market-oriented perspective.

Photo courtesy of Archival Museum for the Faculty of Economics at Shiga University

Compound Annual Growth Rate (CAGR) of Consolidated Net Profit

13%

(FYE 2011–FYE 2024)

ITOCHU has achieved sustainable growth by flexibly transforming the business model in response to changes in the external environment.

Virtuous cycle of strengths that interact with each other and heighten sustainability

Accumulated Comprehensive Strength

Ratio of Group companies reporting profits

92%

(FYE 2024)

Engaging in a wide range of businesses across eight Division Companies while maintaining connections with various industries, we are building a robust Group earnings base through the thorough implementation of the “earn, cut, prevent” principles.

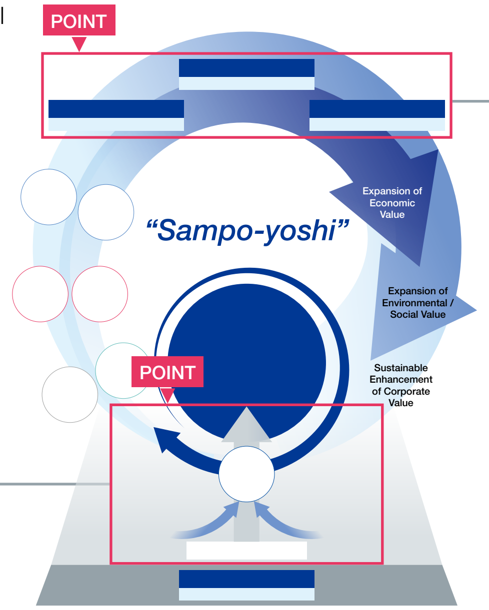
ITOCHU’s business originated with textiles. In contrast with the general trading companies associated with the former *zaibatsu* industrial groups, the Company has weaker connections to the national government and companies in heavy industry. We, therefore, inevitably built up strengths in the non-resource sector, centered on clothing, food, and housing, where we have a wealth of expertise. By accumulating strengths in the non-resource sector while continuing initiatives in the resource sector, we are strengthening an earnings base that is diversified across many fields and more resilient to economic volatility, thereby enabling the stable generation of cash flow.

Even with the growing importance of business investment, about two-thirds of our Group companies generate profits of less than ¥2 billion. However, the combined contributions from these companies enhance our overall earning power. Going forward, we aim to maximize synergies by horizontal collaboration among Division Companies. In accelerating growth investments, we will fully utilize our Group’s resources and by enabling business divisions and administrative divisions to work together as one to develop projects and set the steppingstone for sustained growth.

Eight Division Companies

Maintaining and Upgrading of Non-Financial Capital and Its Relationship to Material Issues

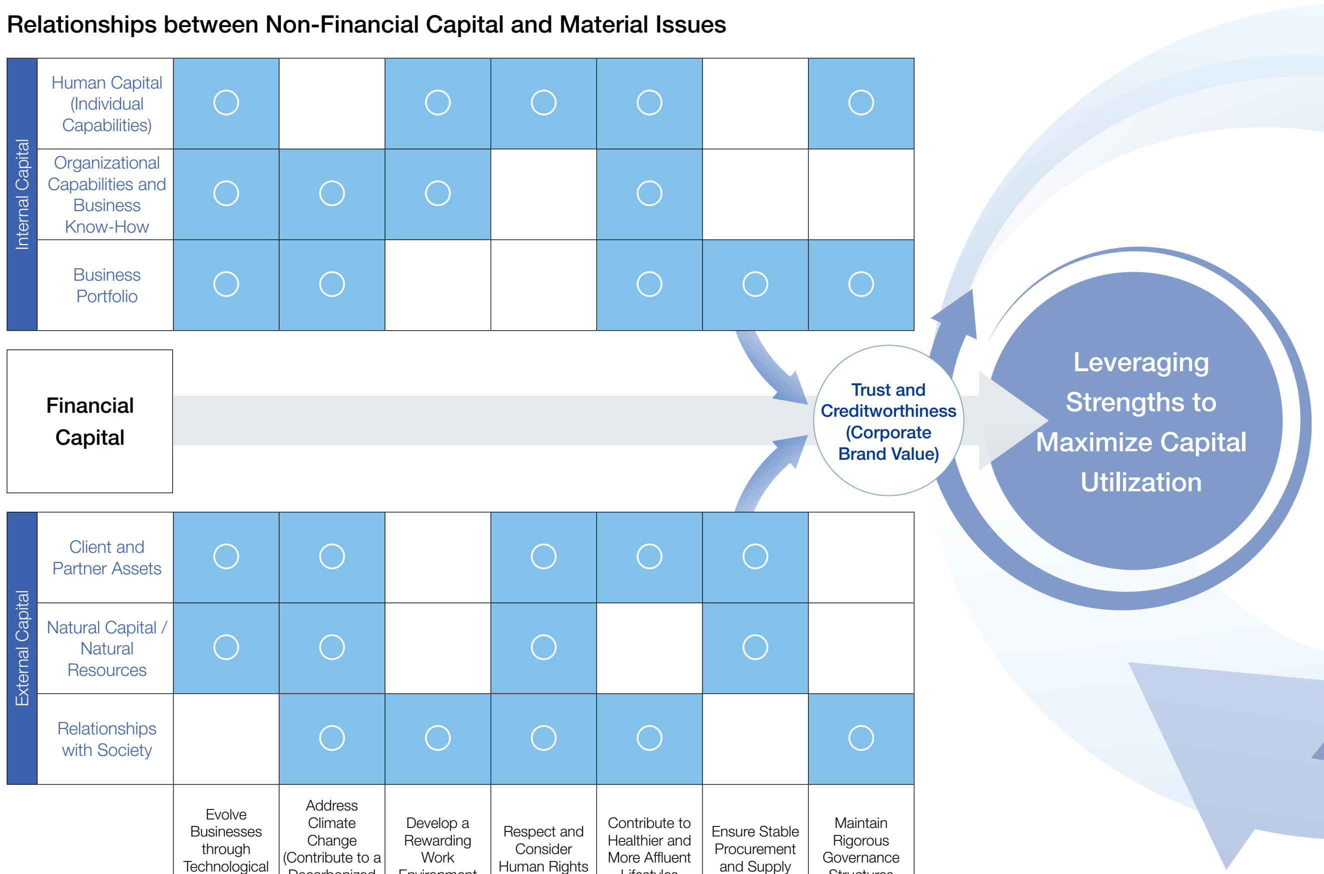
ITOCHU analyzes the magnitude of opportunities to increase its non-financial capital as well as the magnitude of risks with the potential to damage such capital. Based on its findings, the Company identifies as its material issues those social issues that require prioritized and proactive initiatives by the Company. We then set out to resolve the identified material issues through business operations. By leveraging trust and creditworthiness garnered over many years, we will maintain and further grow our non-financial capital.



Relationships between Non-Financial Capital and Material Issues

		Evolve Businesses through Technological Innovation	Address Climate Change (Contribute to a Decarbonized Society)	Develop a Rewarding Work Environment	Respect and Consider Human Rights	Contribute to Healthier and More Affluent Lifestyles	Ensure Stable Procurement and Supply	Maintain Rigorous Governance Structures
Internal Capital	Human Capital (Individual Capabilities)	○		○	○	○		○
	Organizational Capabilities and Business Know-How	○	○	○		○		
	Business Portfolio	○	○			○	○	○
External Capital	Client and Partner Assets	○	○		○	○	○	
	Natural Capital / Natural Resources	○	○		○		○	
	Relationships with Society		○	○	○	○		○

Material Issues



○ Indicates non-financial capital deemed to have particularly high relevance to material issues.
We also recognize that trust and creditworthiness are strongly related to all of our material issues.

ITOCHU's Logic Tree for Building Up Corporate Value

We aim to enhance the credibility of our commitment to achieve sustainable enhancement of corporate value by demonstrating how our growth strategies and various initiatives outlined in the Management Policy expand economic and environmental / social value, ultimately contributing to the continuous growth of corporate value.

$$\text{Enhancement of Corporate Value} \uparrow = \frac{\text{Expand Created Value} \uparrow}{\text{Lower Cost of Capital} \downarrow - \text{Increase Growth Rate} \uparrow}$$

Management Policy
The Brand-new Deal

Sustainable Enhancement of Corporate Value

Expand Economic Value and Environmental / Social Value

Expand Created Value
- Steady accumulation of profits and achievement of targets through refining our existing businesses
- Profit contribution from growth investments

Increase Growth Rate
- Improvement of business foundation stability
- Steppingstones in fields and sectors where we can demonstrate our strengths
- Building a strong financial foundation
- Expansion of the management foundation to support growth

Lower Cost of Capital
- Enhancing visibility of growth expectations
- Responding to market expectations
- Initiatives and systems supporting sustainable growth

Grow Earnings

Steady Growth of Existing Businesses (Organic growth / Turnaround)
- Creating business by understanding diversifying needs and adapting to the changes through a market-oriented perspective
- Remain keenly aware of our business fundamentals and thoroughly implement the "earn, cut, prevent" principles
- Maximizing synergies by horizontal collaboration

No Growth without Investments
Expansion of business areas and strengthening and expanding business foundation
- Business transformation and creation through business integration
- Expansion of business areas into adjacent areas

Financial Strategies / Shareholder Returns

Maintaining Financial Foundation Based on Balancing Three Factors
- Maintaining high efficiency (High ROE)
- Enhancing shareholder returns
  - Total payout ratio 40% or more
  - The higher of 30% dividend payout ratio or dividend ¥200 per share
- B/S control appropriate for A ratings

Enhancement of Corporate Brand Value

Continuously Refining Qualitative Aspects
- Reinforcement of human capital
  - Continuing to secure outstanding human resources
  - Policy for appointing Executive Officers selected based on true capabilities
  - Realizing "challenging but rewarding workplace"
- Strengthening dialogue with stakeholders
  - Addressing market demands and expectations through dialogues with investors
  - Sharing examples of implementing innovative and unique initiatives, as well as sharing experiences and knowledge gained
  - Expanding our contact points with consumers through unique channels and businesses
- Enhancing our contribution to and engagement with the SDGs through business activities
  - GHG emissions net zero by 2050 and offset zero by 2040

Since 2011, ITOCHU has formulated and implemented a total of five medium-term management plans, starting with Brand-new Deal 2012 and most recently Brand-new Deal 2023. Typically, FYE 2025 would be the time to announce a new medium-term management plan. However, considering the rapidly changing global situation, we have decided to discontinue the formulation of a three-year plan, as it could be significantly affected by factors such as exchange rates and resource prices, instead of simply following past precedents. To provide more useful information to our stakeholders, we have decided to establish a Management Policy that will serve as a long-term management compass, and announce it together with a single-year management plan, which we can confidently promise for the upcoming year.

We have titled our Management Policy "The Brand-new Deal" to signify the continuation of the fundamental principles and management methods that have supported our growth over the past decade.

The Brand-new Deal

—Profit Opportunities Are Shifting Downstream—

We aim to achieve sustainable enhancement in corporate value, by having all employees, from the business divisions to the administrative divisions, always enhancing their marketing capabilities, leveraging the assets and expertise of upstream and midstream, which we have been building up for over 160 years since our founding, while developing and evolving downstream businesses that are closer to consumers.

Grow Earnings	No growth without investments
Enhancement of Corporate Brand Value	Enhancement in qualitative aspects
Shareholder Returns	Total payout ratio 40% or more The higher of 30% dividend payout ratio or dividend ¥200 per share

Enhancement of Corporate Brand Value: Enhancement in Qualitative Aspects

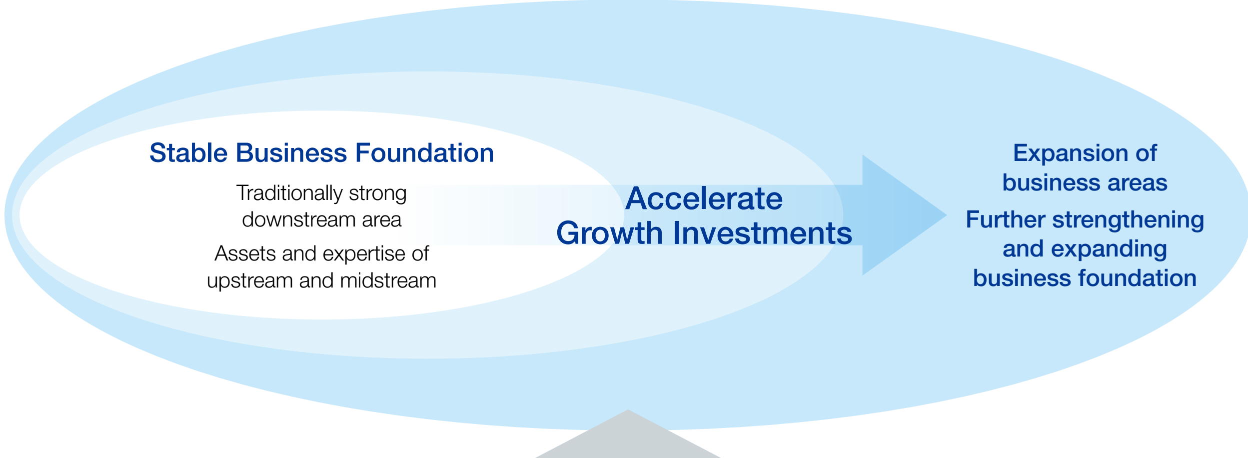
- Built a corporate brand through high external evaluations based on the accumulation of innovative initiatives, creating a synergy effect with financial growth, thereby enhancing corporate value
- Based on the market-oriented perspective, we aim to further enhance brand value by listening to the voices of the market, society, and consumers, and continuing to refine our qualitative aspects diligently

Reinforcement of Human Capital	• Continuing to secure outstanding human resources by maintaining our position as the No. 1 company selected by students • Continuously cultivating a diverse pool of management talent based on their capabilities, regardless of age or gender, through our Executive Officer appointment policy • Improving employees' willingness to contribute by realizing "challenging but rewarding workplace" and pursue further labor productivity (▶ Page 78 Human Resource Strategy to Enhance Corporate Value)
Strengthening Dialogue with Stakeholders	• Building and accumulating trust through actively incorporating insights gained from a wide range of dialogues into our management (▶ Page 5 Contents that addresses the expectations and frequently asked questions from stakeholders) • Enhancing our presence through expanding our contact points with consumers through unique channels and businesses
Enhancing Our Contribution to and Engagement with the SDGs through Business Activities	• Continuously responding to social demand by aiming to balance both sustaining the basic policies outlined in the previous medium-term management plan and promoting businesses that contribute to GHG emissions reduction (Resolving social Issues by addressing material issues) (▶ Page 70 Initiatives to Promote Sustainability)

Grow Earnings: No Growth without Investments

▶ Page 52 Our Business Model, as Seen through Business Development

- Accelerate growth investments starting from a downstream, leveraging a stable business foundation, to grow earnings
- Strive for further growth through the expansion of business areas and strengthening and expanding business foundation



Market-Oriented Perspective

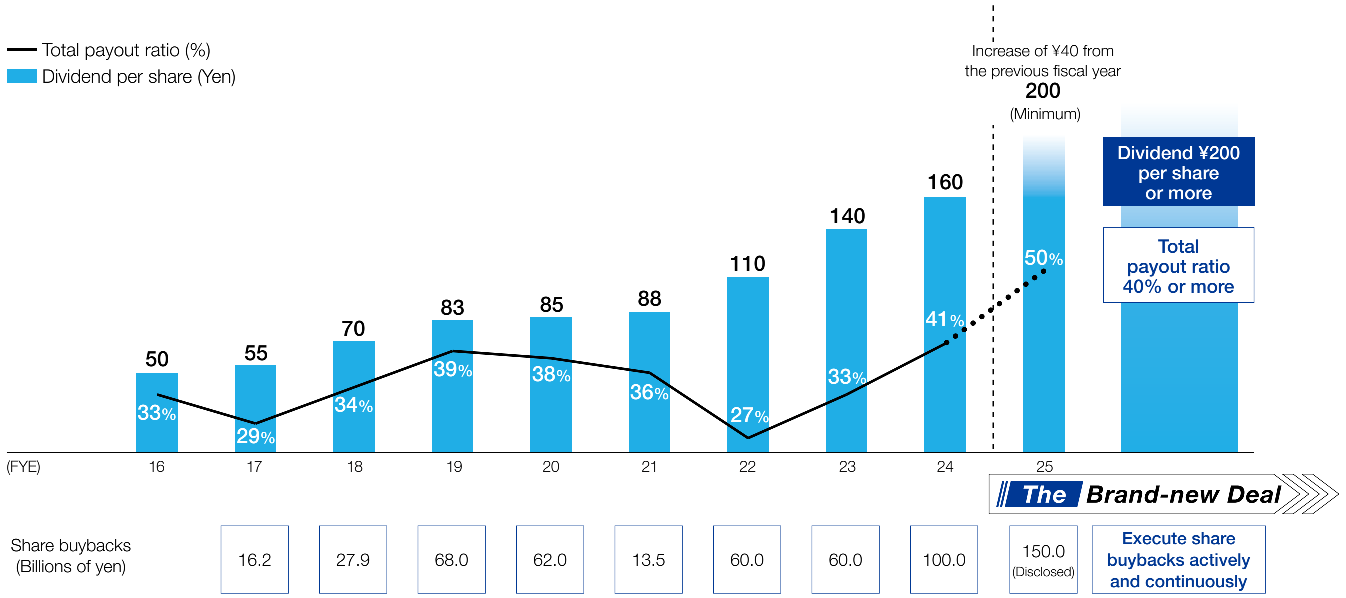
Developing and Evolving Downstream Businesses That Are Closer to Consumers

Maximizing synergies by horizontal collaboration among Division Companies
Business transformation and creation through business integration

Shareholder Return / Financial Policy

▶ Page 30 CFO Message

Shareholder Return Policy	Total Payout Ratio	40% or more
	Dividends	The higher of 30% payout ratio or dividend of ¥200 per share While based on the principle of 30% payout ratio, also consider the minimum dividend of ¥200 per share with an eye to the profit stage in the future



Financial Policy	**Maintaining financial foundation based on balancing three factors** (Growth investments, shareholder returns, and control of interest-bearing debt)

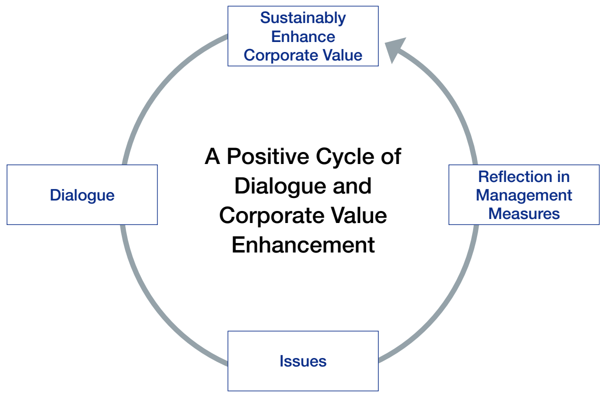
CFO MESSAGE

Tsuyoshi Hachimura
Member of the Board,
Executive Vice President, CFO

With a commitment to highly efficient management in line with global standards, and the consistent adherence to our financial policies, I will continue to support the enhancement of our corporate value under the new Management Policy.

Reflecting Dialogue with the Market into the Management Policy that Now Serves as Our New Management Framework

As the head of investor relations, one of my key responsibilities is to engage in various discussions with institutional investors and analysts all over the world, including Berkshire Hathaway Inc. Entering my tenth year as CFO, these candid exchanges of opinions based on the trust built with our long-term shareholders provide invaluable insights. In anticipation of starting a new medium-term management plan from FYE 2025, I have particularly focused the dialogue on the future direction of ITOCHU. During these discussions, I have come to understand that the market is highly interested in two key aspects: "growth" (the future growth of ITOCHU and its achievable profit levels) and "highly efficient management" (the targeted ROE levels, balancing growth and shareholder returns). Both are crucial points for realizing the sustainable enhancement of corporate value. I have brought these opinions back to the management team and shaped the direction to ensure they are thoroughly discussed in our management meetings. The outcome of these discussions is the long-term Management Policy we announced this April. This is the culmination of the series of "Brand-new Deal" strategies (medium-term management plans) started from FYE 2012, and simultaneously embodies a new growth strategy aimed at achieving sustainable enhancement of corporate value. (▶ Page 28 Management Policy)



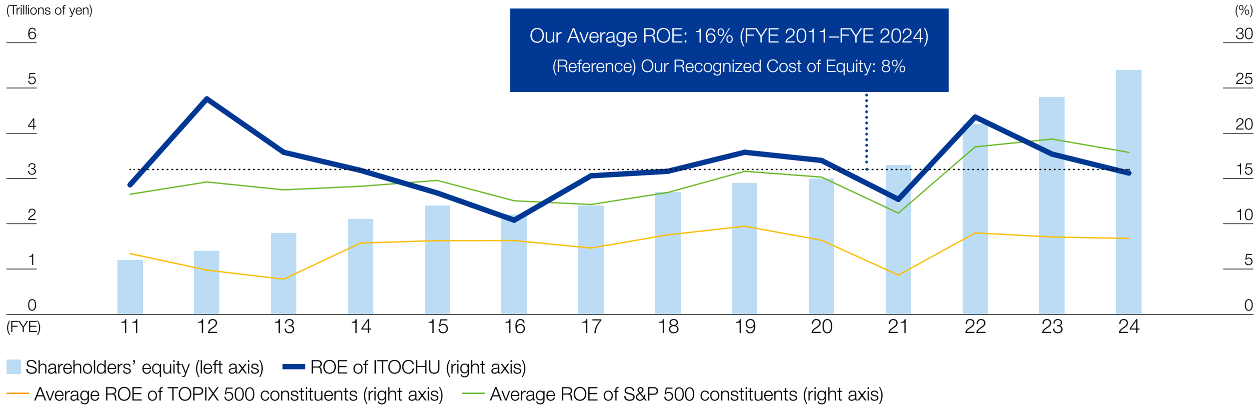
Reflecting on the past decade and considering the key phrases that encapsulate our performance, I would summarize it from a CFO's perspective as "a proven track record of achieving growth" and the consistent practice of "highly efficient management." In formulating the new Management Policy, we have earnestly pondered and deliberated on how to maintain our steadfast commitment to high growth and high efficiency, and how we should confidently and persuasively demonstrate this based on our past track record.

Our Commitment to Profit Growth and ROE Enhancement

Under the series of "Brand-new Deal" strategies, we have achieved steady profit growth. In FYE 2011, our consolidated net profit was less than ¥200.0 billion, but we consistently elevated our profit stage, and under Brand-new Deal 2023, we established a solid stage of ¥800.0 billion. During this period, our consolidated net profit has grown at a compound annual growth rate of 13%, surpassing the economic growth rate in major countries around the world, including Japan, the United States, China, and India. As a result, our market capitalization, which was around ¥1 trillion in 2010, has reached over ¥12 trillion in June 2024. One of the factors that made this possible was certainly our steady profit growth and high growth rate. However, while the market has recognized our past growth, questions have also risen about the next profit stage and whether we can truly continue to grow from here. I strongly felt the need to provide clear answers to these questions. The answer lies in one of the pillars of our Management Policy: "Grow earnings." The top management team continues to steer the Company without wavering. Based on the track record built by this management team, we recognize the utmost importance of continuing to achieve growth with a consistent management style. In FYE 2024, although it was a slight increase, we were the only one among the five general trading companies to achieve a year-on-year profit increase and, while some others are expecting their profits to decline in FYE 2025, ITOCHU is planning nearly 10% growth in both consolidated net profit and core profit. FYE 2025 will be an important year for us to continue achieving high growth rate moving ahead. As CFO, I am committed to first firmly managing the Company at present to ensure steady profit growth, as well as securing high growth rate going forward. (▶ Page 38 Track Record of Profit Growth under "Brand-new Deal" Strategies)

Another key topic in our dialogue with the market was highly efficient management. With around 40% of our investors being overseas institutional investors, I fully understand as CFO that a minimum ROE of 15% is a threshold for being considered a viable investment under global standards, and that if we do not reach this threshold, we may not even pass the initial screening by investors. To continue receiving high evaluations from our investors, it is crucial to maintain an average ROE of 15% or higher over the medium to long term. We have achieved an average ROE of 16% over FYE 2011 to FYE 2024, which demonstrates one of our competitive advantages. The commitment to highly efficient management, specifically achieving high ROE, has been a consistent focus since I assumed the role of CFO, and I intend to continue this with unwavering conviction.

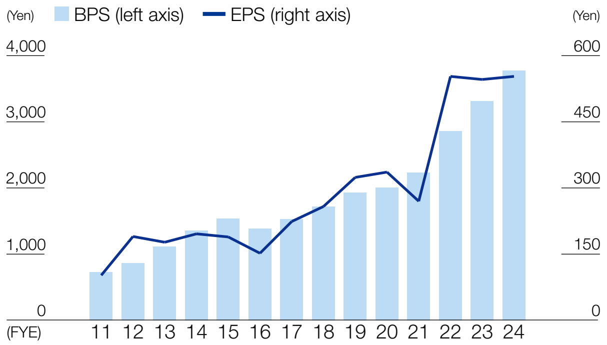
ROE and Shareholders' Equity



(Made by ITOCHU based on Bloomberg data)

Furthermore, the way we achieve the high ROE is also important. While excessive shareholder returns can improve ROE by decreasing the denominator, equity (E), this is not at all healthy from the perspective of enhancing equity, specifically expanding the risk buffer. ROE improvement should be realized through the enhancement of return (R). In this sense, sustainable profit growth is synonymous with sustainable EPS growth. Our long-standing approach of achieving high ROE management through sustained EPS growth and steady expansion of BPS remains unchanged.

EPS and BPS



In addition, having served as the chair of the ALM*1 Committee for many years, I have consistently emphasized the improvement of ROA in each business segment. Since we manage our leverage across the Company, I have continually emphasized the importance of improving ROA at the operational level as a way to enhance ROE. While ROIC management is often discussed recently, achieving high efficiency requires practical effectiveness over theoretical concepts. For individual businesses, we make management decisions based on the cost of capital. However, from the perspective of portfolio management, considering that ITOCHU, including our subsidiaries, has traditionally operated with significant operating receivables, we have consistently emphasized the importance of ROA. This awareness has steadily taken root at the operational level. Going forward, it is necessary to focus on efficiency at the operational level more than ever before. In some cases, it may be necessary to significantly overhaul the way existing businesses are conducted. In order to continue refining the Company's strengths, I, as CFO, will steadfastly maintain this commitment. (▶ Page 47 Portfolio Management)

*1 ALM: Asset Liability Management

Financial Strategies Conscious of the Matrix of Growth Rate, Shareholder Returns, and ROE

Starting this fiscal year, we have decided to stop releasing medium-term management plans and instead disclose a long-term management policy and single-year management plans. Backcasting from an extremely uncertain future does not convey the correct message to the market. Under the Management Policy, we have deliberately refrained from specifying concrete profit targets. However, I believed it would be difficult to garner the market's trust if we do not at least present specific figures for our financial strategies. Therefore, as part of our long-term policy, we have made a specific commitment regarding shareholder returns: a total payout ratio of 40% or more, and the higher of 30% dividend payout ratio or a dividend of ¥200 per share. Starting with the total payout ratio of 40% or more, if we achieve approximately 10% profit growth based on our past track record, we can realize an ROE of 15% or higher. This matrix has always been in my mind. Based on this financial logic, the Management Policy and financial strategy were formulated with a balance between profit growth and shareholder returns in mind. Given the large scale of our profits, there may be short-term fluctuations in performance. However, within the long-term management framework we have presented, we are committed to a total payout ratio of 40% or more and to achieving long-term profit growth and high growth rates, thereby maintaining a high ROE level that meets global standards. I hope you will understand this approach.

An Image of the Profit Growth Rate Required to Maintain an ROE of 15% or Higher, with a Total Payout Ratio of 40%

		Total Payout Ratio			
		60%	50%	40%	30%
ROE	13%	5%	7%	8%	9%
	14%	6%	7%	8%	10%
	15%	6%	8%	9%	11%
	16%	6%	8%	10%	11%
	17%	7%	9%	10%	12%
	18%	7%	9%	11%	13%

Firmly Balancing Three Factors

There is another key concept that I have focused on and incorporated into the Management Policy as CFO. That is maintaining our financial foundation based on a balance between three factors (growth investments, shareholder returns, and control of interest-bearing debt), which we have continuously practiced. Considering the need for further diversification of funding in a world where interest rates matter again, maintaining a high credit rating will be extremely important. To sustain our current highest credit rating among general trading companies from all major credit rating agencies, we are committed to keeping NET DER at less than 0.6 times in the FYE 2025 management plan, even while making significant growth investments.

Moreover, for the first time, we have clearly outlined our cash allocation for a single fiscal year in numerical terms. For FYE 2025, we plan to allocate core operating cash flows approximately "1:1" between growth investments and shareholder returns, with a total payout ratio aiming at 50% for the year. In addition, the carryover of core free cash flows after deducting shareholder returns during the previous medium-term management plan period, totaling around ¥700.0 billion, will be fully allocated to growth investments. Under the principle of "No growth without investments," we will proactively conduct growth investments up to a maximum of ¥1 trillion in FYE 2025. However, I want to emphasize that there will be no change to our investment discipline or internal rules related to investments. We remain committed to meticulously planning, structuring and executing investments that contribute to growth.

The financial policy we have adhered to over the years has supported the enhancement of our corporate value. I am committed to unwaveringly continue our financial and capital strategies, firmly balancing the three factors in my tenth year as CFO.

Enhancement of Corporate Value and the Role of CFO

In the long-term dividend policy mentioned earlier, the theoretically derived profit level based on "the higher of 30% dividend payout ratio or a dividend of ¥200 per share" is ¥960.0 billion. While we have not specified the timeline for achieving this, the target is set with the belief that it can be reached in the near future. The long-term Management Policy outlines a path toward sustainable corporate value enhancement, incorporating various financial logic, including growth rates, shareholder returns, and high ROE. Management requires both change and consistency, and the same applies to financial and capital strategies. My role as CFO is to diligently promote both aspects and deliver results. This commitment remains unchanged as I enter my tenth year in the position. I am determined to continue steadily realizing sustainable corporate value enhancement.

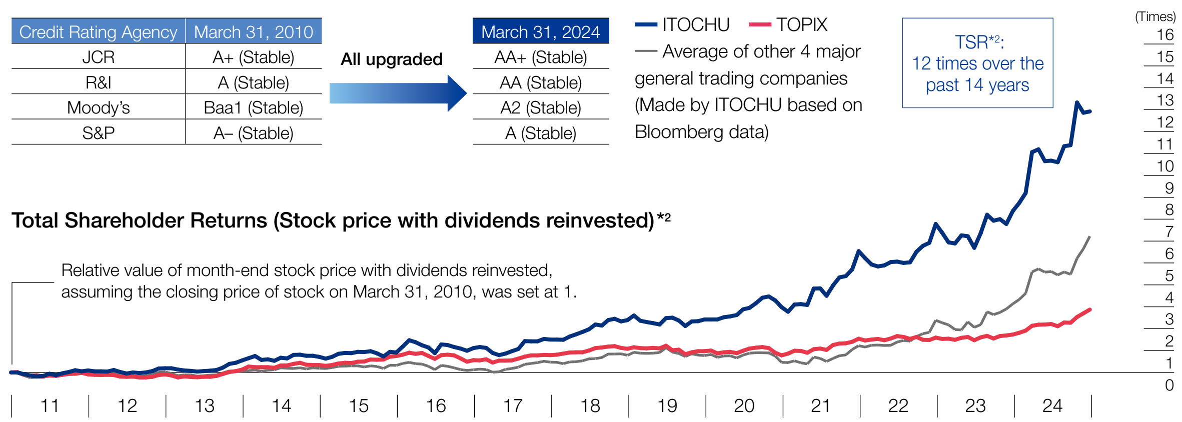
Stock Price / PER / PBR / TSR*2

Stock price: Annual average of daily trading value
PER: Daily average of (Stock price x Number of issued shares excluding treasury stock / Forecast of consolidated net profit, announced by ITOCHU)
PBR: Daily average of (Stock price x Number of issued shares excluding treasury stock / Most-recent results of shareholders' equity)

FYE 2011
Stock price ¥784
PER 7.9 times
PBR 1.1 times

FYE 2024
Stock price ¥5,656
PER 10.4 times
PBR 1.6 times

Credit Rating Agency	March 31, 2010	All upgraded	March 31, 2024
JCR	A+ (Stable)		AA+ (Stable)
R&I	A (Stable)		AA (Stable)
Moody's	Baa1 (Stable)		A2 (Stable)
S&P	A– (Stable)		A (Stable)



TSR*2 as of March 31, 2024

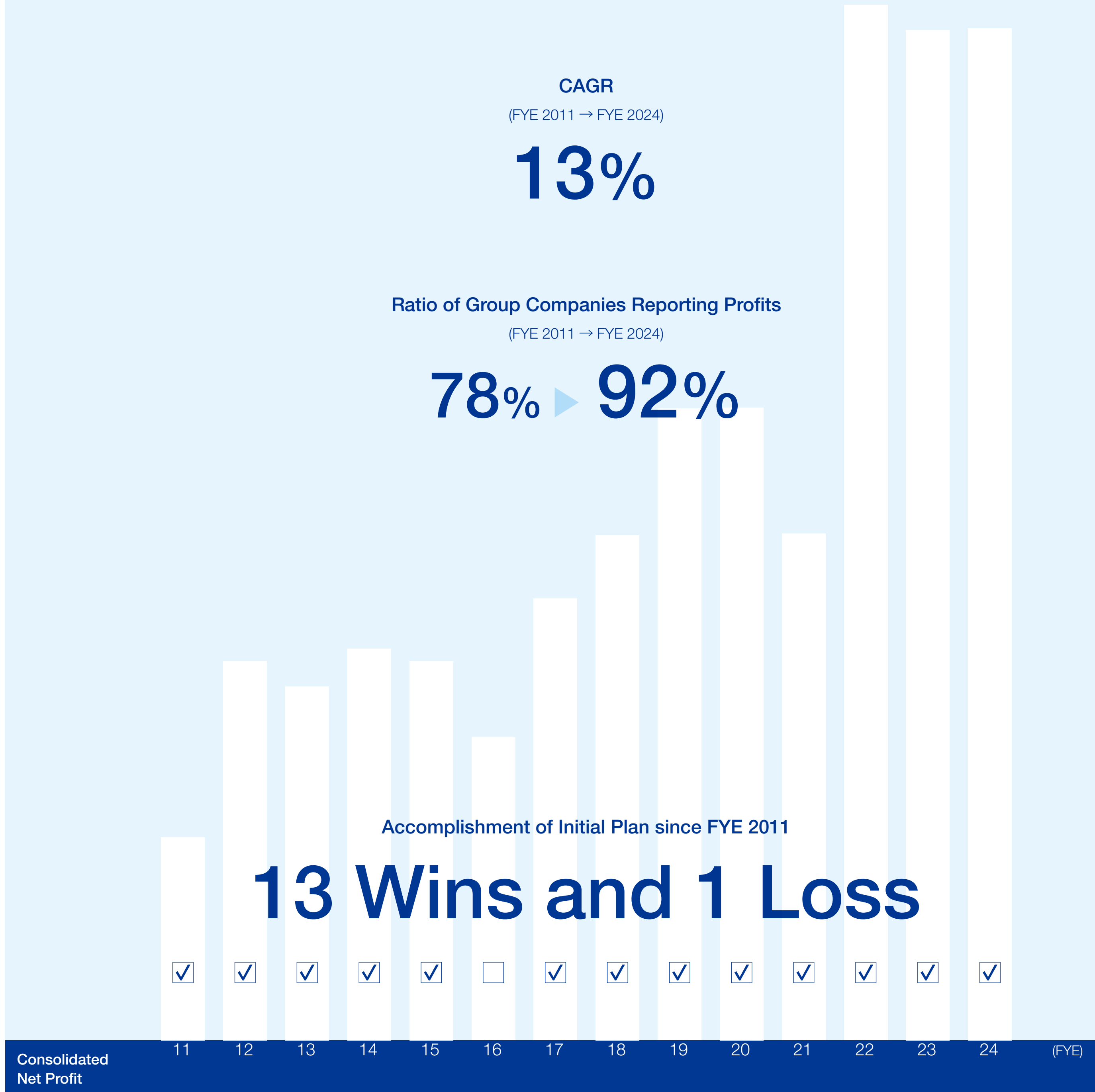
Ownership Period	1 year	2 years	3 years	4 years	5 years	10 years
ITOCHU	54.4%	66.0% (28.8%)	97.5% (25.5%)	224.9% (34.3%)	277.5% (30.4%)	653.6% (22.4%)
TOPIX	41.4%	49.5% (22.3%)	52.5% (15.1%)	117.1% (21.4%)	96.3% (14.4%)	188.6% (11.2%)
Average of other 4 major general trading companies	77.9%	117.9% (47.6%)	227.7% (48.5%)	394.3% (49.1%)	318.1% (33.1%)	520.7% (20.0%)

*2 Total Shareholder Returns (TSR): Returns on investment assuming that dividends are reinvested. The chart above shows relative value of month-end stock price with dividends reinvested, assuming the closing price of stock on March 31, 2010, was set at 1. The table above indicates returns on investment during each period of holdings preceding from March 31, 2024. (Figures in brackets are rate of returns converted to the annual average by the geometric mean.)

CAGR
(FYE 2011 → FYE 2024)
13%

Ratio of Group Companies Reporting Profits
(FYE 2011 → FYE 2024)
78% ▶ 92%

Accomplishment of Initial Plan since FYE 2011
13 Wins and 1 Loss



Since FYE 2011, we have achieved 13 wins and 1 loss in accomplishment of initial plans, steadfastly practicing a commitment-based management where we deliver on our promises. To enhance the credibility of our long-term Management Policy, we believe it is crucial to demonstrate our track record of consistently accumulating profits and achieving targets each fiscal year. In this section, we present our past track record built up and the factors underpinning it. Additionally, we explain how we steer management based on our understanding of the external environment and countermeasures for risks.

SECTION 02
EXPAND CREATED VALUE

CONTENTS

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

Enhancement of Corporate Value ⬆ = Steady Accumulation of Profits and Achievement of Targets: Expand Created Value ⬆ — Lower Cost of Capital ⬇ — Increase Growth Rate ⬆

Enhancement of Corporate Value: Driving Force for Sustainable Value Creation (Total capital)
Lower Cost of Capital: Initiatives and Systems Supporting Sustainable Growth
Increase Growth Rate: Steppingstones to Medium- to Long-Term Value Creation

Trajectory of Corporate Value Enhancement (Review of Previous Medium-Term Management Plans)

ITOCHU has steadily elevated itself by achieving the goals set forth in the series of "Brand-new Deal" strategies (management plans) that began with Brand-new Deal 2012, aiming to achieve a competitive edge over other general trading companies. Through these progressive steps, we have established a robust and diversified earnings base resilient to economic fluctuations, and a management style that meticulously refines each business through hands-on management, thereby enhancing the Group's earning power.

As we enter a new stage of management, we will further accelerate growth with a market-oriented perspective. By steadily accumulating profits in our unique way, we aim to achieve sustainable enhancement of corporate value.

Brand-new Deal 2012

(FYE 2012–2013)

"Earn, Cut, Prevent"

Basic Policies

Strengthen Our Front-Line Capabilities
Proactively Seek New Opportunities
Expand Our Scale of Operations

No. 1 in the Consumer Sector

Expanded scale through the accumulation of high-quality assets
Enhanced foundation to harness individual capabilities

- Formulated and implemented the "earn, cut, prevent" principles
- Increased earnings through aggressive new investments
- Strengthened management foundations by reinforcing corporate governance etc.

Major Investments

- Kwik-Fit (Tire retailer in the U.K.)
- Metsä Fibre (Pulp business in Finland)

Total New Investments*2: Approx. ¥970 billion

Total EXIT: Approx. ¥270 billion

Brand-new Deal 2014

(FYE 2014–2015)

"Aiming to be the No. 1 Trading Company in the Non-Resource Sector"

Basic Policies

Boost Profitability
Pursue Balanced Growth
Maintain Financial Discipline and Lean Management

No. 1 in the Non-Resource Sector

Enhanced our strengths through strategic investments in the non-resource sector

- Commenced strategic business alliance and capital participation with CITIC and CP Group
- Reformed work styles by introducing the Morning-Focused Working System etc.

Major Investments

- Dole
- Jimblebar (Iron ore project in western Australia)
- C.P. Pokphand Co. Ltd.

Total New Investments*2: Approx. ¥880 billion

Total EXIT: Approx. ¥270 billion

Brand-new Deal 2017

(FYE 2016–2018)

"Challenge"
"Engaging All Employees to Lead a New Era for the *Sogo Shosha*"
"Infinite Missions Transcending Growth"

Basic Policies

Strengthen Our Financial Position
Build Solid Earnings Base to Generate ¥400.0 Billion Level Consolidated Net Profit

Established a Robust Business Foundation in the China and Asia Markets

- Built an earnings base for consolidated net profit of ¥400.0 billion
- Received Moody's A rating for the first time in roughly 20 years
- Entrenched work-style reforms and increased the Outside Directors' ratio to at least one-third etc.

Major Investments

- CITIC

Total New Investments*2: Approx. ¥1,455 billion

Total EXIT: Approx. ¥485 billion

Brand-new Deal 2020

(FYE 2019–2020)

ITOCHU: INFINITE MISSIONS: INNOVATION
"Evolution to Next-Generation Growth Models"
+
"Medium- to Long-Term Shareholder Return Policy (October 2018)"

Basic Policies

Reinvention of Business
Smart Management
No. 1 Health Management

+

FYE 2021 Management Plan

(FYE 2021)

Single-year plan reflecting the COVID-19 pandemic

Basic Policies

Thoroughly instilling the "earn, cut, prevent" principles as the core of our business

Achieved Triple Crown

Enhanced value throughout the consumer-related value chain

- Established a foothold for consolidated net profit of ¥500.0 billion
- Established The 8th Company
- Revised the Group corporate mission
- Became the first general trading company to be included in all ESG-related investment indices adopted by the Government Pension Investment Fund (GPIF) etc.

Major Investments

- FamilyMart conversion into consolidated subsidiary, followed by privatization
- DESCENTE LTD. additional acquisition

Total New Investments*2: Approx. ¥1,820 billion

Total EXIT: Approx. ¥755 billion

Brand-new Deal 2023

(FYE 2022–2024)

Basic Policies

Realizing business transformation by shifting to a market-oriented perspective
Enhancing our contribution to and engagement with the SDGs through business activities

Downstream-driven transformation of the entire value chain with a market-oriented perspective

- Established consolidated net profit stage of ¥800.0 billion
- Upgraded by Moody's, etc.
- Established the Women's Advancement Committee and evolved unique work-style reform measures etc.

Major Investments

- Hitachi Construction Machinery Co., Ltd.
- AMMC (Iron ore project in Canada)
- CTC privatization
- DAIKEN CORPORATION privatization

Total New Investments*2: Approx. ¥1,679 billion

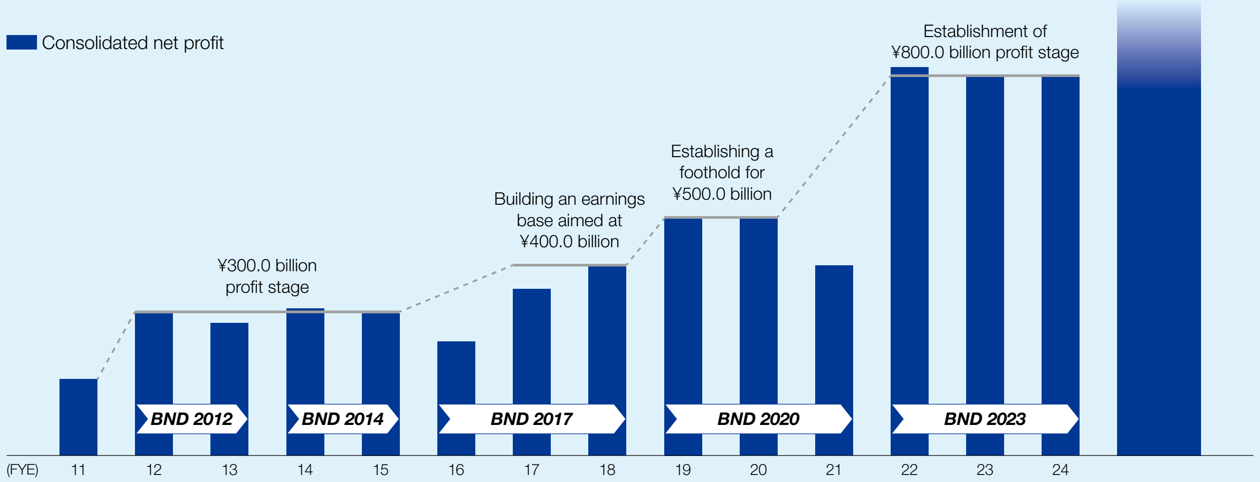
Total EXIT: Approx. ¥719 billion

External Environment Management Issues, etc.					
	Uncertain outlook due to slumping resource prices	Temporary deterioration in financial indicators due to an investment in CITIC	Concerns over obsolescence of existing businesses with the advancement of technology	COVID-19 pandemic	Uncertainty due to geopolitical risks and the diversification of consumer needs

*1 Including treasury stock *2 Payments and collections for substantive investment and capital expenditure *3 Market capitalization, stock price, and consolidated net profit

Track Record of Profit Growth under “Brand-new Deal” Strategies

Under the series of “Brand-new Deal” strategies (management plans) that started with Brand-new Deal 2012, we have achieved steady, upward growth despite various environmental changes. This profit growth has been supported by high growth rates realized in each segment and the steady accumulation of Group company profits, bolstered by a high ratio of profitable companies through the thorough implementation of the “earn, cut, prevent” principles.

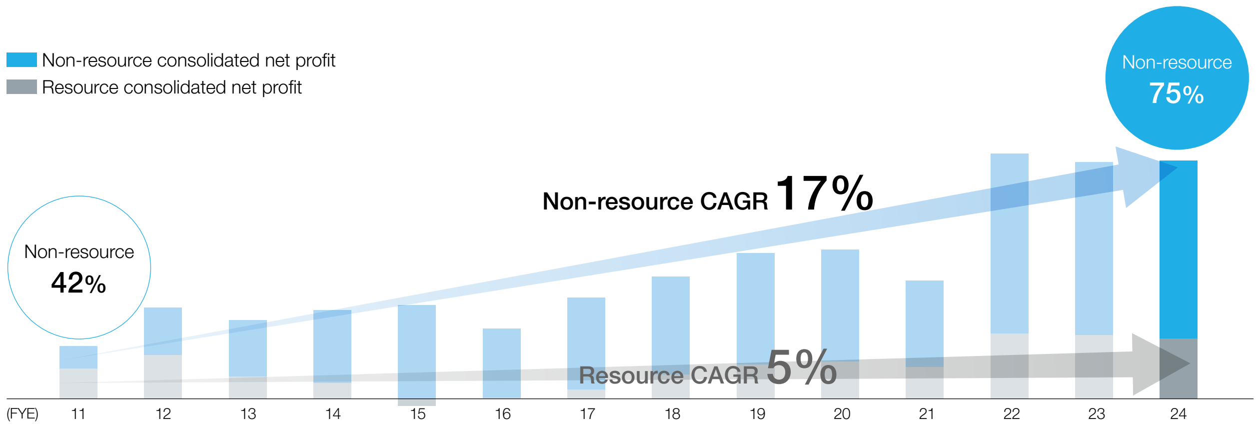


Point 1 CAGR: 13%

Rather than concentrating management resources in specific areas, we adopt a management approach that provides growth investment opportunities across all segments, while carefully turning around underperforming businesses.
By improving underperforming businesses and enhancing well-performing ones, we raise the Company’s overall average. This approach fosters a foundation for many profitable businesses to grow across all segments. The compound annual growth rate (CAGR) of our consolidated net profit from FYE 2011 to FYE 2024 is 13%. While the strong profitability in the resource sector has provided solid support, we have achieved a high CAGR of 17% in the non-resource sector, steadily building a diversified and robust earnings base with high resilience to economic fluctuations.

CAGR of Consolidated Net Profit for Each Segment (FYE 2011 to FYE 2024)

Textile 4%	Machinery 22%	Metals & Minerals 6%	Energy & Chemicals 16%
Food 10%	General Products & Realty 13%	ICT & Financial Business* 14%	The 8th 18%

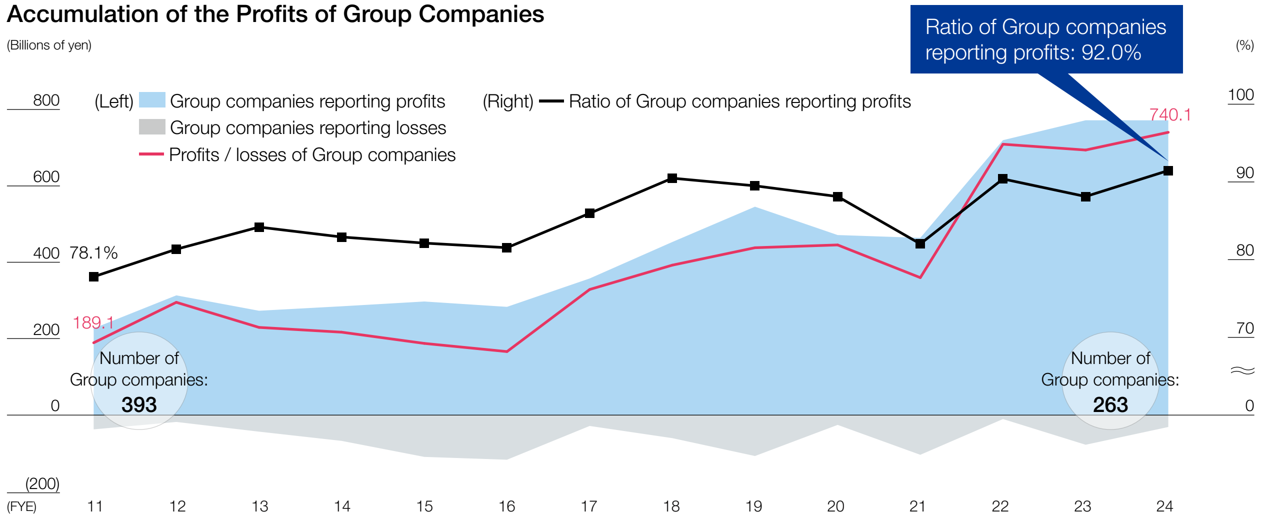


* Since FYE 2011 reported loss due to the impairment loss on Orient Corporation, etc., CAGR is shown from FYE 2012 onwards.

Point 2 Profitable Group companies: Over 90%

The profit growth of the Group is supported by the earnings base of Group companies. By thoroughly implementing hands-on management across all Group companies and strengthening monitoring from the headquarters through various reviews and effective asset replacement, we have achieved a record-high 92% ratio of Group companies reporting profits in FYE 2024. While the number of Group companies in FYE 2024 is about 70% of that in FYE 2011, the profits and losses of Group companies have reached approximately ¥740 billion, steadily realizing high Group profitability.

Accumulation of the Profits of Group Companies



The enhancement of profitability in each Group company supports the overall accumulation of Group profits. Through rigorous management efforts, including the thorough implementation of the “earn, cut, prevent” principles, each Group company has steadily achieved profit growth. As a result, the profit scale per company has expanded approximately sixfold from FYE 2011 to FYE 2024, significantly contributing to the establishment of our earnings base.

Trend of Profits / Losses from Major Group Companies

(Billions of yen)	BND 2012 FYE 2011	BND 2014 FYE 2015	BND 2017 FYE 2018	BND 2020 FYE 2021	BND 2023 FYE 2024
DESCENTE	Non-disclosed	Non-disclosed	1.4	1.6	5.3
Tokyo Century	4.0	9.1	12.5	13.5	23.4
YANASE	Non-disclosed	Non-disclosed	3.7	4.6	12.8
ITOCHU Minerals & Energy of Australia	80.1	42.3	62.3	90.6	166.9
Marubeni-Itochu Steel	6.8	12.8	9.2	8.7	40.1
ITOCHU ENEX	2.2	2.8	6.0	6.6	7.4
ITOCHU CHEMICAL FRONTIER	2.0	3.1	3.7	4.7	8.2
NIPPON ACCESS	6.5	8.6	9.8	7.1	21.0
ITOCHU LOGISTICS	0.7	1.9	2.7	3.0	6.1
DAIKEN	0.2	0.7	1.6	2.0	5.2
CTC	6.3	10.2	13.6	17.8	37.6
FamilyMart	4.0	8.1	11.8	(16.7)	41.8
Orchid Alliance Holdings	—	—	67.9	72.5	98.3

Business Results for FYE 2024 / FYE 2025 Management Plan

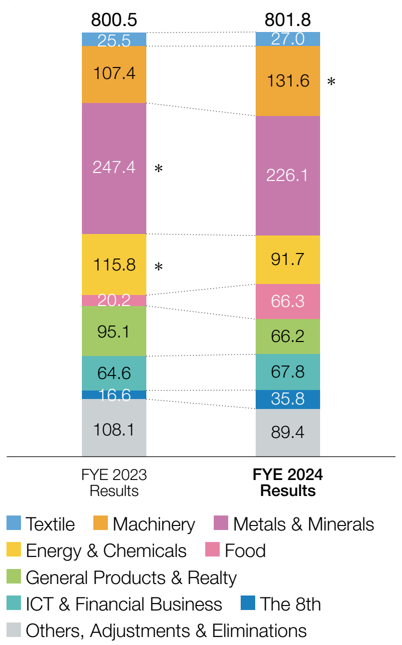
In FYE 2024, the final year of our previous medium-term management plan Brand-new Deal 2023, we established a profit stage of ¥800.0 billion in preparation for the next phase of growth. In the FYE 2025 management plan, we outline record-high investment of up to ¥1 trillion and project profit growth of approximately 10%.

Business Results

(Billions of yen)	FYE 2023 Results	FYE 2024 Results	Increase / Decrease
Consolidated net profit	800.5	801.8	+1.3
Extraordinary gains and losses	13.0	13.0	—
Core profit	Approx. 787.5	* Approx. 789.0	Approx. +1.5
Non-resource	587.8	603.5	+15.7
Resource	215.6	204.6	(11.0)
Others	(2.8)	(6.2)	(3.4)
Non-resource	73%	75%	+2%
Profits / losses of Group companies	693.7	740.1	+46.3
Ratio of Group companies reporting profits	88.6%	* 92.0%	Increased 3.5pt
EPS	¥546.10	* ¥553.00	+¥6.90

* Record high

Consolidated Net Profit by Segment



Cash Flows

Cash Flows

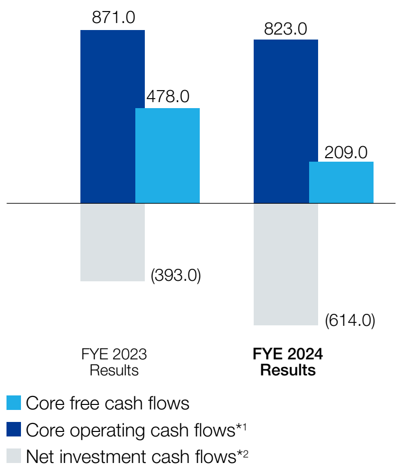
(Billions of yen)	FYE 2023 Results	FYE 2024 Results
Cash flows from operating activities	938.1	* 978.1
Cash flows from investing activities	(453.8)	(206.0)
Free cash flows	*484.3*	*772.1*
Cash flows from financing activities	(500.1)	(801.2)

Core Free Cash Flows

(Billions of yen)	FYE 2023 Results	FYE 2024 Results
Core operating cash flows*1	* 871.0	823.0
Net investment cash flows*2	(393.0)	(614.0)
Core free cash flows	478.0	209.0

*1 "Cash flows from operating activities" – "Changes in working capital" + "Repayment of lease liabilities, etc."
*2 Payments and collections for substantive investment and capital expenditure "Investment cash flows" + "Equity transactions with non-controlling interests" – "Changes in loan receivables," etc.
* Record high

Core Free Cash Flows

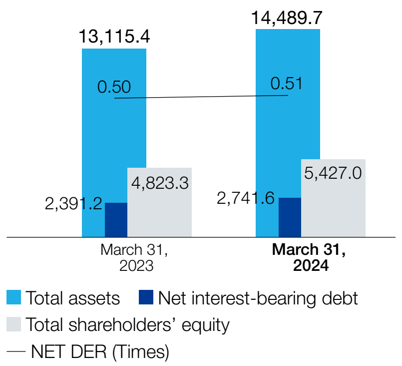


Financial Position

(Billions of yen)	March 31, 2023	March 31, 2024	Increase / Decrease
Total assets	13,115.4	* 14,489.7	+1,374.3
Net interest-bearing debt	2,391.2	2,741.6	+350.4
Total shareholders' equity	4,823.3	* 5,427.0	+603.7
Ratio of shareholders' equity to total assets	36.8%	* 37.5%	Increased 0.7pt
NET DER	* 0.50 times	0.51 times	Increased 0.01
ROE	17.7%	15.6%	Decreased 2.1pt

* Record high as of the end of the fiscal year (NET DER: Best record)

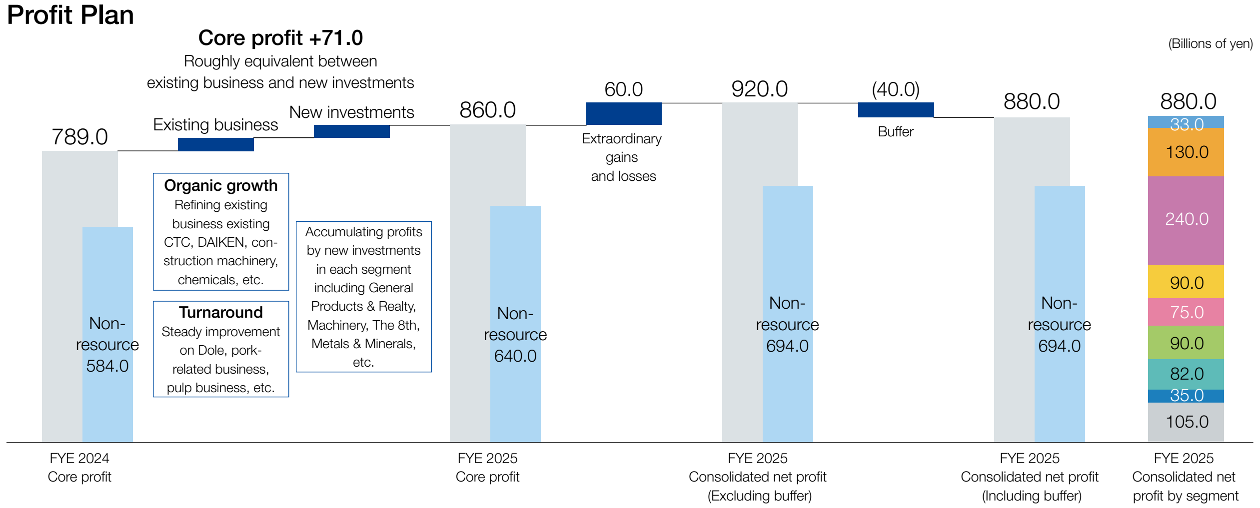
Financial Position



FYE 2025 Management Plan

Profit Plan	Shareholder Returns	Growth Investments
Consolidated net profit ¥880.0 billion ROE 16%	Total payout ratio Aiming at 50% Dividends The higher of 30% payout ratio or dividend ¥200 per share Share buybacks Approx. ¥150.0 billion	Maximum ¥1 trillion Core operating cash flows after deducting shareholder returns in FYE 2025 + Surplus capital in the previous medium-term management plan NET DER Less than 0.6 times

Profit Plan

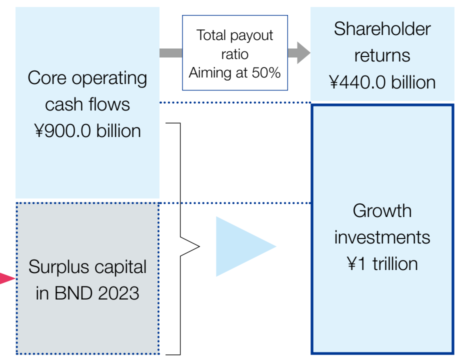


Cash Allocation / NET DER

(Billions of yen)	BND 2017 Total	BND 2020 Total*4	BND 2023 Total
Core operating cash flows*3	1,255.0	1,691.0	2,484.0
Net investment cash flows	(970.0)	(1,065.0)	(960.0)
*Proportion*5*	*77%*	*63%*	*39%*
Shareholder returns	(318.5)	(528.9)	(818.9)
*Proportion*5*	*25%*	*31%*	*33%*
Core free cash flows after deducting shareholder returns	(33.5)	+97.0	+705.0
NET DER (Times)*6	0.87	0.78	0.51

*3 "Cash flows from operating activities" – "Changes in working capital" + "Repayment of lease liabilities, etc."
*4 BND 2020 includes the FYE 2021 management plan.
*5 The proportion of core operating cash flows.
*6 NET DER are the figures of the final fiscal year.

FYE 2025 Image



Assumptions

	FYE 2023 Results	FYE 2024 Results	FYE 2025 Plan	(Reference) Sensitivities on consolidated net profit for FYE 2025
Exchange rate (Yen/US$ Average)	134.48	144.59	145	Approx. ±¥3.5 billion*7
Exchange rate (Yen/US$ Closing)	133.53	151.41	140	—
Interest rate (%) TIBOR 3M (¥)	0.07%	0.08%	0.4%	—*8
Interest rate (%) LIBOR 3M (US$)*9	3.52%	—	—	—
Interest rate (%) SOFR 3M (US$)*9	—	5.30%	5.0%	—*8
Crude oil (Brent) (US$/BBL)	95.07	82.08	80	±¥0.27 billion*10
Iron ore (CFR China) (US$/ton)	117*11	119*11	N.A.*12	±¥1.60 billion*10

*7 The impact in case the average exchange rate during FYE 2025 depreciated (increased)/appreciated (decreased) is shown.
*8 It is assumed that the increase/decrease in interest income/expense will be offset by the impact of interest rate fluctuation on the transaction prices. However, in the situation that interest rate fluctuates significantly, interest cost may have temporary impact on the Company's performance.
*9 Due to the cessation of LIBOR publication in June 2023, the US$ benchmark interest rate has been changed to Term SOFR.
*10 The above sensitivities vary according to changes in sales volume, foreign exchange rates, production cost, etc.
*11 FYE 2023 and FYE 2024 prices for iron ore are prices that ITOCHU regards as general transaction prices based on the market.
*12 The prices of iron ore used in the FYE 2025 Plan are assumptions made in consideration of general transaction prices based on the market. The actual prices are not presented, as they are subject to negotiation with individual customers and vary by ore type.

CSO INTERVIEW

Kenji Seto

Member of the Board, Executive Officer, CSO

We will aim for stable, sustainable profit growth by accelerating growth investments in areas where we can leverage ITOCHU's strengths, without being limited to any specific field, while swiftly and thoroughly assessing changes in the global business environment.

I was recently appointed Chief Strategy Officer (CSO).

Since joining the Company around four decades ago, I have worked in metal and resource-related businesses in the current Metals & Minerals Company, mainly iron ore, coal, non-ferrous metals, and steel products. In cyclical, long-lived resource businesses, we need to be attentive to what is taking place on the front lines, while assessing international conditions and economic trends from a macro perspective. I have engaged in trade and business investments with a constant focus on staying one step ahead. Leveraging the insights I have cultivated, I intend to steadily formulate and execute strategies while scrutinizing changes in the external environment and responding both swiftly and flexibly.

Please tell us about the current business environment surrounding ITOCHU and the management plan for FYE 2025.

We will maintain a high growth rate by growing existing businesses and gaining profit contributions from new investments, while carefully assessing changes in the external environment.

In April 2024, the International Monetary Fund revised the global economic growth forecast for the year upwards to 3.2%, and the July outlook maintained this same level. We also anticipate the resilience of the U.S. economy and the Chinese government's fiscal support underpinning the Chinese economy. However, concerns remain, including persistent inflationary pressures and the effects of prolonged monetary tightening, particularly in Europe and the United States, as well as rising tensions in the Middle East. In Japan, high costs for raw materials and other items eased, but concerns remain for a further rise in prices due to rising crude oil prices and effects from yen depreciation. However, we expect a modest recovery in consumer sentiment as the effects of higher wages gradually emerge. Although yen depreciation is beneficial in the short term for general trading companies as profits from overseas businesses are expected to increase, we believe that in the medium to long term, it will lead to cost-push inflation due to the rising prices of energy and food, given Japan's low self-sufficiency rates, resulting in negative impacts on Japan overall.

Regarding China, the real GDP growth target for 2024 was set at around 5% during the National People's Congress held in March 2024. That's on par with 2023, but there are concerns about uncertainty for employment and income amid the collapse in the real estate market, the cooling consumer sentiment, and stagnation of domestic demand. The Chinese government has implemented economic stimulation measures through the expansion of infrastructure investment, and the economic impact of these measures is anticipated. (▶Page 44 PEST Analysis (Macroenvironmental Factors))

Amid such a business environment, we set a record-high consolidated net profit of ¥880.0 billion in the FYE 2025 management plan, up around 10% from ¥801.8 billion in FYE 2024. We are assuming the continuation of a strong dollar and a weak yen, and realistic resource prices based on the conditions at the time the plan was formulated. We also expect core profit excluding extraordinary gains and losses to reach a record high of ¥860.0 billion, and we will steadily achieve our plan through growth in existing businesses and profit contributions from new investments. Regarding growth investments, we plan to invest up to ¥1.0 trillion in FYE 2025, and to show that we are serious about aiming for high profit growth centered on investment.
(▶Page 40 Business Results for FYE 2024 / FYE 2025 Management Plan)

In accelerating growth investments, are there any particular sectors or regions ITOCHU is focusing on?

We will continue promoting high-quality growth investments where we can leverage our strengths, without limiting ourselves to specific sectors and with a broad focus on various regions.

ITOCHU's strategy is to not concentrate its investments in specific sectors. Every business in upstream, midstream, and downstream has its own strengths, and we believe there is still room to grow by leveraging these strengths to add value to our businesses through a market-oriented perspective. Regarding regions, there are many growth opportunities not only in Japan, where we have strength in the consumer-related business, but also overseas, particularly in North America and Asia. For example, even if the investment target is a Japanese company such as Hitachi Construction Machinery Co., Ltd., we can capture higher growth rates abroad that surpass those in Japan by jointly advancing new overseas expansions. While competition over Japanese domestic projects is heating up due to increasing interest from overseas and the depreciation of the yen leads to higher investment amounts for overseas projects, we will carefully assess each project, understand the various trends in the external environment, and actively pursue investments that contribute to our Company's growth.

Please tell us about your Clean-Tech Business.

We will build up businesses that contribute to reducing GHG emissions as part of our primary operations.

When we announced the previous medium-term management plan, we also disclosed targets aiming to achieve offset zero by 2040, and net zero by 2050 for GHG emissions from Scope 1, 2, and 3 sources and all fossil fuel businesses and interests. We will continue to pursue these initiatives with a medium- to long-term perspective, believing that it is important to steadily work on reducing GHG emissions while also gradually accumulating avoided emissions. (▶Page 72 Approach to Climate Change and Related Initiatives)

Our initiatives toward accumulating avoided emissions include participation in the green hydrogen value chain; carbon dioxide capture, utilization, and storage (CCUS) efforts; developing and owning ammonia-fueled ships; renewable energy businesses (including wind and solar power); and businesses related to energy storage systems. However, none of these can be achieved by ITOCHU alone and we need to work together with many partners. For example, the steel industry is facing the issue of reducing GHG emissions from steel production. However, they can achieve significant reductions by using high-grade iron ore produced from iron ore projects in which we have invested and are employing the direct reduction method with natural gas or hydrogen. We identified these kinds of customer needs and in collaboration with JFE Steel Corporation and the largest steel manufacturer in the United Arab Emirates, Emirates Steel Arkan, we are working to build a supply chain for low-carbon direct reduced iron, promoting decarbonization in the steel industry. Furthermore, in Europe, which is leading the hydrogen society, we have, together with a subsidiary of Osaka Gas Co., Ltd., invested in Everfuel A/S, a Danish company engaged in the production and distribution of green hydrogen, and have thus fully embarked on the hydrogen business. These initiatives are in line with the concept of "Profit opportunities are shifting downstream," as outlined in the Management Policy. Going forward, we will continue to expand business while meeting social demands from ITOCHU's unique market-oriented perspective. (▶Page 63 Clean-Tech Business with Swift and Steady Execution)

PEST Analysis (Macroenvironmental Factors)

The ITOCHU Group's business environment is changing, and uncertainties are increasing. Through PEST analysis, we fully assess risks and opportunities in the context of macroenvironmental factors—such as economic recession risks, geopolitical risks, and environmental and social risks—and build an even stronger competitive edge by implementing flexible measures and transforming businesses in response to changes in the times and the business environment.

	Macroenvironmental Factors	Opportunities (Items with significant impact are highlighted in blue)	Risks (Items with significant impact are highlighted in red)	Impact Levels over Various Timeframes: Short-term	Medium-term	Long-term	(Reference) Related Business Risks (▶Page 46 Countermeasures for Business Risks)
P Political/Legal	Political Trends • Retreat of liberalism and democracy (political instability, inequality issues, etc.) • Intensification of conflict between different political systems (democracy vs. authoritarianism) • Geopolitical risks (Russia, East China Sea, South China Sea, Middle East, North Korea, etc.)	• Increase in business opportunities of consumer-related businesses influenced by the prioritization of consideration for citizens' lives • Expansion of general trading company functions due to the restructuring of supply chains and the increasing difficulty in procuring food, energy, and mineral resources • Increases in prices of related items accompanying decreases in production and supply volumes	**• Unpredictable policy changes and headwinds for the growth of profit** **• Deterioration of the global economy; decline in trade volume; tightening of export and investment restrictions; tariff increase** **• Supply disruptions, economic stagnation, and financial market turmoil due to terrorism and armed conflicts**	Low	High	High	• Market Risk • Country Risk • Risks Associated with Fund-raising • Risks Associated with Taxes • Risks Associated with Laws and Regulations • Risks Associated with the Environment and Society
	Economic Policy Trends • Shifting from inflation control to prioritizing economic growth • Normalization of fiscal and monetary policies	**• Recovery of the economic growth rate** • Accelerated deregulation and society's expectations of the private sector with respect to economic growth, etc.	• Reacceleration of inflation due to economic overheating **• Higher interest rates in Japan; yen appreciation against the dollar; increase in tax burdens**	High	Low	Low	
	Changes in the Tax Code and Regulations • Trade talks, agreements, and de-risking (TPP, RCEP, IPEF, etc., economic security) • Regulations to curb GHG emissions (Paris Agreement, etc.) • International tax trends (BEPS countermeasures, environmental taxes, corporate tax rate hikes) • Tighter regulations in the digital technology field (competitive environment, information management, handling of personal data, etc.)	**• Increase in trade volume and generation of new business channels** **• Expansion of renewable energy markets (wind, solar, hydrogen, ammonia, etc.)** **• Generation of new business channels through introduction of new taxes** **• End of data monopolies held by existing platformers and increase in availability of open data**	• Disappearance of existing transactions • Shrinking of fossil fuel markets (coal, crude oil) • Shrinking of existing transactions and increase in tax burden • Increase in regulatory response costs and reputational decline or damage	High	High	Low	
E Economical	Macroeconomic Environment (Developed Countries, Emerging Countries)	**The emergence of new demand driven by economic recovery in developed countries; increased consumer spending as the standard of living rises in the Global South; growing demand for infrastructure and food resources as the population grows**	Emergence of non-performing assets due to monetary tightening or reduction of easing measures	Low	High	High	• Risks Associated with Macroeconomic Factors and Business Model • Market Risk • Investment Risk • Risks Associated with Impairment Loss on Fixed Assets • Credit Risk • Country Risk • Risks Associated with Fund-raising
	Chinese Economy	**Expansion of business opportunities in sectors benefiting from economic stimulus measures**	**Decreased demand in related sectors due to prolonged adjustment in the real estate market**	High	High	Low	
	Exchange Rates and Interest Rates	Reduction in overseas financing costs driven by decreased interest rates as inflation subsides	**• Increase in financing costs in Japan due to rising interest rates** **• Negative impact on domestic consumption in Japan caused by excessive yen depreciation**	High	High	Low	
	Asset Prices and Commodity Markets (Stocks, Real Estate, Resource Prices, etc.)	Expansion of trading profits due to increased price volatility	**A sharp decline in asset and commodity prices in specific sectors**	High	High	Low	
	Investment Environment (Intensified Competition Due to Increased Players, Industry Restructuring)	**Increase in expected returns as growth rebounds; more investment opportunities in fields and regions of strength**	Excessive swings in project value	High	High	Low	
S Social/Cultural	Responding to Climate Change and Environmental Issues	Increase in business opportunities through the transformation of energy supply chains and the transition to a circular economy; potential for acquisition of new customers due to heightening of added value or enhancement of brand value of existing products and services	Decrease in fossil fuel demand; increase in investment costs due to decarbonization and resource recycling; rising electricity prices	Medium	Medium	Medium	• Risks Associated with Significant Lawsuits • Risks Associated with Human Resources • Risks Associated with the Environment and Society • Risks Associated with Natural Disasters
	Cultivating a Workplace Environment	Improvement in labor productivity due to education, utilization of IT tools, and advancement of diversity; increase in flexibility of work systems; improvement in health and motivation; securement of outstanding human resources	Labor shortages due to low birthrate; outflow of personnel; harassment, mental health, and long working hours; increases in health-related costs	Medium	Medium	Medium	
	Respect and Consideration for Human Rights	Business stabilization and recruitment through harmonious coexistence with local communities; enhancement of corporate image through promotion of ethical procurement	Human rights-related project delays and continuity risks (corporate image deterioration, lawsuits and contract cancellations, boycotts, strikes, etc.)	Medium	Medium	Medium	
	Increasing Awareness on Health and Quality of Life	Enhancement of productivity and brand image and lower medical expense burden; increase in demand for products and services compatible with a non-contact society, increase in demand for health promotion and visualization of food safety and security	Decrease in creditworthiness when safety and health issues occur; lower labor productivity; increase in resignation rate; higher medical expense burden	Medium	Medium	Medium	
	Ensuring Stable Procurement and Supply	Increase in demand for rare metals, rare earths, etc.; differentiation through construction of systems for stable procurement and supply provision that reflects consideration for environmental burden and economic security	Increase in additional costs arising from efforts to ensure stable procurement and stable supply of food resources, energy, mineral resources, etc.	Medium	Medium	Medium	
	Strengthening Governance Structure	Rise in corporate value assessment by investors; inflow of investment funds; addition to investment targets; increase in stock prices	Decrease in corporate value assessment by investors; withdrawal of invested funds; exclusion from investment targets; decline in stock price	Medium	Medium	Medium	
T Technological	Changes in Business Models Caused by Technological Innovation	Creation and provision of innovative services and new business models; improve productivity and optimize overall supply chain through use of new technology	Obsolescence and extinction of existing business models due to proliferation of new technologies; leaks of internal data due to cyberattacks; confusion due to false information; increase in costs related to digital transformation	Medium	Medium	Medium	• Risks Associated with Information Systems and Information Security

Impact High ■ ■ ■ Low

Countermeasures for Business Risks

Due to the diverse and extensive nature of its businesses, the ITOCHU Group is exposed to a wide range of risks, including complex market-related risk, credit risk, and investment risk. As uncertainties that are highly difficult to predict are inherent in our businesses, they may have significant effects on the Group's future financial position and business performance. Recognizing risk control as an important management issue, we have established basic policies for risk management and have developed the necessary risk control systems and methods to address these risks.

Risk Factors	
(1) Risks Associated with Macroeconomic Factors and Business Model	(▶Page 44)
(2) Market Risk	(▶Page 44)
a) Foreign Exchange Rate Risk	
b) Interest Rate Risk	
c) Commodity Price Risk	
d) Stock Price Risk	
(3) Investment Risk	(▶Page 66)
(4) Risks Associated with Impairment Loss on Fixed Assets	
(5) Credit Risk	
(6) Country Risk	

Risk Factors	
(7) Risks Associated with Fund-raising	(▶Page 30)
(8) Risks Associated with Taxes	
(9) Risks Associated with Significant Lawsuits	
(10) Risks Associated with Laws and Regulations	
(11) Risks Associated with Human Resources	(▶Page 78)
(12) Risks Associated with the Environment and Society	(▶Page 70)
(13) Risks Associated with Natural Disasters	
(14) Risks Associated with Information Systems and Information Security	

For details, please refer to "Risk Information" in the Financial Information Report.
https://www.itochu.co.jp/en/files/FIR2024E.pdf

Country Risk

Please refer to ITOCHU's website for exposure by major countries as of the end of March 2024.
https://www.itochu.co.jp/en/ir/financial_statements/2024/

The ITOCHU Group is exposed to various country risks, including unforeseen situations arising from the political, economic, and social conditions of the overseas countries and regions in which the Group conducts product transactions and business activities. Country risk also includes the potential for state expropriation of assets owned by investees or remittance suspension due to changes in various laws and regulations. To control the aforementioned risks, the Group takes appropriate risk mitigation measures for each project while using in-house country credit ratings to establish Groupwide guidelines on limits for each country, and to maintain overall exposure to each country at a level that is appropriate considering the Group's financial strength.

China-Related Business

As of the end of March 2024, our exposure to China stands at ¥1,515.9 billion. A significant portion of this is attributed to our investment in CITIC. Our China-related business profits comprise three types of businesses: investment in CITIC, iron ore trading to China, and other trade and business investments.

The performance of CITIC, a Chinese state-owned conglomerate, has remained steady, primarily driven by CITIC Bank, under the Chinese government's policy of strengthening state-owned enterprises. The financial services sector, which is CITIC's core business, contributes approximately 80–90% of CITIC's overall profits. Within this sector, CITIC Bank has been a key contributor, achieving nine consecutive years of profit growth since our investment in CITIC in 2015. Despite the ongoing downturn in the real estate market, the non-performing loan ratio has gradually improved, and the balance of loans to real estate corporations has been decreasing. We believe that risk management is being appropriately conducted by leveraging the relationship with the Chinese government. In our consolidated financial closing process, we calculate the recoverable amount of our investment in CITIC every quarter, considering the stock price level of CITIC, and confirm that it exceeds the book value. When estimating future cash flows, we consider the profitability based on the growth outlook of the Chinese economy and the impact of regulations on the Chinese financial sector.

Our iron ore trading to China, which began in the 1960s, is driven by projects with overwhelming cost advantages. Currently, along with the real estate market downturn, domestic demand in China, particularly consumer spending, remains weak. We are focused on risk reduction by closely monitoring the supply-demand balance, considering factors such as the Chinese government's economic stimulus measures.

Additionally, other trade and business investments focus primarily on consumer sectors such as textiles and chemicals within China. Excluding the solid profit contributions expected from CITIC and iron ore trading to China, the impact of other China-related businesses on our overall consolidated net profit is extremely limited.

Portfolio Management

As ITOCHU operates businesses across various industries, it is essential to set target levels for asset efficiency that consider the unique characteristics and trends of each sector. To sustain highly efficient management in any business environment, it is crucial not only to incrementally accumulate high-quality business investments but also to steadily improve asset efficiency within each segment. We conduct an annual analysis of key management indicators by Division Company to assess asset efficiency in each segment, analyzing trends over past years and comparing them with benchmark companies. Furthermore, we are discussing measures aimed at improving asset efficiency in the future, including detailed management of assets such as accounts receivable and inventory, and close monitoring of rapid asset increases resulting from accelerated growth investment. These topics are discussed in the DMC*1 of each Division Company and are reported to the ALM*2 Committee, driving more effective initiatives. (▶Page 30 CFO Message)

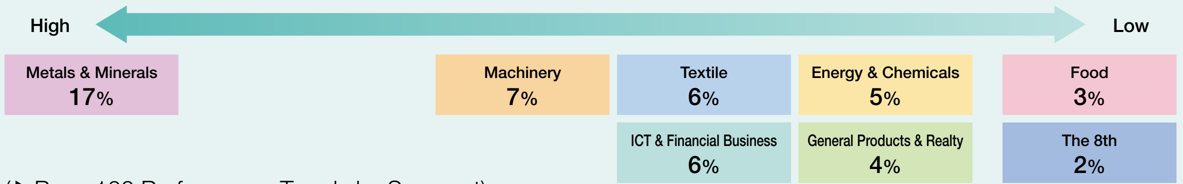
*1 DMC: Division Company Management Committee
*2 ALM: Asset Liability Management

Analysis of Key Management Indicators

Key Topics

- Analysis of asset efficiency (ROA, etc.) and operating cash flows by segment according to the characteristics of each Division Company
- Countermeasures based on changes in the external environment (geopolitical risks, increases in resource and raw material prices, interest rate increases, and inflation, etc.)
- Issues and improvement measures for low-margin trades and low-efficiency businesses
- Profit growth and profitability improvement strategies, along with measures for enhancing asset efficiency (ROA, etc.) at major Group companies

Segment ROA (FYE 2024 Results, Based on Core Profit)



(▶Page 100 Performance Trends by Segment)

(Reference) Macroenvironmental Factors Impacting Division Company Performances

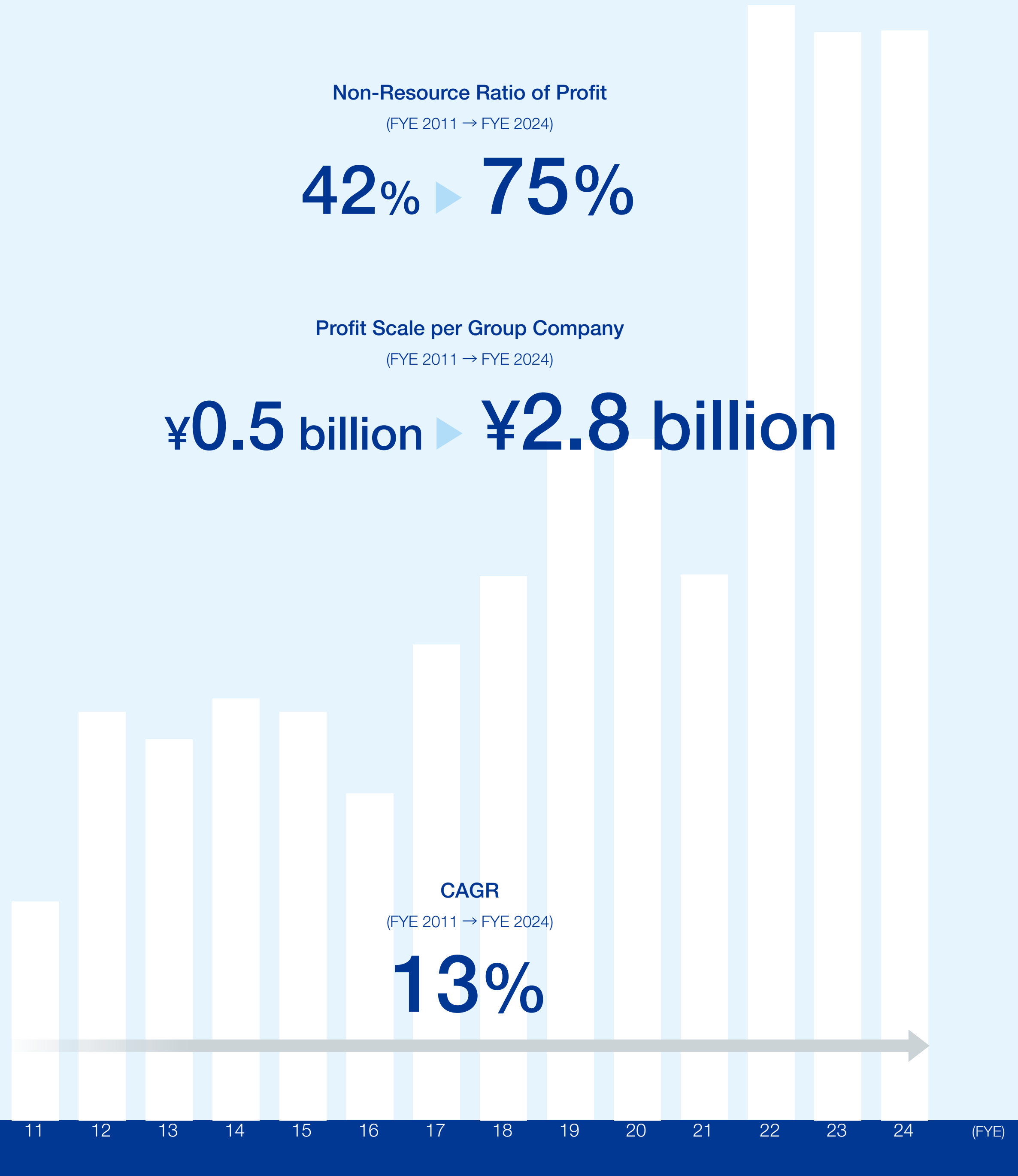
	Sensitivity		National Macroeconomy		
	Exchange Rate	Commodity Prices	China	North America	Japan
Textile					
Machinery	US$				
Metals & Minerals	US$ · AU$	Iron ore, Coal, etc.			
Energy & Chemicals	US$	Crude oil, LNG, etc.			
Food		Pork, Feed, etc.			
General Products & Realty	US$	Pulp, etc.			
ICT & Financial Business					
The 8th					
Others, Adjustments & Eliminations	US$	Pork, etc.			

Impact High Low

Non-Resource Ratio of Profit
(FYE 2011 → FYE 2024)
42% ▸ 75%

Profit Scale per Group Company
(FYE 2011 → FYE 2024)
¥0.5 billion ▸ ¥2.8 billion

CAGR
(FYE 2011 → FYE 2024)
13%



Since FYE 2011, we have achieved high profit growth with a compound annual growth rate of 13%. To sustain medium- to long-term growth moving forward, it is crucial to consistently set the steppingstones. In this section, we highlight the focus points for growth investments, which is key for our Management Policy, and our business development as part of our evolving business model. Additionally, we explain how we create business based on a market-oriented perspective, leveraging our strengths, by providing specific examples.

SECTION 03

INCREASE GROWTH RATE

CONTENTS

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

Steady Accumulation of Profits and Achievement of Targets
Expand Created Value ↑

Enhancement of Corporate Value ↑
Driving Force for Sustainable Value Creation (Total capital)

=

Lower Cost of Capital ↓
Initiatives and Systems Supporting Sustainable Growth

—

Increase Growth Rate ↑
Steppingstones to Medium- to Long-Term Value Creation

CXO INTERVIEW

Hiroyuki Naka

Member of the Board,
Executive Officer, CXO;
General Manager, Group CEO Office

We aim to drive new growth unique to ITOCHU by accelerating business transformation through the advancement of digital transformation and by strengthening horizontal collaboration and business integration

What is the role of the newly established CXO position?

My role as Chief Transformation Officer is to forcefully promote the transformation of the ITOCHU Group as a whole, without being bound by existing frameworks.

CXO stands for Chief Transformation Officer. My role is to control business transformation in the Group as a whole, and also encompasses the responsibilities of the previous CDO·CIO* position. I also serve as the head the Group CEO Office, which was established in 2023 to strengthen Group management. We often encounter the terms digital transformation (DX) and green transformation (GX), but the scope of transformation overseen by the CXO is not limited to any specific field. I am responsible for transforming not only the way we work but also redefining the core mechanisms of all our businesses, as well as the way they are created in the first place. Digital capabilities are undoubtedly the most important tool to transform the way we work. In 2018, ITOCHU launched the Business Intelligence Competency Center (BICC), which specializes in supporting data analysis and utilization. In 2023, we established the Generative AI Research Lab to support the development of new businesses and transform businesses using generative AI, such as ChatGPT. Centered on these organizations, we have continuously focused on operational efficiency and advanced data utilization. We reduced the time spent on general administrative tasks, mainly in the back office, by the equivalent of around 200,000 hours annually, achieving a dramatic enhancement in productivity. However, I believe that the possibility of utilizing digital capabilities, which had significantly contributed to the "cut" principle of the "earn, cut, prevent" principles, is now expanding to the "earn" principle moving forward, especially to sales activities and business investments, which are closer to the front lines of business creation. I have held various positions in the field of corporate planning, such as CSO and General Manager of Corporate Planning & Administration Division, so I have an advantage in terms of insight on how ITOCHU creates businesses, as well as their mechanisms. By combining these insights with evolved digital capabilities, or, in other words, connecting digital capabilities to the "earn" principle, I intend to drive a transformation unlike any other in our growth trajectory to date.

* CDO·CIO: Chief Digital & Information Officer

You were recently appointed Chair of the Investment Consultative Committee. What is important when accelerating growth investments?

We will shape promising investment opportunities by complementing our functions with partners and bringing together the knowledge and insights of our business and administrative divisions.

We have no intention of loosening our investment discipline. We will continue to thoroughly practice the Four Lessons for Investments learned from past investment failures. These lessons are designed to prevent, 1. Overpaying for investments; 2. Investments aimed at seizing profit from investees; 3. Overdependence on and overconfidence in partners; and 4. Fields with limited insight. However, just as we state "No growth without investments" in the Management Policy, growth investments are indispensable if we are to continuously grow earnings at a high growth rate. The Company has taken on many investments deeply rooted in fields where we have expertise, for example by increasing our stakes in existing investments. Recently, however, there has been an increase in the number of projects where we work with optimal partners to complement each other's functions, such as investing in Hitachi Construction Machinery Co., Ltd. with Japan Industrial Partners, Inc. and rebuilding of WECARS Co., Ltd. with J-Will Partners Co., Ltd. Regarding projects that are challenging for us to undertake alone despite expectations of large profit contributions, we will work with a wide range of partners, including suppliers, customers, and investment funds, with the aim of achieving profitability over the medium to long term, and expanding the scope of our investments. In addition, we will take a more proactive approach to projects expected to not only enhance the business results of investees but also expand synergies across the entire Group, including other Group companies. To achieve this, it is necessary for the business divisions and administrative divisions to further unite and drive the projects forward together. In particular, it is important for the administrative divisions to not only perform negative checks to leverage business control function but also enhance their sensitivity to positive checks to further improve and refine projects. We will evolve into a structure in which both divisions work together to brainstorm ideas, such as changing schemes to alter cash flow and increase profit opportunities, thereby shaping promising investment opportunities. Our Management Policy, "The Brand-new Deal—Profit opportunities are shifting downstream," builds on the foundation of the five consecutive medium-term management plans that started in FYE 2012. The basic policy of Brand-new Deal 2012, which served as the starting point for a series of management plans, advocated to "expand our scale of operations." We will steadily conduct growth investments to maintain and accelerate our long-term growth trajectory.

What is the intention behind the concepts of "maximizing synergies by horizontal collaboration among Division Companies" and "business transformation and creation through business integration" in the Management Policy?

Horizontal collaboration and business integration form the genuine growth strategy of general trading companies. We will continue realizing limitless possibilities.

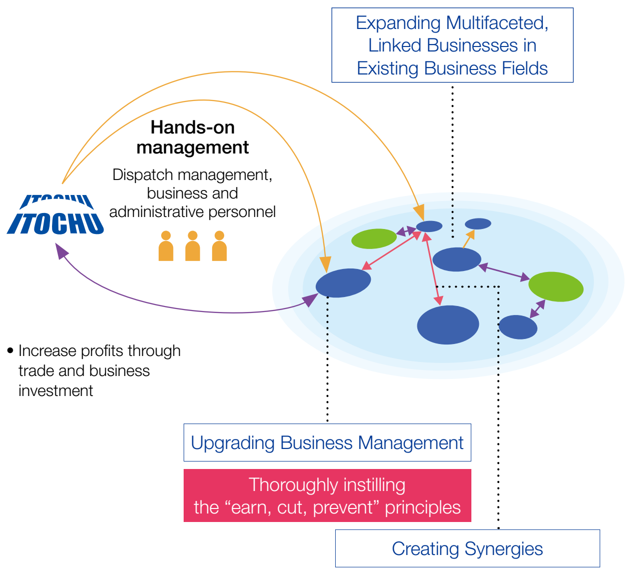
While general trading companies operate businesses in a wide range of fields, breaking down silos has been a long-standing issue. Conducting business solely within the conventional vertically segmented industries limits the data that can be acquired and prevents us from adopting the true market-oriented perspective that our Company strives for. For example, railway companies are not solely engaged in train operations. They have also expanded into real estate, logistics, and retail sectors such as department stores and supermarkets. When engaging with these kinds of customers, proposals from a single Division Company are usually limited to that particular industry. This is the weakness of siloed businesses, but it also means that for general trading companies where vertical silos are deeply ingrained, there are undiscovered business opportunities. The CXO is responsible for connecting multiple Division Companies while involving The 8th Company, which aims to create new businesses through market-oriented perspective. In each Division Company, these on the front lines are deeply engaged in their daily tasks, and it is not easy to change their way of working or thinking overnight. My intention is to promote new innovative initiatives by supporting Merchants who have cultivated know-how on the front lines to advance toward a transformation from a broader perspective. Digital technologies will be key to this. Even in fields where we have yet to acquire expertise, we can use digital capabilities and gain a foothold to become familiar with these fields faster. In particular, the consumer sector where we have strong expertise is a treasure trove of data, and there is infinite room for transformation. Together with approximately 260 Group companies, we will drive transformation across the entire Group, to achieve a higher level of growth.

Our Business Model, as Seen through Business Development

ITOCHU leverages the accumulated capital and strengths to expand its business. By utilizing our organizational capabilities, business know-how, and client and partner assets, we drive the expansion of trade through value creation and promote business management based on our expertise. Through the dual approach of trade and business investment, we enhance the overall profitability of the Group. We also strengthen our earnings base by making timely strategic investments and asset replacements. By continuously transforming our business model with a downstream-centered market-oriented perspective, we achieve sustainable value creation. Going forward, under the new Management Policy, we are committed to achieving further growth by expanding business areas and strengthening our business foundation through horizontal collaboration among Division Companies and the integration of various businesses.

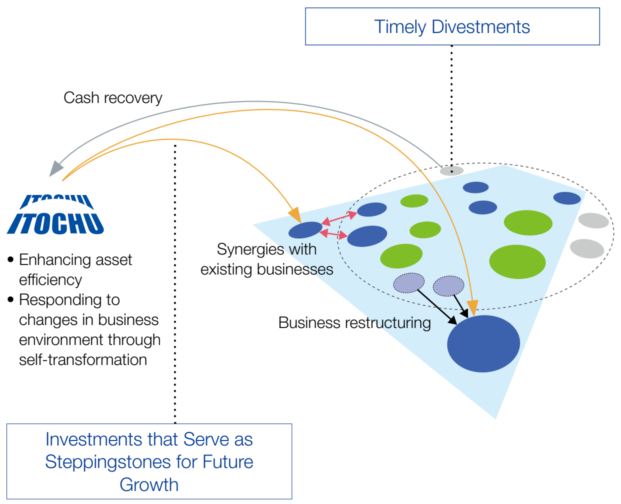
(1) Trade × Business Investment

We drive our business with trade and business investment as dual pillars, leveraging our accumulated financial and non-financial capital. We enhance the Group profitability by creating multifaceted, linked businesses through the acquisition of new trades and the generation of synergies, while simultaneously upgrading business management by thoroughly instilling the “earn, cut, prevent” principles and embracing hands-on management.



(2) Timely Asset Replacement

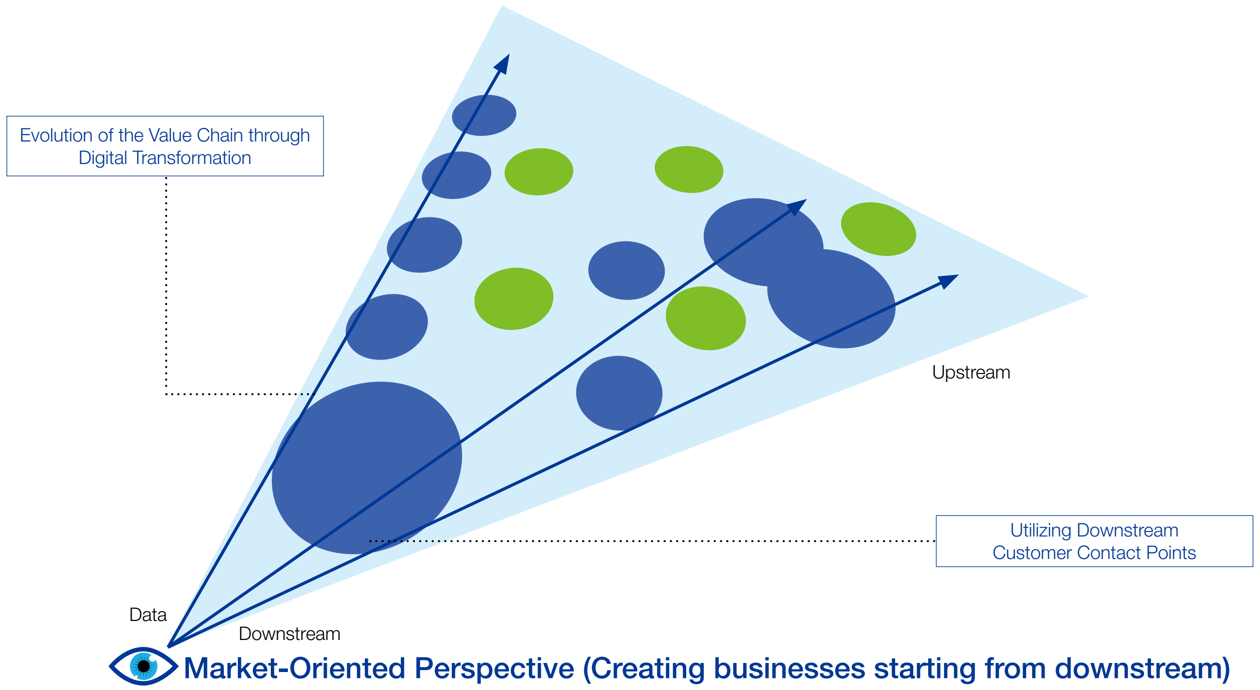
We precisely assess changes in the business environment and, from the standpoint of asset efficiency and risk management, we restructure or divest investments whose strategic significance has diminished. The funds recovered through these actions are reinvested into new strategic areas, building a more robust earnings base.



Trade / Business investment / Synergies / Business partners / Business investees

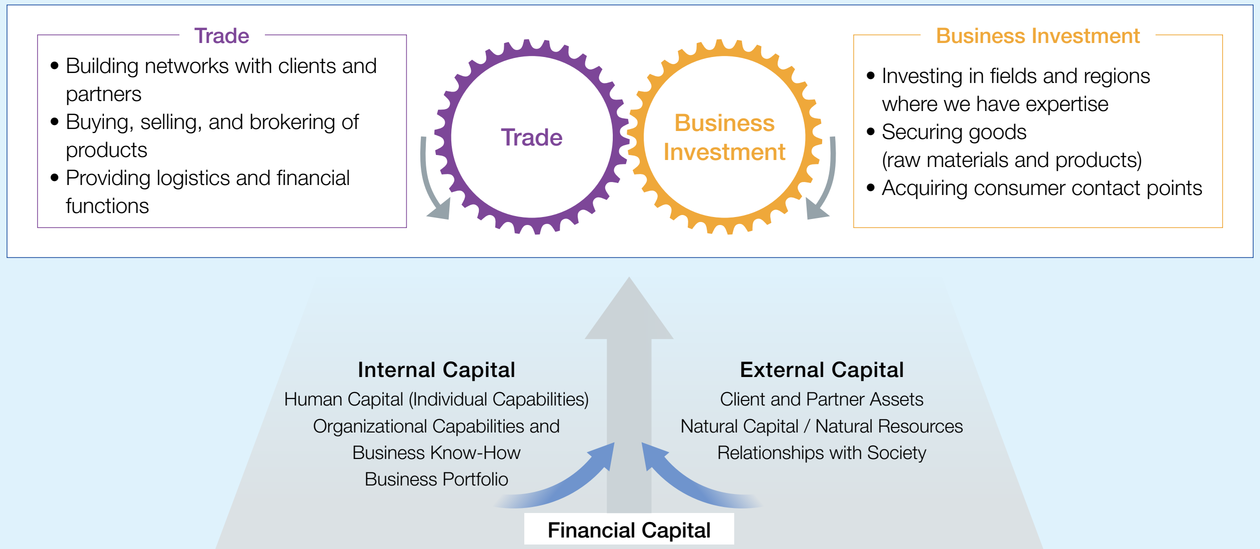
(3) Upgrading Our Business Model from a Market-Oriented Perspective

In all our businesses, we incorporate a market-oriented perspective, building a downstream-driven business model capable of responding to consumer needs and social demands. Furthermore, we aim to expand our earnings base and improve asset efficiency through optimization of the value chain by fully utilizing our real and digital customer contact points, and new technologies and data.



Business partners / Business investees

Expansion of Trading and Business Investment by Utilizing Financial and Non-Financial Capital



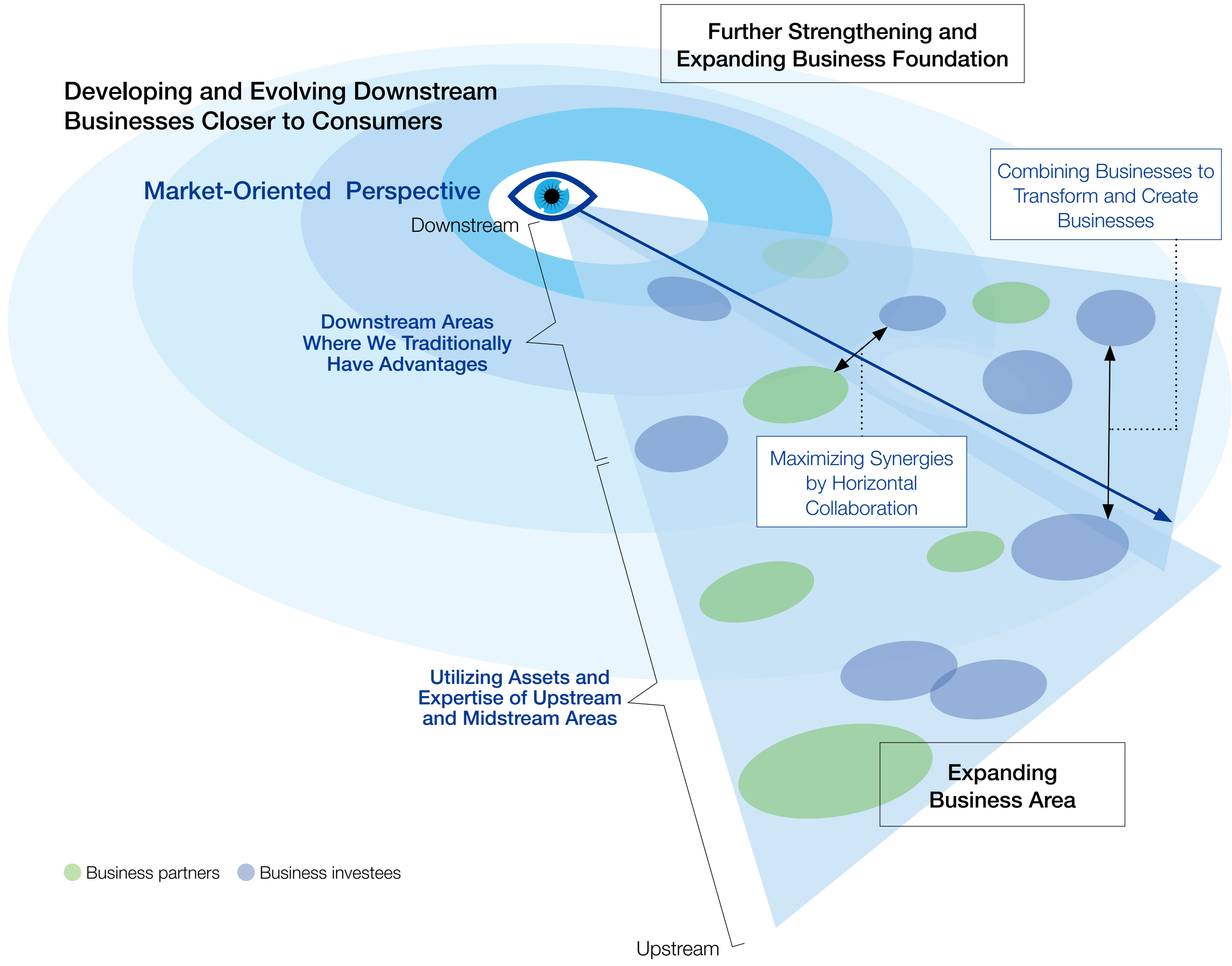
Differences between Typical Private Equity Funds, Typical Commodity Trading Companies, and ITOCHU

	Typical Private Equity Funds	ITOCHU
Investee Liquidity	In principle, unlisted	Either listed or unlisted
Investee Ownership Ratio	In principle, majority stake up to 100%	Decided individually, based on business conditions and market environment
Investee Ownership Period	Around five years with an exit strategy	Buy and hold
Personnel Secondment to Investee	Outside managers dispatched	ITOCHU personnel dispatched to management or frontline operations (Hands-on management style)
Synergies	In principle, none	Create synergies with existing businesses and expand business areas
Returns	Capital gains and dividends	Enhancing Group profitability including trading profits and dividends

	Typical Commodity Trading Companies	ITOCHU
Products Handled	In principle, upstream market-sensitive commodities	All types of products, from upstream to downstream
Nature of Trading	Trading for speculative purposes and / or based on actual demand	In principle, trading based on actual demand
Volatility of Returns	High	Low
Personnel Attributes	In principle, expertise in a single product	In addition to expertise in a single product, knowledge of peripheral businesses
Synergies	In principle, none	Creation of synergies through broad value chains

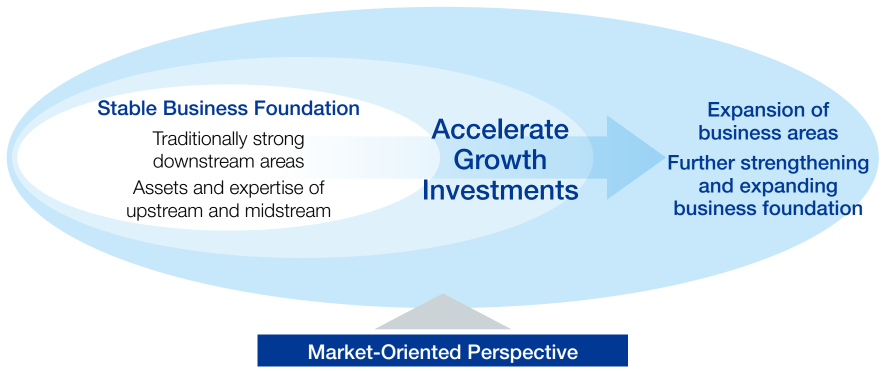
NEW Growth Strategy through Cross-Company Collaboration and Business Integration

To achieve further growth, we will develop and evolve downstream businesses that are closer to consumers, based on a market-oriented perspective. We will not only focus on the downstream areas where we traditionally have advantages but also fully utilize assets and expertise in the upstream and midstream areas. By maximizing synergies through horizontal collaborations among Division Companies and integrating different businesses, we will drive business transformation and creation. With these goals in mind, we aim to accelerate growth investments that contribute to medium- to long-term profit and expand synergies beyond our investment targets. This will enable us to expand our business domains and further strengthen and enhance our business foundation.



From the Management Policy: "No Growth without Investments"

(▶ Page 28 Management Policy)



Our Management Policy emphasizes accelerating growth investments to enhance our earnings base to the next level. We will leverage the capabilities and expertise within our Group, while collaborating with our business partners to explore investments in areas adjacent to our existing businesses. Additionally, we will pursue investments not only in downstream areas but also those that address societal needs, as well as in upstream and midstream areas that foster the growth of our downstream businesses.

Special Feature Creating Businesses by Leveraging Our Strengths —Business Concepts and Means—

ITOCHU has sustained value creation by focusing on fields where it can demonstrate strengths and by creating and expanding multifaceted, linked businesses. In this special feature, we highlight specific examples of how ITOCHU is driving profit growth while strengthening our business foundation. This is achieved by thoroughly implementing the business concepts of a market-oriented perspective and the business means of "earn, cut, prevent," which are fundamental to our business. In particular, we break down our market-oriented perspective into three categories—"From a downstream," "Initiatives," and "Good foresight"—and present the key points of each case through these lenses.

Business Concepts Market-Oriented Perspective	**From a Downstream** Creating business starting from a downstream	**Initiatives** Enhancement of functions in the value chain / Expansion of peripheral business areas	**Good Foresight** Expansion into areas where strengths can be leveraged
	Providing high-value-added products, services, and features, being market-conscious	Expanding functionality by leveraging existing strengths and establishing a position in the value chain	Identifying areas of expertise, growth and broad-based areas, and making investments
Business Means "Earn, Cut, Prevent"	**Hands-on** Strengthening of front-line capabilities / Carefully refine each business	**Lean Management** Secure a firm foundation to be prepared for changes and risks	**The Four Lessons for Investment** Strive management to never repeat the mistakes
	Dispatching highly trained talent to the investee, refining operations, and expanding profit	Without growing overconfident even with good results, thoroughly conducting management while always anticipating the worst-case scenario	Preventing (1) Overpaying for investments; (2) Investments aimed at seizing profit from investees; (3) Overdependence on and overconfidence in partners; (4) Fields with limited insight

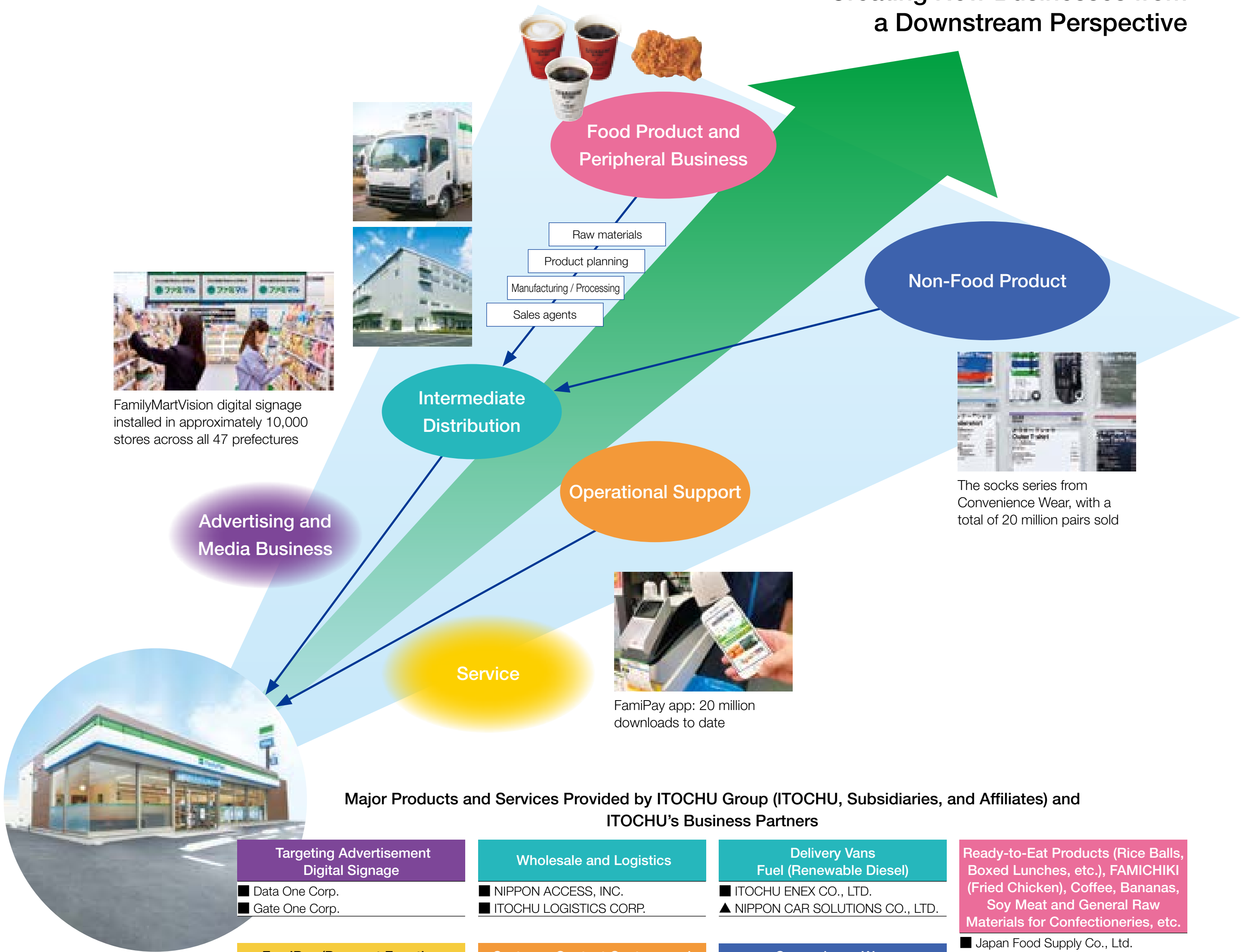
| Market-Oriented Perspective |

From a Downstream — Initiatives — Good Foresight

Expanding the Group's Earnings Base by Leveraging Combined Strengths, Centered on FamilyMart

With our strengths in the consumer sector, ITOCHU is enhancing collaboration with Group companies to build a robust value chain from downstream to upstream, centered around FamilyMart, which operates our convenience store business. Leveraging FamilyMart's daily interaction with 15 million consumers, we not only strengthen product procurement and sales but also enhance value and broaden the product range across the entire value chain. Furthermore, by creating new businesses such as advertising and media business using digital signage as well as the FamiPay app and other financial businesses, we aim to expand the earnings base of the entire Group.

Strengthening Product Capabilities and Creating New Businesses from a Downstream Perspective



FamilyMartVision digital signage installed in approximately 10,000 stores across all 47 prefectures

The socks series from Convenience Wear, with a total of 20 million pairs sold

FamiPay app: 20 million downloads to date

Major Products and Services Provided by ITOCHU Group (ITOCHU, Subsidiaries, and Affiliates) and ITOCHU's Business Partners

Targeting Advertisement Digital Signage
- ■ Data One Corp.
- ■ Gate One Corp.

Wholesale and Logistics
- ■ NIPPON ACCESS, INC.
- ■ ITOCHU LOGISTICS CORP.

Delivery Vans Fuel (Renewable Diesel)
- ■ ITOCHU ENEX CO., LTD.
- ▲ NIPPON CAR SOLUTIONS CO., LTD.

Ready-to-Eat Products (Rice Balls, Boxed Lunches, etc.), FAMICHIKI (Fried Chicken), Coffee, Bananas, Soy Meat and General Raw Materials for Confectioneries, etc.
- ■ Japan Food Supply Co., Ltd.
- ■ ITOCHU Food Sales and Marketing Co., Ltd.
- ■ ITOCHU FEED MILLS CO., LTD.
- ■ UNEX (GUATEMALA), S.A., etc.
- ■ Dole
- ▲ FUJI OIL CO., LTD.
- ◆ CP Group
- ● ITOCHU etc.

FamiPay (Payment Function, Pay in Next-Month, Retail Finance), Famima T Cards
- ■ Famima Digital One Co., Ltd.
- ■ POCKET CARD CO., LTD.

Systems, Contact Centers, and Electricity Supply
- ■ CTC
- ▲ BELLSYSTEM24, Inc.
- ■ ITOCHU Plantech Inc.

Convenience Wear
- ● ITOCHU

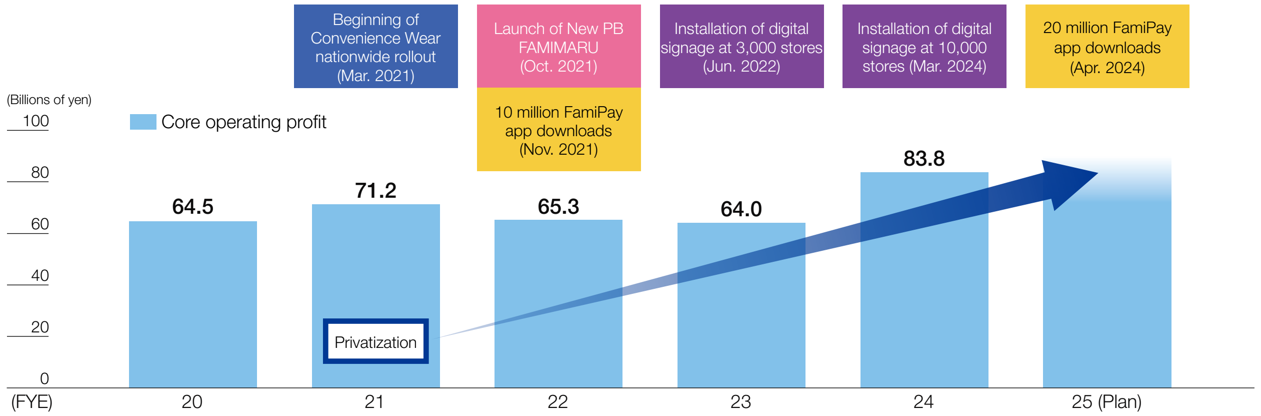
Supplies and Daily Necessities
- ■ ITOCHU Retail Link Corporation
- ■ Sanipak Company Of Japan, Ltd.

Wrapping Films and Containers
- ■ ITOCHU PLASTICS INC.

■ Subsidiary ▲ Affiliated company ◆ Business partner ● ITOCHU

Trends in FamilyMart's Core Operating Profit

Since FamilyMart's privatization in FYE 2021, we have strengthened hands-on management. By implementing product strategies and promotions that meet customer needs through a market-oriented perspective, daily sales have surpassed the previous year's same month for 35 consecutive months as of July 2024. Additionally, core operating profit* reached a record high in FYE 2024, driven by increased daily sales, a higher proportion of PB products, enhanced store efficiency through digitalization, and early development of advertising and media businesses ahead of competitors.



Profits / Losses of FamilyMart Attributable to ITOCHU

FYE 20	FYE 21	FYE 22	FYE 23	FYE 24	FYE 25 (Plan)
¥17.5 billion	¥(16.7) billion	¥44.7 billion	¥23.7 billion	¥41.8 billion	¥39.0 billion

Future profit target ¥50.0 billion

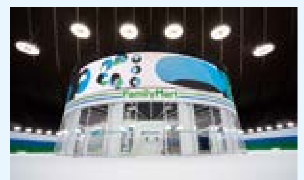
* A profit indicator for operating profit under Japanese GAAP that is calculated by subtracting the cost of sales and selling, general and administrative expenses from gross operating revenue

A New Challenge to Break through the Conventional Expectations of Convenience Stores —Convenience Wear—

From March 2021, we have started the nationwide expansion of our PB products, focusing on clothing and general goods, under the concept of "Good materials, good technologies, good design." With the supervision of global fashion designer Hiromichi Ochiai, we developed products that achieve both comfort and eco-consciousness by using sustainable materials such as recycled polyester, while maintaining high design quality. Our flagship product Line Socks have garnered attention on social media, and since launching in March 2021, the total number of socks sold has surpassed 20 million pairs. We are enhancing our product lineup, as demonstrated by the industry's first fashion show, Fami-Fest, held in November 2023, and the joint development and sales of stationery with KOKUYO Co., Ltd.

In the development of clothing, we leverage our robust business foundation in textile fields to support raw material procurement and the establishment of production systems. Going forward, we will continue to support various initiatives of FamilyMart, centered around The 8th Company, that challenge the conventional expectations of convenience stores.

Concept image of Convenience Wear



The industry's first fashion show, Fami-Fest

Overseas Expansion for Further Growth of FamilyMart

FamilyMart has expanded into six Asian countries and regions (Taiwan, China, Malaysia, Indonesia, Vietnam, and the Philippines) and operates around 8,000 stores outside of Japan. In March 2024, we reached a basic agreement with our Chinese business partner, the Ting Hsin Group, regarding a business restructuring aimed at expanding the FamilyMart business in China. Upon completion of the relevant procedures, the business entities will be divided by region between the Ting Hsin Group and FamilyMart. This will clarify management responsibilities and speed up decision-making. By fully leveraging our Group's extensive expertise and network built over many years in the Chinese market, we aim to accelerate our business expansion in China, the world's largest consumer market.

| Market-Oriented Perspective |

From a Downstream | Initiatives | Good Foresight

Accelerating the Growth and Expanding Business of CTC through the Digital Value Chain Strategy

Even after the resolution of the COVID-19 pandemic, demand remains strong for business model transformation driven by digital transformation (DX), and this momentum continues to grow daily. Particularly, the emergence of diverse solutions utilizing generative AI is having a significant impact on business and corporate practices, driving further evolution in DX. Amid this trend, the IT industry is sustaining a high growth rate; however, the competitive environment is intensifying due to the entry of companies from different industries, coupled with an increasingly severe shortage of IT human resources. In this environment, we executed a tender offer for CTC in 2023, taking it private. Together with CTC, we aim to implement growth strategies more agilely, accelerate our digital value chain strategy through collaboration with the group of digital businesses we have built, and further strengthen our earnings base.

Business Expansion Leveraging the True Value of CTC

The ICT & Financial Business Company is a key segment that represents a major strength of ITOCHU, with significant growth potential. At the core of this segment is CTC, a leading system integrator in Japan. CTC has grown by accumulating advanced technological expertise and has played a pioneering role in Japan by introducing cutting-edge technologies and solutions, discovered through ITOCHU's investments in venture capital funds in Silicon Valley and other regions. With a robust customer base of over 10,000 companies, primarily major corporations including telecommunications carriers, CTC excels in building advanced IT infrastructure leveraging a broad portfolio of cutting-edge IT products. This strength is further evidenced by its partnerships with leading IT companies all over the world, as well as the amount of business it handles. There are many products for which CTC handles the largest volume in Japan and the Asia–Pacific region. For example, it achieved the highest transaction volume in Japan for products from NVIDIA Corporation, a leading company in the field of generative AI, in FYE 2024*[1] and was awarded "Best NPN of the Year*[2]." As IT services expand across society and the demand for data centers rises, CTC is steadily accumulating orders for building operational infrastructure for generative AI development. By leveraging its established strengths to meet market needs, CTC is driving significant business expansion. The order backlog at the end of FYE 2024 reached a record high, further heightening expectations for further growth in the future.

*1 The fiscal year of NVIDIA Corporation: From February 2023 to January 2024
*2 "Best NPN (NVIDIA Partner Network) of the Year": An award given to the partner company that has made the most significant contributions in expanding and promoting AI usage across various industries and in proposing platforms that include NVIDIA products.

Creating Added Value through Collaboration with the Group of Digital Businesses

In recent years, the use of digital technology in business has extended beyond internal systems, significantly impacting companies' business models. As many companies drive DX, the importance of providing comprehensive IT services that deliver end-to-end solutions from upstream to downstream is increasing. Rather than just focusing on system development, it is crucial to address customer needs for business model transformation by providing consulting services to untangle client challenges, designing user experiences in app development, and delivering integrated services that meet these evolving demands. Additionally, there has been a surge in cases where companies from previously different industries, such as consulting firms with strengths in understanding customer needs in upstream processes, are entering the downstream field of IT system construction. These companies are achieving high profit margins and growth rates, making them formidable competitors.

In addition to long-standing subsidiaries such as CTC and BELLSYSTEM24 Holdings, Inc., we have been making strategic investments since around 2020 in companies with high expertise and technical capabilities in specific areas, such as BrainPad Inc., which excels in data analysis, and AKQA UKA, which has insights into customer experience design. By fostering collaboration among these companies, we are building a group of digital businesses capable of meeting a wide range of customer needs.

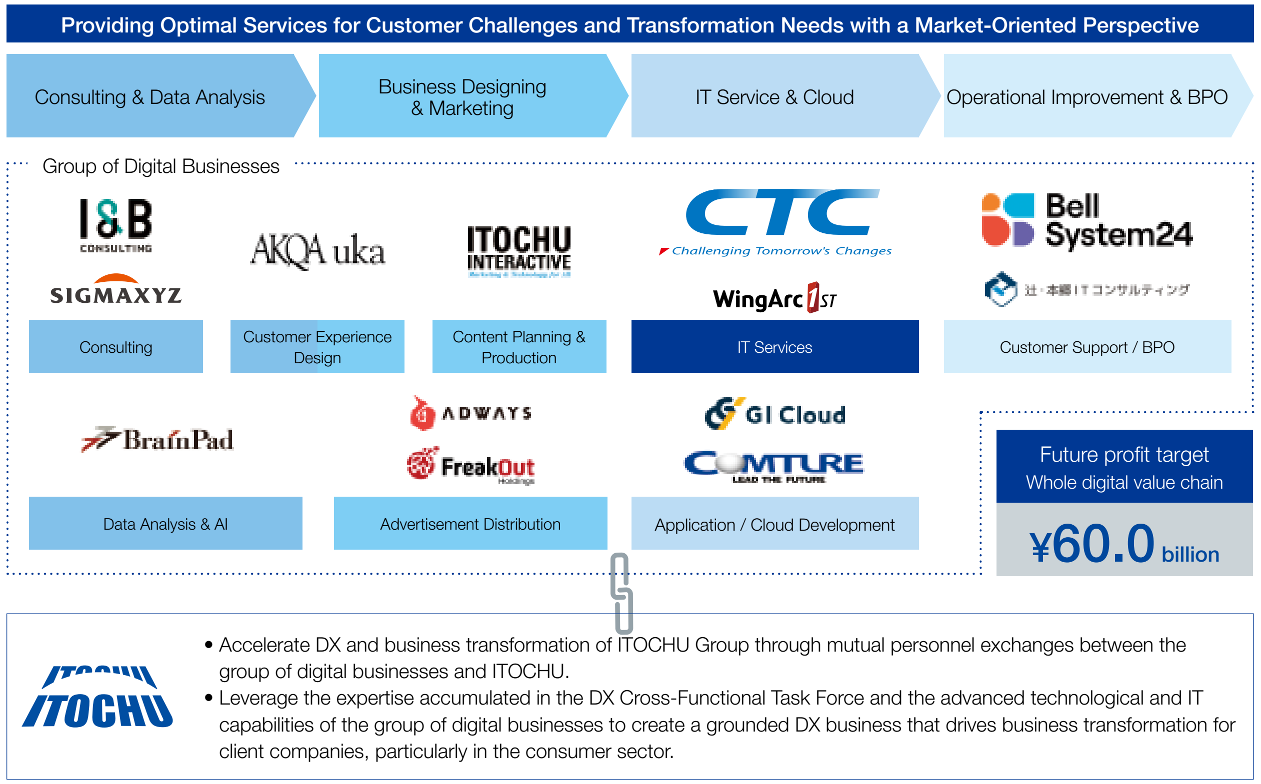
Furthermore, to accelerate the expansion of our value chain and secure resources, we have been continuously pursuing partnerships with consulting firms to enhance our upstream functions, as well as M&As to secure engineering resources, following the privatization of CTC. Through these efforts, we aim to further improve our growth and profitability. (▶Page 115 Advancing a Joint Venture with Boston Consulting Group, a Leading Management Consulting Firm)

Evolution of the Value Chain through Expertise and Frontline Capabilities

To fully leverage the outcomes of our digital value chain strategy, it is essential to establish effective collaborations that go beyond mere equity relationships with our group of digital businesses, providing optimal solutions to customers with a market-oriented perspective. Our ICT Division has formed the DX Cross-Functional Task Force to expand our digital value chain strategy. This initiative aims to position us as a preferred partner for customers in driving DX by offering them comprehensive services.

The DX Cross-Functional Task Force is a cross-divisional team composed of employees from our ICT Division and IT & Digital Strategy Division, as well as secondees from various companies within our group of digital businesses. Initially launched in 2019 with a few members, the task force has now grown to a team of 50. We hold bi-weekly meetings to share project information and case studies, and we also organize specialized subcommittees focusing on themes such as generative AI. By strengthening collaboration within our group of digital businesses, we have established a structure to make joint proposals to clients, driving the creation of new businesses and the acquisition of DX project mandates. The task force also makes cross-divisional proposals to customers and Group companies of our other Division Companies, and since its inception, it has made over 1,000 proposals, maintaining high levels of order records.

By combining the high expertise of our group of digital businesses with the insights gained from diverse business fields, we are developing practical DX initiatives that create new added value.



| Market-Oriented Perspective |

From a Downstream | **Initiatives** | Good Foresight

Evolving Our Collaboration with Hitachi Construction Machinery: Initiatives in Downstream Business Expansion and Horizontal Alliances

In August 2022, the special purpose company (SPC) that we established jointly with Japan Industrial Partners, Inc. acquired a 26% stake in Hitachi Construction Machinery Co., Ltd. As a new business partner of Hitachi Construction Machinery Co., Ltd., we support the strengthening of its downstream businesses not only through traditional distributor functions but also by providing various functions including finance, logistics and sales channel expansion, and electrification.

Main Collaborative Projects and Growth Strategies

Since the 1990s, ITOCHU and Hitachi Construction Machinery Co., Ltd. have expanded collaboration through trade and joint venture businesses. Hitachi Construction Machinery Co., Ltd. had begun its independent operations in its mainstay North American market after dissolving its alliance with U.S.-based Deere & Company. By leveraging our expertise in the North American construction machinery business and our know-how in the finance business, we aim to accelerate our collaboration with Hitachi Construction Machinery Co., Ltd. and pursue further growth.

In the North American market, around 90% of customers use financing options to purchase construction machinery from dealers, making the presence of a captive finance company that offers rapid financing approvals and competitive financing options extremely important. Following our investment in Hitachi Construction Machinery Co., Ltd., the first step in our collaboration was the establishment of a finance company jointly with Hitachi Construction Machinery Co., Ltd. and Tokyo Century Corporation, thereby accelerating our cooperation in the domain of finance. We are expanding the finance business by leveraging the strengths of Hitachi Construction Machinery Co., Ltd., utilizing operational data of construction machinery and offering financing options, such as reduced payments during the low-activity winter months. Additionally, we aim to secure new sources of profit by retaining ownership of machinery returned at the end of lease terms and then re-leasing, renting, or selling it as used equipment.

Beyond North America, we are leveraging our global network to expand distribution and sales channels, initiating various projects such as introducing potential dealers and approaching clients in the resource sector. We are already making progress, including negotiations for delivering Hitachi Construction Machinery Co., Ltd. products to mines where the Metals & Minerals Company holds a stake.

Initiatives aimed at electrifying construction machinery to contribute to decarbonizing construction sites are advancing first in Europe, where government support such as subsidies is robust. Hitachi Construction Machinery Co., Ltd. has already gained a significant market share by collaborating with European partners to diversify its product lineup. In collaboration with Alfen N.V., a Netherlands-based mobile charging equipment manufacturer, we will continue to support financing, logistics, and the construction of sales infrastructure for electric construction machinery and charging equipment in Europe. Furthermore, we are expanding our business fields into surrounding areas such as securing green power, as well as recycling and reuse, by collaborating with the energy storage system business of the Energy & Chemicals Company.

Going forward, we will steadily advance these collaborations to drive sustainable growth for our entire Group, including Hitachi Construction Machinery Co., Ltd. This will involve supporting logistics to improve transportation efficiency and reduce costs within the United States, horizontally expanding the North American collaborative model, including finance, and the European electric construction machinery business, to other regions, and evolving our business model through the active utilization of next-generation technologies such as remote control and autonomous driving.

Main Collaborative Projects

Finance

- Expand finance businesses in North America
- Expand into Latin America and other regions

ZAXIS Finance

Logistics & Sales Channel Expansion

- Share MULTIQUIP Inc.'s (the U.S.) customer network and service system
- Optimize and reduce the cost of logistics between Japan and North America, and land logistics within the United States

Electrification

- Propose solutions for electrification
- Expand our know-how in the European market into other regions

| Market-Oriented Perspective |

From a Downstream | Initiatives | **Good Foresight**

DAIKEN's Growth Strategies and Business Expansion Combining Technical Expertise and Management Capabilities

In 2023, ITOCHU launched a tender offer to privatize DAIKEN CORPORATION (DAIKEN), one of Japan's leading manufacturers of wooden interior building materials. Currently, we have dispatched personnel, from the senior management level to the operational level, to implement hands-on management, thereby uniformly promoting growth strategies while fully leveraging the Group's resources.

Executing Growth Strategies Tailored to Market Characteristics

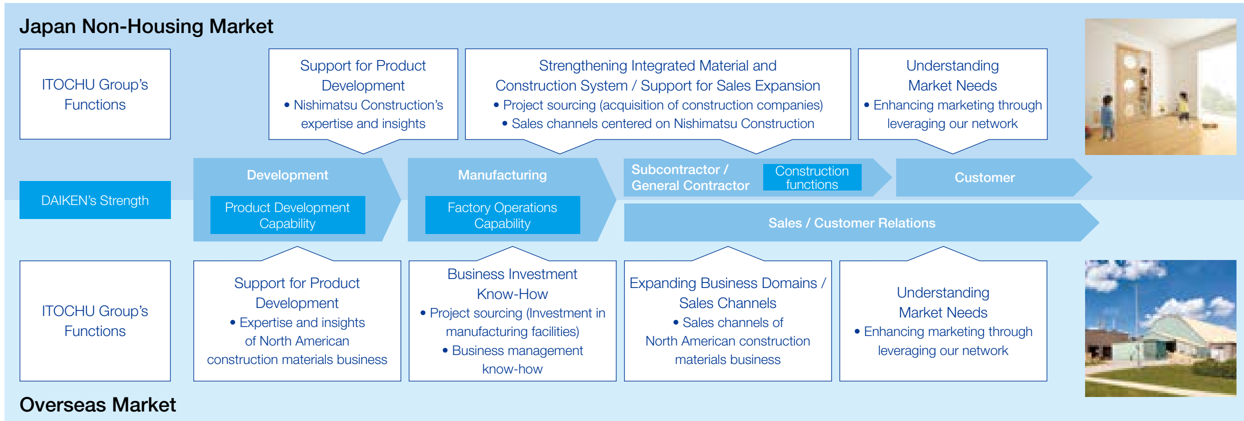
DAIKEN's primary markets are categorized as Japan Housing, Japan Non-Housing, and Overseas. In the Japan Housing market, which is their mainstay business and a mature market, further management improvements are necessary due to the decline in housing starts associated with the population decrease. Therefore, among the "earn, cut, prevent" principles, we are particularly focusing on "cut" and "prevent." In the manufacturing and distribution processes, we will continue strengthening the business foundation by promoting supply chain reforms and data-driven management based on supply and demand data, as well as enhancing the efficiency of logistics operations. Furthermore, by leveraging the Group's comprehensive strengths, we will work closely with DAIKEN to enhance various functions.

In the Japan Non-Housing market, there is growing demand from general contractors, who are DAIKEN's primary customers, not only for the supply of building materials but also proposals that include both materials and construction services (integrated material and construction solutions). Therefore, by leveraging our network with general contractors, including Nishimatsu Construction Co., Ltd., with whom ITOCHU has partnered, as well as major developers, we aim to expand DAIKEN's product lineup based on customer needs while also advancing roll-ups that strengthen and complement construction functions. For example, DAIKEN made Kiyota Kougyo Co., Ltd. (an air conditioning equipment installation company) a subsidiary in March 2024, aiming to expand its capabilities. Going forward, we will continue to promote initiatives toward establishing an integrated material and construction solutions system.

In the Overseas market, particularly in North America, where steady growth is anticipated, we are leveraging DAIKEN's robust technical capabilities in the wood board business and the strengths of our North American construction materials business, which has conducted multiple strategic acquisitions, to jointly advance our initiatives. In particular, to meet the rising demand for interior material alternatives driven by increased awareness of tropical rainforest conservation, we are utilizing the sales channels established by our North American construction materials business for marketing activities. In July 2024, we acquired a new factory in Canada. This facility is being set up to handle not only its existing product lineup but also to serve as a production base for new types of wood boards.

In this way, while securing steady profits in the declining Japan Housing market, we aim to achieve medium- to long-term profit growth by identifying new sources of profit in the growing Japan Non-Housing and Overseas markets. By accurately understanding the characteristics of each market and steadily implementing strategies that leverage the Group's resources and management capabilities, we will sustainably enhance the corporate value of not only DAIKEN but also the entire Group, including our North American construction materials business.

Strengths of DAIKEN and ITOCHU in the Value Chain of the Growth Market



Rebuilding WECARS by Leveraging Our Comprehensive Capabilities

In May 2024, ITOCHU succeeded the used car purchase and sales business of the former BIGMOTOR Co., Ltd. and established WECARS Co., Ltd. The former BIGMOTOR Co., Ltd. had been involved in multiple compliance violations, including fraudulent auto insurance claims and the falsification of damage to repair vehicles, which became a major social issue and led to a dramatic decline in its performance. Through the reconstruction of this business, which had been No. 1 in its industry, we aim to address the social issue of restoring trust in the entire industry by making the used car business more transparent, provide safety and security to consumers, and secure employment for staff. Through these efforts, we believe we can realize the Company's corporate mission of "*Sampo-yoshi.*"

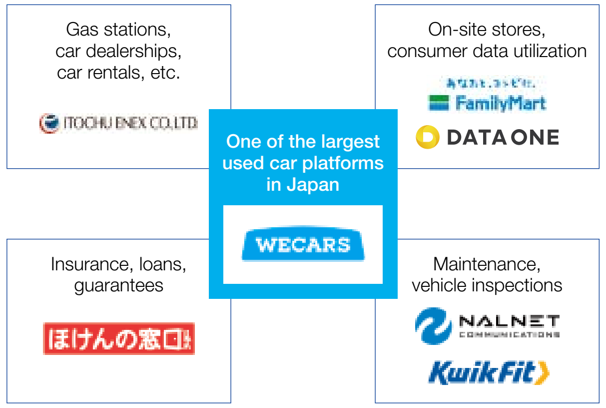
Initiatives for Rebuilding the Business

The concepts of the business reconstruction are "breaking from the past" and "putting customers first." From the perspective of breaking from the past, any liabilities related to past fraudulent incidents will be handled by the former BIGMOTOR Co., Ltd., and the newly established WECARS Co., Ltd. will focus on rebuilding the business with a new organizational structure that does not include the former management members. From the customers first perspective, we aim to build a company that sincerely engages with customers and society, earning their trust and being seen as attractive. To achieve this, we are prioritizing reforming the corporate culture, thoroughly educating employees, and establishing an internal control system. We have initiated direct dialogues between management and frontline employees, and we are also taking specific actions such as diligent compliance with laws and regulations, strengthening the internal reporting system, and more.

To rebuild the business, we will promote hands-on management by fully leveraging the know-how accumulated in ITOCHU through various revitalization projects in Japan and abroad, as well as dispatching experienced personnel from management to the front lines. WECARS Co., Ltd.'s strength lies in its extensive network of around 250 stores nationwide, making it one of the largest used car platforms in Japan. Additionally, we will leverage the frontline capabilities ITOCHU ENEX CO., LTD. has cultivated in the automotive dealer and rental car businesses, and providing highly transparent and convenient insurance services utilizing HOKEN NO MADOGUCHI GROUP INC. By harnessing the comprehensive capabilities of the Group, which excels in downstream fields, we aim to evolve the business with a market-oriented perspective.

While we anticipate that it will take some time to rebuild this business, we will leverage the Group's comprehensive capabilities to tackle the reconstruction diligently and steadily, ultimately aiming to restore our position as the No. 1 player in the used car industry.

Strengths of WECARS and Group Synergies



Toward the Rebuilding of WECARS

In rebuilding WECARS Co., Ltd., the top priorities are reforming the corporate culture and ensuring thorough compliance. I have been involved in numerous turnaround projects, including with Kwik-Fit, a leading tire retailer in the United Kingdom. Although the industries differ, the approach to engaging with a company facing challenges remains the same. I believe that both the strengths and weaknesses of the management are fully reflected on the front lines. It is important to immerse ourselves at the front lines and steadily establish mechanisms for improvement. Employees dispatched from the ITOCHU Group will primarily be responsible for revising the operation flows to ensure compliance on the front lines. At Kwik-Fit, I built a culture that emphasized a customer-first perspective. Similarly, at WECARS Co., Ltd., I will consistently communicate the importance of providing value to customers. We are also considering introducing a new human resource system that incorporates customer satisfaction and other KPIs, rather than focusing solely on sales and other numerical targets. By thoroughly reforming the corporate culture and ensuring strict compliance, we aim to make customers feel that the company has changed and garner their support. If we can achieve this, we believe that sales will naturally return. WECARS Co., Ltd. is starting from a place of lost trust. By actively incorporating customer feedback and employee voices from the front lines, and leveraging the know-how of the ITOCHU Group, the entire organization will drive these reforms forward.

Shinjiro Tanaka
President and Chief Executive Officer, WECARS Co., Ltd.

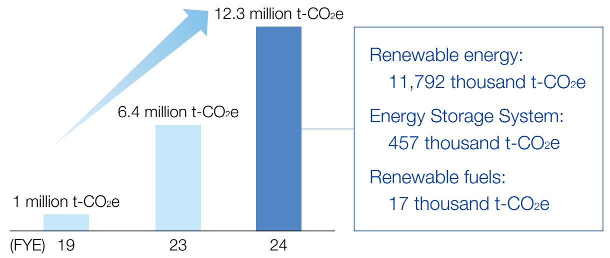
Mr. Tanaka joined ITOCHU in 1985. Since around 2010, he led the turnaround of MATER-HALCO, Inc., the largest fence manufacturer and wholesaler in the United States. From 2019, he served as CEO of European Tyre Enterprise Limited, which operates Kwik-Fit, the largest tire retailer in the United Kingdom. He has held his current position since May 2024.

Clean-Tech Business with Swift and Steady Execution

ITOCHU views climate change and other environmental risks as opportunities. We are engaged in clean-tech businesses that simultaneously pursue economic value as well as environmental and social value by expanding our operations through our "earn" principle while addressing societal demands and industry challenges. By setting individual targets and advancing climate change initiatives with swift and steady execution, we will steadily accumulate GHG avoided emissions.

Avoided emissions are quantifications of the GHG emissions reductions that can be realized in the value chain by replacing existing (baseline) products and services with new products and services. In FYE 2024, our avoided emissions reached 12.3 million t-CO_2e through the expansion of renewable energy businesses centered on the power generation business. We aim to create a volume of avoided emissions that exceeds our GHG emissions by 2040.

Accumulation of Avoided Emissions



Individual Targets and Initiatives for the Clean-Tech Business

Clean-Tech Business	Targets and Initiatives
Renewable Energy Business	• Increase the ratio of renewable energy capacity within our power generation portfolio to over 20% by FYE 2031 • Invested in renewable energy generation of approximately 2,100 MW in total as of July 2024, such as in Cotton Plains (wind and solar power) and Prairie Switch (wind power), both of which are in the United States, and in Sarulla Operations (geothermal power) in Indonesia • As of July 2024, we have developed and promoted a cumulative total of approximately 5,000 MW of renewable energy projects in the United States, including sold projects
Fuel Ammonia-Related Business	• Establish a value chain of fuel ammonia through integrated development including development, ownership, and operation of ammonia-fueled ships, development of fuel supply bases, and procurement of fuel ammonia • As part of international shipping's 2050 net zero emissions target, promote the spread of ammonia-fueled ships and their social implementation, contributing to the industry's decarbonization
Energy Storage Systems (ESS)-Related Business	• Aim to sell a cumulative capacity of over 2GWh in ESS units by FYE 2031
Water Infrastructure-Related Business	• Expand our achievements in Europe and Australia to other regions; continue to build up high-quality assets
Waste Management Project	• Expand our achievements in Europe to the Middle East and other regions in Asia; continue to build up high-quality assets

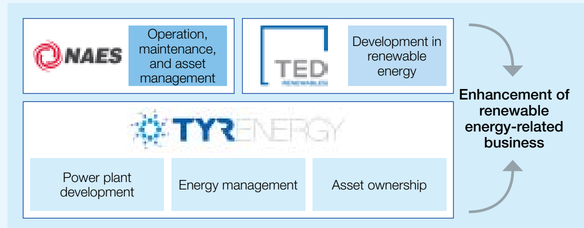
For details on the clean-tech business, please visit ITOCHU's website, which describes individual projects including the content outlined above in detail.
https://www.itochu.co.jp/en/business/cleantech/

For details on avoided emissions, please visit ITOCHU's website.
https://www.itochu.co.jp/en/csr/data/

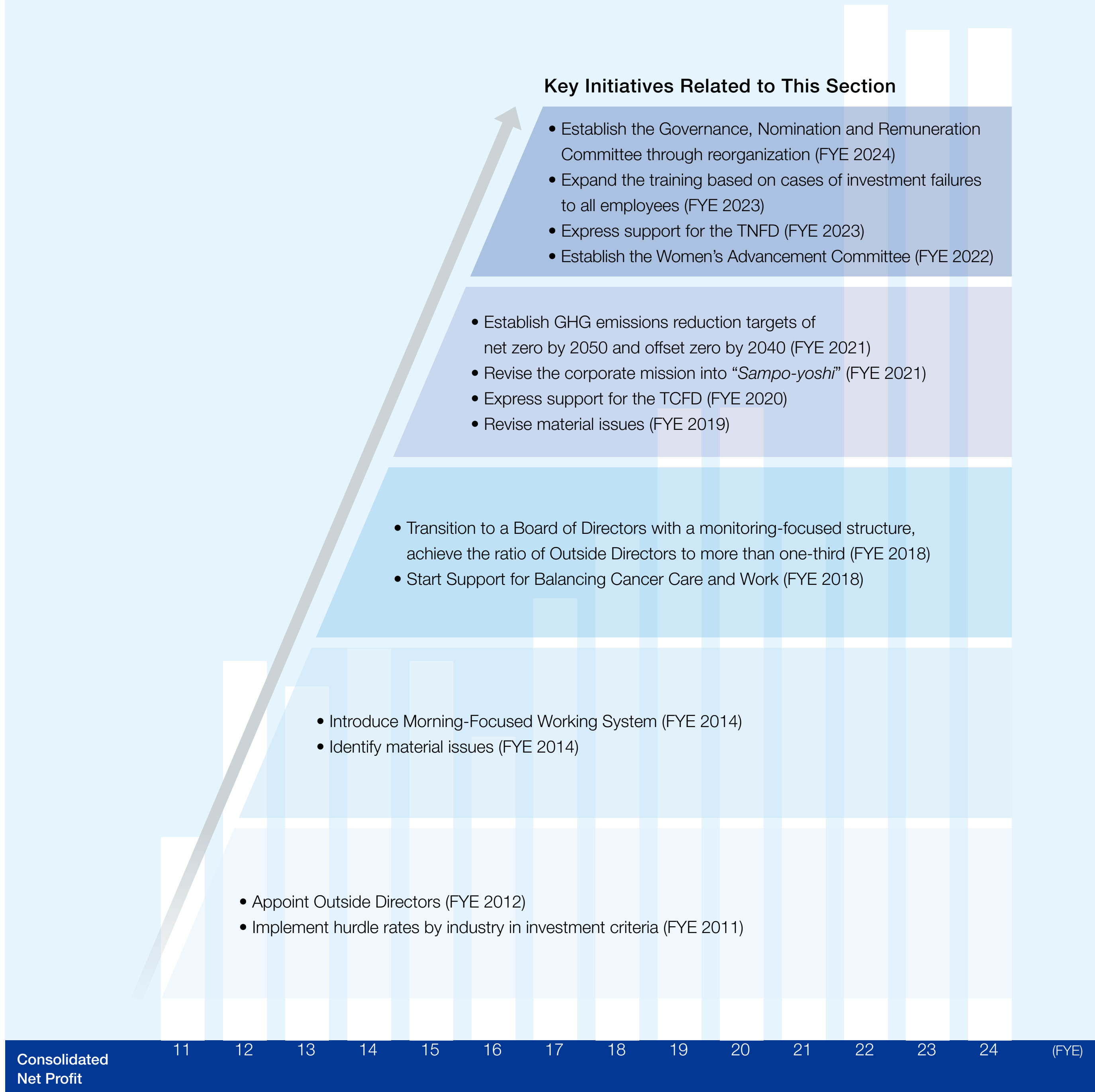
Expanding the Renewable Energy Business in North America

Our subsidiary, Tyr Energy, Inc. (based in the U.S.) established Tyr Energy Development Renewables, LLC (TED) in 2022, a company dedicated to renewable energy development. As of July 2024, TED and Tyr Energy, Inc. have developed over 30 solar power plants totaling around 5,000 MW (equivalent to five nuclear power plants), including sold projects. TED has built a development platform that completes a series of operations in-house, including land acquisition, obtaining various permits and approvals, power grid connection, negotiating and concluding power purchase agreements, selecting and negotiating with major equipment and construction contractors, and arranging financing. In February 2024, TED completed development of three projects with a total generating capacity of 333 MW (equivalent to around 72,000 standard U.S. households) and an expected annual CO_2 reduction of around 600,000 tons. Moreover, our subsidiary NAES Corporation, also based in the U.S., is one of the world's largest independent power plant operations and maintenance service providers, offering asset management and operations and maintenance services for around 1,400 renewable energy sites, including 2,000 MW of solar power plants and 1,100 MW of wind power plants. Furthermore, in 2023 we launched a fund targeting renewable energy development assets in North America and plan to engage in projects worth up to US$2 billion through this fund.

By leveraging the know-how cultivated through various power generation projects and expanding the scope of our business by enhancing diversified functions and services, we aim to capture the high growth rate of the North American renewable energy market, while contributing to the realization of a decarbonized and sustainable local society.



Key Initiatives Related to This Section



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.

SECTION 04

LOWER COST OF CAPITAL

CONTENTS

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.

Investment Decisions

Decision-Making Process

We have established a multilayered decision-making process that achieves quick decision-making by giving a certain level of discretion to the Division Companies while striving to pursue investment return and curb investment risk.

Division Companies

Applicants (Responsible divisions)

Administrative divisions

…Opinion based on risk analysis

Division Company Management Committee (DMC) — Deliberation

Division Company President — Decision

Related administrative divisions express their opinions from various specialized perspectives regarding the application made by the applicants. Following careful discussion at the DMC, the Division Company President makes a final decision.

Investment Consultative Committee*1

If the project needs further consideration and screening in terms of profitability and strategy, the project is discussed at the Investment Consultative Committee prior to the HMC.

*1 The Investment Consultative Committee is chaired by the CXO and its core members are the CAO, the CFO, the CSO, and the General Managers of the Corporate Planning & Administration, General Accounting Control, Legal, Finance, and Global Risk Management divisions. Meetings are also attended by one full-time Audit & Supervisory Board Member.

Headquarters Management Committee (HMC)

Projects that exceed the Division Company President's authority must be approved by the HMC.

Board of Directors

Of the projects approved by the HMC, projects of quantitative and qualitative significance must be approved by the Board of Directors.

Points for Making Decisions

Investment Purpose and Formulation of Growth Strategies	Verification of Business Plan Appropriateness	Compliance with Investment Criteria	Risk Analysis	Verification of Internal Control Status	Setting Exit Conditions

Thoroughly Verifying Appropriateness of Business Plan
- Scrutinizing business plans before making a new investment (including sensitivity analysis)
- Concrete countermeasures for downward divergence from original plan (including setting of exit measures)

Investment Criteria
- Investment efficiency based on Net Present Value (NPV) calculated from investee's free cash flows: When calculating NPV, about 70 hurdle rates (by country) are used according to industry, taken into consideration the Company's cost of equity (8%).
- Cash inflows into ITOCHU, such as dividends received and earnings from trade activities
- Scale of investee's earnings

ESG Risk Evaluation
- Evaluate in advance the impact on the environment, society, etc., as well as the corporate governance status of the investment target using an ESG checklist composed of 28 items
- Conduct multifaceted ESG assessments, including on-site surveys, to prevent environmental pollution and other problems among Group companies even following investment

Setting Exit Conditions
- Setting clear and feasible exit measures before making investment

Clear exit conditions:
Setting quantitative exit conditions that, in principle, call for exiting from the investment if conditions are met

Feasible exit measures:
Obtaining advance agreement with partners on exit conditions, etc.

▶ Page 68 Exit Criteria for Business Investment

Execution of Investment

Business Divisions / Administrative Divisions

Enhancing corporate value continuously through collaboration between business divisions and administrative divisions

Hands-On Management

After executing business investments, we dispatch personnel from our business divisions and administrative divisions to the frontline operations and key positions of investee companies. Through hands-on management that utilizes the individual capabilities of personnel, we enhance the corporate value of investee companies and create synergies that increase our comprehensive strength.

Periodic Monitoring (Including Periodic Reviews for All Business Investments)

In addition to conducting a review one year after investment, we conduct periodic review for all business investment annually to review policies from qualitative (strategic significance, etc.) and quantitative (profit scale, investment efficiency, etc.) perspectives. Also, we formulate improvement measures for Group companies and affiliates with issues related to deficits or dividend payouts, and we follow up on the progress of such companies throughout the year.

Investees Met Exit Criteria for Business Investment

▶ Page 68

Measures after Investees Met Exit Criteria for Business Investment

We review our policies for holding business investments annually and carefully confirm the significance of holding them based on comprehensive consideration of the individual circumstances of each investment, industry characteristics, and other factors. We then implement asset replacement with respect to businesses that have low-efficiency, exit early from businesses that are significantly below targets set at the time of investment, and reduce / restructure the operations of loss-making companies.

After the review of policies for holding business investments, administrative divisions periodically monitor the implementation status of exits as well as improvement measures and provide support to ensure the implementation of measures in accordance with the policies.

Decision-Making Process

DMC: After verifying the appropriateness of improvement plans for low-efficiency business investments that meet exit criteria for business investment, the significance of holding respective business investments is carefully analyzed in the context of the Division Company's strategies, and a decision on holding policy is made by the Division Company's President.

HMC: HMC approval is required if a Division Company's policy is continuing to hold a business investment that meets exit criteria for business investment. In conducting HMC deliberations, the ALM Committee*3 conducts prior deliberations on the appropriateness of the Division Company's retention policy and the possibility of exit implementation.

*3 The ALM (Asset Liability Management) Committee is chaired by the CFO, and its core members are the General Managers of the Corporate Planning & Administration, General Accounting Control, Finance, and Global Risk Management divisions. Meetings are also attended by one full-time Audit & Supervisory Board Member.

Progress Follow-Up

Business Investment to Be Exited: Exit progress is monitored, and each Division Company reports on progress to the CFO monthly.

Business Investment to Be Held Continuously: Improvement measures are advanced. At the periodic review for business investment in the following fiscal year, the progress of improvement plans is checked, and the holding policy is then carefully reanalyzed.

Asset Replacement

Promoting replacement of low-efficiency assets that meet exit criteria for business investment as well as businesses that have lost strategic significance (▶ Page 47 Portfolio Management)

Sharing the Lessons Learned

Unforgettable Training Based on Cases of Investment Failures

We internally share the lessons learned from analyzing past investment failures with the aim of increasing the strength and rigor of our measures to "prevent" unforeseen impairment losses and other negative consequences. In FYE 2024, we conducted five specific case studies of investment projects in regions such as Latin America and China during our training sessions, which saw participation from a large number of employees from both business and administrative divisions.

(▶ Page 69 The Four Lessons for Investments, Training on Investment Failure Cases and PMI*2 Case Studies) *2 PMI: Post-Merger Integration

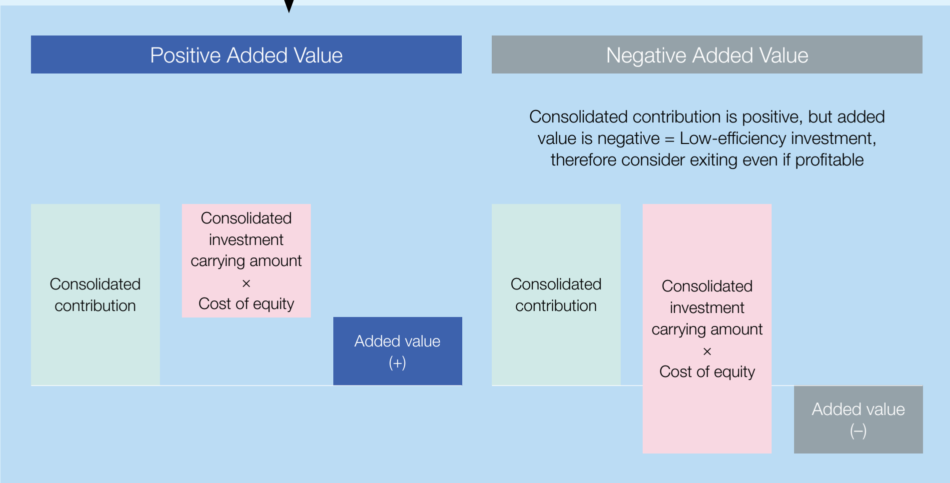
Exit Criteria for Business Investment

(1) Cumulative losses for the last three years

(2) Returns lower than original plans made at the time of investment

(3) Cumulative losses in added value for the last three years
[Consolidated contribution*1 – (Consolidated investment carrying amount x Cost of equity*2)]

*1 Consolidated contribution: The total of profit / loss from the Group company and trade merit
*2 Cost of equity: Set according to industry (approximately 70) and country



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.

Identification and Review Process for Material Issues

Identification of issues based on international guidelines, etc.

(1) Determining the impact on management by analyzing Companywide risks and opportunities
(2) Mapping the Company's material issue candidates by using the double materiality of the impact on management and the opinions and expectations of stakeholders

Review by the Sustainability Advisory Board, including outside experts

Deliberations by the Sustainability Committee, determination of (seven) material issues by the HMC*1 and the Board of Directors

Annual review of material issues in light of the Company's business management and stakeholders' opinions

*1 HMC: Headquarters Management Committee

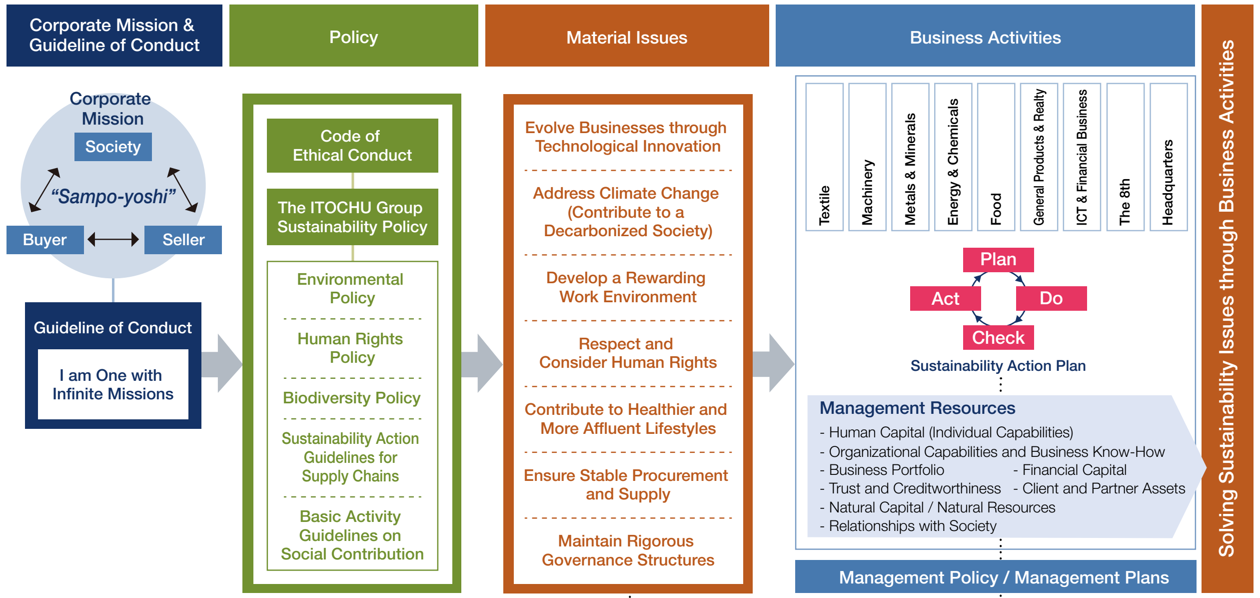
Material Issues	Related SDGs	Number of Action Plans*2
Evolve Businesses through Technological Innovation We are creating new value by proactively exploring new technologies as we adapt to changing industry structures by venturing beyond existing business frameworks.	7, 9, 13	27
Address Climate Change (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.	6, 7, 12, 13, 15	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.	5, 8, 10	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.	8, 9, 11, 12, 14, 15	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.	2, 3, 8, 9, 12	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.	7, 8, 9, 12, 13, 14, 15	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.	16	10

*2 FYE 2024 results (including those related to multiple material issues)

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



PDCA Cycle for Action Plans

Identification of risks and opportunities, social impacts, and issues that should be addressed in each business field

Each organization creates action plans

Execution of action plans

Annual review (Each organization reviews and then reports progress to the Sustainability Committee)

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.

<table>
<tr><th>Material Issues</th><th>Medium- to Long-Term Targets</th><th colspan="4">Achievements</th></tr>
<tr><td rowspan="1">Evolve Businesses through Technological Innovation</td><td>The ITOCHU Group creates avoided emissions that exceed its GHG emissions by 2040 and achieves offset zero</td><td colspan="4">Created avoided emissions
• FYE 2024: 12.3 million t-CO_2e
• FYE 2023: 6.4 million t-CO_2e
• FYE 2019: 1 million t-CO_2e</td></tr>
<tr><td rowspan="4">Address Climate Change (Contribute to a Decarbonized Society)</td><td rowspan="4">The ITOCHU Group achieves 75% GHG reduction from 2018 levels by 2040 and net zero GHG emissions by 2050</td><td></td><td>FYE 2019</td><td>FYE 2023</td><td>FYE 2024</td></tr>
<tr><td>Scope 1, 2, and 3 total*3 (thousand t-CO_2e)</td><td>4,161</td><td>4,103</td><td>3,923</td></tr>
<tr><td colspan="2">Compared to FYE 2019 (%)</td><td>(1.4)</td><td>(5.7)</td></tr>
<tr><td colspan="4">*3 Total of Scope 1, 2, and 3 emissions disclosed in ESG data</td></tr>
<tr><td>Develop a Rewarding Work Environment</td><td>ITOCHU increases the ratio of female officers (including Executive Officers) to 30% or higher by 2030</td><td colspan="4">As a result of appointing five new female Executive Officers as of April 1, 2024, the ratio of female officers is 21%</td></tr>
<tr><td>Respect and Consider Human Rights</td><td>ITOCHU conducts Sustainability Surveys of key suppliers every year, with the aim of reducing the number of noncompliant suppliers requiring corrective action to zero</td><td colspan="4">• In FYE 2024, the Sustainability Survey was conducted for 305 suppliers
• Requests of reconfirmation: 34
• Requests of corrective actions: 0
• Suppliers in violation: 0</td></tr>
</table>

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/

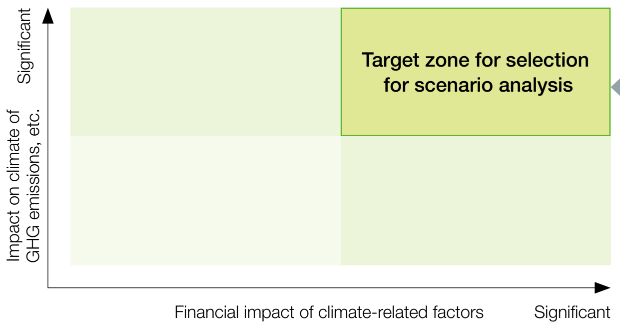
Governance for Climate Change

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 1.5ºC 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.



Scenario analysis target businesses

Businesses for Which Transition Risks Are the Main Issues
Power Generation Business / Energy Business
Chemicals Business / Iron Ore Business
Automobile Business / Coal-related Business

Businesses for Which Physical Risks Are the Main Issues
Dole Business / Pulp Business / Feed and Grain Trade Business




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	• 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	• 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-CO_2e for power generation business (the United States))
Business strategy review	• Examination of business strategies and asset replacement

Climate Change Metrics and Targets

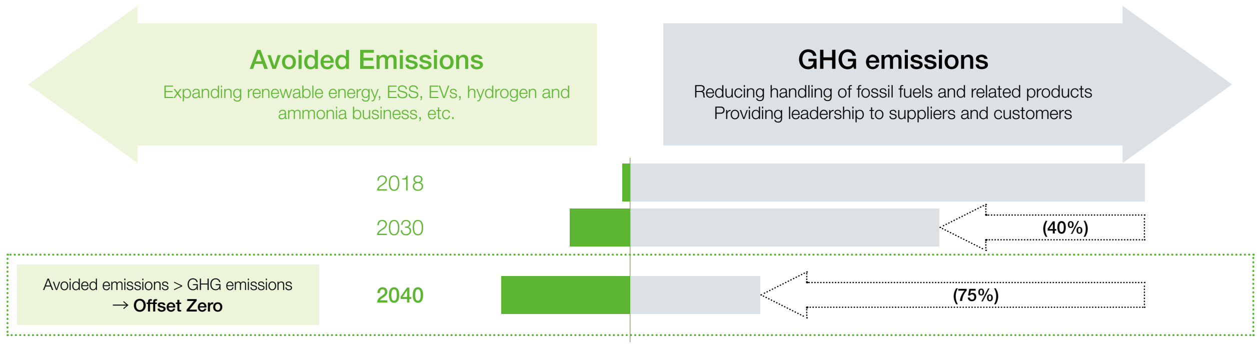
In its previous medium-term management plan, Brand-new Deal 2023, ITOCHU positioned itself ahead of other companies by establishing GHG emissions reduction targets that included Scope 3 emissions. Announced in April 2024, "The Brand-new Deal" Management Policy states that we remain committed to achieving 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

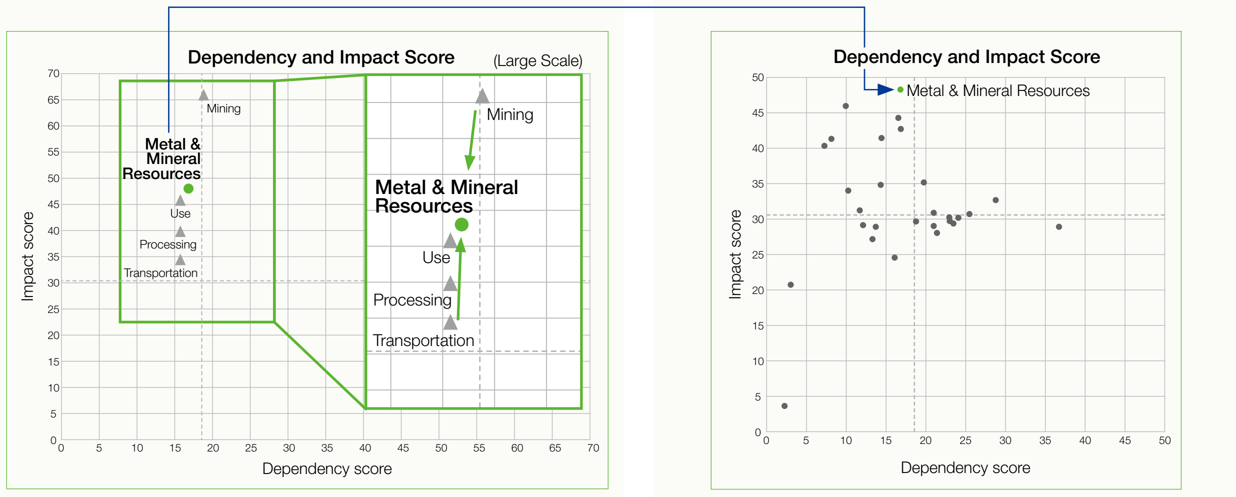
In conducting business analysis based on the final TNFD recommendations, the Company identified in-house business activities of our Group that have a significant dependence and impact on natural capital and biodiversity by conducting its own primary assessment on trial basis.

Phase 1	Phase 2	Phase 3
Correlate Business Units and Processes • Prepare the information necessary for analysis using the ENCORE database	**Consider the Method of Evaluating the Dependency and Impact** • Consider the details of the evaluation approach	**Map and Qualitatively Interpret the Dependency and Impact** • Map the dependency and impact for each business • Prepare the qualitative information to support the mapping above

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.

Average value of primary assessment evaluation scores for each business process of metal & mineral resources = Group score

Group score results for the 28 groups subject to primary assessment



* 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	Avoid	Achieving a handling ratio of certified or highly controlled materials of 100%
		Transform	Engaging with NGOs
	Natural rubber	Transform	Participating in the Global Platform for Sustainable Natural Rubber (GPSNR) as a founding member and cooperating in formulating and operating platform standards
	Palm oil	Avoid	Achieving 100% traceability at the mill level
		Transform	Joined the Roundtable on Sustainable Palm Oil (RSPO) and promoting initiatives
	Biomass fuel	Avoid	Procuring legally accepted woody biomass fuel according to the Programme for the Endorsement of Forest Certification (PEFC), the Forest Stewardship Council (FSC), and other third-party certification
Food	Cocoa beans and coffee beans	Avoid	Enhancing traceability of cocoa beans (FYE 2031 Target: 100% / FYE 2024 Result: 64%)
		Avoid	Enhance the handling of sustainable certified coffee beans (FYE 2031 Target: 50% / FYE 2024 Result: 37%)
		Transform	Providing technical support to small farmers such as by giving them agricultural technology to improve productivity
	Dairy products	Reduce	Reducing ecological degradation by raising dairy cows while changing their grazing land regularly in New Zealand
	Meat	Avoid	Built a system to enable 100% trace back to the production stage for all meat suppliers
	Marine products	Avoid	Acquired certification for distribution and processing management (CoC) from the Marine Stewardship Council (MSC)
		Transform	Encouraging fishermen about skipjack and yellowfin for which MSC certification is limited
	Fruits and vegetables	Reduce	Using clean energy in our Dole business
Textile raw materials	Cotton	Avoid	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	Restore & Regenerate	Planning and selling charity goods, with a portion of the proceeds used for tropical rainforest restoration and the protection of Borneo elephants

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/

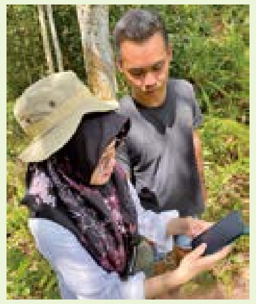
Number of Suppliers Surveyed, by Region, in FYE 2024

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

Comprehensive human rights risk assessment of business, research based on various literature, and interview-based survey of business divisions → Based on a risk analysis, conduct survey of suppliers (including indirect suppliers) in priority businesses and countries → Conduct supplier engagement with interviews and additional surveys → Gain understanding of human rights issues and discuss policies to address them and request corrective action going forward → Monitor progress with supply chain sustainability surveys

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 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.
Products covered	Timber products, wood chips, pulp, natural rubber	
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)

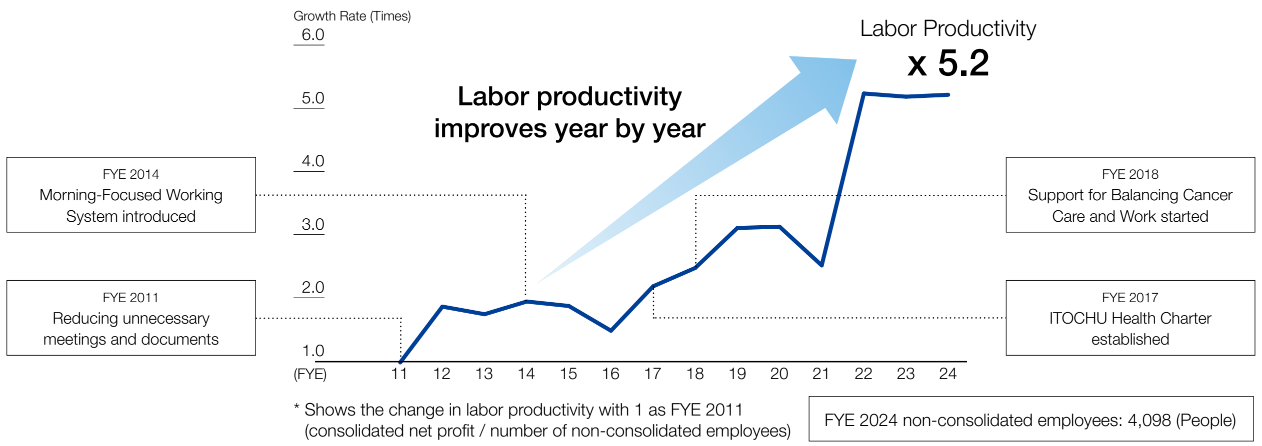
Positive External Evaluations

Enhancement of Corporate Brand Value

The 2024 KENKO Investment for Health Stock Selection

FY 2023 Nadeshiko Brands

Labor Productivity



* Shows the change in labor productivity with 1 as FYE 2011 (consolidated net profit / number of non-consolidated employees)

FYE 2024 non-consolidated employees: 4,098 (People)

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%
Voluntary resignation rate	0.9%	1.6%

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.)

Increasing Awareness of Participation in Management

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

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

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

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

Conduct engagement surveys → Assess issues → Decide on policies to address issues → Implement measures

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

Specific Measure: Supporting Junior and Mid-Career Employees

Revision of Human Resource System

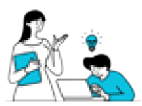
Since the introduction of the current human resource system in FYE 2000, we have consistently implemented revisions aimed at maintaining recruitment competitiveness and enhancing job satisfaction, based on the BAND system (fixed salary) tied to job roles and performance-linked bonuses (variable salary). 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

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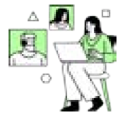

Connecting organizations virtually beyond the barriers of departments

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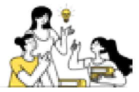


Effectively promoting projects in the short term while mutually sharing know-how

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*

Kunio Ishizuka
Outside Director

* Chief Administrative Officer

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 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

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.

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.

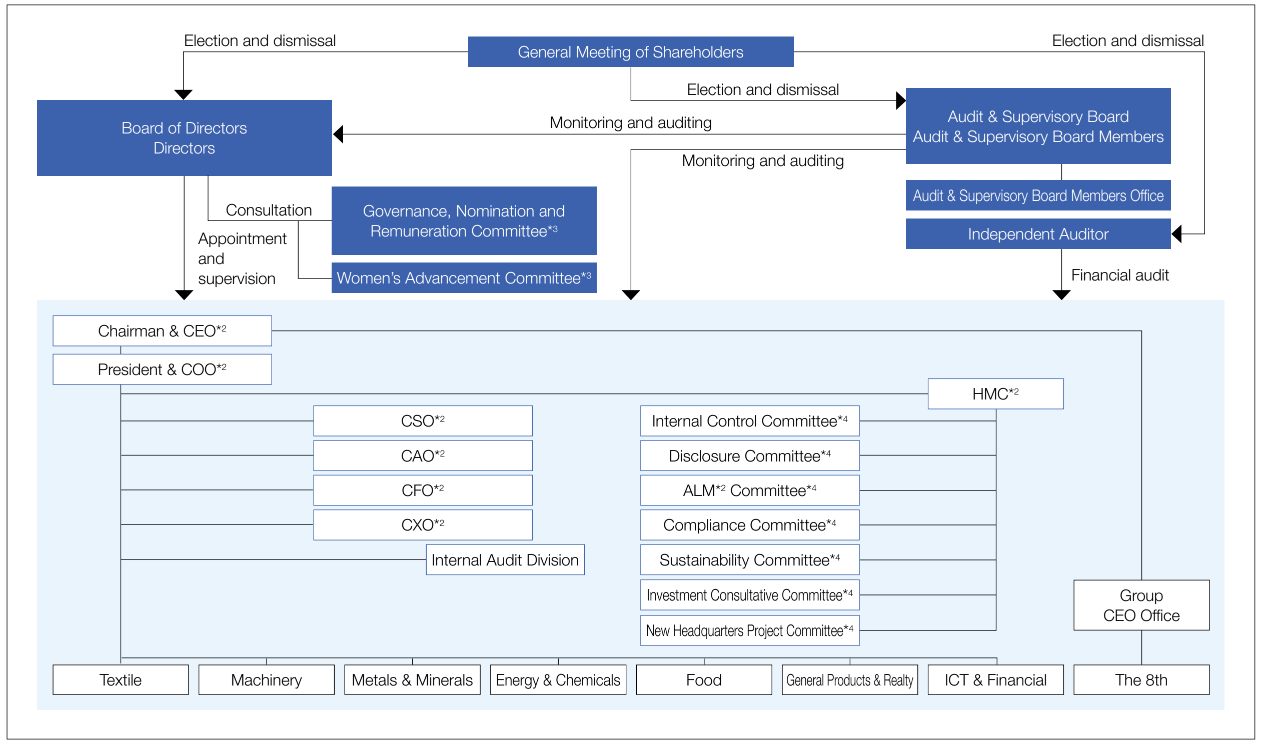
Structure of the Board of Directors

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

Board of Directors		Audit & Supervisory Board Members		Ratio of Female Officers on the Board of Directors	Ratio of Outside Officers on the Board of Directors	Major Topics Discussed in FYE 2024
Inside Directors*1	Outside Directors	Inside Audit & Supervisory Board Members	Outside Audit & Supervisory Board Members			
7 CEO COO CAO CFO P CSO CXO	4	2	3	25% (4 Female Officers)	44% (7 Outside Officers)	• Privatization of CTC • Privatization of DAIKEN CORPORATION • Business succession of the former BIGMOTOR Co., Ltd. by WECARS Co., Ltd. (▶ Page 87 Discussions on Individual Projects) • Sustainability-related initiatives

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.

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

* 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 Officers*6, 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

■ Chair □ Member ※ Observer

*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.

* 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.

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

Proposals by the Chairman & CEO	The Chairman & CEO recommends candidates to the Governance, Nomination and Remuneration Committee based on input from executives because it is not only essential to have knowledge related to the businesses of the entire Company to enhance medium- to long-term corporate value but also to have a deep understanding of the candidates' careers, experience, character, and other factors.
Deliberations at the Governance, Nomination and Remuneration Committee	The Governance, Nomination and Remuneration Committee is chaired by an Outside Director and has a majority of Outside Directors. Its deliberations reflect the perspectives of outside officers who share viewpoints with general shareholders and society.
Deliberation at Meetings of the Board of Directors	The Governance, Nomination and Remuneration Committee reports the results of deliberations to the Board of Directors, and the CEO is decided following discussions at meetings of the Board of Directors.

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	• 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 • 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	• 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	• 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	• 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	• 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

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

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 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 *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 ÷ 55
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)) × 1,300,000 × (Total position points*6 of FYE 2024 and FYE 2025) / (108.8 points × 2)
× 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.

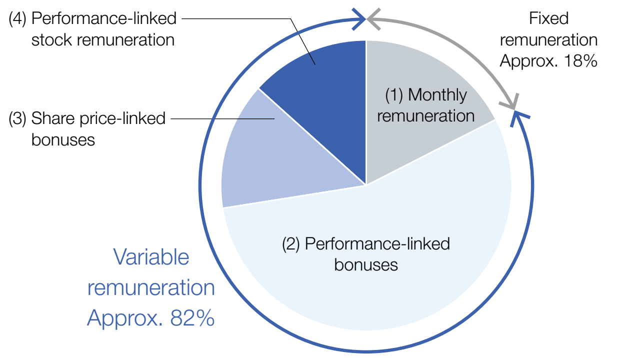
Chairman	President	Executive Vice President	Senior Managing Executive Officers	Managing Executive Officers	Executive Officers
31,900	23,900	16,000	12,800	9,600	7,000

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 × 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
ITOCHU ENEX CO.,LTD.	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)	• Governance Committee • Special Committee	75% (3 out of 4 directors)
C.I. TAKIRON*1	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)	• Nomination / Remuneration Committee • Governance Committee	50% (2 out of 4 directors)
ISC ITOCHU-SHOKUHIN Co.,Ltd.	The principal and main business of ITOCHU-SHOKUHIN 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-SHOKUHIN 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-SHOKUHIN Co., Ltd.	33% (3 out of 9 directors)	• Governance Committee	50% (2 out of 4 directors)
PRIMA MEAT PACKERS, LTD.	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)	• 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*2	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.
Jamco	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	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 Reliable Solutions	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.	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.	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.
Bell System24	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 Group	SKY Perfect JSAT Holdings Inc. assumes an important role in strengthening space, satellite, and media-related businesses in ITOCHU's data and telecommunications 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.
Orico	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.

BUSINESS PORTFOLIO

CONTENTS

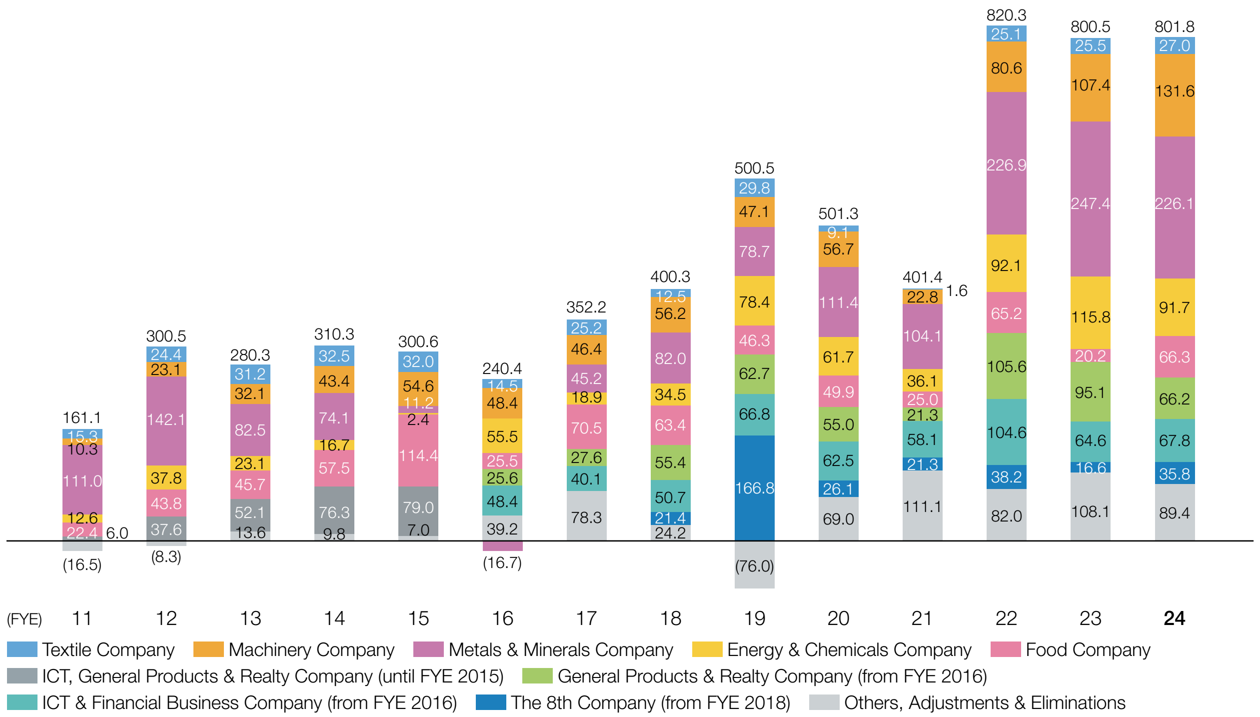
Portfolio Overview

Percentage of the Total for ITOCHU (3-year average)

* The results for FYE 2024 and the end of March 2024

Consolidated Net Profit (Loss) by Segment

* Based on U.S. GAAP through FYE 2014, IFRS from FYE 2015

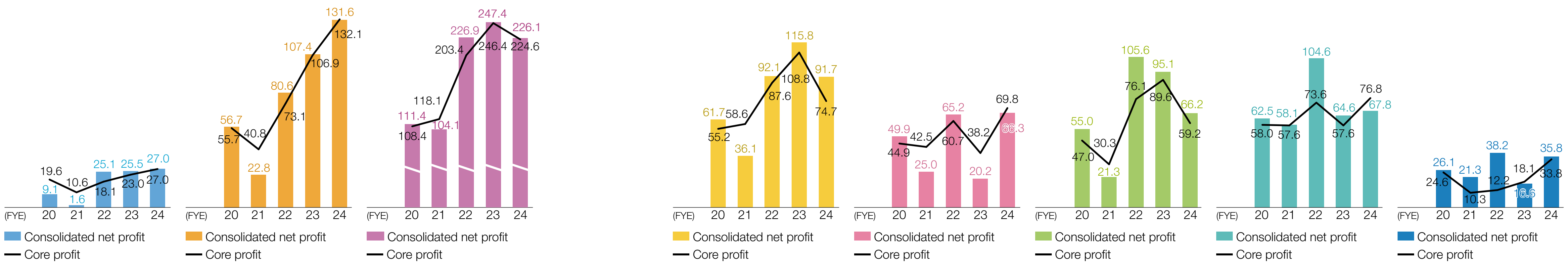


* In April 2016, the ICT, General Products & Realty Company was reorganized into the General Products & Realty Company and the ICT & Financial Business Company.
* On July 1, 2019, The 8th Company was established, and ITOCHU began mutual holdings in which The 8th Company was the minority shareholder and the other Division Companies were the majority shareholders. On October 1, 2022, ITOCHU dissolved such mutual holdings. Therefore, the results from FYE 2018 to FYE 2021 have been presented based on the mutual holdings, while the results from FYE 2022 to FYE 2023 have been presented based on the dissolution of the mutual holdings.

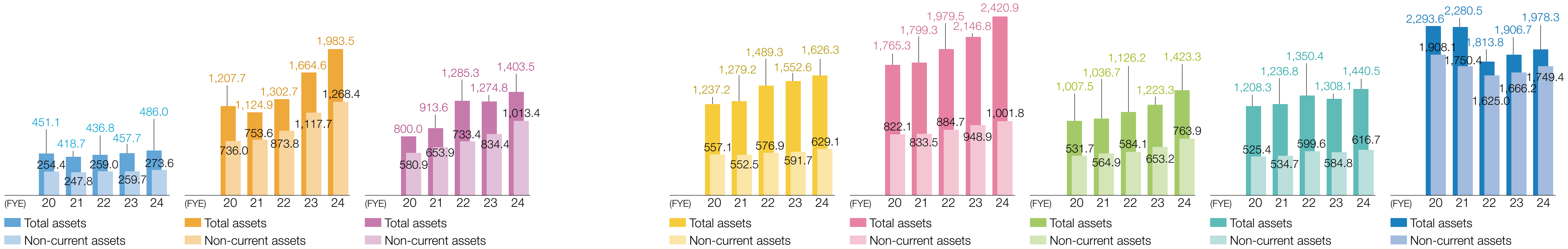
Performance Trends by Segment

Textile Company | Machinery Company | Metals & Minerals Company | Energy & Chemicals Company | Food Company | General Products & Realty Company | ICT & Financial Business Company | The 8th Company

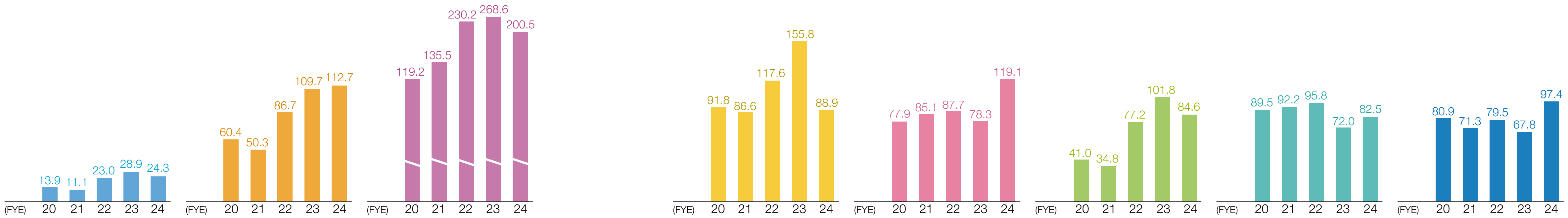
Consolidated Net Profit & Core Profit
(Billions of yen)



Total Assets
(Billions of yen)

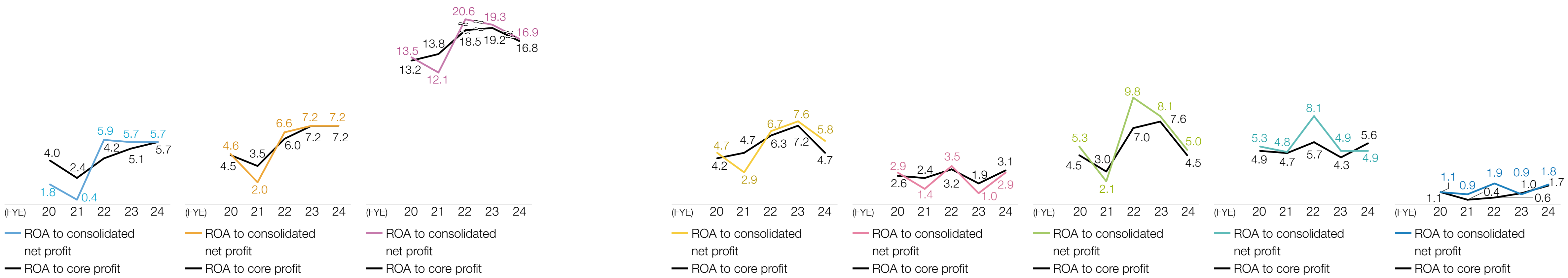


Core Operating Cash Flows*
(Billions of yen)



* "Cash flows from operating activities" – "Changes in working capital" + "Repayment of lease liabilities, etc."

ROA
(%)



* On July 1, 2019, The 8th Company was established, and ITOCHU began mutual holdings in which The 8th Company was the minority shareholder and the other Division Companies were the majority shareholders. On October 1, 2022, ITOCHU dissolved such mutual holdings. Therefore, the results from FYE 2020 to FYE 2021 have been presented based on the mutual holdings, while the results from FYE 2022 to FYE 2023 have been presented based on the dissolution of the mutual holdings.

▶ Page 128 Performance Trends by Segment

Textile Company

Business Fields	■ Brand business (import and licenses for garments, fashion accessories, lifestyle brands, etc.) ■ Apparel (raw materials, textile fabrics, garment materials, textile products, etc.) ■ Industrial materials (fiber materials for industrial and manufacturing use, lifestyle-related products, etc.)
Company Strengths	■ Strong position as the unmistakable leader among general trading companies in the textile industry ■ Full-spectrum value chain that includes everything from upstream to downstream operations in the textile industry ■ Solid business relationships with blue-chip partners in each business area in Japan and overseas

Quantitative information (FYE 2024 results) ▶ Pages 99–101, 128–131

Consolidated Net Profit	Core Profit	Percentage of Earnings from Business in Japan (image)
¥27.0 billion	¥27.0 billion	70%
ROA*1	CAGR*2	
6%	4%	

*1 ROA based on core profit.
*2 Compound annual growth rate of consolidated net profit from FYE 2011 to FYE 2024

Hideto Takeuchi
President, Textile Company

From left:

Go Mimura	Chief Operating Officer, Apparel Division
Manabu Fukugaki	Chief Operating Officer, Brand Marketing Division
Katsushi Adachi	Chief Financial Officer
Ryoma Omuro	General Manager, Planning & Administration Department

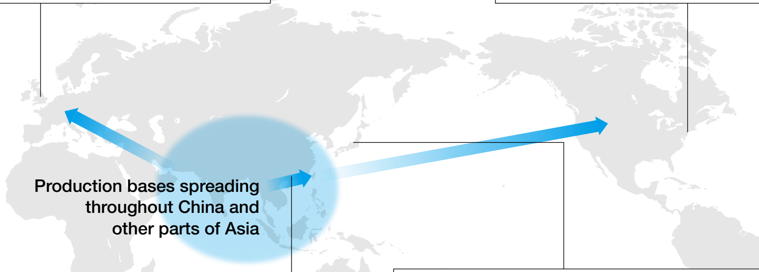
Business Development

Apparel

Products: Raw materials, textile fabrics, garment materials, and textile products, etc.

Product planning and sales base for the European market
• ITOCHU Europe

Product planning and sales base for the North American market
• ITOCHU Prominent U.S.A.



Product planning, production, and sales bases for markets in China and other parts of Asia / Production base for the Japanese, European, U.S., and global markets
• ITOCHU TEXTILE (CHINA)
• ITOCHU Textile Prominent (ASIA)

Product planning, production, and sales bases targeting Japanese, Chinese, Asian, and global markets
• ITOCHU • EDWIN
• Sankei • DESCENTE
• DOME • UNICO
• ROYNE

Focusing on the sports-related business

Industrial Materials

Products: Fiber materials used for hygiene, automobile interior materials, electronics materials, building and civil engineering materials for industry and manufacturing, and lifestyle-related products, etc.

Establishment of local supply chains that match customer needs and locations (Focus region: China and other parts of Asia)

Spreading the business model established in Japan, China, and other parts of Asia throughout the world

Brand Business

Brand owner

Participation in management / Trademark rights
Primary brands handled:
CONVERSE, HUNTING WORLD, Leilian, LeSportsac, OUTDOOR PRODUCTS, Paul Smith

Exclusive import and distribution rights / Master license rights
Primary brands handled:
FILA, LANVIN, Reebok, Vivienne Westwood

Initiative for Sustainable Enhancement of Corporate Value through a Market-Oriented Perspective

Rolling Out the Luxury Handbag Brand GHERARDINI in Japan, Europe, and the United States

In December 2023, ITOCHU acquired exclusive rights to sell GHERARDINI brand handbags—a brand that originates from Florence, Italy—in the markets of Japan, Europe, and the United States. The signature product SOFTY is renowned for its exceptional lightness, functionality, and elegant design, and is loved by consumers worldwide. By leveraging our extensive expertise and networks gained from our multiple bag businesses, such as HUNTING WORLD, LeSportsac, and OUTDOOR PRODUCTS, and by adopting a market-oriented perspective to meet market and consumer demands, we aim to convey the appeal of this brand, which has a tradition of approximately 140 years since its founding, and further expand the earnings base of our brand business.

A handbag made of SOFTY, GHERARDINI's signature material

Brand Marketing Section 1, Brand Marketing Department 1
From left:
Masaru Watanabe, Ayako Nunogaki, Takahide Masuda, Akari Hashimoto

Corporate Value = Created Value / (Cost of Capital − Growth Rate)

Items related to Sustainability Action Plans are indicated with a mark for the corresponding material issues.
Evolve Businesses through Technological Innovation
Address Climate Change (Contribute to a Decarbonized Society)
Develop a Rewarding Work Environment
Respect and Consider Human Rights
Contribute to Healthier and More Affluent Lifestyles
Ensure Stable Procurement and Supply
Maintain Rigorous Governance Structures

Expand Created Value (FYE 2024 Review)

- Acquired exclusive rights to sell GHERARDINI, a luxury Italian handbags brand, in the markets of Japan, Europe, and the United States
- Established IFJ Inc. to conduct the design, production, and sales of shoes and apparel, a core product category for the Italian sports brand FILA, and accelerated initiatives to further enhance the brand's value through hands-on management
- Acquired the master license rights and the import and sales rights in the Japanese market for the Italian sportswear brand Kappa, and launched it through a wide range of sales channels, from sporting goods stores to select shops
- Launched GAKU-RELAY, a flea market-style consumer-to-consumer platform for reused school uniforms and school supplies

Increase Growth Rate

- Expanding the sports-related business: Strengthening the branding at DESCENTE LTD. and accelerating collaborations in the Chinese business, enhancing the competitiveness of the U.S. sports brand UNDER ARMOUR, and beginning to manage unique brands such as Kappa
- Strengthening the earnings base of the footwear-related business (CONVERSE, FILA, Reebok, etc.), and bolstering cross-functional initiatives in production and sales by leveraging economies of scale
- Strengthening the competitiveness of the brands we manage by proactively recruiting advanced outside specialists, etc.
- Increasing the number of new commercial products managed such as cosmetics and lifestyle products by using our brand business expertise cultivated over many years
- Advancing initiatives that contribute to the sustainability of the textile industry: Promoting the recycled polyester material RENU and the ARChemia project for recycling used plastics and textiles, etc.
- Expanding our overseas business foundation in the industrial materials field through collaboration with blue-chip partners

Lower Cost of Capital

- Executing a digital strategy through the development of data analysis infrastructure
- Respecting human rights throughout supply chains and promoting trade with companies that engage in sustainable practices
- Establishing stable operational infrastructure by updating the backbone systems (ERP) of Group companies, etc.

The list of major subsidiaries and associated companies is available on ITOCHU's website.
https://www.itochu.co.jp/en/files/ar2024E_12.pdf

Details on the Sustainability Action Plans are available on ITOCHU's website.
https://www.itochu.co.jp/en/csr/itochu/actionplan/

Machinery Company

Business Fields

- Urban environment and power infrastructure (water and environmental business, independent power producer (IPP), infrastructure, chemical plants, renewable energy, etc.)
- Marine and aerospace (trading of newbuilding and secondhand vessels, ship owning, sales of commercial aircraft, aircraft leasing, satellite information services, drones, etc.)
- Automobile (sales and finance, etc., of passenger cars and commercial vehicles in the domestic and international markets)
- Construction machinery and industrial machinery (sales and finance, etc., in domestic and international markets)

Company Strengths

- Diverse businesses in developed countries and business development in emerging countries while minimizing country risk
- Solid business relationships with blue-chip partners in the waste treatment / renewable energy areas and advanced project development capabilities
- Broad business portfolio encompassing both trading (in automobile, construction machinery, and other areas) as well as business investment in areas such as wholesale, retail, and finance businesses, widely spread in Japan and overseas

Quantitative information (FYE 2024 results) ▶ Pages 99–101, 128–131

Consolidated Net Profit	Core Profit	Percentage of Earnings from Business in Japan (image)
¥131.6 billion	¥132.1 billion	50%
ROA*1	CAGR*2	
7%	22%	

*1 ROA based on core profit.
*2 Compound annual growth rate of consolidated net profit from FYE 2011 to FYE 2024

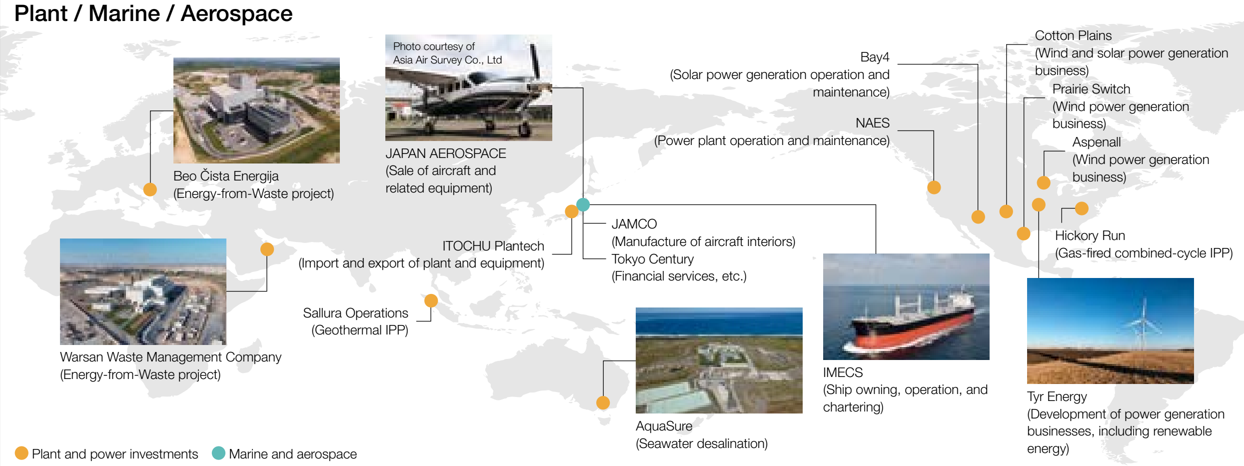
Hiroyuki Tsubai
President, Machinery Company

From left:

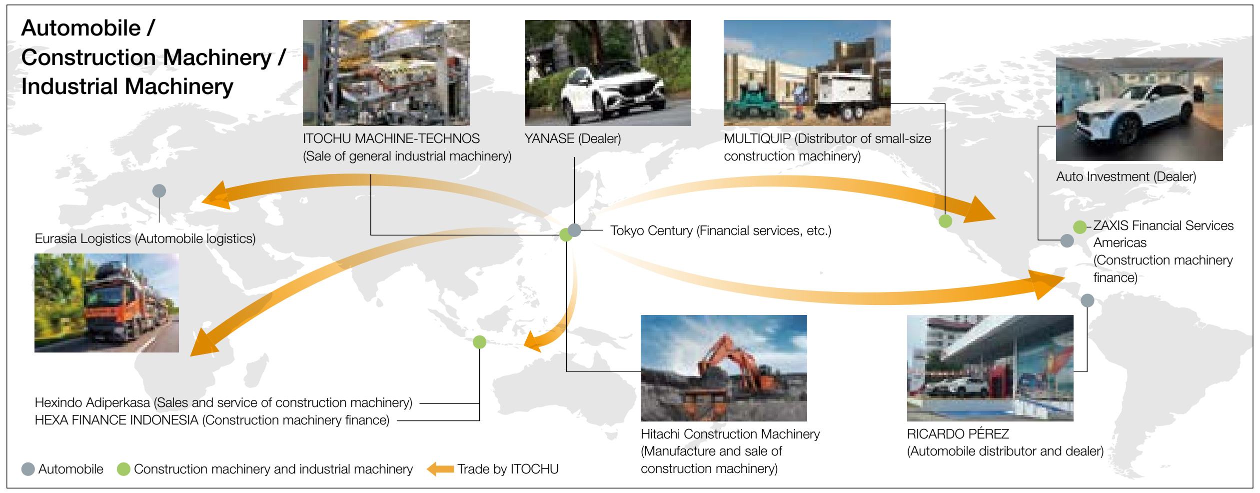
Eiichiro Higashiyama	Chief Operating Officer, Plant Project, Marine & Aerospace Division
Hiroshi Ushijima	Chief Operating Officer, Automobile, Construction Machinery & Industrial Machinery Division
Masato Sakuragi	Chief Financial Officer
Toshio Okudera	General Manager, Planning & Administration Department

Business Development

Plant / Marine / Aerospace



Automobile / Construction Machinery / Industrial Machinery



Initiative for Sustainable Enhancement of Corporate Value through a Market-Oriented Perspective

EVision: Providing Total Solutions for Electric Truck Users through Leasing

ITOCHU is promoting the adoption of electric trucks as a partner in EVision, a total solution program provided by Isuzu Motors Limited aimed at electric truck users. In FYE 2024, ISUZU LEASING SERVICES LIMITED, a joint venture between Isuzu Motors Sales Ltd. and ITOCHU, began offering a specialized leasing service for electric trucks which includes leasing periods reflecting the anticipated degradation of batteries. In order to address the challenges associated with the introduction of electric trucks, including the installation of charging facilities and the quantification of GHG emissions reductions, we will leverage our expertise in the field of energy management. By doing so, we aim to contribute to the steady and sustainable adoption of EVs and the decarbonization of the mobility sector, while providing optimal and flexible solutions tailored to the individual circumstances of our users through a market-oriented perspective.

The ELF EV, an electric truck launched by Isuzu Motors Limited in 2023

Mobility Service Planning Section, Isuzu & Mobility Business Department
From left:
Hiroaki Murai, Satoko Manabe, Sakura Tanaka

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

Items related to Sustainability Action Plans are indicated with a mark for the corresponding material issues.

- Evolve Businesses through Technological Innovation
- Address Climate Change (Contribute to a Decarbonized Society)
- Develop a Rewarding Work Environment
- Respect and Consider Human Rights
- Contribute to Healthier and More Affluent Lifestyles
- Ensure Stable Procurement and Supply
- Maintain Rigorous Governance Structures

Expand Created Value (FYE 2024 Review)

- Realized and accelerated collaboration with Hitachi Construction Machinery Co., Ltd., worldwide through initiatives such as launching financing services via ZAXIS Financial Services Americas, LLC, a joint venture finance company for construction machinery in North America established by Tokyo Century Corporation, Hitachi Construction Machinery Co., Ltd., and ITOCHU, and handling portable charging facilities for Hitachi-made electric construction machinery in Europe
- Established a fund through Tyr Energy Inc. that invests in renewable energy projects in North America
- Enhanced our maintenance business in the renewable energy market through the acquisition of American Hydro Corporation which provides engineering, manufacturing and maintenance services to Hydro turbines mainly in North America
- Invested in Purus Marine (a shipping investment company specializing in the ownership and operation of decarbonized ships and marine infrastructure assets) in the U.K. to seek collaboration in the field of environmentally friendly ships
- As a partner of the Isuzu Motors EVision total solution program for electric truck users, collaborated with the Energy & Chemicals Company to provide support for the installation of charging infrastructure and offer leasing services that account for projected battery degradation
- Entered the Ferrari business, the Italian sports car brand, at YANASE & CO., LTD., expanding the premium sports car business

Increase Growth Rate

- Expanding peripheral functions, such as the operation and maintenance of plants and the provision of demand and supply balancing services, and strengthening business development capabilities in the renewable energy field overseas
- Developing ammonia-fueled ships for owning and operation, and promoting fuel ammonia supply business, for reducing GHG emissions at sea
- Expanding the value chain to include leasing, rental, after-sales services, used vehicle sales, etc., and promoting the introduction of EVs in the automobile and construction machinery fields
- Expanding the value chain for the construction machinery business through our capital alliance with Hitachi Construction Machinery Co., Ltd.

Lower Cost of Capital

- Complying with policies related to coal-fired power generation and promoting renewable energy power generation projects in consideration of national and regional energy situations
- Reducing environmental impact by expanding mobility services and promoting EVs, autonomous cruising vehicles, and aircraft electrification, etc.

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https://www.itochu.co.jp/en/files/ar2024E_12.pdf

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https://www.itochu.co.jp/en/csr/itochu/actionplan/

Metals & Minerals Company

Business Fields

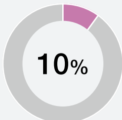
- Development of metal & mineral resource projects (iron ore, coal, non-ferrous metals, rare metals, etc.)
- Trading of raw materials for steelmaking (iron ore, coal, etc.), fuel for power generation (coal and uranium), non-ferrous raw materials and products (aluminum, etc.), and recycling business (metal scrap, waste treatment, etc.)
- Decarbonization-related business (hydrogen; ammonia; carbon dioxide capture, utilization, and storage (CCUS); emissions trading, etc.)
- Steel-related business (import and export to / from Japan, trading in non-Japanese markets, processing, etc.)

Company Strengths

- Strong relationships with blue-chip business partners in each business area
- Ownership of superior natural resource assets, in particular iron ore and coking coal
- Broad-ranging trade flows that run from upstream (metal & mineral resources and metal materials) to downstream (steel / non-ferrous products)

Quantitative information (FYE 2024 results) ▶ Pages 99–101, 128–131

Consolidated Net Profit	Core Profit	Percentage of Earnings from Business in Japan (image)
¥226.1 billion	¥224.6 billion	10%
ROA*1	CAGR*2	
17%	6%	



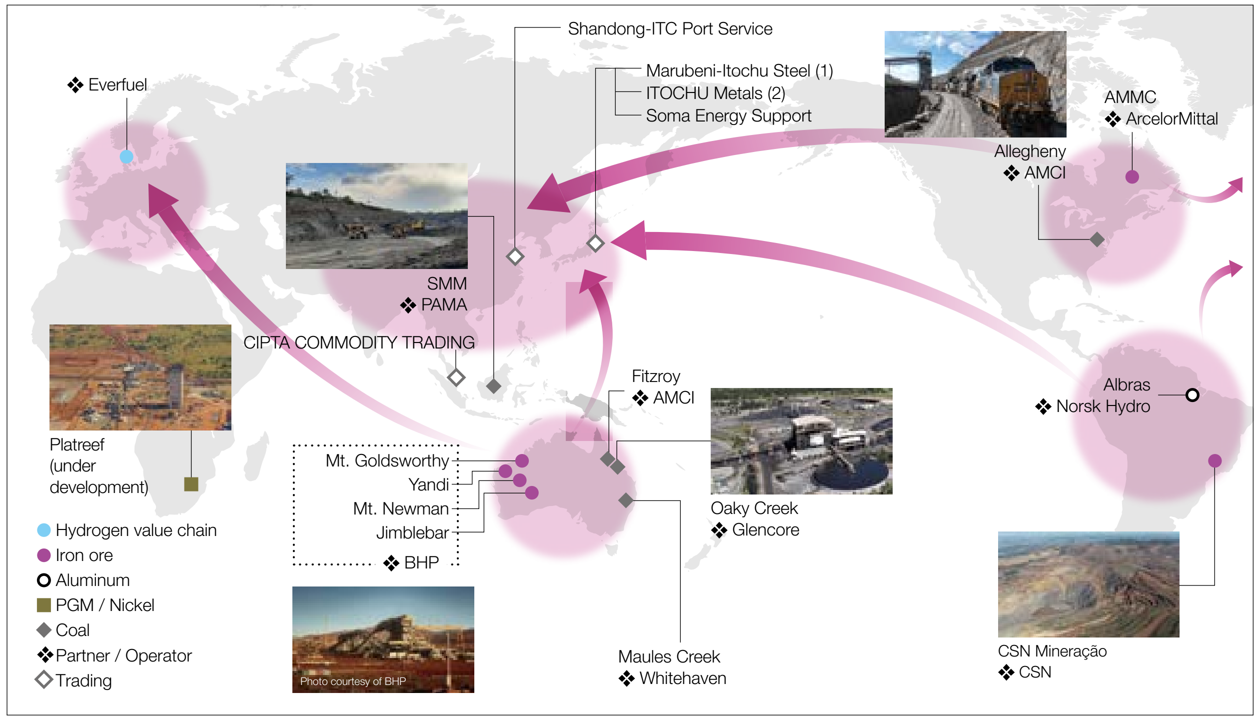
*1 ROA based on core profit.
*2 Compound annual growth rate of consolidated net profit from FYE 2011 to FYE 2024

Jun Inomata
President, Metals & Minerals Company

From left:

Daisuke Inoue	Chief Operating Officer, Metal & Mineral Resources Division
Katsunori Sato	Chief Financial Officer
Kotaro Suzuki	General Manager, Planning & Administration Department
Masakatsu Murayama	General Manager, Steel Business Coordination Department

Business Development



(1) Marubeni-Itochu Steel

- Trading company that specializes in the steel distribution business and has business foundations in regions worldwide
- Provision of high-value-added services related to steel and other products, including import, export, sale, processing, supply chain management, and investment in steel-related industries

(2) ITOCHU Metals

- Trading company that specializes in non-ferrous metals and recycling, operates from raw material supply to resource recycling with a worldwide network
- Raw material supply, product distribution, and proactive advancement of a comprehensive recycling business that is helping build a circular economy
- Invested in a major U.S. scrap metal recycling company to expand the procurement scope

Initiative for Sustainable Enhancement of Corporate Value through a Market-Oriented Perspective

Participation in One of the World's Largest Green Hydrogen Value Chains in Northern Europe

ITOCHU and a subsidiary of Osaka Gas Co., Ltd. have jointly invested in Everfuel A/S, which is one of the world's largest hydrogen producers. Everfuel A/S is advancing a green hydrogen*3 local production and consumption project in Denmark. The commercial operations of Everfuel A/S's first project, which will be one of the world's largest green hydrogen production projects, are scheduled to begin in 2024. By selling hydrogen to the industrial and mobility sectors, the company will build a value chain for local production and consumption. The company also plans to supply hydrogen via pipeline to Germany, which is expected to become a major consumption area of hydrogen. We aim to help realize a decarbonized society and strengthen our business foundations by rapidly monetizing this green hydrogen project and horizontally developing similar projects in Japan, other Asian countries, the United States, and Europe and by participating in businesses engaged in the manufacturing business of hydrogen-derived products, such as ammonia and e-fuel (synthetic fuel), for which demand is expected to grow in the future.

*3 Hydrogen produced through water electrolysis using renewable energy, which does not emit CO_2 during its production

Everfuel hydrogen station

Carbon Neutral Management Section
From left:
Ken Kurihara, Kenny Nakanishi, Carlos Tanaka

Corporate Value = Created Value − (Cost of Capital − Growth Rate)

Items related to Sustainability Action Plans are indicated with a mark for the corresponding material issues.

- Evolve Businesses through Technological Innovation
- Address Climate Change (Contribute to a Decarbonized Society)
- Develop a Rewarding Work Environment
- Respect and Consider Human Rights
- Contribute to Healthier and More Affluent Lifestyles
- Ensure Stable Procurement and Supply
- Maintain Rigorous Governance Structures

Expand Created Value (FYE 2024 Review)

- Sought to create a supply chain of low-carbon direct reduced iron by promoting detailed feasibility studies jointly with JFE Steel Corporation; Emirates Steel Arkan, the largest steel company in the United Arab Emirates; and others, in parallel with procuring rare, high-grade iron ore, the main raw material for direct reduced iron, from Brazil's CSN Mineração S.A.
- Began commercial production at the Allegheny coking coal mine in the United States to ensure a stable supply of high-quality raw materials for steelmaking
- Invested in PNW Metal Recycling, LLC, a major U.S. scrap metal recycling company, to ensure the stable procurement of steel scrap, for which demand is expected to increase
- Invested in Denmark's Everfuel A/S, a company promoting the construction of the green hydrogen value chain, and advanced the construction of one of the world's largest hydrogen production and distribution plants as a green hydrogen project with commercial operation

Increase Growth Rate

- Increasing interests in and realizing stable supplies of metal resources, which underpin the base of economic activities and are indispensable for the transition to a decarbonized society
- Leveraging our solid relationships with steel manufacturers and power companies to strengthen our initiatives related to direct reduced iron and other low-carbon raw materials that help realize a decarbonized society, carbon dioxide capture, utilization, and storage (CCUS), emissions rights, and hydrogen and ammonia projects
- Steadily promoting initiatives for venous industries (industries where wastes are turned into reusable resources) to help build a circular economy (recycling, appropriate waste treatment, etc.)
- Developing businesses that respond to structural changes in society (EVs and FCVs, energy storage systems (ESS), lighter-weight materials that improve energy efficiency, etc.)

Lower Cost of Capital

- Pursuing efforts to completely withdraw from thermal coal mine investments and promoting technological development that contributes to GHG emissions reductions
- Promoting businesses that facilitate weight reduction of vehicles and EVs (including wider use of aluminum and other non-ferrous metals and rare metals)
- Optimizing our asset portfolio to support stable supply of raw materials and fuels to meet social needs
- Complying with our Environment, Health, and Safety (EHS) Guidelines, continuing employee education on these Guidelines, and contributing to local communities where we do business through the provision of healthcare, education, donations, and assistance in the establishment of regional infrastructure
- Promoting increases in efficiency through mining operations and facility management utilizing digital transformation, and conversion to automated operation of mining equipment

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https://www.itochu.co.jp/en/files/ar2024E_12.pdf

Details on the Sustainability Action Plans are available on ITOCHU's website.
https://www.itochu.co.jp/en/csr/itochu/actionplan/

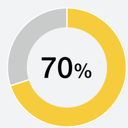
Energy & Chemicals Company

Business Fields	■ Energy projects and trading (crude oil, petroleum products, LPG, LNG, natural gas, hydrogen and ammonia, renewable fuel, nuclear fusion (fusion energy*), etc.) ■ Chemical products business and trading (basic petrochemical products, synthetic resins, household goods, fine chemicals, pharmaceuticals, functional food ingredients, electronic materials, eco-friendly materials, etc.) ■ Power and environmental solutions business and trading (renewable energy power generation, power trading, heat supply, solar panels, energy storage systems (ESS), solid biomass fuel, and other related materials)
Company Strengths	■ Development and trading of eco-friendly energy through collaborations with blue-chip business partners ■ Robust Group companies and overseas networks that support a wide range of areas in the chemicals sector, ranging from basic products to retail-related products ■ Comprehensive value chain in the next-generation power sector consisting of both business investments and trade businesses

* A technology that utilizes the principles by which the sun continues to shine, and if commercialized, it can generate enormous amounts of energy stably with a small amount of fuel, and does not emit CO_2 during the production process, making it the ultimate clean energy source.

Quantitative information (FYE 2024 results) ▶ Pages 99–101, 128–131

Consolidated Net Profit	Core Profit	Percentage of Earnings from Business in Japan (image)
¥91.7 billion	¥74.7 billion	70%
ROA*1	CAGR*2	
5%	16%	



*1 ROA based on core profit.
*2 Compound annual growth rate of consolidated net profit from FYE 2011 to FYE 2024

Masaya Tanaka
President, Energy & Chemicals Company

From left:

Tetsuya Yamada	Chief Operating Officer, Energy Division
Nobuyuki Tabata	Chief Operating Officer, Chemicals Division
Yasuhiro Abe	Chief Operating Officer, Power & Environmental Solution Division
Hideki Sugiura	Chief Financial Officer
Hajime Sakanashi	General Manager, Planning & Administration Department

Business Development

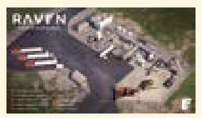
Energy

Oil & Gas project
• ACG Project (❖BP / Azerbaijan)
• BTC Project (❖BP / Azerbaijan)
• West Qurna-1 Project (❖PetroChina / Iraq)
• Eastern Siberia Project (❖INK-Zapad / Russia)
• Sakhalin-1 Project*3 (Russia)
• QatarEnergy LNG S(1) Project*3 (Qatar)
• Oman LNG Project*3 (Oman)
• Qalhat LNG Project*3 (Oman)


❖Operator

Petroleum / LPG wholesale and retail
• ITOCHU ENEX (Wholesale, retail, power and heat supply)
• ITOCHU PETROLEUM SINGAPORE (Energy trading / Singapore)
• Isla Petroleum & Gas (LPG wholesale and retail / Philippines)

Renewable fuel business / New-energy business
• Raven*3 (Producer of renewable fuel derived from municipal solid waste / the U.S.)



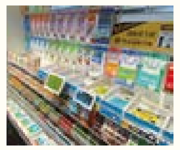
• Blue Laser Fusion*3 (Fusion energy* development / the U.S.)

Chemicals

Production
• C.I. TAKIRON (Synthetic resin products)
• BRUNEI METHANOL (Basic chemicals / Brunei)
• Aquafil*3 (Nylon recycling / Italy)


Chemicals trading
• ITOCHU CHEMICAL FRONTIER (Fine chemicals / pharmaceuticals)
• ITOCHU PLASTICS (Synthetic resin materials)
• ITOCHU Plastics (Synthetic resin materials / Singapore)


Retail-related business
• ITOCHU Retail Link (Daily necessities / commercial materials)
• Sanipak Company Of Japan (Daily life-related materials)
• REMEJE PHARMACEUTICALS (Pharmaceuticals / China)

Power & Environmental Solution

Renewable energy
• Aoyama Solar (Renewable energy development)
• i GRID SOLUTIONS (Distributed renewable energy business)
• Clean Energy Connect*3 (Supplier of green energy to companies)


Energy storage systems (ESS) / Next-generation business
• GridShare Japan (Battery optimal control AI)
• NF Blossom Technologies (Manufacture of next-generation ESS)
• 24M Technologies*3 (Development and manufacture of semisolid lithium-ion batteries / the U.S.)
• TRENDE (Peer-to-peer power trading)



Energy solution
• UON (Off-grid power solutions / Australia)

*3 Non-affiliated companies

Initiative for Sustainable Enhancement of Corporate Value through a Market-Oriented Perspective

Strengthening Development and Deployment of High-Demand Recycled Materials in Collaboration with Italy's Aquafil S.p.A.

As environmental regulations are being strengthened, particularly in Europe, the demand for recycled materials is growing across various industries, not only in the apparel and daily necessities but also in the automotive industry and other industries. In 2022, ITOCHU invested in Aquafil S.p.A., the world's largest chemical recycling nylon manufacturer, and has been developing applications of their recycled nylon brand, ECONYL®, which is adopted by over 2,500 companies worldwide.

In March 2024, leveraging Aquafil S.p.A.'s advanced manufacturing technology and our expertise in the nylon field, we established a new recycling business that manufactures high-quality fishing products from used nylon items such as fishing nets. By utilizing our networks and collaborating with excellent partners, we will continue to promote the construction of businesses that meet the needs of society.

Recycled nylon ECONYL® made from fiber waste, discarded carpets, and used fishing nets

Industrial Chemicals Section, Industrial Chemicals Department
From left:
Yuko Asakura, Tatsuhiko Nagase, Shiaki Yamada, Narumi Tezuka, Kanako Hagiwara, Kano Okabe

Corporate Value = Created Value / (Cost of Capital − Growth Rate)

Items related to Sustainability Action Plans are indicated with a mark for the corresponding material issues.

- Evolve Businesses through Technological Innovation
- Address Climate Change (Contribute to a Decarbonized Society)
- Develop a Rewarding Work Environment
- Respect and Consider Human Rights
- Contribute to Healthier and More Affluent Lifestyles
- Ensure Stable Procurement and Supply
- Maintain Rigorous Governance Structures

Expand Created Value (FYE 2024 Review)

- Began collaboration with Neste Oyj of Finland to increase the distribution of renewable diesel in Japan
- Invested in Blue Laser Fusion Inc. of the United States and began a business alliance for fusion energy-related businesses that use laser technology developed by the company
- Established a mass production system for recycled fishing nets using the previously difficult-to commercialize recycled nylon ECONYL® by Aquafil S.p.A. in collaboration with a net manufacturer, in pursuit of a sustainable marine environment
- Fully entered the large utility scale energy storage system business, which is essential for the expansion of renewable energy adoption; invested in three projects with excellent partners, and established a public–private partnership fund with the Tokyo Metropolitan Government for large utility scale energy storage system
- Invested in UON Pty Limited, an Australian company that provides independent power supply systems in remote and off-grid regions, such as mining sites, and initiated a decarbonized power solution business that packages solar power generation and energy storage system

Increase Growth Rate

- Strengthening the value chain from upstream oil and gas operations to downstream business, and enhancing initiatives for carbon dioxide capture and storage (CCS) by leveraging our expertise
- Strengthening our handling of medical packaging and supplies, generic pharmaceuticals, and products and raw materials of supplements in the healthcare sector, and expanding the sales of various chemicals and materials in the semiconductor sector
- Through the acquisition of TRENDE Inc. (engaged in the development of peer-to-peer electricity trading technology), promoting integration of distributed power supply and energy storage system businesses, as well as advancing the social implementation of peer-to-peer electricity trading
- Participating in offshore wind power project off Oga City, Katagami City, and Akita City in Akita Prefecture with excellent partners, contributing to regional economic development and the realization of a sustainable society through decarbonization
- Building a sustainable fuel value chain for products including hydrogen and ammonia

Lower Cost of Capital

- Accelerating initiatives to strengthen the environment-related businesses, such as sustainable fuels, chemicals recycling services, and renewable energy, which contribute to a decarbonized society
- Enhancing activities to further minimize the environmental impact of our existing business portfolio

The list of major subsidiaries and associated companies is available on ITOCHU's website.
https://www.itochu.co.jp/en/files/ar2024E_12.pdf

Details on the Sustainability Action Plans are available on ITOCHU's website.
https://www.itochu.co.jp/en/csr/itochu/actionplan/

Food Company

Business Fields

- Food resources and ingredients (feed, vegetable oils, soybeans, grain, coffee, fresh produce, meats, marine products, etc.)
- Food production and processing (sugar, processed agricultural products, processed meat products, processed marine products, industrial chocolate, soybean processing materials, etc.)
- Food marketing and distribution (import and sale of raw materials for food products, wholesale of foods, etc.)

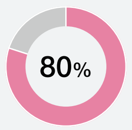
Company Strengths

- Top-class food distribution and retail network
- Worldwide network of production, distribution, and sales value chain for fresh foods (marine, meat, and agricultural products)
- Global supply chain for food resources

Shuichi Miyamoto
President, Food Company

Quantitative information (FYE 2024 results) ▶ Pages 99–101, 128–131

Consolidated Net Profit	Core Profit	Percentage of Earnings from Business in Japan (image)
¥66.3 billion	¥69.8 billion	80%
ROA*1	CAGR*2	
3%	10%	



*1 ROA based on core profit.
*2 Compound annual growth rate of consolidated net profit from FYE 2011 to FYE 2024

From left:

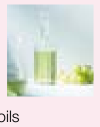
Yoshihiro Tachikawa	Chief Operating Officer, Provisions Division
Kuniaki Abe	Chief Operating Officer, Fresh Food Division
Hiroyuki Nakamura	Chief Operating Officer, Food Products Marketing & Distribution Division
Yuichi Toyoda	Chief Financial Officer
Yoshihiro Kamigaichi	General Manager, Planning & Administration Department

Business Development

Food Resources & Ingredients

Food resources

- PROVENCE HUILES (Manufacturing of vegetable oils / France)
- Fuji Oil International (Production and sale of vegetable oil / the U.S.)
- • Value chain for functional vegetable oils



- CGB (Grain collection, soybean processing, and logistics / the U.S.)

- Quality Technology International (Sale of functional feed / the U.S.)
- UNEX (GUATEMALA) (Manufacturing and export of coffee / Guatemala)

Fresh food

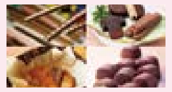
- Dole (Asian fresh produce business and packaged foods business)
  - **No. 1** share of the U.S. market for canned pineapple and pineapple juice

- HYLIFE GROUP HOLDINGS

  - Integrated pork production Meat value chain (Canada)

Food Production & Processing

- ◆FUJI OIL
  - Industrial chocolate **No. 1** share of the Japanese market **No. 3** share of the global market
  - Soybean protein (soybean meat raw material) **No. 1** share of the Japanese market



- ◆WELLNEO SUGAR (Production, processing, and sale of sugar)
  - **No. 2** share of the Japanese market

- ◆ITOCHU FEED MILLS (Production and sale of compound feed and eggs)
- ◆JAPAN NUTRITION (Production and sale of functional feed)

- ◆Prima Meat Packers (Processed foods and meat business)
  - **No. 2** share of the Japanese market for ham and sausages

- YANTAI LONGRONG FOODSTUFFS (Production and sale of processed meat products / China)
- ANEKA TUNA INDONESIA (Production and sale of canned and pouched tuna / Indonesia)

Food Marketing & Distribution

- ◆ITOCHU Food Sales and Marketing (Import and sale of raw materials for food products)

- ◆ITOCHU-SHOKUHIN (Wholesale and distribution of foods, etc.)

- ◆NIPPON ACCESS

  - General wholesalers for convenience store and general merchandise stores **No. 1** net sales among Japan's food wholesale industry **507** distribution locations

- SHANGHAI ZHONGXIN*3 (Wholesale and distribution of foods / China)
- BIX*3 (Wholesale and distribution of foods / China)

Region legend: ◆ Japan ■ North America ■ Europe ■ China and other Asian countries ■ Other countries

*3 Non-affiliated companies

Initiative for Sustainable Enhancement of Corporate Value through a Market-Oriented Perspective

Expanding DX Support Services in the Area of Food Product Planning and Development

We provide the digital transformation (DX) support service FOODATA related to food. FOODATA is an analytical tool that comprehensively analyzes and visualizes object data related to food, such as taste and ingredients, and human data related to consumer awareness and behavior, including purchase data and reviews. In recognition of this service, at the 2023 Nikkei Excellent Products and Services Awards, ITOCHU became the first general trading company in history to independently receive the Nikkei Sangyo Shimbun Award.

We will support food manufacturers, retailers, and other businesses in enhancing their product planning and development capabilities by addressing major challenges such as providing intuition- and experience-based support, shortening data analysis tasks, reducing data acquisition costs, and creating an environment where ideas can be efficiently tested. Through these efforts, we aim to offer high-value-added services.

Product planning and development utilizing FOODATA

Food Products Marketing & Retail Section No. 2, Food Products Marketing & Retail Department
From left:
Tomoya Ishii, Takuya Machitani, Haruki Iijima, Kosuke Aso, Atsuko Yoshimi, Kento Tsukada, Mineyuki Nakanishi

Corporate Value = Created Value / (Cost of Capital − Growth Rate)

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- Maintain Rigorous Governance Structures

Expand Created Value (FYE 2024 Review)

- Promoted the reorganization of overseas business foundations for the turnaround of companies such as Dole International Holdings, Inc. and HYLIFE GROUP HOLDINGS LTD.
- Implemented an additional investment in the U.S. domestic distribution business through CGB ENTERPRISES, INC. and built a stable supply system to meet the growing demand for grains
- Utilized e-commerce websites and convenience stores to launch the sales of products from the plant-based food brand "wellbeans," which uses environment-friendly beans and emphasizes taste, ingredients, health, and the environment
- Promoted the development and sales of products that utilize Dole's non-standard bananas and contributed to the reduction of food wastage and to the creation of employment opportunities in production areas

Increase Growth Rate

- Expanding and enhancing production bases and developing a stable supply network to address consumers' growing focus on assured food safety and security
- Leveraging the Group's wide range of products, functions, and expertise, combined with new technologies, to diversify the value we provide in the food business
- Reorganizing and expanding our overseas business by providing high-value-added raw materials and products that meet consumer needs, and by strengthening marketing
- Supporting development to create employment and improve healthcare, education, and other aspects of day-to-day life by nurturing local industries in regions that produce food ingredients and materials
- Realizing digital transformation of food distribution to strengthen the value chain and rationalize logistics operations

Lower Cost of Capital

- Diversifying the geographic distribution of food manufacturers to ensure stable supplies of fresh foods and avoid risks of disruption related to weather and epidemics
- Strengthening our sustainable food resource procurement structure, which protects the environment and respects human rights
- Reducing our environmental burden by using clean energy in our packaged foods business
- Enhancing the capabilities of employees holding international qualifications for inspections under the food safety management system (FSMS)
- Creating a procurement system that complies with third-party certifications and our business partners' own codes of conduct
- Promoting initiatives to reduce food wastage by leveraging IT to enhance inventory management and utilizing food banks

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General Products & Realty Company

Business Fields

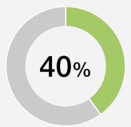
- Building materials and wood products (fences, interior materials, engineered wood products, fiberboard, plywood, lumber, logs, etc.)
- Mobility, goods and materials (tires, natural rubber, slag, cement, ceramics, etc.)
- Pulp, paper, and hygiene materials (pulp, paper products, hygiene materials, new wood-based materials, wood chips, etc.)
- Logistics (3PL, domestic logistics, international logistics, logistics systems, etc.)
- Development and operation of real estate (housing, logistics facilities, hotels, and public facilities, etc.)

Company Strengths

- Accumulated M&A expertise and personnel with competence in hands-on management
- Construction materials-related companies that constitute an excellent value chain in North America
- The No. 1 tire retailer network and brand in the United Kingdom and a vertically integrated logistics network extending from wholesale to post-consumer car tires recycling
- Competitive pulp manufacturing business and a worldwide network for pulp sales
- Stable real estate development by leveraging the distinctive and diverse networks of a general trading company

Quantitative information (FYE 2024 results) ▶ Pages 99–101, 128–131

Consolidated Net Profit	Core Profit	Percentage of Earnings from Business in Japan (image)
¥66.2 billion	¥59.2 billion	
ROA*1	CAGR*2	
4%	13%	



*1 ROA based on core profit.
*2 Compound annual growth rate of consolidated net profit from FYE 2011 to FYE 2024

Masatoshi Maki
President, General Products & Realty Company

From left:

Kotaro Yamamoto	Chief Operating Officer, Forest Products, General Merchandise & Logistics Division
Yusuke Takasaka	Chief Operating Officer, Construction & Real Estate Division
Tetsuya Sebe	Chief Financial Officer
Yasuhiro Takahashi	General Manager, Planning & Administration Department

Business Development

Building Materials & Wood Products

North American construction materials business
- Development of **a robust value chain**

■ ITOCHU Building Products Holdings
- ■ MASTER-HALCO (Manufacture and wholesale of fences)
- ■ Alta Forest Products (Manufacture of wooden fences)
- ■ US Premier Tube Mills (Manufacture of pipes for fences)

■ CIPA Lumber (Manufacture of veneer)
■ Pacific Woodtech (Manufacture of laminated veneer lumber)

◆ ITOCHU KENZAI (Wholesale of wood products and building materials)
◆ DAIKEN (Manufacture and wholesale of building materials)

Mobility / Goods & materials

■ European Tyre Enterprise

- Conducts the operations of Kwik-Fit, the U.K.'s **largest tire retailer**

◆ WECARS (Retail chain of used vehicles)
◆ Nalnet Communications (Vehicle maintenance management services)
◆ ITOCHU CERATECH (Manufacture of molding sand, Ceramic-based catalyst for hydrogen production, and other ceramic raw materials and products)
■ Aneka Bumi Pratama (Processing of natural rubber / Indonesia)

Pulp / Paper / Hygiene Materials

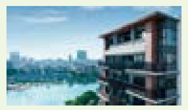
■ Metsä Fibre (Finland)

- **One of the world's largest** manufacturers of commercial softwood pulp
- Pulp production capacity: Approx. 4.0 million tons per year

◆ ITOCHU Pulp & Paper (Wholesale of paper, paper board, and processed paper products)

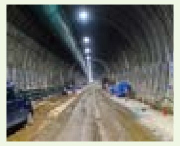
Development & Operation of Real Estate

◆ ITOCHU Property Development
- Development of condominiums (CREVIA series)
- Development of profit-earning real estate



◆ ITOCHU Urban Community (Management of condominiums, rental apartments, and office buildings)
◆ ITOCHU HOUSING (Real estate agent and property consultant)
◆ ITOCHU REIT Management (Management of REITs and funds)
◆ CENTURY 21 REAL ESTATE OF JAPAN (Real estate franchise operation)
◆ ITOHPIA HOME (Planning and construction of detached houses)
◆ CHUSETSU Engineering (Planning and construction of plants, logistics facilities, etc.)
◆ IZU-OHITO DEVELOPMENT (Golf course management)
◆ Paraca*3 (Business and operational management of parking lots)

◆ Nishimatsu Construction*3 (Construction business, real estate-related business, etc.)
◆ Oriental Shiraishi*3 (Maintenance and repair of bridges, etc.)



Overseas businesses
■ Condominium and detached house leasing business (the U.S.)
■ KARAWANG INTERNATIONAL INDUSTRIAL CITY (Indonesia)
■ Saigon Sky Garden (Serviced apartments / Vietnam)

Logistics

◆ ITOCHU LOGISTICS

- Comprehensive logistics services (Freight forwarding, warehousing, trucking, and distribution centers)

■ ITOCHU LOGISTICS (CHINA) (Comprehensive domestic logistics services in China)
■ Dateng Logistics (Shanghai) (Comprehensive domestic logistics services in China)

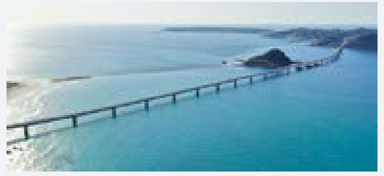
Region legend: ◆ Japan ■ North America ■ The U.K. and Europe ■ China and other Asian countries

*3 Non-affiliated companies

Initiative for Sustainable Enhancement of Corporate Value through a Market-Oriented Perspective

Leveraging a Capital and Business Partnership with Oriental Shiraishi

In May 2023, ITOCHU entered into a capital and business partnership with Oriental Shiraishi Corporation and became its largest shareholder. Oriental Shiraishi Corporation is one of Japan's leading bridge manufacturers, with notable projects such as the construction of the Rainbow Bridge, and a pioneer in the infrastructure maintenance market, including highway renewal projects. By combining Oriental Shiraishi Corporation's advanced technical expertise and know-how with the ITOCHU Group's extensive customer network in the construction and building materials sectors, we aim to address urgent social issues such as national resilience, infrastructure renewal, and regional revitalization, and to build safe and secure social infrastructure. Through these efforts, we will contribute to the long-term development of a sustainable society and expand our infrastructure business domain.



Tsunoshima Bridge, constructed by Oriental Shiraishi Corporation (received the Civil Engineering Design Prize and the Prestressed Concrete Technology Association Prize)

From left:
Planning & Administration Department, General Products & Realty Company
Hiroaki Ina, Yuriko Mori
Construction & Building Material Department
Takashi Ozawa
Building Material Section, Construction & Building Material Department
Shimpei Nakano
Planning & Administration Section, Construction & Real Estate Division
Shingo Sugiyama

Corporate Value = Created Value / (Cost of Capital − Growth Rate)

Items related to Sustainability Action Plans are indicated with a mark for the corresponding material issues.

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Expand Created Value (FYE 2024 Review)

- Increased production capacity for softwood pulp and strengthened the sales system at Metsä Fibre Oy of Finland
- Expanded the automotive aftermarket business through investment in Nalnet Communications Inc.
- Expanded PROJECT TREE, an initiative to enhance the sustainability of natural rubber, with the participation of TOKYU BUS CORPORATION and the Sumitomo Rubber Group
- Promoted the complete acquisition of DAIKEN CORPORATION and the capital and business alliance with Oriental Shiraishi Corporation to strengthen and expand the construction and building materials alliance
- Promoted the development of multifunctional all-weather swimming pool with features such as shelter capabilities during disasters, as part of a public–private partnership project

Increase Growth Rate

- Enhancing profitability of new business fields by promoting M&As in the North American construction materials business and collaboration with DAIKEN CORPORATION
- Pursuing business expansion in the Japanese domestic mobility sector and company-wide synergies through rebuilding of WECARS Co., Ltd.
- Pursuing the optimization of customers' logistics operations through the launch of a physical internet business*4 to address the 2024 problem—the cap on truck drivers' overtime hours starting from 2024—in the Japanese logistics industry
- Strengthening and expanding alliances in businesses peripheral to the construction and construction materials realms (capital and business alliances with Nishimatsu Construction Co., Ltd., Oriental Shiraishi Corporation, etc.), and promoting measures that address societal needs such as road infrastructure
- Expanding operations in the North American real estate business through strategic alliances and joint investments with leading U.S. real estate companies

*4 A new collaborative delivery system that applies the concept of efficient information transmission and reception from the internet to logistics by visualizing information on cargo, warehouses, and vehicles through digital technology, and by standardizing and sharing this information across industries to improve the efficiency and sustainability of logistics

Lower Cost of Capital

- Promoting the effective use of sustainable by-products (slag) as a cement alternative and creating sustainable and stable distribution channels
- Promoting the production and distribution of natural rubber with enhanced sustainability through the use of a traceability system developed by ITOCHU
- Revising Group companies' backbone systems (ERP) to improve efficiency in analysis operations ("cut") and reduce security risk ("prevent")

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ICT & Financial Business Company

Business Fields

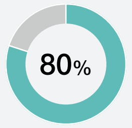
- Information technology (IT solutions, BPO, consulting, digital marketing, venture capital, healthcare, etc.)
- Communications (mobile devices, related equipment and services, space and satellite, media and content, etc.)
- Finance (retail finance, corporate finance, asset management, etc.)
- Insurance (insurance shop, retail insurance, corporate insurance brokerage, reinsurance, credit guarantee, etc.)

Company Strengths

- Earnings base and synergies, driven by Group companies with leading scale and presence in the Japanese domestic ICT field
- Development of retail businesses together with market-driving core Group companies in the financial and insurance business
- Network of start-ups and leading-edge companies in Japan and overseas through relationships with top-tier venture capital firms in North America, Europe, and other regions

Quantitative information (FYE 2024 results) ▶ Pages 99–101, 128–131

Consolidated Net Profit	Core Profit	Percentage of Earnings from Business in Japan (image)
¥67.8 billion	¥76.8 billion	80%
ROA*1	CAGR*2	
6%	14%	



*1 ROA based on core profit.
*2 Compound annual growth rate of consolidated net profit from FYE 2012 to FYE 2024. Since FYE 2011 reported loss due to the impairment loss on Orient Corporation, etc., CAGR is shown from FYE 2012 onwards.

Shunsuke Noda
President, ICT & Financial Business Company

From left:

Masato Horiuchi	Chief Operating Officer, ICT Division
Yasuhito Kawauchino	Chief Operating Officer, Financial & Insurance Business Division
Suguru Amano	Chief Financial Officer
Tetsuya Asano	General Manager, Planning & Administration Department

Business Development

Information Technology / Communications

IT Services and BPO

- ◆ ITOCHU Techno-Solutions (IT solutions, from software development to sales, maintenance, and support)
- ◆ BELLSYSTEM24 (CRM*3 solutions and contact center services)
- ◆ WingArc1st (Software development and sales)
- ◆ ITOCHU INTERACTIVE (Digital marketing)
- ◆ AKQA UKA (Customer experience design)
- ◆ I&B Consulting (Consulting)
- ◆ Hongo Tsuji IT Consulting (Digital transformation support for small- and medium sized companies)

Communication and Mobile Business

- ◆ Asurion Japan (Insurance for mobile devices)
- ◆ Belong (Retail and wholesale of used mobile devices)
- ■ ITC Auto Multi Finance (Mobile device finance / Indonesia)

Healthcare Business

- ◆ A2 Healthcare (Clinical development contract services)
- ◆ Century Medical (Import and sale of medical devices)
- ■ Docquity Holdings (Online platform for healthcare professionals / Singapore)
- ◆ TXP Medical (Medical data platform)

Space, Satellite, and Media-Related Business

- ◆ SKY Perfect JSAT (Media business and space satellite business)
- ◆ ITOCHU Cable Systems (System integration for broadcasters and telecommunication companies)
- ■ Advanced Media Technologies (Distribution of cable TV products / the U.S.)
- ■ Avidex Industries (Sale of AV equipment for hospitals, companies, and schools / the U.S.)
- ■ Rights & Brands Asia (Character / brand licensing in Asia / Hong Kong)

Leading-edge technologies and services that drive innovation

Venture Capital Business (Investment in top-tier venture capital firms in Japan, North America, Europe, and other regions)

◆ Itochu Technology Ventures ■ ITC Ventures XI

×

Finance / Insurance

Retail Finance & Insurance

Retail Finance Business

Japan

Diverse retail financial business

- ◆ POCKET CARD (Credit card business)
- ◆ Gaitame.Com (Provider of an FX margin transaction platform)
- ◆ Orient Corporation (Consumer credit business)

Overseas

Industry-leading overseas financial business

- ■ United Asia Finance (Retail finance business / Hong Kong and China)
- ■ EASY BUY (Retail finance business in Thailand)
- ■ First Response Finance (Pre-owned vehicle finance business / the U.K.)

×

Insurance Shop and Retail Insurance Business

Japan's leading retail insurance distributor with approx. 700 retail shops

- ◆ HOKEN NO MADOGUCHI (Retail insurance distributor)

Corporate Insurance

Insurance Brokerage Business, Reinsurance Business, Credit Guarantee Business

Risk solutions business that leverages the strengths of a general trading company

- ◆ ITOCHU Orico Insurance Service (Insurance agency)
- ◆ Cosmos Risk Solutions (Insurance broker)
- ■ Cosmos Services (Insurance broker / Hong Kong)
- ■ Siam Cosmos Services (Insurance broker / Thailand)

Region legend: ◆ Japan ■ North America ■ The U.K. and Europe ■ China and other Asian countries

*3 CRM: Customer Relationship Management

Initiative for Sustainable Enhancement of Corporate Value through a Market-Oriented Perspective

Advancing a Joint Venture with Boston Consulting Group, a Leading Management Consulting Firm

In April 2024, we established a joint venture with Boston Consulting Group (BCG) to engage in digital transformation (DX) consulting services that help clients solve issues and transform their businesses through the utilization of IT and digital technologies. By combining BCG's world-class consulting expertise with our business know-how and the capabilities of our group of digital businesses centered around CTC and BELLSYSTEM24, Inc., we will provide comprehensive and flexible DX consulting services tailored to our clients' needs. In addition to identifying business challenges and solutions, we will provide proposals that include optimal collaboration with IT services and business process outsourcing (BPO). By providing highly effective consulting services tailored to customer needs and preferences, we aim to further expand our business foundation.

Providing DX consulting services based on a market-oriented perspective

From left:
IT Business Section No. 1, Information Technology Business Department
Keita Koizumi, Taichi Isogaya
IT Business Section No. 3, Information Technology Business Department
Shinichi Oomoto
I&B Consulting Inc.
Tasuku Yamazaki (Dispatched)**, Yuko Kawamoto** (Dispatched)**, Makoto Takeuchi** (Dispatched)

Corporate Value = Created Value / (Cost of Capital − Growth Rate)

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Expand Created Value (FYE 2024 Review)

- Privatized CTC, the core of our digital value chain strategy, and strengthened our earnings base
- Agreed to establish a joint venture with BCG, a leading management consulting firm in the United States, to develop a DX consulting business
- Began supporting overseas biotech companies' development of new drugs in Japan through A2 Healthcare Corporation to promote the elimination of drug loss*4
- Commenced the handling of financial products compatible with the new NISA and iDeCo schemes at HOKEN NO MADOGUCHI GROUP INC.
- Began offering the Gaitame.Com Card, which allows users to use credit card points for foreign currency savings, through a collaboration between Gaitame.Com Co., Ltd. and POCKET CARD CO., LTD.

*4 Due to the complexity of Japan's pharmaceutical regulations and clinical trial procedures, as well as the differences in the drug pricing system compared to Western countries, foreign pharmaceutical companies are avoiding Japan, resulting in a lack of new drug development in the country.

Increase Growth Rate

- Finding and forming alliances with start-up companies, and leveraging new technologies to create and promote next-generation businesses
- Utilizing our group of digital businesses to expand the earnings base for the DX business and strengthen the synergies with existing businesses, such as BELLSYSTEM24, Inc. and CTC within the digital value chain.
- Making smartphone reuse more accessible and promoting the effective use of limited resources through a collaboration between Belong Inc., which operates a distribution business for used mobile devices, and Mercari, Inc.
- Creating a finance and insurance business value chain in the retail sector

Lower Cost of Capital

- Increasing the handling of used mobile devices with the aim of reducing the negative environmental impact caused by the frequent replacement of mobile devices
- Reducing health-related risks by supporting the development of pharmaceutical products and distributing and selling advanced medical equipment
- Contributing to the improvement of people's quality of life through retail finance businesses that encompass diverse regions and products
- Reducing the risk of business disruptions by realizing a highly robust ICT environment, backed up by reliable telecommunication infrastructure

The list of major subsidiaries and associated companies is available on ITOCHU's website.
https://www.itochu.co.jp/en/files/ar2024E_12.pdf

Details on the Sustainability Action Plans are available on ITOCHU's website.
https://www.itochu.co.jp/en/csr/itochu/actionplan/

The 8th Company

Business Fields	■ Developing and evolving downstream businesses closer to consumers through collaboration with other seven Division Companies ■ Promoting business that leverages FamilyMart's customer contact points ■ Expanding consumer-related businesses by combining physical and digital customer bases
Company Strengths	■ An organizational culture that creates businesses flexibly with a market-oriented perspective ■ An amoeba-like organization with high mobility, characterized by a diverse composition of personnel who have accumulated experience in various Division Companies and mutual personnel dispatch with Group companies ■ Physical and digital customer bases that are founded on FamilyMart's store network

Quantitative information (FYE 2024 results) ▶ Pages 99–101, 128–131

Consolidated Net Profit	Core Profit	Percentage of Earnings from Business in Japan (image)
¥35.8 billion	¥33.8 billion	100%
ROA*1	CAGR*2	
2%	18%	

*1 ROA based on core profit.
*2 Compound annual growth rate of consolidated net profit from FYE 2011 to FYE 2024

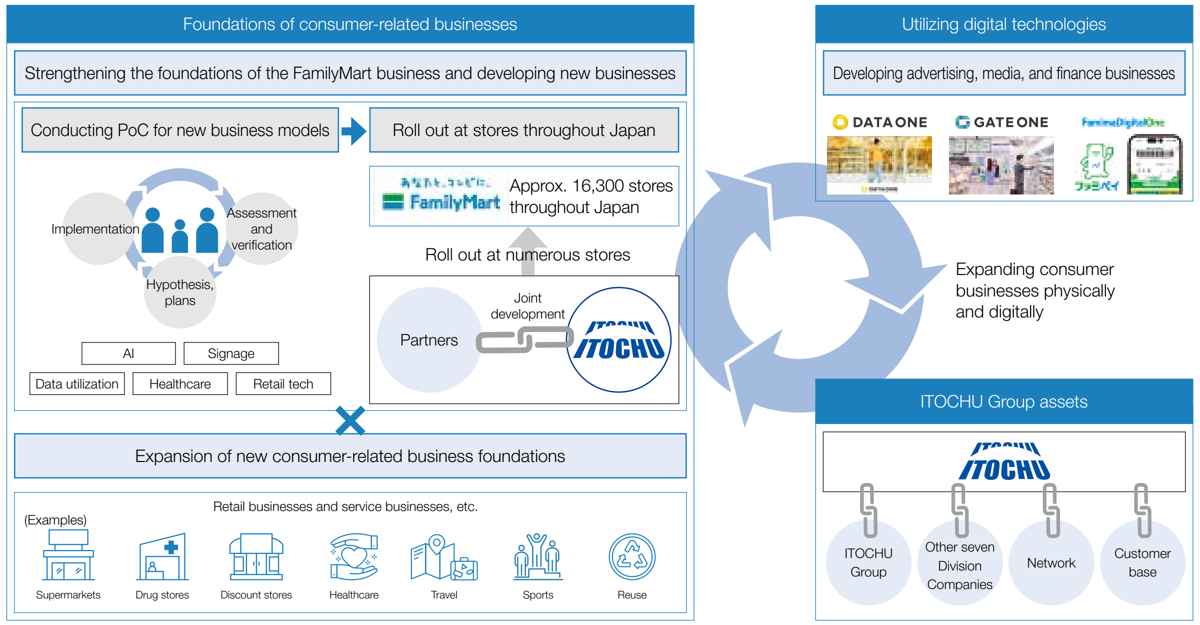
Tatsuo Odani
President, The 8th Company

From left:

Manabu Nishimura	Chief Financial Officer
Toru Oka	General Manager, Planning & Administration Section

By capturing the diversifying needs through a market-oriented perspective and leveraging our various business foundations with strengths in the consumer sector, we will develop new services and business models utilizing digital technologies and AI.

■ We will create new business models that reflect customer needs and which utilize FamilyMart's data, store network, and ability to attract customers. After conducting proof-of-concept (PoC) tests for these business models, we will roll them out at FamilyMart stores throughout Japan. Further, we will expand business foundations by rolling out these new services and technologies in other retail businesses and service businesses.
■ We will increase data volume and customer contact points to maximize the profits of advertising, media, and finance businesses. In addition, we will utilize digital technologies to expand consumer businesses physically and digitally. In the consumer-related sector, we will actively advance investment projects that promise significant growth going forward.
■ In the consumer-related sector, we will actively advance investment projects that promise significant growth going forward.



Initiative for Sustainable Enhancement of Corporate Value through a Market-Oriented Perspective
Building the Largest Retail Media Network in Japan

ITOCHU is promoting a retail media collaboration with FamilyMart, Data One Corp., and Gate One Corp. In March 2024, we installed digital signage in approximately 10,000 FamilyMart stores nationwide, establishing the largest-scale retail media in Japan, capable of reaching roughly 64 million people per week. Stores serve as broadcasting hubs, creating enjoyable in-store experiences through the distribution of various contents, including not only advertisements but also news, music, and more. In addition, by utilizing around 33 million distributable licensed advertising IDs and purchasing data from FamilyMart and other retailers, we are providing integrated solutions from in-store advertisements and content distribution to digital marketing outside the store. This allows us to provide services that meet the diverse needs of various advertisers in a media that is diversifying to include SNS and platforms. Moving forward, we will expand the number of target stores and enhance functionalities to grow our business as a top runner in the retail media field.

FamilyMartVision digital signage

From left:
The 8th Company
Hiroshi Iwamoto
Data One Corp.
Airi Mitsumoto (Dispatched)
FamilyMart
Fuyuki Kokuryu (Dispatched)
Gate One Corp.
Go Matsuoka (Dispatched)

Corporate Value = Created Value / (Cost of Capital − Growth Rate)

Items related to Sustainability Action Plans are indicated with a mark for the corresponding material issues.

- Evolve Businesses through Technological Innovation
- Address Climate Change (Contribute to a Decarbonized Society)
- Develop a Rewarding Work Environment
- Respect and Consider Human Rights
- Contribute to Healthier and More Affluent Lifestyles
- Ensure Stable Procurement and Supply
- Maintain Rigorous Governance Structures

Expand Created Value (FYE 2024 Review)

- Achieved record-high core operating profit by strengthening the competitiveness of merchandise and marketing capabilities at FamilyMart, capitalizing on the recovery in foot traffic.
- Increased downloads of the FamiPay smartphone app, which is as a digital customer contact point (approximately 20 million downloads)
- Expanded digital initiatives aimed at improving operational capabilities and labor-saving at FamilyMart stores (stores that introduced humanoid AI assistants: approximately 5,000; Touch To Go unmanned payment stores: approximately 40)
- Increased installation of FamilyMartVision digital signage at FamilyMart stores through Gate One Corp. (approximately 10,000 stores across all 47 prefectures in Japan)
- Began collaboration in the retail media business with Pan Pacific International Holdings Corporation, which operates Don Quijote and other retail stores
- Advanced effective digital marketing that links consumers and retail stores in the line-side areas of Nagoya Railroad Co., Ltd.

Increase Growth Rate

- Expanding FamilyMart's earnings base by continuously strengthening the convenience store business and increasing the sophistication of the entire supply chain
- Creation and expansion of new businesses leveraging FamilyMart's business foundation
- Enlarging our data infrastructure and increasing the earnings of advertising, media, and financial services that leverage digital technologies
- In the consumer-related sector, actively advancing investment projects that promise significant growth going forward

Lower Cost of Capital

- Strengthening supply chain risk management in response to such factors as fluctuations in raw material prices
- Responding to such issues as the shortage of workers and the 2024 problem—the cap on truck drivers' overtime hours starting from 2024—in the Japanese logistics industry by leveraging AI and digital technologies

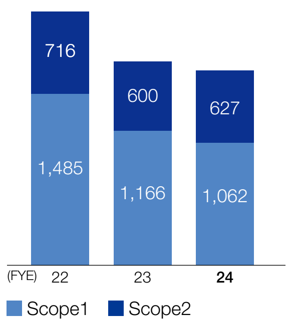
The list of major subsidiaries and associated companies is available on ITOCHU's website.
https://www.itochu.co.jp/en/files/ar2024E_12.pdf

Details on the Sustainability Action Plans are available on ITOCHU's website.
https://www.itochu.co.jp/en/csr/itochu/actionplan/

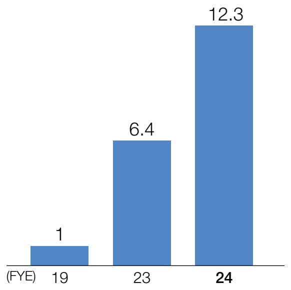
ESG Data

E Environment

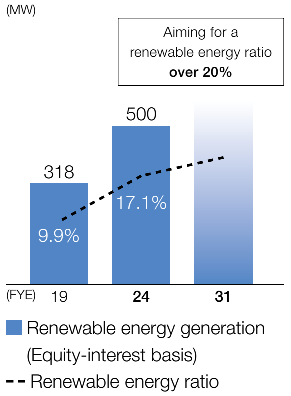
GHG Emissions (Consolidated)
(Thousand t-CO₂e)



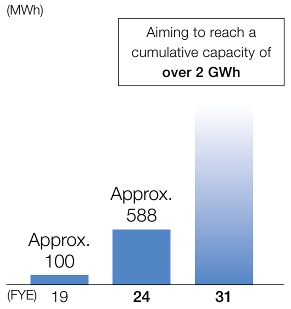
Avoided Emissions
(Million t-CO₂e)



Renewable Energy Generation (Equity-Interest Basis) / Renewable Energy Ratio
(MW)



Cumulative Capacity of Energy Storage System Units Sold
(MWh)



	Non-consolidated*3			Consolidated*4		
	FYE 2022	FYE 2023	**FYE 2024**	FYE 2022	FYE 2023	**FYE 2024**
GHG emissions (Thousand t-CO₂e)						
Scope1	0	0	**0**	1,485	1,166	**1,062**
Scope2	6	6	**2**	716	600	**627**
Scope3*1						
Capital goods	—	—	**—**	621	598	**506**
Fuel & Energy related activities not included in Scope1 and Scope2	—	—	**—**	389	342	**378**
Upstream transportation & distribution	—	—	**—**	10	12	**10**
Waste generated in operations	—	—	**—**	350	298	**232**
Business travel	—	—	**—**	25	44	**133**
Employee commuting	—	—	**—**	23	18	**27**
Franchises	—	—	**—**	1,048	1,025	**947**
Electricity consumption (Thousand MWh)	10	9	**9**	1,639	1,526	**1,673**
Water withdrawal (Thousand m³)*2	115	41	**62**	58,120	45,121	**49,960**
Waste volume (Thousand t)	0	0	**0**	649	640	**610**
Waste recycling rate	93.7%	90.9%	**92.3%**	—	—	**—**

*1 Scope3 disclosure has been limited to certain categories in light of international discussions on appropriate emissions management and disclosure. For details on the basis of emissions calculation methods used in each category, please refer to ITOCHU's website.
https://www.itochu.co.jp/en/csr/data/

*2 The water withdrawal figures are preliminary as of the end of July 2024. The final figures will be available on ITOCHU's sustainability website after September 2024.
*3 GHG emissions, electricity consumption, and water withdrawal are the totals for domestic bases. Waste volume and waste recycling rate are totals for the Tokyo Headquarters.
*4 This is the total of non-consolidated Group companies in Japan, overseas offices, and overseas Group companies. FYE 2024 figures include 558 companies.

Inclusion in ESG-Related Indices

- MSCI Japan ESG Select Leaders Index★*5
- MSCI Japan Empowering Women Index (WIN)★*5
- FTSE4Good Index Series*6
- FTSE Blossom Japan Index★*6
- FTSE Blossom Japan Sector Relative Index★*6
- Dow Jones Sustainability Indices (World / Asia Pacific Index)
- S&P/JPX Carbon Efficient Index★
- SOMPO Sustainability Index
- Morningstar Japan ex-REIT Gender Diversity Tilt Index★

★ ESG indices selected by the Government Pension Investment Fund (GPIF)
*5 The use by ITOCHU Corporation of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of ITOCHU Corporation by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI. The inclusion of ITOCHU Corporation in any MSCI Index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of ITOCHU Corporation by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.
*6 FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that ITOCHU has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series, FTSE Blossom Japan Index, and FTSE Blossom Japan Sector Relative Index. Created by the global index provider FTSE Russell, these indices are designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices, and are used by a wide variety of market participants to create and assess responsible investment funds and other products.

S Society

	FYE 2022	FYE 2023	**FYE 2024**
Consolidated employees (People)	115,124	110,698	**113,733**
Non-consolidated employees (People)	4,170	4,112	**4,098**
Career-track employees (People)	3,395	3,331	**3,308**
Female career-track employees (People) (%)	359 (10.6%)	375 (11.3%)	**395 (11.9%)**
Female employees as a percentage of new employees*7	31.4%	33.1%	**36.5%**
Female employees as a percentage of employees	23.7%	24.3%	**25.0%**
Share of disabled employees	2.43%	2.48%	**2.43%**
Monthly average overtime hours (Hours/Month)*8	16.0	12.9	**12.4**
Annual paid leave acquisition rate	58.8%	62.2%	**64.7%**
Childcare leave acquisition rate of female employees after birth	104%	100%	**100%**
Childcare leave acquisition rate of male employees after birth	34%	52%	**53%**
Average childcare leave acquisition days of male employees (Days)	8	36	**25**
Rate of complication medical checkup reexamination	100%	100%	**100%**
Investment in human resource development per employee (Thousands of yen)	269	396	**555**
Average training / development hours per regular employee (Hours)	27.0	21.4	**28.2**
Average years employed (Years)	18.2	18.3	**18.2**
Voluntary resignation rate*9	1.6%	1.9%	**1.6%**
Average annual salary (Millions of yen)	15.80	17.30	**17.54**
Managers (People)	2,569	2,541	**2,522**
Female managers (People) (%)	210 (8.2%)	219 (8.6%)	**223 (8.8%)**
Percentage of gender pay-gap	—	59.1%	**58.5%**
Response rate for Group Compliance Awareness Survey*10	99.4%	—	**97.9%**
Number of employees visiting the foundation site to gain a deeper understanding of "*Sampo-yoshi*" corporate mission*11	2,701	3,027	**3,565**
Themed sustainability training participants (People)	720	685	**1,402*12**
Sustainability basic education participation rate of all Group employees	100%	100%	**100%**

*7 The ratio includes new hires and mid-career recruitments. We have partially revised the calculation method and made changes to the results for FYE 2022 and FYE 2023.
*8 The figure adds up the portion of actual working hours that exceeds the statutory working hours of eight hours.
*9 We have partially revised the calculation method and made changes to the results for FYE 2023.
*10 The compliance awareness survey is conducted once every two years. The survey targets 56,090 people of ITOCHU and its subsidiaries' officers and employees (excluding listed subsidiaries conducting surveys independently).
*11 Cumulative number of participants from the entire ITOCHU Group visiting the foundation site since FYE 2005.
*12 Increased by 717 participants compared to the previous year, primarily due to adding human rights content to the Workshop for Organizational Managers, which had 649 participants.

G Governance

Members of the Board and Audit & Supervisory Board Members

(People)	July 2021	July 2022	**July 2023**	July 2024
Members of the Board	11	10	**10**	11
Outside Directors (share)	4 (36.4%)	4 (40.0%)	**4 (40.0%)**	4 (36.4%)
Female Directors (share)	2 (18.2%)	2 (20.0%)	**2 (20.0%)**	2 (18.2%)
Average terms of overseas assignment period of Directors	6.3 years	5.6 years	**5.6 years**	5.4 years
Audit & Supervisory Board Members	5	5	**5**	5
Outside Audit & Supervisory Board Members (Share)	3 (60.0%)	3 (60.0%)	**3 (60.0%)**	3 (60.0%)

Attendance Rate at Meetings of the Board of Directors

	FYE 2022	FYE 2023	**FYE 2024**
Attendance rate of Directors	100.0%	99.2%	**100.0%**
Attendance rate of all corporate officers	99.5%	99.5%	**100.0%**
Attendance rate of inside officers	100.0%	100.0%	**100.0%**
Attendance rate of outside officers	99.0%	99.0%	**100.0%**

For detailed data regarding (E) Environment, (S) Society, (G) Governance, and third-party assurance, please visit ITOCHU's website.

ESG Data
https://www.itochu.co.jp/en/csr/data/

Third-Party Assurance
https://www.itochu.co.jp/en/csr/pdf/independent_assurance_report_e.pdf

Selected Financial Data

* Due to the adoption of IFRS 17, the results for FYE 2023 are presented post retroactive adjustment.
* Figures in yen for FYE 2024 have been translated into U.S. dollars solely for the convenience of the reader at the rate of ¥151.41 = US$1, the exchange rate prevailing on March 31, 2024.

For the data since FYE 2011, please refer to ITOCHU's website:
https://www.itochu.co.jp/en/ir/finance/financial_data/

	U.S. GAAP	IFRS			IFRS								
	Millions of Yen	Millions of yen			Millions of yen								Millions of U.S. dollars
Fiscal Years Ended March 31	2014	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**	**2024**
P/L (For the year):													
Revenues	¥5,530,895	¥5,587,526	¥5,591,435	¥5,083,536	¥4,838,464	¥5,510,059	¥11,600,485	¥10,982,968	¥10,362,628	¥12,293,348	¥13,945,633	**¥14,029,910**	**$92,662**
Gross trading profit	1,028,273	1,045,022	1,089,064	1,069,711	1,093,462	1,210,440	1,563,772	1,797,788	1,780,747	1,937,165	2,129,903	**2,232,360**	**14,744**
Net profit attributable to ITOCHU	310,267	245,312	300,569	240,376	352,221	400,333	500,523	501,322	401,433	820,269	800,519	**801,770**	**5,295**
Total comprehensive income attributable to ITOCHU	446,214	391,901	465,605	(144,777)	303,063	390,022	464,785	279,832	655,259	1,086,431	876,260	**1,200,025**	**7,926**
Per share (yen and U.S. dollars):													
Basic earnings attributable to ITOCHU*1	196.31	155.21	189.13	152.14	223.67	257.94	324.07	335.58	269.83	552.86	546.10	**553.00**	**3.65**
Cash dividends	46.0	46.0	46.0	50.0	55.0	70.0	83.0	85.0	88.0	110.0	140.0	**160.0**	**1.06**
Shareholders' equity*1	1,358.42	1,293.35	1,539.55	1,388.66	1,532.56	1,722.06	1,930.47	2,010.33	2,232.84	2,857.50	3,314.35	**3,771.77**	**24.91**
B/S (As of March 31):													
Total assets	¥7,848,440	¥7,784,851	¥8,560,701	¥8,036,395	¥8,122,032	¥8,663,937	¥10,098,703	¥10,919,598	¥11,178,432	¥12,153,658	¥13,115,400	**¥14,489,701**	**$95,698**
Short-term interest-bearing debt	464,992	472,667	543,660	426,820	563,033	526,867	650,909	684,406	710,213	522,448	659,710	**727,966**	**4,808**
Long-term interest-bearing debt	2,420,272	2,420,713	2,548,504	2,769,345	2,381,620	2,252,606	2,332,928	2,192,557	2,445,099	2,383,455	2,346,928	**2,629,642**	**17,368**
Interest-bearing debt	2,885,264	2,893,380	3,092,164	3,196,165	2,944,653	2,779,473	2,983,837	2,876,963	3,155,312	2,905,903	3,006,638	**3,357,608**	**22,176**
Net interest-bearing debt	2,224,279	2,231,988	2,380,504	2,555,644	2,330,683	2,320,418	2,406,756	2,256,882	2,601,358	2,283,003	2,391,169	**2,741,591**	**18,107**
Long-term debt (excluding current maturities, including long-term interest-bearing debt and lease liabilities (long-term))	2,628,937	2,523,992	2,652,323	2,875,067	2,489,953	2,367,233	2,548,537	3,198,802	3,323,752	3,216,852	3,169,749	**3,499,156**	**23,110**
Total shareholders' equity	2,146,963	2,044,120	2,433,202	2,193,677	2,401,893	2,669,483	2,936,908	2,995,951	3,316,281	4,199,325	4,823,259	**5,426,962**	**35,843**
Cash flows (For the year):													
Core operating cash flows*2	¥ 389,413	¥393,692	¥ 385,881	¥ 374,176	¥ 419,735	¥ 461,054	¥ 514,289	¥ 601,812	¥ 574,319	¥ 790,159	¥ 871,375	**¥ 823,464**	**$ 5,439**
Cash flows from operating activities	418,396	428,101	403,629	419,404	389,693	388,212	476,551	878,133	895,900	801,163	938,058	**978,108**	**6,460**
Cash flows from investing activities	(266,692)	(270,377)	(276,103)	(557,260)	(81,306)	(256,350)	201,149	(248,766)	(207,296)	38,637	(453,806)	**(205,994)**	**(1,361)**
Cash flows from financing activities	(71,707)	(77,855)	(97,896)	81,770	(335,396)	(296,136)	(538,318)	(575,482)	(728,767)	(846,706)	(500,081)	**(801,174)**	**(5,291)**
Cash and cash equivalents at the end of the year	653,332	653,739	700,292	632,871	605,589	432,140	572,030	611,223	544,009	611,715	606,002	**600,435**	**3,966**
Ratios:													
ROA (%)	4.1	3.3	3.7	2.9	4.4	4.8	5.3	4.5	3.6	7.0	6.3	**5.8**	**—**
ROE (%)	15.9	13.0	13.4	10.4	15.3	15.8	17.9	17.0	12.7	21.8	17.7	**15.6**	**—**
Ratio of shareholders' equity to total assets (%)	27.4	26.3	28.4	27.3	29.6	30.8	29.1	27.4	29.7	34.6	36.8	**37.5**	**—**
Net debt-to-shareholders' equity ratio (NET DER) (times)	1.00	1.09	0.98	1.17	0.97	0.87	0.82	0.75	0.78	0.54	0.50	**0.51**	**—**
Interest coverage (times)*3	13.1	12.5	12.7	10.1	11.1	9.3	8.3	8.7	13.2	23.6	12.3	**8.3**	**—**
Consolidated net profit (Non-resource/Resource):													
Non-resource (Billions of yen)	¥246.8	¥207.6	¥317.2	¥237.3	¥313.7	¥331.0	¥378.0	¥378.3	¥292.7	¥610.3	¥587.8	**¥603.5**	**—**
Resource (Billions of yen)	53.6	23.5	(23.6)	1.8	30.6	82.3	115.5	126.8	107.9	221.6	215.6	**204.6**	**—**
Core profit:													
Core profit (Billions of yen)	¥310.3	¥310.3	¥305.6	¥315.4	¥370.2	¥416.8	¥472.0	¥485.3	¥452.4	¥690.3	¥787.5	**¥788.8**	**—**
Extraordinary gains (losses) (Billions of yen)	0.0	(65.0)	(5.0)	(75.0)	(18.0)	(16.5)	28.5	16.0	(51.0)	130.0	13.0	**13.0**	**—**
Common stock information:													
Stock price (yen and U.S. dollars):													
Opening price	¥1,125.0	¥1,125.0	¥1,222.0	¥1,282.0	¥1,380.0	¥1,577.0	¥2,063.0	¥2,018.5	¥2,220.0	¥3,656.0	¥4,143.0	**¥4,316.0**	**$28.51**
High	1,568.0	1,568.0	1,429.0	1,756.0	1,674.5	2,254.0	2,302.5	2,695.5	3,653.0	4,249.0	4,414.0	**6,844.0**	**45.20**
Low	1,033.0	1,033.0	1,118.0	1,170.0	1,135.5	1,478.0	1,740.0	1,873.5	2,000.0	3,104.0	3,478.0	**4,081.0**	**26.95**
Closing price	1,206.0	1,206.0	1,301.5	1,386.0	1,580.0	2,066.5	2,002.5	2,242.5	3,587.0	4,144.0	4,301.0	**6,466.0**	**42.71**
Market capitalization (Calculated by including treasury stock, as of March 31, yen and U.S. dollars in billions)	1,911	1,911	2,164	2,305	2,627	3,436	3,174	3,554	5,685	6,568	6,817	**10,248**	**67.68**
Market capitalization (Calculated by excluding treasury stock, as of March 31, yen and U.S. dollars in billions)	1,906	1,906	2,057	2,189	2,476	3,203	3,046	3,342	5,328	6,090	6,259	**9,304**	**61.45**
Number of shares of common stock issued (As of March 31, thousand shares)	1,584,889	1,584,889	1,662,889	1,662,889	1,662,889	1,662,889	1,584,889	1,584,889	1,584,889	1,584,889	1,584,889	**1,584,889**	**—**
Exchange rates into U.S. currency:													
At year-end	¥102.92	¥102.92	¥120.17	¥112.68	¥112.19	¥106.24	¥110.99	¥108.83	¥110.71	¥122.39	¥133.53	**¥151.41**	**—**
Average for the year	99.84	99.84	108.28	120.65	108.37	111.30	110.56	109.16	105.97	111.54	134.48	**144.59**	**—**
Number of subsidiaries, associates and joint ventures (As of March 31)	354	—	342	326	308	300	291	289	279	274	271	**263**	**—**
Number of employees (As of March 31, consolidated)	102,376	104,310	110,487	105,800	95,944	102,086	119,796	128,146	125,944	115,124	110,698	**113,733**	**—**

*1 Basic earnings per share attributable to ITOCHU and Shareholders' equity per share are calculated by using the number of shares of common stock issued excluding treasury stock.
*2 "Cash flows from operating activities" – "Changes in working capital" + "Repayment of lease liabilities, etc."

$$\text{*3 Interest coverage} = \frac{\text{Gross trading profit + SG\&A expenses + Provision for doubtful accounts + Interest income + Dividends received}}{\text{Interest expense}}$$

Consolidated Statement of Financial Position

Assets As of March 31	2020	2021	2022	2023	2024 Millions of yen	2024 Millions of U.S. dollars
Current assets						
Cash and cash equivalents	¥ 611,223	¥ 544,009	¥ 611,715	¥ 606,002	¥ 600,435	$ 3,966
Time deposits	8,858	9,945	11,185	9,467	15,582	103
Trade receivables	2,113,746	2,122,815	2,458,991	2,533,297	2,831,112	18,698
Other current receivables	176,691	166,282	236,864	243,043	274,313	1,812
Other current financial assets	45,315	44,930	101,932	73,336	73,046	482
Inventories	952,029	898,692	1,077,160	1,304,942	1,382,164	9,128
Advances to suppliers	89,425	80,521	123,382	142,862	159,152	1,051
Other current assets	135,774	161,256	188,727	208,419	287,946	1,902
Assets held for sale	—	248,861	—	—	—	—
Total current assets	4,133,061	4,277,311	4,809,956	5,121,368	5,623,750	37,142
Non-current assets						
Investments accounted for by the equity method	1,640,286	1,867,777	2,288,762	2,828,850	3,158,520	20,861
Other investments	816,518	952,374	958,218	943,270	1,194,106	7,887
Non-current receivables	660,578	658,658	728,965	805,159	899,232	5,939
Non-current financial assets other than investments and receivables	172,417	166,611	172,191	162,768	156,929	1,036
Property, plant and equipment	2,137,474	1,939,791	1,936,044	1,998,485	2,110,616	13,940
Investment property	58,595	50,665	47,742	44,050	42,469	280
Goodwill	403,940	396,869	368,989	366,659	383,878	2,535
Intangible assets	759,167	728,967	712,618	712,594	744,428	4,917
Deferred tax assets	61,051	60,446	54,639	54,478	68,533	453
Other non-current assets	76,511	78,963	75,534	77,719	107,240	708
Total non-current assets	6,786,537	6,901,121	7,343,702	7,994,032	8,865,951	58,556
Total assets	¥10,919,598	¥11,178,432	¥12,153,658	¥13,115,400	¥14,489,701	$95,698

Liabilities and Equity As of March 31	2020	2021	2022	2023	2024 Millions of yen	2024 Millions of U.S. dollars
Current liabilities						
Short-term debentures and borrowings	¥ 684,406	¥ 710,213	¥ 522,448	¥ 659,710	¥ 727,966	$ 4,808
Lease liabilities (short-term)	242,076	238,446	235,791	238,289	224,086	1,480
Trade payables	1,707,472	1,628,766	1,967,117	2,042,608	2,343,112	15,475
Other current payables	215,175	199,757	210,857	190,014	216,360	1,429
Other current financial liabilities	35,699	40,172	83,724	71,642	65,960	436
Current tax liabilities	67,074	57,370	74,026	118,109	86,305	570
Advances from customers	81,799	84,699	132,513	162,409	168,511	1,113
Other current liabilities	368,163	374,489	424,071	462,044	510,085	3,369
Liabilities held for sale	—	220,722	—	—	—	—
Total current liabilities	3,401,864	3,554,634	3,650,547	3,944,825	4,342,385	28,680
Non-current liabilities						
Long-term debentures and borrowings	2,192,557	2,445,099	2,383,455	2,346,928	2,629,642	17,368
Lease liabilities (long-term)	937,345	825,170	775,180	766,278	814,489	5,379
Other non-current financial liabilities	68,900	53,483	58,217	56,543	55,025	363
Non-current liabilities for employee benefits	133,138	116,631	103,975	96,942	93,469	617
Deferred tax liabilities	200,912	150,275	250,999	273,123	380,414	2,513
Other non-current liabilities	144,273	162,900	167,585	163,386	182,156	1,203
Total non-current liabilities	3,677,125	3,753,558	3,739,411	3,703,200	4,155,195	27,443
Total liabilities	7,078,989	7,308,192	7,389,958	7,648,025	8,497,580	56,123
Equity						
Common stock	253,448	253,448	253,448	253,448	253,448	1,674
Capital surplus	50,677	(155,210)	(161,917)	(169,322)	(446,824)	(2,951)
Retained earnings	2,948,135	3,238,948	3,811,991	4,434,463	5,032,035	33,234
Other components of equity						
Translation adjustments	(37,836)	131,612	383,215	458,560	744,976	4,920
FVTOCI financial assets	(31,972)	38,740	146,638	117,210	206,633	1,365
Cash flow hedges	(19,163)	(9,897)	7,154	30,840	38,424	254
Total other components of equity	(88,971)	160,455	537,007	606,610	990,033	6,539
Treasury stock	(167,338)	(181,360)	(241,204)	(301,940)	(401,730)	(2,653)
Total shareholders' equity	2,995,951	3,316,281	4,199,325	4,823,259	5,426,962	35,843
Non-controlling interests	844,658	553,959	564,375	644,116	565,159	3,732
Total equity	3,840,609	3,870,240	4,763,700	5,467,375	5,992,121	39,575
Total liabilities and equity	¥10,919,598	¥11,178,432	¥12,153,658	¥13,115,400	¥14,489,701	$95,698

Consolidated Statement of Comprehensive Income

Fiscal Years Ended March 31	2020	2021	2022	2023	Millions of yen 2024	Millions of U.S. dollars 2024
Revenues						
Revenues from sale of goods	¥ 9,738,983	¥ 9,156,193	¥ 11,011,816	¥ 12,605,631	**¥ 12,657,964**	**$ 83,601**
Revenues from rendering of services and royalties	1,243,985	1,206,435	1,281,532	1,340,002	**1,371,946**	**9,061**
Total revenues	10,982,968	10,362,628	12,293,348	13,945,633	**14,029,910**	**92,662**
Cost						
Cost of sale of goods	(8,575,102)	(7,989,246)	(9,696,532)	(11,092,435)	**(11,078,471)**	**(73,169)**
Cost of rendering of services and royalties	(610,078)	(592,635)	(659,651)	(723,295)	**(719,079)**	**(4,749)**
Total cost	(9,185,180)	(8,581,881)	(10,356,183)	(11,815,730)	**(11,797,550)**	**(77,918)**
Gross trading profit	1,797,788	1,780,747	1,937,165	2,129,903	**2,232,360**	**14,744**
Other gains (losses)						
Selling, general and administrative expenses	(1,380,944)	(1,366,489)	(1,346,720)	(1,419,121)	**(1,521,735)**	**(10,051)**
Provision for doubtful accounts	(17,406)	(10,844)	(7,923)	(8,869)	**(7,725)**	**(51)**
Gains (losses) on investments	57,801	4,105	211,851	67,157	**34,817**	**230**
Gains (losses) on property, plant, equipment and intangible assets	(4,396)	(157,524)	(17,601)	(50,118)	**(6,059)**	**(40)**
Other–net	(1,414)	(6,197)	9,645	15,071	**13,169**	**87**
Total other–losses	(1,346,359)	(1,536,949)	(1,150,748)	(1,395,880)	**(1,487,533)**	**(9,825)**
Financial income (loss)						
Interest income	35,267	23,114	20,412	39,370	**54,125**	**358**
Dividends received	66,474	53,145	80,741	79,667	**81,064**	**535**
Interest expense	(57,600)	(36,218)	(28,976)	(66,865)	**(100,641)**	**(665)**
Total financial income	44,141	40,041	72,177	52,172	**34,548**	**228**
Equity in earnings of associates and joint ventures	205,860	228,636	291,435	320,666	**316,332**	**2,089**
Profit before tax	701,430	512,475	1,150,029	1,106,861	**1,095,707**	**7,236**
Income tax expense	(142,221)	(71,592)	(271,056)	(262,180)	**(243,784)**	**(1,610)**
Net profit	559,209	440,883	878,973	844,681	**851,923**	**5,626**
Net profit attributable to ITOCHU	¥ 501,322	¥ 401,433	¥ 820,269	¥ 800,519	**¥ 801,770**	**$ 5,295**
Net profit attributable to non-controlling interests	57,887	39,450	58,704	44,162	**50,153**	**331**
Other comprehensive income, net of tax:						
Items that will not be reclassified to profit or loss						
FVTOCI financial assets	(67,643)	80,764	(8,927)	(830)	**96,848**	**640**
Remeasurement of net defined pension liability	(3,835)	12,449	3,897	(1,666)	**19,321**	**128**
Other comprehensive income in associates and joint ventures	(7,761)	13,474	(4,932)	(21,868)	**(2,006)**	**(13)**
Items that will be reclassified to profit or loss						
Translation adjustments	(92,645)	114,879	170,109	111,639	**258,515**	**1,707**
Cash flow hedges	(6,074)	3,470	4,519	(1,145)	**14**	**0**
Other comprehensive income in associates and joint ventures	(43,307)	63,660	105,500	(7,878)	**49,975**	**330**
Total other comprehensive income, net of tax	(221,265)	288,696	270,166	78,252	**422,667**	**2,792**
Total comprehensive income	337,944	729,579	1,149,139	922,933	**1,274,590**	**8,418**
Total comprehensive income attributable to ITOCHU	¥ 279,832	¥ 655,259	¥ 1,086,431	¥ 876,260	**¥ 1,200,025**	**$ 7,926**
Total comprehensive income attributable to non-controlling interests	58,112	74,320	62,708	46,673	**74,565**	**492**

Consolidated Statement of Changes in Equity

Fiscal Years Ended March 31	2020	2021	2022	2023	Millions of yen 2024	Millions of U.S. dollars 2024
Common stock						
Balance at the beginning of the year	¥ 253,448	¥ 253,448	¥ 253,448	¥ 253,448	**¥ 253,448**	**$ 1,674**
Issuance of common stock	—	—	—	—	**—**	**—**
Balance at the end of the year	253,448	253,448	253,448	253,448	**253,448**	**1,674**
Capital surplus						
Balance at the beginning of the year	49,584	50,677	(155,210)	(161,917)	**(169,322)**	**(1,118)**
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests	1,093	(205,887)	(6,707)	(7,405)	**(277,502)**	**(1,833)**
Balance at the end of the year	50,677	(155,210)	(161,917)	(169,322)	**(446,824)**	**(2,951)**
Retained earnings						
Balance at the beginning of the year	2,608,243	2,948,135	3,238,948	3,811,991	**4,434,463**	**29,288**
Cumulative effects of the application of new accounting standards	(26,501)	—	—	7,219	**—**	**—**
Net profit attributable to ITOCHU	501,322	401,433	820,269	800,519	**801,770**	**5,295**
Transfer from other components of equity	(1,392)	18,388	(111,870)	3,106	**21,260**	**140**
Cash dividends to shareholders	(133,537)	(129,008)	(135,356)	(188,372)	**(225,458)**	**(1,489)**
Balance at the end of the year	2,948,135	3,238,948	3,811,991	4,434,463	**5,032,035**	**33,234**
Other components of equity						
Balance at the beginning of the year	131,234	(88,971)	160,455	537,007	**606,610**	**4,006**
Cumulative effects of the application of new accounting standards	—	—	—	(3,471)	**—**	**—**
Other comprehensive income attributable to ITOCHU	(221,490)	253,826	266,162	75,741	**398,255**	**2,631**
Transfer to retained earnings	1,392	(18,388)	111,870	(3,106)	**(21,260)**	**(140)**
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests	(107)	13,988	(1,480)	439	**6,428**	**42**
Balance at the end of the year	(88,971)	160,455	537,007	606,610	**990,033**	**6,539**
Treasury stock						
Balance at the beginning of the year	(105,601)	(167,338)	(181,360)	(241,204)	**(301,940)**	**(1,994)**
Net change in treasury stock	(61,737)	(14,022)	(59,844)	(60,736)	**(99,790)**	**(659)**
Balance at the end of the year	(167,338)	(181,360)	(241,204)	(301,940)	**(401,730)**	**(2,653)**
Total shareholders' equity	2,995,951	3,316,281	4,199,325	4,823,259	**5,426,962**	**35,843**
Non-controlling interests						
Balance at the beginning of the year	753,208	844,658	553,959	564,375	**644,116**	**4,254**
Cumulative effects of the application of new accounting standards	(5,295)	—	—	—	**—**	**—**
Net profit attributable to non-controlling interests	57,887	39,450	58,704	44,162	**50,153**	**331**
Other comprehensive income attributable to non-controlling interests	225	34,870	4,004	2,511	**24,412**	**161**
Cash dividends to non-controlling interests	(27,295)	(27,832)	(20,897)	(28,437)	**(21,404)**	**(142)**
Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests	65,928	(337,187)	(31,395)	61,505	**(132,118)**	**(872)**
Balance at the end of the year	844,658	553,959	564,375	644,116	**565,159**	**3,732**
Total equity	¥3,840,609	¥3,870,240	¥4,763,700	¥5,467,375	**¥5,992,121**	**$39,575**

Consolidated Statement of Cash Flows

Fiscal Years Ended March 31	2020	2021	2022	2023	Millions of yen 2024	Millions of U.S. dollars 2024
Cash flows from operating activities						
Net profit	¥ 559,209	¥ 440,883	¥ 878,973	¥ 844,681	**¥ 851,923**	**$ 5,626**
Adjustments to reconcile net profit to net cash provided by operating activities						
Depreciation and amortization	422,624	424,297	404,184	409,962	**420,343**	**2,776**
(Gains) losses on investments	(57,801)	(4,105)	(211,851)	(67,157)	**(34,817)**	**(230)**
(Gains) losses on property, plant, equipment and intangible assets	4,396	157,524	17,601	50,118	**6,059**	**40**
Financial (income) loss	(44,141)	(40,041)	(72,177)	(52,172)	**(34,548)**	**(228)**
Equity in earnings of associates and joint ventures	(205,860)	(228,636)	(291,435)	(320,666)	**(316,332)**	**(2,089)**
Income tax expense	142,221	71,592	271,056	262,180	**243,784**	**1,610**
Provision for doubtful accounts and other provisions	22,154	30,504	(2,836)	(3,338)	**10,013**	**66**
Changes in assets and liabilities, other–net	23,574	58,976	(241,650)	(183,718)	**(88,646)**	**(585)**
Proceeds from interest	34,460	24,142	19,706	35,029	**61,789**	**408**
Proceeds from dividends	152,862	144,732	201,532	233,884	**218,814**	**1,445**
Payments for interest	(62,775)	(39,412)	(29,807)	(57,855)	**(96,119)**	**(635)**
Payments for income taxes	(112,790)	(144,556)	(142,133)	(212,890)	**(264,155)**	**(1,744)**
Net cash provided by (used in) operating activities	878,133	895,900	801,163	938,058	**978,108**	**6,460**
Cash flows from investing activities						
Net change in investments accounted for by the equity method	(50,915)	(20,694)	67,043	(294,890)	**(22,926)**	**(152)**
Net change in other investments	(69,382)	(50,913)	83,344	22,937	**(60,569)**	**(400)**
Net change in loans receivable	21,411	23,300	15,672	(20,035)	**12,885**	**85**
Net change in property, plant, equipment and intangible assets	(147,688)	(152,583)	(124,883)	(165,721)	**(136,384)**	**(901)**
Net change in time deposits	(2,192)	(6,406)	(2,539)	3,903	**1,000**	**7**
Net cash provided by (used in) investing activities	(248,766)	(207,296)	38,637	(453,806)	**(205,994)**	**(1,361)**
Cash flows from financing activities						
Net change in debentures and loans payable	(79,726)	251,606	(349,350)	(16,476)	**186,196**	**1,230**
Repayments of lease liabilities	(267,193)	(277,493)	(266,974)	(261,271)	**(252,580)**	**(1,668)**
Equity transactions with non-controlling interests	(5,774)	(531,774)	(14,093)	54,766	**(387,845)**	**(2,561)**
Cash dividends to shareholders	(133,537)	(129,008)	(135,356)	(188,372)	**(225,458)**	**(1,489)**
Cash dividends to non-controlling interests	(27,236)	(27,832)	(20,897)	(28,547)	**(21,404)**	**(142)**
Net change in treasury stock	(62,016)	(14,266)	(60,036)	(60,181)	**(100,083)**	**(661)**
Net cash provided by (used in) financing activities	(575,482)	(728,767)	(846,706)	(500,081)	**(801,174)**	**(5,291)**
Net change in cash and cash equivalents	53,885	(40,163)	(6,906)	(15,829)	**(29,060)**	**(192)**
Cash and cash equivalents at the beginning of the period (Opening balance on the consolidated statement of financial position)	572,030	611,223	544,009	611,715	**606,002**	**4,003**
Reclassification of cash and cash equivalents included in assets held for sale in the opening balance	—	—	44,331	—	**—**	**—**
Cash and cash equivalents at the beginning of the year	572,030	611,223	588,340	611,715	**606,002**	**4,003**
Effect of exchange rate changes on cash and cash equivalents	(14,692)	17,280	30,281	10,116	**23,493**	**155**
Cash and cash equivalents included in assets held for sale	—	(44,331)	—	—	**—**	**—**
Cash and cash equivalents at the end of the year	¥ 611,223	¥ 544,009	¥ 611,715	¥ 606,002	**¥ 600,435**	**$ 3,966**

Major Indicators

Selling, General and Administrative (SG&A) Expenses, Provision for Doubtful Accounts, and Expense Ratio

Fiscal Years Ended March 31	2020	2021	2022	2023	Billions of yen 2024	Millions of U.S. dollars 2024
Personnel expenses	¥ 586.9	¥ 588.9	¥ 585.5	¥ 615.8	**¥ 651.5**	**$ 4,303**
Other SG&A expenses	794.0	777.5	761.2	803.3	**870.2**	**5,748**
Total SG&A expenses (A)	1,380.9	1,366.5	1,346.7	1,419.1	**1,521.7**	**10,051**
Provision for doubtful accounts	17.4	10.8	7.9	8.9	**7.7**	**51**
SG&A expenses and provision for doubtful accounts	1,398.4	1,377.3	1,354.6	1,428.0	**1,529.5**	**10,102**
Gross trading profit	1,797.8	1,780.7	1,937.2	2,129.9	**2,232.4**	**14,744**
Net interest expenses	(22.3)	(13.1)	(8.6)	(27.5)	**(46.5)**	**(307)**
Dividends received	66.5	53.1	80.7	79.7	**81.1**	**535**
Total (B)	1,841.9	1,820.8	2,009.3	2,182.1	**2,266.9**	**14,972**
Expense ratio (A) / (B) (%)*1	75.0	75.0	67.0	65.0	**67.1**	**—**

*1 Expense ratio is the ratio of total SG&A expenses to the combined total of gross trading profit, net interest expenses, and dividends received.

Interest-Bearing Debt, Shareholders' Equity, and Net Debt-to-Shareholders' Equity Ratio

As of March 31	2020	2021	2022	2023	Billions of yen 2024	Millions of U.S. dollars 2024
Short-term borrowings	¥ 286.4	¥ 282.8	¥ 205.9	¥ 352.8	**¥ 407.8**	**$ 2,693**
Commercial paper	32.0	15.0	30.0	28.0	**35.0**	**231**
Current maturities of long-term borrowings	287.7	302.0	230.3	248.8	**270.2**	**1,785**
Current maturities of debentures	78.3	110.3	56.3	30.1	**15.0**	**99**
Short-term total	684.4	710.2	522.4	659.7	**728.0**	**4,808**
Long-term borrowings	1,953.6	2,252.6	2,235.3	2,225.7	**2,235.5**	**14,764**
Debentures	239.0	192.5	148.2	121.3	**394.2**	**2,604**
Long-term total	2,192.6	2,445.1	2,383.5	2,346.9	**2,629.6**	**17,368**
Total interest-bearing debt (A)	2,877.0	3,155.3	2,905.9	3,006.6	**3,357.6**	**22,176**
Cash and cash equivalents, time deposits (B)	620.1	554.0	622.9	615.5	**616.0**	**4,068**
Net interest-bearing debt (A)–(B)	2,256.9	2,601.4	2,283.0	2,391.2	**2,741.6**	**18,107**
Shareholders' equity	2,996.0	3,316.3	4,199.3	4,823.3	**5,427.0**	**35,843**
Net debt-to-shareholders' equity ratio (times)*2	0.75	0.78	0.54	0.50	**0.51**	**—**

*2 Net debt-to-shareholders' equity ratio = $\frac{\text{Net interest-bearing debt}}{\text{Shareholders' equity}}$

Profits / Losses of Group Companies

Fiscal Years Ended March 31	2020	2021	2022	2023	Billions of yen 2024	Millions of U.S. dollars 2024
Profits of Group companies	¥471.1	¥ 463.8	¥719.5	¥771.6	**¥771.5**	**$5,095**
Losses of Group companies	(25.9)	(104.2)	(10.6)	(77.9)	**(31.4)**	**(207)**
Total	445.2	359.6	708.9	693.7	**740.1**	**4,888**
Ratio of Group companies reporting profits (%)	88.6	82.4	90.9	88.6	**92.0**	**—**

Risk Buffer and Risk Assets

As of March 31	2020	2021	2022	2023	Billions of yen 2024	Millions of U.S. dollars 2024
Risk buffer	¥3,840.6	¥3,870.2	¥4,763.7	¥5,463.6	**¥5,992.1**	**$39,575**
Risk assets	2,588.4	2,815.3	3,088.0	3,337.7	**3,819.0**	**25,223**

Performance Trends by Segment

Segment Information by Operating Segment*1

Fiscal Years Ended March 31	2020	2021	2022	2023	Billions of yen 2024	Millions of U.S. dollars 2024
Textile						
Revenues from external customers	¥ 537.4	¥ 435.0	¥ 444.8	¥ 530.1	¥ 535.2	$ 3,535
Gross trading profit	107.5	89.5	96.8	116.5	128.0	846
Equity in earnings of associates and joint ventures	3.7	2.0	4.5	5.4	5.5	36
Net profit attributable to ITOCHU	9.1	1.6	25.1	25.5	27.0	178
Core profit	19.6	10.6	18.1	23.0	27.0	178
Core operating cash flows	13.9	11.1	23.0	28.9	24.3	160
Total assets as of March 31	451.1	418.7	436.8	457.7	486.0	3,210
ROA (%)	1.8	0.4	5.9	5.7	5.7	—
Machinery						
Revenues from external customers	1,212.5	1,053.4	1,194.0	1,393.5	1,478.9	9,767
Gross trading profit	194.9	173.6	205.8	234.8	250.4	1,653
Equity in earnings of associates and joint ventures	30.7	25.6	42.4	44.7	87.8	580
Net profit attributable to ITOCHU	56.7	22.8	80.6	107.4	131.6	869
Core profit	55.7	40.8	73.1	106.9	132.1	872
Core operating cash flows	60.4	50.3	86.7	109.7	112.7	744
Total assets as of March 31	1,207.7	1,124.9	1,302.7	1,664.6	1,983.5	13,100
ROA (%)	4.6	2.0	6.6	7.2	7.2	—
Metals & Minerals						
Revenues from external customers	643.9	657.2	1,043.1	1,268.1	1,212.6	8,009
Gross trading profit	105.2	110.4	179.0	222.0	195.9	1,294
Equity in earnings of associates and joint ventures	22.3	22.6	47.2	62.0	60.5	400
Net profit attributable to ITOCHU	111.4	104.1	226.9	247.4	226.1	1,493
Core profit	108.4	118.1	203.4	246.4	224.6	1,483
Core operating cash flows	119.2	135.5	230.2	268.6	200.5	1,325
Total assets as of March 31	800.0	913.6	1,285.3	1,274.8	1,403.5	9,270
ROA (%)	13.5	12.1	20.6	19.3	16.9	—
Energy & Chemicals						
Revenues from external customers	2,603.2	2,180.4	2,864.1	3,389.0	3,044.5	20,108
Gross trading profit	217.9	228.2	253.1	315.4	269.7	1,781
Equity in earnings of associates and joint ventures	11.1	11.0	12.4	8.6	5.1	34
Net profit attributable to ITOCHU	61.7	36.1	92.1	115.8	91.7	606
Core profit	55.2	58.6	87.6	108.8	74.7	493
Core operating cash flows	91.8	86.6	117.6	155.8	88.9	587
Total assets as of March 31	1,237.2	1,279.2	1,489.3	1,552.6	1,626.3	10,741
ROA (%)	4.7	2.9	6.7	7.6	5.8	—
Food						
Revenues from external customers	3,828.3	3,975.3	4,293.5	4,626.3	4,863.0	32,118
Gross trading profit	304.0	331.2	320.4	330.9	380.9	2,516
Equity in earnings of associates and joint ventures	15.6	12.3	16.7	4.4	16.8	111
Net profit attributable to ITOCHU	49.9	25.0	65.2	20.2	66.3	438
Core profit	44.9	42.5	60.7	38.2	69.8	461
Core operating cash flows	77.9	85.1	87.7	78.3	119.1	787
Total assets as of March 31	1,765.3	1,799.3	1,979.5	2,146.8	2,420.9	15,989
ROA (%)	2.9	1.4	3.5	1.0	2.9	—
General Products & Realty						
Revenues from external customers	808.1	755.4	1,037.0	1,263.5	1,380.8	9,120
Gross trading profit	157.0	147.4	190.3	225.0	280.9	1,855
Equity in earnings of associates and joint ventures	5.1	5.2	30.3	38.5	2.8	18
Net profit attributable to ITOCHU	55.0	21.3	105.6	95.1	66.2	437
Core profit	47.0	30.3	76.1	89.6	59.2	391
Core operating cash flows	41.0	34.8	77.2	101.8	84.6	558
Total assets as of March 31	1,007.5	1,036.7	1,126.2	1,223.3	1,423.3	9,400
ROA (%)	5.3	2.1	9.8	8.1	5.0	—
ICT & Financial Business						
Revenues from external customers	751.1	751.2	864.0	875.1	864.3	5,708
Gross trading profit	249.7	280.6	295.9	286.1	296.1	1,956
Equity in earnings of associates and joint ventures	40.7	39.1	43.5	40.5	36.9	244
Net profit attributable to ITOCHU	62.5	58.1	104.6	64.6	67.8	448
Core profit	58.0	57.6	73.6	57.6	76.8	507
Core operating cash flows	89.5	92.2	95.8	72.0	82.5	545
Total assets as of March 31	1,208.3	1,236.8	1,350.4	1,308.1	1,440.5	9,514
ROA (%)	5.3	4.8	8.1	4.9	4.9	—
The 8th						
Revenues from external customers	¥ 516.9	¥ 478.8	¥ 457.9	¥ 467.1	¥ 515.2	$ 3,403
Gross trading profit	459.9	418.8	387.6	383.8	424.6	2,804
Equity in earnings of associates and joint ventures	1.5	(0.4)	0.8	0.3	2.3	15
Net profit attributable to ITOCHU	26.1	21.3	38.2	16.6	35.8	236
Core profit	24.6	10.3	12.2	18.1	33.8	223
Core operating cash flows	80.9	71.3	79.5	67.8	97.4	644
Total assets as of March 31	2,293.6	2,280.5	1,813.8	1,906.7	1,978.3	13,066
ROA (%)	1.1	0.9	1.9	0.9	1.8	—
Others, Adjustments & Eliminations*2						
Revenues from external customers	81.5	76.0	95.0	133.0	135.4	894
Gross trading profit	1.7	1.0	8.3	15.3	5.9	39
Equity in earnings of associates and joint ventures	75.2	111.2	93.7	116.3	98.6	651
Net profit attributable to ITOCHU	69.0	111.1	82.0	108.1	89.4	590
Core profit	72.0	83.6	85.5	99.1	90.9	600
Core operating cash flows	27.1	7.6	(7.6)	(11.5)	13.5	89
Total assets as of March 31	948.9	1,088.8	1,369.8	1,580.8	1,727.3	11,408
ROA (%)	7.6	10.9	6.7	7.3	5.4	—
Consolidated						
Revenues from external customers	10,983.0	10,362.6	12,293.3	13,945.6	14,029.9	92,662
Gross trading profit	1,797.8	1,780.7	1,937.2	2,129.9	2,232.4	14,744
Equity in earnings of associates and joint ventures	205.9	228.6	291.4	320.7	316.3	2,089
Net profit attributable to ITOCHU	501.3	401.4	820.3	800.5	801.8	5,295
Core profit	485.3	452.4	690.3	787.5	788.8	5,209
Core operating cash flows	601.8	574.3	790.2	871.4	823.5	5,439
Total assets as of March 31	10,919.6	11,178.4	12,153.7	13,115.4	14,489.7	95,698
ROA (%)	4.5	3.6	7.0	6.3	5.8	—

*1 On July 1, 2019, The 8th Company was established, and ITOCHU began mutual holdings in which The 8th Company was the minority shareholder and the other Division Companies were the majority shareholders. On October 1, 2022, ITOCHU dissolved such mutual holdings. Therefore, the results from FYE 2020 to FYE 2021 have been presented based on the mutual holdings, while the results from FYE 2022 to FYE 2023 have been presented based on the dissolution of the mutual holdings.

*2 "Others, Adjustments & Eliminations" includes gains and losses which do not belong to any operating segment and internal eliminations between operating segments. The investments in CITIC Limited and C.P. Pokphand Co. Ltd. and the profits and losses from them are included in this segment.

Segment Information by Geographical Area*3

Fiscal Years Ended March 31	2020	2021	2022	2023	Billions of yen 2024	Millions of U.S. dollars 2024
Revenues						
Japan	¥ 8,686.0	¥ 8,351.7	¥ 9,774.7	¥10,785.3	¥10,652.6	$70,356
United States	588.6	463.0	558.4	820.2	915.2	6,044
Singapore	534.2	490.7	658.6	854.8	914.2	6,038
Australia	222.4	262.3	378.5	385.5	383.4	2,532
China	287.0	292.7	339.6	351.0	325.4	2,149
Others	664.8	502.1	583.5	748.8	839.2	5,543
Consolidated	¥10,983.0	¥10,362.6	¥12,293.3	¥13,945.6	¥14,029.9	$92,662

As of March 31	2020	2021	2022	2023	Billions of yen 2024	Millions of U.S. dollars 2024
Non-current assets*4						
Japan	¥ 2,700.1	¥ 2,432.5	¥ 2,328.4	¥ 2,322.0	¥ 2,378.0	$15,706
United States	104.6	114.8	124.1	190.4	216.0	1,426
United Kingdom	140.5	152.0	164.6	173.0	206.4	1,363
Australia	147.5	178.6	184.4	183.2	204.1	1,348
Singapore	140.1	139.0	148.0	142.9	155.3	1,026
Others	195.5	167.2	179.1	178.1	191.6	1,266
Consolidated	¥ 3,428.3	¥ 3,184.0	¥ 3,128.6	¥ 3,189.6	¥ 3,351.4	$22,135

*3 Segment information by geographical area above is grouped taking into consideration the actual condition of the transaction and placement of management resource of each business in the Company and its subsidiaries.

*4 Excluding financial instruments, deferred tax assets, post-employment benefit assets, and rights arising from insurance contracts.

Profits / Losses from Major Group Companies

Textile Company

Billions of yen

	Ownership %*1	FYE 2022	FYE 2023	FYE 2024	FYE 2025 (Plan)*2
Breakdown of Profits / Losses from Major Group Companies					
JOI'X CORPORATION	100.0%	0.7	1.1	**0.8**	1.5
LEILIAN CO., LTD.	100.0%	1.7	0.7	**0.9**	0.8
DESCENTE LTD.	44.5%	2.7	4.1	**5.3**	5.6
DOME CORPORATION	69.7%	—	0.5	**0.4**	0.5
EDWIN CO., LTD.	100.0%	1.6	0.6	**0.6**	0.8
Sankei Co., Ltd.	100.0%	0.5	1.1	**1.2**	1.5
ITOCHU Textile Prominent (ASIA) Ltd.	100.0%	2.0	2.2	**0.9**	1.5
ITOCHU TEXTILE (CHINA) CO., LTD.	100.0%	1.7	2.1	**2.1**	2.5

Machinery Company

Billions of yen

	Ownership %*1	FYE 2022	FYE 2023	FYE 2024	FYE 2025 (Plan)*2
Breakdown of Profits / Losses from Major Group Companies					
Tokyo Century Corporation	30.0%	16.0	4.1	**23.4**	24.0
North American electric-power-related business (I-Power Investment Inc., etc.)*3	—	6.4	6.7	**16.7**	15.3
I-ENVIRONMENT INVESTMENTS LIMITED	100.0%	7.5	3.6	**2.3**	3.1
ITOCHU Plantech Inc.*4	100.0%	1.4	1.9	**1.7**	1.6
IMECS Co., Ltd.	100.0%	4.2	3.3	**5.1**	4.6
JAMCO Corporation	33.4%	(1.4)	0.7	**0.6**	1.2
JAPAN AEROSPACE CORPORATION	100.0%	1.6	1.7	**2.3**	2.3
YANASE & CO., LTD.	82.8%	9.7	12.7	**12.8**	11.8
Auto Investment Inc.	100.0%	2.7	3.0	**2.7**	2.2
Citrus Investment LLC*5	100.0%	—	3.6	**9.8**	10.0
ITOCHU MACHINE-TECHNOS CORPORATION*6	100.0%	1.0	1.4	**1.7**	1.7
North American construction-machinery-related business (MULTIQUIP INC., etc.)*7	—	3.6	6.4	**7.6**	6.8

Metals & Minerals Company

Billions of yen

	Ownership %*1	FYE 2022	FYE 2023	FYE 2024	FYE 2025 (Plan)*2
Breakdown of Profits / Losses from Major Group Companies					
ITOCHU Minerals & Energy of Australia Pty Ltd	100.0%	158.7	176.3	**166.9**	173.9
JAPÃO BRASIL MINÉRIO DE FERRO PARTICIPAÇÕES LTDA. (CSN Mineração)	77.3%	3.7	8.9	**8.4**	—
Marubeni-Itochu Steel Inc.	50.0%	31.3	47.8	**40.1**	—
ITOCHU Metals Corporation*4	100.0%	3.1	3.0	**2.6**	3.0

Energy & Chemicals Company

Billions of yen

	Ownership %*1	FYE 2022	FYE 2023	FYE 2024	FYE 2025 (Plan)*2
Breakdown of Profits / Losses from Major Group Companies					
ITOCHU Oil Exploration (Azerbaijan) Inc. (ACG Project)	100.0%	8.9	7.1	**7.2**	5.5
ITOCHU PETROLEUM CO., (SINGAPORE) PTE. LTD.	100.0%	1.4	1.7	**0.4**	1.2
ITOCHU ENEX CO., LTD.	54.0%	7.1	7.5	**7.4**	7.3
Japan South Sakha Oil Co., Ltd. (Eastern Siberia Project)	25.0%	4.1	2.7	**0.7**	—
Dividends from LNG Projects (PAT)	—	5.4	10.2	**8.6**	7.0
ITOCHU CHEMICAL FRONTIER Corporation	100.0%	6.4	7.6	**8.2**	8.5
ITOCHU PLASTICS INC.*4	100.0%	4.7	5.3	**5.5**	4.6
C. I. TAKIRON Corporation	55.7%	3.5	1.4	**2.5**	3.1

Food Company

Billions of yen

	Ownership %*1	FYE 2022	FYE 2023	FYE 2024	FYE 2025 (Plan)*2
Breakdown of Profits / Losses from Major Group Companies					
FUJI OIL HOLDINGS INC.	43.9%	4.5	3.1	**0.7**	4.4
WELLNEO SUGAR Co., Ltd.	37.8%	—	0.0	**2.1**	1.9
ITOCHU FEED MILLS CO., LTD.	100.0%	2.2	0.9	**1.6**	1.8
Dole International Holdings, Inc.	100.0%	8.4	(36.4)	**1.5**	3.8
Prima Meat Packers, Ltd.	47.9%	4.0	1.4	**3.1**	4.8
HYLIFE GROUP HOLDINGS LTD.	49.9%	1.1	(13.1)	**(3.9)**	—
NIPPON ACCESS, INC.*4	100.0%	17.1	17.5	**21.0**	21.5
ITOCHU-SHOKUHIN Co., Ltd.	52.2%	2.7	3.3	**3.4**	3.7

General Products & Realty Company

Billions of yen

	Ownership %*1	FYE 2022	FYE 2023	FYE 2024	FYE 2025 (Plan)*2
Breakdown of Profits / Losses from Major Group Companies					
European Tyre Enterprise Limited	100.0%	3.5	4.4	**5.5**	6.0
ITOCHU FIBRE LIMITED (Metsä Fibre)	100.0%	17.8	21.7	**(3.1)**	—
ITOCHU PULP & PAPER CORPORATION*4	100.0%	1.8	2.1	**2.3**	2.3
ITOCHU CERATECH CORPORATION	100.0%	0.7	0.9	**0.8**	0.8
ITOCHU LOGISTICS CORP.*4	100.0%	4.6	6.3	**6.1**	6.1
North American construction-materials-related business*8	—	22.6	21.7	**22.5**	22.8
ITOCHU KENZAI CORPORATION	100.0%	6.0	5.3	**4.0**	4.0
DAIKEN CORPORATION*9	100.0%	2.7	4.3	**5.2**	7.0
ITOCHU Property Development, Ltd.	100.0%	3.0	3.8	**4.6**	4.3
ITOCHU Urban Community Ltd.	100.0%	1.4	1.5	**1.6**	1.7

ICT & Financial Business Company

Billions of yen

	Ownership %*1	FYE 2022	FYE 2023	FYE 2024	FYE 2025 (Plan)*2
Breakdown of Profits / Losses from Major Group Companies					
ITOCHU Techno-Solutions Corporation*10	99.95%	20.7	20.9	**37.6**	44.8
BELLSYSTEM24 Holdings, Inc.	40.7%	2.6	2.8	**2.0**	3.3
Mobile-phone-related business*11	—	17.9	14.8	**12.9**	10.5
ITOCHU Fuji Partners, Inc. (SKY Perfect JSAT Holdings Inc.)	63.0%	2.0	2.2	**2.6**	3.1
A2 Healthcare Corporation	100.0%	1.6	2.0	**2.0**	2.2
HOKEN NO MADOGUCHI GROUP INC.	92.0%	2.2	2.8	**4.6**	—
POCKET CARD CO., LTD.*4*12	78.2%	4.0	4.2	**4.5**	4.7
Orient Corporation	16.5%	1.9	3.0	**(13.2)**	—
Gaitame.Com Co., Ltd.	40.2%	—	0.5	**1.2**	—
First Response Finance Ltd.	100.0%	2.5	3.1	**2.7**	2.8
ITOCHU FINANCE (ASIA) LTD.	100.0%	4.8	3.8	**3.1**	2.6
GCT MANAGEMENT (THAILAND) LTD.	100.0%	4.0	4.1	**4.7**	—

The 8th Company

Billions of yen

	Ownership %*1	FYE 2022	FYE 2023	FYE 2024	FYE 2025 (Plan)*2
Breakdown of Profits / Losses from Major Group Companies					
FamilyMart Co., Ltd.*13	94.7%	44.7	23.7	**41.8**	39.0

Others, Adjustments & Eliminations

Billions of yen

	Ownership %*1	FYE 2022	FYE 2023	FYE 2024	FYE 2025 (Plan)*2
Breakdown of Profits / Losses from Major Group Companies					
Orchid Alliance Holdings Limited	100.0%	96.4	117.2	**98.3**	102.1
C.P. Pokphand Co. Ltd.	23.8%	(2.6)	(4.3)	**(2.9)**	—
Chia Tai Enterprises International Limited	23.8%	(0.5)	(2.4)	**0.1**	—

*1 Indicated ownership percentages are as of June 30, 2024.
*2 "FYE 2025 (Plan)" indicates initial plans disclosed on May 8, 2024.
*3 The figures are the sum of results/forecasts of the Group companies engaged in the North American electric power business and related service business.
*4 On July 1, 2019, The 8th Company was established, and ITOCHU began mutual holdings in which The 8th Company was the minority shareholder and the other Division Companies were the majority shareholders. On October 1, 2022, ITOCHU dissolved such mutual holdings. Therefore, the results from FYE 2022 to FYE 2023 have been presented based on the dissolution of the mutual holdings.
*5 From FYE 2023 Q3, the figures include net profit from Hitachi Construction Machinery Co., Ltd., which is the affiliate of the Company. The figures do not include the interest income, etc. resulting from ITOCHU's loan to the partner. "FYE 2025 (Plan)" includes Hitachi Construction Machinery Co., Ltd.'s forecast multiplied by ITOCHU's ownership percentage.
*6 ITOCHU MACHINE-TECHNOS CORPORATION and ITOCHU SysTech Corporation merged and formed ITOCHU MACHINE-TECHNOS CORPORATION on April 1, 2022. The figures for FYE 2022 show the aggregate amounts of both companies.
*7 The figures are the sum of results/forecasts of the Group companies engaged in the North American construction-machinery-related business.
*8 The figures are the sum of results/forecasts of the Group companies engaged in the North American construction-materials-related business.
*9 ITOCHU's ownership percentage in FYE 2024 is: Q1-2 36.3%; Q3-4 100.0%.
*10 ITOCHU's ownership percentage in FYE 2024 is: Q1 61.2%; Q2 85.9%; Q3 100.0%; Q4 99.95%.
*11 The figures are the sum of results/forecasts of the Group companies engaged in the mobile-phone-related business
*12 The figures include net profit through FamilyMart Co., Ltd.
*13 The figures include net profits from POCKET CARD CO., LTD.

ITOCHU engages in communication with analysts, institutional investors, individual investors, and all other stakeholders. While explaining our thinking to our stakeholders, we proactively report the valuable opinions received through the communications to the management team in order to facilitate enhancement of corporate value.

Major IR Activities

Activity	FYE 2022	FYE 2023	FYE 2024
Individual meetings with institutional investors	337	333	**426**
Investor briefings on financial results for analysts and institutional investors	4	4	**4**
Briefings on operating segments and projects / sustainability briefings	1	1	**1**
Site tours for analysts and institutional investors	0	0	**1**
Integrated Report briefing for analysts and institutional investors	1	1	**1**
Overseas IR roadshows	0*1	5	**5**
Conferences sponsored by securities companies	7	6	**6**
Meetings for individual investors	3	3	**3**

*1 To prevent the spread of COVID-19, overseas travel had been suspended and individual meetings have been held online in FYE 2022.

	FYE 2022	FYE 2023	FYE 2024
Number of shareholders	207,790	248,736	**261,558**
Number of attendees at General Meeting of Shareholders	267	420	**462**
Attendees in online livestream of General Meeting of Shareholders	762	660	**836**

Investor briefing on financial results for analysts and institutional investors

General Meeting of Shareholders

Briefing on operating segments

External Evaluations of Our IR Activities

IR Activities	Japan Investor Relations Association	**Greatest IR Improvement Premium Company** **Best Continual IR Efforts Premium Company**	
Integrated Report	Government Pension Investment Fund (GPIF)	**Outstanding Integrated Report**	
	WICI Japan Integrated Report Award 2023	**The Best Gold Award**	
	NIKKEI Integrated Report Award 2023	**Semi-Grand Prize**	
IR Website	Daiwa Investor Relations Co. Ltd. 2023 Internet IR Award	**Grand Prize (1st Place)**	
	Nikko Investor Relations Co., Ltd. All Japanese Listed Companies' Website Ranking 2023	**Overall Ranking: AAA Grade** **Sector Ranking (Wholesale Trade): AAA Grade**	
	BroadBand Security, Inc. Gomez IR Site Ranking 2023	**Gold Ranking**	

Credit Ratings (As of July 2024)

Credit Rating Agency	Long-Term / Outlook	Short-Term
Japan Credit Rating Agency (JCR)	AA+ / Stable	J-1+
Rating & Investment Information (R&I)	AA / Stable	a-1+
Moody's Investors Service	A2 / Stable	P-1
S&P Global Ratings	A / Stable	A-1

ESG Ratings (As of July 2024)

- MSCI ESG Rating: AAA
- S&P Global CSA Score 2023: Top 5%

Stock and Shareholder Information (As of March 31, 2024)

Basic Information about Our Stock

Stock listing	Tokyo Stock Exchange (Prime Market)
Category	Wholesale, Trade
Stock code	8001
Minimum number of stocks allowed per trade	100
Fiscal year	From April 1 to March 31
Shareholder fixed day for dividend payment	March 31 (Interim: September 30)
Number of common shares issued	1,584,889,504 shares
Number of shareholders	261,558
Transfer agent of common stock	Sumitomo Mitsui Trust Bank, Limited

Status of inclusion in indices (excluding ESG indices)
- JPX-Nikkei Index 400 • JPX Prime 150 Index
- TOPIX Core 30 / TOPIX 100 / TOPIX 500 / TOPIX 1000
- TOPIX High Dividend Yield 40 Index
- Nikkei Stock Average (Nikkei 225)
- Nikkei Stock Index 300 / Nikkei 500 Stock Average
- MSCI Japan Index*2 • MSCI Japan High Dividend Yield*2

*2 The inclusion of ITOCHU in any MSCI index, and the use of MSCI logos, trademarks, service marks, or index names herein, do not constitute a sponsorship, endorsement, or promotion of ITOCHU by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. The names and logos of MSCI indexes are trademarks or service marks of MSCI or its affiliates.

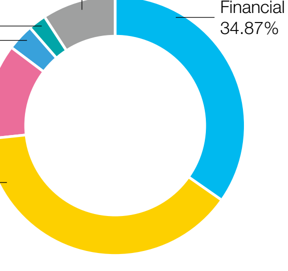
Major Shareholders*3

Name	Number of Shares (1,000 shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	231,683	16.09%
BNYM AS AGT / CLTS 10 PERCENT	130,162	9.04%
Custody Bank of Japan, Ltd. (trust account)	76,380	5.30%
CP WORLDWIDE INVESTMENT COMPANY LIMITED*4	56,330	3.91%
Nippon Life Insurance Company	34,056	2.36%
Mizuho Bank, Ltd.	31,200	2.17%
SSBTC CLIENT OMNIBUS ACCOUNT	27,463	1.91%
STATE STREET BANK WEST CLIENT - TREATY 505234	25,219	1.75%
Asahi Mutual Life Insurance Company	23,400	1.62%
JP MORGAN CHASE BANK 385781	18,705	1.30%

*3 The Company holds 144,587 thousand shares of treasury stock (9.12% of the number of shares of common stock issued) that are excluded from the above list of the major shareholders. Shareholding ratio shows the ratio against the number of shares of common stock issued excluding treasury stock.

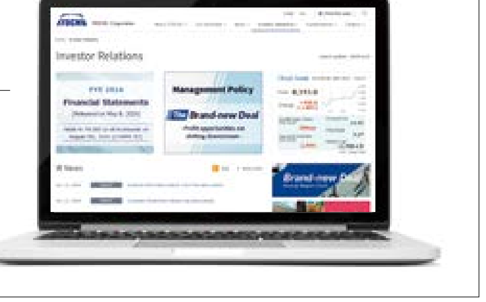
*4 In addition to the above, we are confirming that CP WORLDWIDE INVESTMENT COMPANY LIMITED owned our company shares under another name (CP WORLDWIDE INVESTMENT COMPANY LIMITED 1008520), and the total number of shares substantially owned by CP WORLDWIDE INVESTMENT COMPANY LIMITED is 70,830 thousand shares (4.92% of the number of shares of common stock issued excluding treasury stock).

Breakdown of Shareholders



For more information about IR, please refer to ITOCHU's website.
https://www.itochu.co.jp/en/ir/

- Financial statements, Management Policy
- TSE filings
- ITOCHU at a Glance
- Shareholders and stock information
- Graphs related to operating results and financial position, ESG data, etc.



Message from the Investor Relations Division

Thank you for reading ITOCHU's Integrated Report 2024. Our Management Policy, which serves as our management compass, is a growth strategy designed to leverage our accumulated strengths while advancing into a new phase of management. In this Integrated Report, we have been mindful to preserve the *ITOCHU-ness*, including our Corporate Value Calculation Formula, while ensuring that you can better understand the content of each section and the connections between them. We hope it provides a deeper understanding of our evolving corporate value creation story.

As we move forward, we remain committed to engaging in meaningful dialogue with our stakeholders and ensuring timely, transparent information disclosure, as we sincerely pursue IR activities aimed at sustainable corporate value enhancement.