

Annual Report Briefing

ITOCHU Corporation

December 17 2020



We use our annual report in interviews and meetings, for example, but we have often been told that the report's wide range of content can make it challenging to fully digest. We arranged today's briefing on the advice that it would be helpful to discuss the report content again.

In light of growing interest in ESG as of late, we hope that this briefing will deepen everyone's understanding of our approach to disclosure and the issues we are currently examining.

ITOCHU recently received the Gold Award under the WICI Japan Integrated Reporting Award program, one of the major award programs for annual reports.

We are grateful for the valuable opinions we have received from investors, and we have strived to reflect these opinions in our annual report. We are pleased to report said results and would like to express our gratitude.

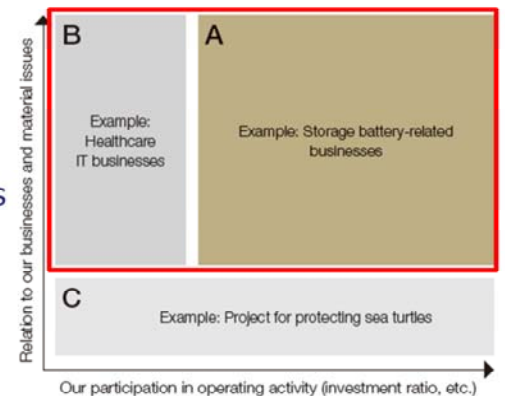
Key highlights (Editorial Policy)

p.8

- ✓ Created from the standpoint of investors in particular (standpoint of investment decisions)
- ✓ Revised the Group corporate mission to *"Sampo-yoshi"*
- ✓ Presented management's approach to pursuing "all the priorities," rather than "a single expedient"

Scope

- ✓ Organized the correlation of the Company's businesses & material issues, and financial & non-financial capital



There are three key highlights in this report.

The first one is that the report was created from the standpoint of investors in particular, with care taken throughout the entire report to present information useful for investment decisions.

The second is the detailed explanation of the reason for revising the Group corporate mission to *"Sampo-yoshi,"* and how ITOCHU reflects this in business practices.

The third highlight is the presentation of management's approach based on *"Sampo-yoshi,"* taking a well-balanced approach to pursuing "all the priorities" rather than "a single expedient" such as a short-term target or medium- to long-term initiative, or economic value or social value.

As shown in the chart on the lower right, the scope of the annual report is A and B, which strongly correlate with the Company's businesses and material issues. C is explained in the ESG Report.

Thoughts Behind the Cover Page's Design



Represented ITOCHU's management posture and endeavors to return to our founding spirit of "Sampo-yoshi," without forgetting to always be thankful and bright-hearted, like a blooming cherry tree, amid these uncertain times.

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With the future clouded by the COVID-19 pandemic, we must not forget to always be thankful and bright-hearted, like a blooming cherry tree. The cover is also an expression of ITOCHU's approach to management, returning to the basics of "Sampo-yoshi" to engage in business.

The design of the cover was actually Chairman & CEO Masahiro Okafuji's idea. The cover embodies the idea of "hospitality" that puts everything in a more positive light.

Highlights of the CEO Message



p.10

- ✓ Business from the customer's (market-oriented) perspective
- ✓ New Group corporate mission "*Sampo-yoshi*"
- ✓ Advantages in the non-resources sector
- ✓ Demonstrate our "true business power"
- ✓ Returning to the basics
(“earn, cut, prevent” principles)
- ✓ Commitment-based management
(to always fulfill our promises)



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The message from CEO Okafuji contains a number of key phrases, outlined below in six points.

The first point focuses on business from the customer's perspective, that is, a “market-oriented perspective.” With a renewed awareness of ourselves as a merchant, we understand the importance of steadily delivering products that our customers desire and bringing them pleasure.

The second point is “*Sampo-yoshi*,” an approach that leads to the concept of pursuing the SDGs and Creating Shared Value (CSV). ITOCHU adopted this simple phrase as its new Group corporate mission.

The third point is ITOCHU's advantages in the non-resource sector. To compete with general trading companies associated with the former *zaibatsu* industrial groups with interests in natural resources, ITOCHU has decided to target fields where it can leverage its strengths.

The fourth point is about our true business power. Our true business power is being tested by hardships during the COVID-19 pandemic.

The fifth point is returning to our “earn, cut, prevent” principles in 2020. With a particular emphasis on “prevent” and “cut,” we are guarding against being overconfident and will focus on methodical management more “diligently” than ever before.

Based on the points above, the sixth point is to always keep our promises. The message says that ITOCHU will let everyone witness the unsurpassed reliability of its “commitment-based management.”



In the context of CEO message, focused more on the followings:

- ✓ Discussions and initiatives by the Management Committee
- ✓ Evolution of ITOCHU's business model, while looking beyond the pandemic
- ✓ Company's efforts to sustainably improve corporate value

President & COO Suzuki's message focused more on the execution side of the business, in the context of Chairman Okafuji's message. His message hit on three major points.

The first point is discussions and initiatives by the Management Committee. He talks about the approach and process for formulating a management plan in light of external conditions.

The second point is the evolution of ITOCHU's business model, while looking beyond the pandemic. He discusses data management platforms (DMP), storage batteries, and other businesses.

The third point is the Company's efforts to sustainably improve corporate value. As in the past, ITOCHU will improve labor productivity through human resource strategies and enhance the combined power of the Group in order to further increase corporate value.

Changes in CEO Message



2018

Customize tailored to consumers

Reinvention of businesses

Stable profit that does not depend on resources

Taking on challenges no matter how daunting

No time to be complacent

Learning through reflection

2019

Market-oriented perspective

Evolution to "a new vision of what a trading company can achieve"

Highly resilient to economic fluctuations

Catch the waves and transform changes into business opportunities

Remain true to our merchant principles

Turning words into accomplishments

2020

Business from the customer's perspective

New corporate mission "Sampo-yoshi"

Advantages in the non-resources sector

Demonstrate our "true business power"

Returning to the basics ("earn, cut, prevent" principles)

Commitment-based management

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These slides show how key phrases have changed in Chairman & CEO Okafuji's message over the past three years.

It shows how he has been continuously communicating ITOCHU's policies on business initiatives, the general direction of the Company for the future, and the stability of and advantages in its non-resource sectors in addition to updating his messages on the Group's stance in light of the external environment. Moreover, he also strove to constantly communicate the importance of thoroughly adhering to basic actions and maintaining dialogue with market participants.

Serving as a Secondary Table of Contents



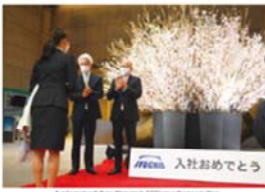
...focus on business from the "customer's perspective."

The pandemic presents a similar situation. People across Japan are striving to avoid risks, and yet we have customers navigating hazards to fulfil their duty to deliver daily necessities to people. Many of our partners in the TOCHU Group are working hard on the front lines in retail and other areas. I have even heard stories of partners who have practiced sitting while wearing a mask in front of the mirror to assure that customers will be able to tell they are smiling. We compare by providing truly forward services. I did not feel that we could live up to our "mission" as a merchant if only TOCHU employees were working from home. To be clear, the "wonderful returns" we are carrying out are not simply for the "pursuit of efficiency."

We do, however, fully reward our employees' best efforts. The aforementioned flower display contest is an example. The thought behind this was that flowers can instantly brighten people's day, providing inspiration without any words. We also prepared various prizes and provided away employees with special benefits so they could get a quick start when the state of emergency was lifted. Temporary staff, dispatched personnel, and employees of subsidiaries that complemented functions of TOCHU received the benefits as well. We also provided a modest bonus with a message to security guards and cleaners. Supported by many people, TOCHU is, I believe, a merchant with the ability to perceive various viewpoints and create shared value for all sides. This was precisely the business that our founder pursued more than 180 years ago.

Our Unwavering Ideal—"Sampo-yoshi"

I was approached by a person rather advanced in years at a meeting I attended last year. He thanked me because the TOCHU, when he purchased here, increased in value significantly. He said dividends have risen significantly. As a manager,



A group of people, including a man in a suit, standing together in a formal setting.

this was music to my ears and, simultaneously a moment that heightened my awareness of the importance of fulfilling my fiduciary responsibilities related to share price and shareholder returns.

Amid recent concerns of rapid economic deterioration, some people are saying companies should prioritize financial soundness, and social contribution while scaling down shareholder returns. However, I intend to continue focusing on steadily raising dividends every year regardless of the situation.

We have numerous priorities to pursue. We could focus on specific environmental, economic or social issues, or short-term results or appropriations for medium- to long-term growth. The words of our founder, Chusei Ichii, provide insight. The modern interpretation of "Sampo-yoshi" (good for the sake, good for the buyer, and good for society) is not to choose "a single aspect" based on the situation, but rather to understand "what the customer" (in this case, the customer is the customer) and TOCHU's "mission" (the spirit of "Sampo-yoshi") has steadily underpinned the Company. On the other hand, each time the head of the Company changed, the overarching goal that encompasses "Sampo-yoshi" has been expressed using different words, making it gradually harder to possibly understand what we are aiming for and how to achieve it. Therefore, in April 2020, we went back to basics, rephrasing the Group corporate mission the simplest and clearest expression, "Sampo-yoshi." At the same time, we established 1st aim (to be an Ono with infinite Mission) as our corporate guideline of conduct to realize "Sampo-yoshi."

Merchants Are Diligent

I am a bit of a "nerd." I have talked before about how curious I am. I tend to imagine the worst-case scenario, act to avoid it, and then one step forward only after reflecting on the history and actions leading up to that point and again affirming on the situation. I am now reflecting on the history of TOCHU.

After Hiroshi Waki, TOCHU's founder laid his eyesighting into non-facile business with the aim of diversifying



A large, ornate floral arrangement in a room.

its businesses. A high regard between our activities and the general trading companies associated with the former merchant industry group. To overcome this, we took a big gamble we acquired shares of TOA CO. Ltd., invested in areas of that industry, and conducted long-term chair conversations with its partners. These actions were based on the observation that it was almost 100% imported and the hypothesis that areas overseas were poised to be a great sector, giving us a strong sense of purpose. However, the 1970s was ruled by two oil shocks. The hypothesis was refuted and when we faced our long-term high and the selling price plummeted, leaving it a big loss. At the time, our judgment of resources was not as acute as those of other general trading companies associated with the former merchant industry group. We relied only on a hypothesis, and our "products" without securing stable buyers. My primary focus was an idea only based on a product-oriented perspective. It was later to realize the importance of strengthening economic ties with people who have the background based on the hypothesis that private could "not go up" with the collapse of the bubble, issues cascaded. Even now, I can clearly recall that time. TOCHU was pushed to the edge by the deposit of oil or their resources.

I believe it is extremely dangerous to make large investments relying on the hypothesis alone. This applies to the "Youth industrial revolution" also, where artificial intelligence (AI) and other digital technologies are developing rapidly. A revolution does not guarantee that every established business will steadily grow. We must avoid missing out.

We have to conduct business with the realization that we are merchants. To achieve the same level as general trading companies associated with the former merchant industry group, which have prime assets in the resource sector, we naturally desired to compete in fields where we have an advantage, namely the non-resource sector, which is centered on consumer-related businesses. We do not have a "large chunk" of resource businesses that can generate hundreds of billions of yen in profit, but it is practice "open-led" management and hit key points

Page xx
Serve as ToC



We will work to maintain supply chains in each field by steadily carrying out operations and contributing to the stability of society as a whole.

COO Message

With passion, we can complete our duty. If each business transaction is small, we diligently and dutifully conduct business that pleases our customers, paying close attention to any subtle changes in order to the best of our ability. The FY2020 results proved the true value of this profit-making model. An approach unique to TOCHU. (ToC Page 12, Business Results for FY2020)

Keeping Our Promises

In the 11 years after the global financial crisis, the global economy had continued to expand. This led the world that had been closed not to be too far off. On the summer break in August last year, I decided to review the same annual business strategy meeting which is usually held in early October by one month, "holding" in early September. At that meeting, we enacted countermeasures for worst-case scenarios, focusing on the "power" and "out" principle, which were into effect as of that day. The month after, the first outbreak of the novel coronavirus COVID-19 pandemic. SH TOCHU was unshaken.

In FY2020, consolidated net profit exceeded 100.0 billion for the second consecutive year, and we achieved record-high profits for the fourth year in a row. Although it is unfortunate we did not rank back the top spot, we were No.1. I gave my best company in terms of sales profit, which proves our strong power. ROE was an industry-leading 17.0%, and our net debt-to-equity ratio, which also met our target, decreased to its lowest level ever. The price-earnings ratio (PER) also met our target.

With our business strategy, other general trading companies had revised their forecasts downward and recorded low profit. TOCHU stood alone in achieving our initial plan for the year by leveraging our robust earnings base that is strategically positioned across different fields to steadily build up profits, enabling us to pay the second-high dividends we promised in the beginning of the year. This measure was a leader. To each and every Group employee, I would like to extend my sincerest thanks for their unparalleled effort.

I strongly believe that we should always stand firmly

Regarding the upgrade of business models through various investments or by using new technologies, we have completed the development of forward-looking foundations and the distribution of key lines. From FY2021, we will enter a phase where we shift to support business under the initiative of our chosen Companies, continuing on mobility, power, and retail businesses. In particular, the power field continued the development fields of high-voltage power and storage batteries and established the new Power & Environmental Solution Group. Our brand EV storage batteries equipped with All Functions has sold a cumulative total of nearly 30,000 units across Japan as of March 31, 2020, giving it the No. 1 share in Japan on a capacity basis. Our strength in the asset includes our sales volume (a business foundation that has exceeded over more than 1 billion). We are steadily expanding our business by being 100% ownership of our overseas holding a variety of new-generation businesses, such as Sumitomo Energy International Inc., (ToC Page 10), and Shantrex PowerCo Co., Ltd. (ToC Page 10) Realizing Our "Sampo-yoshi" Philosophy through the Largest Multinational Development in Japan.

And the current crisis, which has been called the greatest since World War II, let us recall the words of President John F. Kennedy during the Cuban Missile Crisis. In the Chinese language, the word "crisis" is composed of two characters, one representing danger and the other, opportunity. For example, COVID-19 is undoubtedly starting matters to more quickly move online and fostering greater online engagement with customers of services. During this time, the TOCHU-4 also has launched new initiatives, such as HONEN HD MACHO204 (an insurance agency with health insurance) starting online consultations. Even during the COVID-19 crisis, we will continue to proactively search changes in customer and industry structure, follow our senses to the needs of change, and take good opportunities.

We are also monitoring the effect of COVID-19 overseas. By thoroughly managing risks and polishing our existing businesses, our "earn, out, power" principles will serve as a base. Though the "earn" principle, we should expand our business through collaboration with powerful partners. For example, the Energy from Waste (EFW) project in Serbia started construction in FY2020, and it is a collaborative initiative with SUEZ S.A., a major French company for water and environmental utilities. Annually 340,000 tons of waste, equivalent to 6th of the waste emitted by the city of

Belgrade, is incinerated to produce electricity and supply heat. This is Serbia's first large-scale Public Private Partnership (PPP) using project finance. The project is of paramount importance to the Serbian government, which aims to meet the European Union (EU) waste disposal standards and join the EU. TOCHU also operates similar facilities in the United Kingdom. Leveraging the business development and operational know-how we have cultivated to date, we will collaborate with strong partners in each region and business field to attract investment of our projects, thereby making steady progress. (ToC Page 10) Viewing Environmental Issues as Business Opportunities

Aiming to Sustainably Enhance Corporate Value

To achieve major accomplishments with very few employees we strive to offer general trading companies on a non-concentrated basis. TOCHU has relied on its distinctive advanced measures to enhance every employee's productivity. Specifically, we have made operations more efficient by going paperless for meetings and applications and by utilizing IT including robotic process automation (RPA). We also promoted working styles through the "Working-Retained Working System" and "Ones-down Days," as well as health management through such measures as "Support Measures for Strengthening Cancer Care and Work."

Going forward, by providing opportunities for advancement as a merit-based working company, TOCHU will continue to attract its employees to help accelerate growth and fuel the appeal of creation, through cultivating new customers and developing business models on their own.

In April 2020, to address further growth as we adapt to the rapid changes in the business environment in the industry that we are facing and to establish values that resonate with the strengths that set TOCHU apart, we amended our corporate mission to be "Sampo-yoshi." Our management philosophy that has been in place since our founding, which also aligns with the promises behind the SCGs, "We will continue to increase the overall strength of the entire Group as we aim to enhance our corporate value."

Going forward, we will work steadily to support the digital efforts of our subsidiaries, utilities, and customer and aim the COVID-19 crisis. We will work to maintain supply chains in each field by steadily carrying out operations and contribute to the stability of society as a whole.

The messages from management cover the entire scope of the report. In some cases, the content refers readers to additional resources and arrows point to pages with more details in order to further understanding of certain topics.

In a sense, the messages serve as secondary table of contents.

Aims and contents of the revision of Group corporate mission

p.26

- ✓ As a company that is the originator of “*Sampo-yoshi*,” revised its corporate mission to the most important word ingrained in employees
- ✓ As “*Sampo-yoshi*” is a philosophy leads to pursuing SDGs, aim to increase awareness of it when developing and creating businesses
- ✓ Can be a compass for our employees to carry on with business during the pandemic



*Sampo-yoshi" calligraphy by Shoko Kanazawa

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These pages explain the history behind “*Sampo-yoshi*,” a phrase that was coined by Chubei Itoh I, in an interview format between CAO Kobayashi and Professor Hideki Usami from Shiga University. The three main points are as follows.

The first point is that as a company that is the originators of “*Sampo-yoshi*,” ITOCHU will put its principles into practice in a more vigorous manner, as it has positioned this simple phrase that has been ingrained in employees as its corporate mission.

In the second point, “*Sampo-yoshi*” is a philosophy that leads to pursuing SDGs, and ITOCHU aims to increase awareness of it when developing existing businesses and creating new businesses.

The third point is that “*Sampo-yoshi*” is a corporate mission that can be a compass for our employees to carry on with business during the pandemic.

Concept for Annual Report 2020

Sustainably Enhancing Corporate Value by Steadfastly Upholding Our Unwavering Ideal, "Sampo-yoshi"

Taking "inherited strengths" and the "earn, cut, prevent" principles as our driving force, we will realize our short-term targets, lay steppingstones for medium- to long-term value creation, and maintain the initiative and systems supporting sustainable growth. Rather than choosing "a single expedient," we will unflinchingly pursue "all the priorities" — this is the approach for sustainably increase in corporate value (total capital) as merchants upholding unwavering ideal of "Sampo-yoshi."

Perspective of making investment decisions

Driving Force for Sustainable Value Creation (Total capital)

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

Achievement of Short-Term Targets (Steady results)

Initiatives and Systems Supporting Sustainable Growth (Reduce cost of capital)

Steppingstones to Medium- to Long-Term Value Creation (Sustainable growth)

p.5

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p.9

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As we noted in the headline highlights, a major feature of this year's report is its design for presenting information useful in making investment decisions and for calculating corporate value.

Corporate value is the sum of financial and non-financial capital, and it also the driving force behind sustained value creation. The 30 or so pages following the management messages explain this from the perspective of capital.

In presenting the corporate value equation, the numerator is "created value," which is linked to the achievement of short-term targets based on our past medium-term management plans, "Brand-new Deal" strategy. In addition to our track record in commitment-based management, the report talks about COVID-19 matters in a Q&A format.

In the denominator of the corporate value equation, "growth rate" covers steppingstones to medium- to long-term value creation in the context of conditions at CITIC and FamilyMart, energy-from-waste (EfW) projects in environmental businesses, and the storage battery business as a growth field.

Also a part of the denominator of the corporate value equation, "cost of capital" represents initiatives and systems supporting sustainable growth, which lead to reductions in the cost of capital, in the context of ESG.

Throughout the entire report, we clearly explain how ITOCHU's aims and initiatives are specifically linked to the elements of improvement in corporate value.

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Update of "Merchant" Business Model



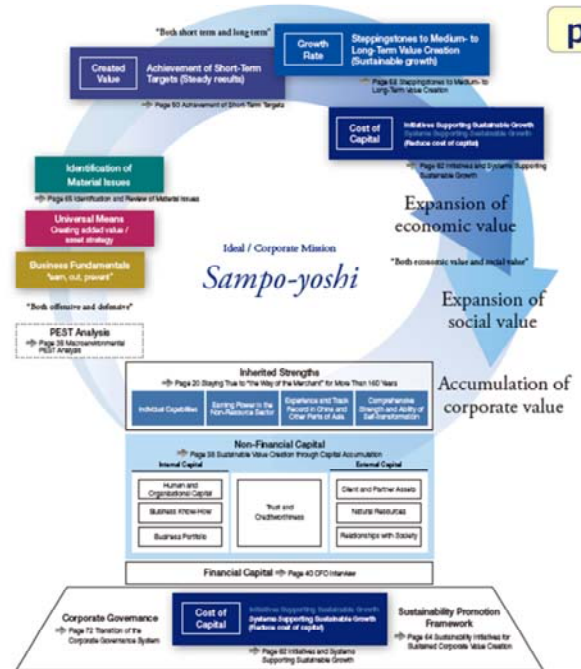
Illustrated balancing economic and social value centered on "Sampo-yoshi" as recycling diagram

2019 version

p.30

The "Merchant" Business Model

With a management philosophy rooted in the sampo-yoshi ideal, we strive to respond flexibly to the social needs of the changing times. By promoting and expanding the financial and non-financial capital we have formed and accumulated over time, we will build a foundation for sustainable growth and enhance corporate value.



ITOCHU's "merchant" business model was reinvigorated while preserving the original concepts that have been in place in preceding years. The updated version matches the Company's underlying situation more closely.

Without getting overly technical here, the model is based on the standard for describing the value creation process proposed by the International Annual Reporting Council (IIRC), which dictates the annual report's framework. While following the so-called octopus model concept, the intention is to transition from the simple expansion of corporate value to establishing a cycle of continuous expansion and the accumulation of corporate value.

The model explains the positive cycle centered on "Sampo-yoshi," where each type of capital that adds to either non-financial or financial capital is accumulated as the businesses expand economic value and social value.

Furthermore, we have organized and expressed various elements to realize a positive cycle, such as the positioning of material issues and "earn, cut, prevent" principles, the connections of various initiatives that are elements in the calculation of corporate value, and the Company's corporate governance system as well as its sustainability promotion framework, which serve as the foundation that support the model.

From an angle different from the management messages, this model explains the cohesiveness of the entire report, and serves as a third table of contents in a sense.

Focusing on Both Short Term and Medium to Long Term



p.24

Trading Companies as Water

The current Chairman & CEO, Masahito Okafuji, explains that ITOCHU has the ability to transform itself, noting that general trading companies "are like water taking the form of the vessel in which it is contained, sometimes round, and sometimes square."

Inherited Strengths

Individual Capabilities
Consolidated Net Profit per Employee (Per-Consolidated)
¥0.12 billion (FY 2022)

Earning Power in the

Comprehensive Strength and Ability of Self-transformation
Ratio of Group Companies Reporting Profits — 88.6% (FY 2022)

Experience and Track Record in

p.39

Corporate Value

Created Value

Cost of Capital

Growth Rate

p.62

Redefined “trust and creditworthiness” as core non-financial capital of “Sampo-yoshi.”

Emphasized the balance between the mid-to long-term direction we should aim for, and the short-term results that guarantee its realization, based on the inherited “strengths.”

“Both short term and medium to long term”

Page 24 shows the Company’s four strengths. Three are inherited from the past, namely its “individual capabilities,” “earning power in the non-resource sector,” and “experience and track record in China and other parts of Asia.” This year, we newly added “comprehensive strength and ability of self-transformation” as our fourth strength.

In addition to our comprehensive strength as a general trading company, we have expressed ITOCHU’s ability to self-transform businesses by leveraging business know-how accumulated over the years, which enables ITOCHU to adroitly respond to changes in the economic environment as well as to generate various synergies.

Chairman & CEO Okafuji’s expression “trading companies as water” conveys this strength and unique trait.

On page 39, we have redefined “trust and creditworthiness” as the core capital that connects each type of non-financial capital, in light of practicing “Sampo-yoshi.”

On page 62, there is a logic tree that ties the connections between medium- and long-term aims and the Company’s priority measures and specific measures. It also summarizes and visualizes the relationships between non-financial capital, material issues, and SDGs.

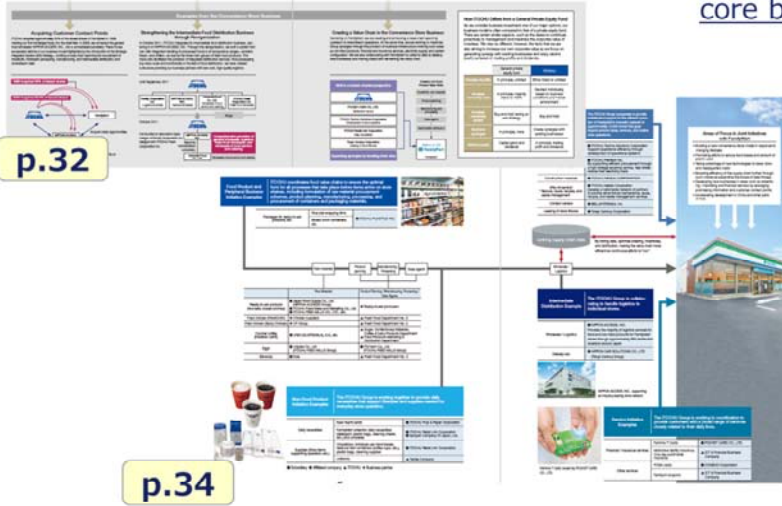
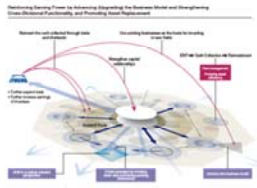
In this varied discussion, the foremost point is that the Company sees a need to balance the short term with the medium to long term, and recognizes the importance of showing its ability to achieve short-term goals, without leaning too much on longer-term viewpoints that have been the trend lately.

ITOCHU’s management team takes care to avoid setting targets that may be unachievable without careful consideration. Emphasis is placed on management’s approach to steadily accumulating results over the short term while moving toward longer-term targets.

More Examples of Building Value Chains through Singular to Multifaceted Business Development



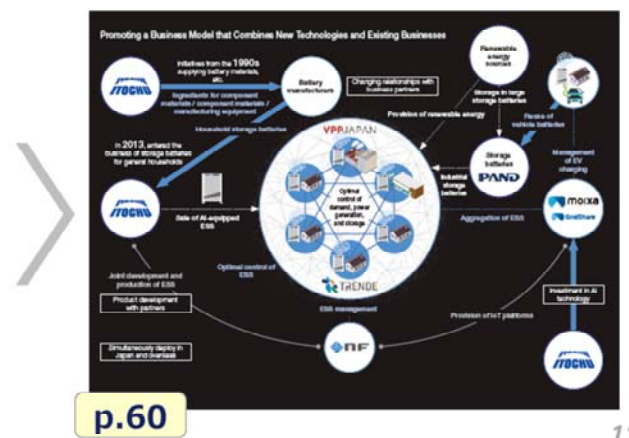
Corporate Value Created Value
 Cost of Capital Growth Rate



p.32

p.34

Introduced storage batteries-related business, an expanding multifaceted business in the potential growth field, in addition to FamilyMart, one of our core businesses.



p.60

Page 32 breaks down the value creation process and how we generate growth by moving from singular to multifaceted business.

Specific examples are given on page 34 as preceding reports, showcasing the value chain at FamilyMart, one of the Company's core businesses. The publication of the annual report overlaps with the tender offer period for shares in FamilyMart, so discussion focuses on the current state of initiatives.

Page 60 introduces storage battery-related business, a potential growth field, as a specific example of the Company's new multifaceted business development.

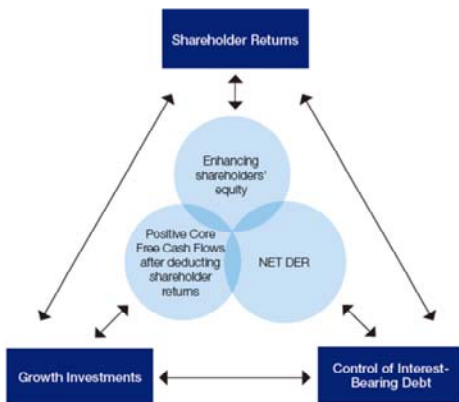
Starting with the reasons why ITOCHU moved into a manufacturer position, it explains how ITOCHU expanded its business based on a market-oriented perspective while upgrading through next-generation investments. We also discuss how this environmentally- and socially-conscious business exemplifies "Sampo-yoshi."

With regard to the storage battery-related business, ITOCHU is looking to hold a briefing on this field in March 2021. We hope you can participate.

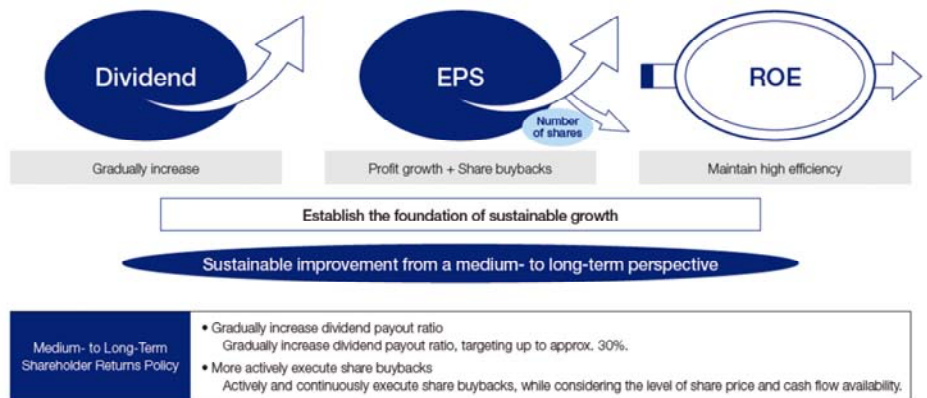
Key Points of CFO Message

- ✓ Unshakable focus on the financial and capital strategies, and growth investment policy
- ✓ Aim to sustainably increase EPS by expanding profits in principle
- ✓ Disclose information in a timely manner and engage in highly trustworthy conversations

Achieve High ROE While Balancing Three Factors



Concept for Enhancing Corporate Value



In this message, CFO Hachimura talks about ITOCHU’s unique, unshakable focuses.

The Company maintains a high ROE by striking a balance between shareholder returns, growth investments, and controls on interest-bearing debt.

While screening growth investments, the Company will steadily make highly strategic investments that pile strengths on top of strengths.

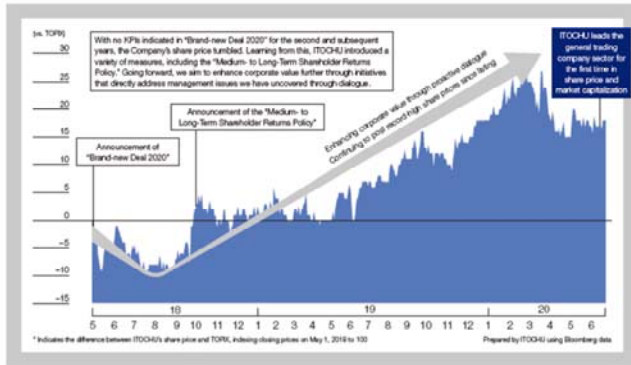
In principle, the Company aims to sustainably increase EPS by expanding profits.

As a leading Company, ITOCHU’s intention is to disclose information in a precise and timely manner, and engage in highly trustworthy and quality conversations.

Management's Emphasis on Dialogue



ITOCHU's Share Price Performance vs. TOPIX after Announcing "Brand-new Deal 2020"



With the cooperation of sell-side analysts, comments are made about issues to address.

Issues the Company Recognizes It Needs to Address through Dialogue

Steppingstones to Medium-to Long-Term Value Creation	<ul style="list-style-type: none"> • Specific results of collaboration with CITIC and CP Group • Prompt execution of the share buybacks already announced, for 35 million shares or ¥70.0 billion (both upper limit)
Initiatives and Systems Supporting Sustainable Growth	<ul style="list-style-type: none"> • Explanation of specific deliberations by the Nominating Committee

p.48

Corporate Value | Created Value | Cost of Capital | Growth Rate

Explained our emphases on dialogue with the market in the context of "learning through reflections," because our share price fell after the previous medium-term management plan was unveiled.

Yasuhiro Narita
Managing Director
Equity Research Department
Nomura Securities Co., Ltd.
Joined Nomura Securities Co., Ltd. in 1998. After being in charge of the shipping, land transport, and housing equipment sectors, took charge of the trading company sector in 2008. In the current position since 2015.

Akira Morimoto
Senior Analyst
Equity Research
SMBC Nikko Securities Inc.
In 2007, joined Morgan Stanley Securities Co., Ltd. (now Morgan Stanley MFG Securities Co., Ltd.). After being assigned to the steel sector for approximately five years, in charge of the trading company sector since 2012. In the current position since 2013.

Steadily Moving Forward—Can ITOCHU Break through to Reinvigoration?
The general trading company business model is changing from a trading-oriented model to one based on business investment, and in recent years the Company has turned toward a strategy of augmenting business value by contributing actively to investors' businesses. With peer companies struggling with low levels of profitability due to large investments and across-the-board investments, ITOCHU is focusing on consumer-related businesses—an area of expertise. The Company also focuses carefully on the profitability of investees via thorough cost management, therefore realizes steady profit growth and high profitability. While advances in information technology present general trading companies with good opportunities to create new businesses, such advances also pose the risk of making existing businesses obsolete. Reinventing its businesses in response to consumer needs and using its investment in CITIC as a lever to access China's massive internet demand pose issues, as well as growth opportunities. We will be monitoring the situation.

Already Means Not Yet
In its dialogue with the stock market, I give the Company high marks for the way its management took this input seriously. However, ITOCHU still needs to surmount a number of issues. In the short term, it needs to complete share buybacks. In the medium to long term, it needs to clarify its growth strategy, including the creation of synergies with CITIC, as well as further moves on climate change. Notably, low cash returns from CITIC are one reason the stock market is discounting ITOCHU's shares. At present, we believe ITOCHU can maintain high ROE in FYE 2025, but I would like to see management set its sights even higher, at some "market expectation +", if it can present a growth-oriented solution, ITOCHU may be able to change the way its shares are valued, stepping outside the framework of a general trading company.

Page 48 is about the Company's policy of maintaining the accurate and timely disclosure of information and its engagement in highly reliable dialogue.

When ITOCHU unveiled the previous medium-term management plan, the Company's share price fell as the plan was too abstract. Based on the lessons learned and reflections from this, ITOCHU has reemphasized dialogue with the market and created a positive cycle that sustainably increases corporate value.

The report describes opinions straight from market participants as well as issues the Company should address in the future.

We would like to take a moment to express our gratitude to analysts Mr. Morimoto and Mr. Narita, who came to this briefing today and were helpful in the report's creation.

Information about COVID-19



p.56

Corporate Value = Created Value
Cost of Capital Growth Rate

We explain COVID-19's impact on our operating performance and management policies, as well as status of Initiatives.

Q.1 How has COVID-19 affected ITOCHU's consolidated business performance, management strategies, and business model?

Our initial plan of consolidated business performance for FYE 2021 called for consolidated net profit of ¥400.0 billion. This incorporates a direct downward impact from COVID-19 of roughly 10%, excluding such impacts as falling resource prices. In addition, we set a higher-than-usual for-

digitalization in client industries, and have steadily promoted initiatives to evolve and transform our existing business models. It is said that COVID-19 would rapidly accelerate changes in purchasing methods and preferences, as well as the digital shift. That said, the basic

Comments from an Outside Director on Our COVID-19 Countermeasures
ITOCHU shared information about policies to address COVID-19 and measures to prevent infection with Outside Directors in a timely manner. As an Outside Director of ITOCHU, I tried to provide more practical opinions and advice based on the experience and knowledge I have gained through my involvement in healthcare over many years.



Masatoshi Kawana

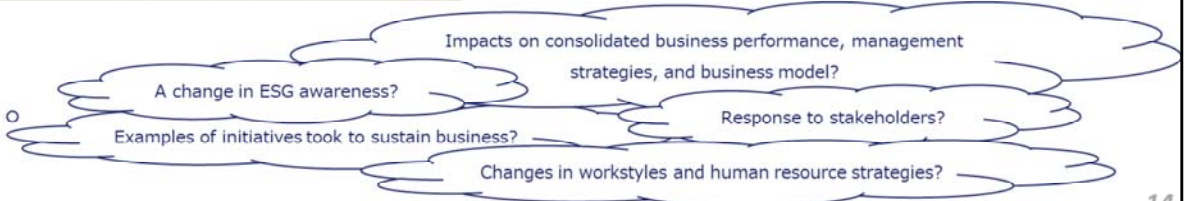
Outside Director
Mr. Kawana served as Vice President of Tokyo Women's Medical University Hospital, in addition to other positions, where he gained a high level of experience in hospital management and advanced knowledge of medical care. He assumed a position as member of the Board of Directors at ITOCHU in June 2018. He contributed to the further development of governance at ITOCHU as a member of the Governance and Remuneration Committee in FYE 2020. He used his expertise to provide many useful proposals and suggestions in the fields of health management and medical care-related business.

ITOCHU established an internal COVID-19 countermeasures headquarters in January 2020, just as the number of infections was beginning to increase. Headed by the CAO, the headquarters have been focusing on thoroughly implementing the infection protection measures necessary to sustain business operations as well as on such areas as reinforcing the testing system. From my perspective as a medical sector professional, these measures appear prompt and appropriate.

Leading corporate management in an environment affected by COVID-19 requires striking a balance between curtailing infection risk and minimizing the impact on business activities. I look forward to continuing in my role of working in tandem with the internal management team to develop and maintain an environment in which executives and employees can concentrate on their work with peace of mind.

Explained the impact of COVID-19 on earnings and businesses, a topic of strong interest among markets.

Outside Director with advanced medical knowledge made comments from the perspective of "health management" practice.



This Q&A discloses information about the impact of COVID-19 on the Company's performance and businesses, a topic of strong interest among investors.

Answers are given to questions that were screened from research reports to cover topics of strong interest.

ITOCHU is committed to health management. Outside Director Kawana makes comments about the Company's response from a medical perspective. Articles of this kind set ITOCHU apart from other companies.

Scenario Analysis

Division Comparison				
Machinery	Metals & Minerals	Energy & Chemicals	Food	Consumer Products & Pulp
Business				
Power Generation	Coal	Oil & Gas Upstream Business Development	Oil	Pulp
Main risks				
* Transition risk under the "Net-zero 2°C" scenario for businesses with a significant transition risk is listed.				
Business environment				
Physical risk				
<ul style="list-style-type: none"> • In the "Net-zero 2°C" scenario, we will continue to invest in the development of new energy plants. • In the "Net-zero 2°C" scenario, we will continue to invest in the development of new energy plants. • In the "Net-zero 2°C" scenario, we will continue to invest in the development of new energy plants. • In the "Net-zero 2°C" scenario, we will continue to invest in the development of new energy plants. • In the "Net-zero 2°C" scenario, we will continue to invest in the development of new energy plants. 				
<p>Business and others</p> <ul style="list-style-type: none"> • We will continue to invest in the development of new energy plants. • We will continue to invest in the development of new energy plants. • We will continue to invest in the development of new energy plants. • We will continue to invest in the development of new energy plants. • We will continue to invest in the development of new energy plants. 				

Disclosed results of scenario analysis on consumer sector businesses including Dole and pulp businesses, focusing on the effects of "physical risks" in the event of an increase in global temperatures and changes in climate.

Reposted the action policy on the existing coal-related business released on Feb 2019.

Page 66 contains a scenario analysis of the impact of climate change on individual businesses as well as ITOCHU's approach to TCFD recommendations. It also showcases material issues, efforts to address climate change, and initiatives to contribute to a low-carbon society. Before declaring its endorsement of TCFD recommendations and joining the TCFD Consortium, ITOCHU began to conduct scenario analyses based on TCFD recommendations in 2018. We wanted to reach a determination after learning more about and putting the TCFD recommendations into practice on a trial basis. Firstly, the Company selected the power generation business for scenario analysis, which was then chosen by the Ministry of the Environment as a government-assisted project on scenario analysis in line with the TCFD recommendations. At the same time, ITOCHU voluntarily conducted an analysis of its coal business. Having published findings from both projects, in 2019 the Company decided to expand the scope and went on to publish the results of scenario analyses of oil & gas upstream business development, Dole operations in the foods business, and the pulp business. In addition to transition risk, the Company analyzed physical risk in the event of an increase in global temperatures within the context of two segments in the consumer sector, an area of strength for ITOCHU. A fair amount of work and analysis went into the published results of the TCFD analysis. Although the published content is only a condensed version of the data, ITOCHU discovered through the analysis process that its broad portfolio of businesses as a general trading company actually leads to reductions in the risk of climate change, while identifying the issues that each business should address. ITOCHU will continue to analyze and quantify risks related to climate change. In the table, below the Machinery Company and the Metals & Minerals Company we reposted the Company's policy on coal-related businesses, which was originally disclosed in February 2019. It is ITOCHU's policy to neither get involved in any new coal-fired power generation businesses nor acquire any new thermal coal mining interests, and it continues to review existing thermal coal interests.

Food Supply Chain in the COVID-19 Pandemic



Plant audit in China

Our supply chain is growing more wide-ranging and complex as our business domains expand, making it more important to manage risks in raw materials procurement and in our supply chains related to human rights, working environment, and other aspects. For example, in the Food Company, we are promoting sustainable purchasing activities over the long term, mainly in upstream businesses such as palm oil, marine products, dairy products, fresh meat, and coffee. These efforts include participation in international certification organizations and initiatives to increase the procurement ratio of certified products.

Group Company Fact-Finding Investigations

We have continued to conduct on-site visits and surveys in Group companies since 2001 to prevent environmental pollution. We visited and surveyed two Group companies in FYE 2020, working with external experts upon consideration for the environmental and social risks of each company. (We completed investigations into a total of 285 offices as of the end of March 2020.)

In these investigations, we conduct wide-ranging inspections such as the factory and warehouse facilities, the situation of drainage to rivers, compliance with environmental laws and regulations, consideration for labor safety and human rights, and communication with the local community in addition to holding a Q&A session with management. We also identify problems and present preventative measures, and check to see whether the situation has been corrected afterwards.

In January 2020, we visited and surveyed Dole Philippines Inc., which manufactures canned pineapple.

In addition, at food manufacturing plants, which are positioned in the midstream section of the supply chain, we have made use of our existing initiatives for increasing transparency across the entire supply chain even under the COVID-19 environment. For example, since January 2015, we have had a food safety management team in China, and have regularly dispatched Japanese experts to sites there. From a perspective of preventative management, we have conducted regular plant audits in accordance with international standards, and fostered communication with our business partners' plants. In addition to reducing the risk of accidents and issues arising, these initiatives also helped us to get a timely grasp of the status of suppliers' infection prevention management systems and operating status during the COVID-19 crisis, which enabled us to avoid any interruption in the supply chain. Furthermore, we have also conducted regular updates of crisis response manuals through

Based on the insights of an external expert with detailed knowledge of local laws and regulations, we carefully checked the status of soil pollution, waste, and compliance with laws and regulations to confirm that these are being managed properly.

We also confirmed that the company is actively engaged in on-site biomass power generation and making donations to local schools, among other activities.



Survey at Dole Philippines Inc.

Introduced efforts to improve the sustainability of the value chain in response to growing interest in the spread of COVID-19.

Explained the implementation of human rights due diligence that goes further than existing supply chain management.

Initiatives to increase sustainability in the value chain entail initiatives that contribute to a material issue: stable procurement and supply.

With strengths in the consumer sector, ITOCHU aims to support the lifestyles of everyone at all times.

From the perspective of strengthening supply chains, a subject that has gained attention during COVID-19, this page explains how enhanced transparency in the supply chain, an ongoing initiative for food safety at the Food Company, has led to our grasping supplier's measures to prevent the further spread of the epidemic as well as their operating conditions, consequently ensuring a stable supply without any disruption to the supply chain.

Although not discussed in the annual report, ITOCHU commenced human resource due diligence from the second half of this fiscal year in order to strengthen the resilience of its supply chains, starting with the Food Company.

The Company conducted a comprehensive assessment of the businesses of the Food Company, identified risks, and surveyed and analyzed the initiatives at its suppliers, including indirect suppliers. The Company then is drawing up measures to improve areas in need of improvement, and plans to disclose the results of its efforts soon.

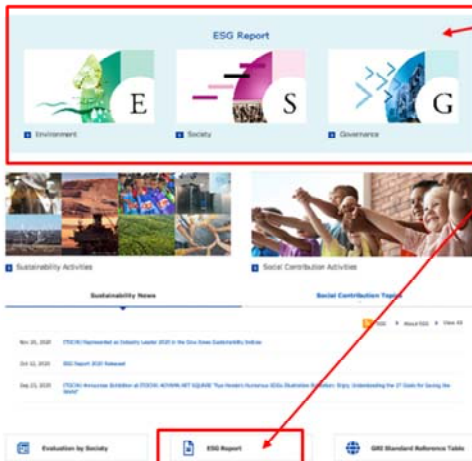
Plans call for gradually expanding the scope of this to other Division Companies.

Comprehensive Disclosure of ESG Information



ESG Report

"ESG Report" can be downloaded from the sustainability section of ITOCHU's website.



(PDF ver.: published once a year in Aug or Sep)
Disclosed a comprehensive compilation of
ESG-related information.

17

The 184-page ESG Report, a comprehensive compilation of ESG-related information, can be downloaded from the sustainability section of ITOCHU's website.

The PDF version of the report is updated with environmental data for the fiscal year and published every August or September.

It is a comprehensive disclosure of ITOCHU's ESG-related information, and the Company has been recognized for its aggressive stance on disclosures.

Through such information disclosure and Q&A responses, the Company has received industry-leading rankings from DJSI/SAM, the Nikkei ESG Brand Survey, the Nikkei SDGs Management Survey, Gomez ESG Site Ranking, and Institutional Investor.

In the ESG Investment Index, which is used by GPIF, ITOCHU received an AA rating from MSCI Select Leaders this fiscal year. ITOCHU has been included in all four of GPIF's indexes.

p.14~p.22

Sustainability Action Plan

Address Climate Change (Contribute to Realization of Low-Carbon Society)

Risks		Opportunities	
Transition risk ● Reduction in demand for fossil fuels due to business restrictions on greenhouse gas emissions Physical risk ● Damage to business due to the increase in abnormal weather (e.g., droughts, flooding, typhoons and hurricanes)		● Increase in renewable energy and other business opportunities which will contribute to alleviating climate change ● Retention and acquisition of customers by strengthening supply structures that can adapt to abnormal weather	

Business Area	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Machinery Company	Overall power generation business	We will develop power plants with a good balance between renewable energy power generation and conventional power generation, thereby contributing to the development of countries and regions in a sustainable manner that is optimized for each.	Pursue opportunities to invest aggressively in renewable energy power generation through analyses of countries and regions.	FYE 2031: Target to achieve a renewable energy ratio more than 20% (equity interest basis) and reflect this to the future strategy.	We achieved a renewable energy rate of 12.5% through capital alliances with Winch Energy, which is a company in the U.K. that is involved in small-scale solar power generation and distribution systems in non-electrified areas such as Africa, and VPP Japan, which is a company involved in the solar distribution power business in Japan.

SDGs Targets	Issues to Address	Co	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
 			Machinery Company	We will develop power plants with a good balance between renewable energy power generation and conventional power generation, thereby contributing to the development of countries and regions in a sustainable manner that is optimized for each.	Pursue opportunities to invest aggressively in renewable energy power generation through analyses of countries and regions.	FYE 2031: Target to achieve a renewable energy ratio more than 20% (equity interest basis) and reflect this to the future strategy.	We achieved a renewable energy rate of 12.5% through capital alliances with Winch Energy, which is a company in the U.K. that is involved in small-scale solar power generation and distribution systems in non-electrified areas such as Africa, and VPP Japan, which is a company involved in the solar distribution power business in Japan.

Each department formulates "sustainability action plans" for each business field as specific initiatives that contribute to the identified material issues. Set mid- to long-term goals and update progress every year. Incorporate more KPIs in near future.

The Company's Sustainability Action Plan in the ESG Report lists businesses that will contribute to sustainability, chosen by Division Companies and administrative organizations, which are the real sites of businesses with an eye on material issues and SDGs. Action Plans include medium- to long-term commitments, specific approaches, and KPIs for each business.

Each fiscal year, the Sustainability Committee reports and reviews progress made on the Action Plan.

It enabled the Company to understand and manage its sustainability projects using a PDCA cycle.

p.76~p.84

ITOCHU's Clean-tech Business

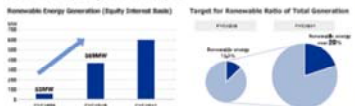
We engage in environmental clean-tech businesses that are projected to have sustainable growth from a business perspective and are projected to contribute to society's shift toward decarbonization and circular economy. In doing so we employ a mid-to-long term perspective in our business outlook and aim to leverage the latest technology available.

- ① 1. Renewable Energy (FY19-FY21)
- ② 2. Ammonia Fuel (FY19)
- ③ 3. Energy from Waste (FY19-FY21)
- ④ 4. Energy Storage Systems (2022-FY24-25)
- ⑤ 5. Water Infrastructure (FY19-FY21)
- ⑥ 6. Green Buildings (FY19-FY21)
- ⑦ 7. Other Clean Tech Areas (FY22-24)

1. Renewable Energy

ITOCHU is involved in various aspects of power generation projects, aiming to optimize and maximize power generation efficiency. These include construction and refurbishment projects for all types of power plants worldwide, Independent Power Producer (IPP) businesses, as well as the operation and maintenance of power plants. Within the business activities introduced above, we are proactively promoting power generation methods that leverage renewable energy sources such as geothermal, wind, solar and biomass. We are aiming for a renewable energy ratio of over 20% (equity interest basis) by FY2023 from 12.3% in FY2020 within our overall power generation business.

ITOCHU will continue to proactively promote power generation businesses that utilize renewable energy in and outside of Japan. This will allow us to contribute to global sustainability agreements that aim to create a decarbonized economy to mitigate climate-related impacts.



	FY2020 Generation Capacity (MW) Renewable Ratio (%)	FY2023 Target Generation Capacity (MW) Renewable Ratio (%)
Wind	181	
Solar/PPV Power	83	
Geothermal	63	12.3%
Biomass	23	
Renewable Energy (Total)	349	
Natural gas	1,521	
Coal-fired power	303	87%
Thermal Power (Total)	2,494	
Grand Total	2,843	100%



The Butendiek Offshore Wind Farm



Saga-Ouchi Solar Power Plant

Introduced examples of active efforts in business development in the environmental and clean tech fields, that contributes to the transformation of social structure from a mid- to long-term perspective, taking the environmental field as a business opportunity.

The fiscal 2020 version of the report newly introduced the Company's clean tech business.

As with TCFD recommendations, various changes in the environment, including climate change, are viewed not only as risks, but also business opportunities. As a result, ITOCHU can help reduce greenhouse gas emissions and prevent global warming.

For these reasons, ITOCHU disclosed information about environment-related businesses, so called clean tech businesses.

The Company will continue to develop businesses that facilitate the transition to a carbon-free society and recycling-oriented society.

p.154~p.167

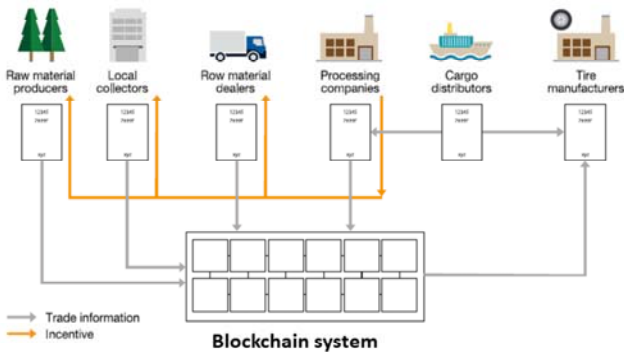
Sustainability in the Value Chain: Sustainable Procurement: Policies and Initiatives by Product Type

Resource Sourcing that Requires Forest Conservation Initiatives

ITOCHU handles each of the following commodities, which require careful consideration of forest conservation initiatives. In addition to the Sustainability Action Guidelines for Supply Chains, the following Procurement Policy establishes our approach to protecting and preserving natural forests our commitment to the sustainable use of natural resources. At minimum the Policy is subject to an annual review, with revisions made as necessary.

Commodities Relevant to Forest Conservation

- Timber, timber products, raw materials for papermaking and paper products
- Natural rubber
- Palm oil

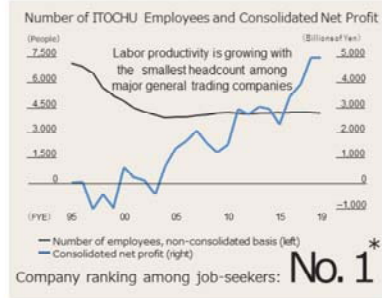


Lastly, the value chain discussed in the annual report is also taken up in the ESG Report, with a focus on products related to forest preservation, such as timber, wood products, papermaking, natural rubber, and palm oil. The Company discloses information about its efforts in traceability using the certification of products or blockchain technology.

In addition to forest preservation, an important issue brought up is the prevention of certain problems, such as human rights violations.

Human Resources Strategy to Create a Positive Cycle (Society) ITOCHU

OUTCOME



p.70

Corporate Value Created Value
Cost of Capital Growth Rate

Our Understanding of the Environment
2030 problem Labor shortage, more frequent job changes
In 2030, a labor shortage of **6.44** million people*



Explained the positive cycle of human resources strategies that boost "labor productivity" and enhance "corporate value."

21

All companies are dealing with the challenges of hiring talented personnel amid labor shortages and an increasingly mobile workforce. This slide shows how the Company's human resource strategies translate into higher corporate value, which makes it easier to attract talented personnel, creating a positive cycle.

In addition to training, the Company has measures in place to create workplaces where all employees are motivated to work and can improve their health, such as the "Morning-Focused Working System," "Support Measures for Balancing Cancer Care and Work," and "Dress-down Days." Also, its stock compensation scheme and other measures help improve the awareness of management, which can lead to greater labor productivity and higher profits.

By being a popular company for college graduates to apply to, ITOCHU is able to attract talented personnel and sustainably expand its corporate value.

Corporate Governance System at Listed Subsidiaries (Governance)



p.77

State of Governance Systems at Listed Subsidiaries

ITOCHU requires that its listed subsidiaries (1) have independent outside directors for at least one-third of its directors, (2) establish independent advisory committees for their board of directors, and (3) have independent outside members for a majority on their audit & supervisory boards. At the listed subsidiaries shown below, governance systems have been put into place that mostly satisfy these requirements.

(As of July 1, 2020)

Division Company	Company name	(1) Ratio of independent outside directors		(2) Ratio of independent outside audit & supervisory board members	Advisory committees for the board of directors
		Directors	Outside directors		
Energy & Chemicals	ITOCHU ENEX CO., LTD.	5 	3 	38% (3 out of 8 directors)	- Governance Committee (2 out of 4 members)
	C.I. TAKIRON Corporation	5 	3 	38% (3 out of 8 directors)	- Nomination / Remuneration Committee (2 out of 4 members)
Food	ITOCHU SHOKUHIN Co., Ltd.	6 	3 	33% (3 out of 9 directors)	- Governance Committee (2 out of 4 members)
	Prima Meat Packers, Ltd.	3 	2 	40% (2 out of 5 directors)	- Management Advisory Committee (1 out of 3 members)
ICT & Financial Business	ITOCHU Techno-Solutions Corporation	4 	2 	33% (2 out of 6 directors)	- Nomination Committee - Remuneration Committee - Governance Committee (2 out of 4 members)
	CONEXIO Corporation	5 	3 	38% (3 out of 8 directors)	- Nomination / Remuneration Committee - Governance Committee (2 out of 4 members)
The 8th	FamilyMart Co., Ltd.*	8 	4 	33% (4 out of 12 directors)	- Remuneration Committee (2 out of 4 members)

* The ITOCHU Group announced on July 9 2020 a tender offer for shares in FamilyMart Co., Ltd. for the purpose of delisting the company.

Based on a high level of market interests in group governance, displayed a list of the state of governance structure at listed subsidiaries.



Page 77 discusses the governance structure of ITOCHU's seven listed subsidiaries (now six, following the delisting of FamilyMart).

Our evaluation shows that ITOCHU's requirements, based on the Ministry of Economy, Trade and Industry's (METI) group governance guidelines, have largely been fulfilled.

According to the METI's business restructuring guidelines, companies should disclose specific reasons for their shareholdings in listed subsidiaries, and ITOCHU seems somewhat lacking in this regard.

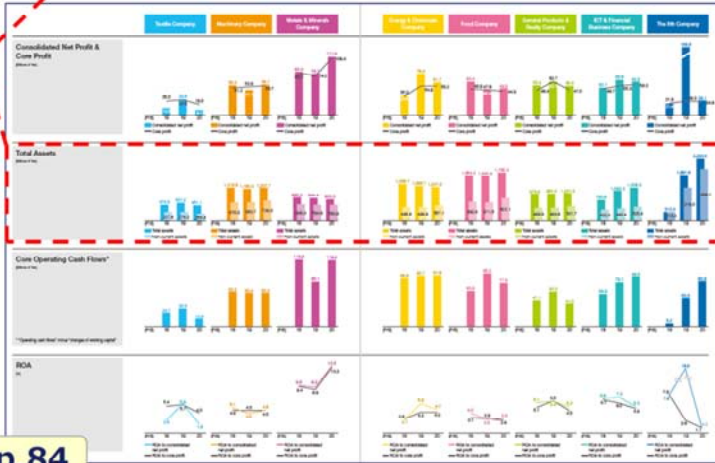
We understand the necessity of disclosing how we generate synergies or create win-win relationships with its listed subsidiaries, and we recognize it as the challenge for the future.

Enhancing Segment Information



Added the ratio of non-current assets to total assets

Added the ratio of profits/losses in domestic businesses to Business Development



The initiatives of short-term and mid- to long-term perspectives that match with the entire report design

From page 82, the report has segment information. We have included requests from investors that we received during meetings and enhanced information disclosure.

On page 84, we added information about the ratio of non-current assets to total assets in each segment.

Pages 88 onward, we added the image of the percentage of earnings from domestic business on each page for Division Companies.

To bring the entire report together, these sections explain the initiatives of each Division Company in the context of calculating corporate value.

Other Highlights



Risks and opportunities of Macroenvironmental PEST Analysis are tied into non-financial capital

The number of shares owned are disclosed, including Outside Directors and Executive Officers

p.36

p.80



Extra

A merchant continue to move steadily from its founding (1858) to today, and in the future

Next, we would like to talk about some features that were not explained in the preceding slides.

Page 36 has a macroenvironmental PEST analysis, as in the preceding reports. Risks and opportunities are tied into related areas of non-financial capital.

On page 80, in the list of Directors, we disclosed the number of shares owned by each Director, including Outside Directors and Executive Officers.

Lastly, pages of the report can be turned like a flip book so that the black icon at the bottom of the page depicts ITOCHU as a merchant moving through time from its founding in 1858 to today, ending up in the future by the time it reaches the back cover of the report.

- ✓ Presenting the concrete outcomes of collaboration with CITIC and CP Group, as well as of the delisting of FamilyMart
- ✓ Improving climate change-related initiatives and disclosures, including long-term CO₂ reduction targets
- ✓ Introducing examples about specific initiatives in human rights due diligence
- ✓ Explaining the detailed discussions held by the Nomination Committee
- ✓ More substantive disclosures of the rationale for holding shares in listed Group companies
- ✓ Formulating business investment process with more consideration paid to ESG factors

This concludes our discussion of the annual report. This slide summarizes issues pertaining to the annual report as well as management that need to be addressed in 2021 and beyond.

Regarding collaboration with the CITIC and CP Group, and the specific outcome from the delisting of FamilyMart, the Company recognizes the need to unveil more details about its strategies in response to market expectations, including details about the fusion of these major investments.

Next, regarding improvements in climate change-related initiatives and disclosures, including long-term CO₂ reduction targets, as well as discussions about specific initiatives in human rights due diligence, the Company understands the need to disclose specific and unique policies in the context of promises it can make with the market based on an analysis of what is achievable.

On the governance front, regarding the challenging issues of explaining the detailed discussions held by the Nomination Committee, as well as disclosures of the rationale for holding shares in listed Group companies, including affiliates, the Company understands why these issues are of strong interest to investors, and will consider ways to augment disclosures.

Lastly, regarding the formulation of business investment process with more consideration paid to ESG factors, ITOCHU will examine and revise its internal rules and monitoring methods from the perspective of “*Sampo-yoshi*,” and continue to examine this issue further.

A photograph of a clear blue sky with a layer of white, fluffy clouds near the horizon. The text "I am One with Infinite Missions" is centered in the sky area.

I am One with Infinite Missions