The Brand-new Deal

ITOCHU Corporation IR Day

ITOCHU DAY 2026

July 8, 2026

Thank you very much for joining us today.
Welcome to ITOCHU DAY 2026, our first-ever IR Day.

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ITOCHU DAY 2026

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Value creation, the ITOCHU Way

Keita Ishii

Member of the Board
President & COO; (Since 2021)
CSO

- Joined ITOCHU in 1983; primarily engaged in chemicals-related business
- Served as Chief Officer for Indo-China and Chief Operating Officer of Chemicals Division, as President of Energy & Chemicals Company
- had two overseas assignments in North America and Thailand
- Assumed the position of President & Chief Operating Officer in 2021 and has concurrently served as Chief Strategy Officer since 2025

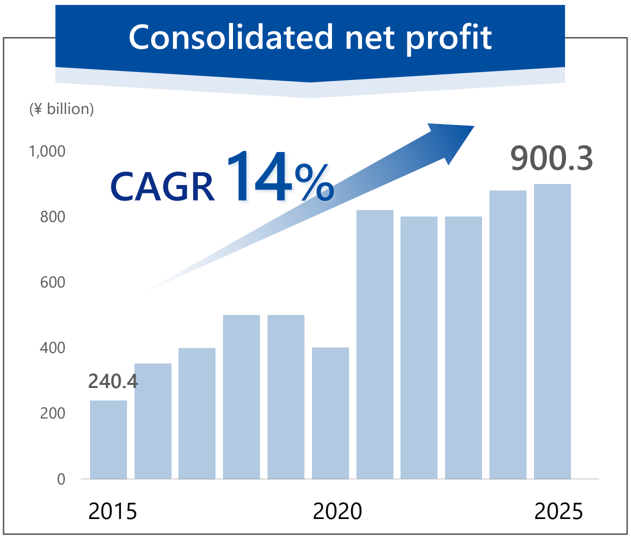
I am Keita Ishii, President & COO.

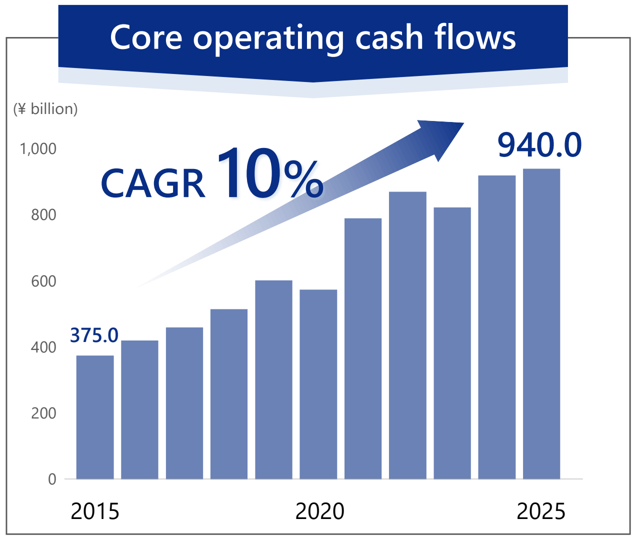
Thank you all for taking the time to be with us today.
Today's IR Day is meant to give you a deeper understanding of the business strengths and on-the-frontline efforts that support our sustainable growth. These are areas that we cannot always explain fully in our regular earnings briefings.
To help do that, the eight Presidents who lead each Division Company will also speak today. They will explain which business areas they will focus on, how they plan to expand and evolve those businesses, and how those efforts will lead to further profit growth. They will also share specific initiatives and the groundwork they are laying for the medium to long term.

Through today's IR Day, we hope to deepen your understanding of our management policy and growth strategy, and to further strengthen your confidence in ITOCHU. Including the Q&A session, all of us speaking today will do our best to provide clear and candid explanations.
With that, let me begin with a brief discussion of ITOCHU-style value creation.

Commitment to Profit Growth

Delivered steady growth in both earnings and cash flow across all business environments





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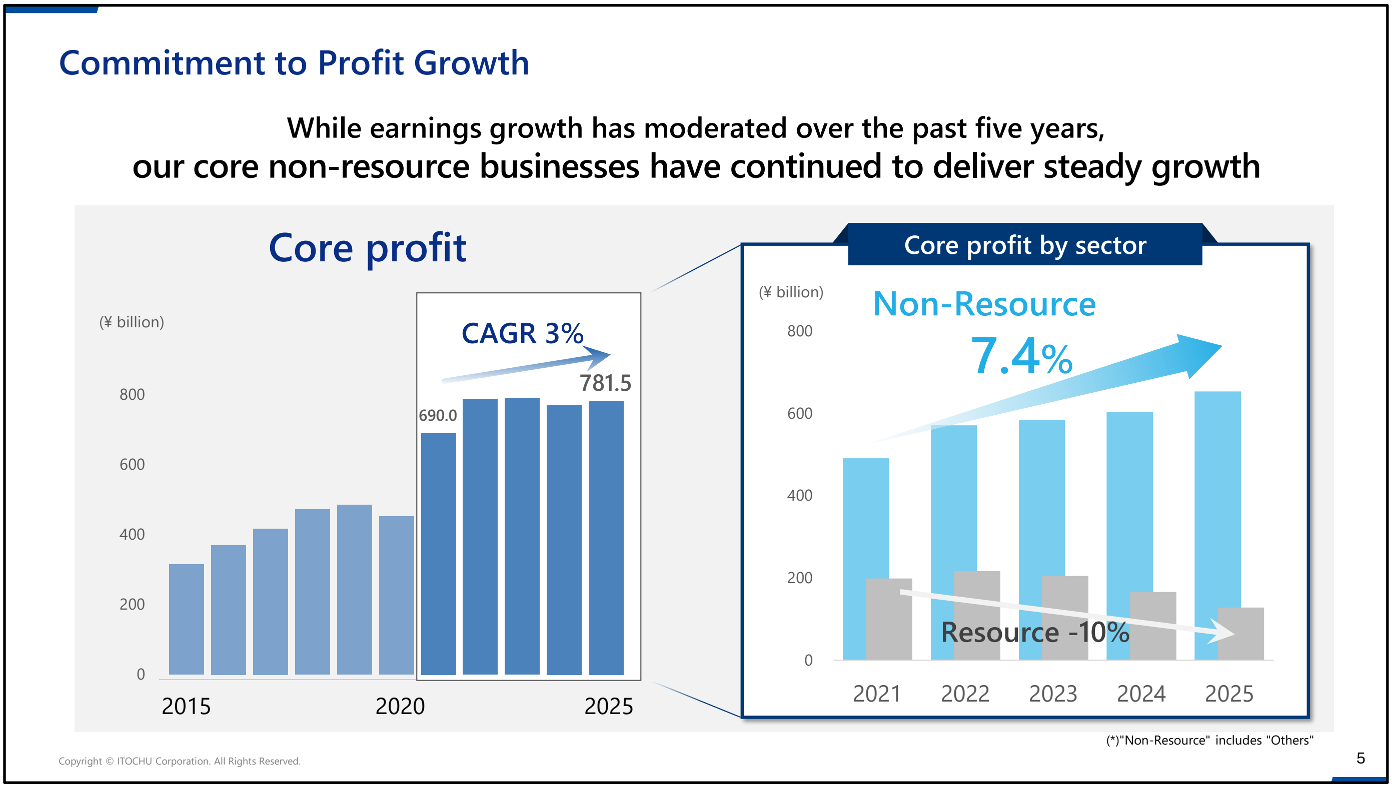
First, I would like to talk about the management approach that we have followed consistently over many years. Please look at the slide. This graph shows our consolidated net profit and core operating cash flows over the past ten years. As you can see, both have grown steadily.

At the same time, the business environment during those ten years has been far from stable. In fact, it has been a series of unexpected changes. Globally, we have faced the COVID-19 pandemic, Russia's invasion of Ukraine and the resulting sanctions, disruption to global trade caused by U.S. tariff policies, rising geopolitical risks in the Middle East and other regions, supply chain disruptions, and major swings in resource prices.

In Japan as well, the assumptions behind business have changed in many ways. These include the launch of the Takaichi administration, the continued depreciation of the yen, the shift from deflation to inflation, and changes in economic security policy.
We believe that by responding to each of these changes in a timely and appropriate way, and by continuing to improve our ability to adapt, we have achieved steady upward growth and reached the earnings level we have today—over ¥900 billion.

This is the result of our unwavering commitment to our distinctive management approach. Our relentless focus on lean management, symbolized by the principles of “Earn, Cut, Prevent,” our commitment-based management that consistently delivers on market expectations, our downstream-oriented mindset embodied in “Profit Opportunities Are Shifting Downstream” and our market-in approach, and our emphasis on front-line capability and hands-on management to continuously strengthen our businesses and enhance profitability—each of these practices has played an essential role. Together, these initiatives represent the essence of our distinctive management approach and have been the driving force behind our current level of earnings.

Recently, some investors have asked how ITOCHU will continue its high-growth story, given that our profit growth has somewhat moderated over the past few years.
Let me take a moment to break this down and explain the underlying drivers.

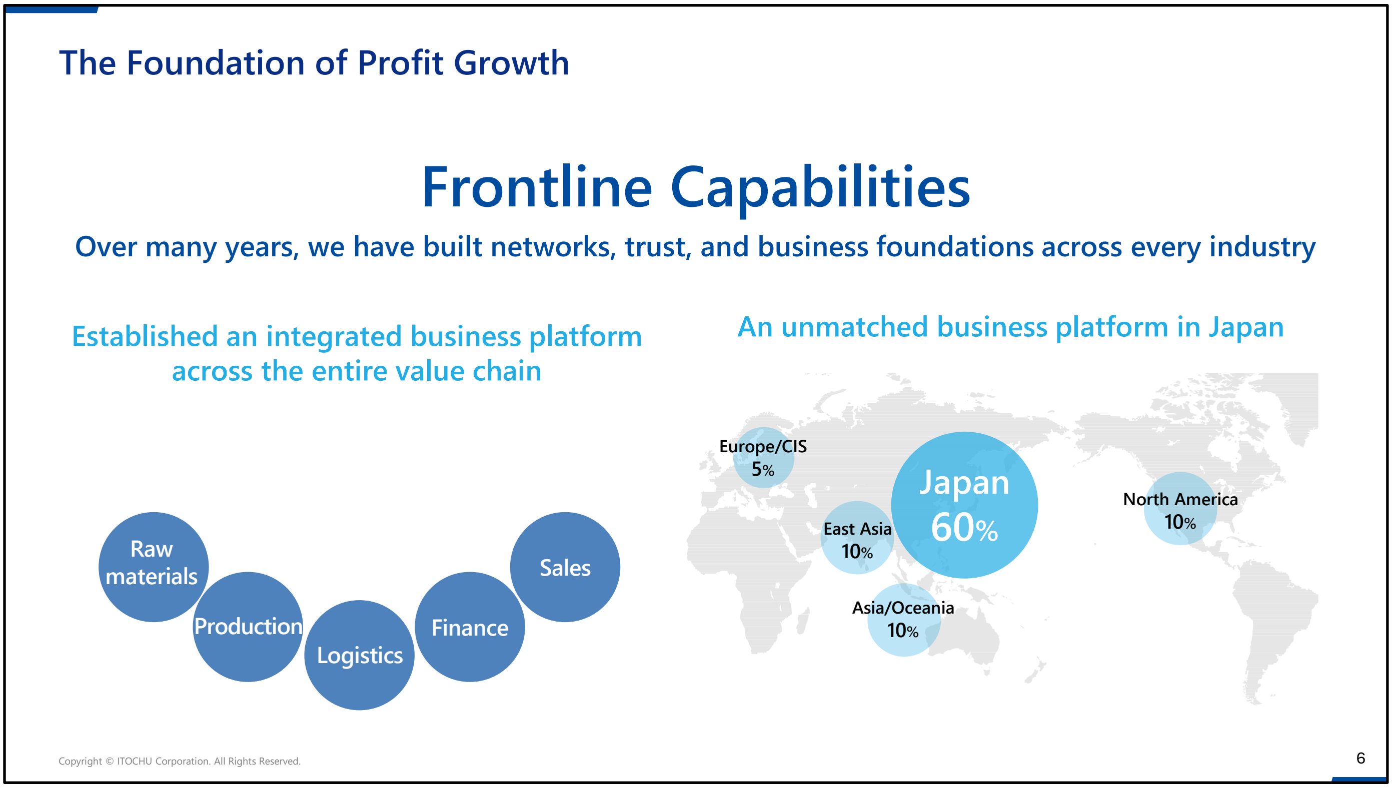


Please look at the graph showing core profit.
As shown on the left, total core profit has been almost flat. However, as shown on the right, core profit in the non-resource sector—where we have continued to focus—has kept growing steadily.

In other words, non-resource earnings built through our management with clear conviction are still growing step by step. On the other hand, core profit in the resource sector—mainly iron ore, coking coal, and energy interests—has been on a downward trend. This is due in part to the depletion of energy interests and the impact of sanctions on Russia.

As for iron ore, we have the second-largest asset base among general trading companies. Compared with energy resources, supply-side geopolitical risk is relatively low. However, on the sales side, earnings are more easily affected by market prices, especially those driven by supply and demand in China.
As a result, core profits from iron ore, which is one of our strengths, are not yet fully reflecting that strength.

That said, profits in resource businesses are affected more by market cycles than by company efforts alone. In iron ore, we believe downside from here is limited. Rather, we are watching for a chance of recovery from the bottom.
We hope you will look forward to further improvement in our core profit going forward.



Next, I would like to talk about frontline capabilities, which are one of the key elements of our distinctive management approach.
As I have often said, when we expand into new business areas, one of our basic approaches is to dispatch our people when we enter into capital alliances.
By placing our people in our partners' operations, we can see from the inside whether they can work with us to create value, and whether we can truly share the same culture.

We do not look only at management numbers. We also look closely at what is happening on the business frontlines, what can be improved, and how we can contribute. Then we make proposals based on the judgment and insight expected of a general trading company professional, and we test and verify those ideas. We also use our broad business portfolio to propose collaboration across different industries. In many cases, these are ideas that partner companies may not come up with on their own.

We have already done this successfully in companies such as NIPPON ACCESS, DESCENTE, and CTC. Starting from our investment participation, we created synergies with our Group and helped raise each company's earnings level.
At NIPPON ACCESS, we built up initiatives in food distribution and developed it into the industry's leading business platform with full-temperature-zone distribution capabilities. At DESCENTE, we turned the China business into a growth driver. At CTC, we developed it into a core company supporting our Group's digital value chain.

Sending people to the front lines will become even more important going forward. In the real world, there are many issues that cannot be solved by knowledge or AI alone. Human relationships, emotions, and trust built on the ground still matter greatly.
By working in these real business settings, our people strengthen their negotiating skills, interpersonal skills, insight, ability to adjust, and ability to notice what really matters.
We believe that by linking these frontline capabilities with the business portfolio we have built across supply chains in many industries, especially in Japan, we can continue to create new value in ways that are unique to us.
The steady performance and growth of our Group companies are the result of this accumulated strength on the ground. And we believe now is the right time to use that strength to move to the next stage.

The Foundation of Profit Growth

Merchants Need To Be Adaptable Like Water

Having built deep business platforms across diverse industries
through years of hands-on engagement,

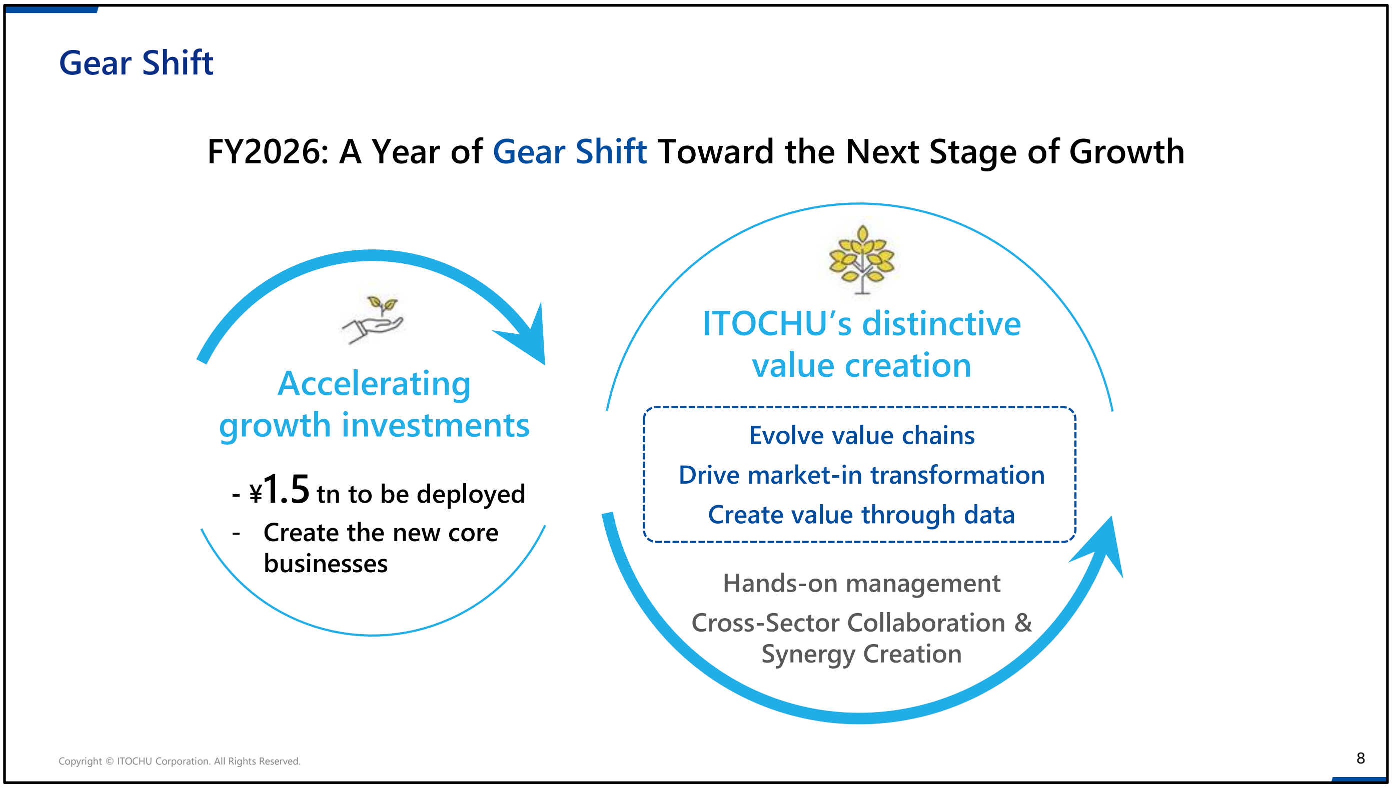
we are uniquely positioned not just to respond to change,

but to create new value by identifying evolving industry and customer needs through a market-in approach

I would also like to touch on the phrase, "Merchants Need To Be Adaptable Like Water."
I understand this was a lesson Chairman & CEO Okafuji received from his superior during his years in sales. Water changes its shape freely. It flows into small spaces. And over time, it forms a large current. Merchants must do the same.

When the environment changes, we must change with it. We must go into the front lines and create new business flows that fit the new environment. In simple terms, it is about being flexible and adapting quickly.
As I mentioned earlier, the world today is changing in unexpected ways, and that change is becoming more complex. Things we once took as given can suddenly stop working.
When that happens, we must keep adjusting our businesses each time. We must use the experience and business knowledge we have built to respond to new demands in each era.
We cannot change the global flow by ourselves. But we can move with that flow, identify new needs, and create new value.

The general trading company model is well suited to this. It is resilient in a changing environment and allows for quick course correction. Among general trading companies, ITOCHU is especially well positioned because we have a broad and diversified portfolio.
That allows us to allocate management resources flexibly as conditions change.
We believe the best way to increase corporate value is to build up profits steadily under a balanced and resilient portfolio, while limiting swings caused by changes in the external environment. Over the past ten years, we have continued to deliver steady upward growth under all kinds of business conditions. We believe this shows our ability to adjust and adapt.



Having achieved profit of over ¥900 billion in FY2025, we are now fully focused on delivering what has always been our commitment—sustained upward growth.
Why are we so focused on steady upward growth?
Because we believe it is directly linked to everything that matters: stable shareholder returns, stronger competitive advantage, higher employee motivation, the ability to attract talented people, favorable financing, economies of scale, a stronger corporate brand, and our commitment to society.

To achieve this, we need a solid and well-balanced earnings base that is not easily shaken by changes in the business environment.
So far, we have steadily strengthened that foundation by improving our earnings power with a focus on "non-resource," "downstream-driven," and "hands-on management." This is also why we have consistently emphasized indicators such as the ratio of Group companies reporting profits and the number of Group companies achieving record-high profits.

And in FY2026, we will take the first step in a gear shift toward a higher stage of growth.
Under our policy of no growth without investments, we will carry out growth investments of ¥1.5 trillion level and work to create new core businesses.
There are no boundaries when it comes to business opportunities. Like us, companies around the world are looking beyond their existing businesses in search of their next growth opportunities through new technologies, new materials, and new fields.

Customers and society are also asking for more. They want products that better meet their needs, safer supply chains, more efficient systems, and partners they can grow with.
We believe there is still significant room for our Group to further strengthen the earning power. And because we have a wide range of business areas and deep insight rooted in the front lines, we are confident that we can continue creating lasting value over the medium to long term.
I have also instructed each Division Company President to pursue investments of meaningful scale that can become the next pillar of earnings.

Japan now stands at a major turning point

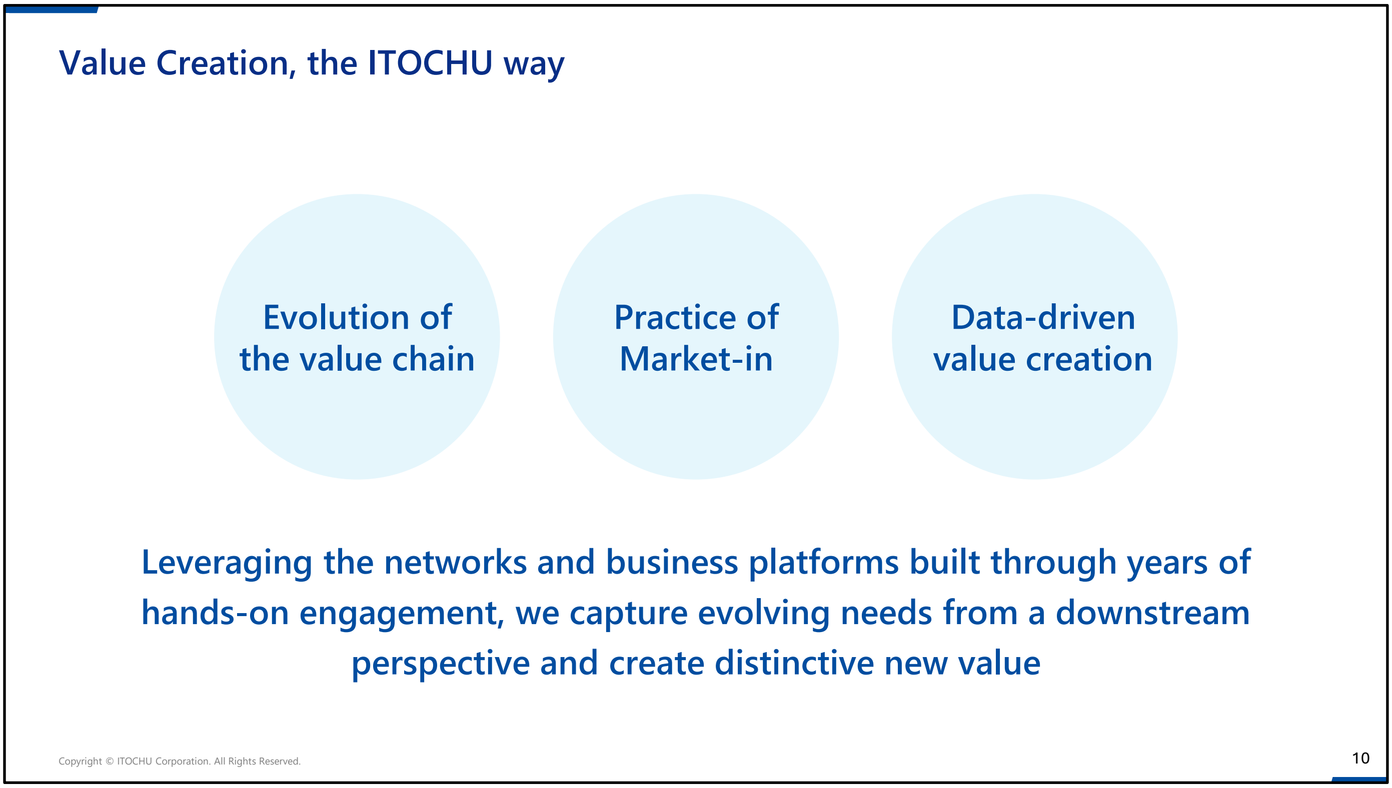
Inflation	Corporate governance reform
AI Digital transformation	National resilience & Economic security

Compared with other general trading companies, we have a higher share of earnings from Japanese domestic businesses. This strong business base in Japan supports the stability of our earnings. In Japan, where we have built up expertise and networks over many years, we can make full use of our strengths. These include access to information, the ability to respond quickly when problems arise, and broad and deep relationships across many industries. Japan is also a market where we can expand business steadily while managing risk. In fact, domestic Group companies have been central to the steady buildup of Group company profits.

At the same time, we believe Japan is now at a major turning point.
The shift from deflation to inflation, corporate governance reform, structural change driven by AI and Digital Transformation, national resilience, economic security, and the serious decline in the labor force—these are not temporary issues.
Japanese society and industry are both entering a period of major transformation.
Because we have been deeply committed to business in Japan for many years, and because we understand industrial structures well and have a wide range of networks, business platforms, and customer touchpoints, we believe we are well positioned to turn this period of change into a growth opportunity.
At the same time, large overseas investors are increasingly focusing on Japanese assets. In some ways, people outside Japan may be moving even faster to recognize the change and potential that are now emerging here. We are also receiving more approaches from companies in Japan and overseas that want to work with us.

I believe they come to ITOCHU because they see us as a company that can go deep into the front lines in Japan, move businesses forward, and turn those efforts into real commerce.
To turn this opportunity into value creation, we must use all the functions we have—trade, business investment, logistics, finance, digital capabilities, and our knowledge and networks in Japan and overseas.

By doing so, we can support value creation and renewed growth at Japanese companies, and at the same time contribute to the Japanese economy.
I believe this is one of the most promising growth paths for ITOCHU.



Today, we would like to focus on three themes that are common across all of our business segments: evolution of the value chain, practice of Market-in, and data-driven value creation.

Together with the eight Division Company Presidents who lead each Division Company, we will look more closely at ITOCHU-style value creation through these themes.
While each Division Company operates in a different business, we hope you will see that they all share a common approach to value creation that is unique to ITOCHU.
Our frontline capabilities, together with the spirit that merchants need to be adaptable like water, allow us to keep capturing change and keep evolving the way we create value. And because this culture is firmly rooted throughout the company, it has supported the strong growth we have delivered so far.

I hope today's discussion will help deepen your understanding of ITOCHU's distinctive management approach and the long-term value creation that lies beyond it.
That is all from me.

02

Evolving value chains across foundational industries

Evolving value chains across foundational industries

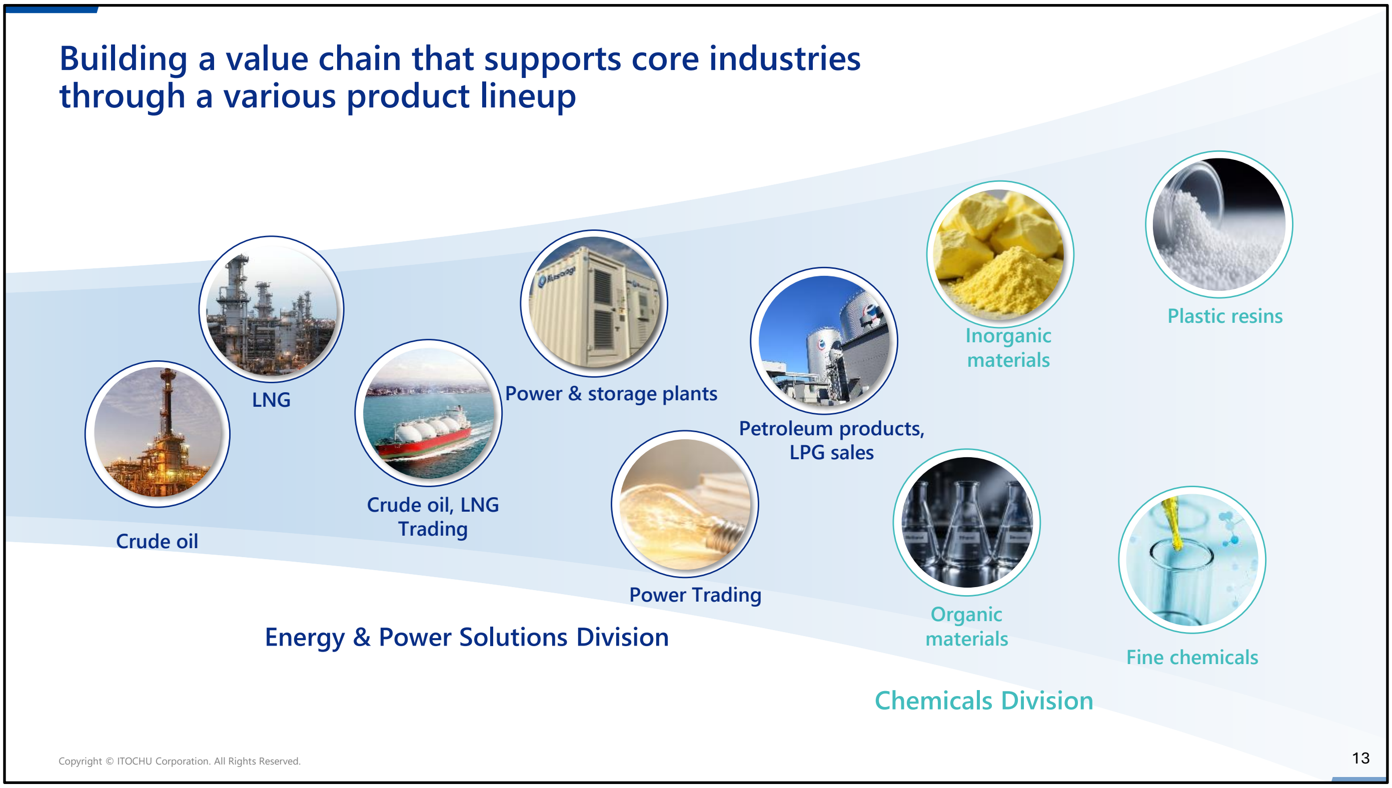
Energy & Chemicals Company

Tsutomu Miyazaki

Managing Executive Officer
President, Energy & Chemicals Company （Since 2026）

- Joined ITOCHU in 1983; has worked in the chemicals business throughout his career
- Five and a half years of overseas experience in Taiwan
- Served as President of ITOCHU Chemical Frontier Corporation from FY2015 to FY2025; achieved record-high profits for six consecutive fiscal years most recently

Our strength lies in building value chains that connect upstream resources and raw materials with downstream customers and support foundational industries. Today, I would like to explain how we create value through these value chains and the initiatives we are undertaking for future growth.

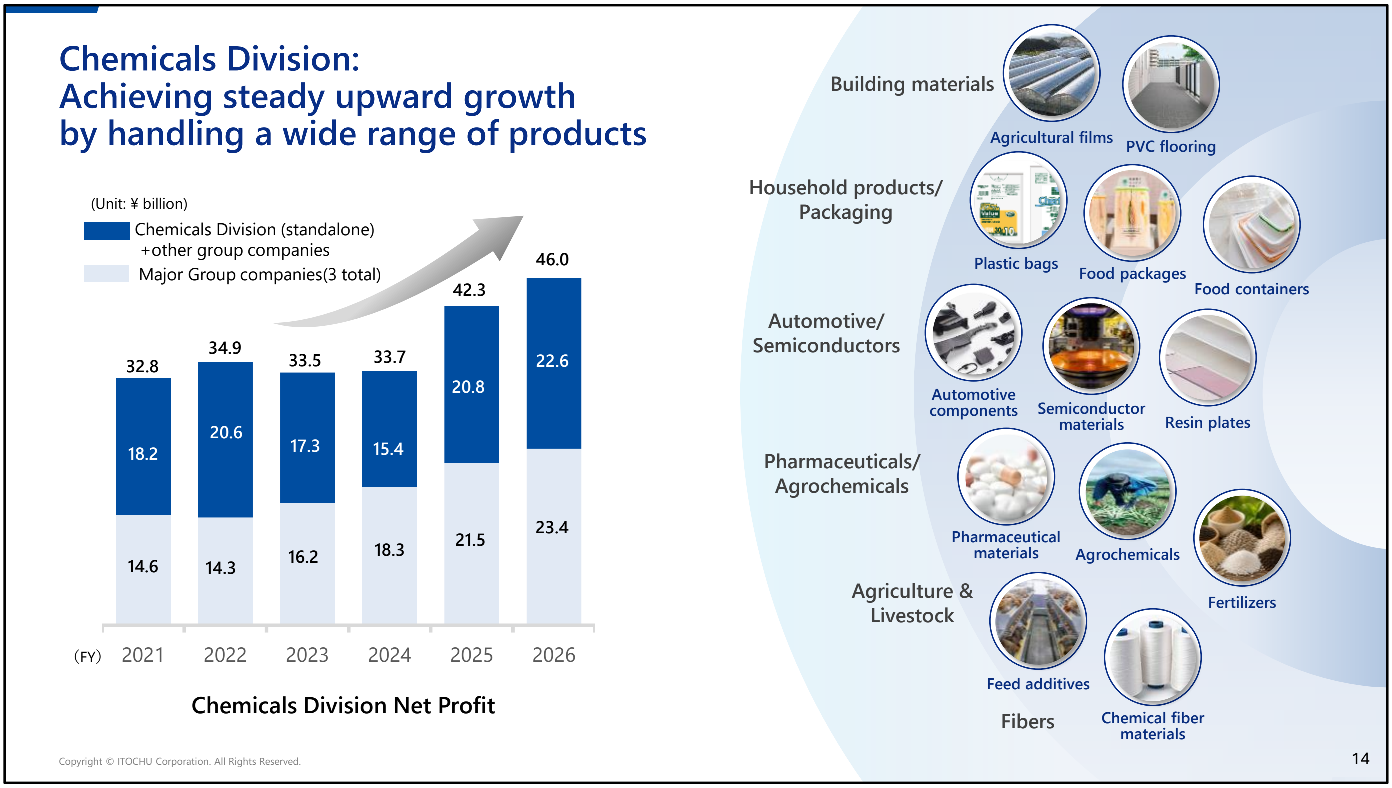


Our segment consists of two divisions: the Energy & Power Solutions Division and the Chemicals Division.

In the energy field, we operate across the full value chain, from upstream interests to oil and LNG trading, power and renewable energy plants, battery storage facilities, power trading, and the sale of petroleum products and LP gas through ITOCHU ENEX.

In the chemicals field as well, we handle a broad range of products, including mineral resources, inorganic raw materials, plastic resins, and organic industrial chemicals.

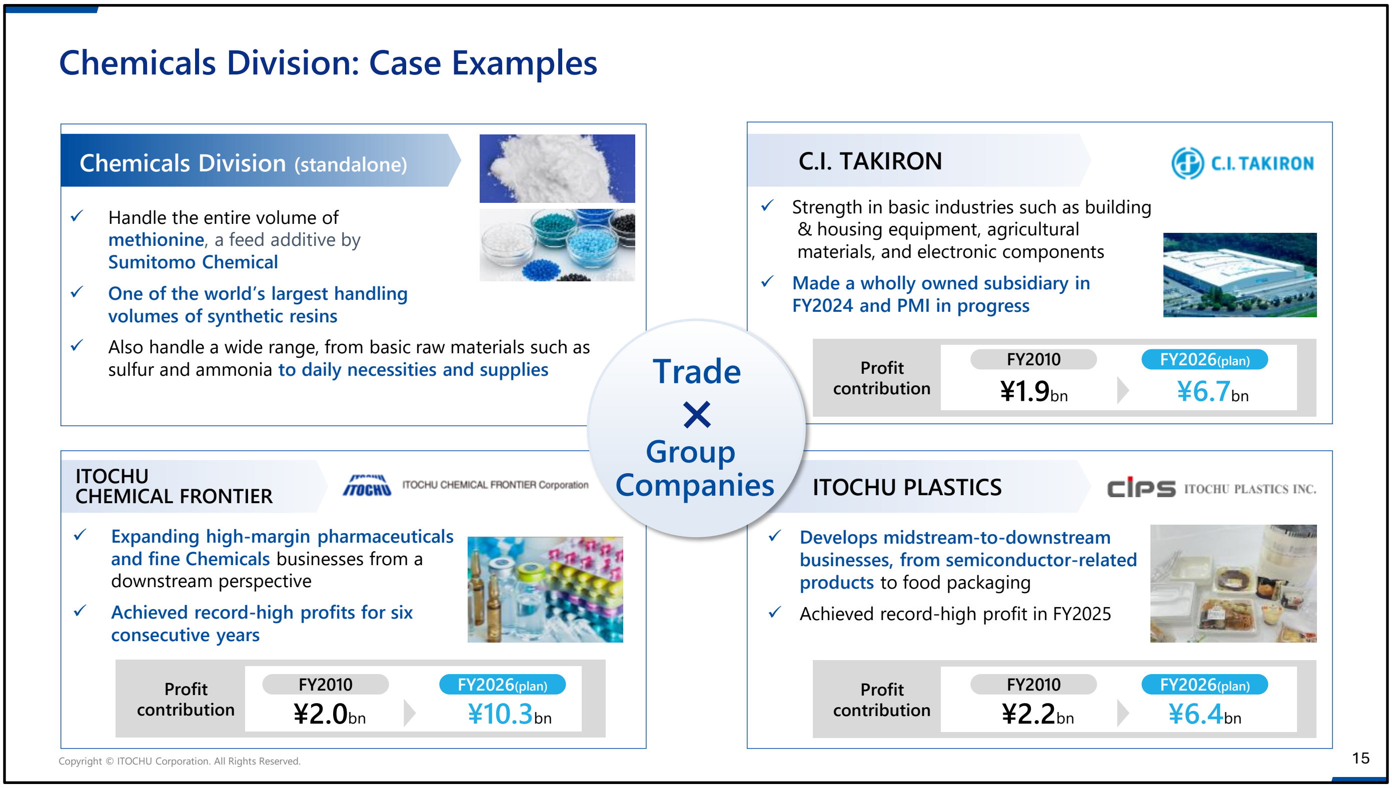
By connecting resources and raw materials, trading functions, group companies, and downstream customers, we have built a strong value chain that supports foundational industries. Importantly, our presence at every stage of the value chain enables us to build close relationships with customers, respond accurately to changes in industrial structures and on-the-ground needs, and convert those insights into new commercial flows and business opportunities.



This strength is clearly reflected in the steady earnings growth of the Chemicals Division. Its net profit increased from ¥32.8 billion in FY2021 to a planned ¥46.0 billion in FY2026, which would be a new record high.

This growth has been driven by both the strong performance of our three key group companies, ITOCHU Chemical Frontier, C.I. TAKIRON, and ITOCHU Plastics, and the standalone trading business of Chemicals division, which also achieved a record-high profit last fiscal year. In other words, growth is being generated by both standalone trading and group companies.

Importantly, this growth is not dependent on any single product or temporary market conditions. Rather, it is supported by our ability to capture market changes and expand our business domains through a broad product portfolio and extensive customer base, including semiconductor-related materials, construction materials, packaging containers for FamilyMart, and raw materials for generic pharmaceuticals. Looking ahead, we will continue to leverage frontline insights to further enhance our trading capabilities, strengthen the earnings power of our group companies, and pursue new investments, thereby achieving further growth.



Let me share a few specific examples from the Chemicals Division.

Methionine, which is expected to see solid growth driven by global food demand, is one example. We handle the entire volume of methionine produced by Sumitomo Chemical and sell it worldwide. We are also among the global leaders in synthetic resin trading volume, and our product coverage extends broadly from basic chemical feedstocks such as sulfur and ammonia to daily necessities and supplies.

Profits of our three major group companies have also grown significantly.
ITOCHU Chemical Frontier has expanded its pharmaceutical and fine chemicals businesses and has achieved record-high profit for six consecutive years. C.I. TAKIRON has strengths in construction materials and semiconductor-related materials. ITOCHU Plastics handles packaging containers and electronic materials, and achieved a record-high profit in FY2025.

Across the Chemicals Division, we are involved at every stage of the value chain—from raw material supply to processing and manufacturing, and on to sales. Guided by ITOCHU's spirit of "Merchants Need To Be Adaptable Like Water," we stay close to our customers and business partners in the field, enabling us to capture emerging issues, needs, and market changes in a timely manner.

Our strength lies in this deep involvement across the entire value chain, driven by both our trading business and group companies, and in our ability to convert frontline information into new sources of value creation.

Lastly, one of our key future growth drivers is the expansion of our semiconductor-related business. In addition to resin plates for semiconductor manufacturing equipment at C.I. TAKIRON and photoresists at ITOCHU Plastics, we are expanding into new areas such as investment in manufacturers of high-purity chemical solutions and securing upstream mineral resources. Through these expansions, we aim to create synergies with our existing businesses while building a new earnings base.

Here again, our focus is not simply on building up individual businesses one by one. Rather, we are looking at the entire value chain from raw materials and components to manufacturing processes and end demand while leveraging the customer relationship and business platforms we have built over time to create new business and investment opportunities. By doing so, we will drive the next stage of growth for our segment.

Going forward, we will continue to deepen our presence on the front lines of foundational industries, further evolve and expand our value chains, and achieve a higher level of growth through a “gear shift.”

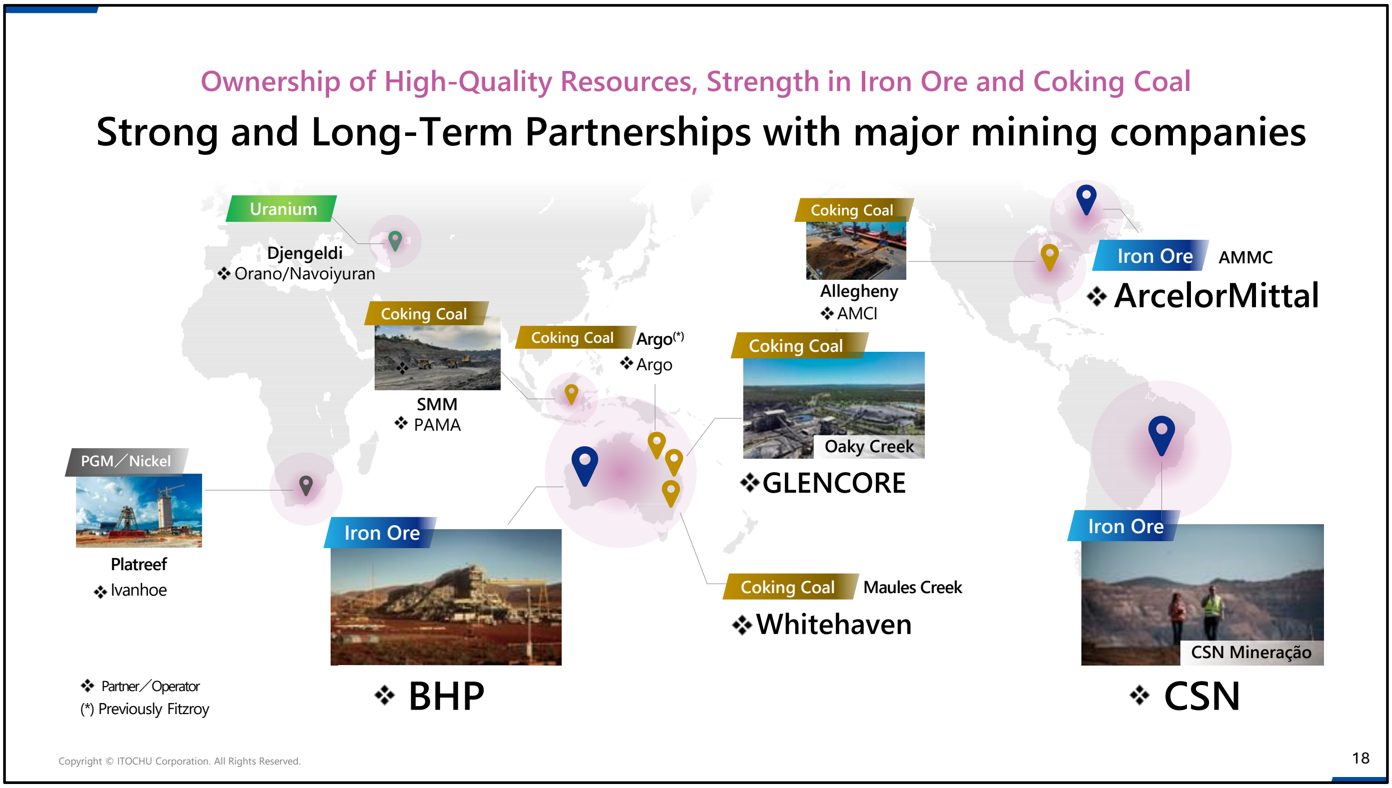
Metals & Minerals Company

Masaya Tanaka

Senior Executive Officer
President, Metals & Minerals Company (Since 2026)

- Joined ITOCHU in 1987; has worked in the chemicals business throughout his career
- Has served as President of Energy & Chemicals Company, and has experience working in Korea
- Has promoted business while valuing connections with local business partners
- Also has experience working as a staff in the planning department, and places great importance on teamwork and listens to the opinions of those around him

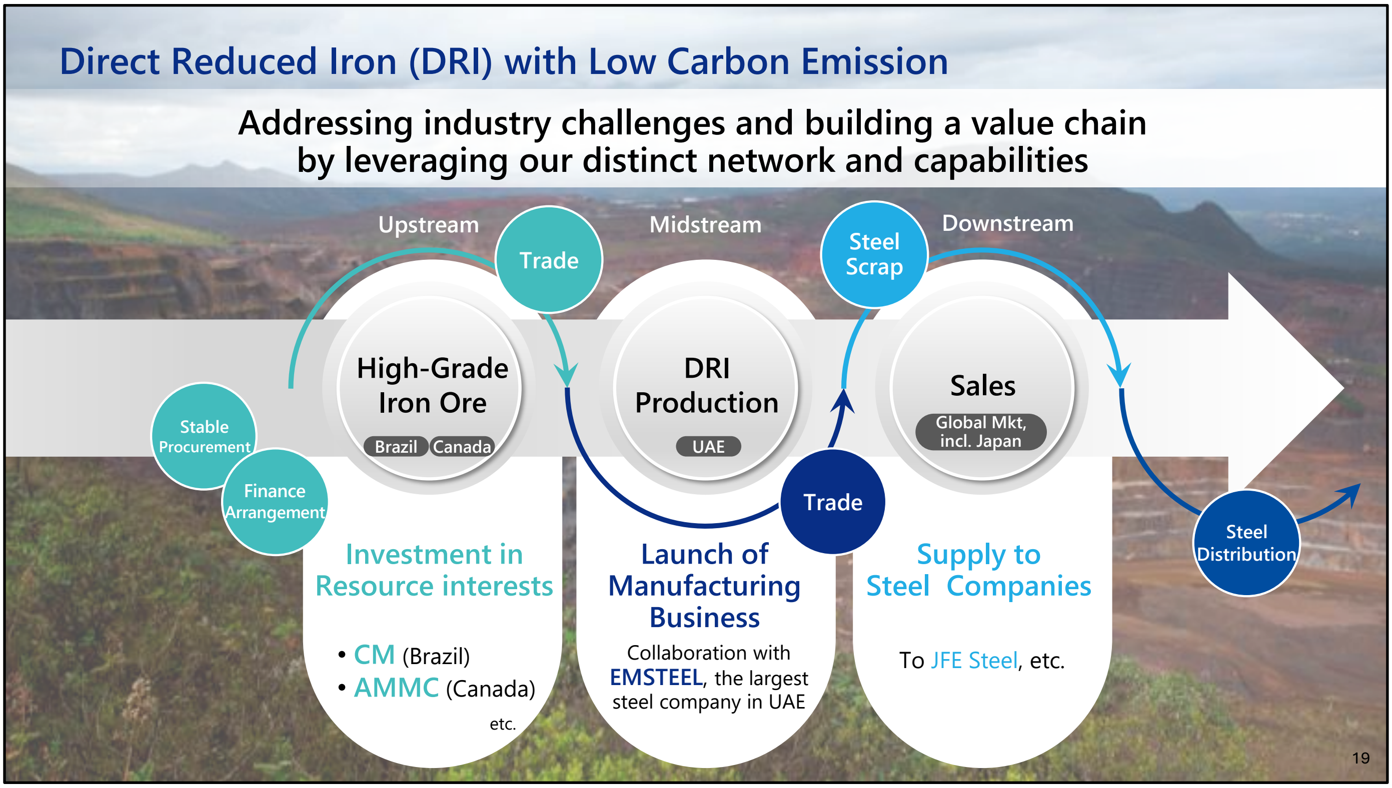
The key strength of the Metals & Minerals Company, which engages in resource business, lies in the strong and long-term partnerships we have built with top tier partners including major mining companies, through our ownership of high-quality resource interests centered on iron ore and coking coal.



In iron ore, we have built strong relationships with partners such as BHP in Australia, CSN Mineração (referred to as CM) in Brazil, and ArcelorMittal in Canada.
In coking coal, we are advancing projects in Australia together with partners such as Glencore and Whitehaven.

Together with our partners, we will continue not only to further enhance our existing iron ore and coking coal interests and drive organic growth, but also leverage our long-term partnerships with them, other major resource companies, and tier 1 industry players, together with ITOCHU's own capabilities, to build a new pipeline of upstream interests and pursue participation in those opportunities. The Metals & Minerals Company "Must Do Resources," thus I hope you look forward to what we will be achieving.

Our additional investment in CM executed in FY2024 was intended not only to increase our stake, but also to build and develop our low-carbon direct reduced iron supply chain that I will explain going forwards, strengthen our collaborative relationship with CM, and further deepen our hands-on management. We consider this initiative to be unique and typical of ITOCHU.



Now, I would like to explain about our low-carbon direct reduced iron value chain.
In the steel industry, the largest emitter of CO2 within the manufacturing sector, the transition to lower-carbon production methods is a significant challenge. Steel products are essential basic materials for a wide range of industries, including automobiles and construction. Therefore, decarbonization of the steel production process is not an issue for the steel industry alone. The GX Acceleration Declaration and its associated government incentive support and public procurement by the government are contributing to the expansion of initiatives and demand for the adoption of green steel among end users.

Low-carbon direct reduced iron enables steelmaking with lower CO2 emissions by using natural gas to reduce iron ore, compared with the conventional blast furnace process which uses coke to reduce iron ore. Looking ahead, the introduction of hydrogen-based reduction is also expected to achieve net-zero CO2 emissions. To contribute to reducing CO2 emissions across industries, we are participating in this project as a core member together with JFE Steel and EMSTEEL of the UAE.

Within this value chain, we will put forth our capabilities across the entire chain, from upstream to downstream. On the upstream side, our role is to realize stable production and supply of high-grade iron ore at CM in Brazil, in which we invest, as such ore is indispensable to produce low-carbon direct reduced iron. We are also arranging JBIC financing premised on securing resources for Japan, providing digital transformation support for the project together with GE in the United States, and providing various technical support for the production of high-grade iron ore.

From the midstream to the downstream, in addition to our role in trading the high-grade iron ore produced, we will work with EMSTEEL on the low-carbon direct reduced iron manufacturing business. The low-carbon direct reduced iron produced there will then be supplied to steelmakers. Our roles are not only to serve JFE Steel, but also to develop additional offtake customers, which is an important function in ensuring the overall economics of the project. Furthermore, the entire ITOCHU Group is involved in this initiative, including the supply of iron scrap by ITOCHU Metals to steelmakers as an important source of ferrous material, and securing sales channels for steel products through Marubeni-Itochu Steel.

In this way, we believe this project is a great example of how a value chain can be built by linking downstream needs with high-quality upstream interests, where ITOCHU as a core member can contribute with its capabilities across the chain.

Going forwards, we will continue to pursue investments not only in upstream interests but also investments that lead to the creation of value chains capturing industry needs that are unique to and typical of ITOCHU.

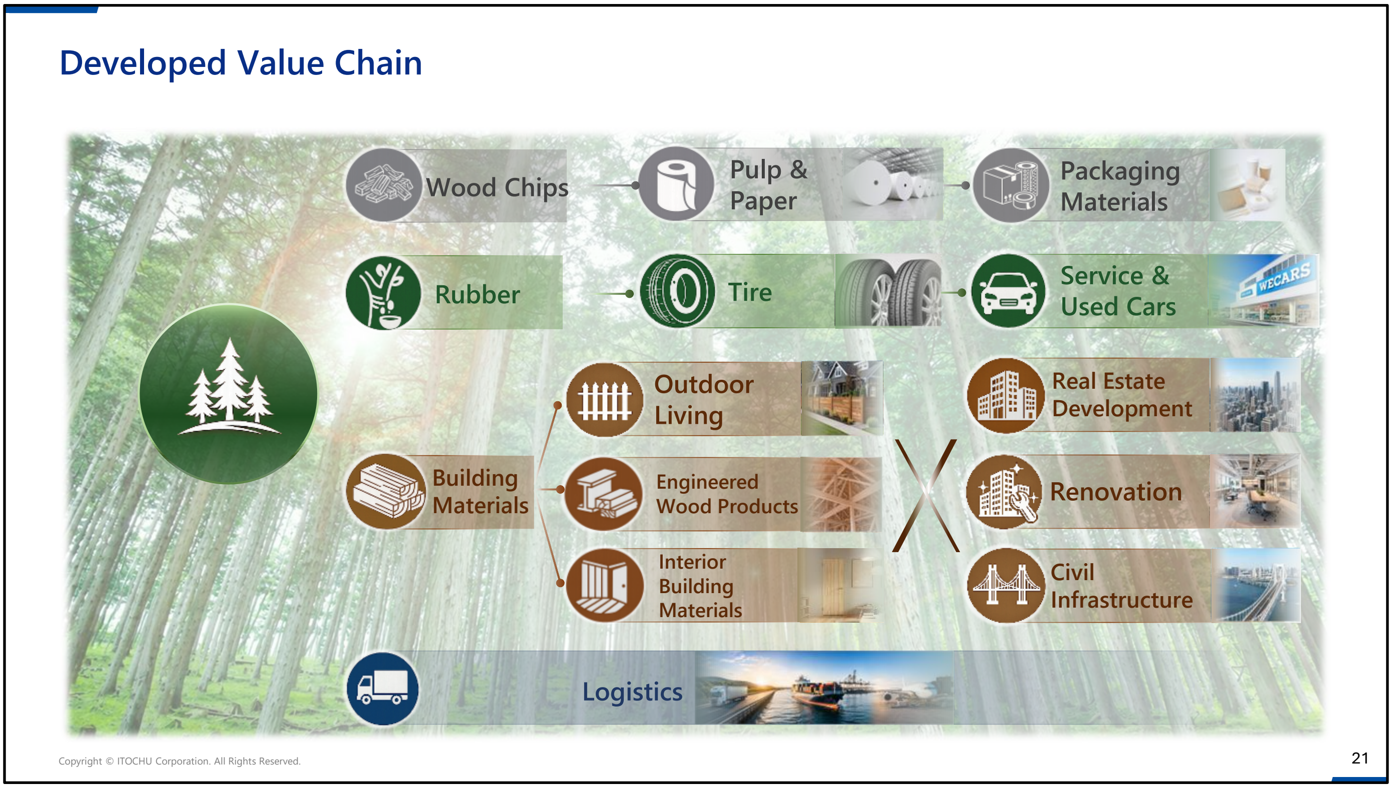
General Products & Realty Company

Masatoshi Maki

Senior Executive Officer
President, General Products & Realty Company
(Since 2022)

- Joined ITOCHU in 1987; has worked in the construction and real estate industries throughout his career
- Through outstanding leadership, he has won the trust of partners and expanded real estate operations both domestically and overseas
- During his posting in China, overseeing the entire General Products & Realty area
- Promoting strategies from a global perspective while leveraging his extensive practical experience

Today, I would like to explain the unique value chain we have built with "wood" at its core, together with our strategy for future growth.



Our defining strength lies in the fact that we have expanded our value chain starting from raw materials such as woodchips and rubber, all with "wood" at their core, and have consciously focused on adding value and deepening our business.

We have evolved from woodchips into paper, pulp, packaging materials, and molded products. From the rubber and tire business, we have expanded further into the automotive aftermarket, including maintenance service, as well as the used car business. In terms of expanding our business domains from upstream to downstream, our building materials business covers a wide range of outdoor living, engineered wood products, and interior building materials. Furthermore, guided by the Market-in approach, we have expanded into downstream areas such as real estate development, civil infrastructure, and real estate renovation as aftermarket business areas.

While other trading companies may treat real estate as a financial business, we have evolved the value chain as a housing-related business originating from "wood." Another distinctive strength is our logistics capabilities, which support our business from upstream to downstream. By evolving materials such as wood, which have been used since ancient times, we have established the No.1 position among trading companies in this field.

As an industry leader, we remain conscious of our role at the forefront, and, with an eye on industry realignment, we intend to continue driving the industry forward.

Let me explain the four key focus areas in the construction and real estate business.

The first is domestic development. We have announced the integration of the real estate business between the JR East Group and ITOCHU Property Development, and we aim to proceed with the development of high-quality assets at speed. With construction costs rising and the real estate market remaining at high-price levels, by partnering with the JR East Group, which possesses many low cost assets, we hope to achieve accelerated growth. In addition, we see the public-private partnership projects and data center business as areas for significant expansion.

The second is the real estate aftermarket. Through our capital and business alliance with Sun Frontier Fudousan, we have made a full-scale entry into the real estate aftermarket business. There are approximately 5,500 target aged office buildings in the 23 wards of Tokyo alone. Amid persistently high new construction costs, we are promoting a new initiative in the real estate market by renovating and renewing properties through renovation works. We also intend to leverage our asset management and property management functions to further strengthen our activities in the real estate aftermarket business.

The third is civil infrastructure. This is a field where long-term stable growth is expected, given social issues such as national resilience and aging infrastructure. Centered on collaboration with Nishimatsu Construction and Oriental Shiraishi, we are working to solve social challenges through renewal projects, infrastructure development, and regional revitalization, thereby strengthening our social foundation and long-term stable earnings base.

The fourth is North American real estate. Last year, we entered into a capital and business alliance with Wood Partners, one of the top residential developers in the United States. Wood Partners operates in 17 locations across North America, identifying high-quality projects in a housing market with medium- to long-term growth potential. In addition to our investment in Wood Partners, we also aim to serve as a gatekeeper for domestic and international investors considering real estate investment in North America.

In North America, we operate a broad range of businesses, from the manufacture of outdoor living, engineered wood products, and interior building materials to distribution and sales, primarily through Master Halco, the No.1 distributor and wholesaler in the United States.
With more than 85 locations across the country, we have established a wide-reaching business network, and we intend to steadily expand both our areas and business domains going forward.

Our collaboration with Wood Partners will further enhance our value chain in North America, aiming for continued business growth and expansion.

As I have explained, we will continue to evolve our unique value chain built with “wood.” Through collaboration across our business areas and the synergies, we will pursue ongoing earnings growth and improved capital efficiency.

By strengthening our real estate and infrastructure businesses in an integrated manner, we are committed to achieving sustainable growth in corporate value.

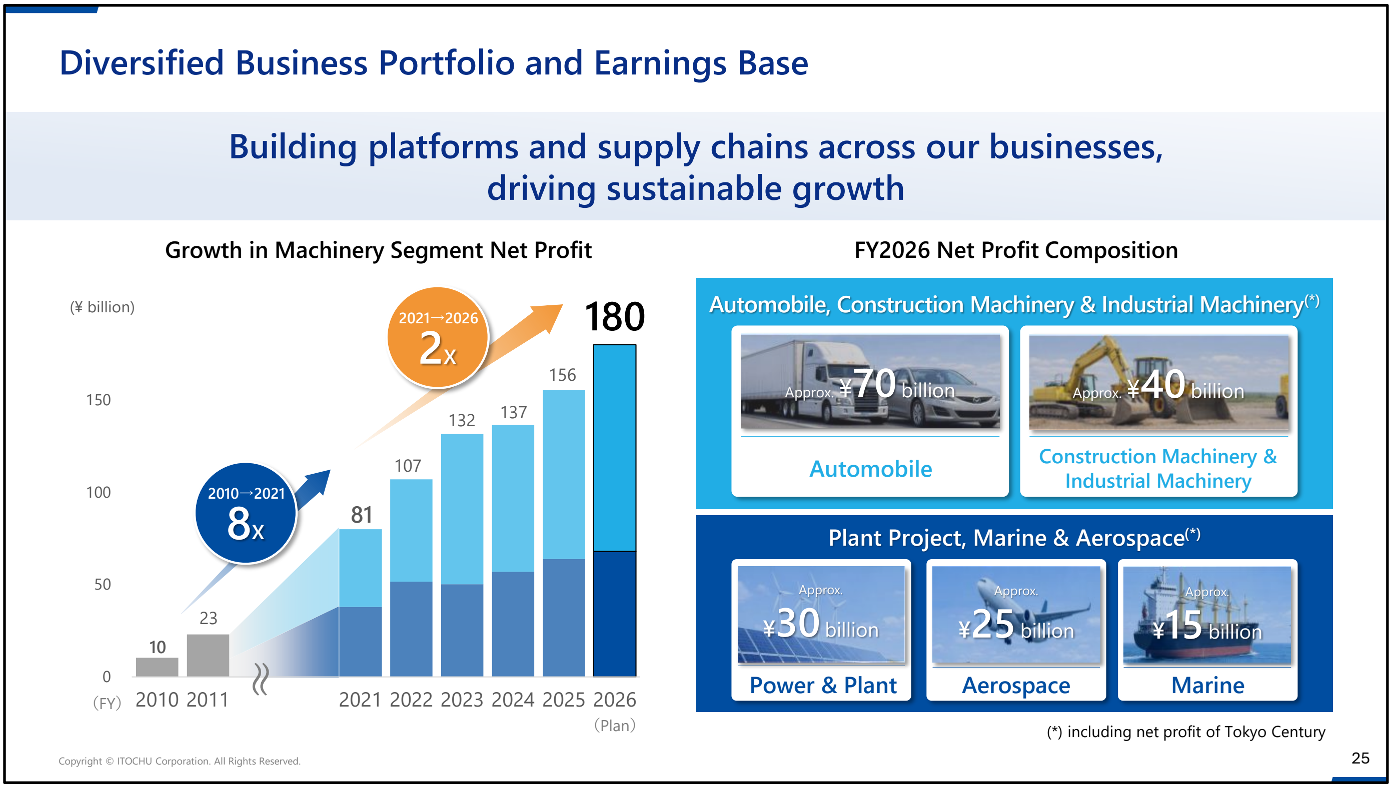
Machinery Company

Hiroyuki Tsubai

Member of the Board,
Executive Vice President
President, Machinery Company; (Since 2019)
Deputy COO

- Joined ITOCHU in 1982; Has mainly been involved in overseas plant construction projects and has contributed to the expansion of ITOCHU's global business, particularly in Nigeria, Thailand, and the Middle East.
- Served as CEO for three overseas blocs—the Middle East, Africa, and Europe—and has demonstrated outstanding management as the ITOCHU Group's regional representative worldwide.

If I were to describe the Machinery Company's defining characteristic in a single phrase, it would be the exceptionally broad range of our Business Portfolio. One distinguishing feature of the Machinery Company is that businesses which would typically be managed across several different divisions at other trading companies are housed within a single company at ITOCHU.



I have served as President of the Machinery Company since 2019, and this year marks my eighth year in the role. Net profit was ¥56.7 billion in FY2019, when I assumed this position, and, as shown in the materials, increased to ¥80.6 billion in FY2021. It then reached ¥155.6 billion in FY2025, and we are targeting ¥180.0 billion in FY2026. Today, I would like to highlight four factors behind this profit growth.

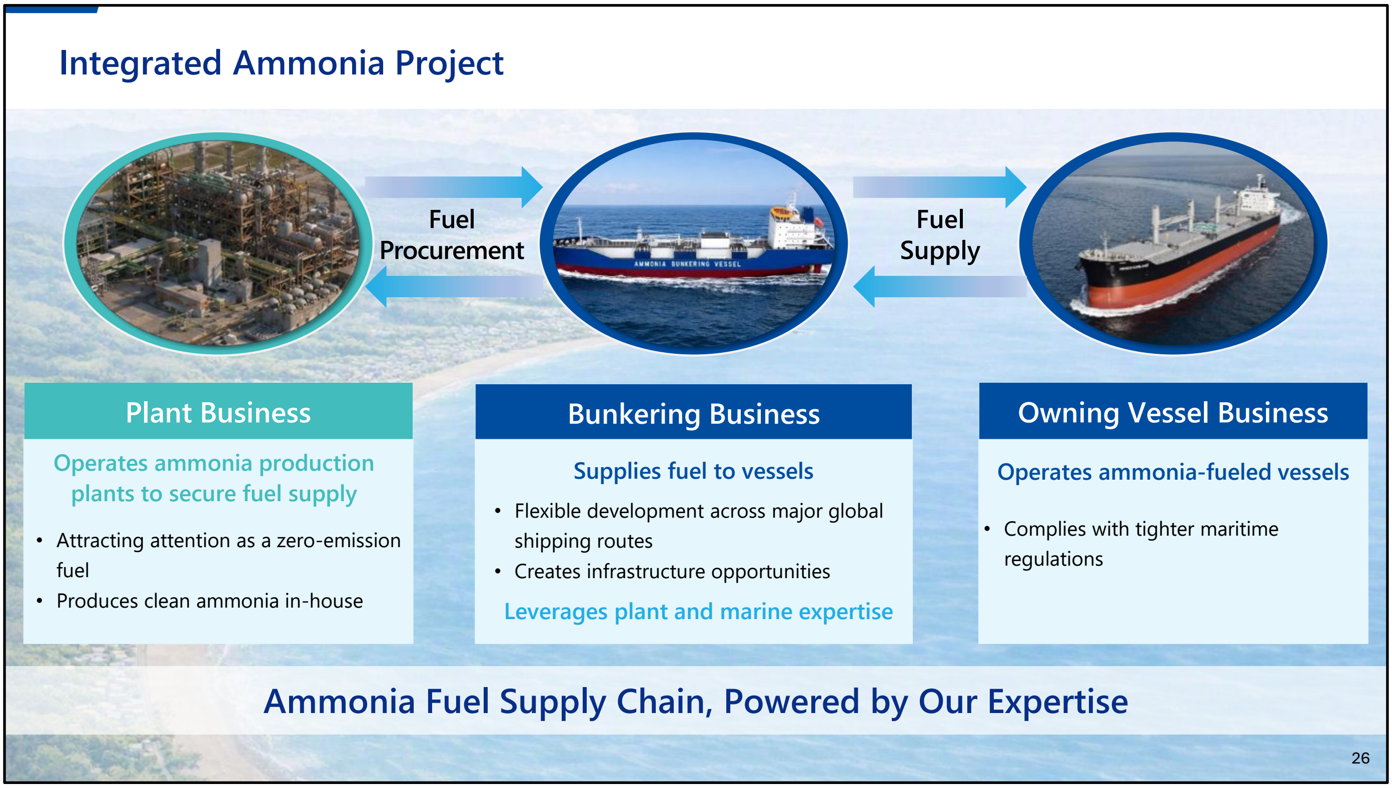
The first is profit growth in our existing businesses driven by what we call "Earn, Cut, Prevent." One example is Yanase. In FY2019, when I assumed this role, our profit contribution from Yanase was ¥3.0 billion. Since then, we have increased our share and, through hands-on management, thoroughly pursued what we call "Cut" and "Prevent." As a result, profits have expanded significantly, and Yanase is targeting ¥15.0 billion in FY2026.

The second factor is strategic investments aimed at expanding the value chain. In the Automobile, Construction Machinery, and Industrial Machinery sectors, trading had historically been our core business. However, we have executed investments based on the idea of extending and deepening the value chain. To give a few examples, in our collaboration with Isuzu, we shifted our investment focus from sales companies to companies engaged in maintenance leasing, used vehicle sales, and auctions. This is one example of moving further downstream in the value chain. On the upstream side, we have formed capital alliances with Japanese OEMs such as Hitachi Construction Machinery, AICHI CORPORATION, and Kawasaki Motors.

In the Plant Project sector, we also invested this fiscal year in a Singapore-based company engaged in plant maintenance and repair. Rather than simply building plants and handing them over, we are expanding our business domain into the maintenance of plant facilities and major equipment. In the Aerospace sector, aircraft leasing to airlines had long been our core business, but in FY2024 we invested in an aftermarket company on the downstream of the aircraft business that dismantles aging aircraft and sells the parts. In this way, we have executed a range of strategic investments across a wide variety of fields.

The third factor is the benefit of yen depreciation. The Machinery Company has a high proportion of profit contributions from overseas trading and overseas group companies, and the recent depreciation of the yen has also contributed to our profit growth.

The fourth factor is businesses positioned to benefit from structural market trends. One example is our North American Power business. In the United States, the Inflation Reduction Act, enacted in 2022 under the Biden administration, created a policy environment that supports renewable power generation. Anticipating these market trends, we moved early to establish a platform focused on the development and sale of renewable energy generation assets, positioning ourselves to capture business opportunities in the market. This business not only offers quantitative benefits in terms of high asset efficiency and profit contributions but also contributes to the expansion of renewable energy in North America.



The Machinery Company operates a wide range of businesses, and today I would also like to introduce a new business. Although the project is still in the pre-commercialization phase, we are working on an Integrated Ammonia Project. Ammonia is gaining attention as a next-generation decarbonized fuel that does not emit carbon dioxide when combusted. Among its many potential applications, we see it as a leading candidate for marine fuel to help decarbonize international shipping, and we have already been working on this project for six years. A key feature of this project is that ITOCHU is involved across the entire supply chain in an integrated manner, from the upstream production of clean ammonia to the downstream ownership and operation of ammonia-fueled vessels. Most important of all is the midstream segment, namely fuel supply hubs and bunkering. Because ammonia is toxic and difficult to handle, we plan to conduct demonstration and pilot bunkering operations in Singapore in the second half of 2027. This project encompasses the production of decarbonized fuel as an energy resource, the supply of that fuel, the operation and management of decarbonized-fuel vessels, and the realization of a broader social mission.

Although ammonia plants, bunkering operations, and fuel-vessel operations each fall into different business domains, all are areas where the Machinery Company can leverage the expertise it has built up in the Plant and Marine sectors. By leveraging the comprehensive capabilities of the Machinery Company, this initiative seeks to create an entirely new supply chain from the ground up, something only ITOCHU is uniquely positioned to achieve. We aim to develop this business into a new pillar of earnings and a key growth driver over the medium to long term.

03

The essence of "Profit Opportunities are Shifting Downstream“

(1) Practice of Market-in

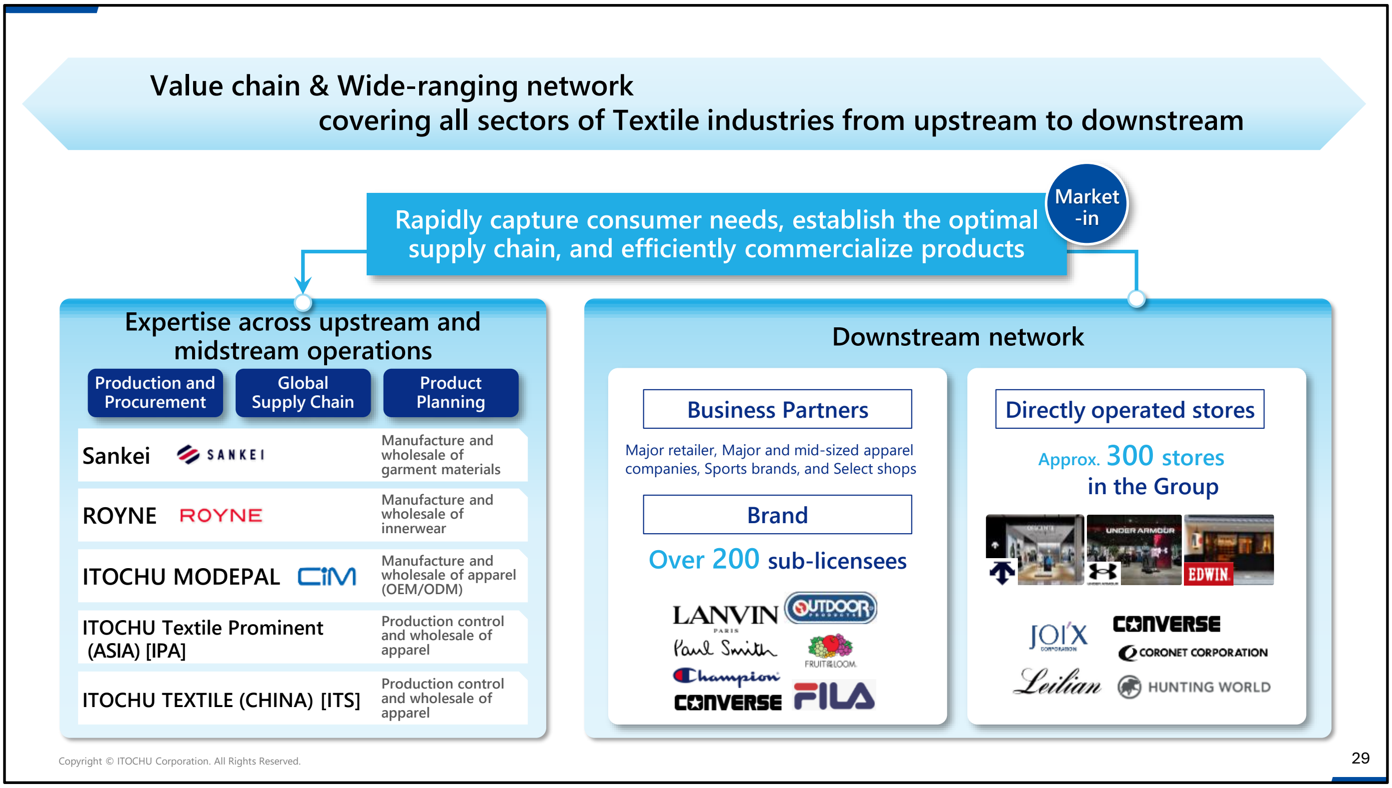
Textile Company

Hideto Takeuchi

Senior Executive Officer
President, Textile Company (Since 2023)

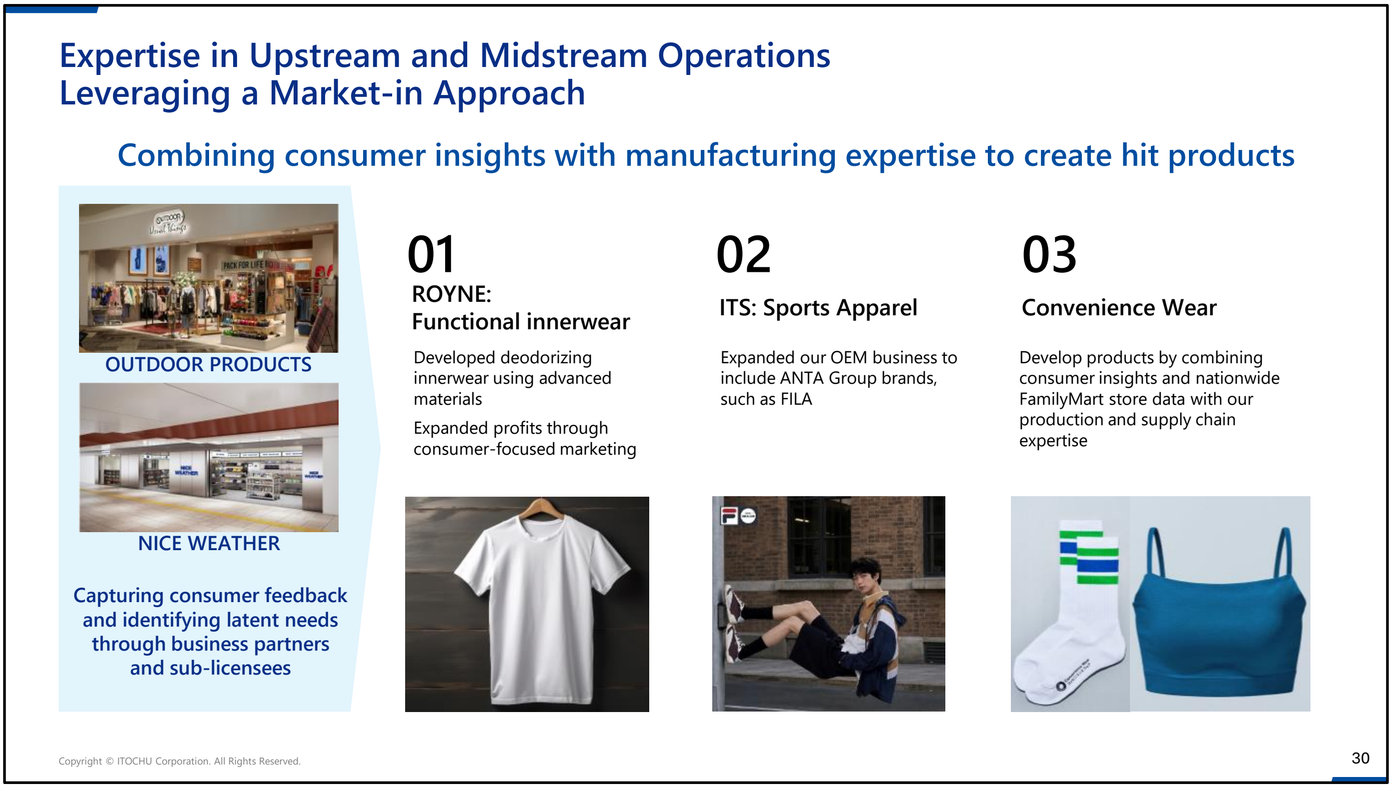
- Joined ITOCHU in 1988; consistently involved in the brand marketing business
- Extensive experience in leadership roles at apparel retail companies
- Served as president of JOI'X Corporation which handles brands such as Paul Smith
- A hands-on business leader, regularly visiting stores and exhibitions

Today, I would like to explain, from a Market-in perspective, why ITOCHU’s Textile Company has continued to maintain a strong position in the textile industry.



The source of our strength lies in a value chain that spans every stage of the textile industry, from upstream to downstream, and in our capability to apply a Market-in perspective to product development. In addition to our manufacturing capabilities, including raw material procurement and networks with factories, we have also established a framework that allows us to directly capture the voices of consumers through major business partners, more than 150 brands, over 200 sublicensees that do business with those brands, and a network of more than 300 directly operated stores.

Our true strength lies in our ability to quickly identify consumer needs through a Market-in approach, build the optimal supply chain, and translate those needs into products.

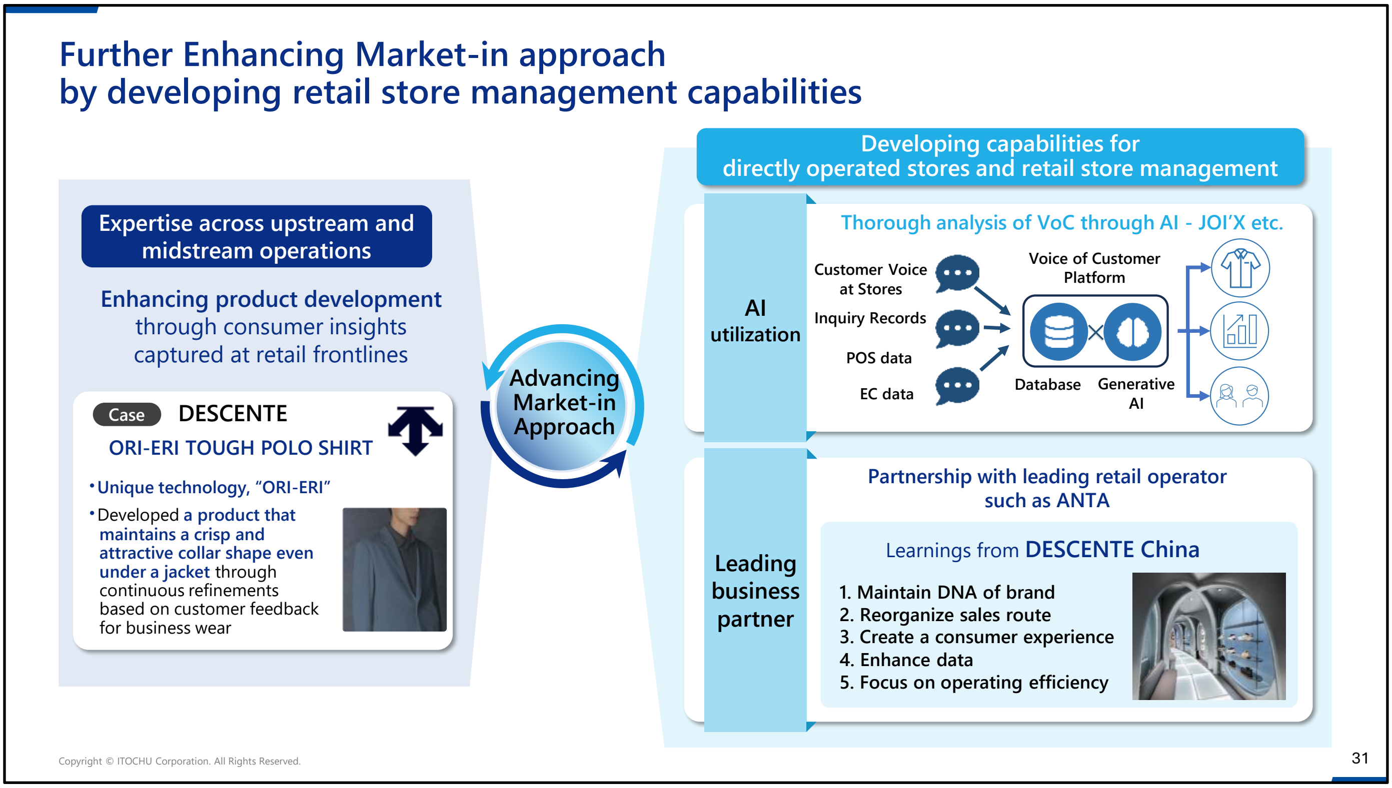


First, let me introduce several examples from our B-to-B business.

The first example is the development of innerwear with deodorizing functionality. ROYNE, our subsidiary engaged in apparel OEM business, jointly developed deodorizing innerwear with a major retailer. In addition to its functional value, the product name was updated to better align with the target customer segment, which helped drive sales growth.

The second example is the initiative of ITS, our subsidiary in China.
ITS is a supplier that is highly regarded by global sports brands. In the sportswear segment, where multi-style, small-lot production requires a high level of manufacturing expertise, ITS leverages its value-added manufacturing capabilities to expand its OEM business not only for DESCENTE, but also for other brands within ANTA Group which jointly operates DESCENTE China.

The third example is product development for FamilyMart’s Convenience Wear line.
For FamilyMart’s Convenience Wear, products are planned by combining data from more than 16,000 stores nationwide and direct consumer feedback with ITOCHU’s supply and production capabilities. “Bra Wear,” launched last year, is one example of a high-value-added product that requires advanced sewing technology and showcases our manufacturing strengths.



Next, I would like to introduce our initiatives in the B-to-C business.

In addition to JOI'X and Leilian, which have long operated directly managed retail businesses, DESCENTE, EDWIN, DOME, and CORONET are also strengthening their retail operations. Because retail businesses allow us to capture voice of customers directly, they are indispensable to further refining our Market-in approach. Going forward, we intend to further enhance our retail management capabilities by recruiting external specialists, utilizing AI-based consumer analysis, and learning from our partner companies.

One example of the results of these efforts is DESCENTE's "ORI-ERI" polo shirt. By uncovering customer demand for apparel suitable for business settings and applying DESCENTE's technological strengths, we repeatedly refined the product so that the collar would maintain a neat appearance even under a business jacket. As a result, it has become a popular item. In this way, by combining consumer insights gained at the retail front line with our manufacturing capabilities upstream and midstream, we can create hit products with both speed and precision.

Looking ahead, we will continue to strengthen our product competitiveness by connecting insights between upstream, midstream, and downstream operations and leveraging a Market-in approach throughout the value chain. We believe that consistently creating value-added products such as those presented today will be a key driver of the Textile Company's sustainable growth.

The essence of "Profit Opportunities are Shifting Downstream"
(1) Practice of Market-in

Food Company

Shuichi Miyamoto

Senior Executive Officer
President, Food Company （FY2023～）

- Joined ITOCHU in 1989; has worked in the food business throughout his career
- Stationed in Asia and Oceania with a total of 11 years, and his experience covers a wide range of areas, from food ingredients to fresh products and retail distribution
- His mottoes are "Adapt to Change" and "TRUE GRIT."

Today, I would like to explain our approach to the downstream area. The Food Company operates across the full value chain, from raw materials and distribution to retail. In the past, our business may have been seen as a product-out model, where products move from upstream to downstream. In recent years, however, we have changed this approach significantly. Today, I would like to focus on that change.

First, let me talk about the idea, "profit opportunities are shifting downstream." This is a message that Chairman and CEO Okafuji has emphasized repeatedly, and as the Food Company, we have once again recognized the fundamental importance of this approach. Focusing on downstream does not simply mean owning downstream businesses. While that is important, the real essence is to stay close to consumers, accurately capture changes in their needs, and build the entire business starting from that point of view. In the food sector, consumer needs are becoming more diverse and continue to evolve. These changes range from health and nutrition awareness, time-saving and convenience preferences, to shifts in the definition of taste and deliciousness, environmental considerations and SDGs, and also topical appeal and experience value. In this environment, one of our key priorities is how to respond to these changes and turn them into business opportunities.

Our aim is to capture these changes accurately at the downstream level and connect them to product planning, raw material procurement, material development, manufacturing, processing, logistics, and sales. In this way, we seek to create valuable products from a consumer starting point and deliver them in the best possible way. In particular, the food market has changed greatly over the past ten years.

First, products that highlight health, nutrition, and beauty benefits have become far more important. A symbolic example is protein. Ten years ago, protein products were not nearly as common as they are today. Now, in addition to protein, there are many products that promote specific functional value, such as better gut health, lower blood pressure, or relaxation effects.

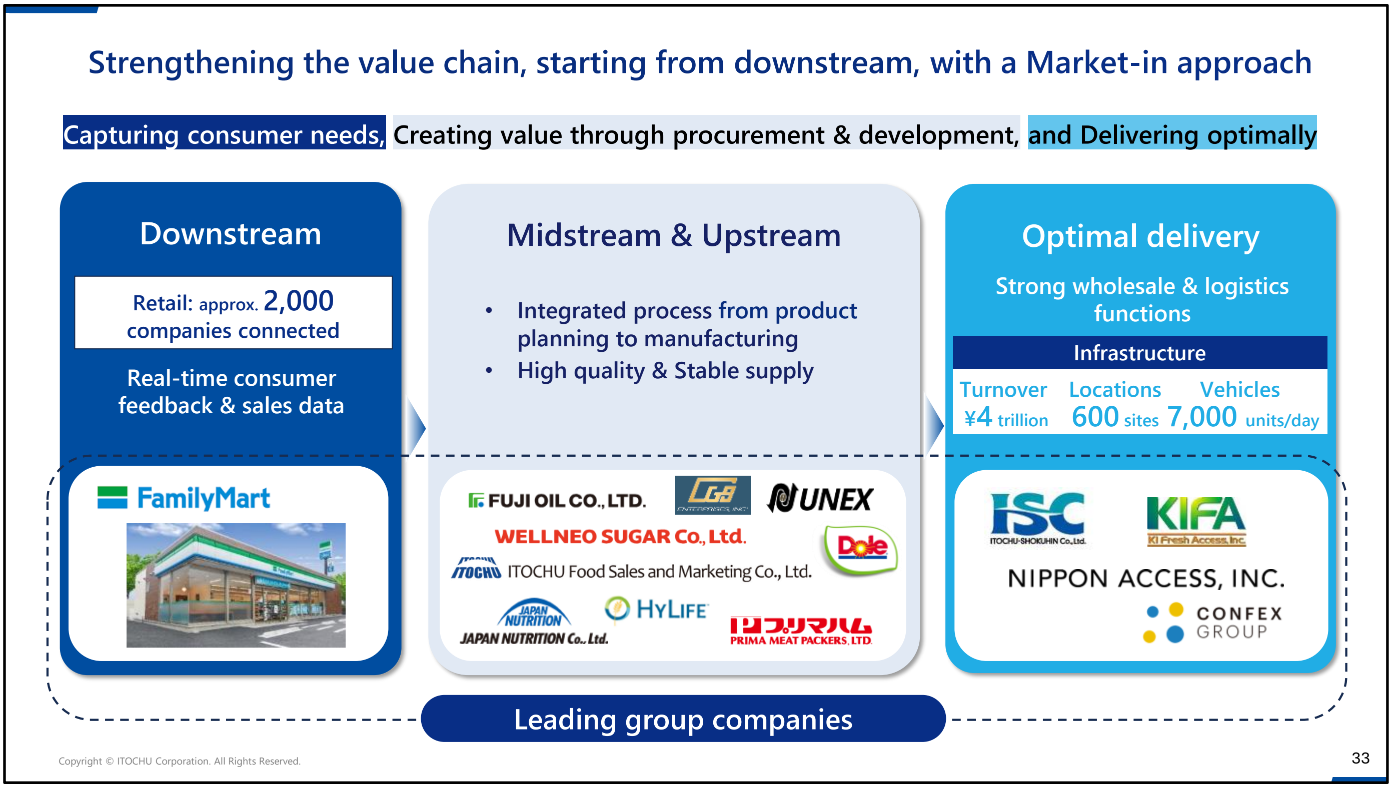
At the same time, consumer needs are not only about adding something beneficial. They are also about removing unnecessary things consumers do not want. We now see many “zero” products in the market, such as sugar-free, zero-carb, zero-calorie, and zero-purine products.

From an ethical perspective, we also see changes linked to the SDGs. Especially among younger consumers, some are becoming more conscious about eating animals. Not all of them are fully vegan, but some are adopting styles such as eating vegan once a week. We are seeing these kinds of lifestyle choices become more common. Environmental awareness is also rising sharply. For example, even university students now speak more often about these issues during job interviews. Another clear change among younger consumers compared with ten years ago is lower alcohol consumption. Terms such as “smart drinking” are now used, and choosing not to drink alcohol has become more socially accepted. People can express that choice more openly.

We also see changes in preferred food texture. Younger consumers often do not like foods that are too hard. Softer textures are preferred. In some cases, rice crackers or even grilled meat may be seen as too firm. At the same time, Korean food and ethnic food have become more common, while Japanese food is also spreading more widely around the world, supported by growing inbound demand. It is no longer limited to premium dishes such as sushi and tempura. A much broader range of Japanese foods, including tonkatsu, ramen, and even egg sandwiches, is now gaining acceptance overseas.

In addition, as hot summer weather lasts longer, demand for ice cream, soft-serve ice cream, and frozen food is rising further.

As you can see, one of the key themes for the Food Company today is how to keep pace with these changes and turn them into growth opportunities.



This slide shows our value chain, and the starting point is clearly downstream. One of our greatest strengths is our wide range of customer touchpoints, including FamilyMart, which is one of our key assets. In retail alone, we do business with around 2,000 companies. If we also include intermediate materials, such as transactions with factories, we have about 10,000 business partners. Among these roughly 2,000 retail customers, there are also companies where we dispatch personnel, regardless of whether we have an equity relationship with them. Through store data, purchasing data, customer feedback, and frontline sales knowledge, we capture changes in consumers and at the point of sale every day. What matters most is that we do not leave those insights as simple information. We connect them to our own functions and turn them into actual product development.

At the center of the slide is the process of designing product concepts based on consumer needs and linking them to development.

Let me share one example, although it is not a recent one. A buyer and developer for canned coffee once approached our coffee team for support in product development. The manufacturer wanted to create an authentic coffee with both a bright, floral aroma and rich body. In response, we proposed coffee beans from Guatemala and also provided dozens of ideas for fermentation methods. That effort led to commercialization. This is a good example of how we connect consumer needs to concept design and product development. Working together with our midstream and upstream group companies, we continue to promote many such initiatives today.

And of course, it is just as important to deliver the products we create in the best way. The annual value of products we supply through our downstream infrastructure is approximately ¥4 trillion. We have around 600 logistics sites and about 7,000 operating vehicles per day. We are always focused on delivering the right products at the right time. Nippon Access has a very strong competitive position in frozen and chilled logistics. ITOCHU-SHOKUHIN became our wholly owned subsidiary in May this year. We also have strong logistics capabilities in many fields, including confectionery logistics through Confex and fresh produce logistics through K.I. Fresh Access.

In this way, we do not simply wait for products to sell. We propose valuable products from a consumer starting point and create demand ourselves. That is our mission.

Practice of Market-in − New commerce, product & trend

Starting from consumer needs, collaborating with partners to create new value

NISSEI × Overseas retail & food service

Creating new consumer connection and businesses

- Invested in soft-serve ice cream manufacturer "**NISSEI**" forming a capital & business alliance
- In overseas food retail markets, **building new consumer touchpoints and distribution channels** through ITOCHU's network

Dole × Environmental & social awareness

Turning food-loss reduction into product value

- Off-spec bananas repurposed and branded as "**Mottainai Banana**"
- Keeping taste & nutrition intact, commercialized **new product** reflecting consumers' environmental & social awareness

FamilyMart × "Afternoon Tea"

Creating new consumer lifestyle experiences

- Developed all 28 collaboration items with the tea brand "**Afternoon Tea**".
- Creating a **new market trend** through not only tea but also sweets & alcohol co-developed

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Next, let me explain three examples.

The first is NISSEI. We invested in NISSEI, a comprehensive soft-serve ice cream manufacturer. NISSEI does more than just sell soft-serve ingredients. It also sells machines as part of a package, provides maintenance, develops products, and carries out its own sales promotion activities. It then provides these products and services to customers in food service and retail. One area where we can add value is channel expansion. As I mentioned earlier, we have broad customer touchpoints through our business network. In addition to the customer base that NISSEI already has, we can introduce new customers through our own network. In that sense, our downstream strengths can play a major role. Going forward, we hope to expand this partnership not only in Japan but also in overseas markets.

The second example is Dole's initiatives addressing environmental and social awareness. At Dole, bananas that are slightly outside standard specifications or slightly discolored, but have no issue at all in taste or quality, have been branded as "Mottainai Banana." For example, these bananas are delivered directly to offices and consumed through subscription-style services. They are also being used as ingredients in a range of products. In addition, charcoal made from "Mottainai Banana" has also been developed. It is easy to light, lightweight, and easy to use, so it has found applications in camping. More recently, it has also been used in deodorizing products.

The third example is the initiative between FamilyMart and Afternoon Tea. Working with the tea brand Afternoon Tea, we developed 28 collaboration products and sell them at FamilyMart. These products are not limited to tea. We have also jointly developed sweets and alcoholic drinks.

We believe that responding to these kinds of changes is our mission. At the same time, we believe they represent significant business opportunities. Going forward, starting from downstream ideas, we will continue to evolve our business by linking upstream to downstream, and also downstream back to upstream, with “Fork to Factory” and “Factory to Farm” firmly in mind.

04

The essence of "Profit Opportunities are Shifting Downstream“

(2) Data-Driven Value Creation

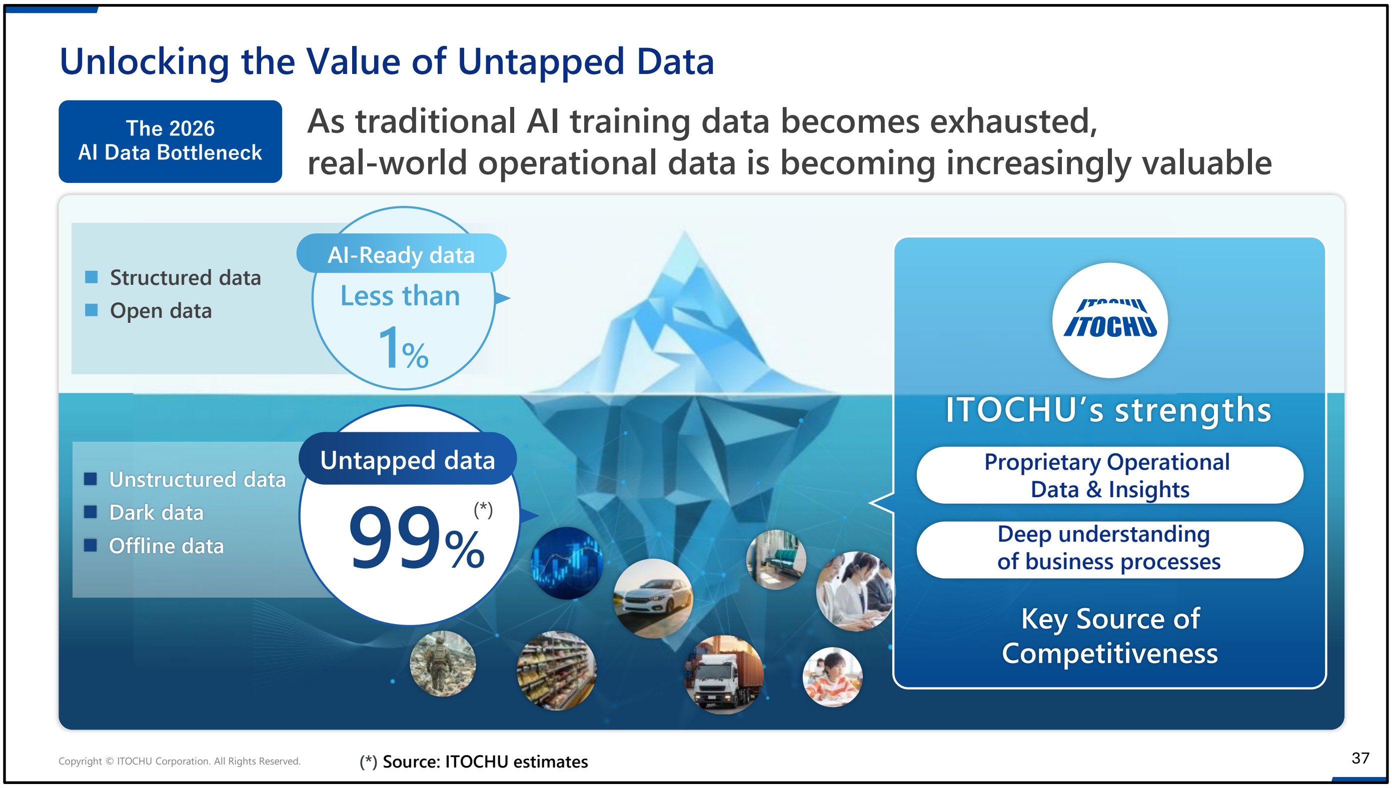
ICT & Financial Business Company

Shunsuke Noda

Senior Managing Executive Officer
President, ICT & Financial Business Company; (Since 2024)
Deputy COO

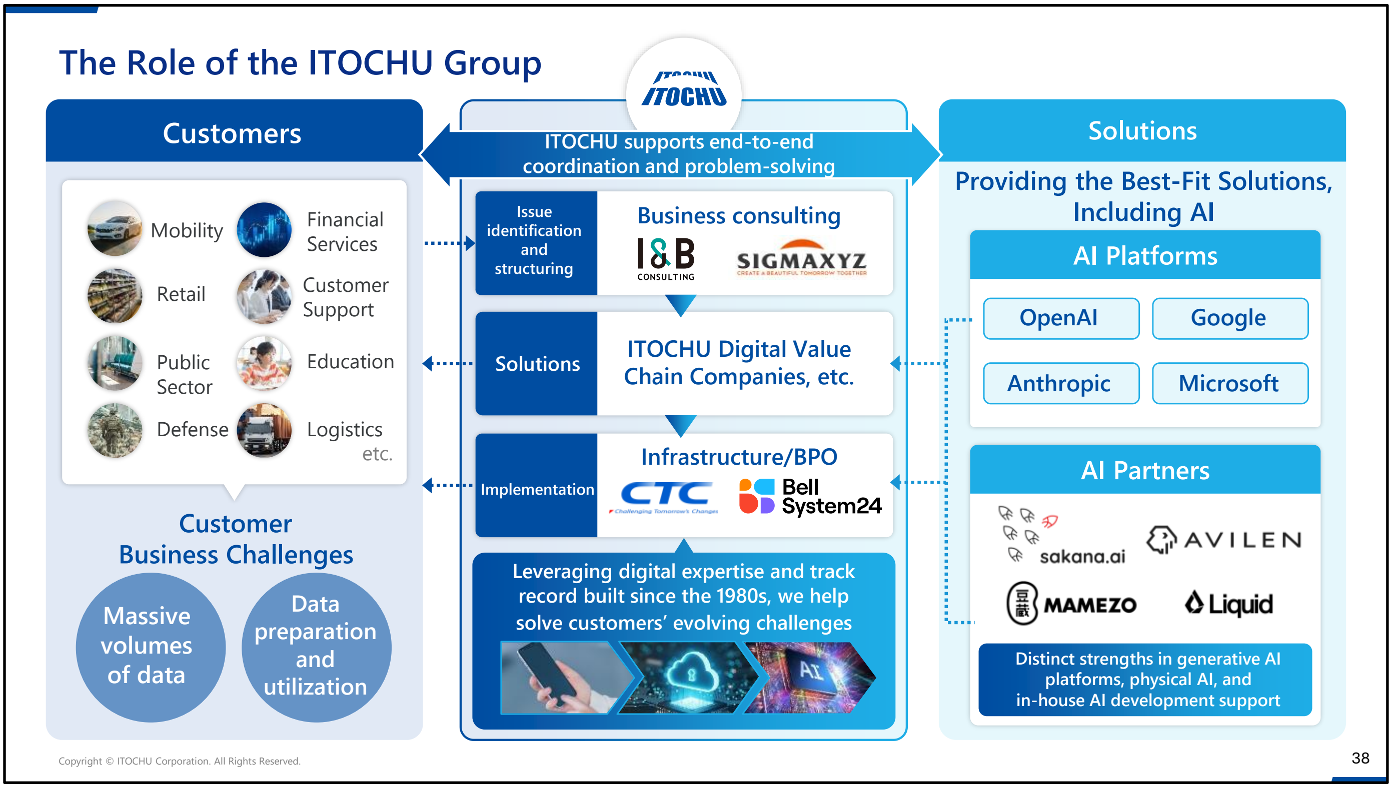
- Joined ITOCHU in 1987; worked in the information and communications business, was seconded to CTC, and has been involved in the development of the internet business since the dawn of the internet era
- Has served as President and Representative Director of Excite Japan Co., Ltd., General Manager of the Corporate Planning & Administration Division, and as CSO, CDO・CIO
- Has served as President of Bellsystem24 Holdings before the current position

I would like to explain the latent potential of data utilization.



While generative AI has evolved rapidly in recent years, it is said that public data and general structured data available for AI training and inference are becoming exhausted. In this context, live information existing at the front line is becoming increasingly important.

Generative AI is trained mainly on general-purpose data accessible through the internet, but it is said that such data represents less than 1% of all data in Japan. The remaining 99% consists of so-called "dark data," including offline information and confidential internal corporate information, and other forms of unstructured data. We believe that a key source of competitiveness lies in how effectively we can convert the unique first-hand information generated across our Group's business frontlines, as well as our deep industry-specific expertise, into usable data and make it available for AI applications.



Next, let me explain our Group's IT service delivery framework.
At the core of this framework is CTC, a system integrator that was privatized in fiscal year 2023. In the upstream consulting domain, we have strategic partners such as SIGMAXYZ and I&B Consulting, a joint venture with Boston Consulting Group. In the downstream BPO domain, we have BELLSYSTEM24, which operates contact centers, enabling us to build an integrated digital value chain that responds to customers' IT needs seamlessly from consulting through implementation and operations.

For over 30 years, we have established a venture network across the globe, including Silicon Valley in the United States, consistently keeping abreast of the latest IT technologies and service models, and have continued to invest in venture funds. To capture the growth potential of startups, we have also actively made direct investments in venture companies in Japan, the US, and elsewhere.

Japan's generative AI-related market is highly segmented, with a diverse range of AI-related companies. Therefore, rather than partnering with a single company, we collaborate with multiple AI partners depending on the specific challenges to be addressed. For example, we partner with Sakana AI for generative AI foundational technology, with Mamezo for physical AI, and with AVILEN for supporting in-house AI development. Beyond these, our policy is to work with the most suitable AI partners for each theme in order to deliver cutting-edge AI solutions.

Next, I would like to introduce two specific examples of how our Group is utilizing data.

The first example is an initiative by HOKEN NO MADOGUCHI GROUP, which became a wholly owned subsidiary in FY2025. The company holds the top share in the multi-line insurance agency industry, operating at about 700 locations nationwide. By using AI to streamline the creation of customer interaction records generated through approximately one million consultations annually, they are advancing the sophistication of operations that deliver proposals tailored to customer needs from a wide range of insurance products.

The second example is from BELLSYSTEM24, which operates contact centers. The company receives about 500 million calls annually and records or transcribes all response histories for the purpose of improving service quality. By applying AI to analyze and convert these VOC (voice of the customer) data into actionable knowledge, they are promoting the automation of customer responses. However, full automation of contact center operations is not easy; a hybrid model in which both AI and human operators each play their respective roles is the most practical approach at present. It is expected that the proportion handled by AI will increase, but BELLSYSTEM24 is leveraging its strength in optimal operations to further this initiative.

We are strong in retail and have numerous customer touchpoints. However, the data obtained from these touchpoints is not always organized for AI utilization. By first organizing the data and then advancing AI utilization, we aim not only to achieve operational efficiency but also to enhance the added value of customer services.

The 8th Company

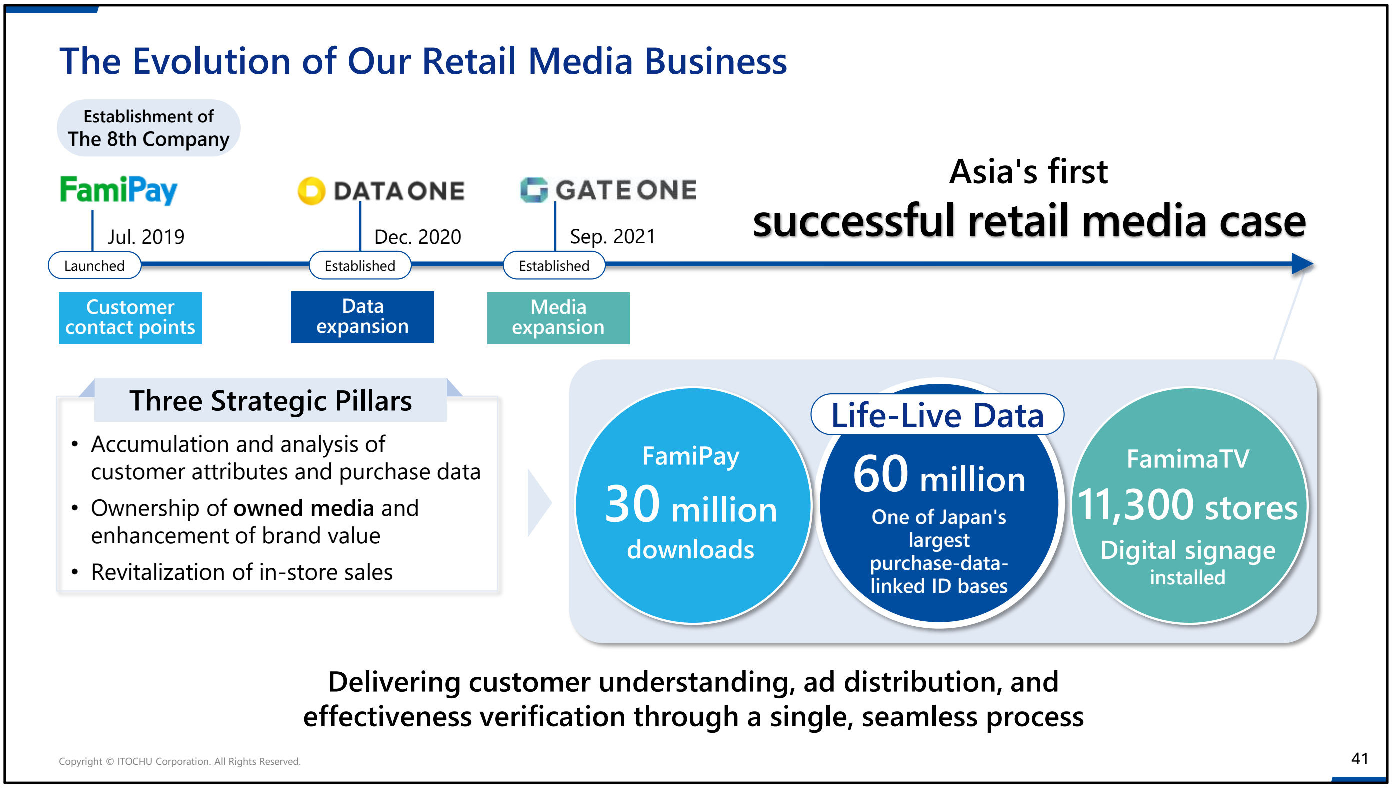
Kensuke Hosomi

Managing Executive Officer
President, The 8th Company (Since 2026)

- Joined ITOCHU in 1986; he has long been engaged in brand marketing,primarily in the Textile Company
- In 2019, he was appointed President upon the establishment of The 8th Company
- Most recently, from 2021 to 2025, Served as President of FamilyMart

Until the end of February this year, I served as President of FamilyMart. Thank you very much for purchasing our products every day, including the Shohei Ohtani rice balls, Fami-Chiki, and, more recently, our chewy bread products.

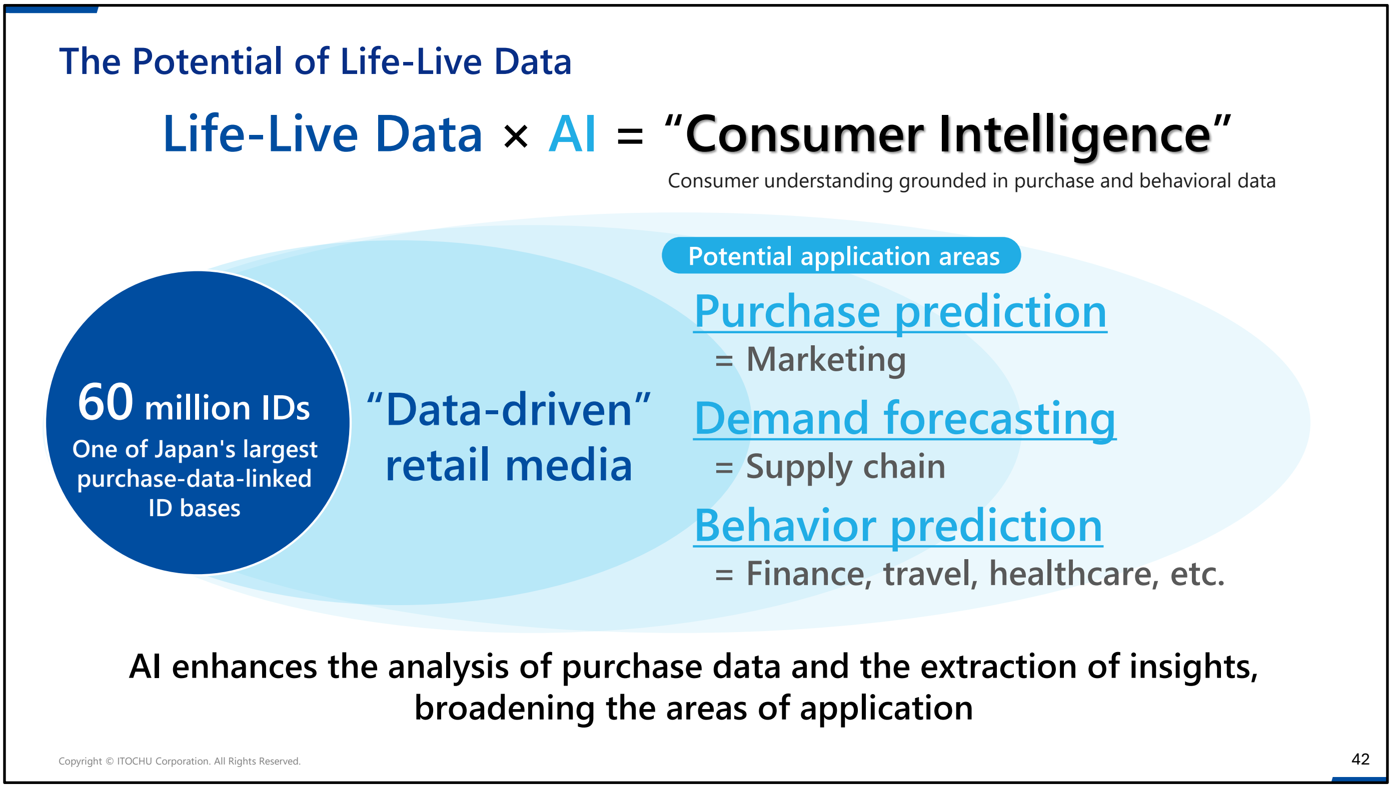
As a milestone in FamilyMart’s media strategy, tomorrow we will open a next-generation concept convenience store in Azabudai Hills, created through a collaboration between FamilyMart and NIGO, the world-renowned designer who led HUMAN MADE to its public listing. From Asian retailers with whom I had worked during my time in the fashion business, we have already received requests to bring this store concept to markets across Asia.
It is a highly compelling store where the convenience store format merges with creativity and offers a sense of the future. I hope you will have an opportunity to visit.



The retail media business, the first successful case of its kind in Asia, began with The 8th Company's founding vision in 2019: to create new businesses with FamilyMart as a foundation.

This business has been built on three strategic pillars. The first is the accumulation and analysis of customer attributes and purchase data. The second is the ownership of owned media and the enhancement of brand value. The third is the revitalization of in-store sales beyond traditional SKU-by-SKU management. To accumulate and analyze customer attributes and purchase data, we promoted downloads of FamiPay, a store app with payment functionality, at FamilyMart stores seven years ago. The app has now reached 30 million downloads. To diversify data and enhance analytical capabilities for the advertising business, we established Data One in December 2020. Today, data collaboration with supermarkets and drugstores has deepened, and we hold 60 million customer IDs and ¥10 trillion in related in-store purchase data, covering around 30% of purchases in this domain in Japan. We call this highly up-to-date purchasing data, which is refreshed daily, "Life-Live Data." In September 2021, we established Gate One and advanced our strategy of owning media by installing digital signage in FamilyMart stores. These displays are now installed in 11,300 stores and have become a media platform viewed by 18 million people each day—comparable in scale to one of Tokyo's major TV networks. As a result, ITOCHU now has both real-store infrastructure—16,000 stores with apps and signage as digital touchpoints—and digital infrastructure comprising 60 million IDs and ¥10 trillion in related data.

In other words, ITOCHU has built an integrated framework that can leverage its membership base, media, and data to reach a wide range of industries, including in-store product display and sales centered on food at FamilyMart stores. The ability to seamlessly execute customer understanding, ad delivery, and effectiveness verification is a key strength of our group's retail media business.



Because Life-Live Data is extremely large in volume, making use of it had required considerable time and effort. However, generative AI has dramatically expanded its potential. By leveraging generative AI, we are now able to analyze large-scale, cross-retail purchase and behavioral data both quickly and effectively, allowing us to extract actionable insights to support decision-making.

For example, we can now clearly identify trends such as what products consumers who purchase certain items at convenience stores tend to buy at drugstores. Moreover, the ripple effects of advertisements placed at convenience stores on purchasing behavior at drugstores can now be visualized instantly. In other words, instead of simply possessing data as records, we are now able to transform it into Consumer Intelligence, deepening our understanding of consumers. Building on this foundation, we aim to further advance our retail media business. In the medium- to long-term, we plan to expand the utilization of this data beyond advertising and marketing, including applications such as supply chain optimization through demand forecasting. Over the past five years, our advertising-related revenue has surpassed ¥10 billion and is expected to continue growing. Looking ahead, we also intend to broaden our data utilization to adjacent fields such as finance, travel, and healthcare. Through these initiatives, we aim to create new business opportunities as the 8th Company.

Examples of Initiatives to Enhance Advertising Value

- Cross-retail effectiveness verification
- Leveraging store assets

Membership base, media, and data
combined to
maximize advertising value

In-store linked campaign

Record-high sales *

- FamimaTV ad broadcast
- Linked with the FamiPay app, social media, and in-store merchandising
- Advertising effectiveness analysis and feedback

*Over the past 5 years, first-week unit sales of new beverage products

"FamilyMart as Retail Media" — test-drive event

- FamimaTV ad broadcast
- Test-drive events held in the store parking lots

▶ Toward "**a convenience store that even sells cars**"

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I would like to share two examples of how FamilyMart's retail media is being used.

The first is the launch of NOPE, a highly carbonated beverage. By linking the in-store merchandising, app, and digital signage, we achieved the highest first-week sales for a new beverage product in the past five years. This enabled us to promote the new product at exceptional speed. This demonstrates a major shift from a convenience-store model supported by SKU-by-SKU management to a strategy that uses media power to promote manufacturers' products—not private brands—and receive promotional and advertising fees. After the initiative, we conducted detailed effectiveness verification using purchase data and FamiPay surveys through the app, and provided advertisers with feedback based on a variety of data.

The second example is a sales event using FamilyMart parking lots in collaboration with an automobile dealer. We conducted the first trial in spring 2025. Signage advertisements for Hyundai of Korea were shown for two weeks at approximately 800 stores in the Tokyo metropolitan area—Tokyo, Chiba, Kanagawa, and Shizuoka. This was followed by test-drive and sales events for about one week in the parking lots of 10 stores. Although the vehicles were not inexpensive, the initiative resulted in sales of nearly 50 units. We believe the ability to take a test drive at a convenience store—in other words, close to home—helped lead to purchases. We have also achieved results in subsequent sales initiatives with another automobile dealer. We call this concept "FamilyMart Whole Store Media."

By combining owned media and third-party media such as social media, convenience stores can serve as vital last-mile infrastructure, particularly in regional areas where local infrastructure is declining. Adding the essence of Consumer Intelligence to this framework may open the next stage of retail.

Combining real-world data infrastructure with AI to help companies solve marketing challenges is the next key focus for The 8th Company.

05

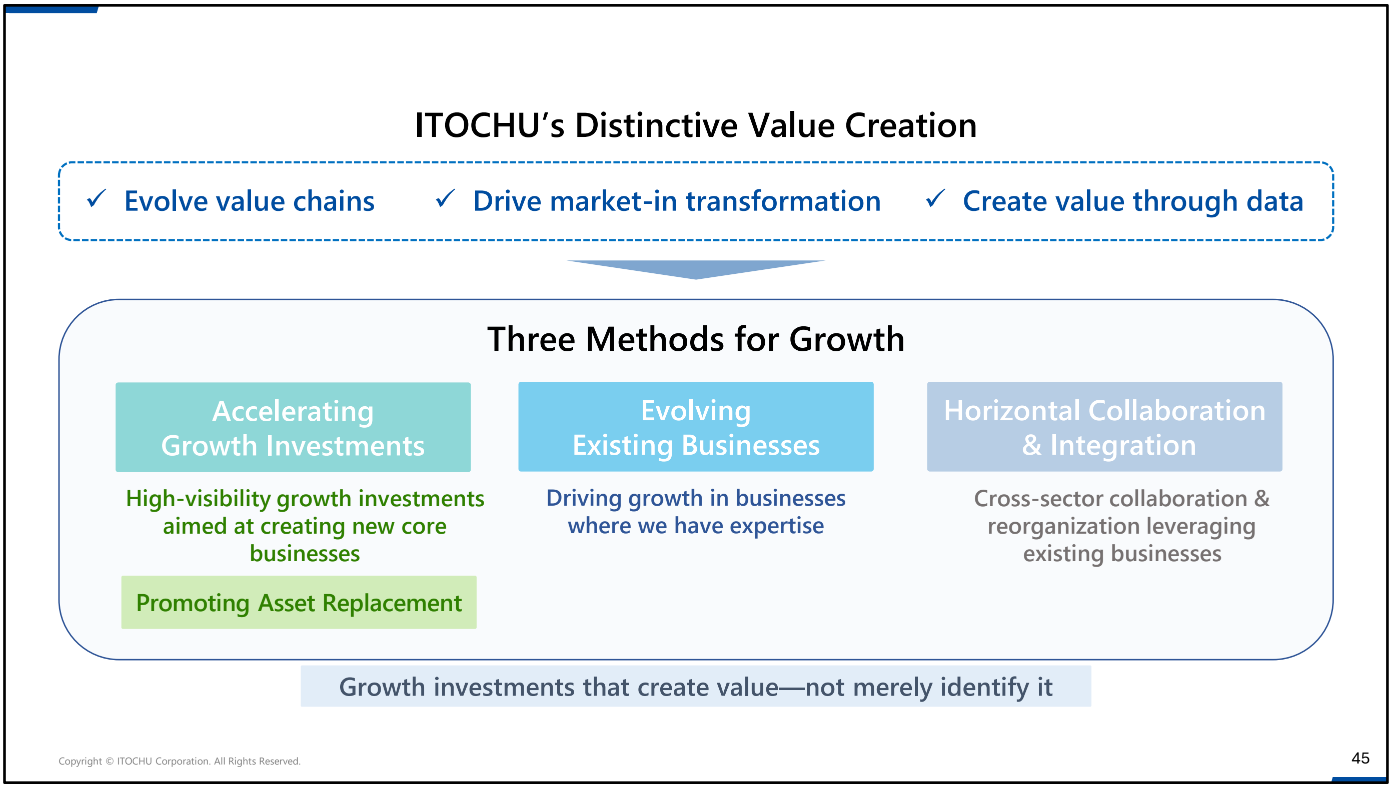
Financial & Capital Strategy for Value Creation

Hiroyuki Naka

Member of the Board
Senior Executive Officer
CFO; (Since 2026)
CXO (Since 2024)

- Joined ITOCHU in 1987; has mainly been involved in the Textile related business and Corporate Planning & Administration Division
- Previously held the positions of Deputy COO of the Food Products Marketing & Distribution Division, General Manager of the Corporate Planning & Administration Division, and CDO, CIO, and CSO
- Since 2024, as CXO, has promoted the transformation of the business scope and format of the entire ITOCHU Group, and advancing the digitalization strategy and overseas policies

To conclude, I would like to speak about our financial and capital strategy.



President Ishii and the Division Company Presidents have shared concrete examples of how we are creating value. In this section, I would like to summarize our approach to growth into three methods. These are the same methods we presented in the materials released at the time of our earnings announcement in May.

The first is to accelerate growth investments with high visibility, together with the active promotion of asset replacements. The second is the evolution of existing businesses, where we further enhance growth in businesses where we have expertise through hands-on management. The third is the horizontal collaboration and reorganization across sectors. By combining these three methods, we will achieve steady growth that is distinctive to ITOCHU.

For investors in the stock market, investing typically means identifying undervalued assets, holding them until they reach fair value or become overvalued, and realizing returns through their sale. For us, however, investment means something fundamentally different. By combining these three approaches, we continuously create value ourselves. Although both are described as "investment," the substance is entirely different. Our business model is built on continuously enhancing the value of our investments through our own initiatives, regardless of the management environment.

Maintaining 15% ROE

- Maintaining highly efficient management

Approx.
ROE 15%

- Sustainable EPS growth

Matrix of growth rate, total payout ratio, and ROE

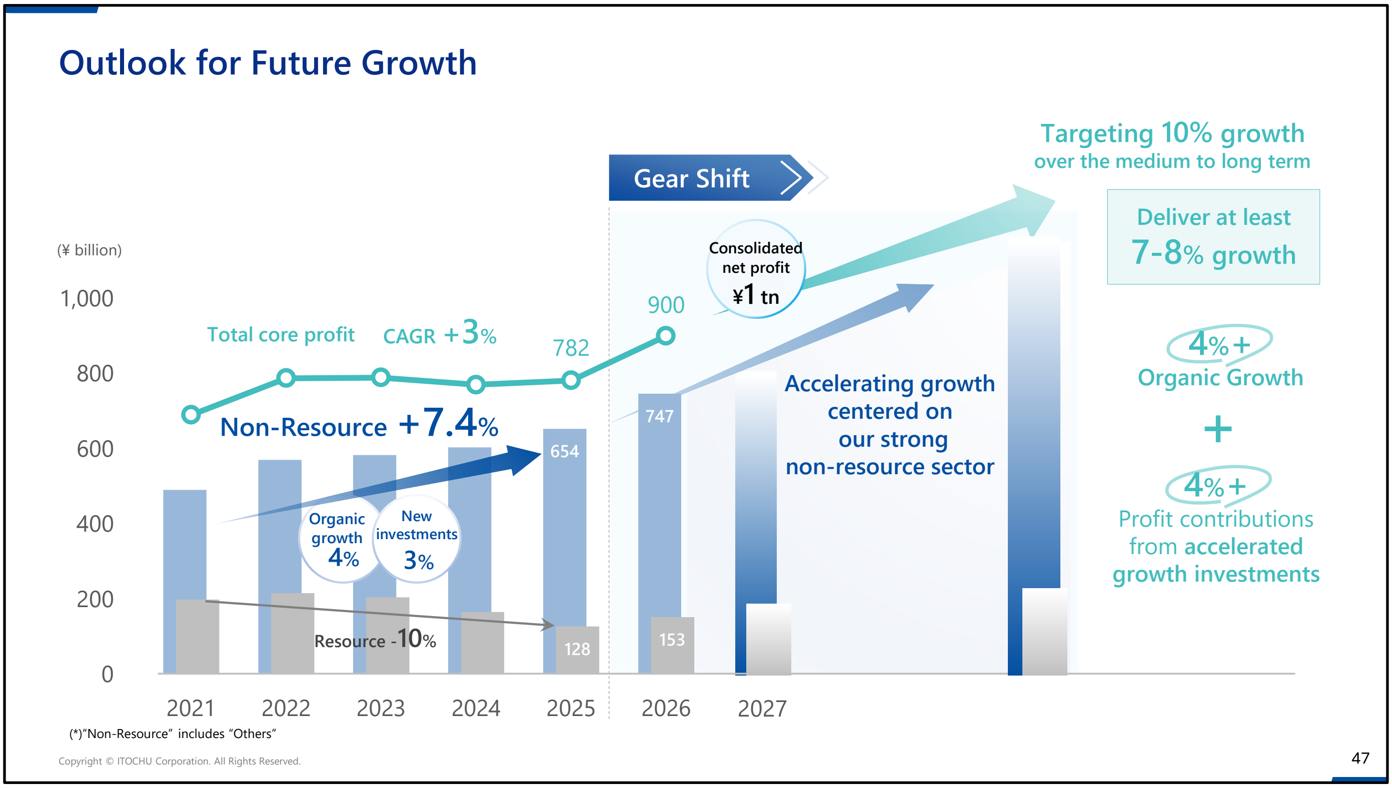
An image of the profit growth rate required to maintain an ROE of 15% or higher

		Total payout ratio		
		60%	50%	40%
ROE	13%	5%	7%	8%
	14%	6%	7%	8%
	15%	6.0%	7.5%	9.0%
	16%	6%	8%	10%
	17%	7%	9%	10%

[Example] – Minimum profit growth: 7-8%
– Total payout ratio: 50%

Maintaining 15% ROE

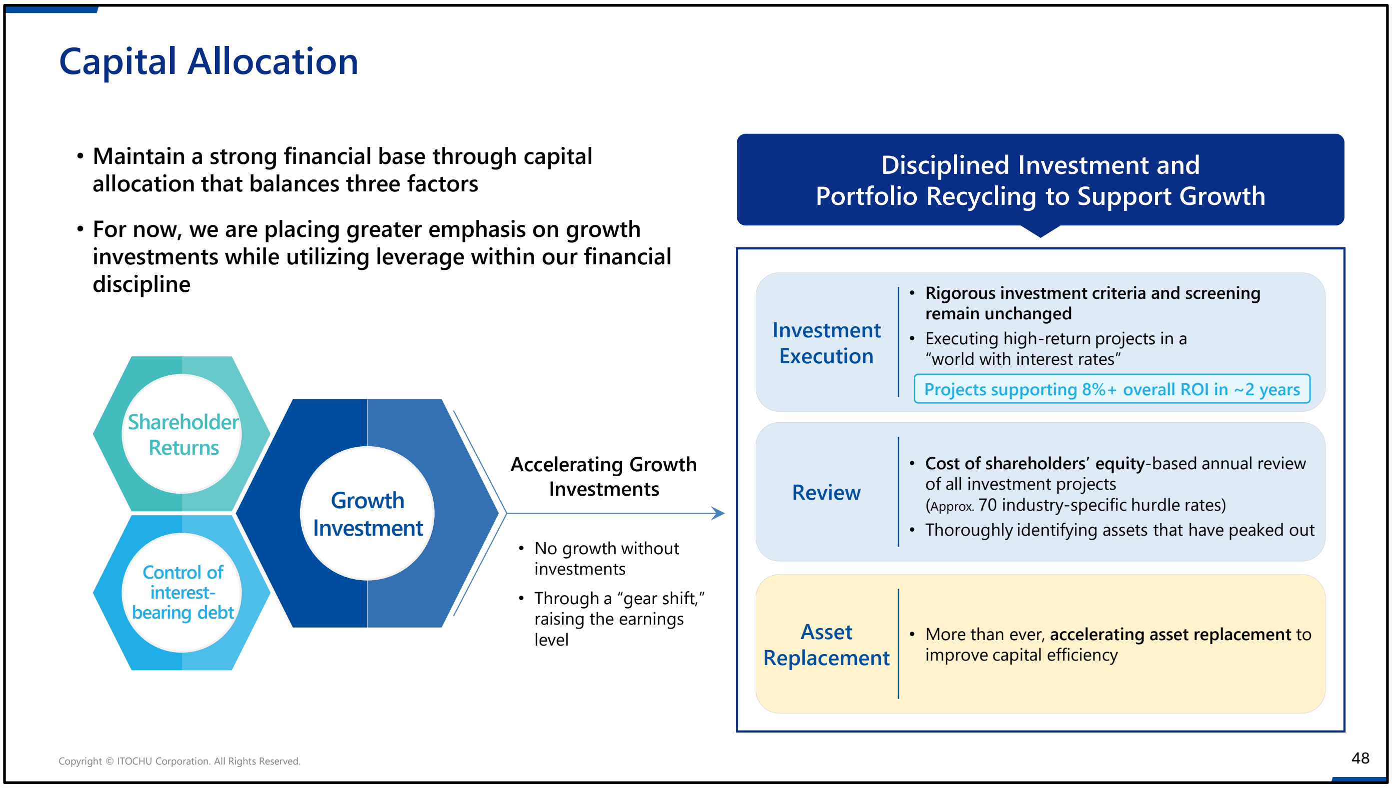
Let me once again reaffirm our basic policy.
We remain committed to maintaining highly efficient management, as reflected in our focus on sustaining an ROE of 15% level, while delivering sustainable EPS growth.
For example, assuming profit growth of at least 7–8% and a total payout ratio of 50%, we can maintain an ROE level of 15%. While we seek to achieve a high ROE through an appropriate balance between profit growth and shareholder returns, our fundamental approach remains unchanged: to sustain a high ROE primarily through continued profit growth.



As President Ishii explained earlier, the core profit in the non-resource sector achieved a CAGR of 7.4% over the five fiscal years from FY2021 through FY2025.

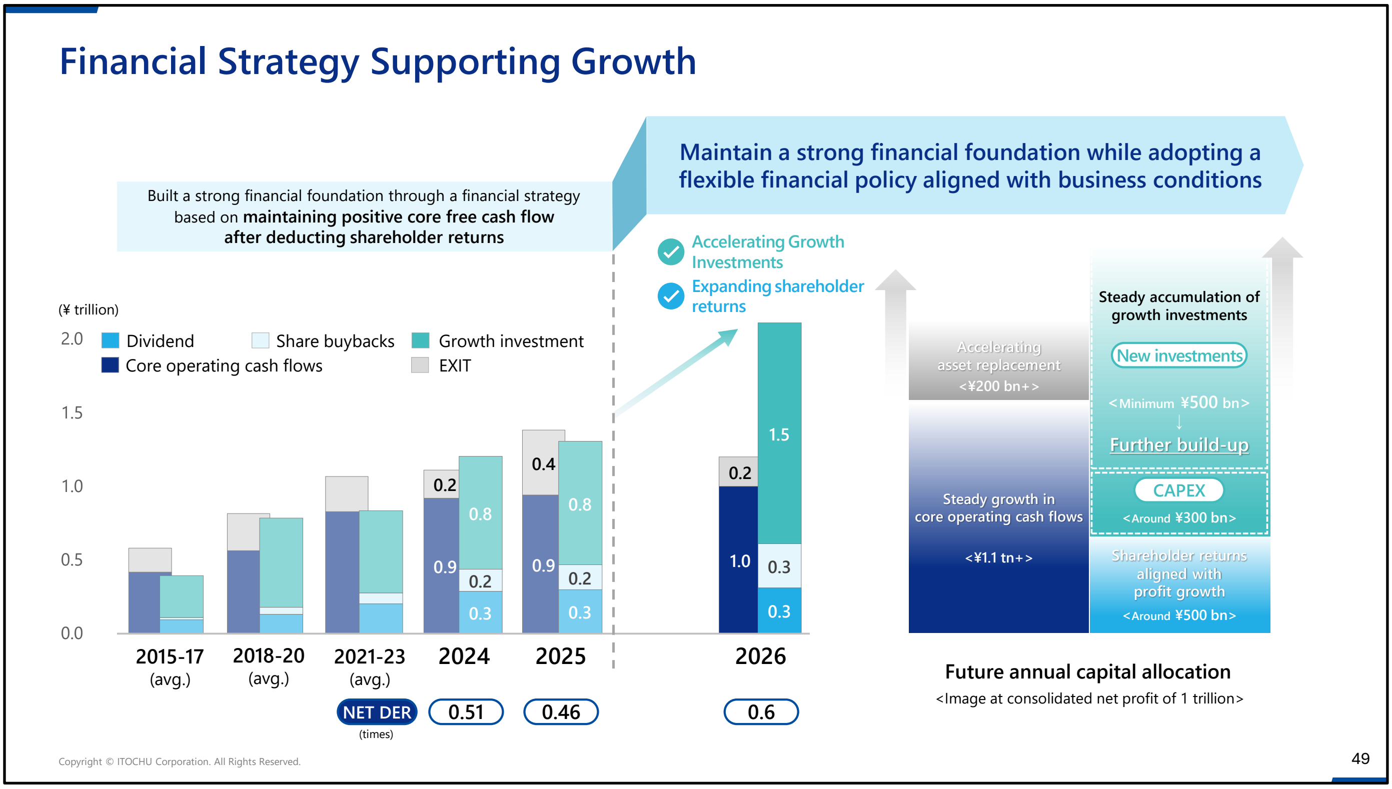
Based on our analysis, this can be broadly attributed to two sources: approximately 4% from organic growth and approximately 3% from contributions from new investments. Building on this track record and leveraging our strength in the non-resource sector, we aim to achieve organic growth of at least 4%, followed by at least another 4% from increased profit contributions from growth investments. In other words, we intend to secure profit growth of at least 7–8%. Over the medium to long term, we are targeting profit growth of 10% and will continue executing the growth strategy and approaches I have outlined today.

For this fiscal year, our core profit forecast is ¥900.0 billion, representing 15% growth from the previous fiscal year and marking the beginning of our "Gear Shift." More importantly, we are committed to maintaining this growth trajectory in the years ahead.



Our fundamental policy of maintaining a strong financial foundation by balancing three factors—growth investments, shareholder returns and controlling interest-bearing debt—remains unchanged.
In the near term, however, to accelerate our "gear shift," we will place greater emphasis on growth investments by utilizing leverage within the boundaries of financial discipline.

Even so, our disciplined approach to capital allocation and investment execution remains unchanged. Our investment criteria are also unchanged. Although hurdle rates will inevitably rise in a higher interest rate environment, we will continue to pursue high-conviction growth investments with strong earnings visibility. It is also essential to realize highly achievable synergies and enable horizontal collaboration through every investment. In addition, we intend to pursue asset replacements more actively than before. As Chair of the ALM (Asset Liability Management) Committee, I have already instructed each Division Company to take concrete steps toward executing strategic asset replacement.



Finally, let me share our image of annual cash allocation assuming consolidated net profit reaches ¥1 trillion. Under the assumption that core operating cash flows exceeds ¥1.1 trillion, we also expect asset replacements to exceed the historical average of approximately ¥200.0 billion. We assume shareholder returns of around ¥500 billion and CAPEX of around ¥300.0 billion.

Even under the assumption that cash inflows and outflows remain broadly balanced, in other words, even if we continue gradually to reduce NET DER going forward, we believe it would still be possible to execute at least ¥500.0 billion of growth investments annually. Furthermore, with continued growth in operating cash flows, the acceleration of asset replacements, and the use of leverage, we believe growth investments can significantly exceed this level.

Even if growth investments were to remain at the minimum level of ¥500.0 billion, assuming an ROI of 8%, they would generate approximately ¥40.0 billion in profit contributions. This gives us confidence that sustaining annual profit growth of at least 7–8% is well within reach. By accelerating new investments, evolving our existing businesses, and realizing horizontal collaboration and integration across the Group, we believe our target of 10% growth is well within reach.

Looking ahead, we expect to have opportunities to explain the details of this fiscal year's planned ¥1.5 trillion in growth investments. For us, the ¥1 trillion milestone in consolidated net profit is no more than a waypoint. By continuing to deliver sustainable profit growth, we will further enhance our market capitalization and create greater value for our shareholders. We sincerely appreciate your continued support and look forward to your ongoing confidence in our management.

Forward-Looking Statements

Data and projections contained in these materials are based on the information available at the time of publication, and various factors may cause the actual results to differ materially from those presented in such forward-looking statements. ITOCHU Corporation, therefore, wishes to caution that readers should not place 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.

[Closing Remarks by Keita Ishii, President & COO; CSO]

Thank you very much for joining us today and for staying with us throughout this extended program.
While this IR Day may have had a somewhat informal and handmade feel, we hope this event has provided you with a clearer understanding of where we are heading, the fundamentals of how we generate earnings, how we intend to expand our business, and how each Division Company President plans to lead their Company to the next stage.
With the FIFA World Cup currently underway, we are not the kind of team that relies on a single ace player to score all the goals. Rather, ours is a style in which everyone patiently passes the ball, advances together all the way to the goal, and scores as a team.
With your continued support and encouragement from the stands, we hope to continue delivering steady growth. We sincerely appreciate your continued support.