

Skills Matrix of Corporate Officers and Structure of Advisory Committees

ITOCHU'S corporate officers, regardless of whether they are inside or outside, bring their knowledge, experience, and high level of insight in their respective fields to management. To fully utilize the professional perspectives and high level of insight of each Outside Director and Audit & Supervisory Board Member, the areas in which they are expected to make a particular contribution are identified with ●, after consultation with each officer.

Note: For Inside Directors, the areas in which they have knowledge and experience are identified with ○, and for full-time Audit & Supervisory Board Members, Outside Directors, and Outside Audit & Supervisory Board Members, the areas in which they are expected to make a particular contribution are identified with ●, as stated previously.

Name	Title	Gender	Principle specialized area of experience / area in which officers are expected to make a particular contribution									Governance and Remuneration Committee	Nomination Committee	Main role, career history, qualifications, etc.
			All aspects of management	Global	Marketing / sales	SDGs & ESG	Health & medical care		Finance, accounting & risk management	Human resources & labor	Internal control & legal affairs / compliance			
Masahiro Okafuji	Chairman & CEO	Male	○	○	○	○	○		○	○	○	Member	Member	President, Textile Company President, ITOCHU Corporation
Yoshihisa Suzuki	Vice Chairman	Male	○	○	○	○	○		○	○	○			President & CEO, ITOCHU International Inc. President, ICT & Financial Business Company President & Chief Operating Officer, ITOCHU Corporation
Keita Ishii	President & COO	Male	○	○	○	○	○		○	○	○	Member	Member	President, Energy & Chemicals Company
Tomofumi Yoshida	Director	Male	○	○	○	○			○	○	○			President & CEO, ITOCHU International Inc. President, General Products & Realty Company
Yuji Fukuda	Director	Male	○	○	○	○			○	○	○			President, Energy & Chemicals Company CEO for East Asia Bloc, CEO for Asia & Oceania Bloc
Fumihiko Kobayashi	Director	Male	○	○		○	○		○	○	○	Observer	Member	General Manager of Human Resources & General Affairs Division Chief Administrative Officer, ITOCHU Corporation
Tsuyoshi Hachimura	Director	Male	○	○	○	○			○	○	○			General Manager of Finance Division Chief Financial Officer, ITOCHU Corporation
Atsuko Muraki	Outside Director	Female				●	●			●			Chair	Vice Minister of Health, Labour and Welfare
Masatoshi Kawana	Outside Director	Male	●			●	●					Chair	Member	Vice President of Tokyo Women's Medical University Hospital Doctor of Medicine
Makiko Nakamori	Outside Director	Female			●				●		●		Member	Certified Public Accountant
Kunio Ishizuka	Outside Director	Male	●		●					●		Member		President and CEO / Chairman, Isetan Mitsukoshi Holdings Ltd.
Shuzaburo Tsuchihashi	Full-time Audit & Supervisory Board Member	Male		●	●						●		Observer	President, ITOCHU Australia Ltd. Chief Operating Officer, Metal & Mineral Resources Division
Makoto Kyoda	Full-time Audit & Supervisory Board Member	Male				●			●		●	Member		Chief Financial Officer, Food Company
Shingo Majima	Outside Audit & Supervisory Board Member	Male		●					●		●	Member		Partner, KPMG LLP (U.S.) Certified Public Accountant in Japan and the U.S. (New York State)
Kentaro Uryu	Outside Audit & Supervisory Board Member	Male			●				●		●		Member	Managing Partner, URYU & ITOGA Attorney-At-Law
Masumi Kikuchi	Outside Audit & Supervisory Board Member	Male	●		●					●		Member		President and Representative Director, Sendai Terminal Building Co., Ltd.; President and Representative Director / Director and Chairman, Atre Co., Ltd.

Information Provision and Support System for Outside Officers

To fully demonstrate the function of outside officers whose responsibility is to monitor and audit management, and to maximize contribution to the Company's management objectively, it is essential to reduce the information asymmetry between inside and outside officers as much as possible. We strive to implement various initiatives to deepen the outside officers' understanding of ITOCHU's diverse businesses as a general trading company and to revitalize the Board of Directors.

Preliminary Briefings

We hold preliminary briefings for outside officers prior to the Board of Directors' meetings. In addition to explaining the important points and contents of each agenda item, for important agendas, we provide information to deepen understanding of the background and matters to be resolved of each agenda item, as well as the contents of discussion held in the internal management meeting. Furthermore, regarding the formulation of the management plan, ITOCHU conducts progress reports and opinion exchanges regarding the plan in order to reflect the diverse perspectives of outside officers in the numerous stages of the formulation process.

Site Visits

ITOCHU creates opportunities for outside officers to make periodic visits to business sites at Group companies and investees inside and outside Japan, and hold exchanges and dialogues with each management team and employees. The reason for this is to deepen the understanding of the diverse characteristics of the vast range of ITOCHU's business activities, products, and services, as well as connect these to appropriate management decisions.



C.I. TAKIRON Corporation Hold discussions surrounding the strengths of wide-ranging products and the contents of medium- to long-term ESG management initiatives.



DESCENTE LTD. Hold dialogues with employees on the front lines through visits to stores that deal with customers and get explanations of the medium-term management plan.

Procedure for Evaluation of the Board of Directors and Evaluation by External Consultants

ITOCHU conducted evaluations on the effectiveness of the Board of Directors for all 10 Members of the Board and 5 Audit & Supervisory Board Members for FYE 2021.

The results of this evaluation confirmed that the Company's Board of Directors continues to ensure its effectiveness in terms of the structure of the Board of Directors and advisory committees to the Board of Directors, the roles and duties of the Board of Directors, the operation status of the Board of Directors, and the information provision and training for Members of the Board and Audit & Supervisory Board Members.

External consultants confirmed that, in FYE 2021, the Board of Directors fully discussed matters that are highly consistent with the Company's medium- to long-term management strategies and contributed to the implementation of such strategies, and that the Board of Directors is functioning effectively. Among other things, the evaluation concluded that the Board of Directors is adequately fulfilling its role in demonstrating its effectiveness, including increasing the participation of outside officers in the management appointment process and the commitment to the SDGs in the medium-term management plan.

Based on the results of this effectiveness evaluation, ITOCHU will actively work on enhancement of discussions and reinforcement of supervision to maintain the effectiveness of the Board of Directors and further improve its functions.





















Policy on the Governance of Listed Subsidiaries

ITOCHU respects the autonomy of listed subsidiaries and prohibits any acts that contradict the principle of shareholder equality, in accordance with ITOCHU's Policy on the Governance of Its Listed Subsidiaries, which was announced in October 2019. Each subsidiary and ITOCHU are in a mutually beneficial relationship to enhance corporate value as business partners. With the recognition that there is a potential conflict of interest between ITOCHU and the minority shareholders of these listed subsidiaries and in order to secure the independent decision-making of these subsidiaries, we request that they set up the effective governance structure under which the independent outside directors of these listed subsidiaries are well functioned. For each of the listed subsidiaries, they have established and maintained an effective governance system at the time of the ordinary general meeting of shareholders in 2021, including the improved ratio of outside directors and the establishment of an independent advisory committee to the board of directors. ITOCHU will continue to encourage listed subsidiaries to further improve their governance structure, taking into account the amendments to the Corporate Governance Code.

The significance of holding each listed subsidiary from perspectives including the Group's management strategy is as follows:

(As of July 1, 2021)

Company name	Significance of holding	Ratio of independent outside directors	Advisory committees for the board of directors	Ratio of independent outside audit & supervisory board members
 ITOCHU ENEX CO., LTD.	Utilizing its wide and diverse domestic customer base, ITOCHU ENEX CO., LTD. is developing new fuel sales, services to enhance logistics efficiency, and next-generation businesses, etc., in addition to existing energy business and power business. It is an important and indispensable presence for the Group in order to build a stable profit based both in Japan and overseas. In addition, ITOCHU ENEX CO., LTD., with utilizing the ITOCHU Group's extensive domestic and international network, promotes initiatives in the new energy field which contributes to achieve the SDGs, and carries out the fuel supply businesses for our Group companies.	38%  (3 out of 8 directors)	• Governance Committee	50%  (2 out of 4 members)
 C.I. TAKIRON	C.I. TAKIRON Corporation is positioned as a core enterprise in the Group's plastic resin business, due to its advanced technological capabilities and large-scale production capacity. C.I. TAKIRON Corporation utilizes the ITOCHU Group's extensive domestic and international network for overseas expansion of C.I. TAKIRON Corporation's functional film business, stable procurement of competitive raw materials, and expansion of sales of C.I. TAKIRON Corporation's various products.	50%  (3 out of 6 directors)	• Nomination / Remuneration Committee • Governance Committee*	50%  (2 out of 4 members)
 ISC ITOCHU SHOKUHIN Co., Ltd.	The principal and main business of ITOCHU-SHOKUHIN Co., Ltd. is the sale and distribution of alcoholic beverages and processed foods. Based on its presence, ITOCHU secures stable contact points with various domestic retailers, and maximizes profit in the food distribution field by utilizing this sales channel. In addition, by utilizing the Group's diverse customer base and knowledge in implementing the growth strategy of ITOCHU-SHOKUHIN Co., Ltd., such as "Contribution to customers through creating sales floors which utilize DX," etc., ITOCHU is contributing to the expansion and evolution of the services provided by ITOCHU-SHOKUHIN Co., Ltd.	33%  (3 out of 9 directors)	• Governance Committee	50%  (2 out of 4 members)
 PRIMA MEAT PACKERS, LTD.	The principal and main business of Prima Meat Packers, Ltd. is to sell meat and processed livestock products, and it assumes an important role of supplying final products in ITOCHU's livestock value chain. Prima Meat Packers, Ltd. utilizes the Group's extensive domestic and international network to ensure a stable supply of high-quality imported raw materials for its core products and to jointly develop pork brands with overseas partners in the Group.	40%  (2 out of 5 directors)	• Management Advisory Committee	50%  (2 out of 4 members)
 CTC	ITOCHU Techno-Solutions Corporation serves a function as a sales channel for products and services using cutting-edge technology held by the ITOCHU Group's investees and business partners, and utilizes the Group's extensive network. In addition, ITOCHU Techno-Solutions Corporation is expanding its business through cooperation with ITOCHU, such as joint investments in promising new business areas and joint proposals.	33%  (2 out of 6 directors)	• Nomination Committee • Remuneration Committee • Governance Committee	50%  (2 out of 4 members)
 CONEXIO	CONEXIO Corporation is expanding its business by utilizing the Group's extensive domestic and international network. It is expanding its mobile accessory sales business to overseas, as well as promoting more effective use of management resources, such as store assets and know-how in selling products and services to individual customers, in cooperation with companies in other industries in the Group.	38%  (3 out of 8 directors)	• Nomination / Remuneration Committee • Governance Committee	50%  (2 out of 4 members)

* Established on August 1, 2021

Corporate Officer Remuneration

ITOCHU's remuneration plan for Directors is designed to be an incentive to grow business performance. Variable remuneration ratio is extremely high, even when compared to other companies. The system clarifies management's responsibility, with Director remuneration increasing as performance improves, and significantly decreasing if performance deteriorates. Furthermore, this remuneration plan, including the calculation method, has been previously disclosed publicly, making it highly transparent. More specifically, the remuneration plan consists of fixed remuneration (1) monthly remuneration, and variable remuneration (2) performance-linked bonuses, (3) share price-linked bonuses, and (4) performance-linked stock remuneration, with performance-linked bonuses reflecting short-term performance and share price-linked bonuses and performance-linked stock remuneration reflecting the increase of corporate value in the medium to long term.

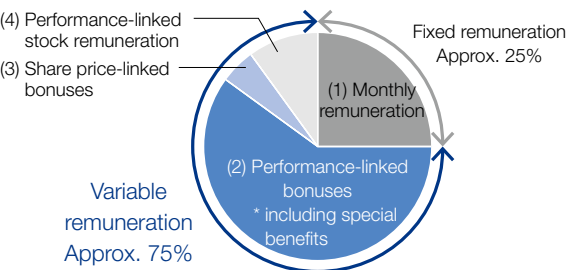
Monthly remuneration is decided based on the standard amount by position and the level of contribution to ITOCHU Corporation, including its response to climate change, ESG, and the SDGs.

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

Overview of Remuneration System and Maximum Remuneration Limit

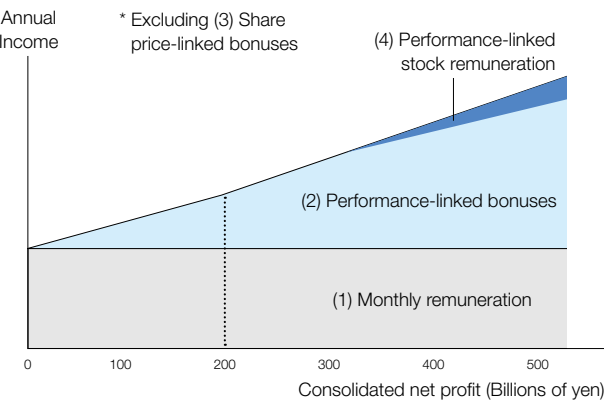
Fixed / Variable	Overview	Remuneration limit	Resolution at general meeting of shareholders
Fixed remuneration	(1) Monthly remuneration Determined based on the standard amount by position and the level of contribution to ITOCHU Corporation, including its response to climate change, ESG, and the SDGs.	¥0.8 billion per year as total amount (including ¥0.1 billion per year as a portion paid to Outside Directors)	June 21, 2019
Variable remuneration (Single year)	(2) Performance-linked bonuses Determined based on consolidated net profit, and each individual payment amount is determined in relation to the position points for the Director.	¥2.0 billion per year as total bonuses paid to all Directors * Not paid to Outside Directors	
Variable remuneration (Medium to long term)	(3) Share price-linked bonuses Calculated based on the increase in ITOCHU's stock price for two consecutive fiscal years and relative growth rate of ITOCHU's stock price compared to Tokyo Stock Price Index (TOPIX).	The amounts below are limits for two fiscal years, for Directors and Executive Officers • Limit on contribution to trust by ITOCHU: ¥1.5 billion • Total number of points granted to eligible person: 1.3 million points (conversion at 1 point = 1 share) * Not paid to Outside Directors	June 24, 2016
	(4) Performance-linked stock remuneration Total payment amount is determined based on consolidated net profit, and each individual payment amount is determined in relation to the position points for the Director used in calculating the individual performance-linked bonuses.		

Composition of Remuneration for Directors (Excluding Outside Directors) (FYE 2021)



* In the event of a consolidated net loss, neither performance-linked bonuses nor performance-linked stock remuneration will be paid.

Remuneration Image of Directors (Excluding Outside Directors)



Calculation Formulas for (2) Performance-Linked Bonuses and (4) Performance-Linked Stock Remuneration

Total Amount Paid to All Directors

Total amount paid to all Directors = (A + B + C) x Sum of position points for all the eligible Directors ÷ 55
A = (Of consolidated net profit for FYE 2022, the portion up to ¥200.0 billion) x 0.35%
B = (Of consolidated net profit for FYE 2022, the portion exceeding ¥200.0 billion and up to ¥300.0 billion) x 0.525%
C = (Of consolidated net profit for FYE 2022, the portion exceeding ¥300.0 billion) x 0.525% (of which, 0.175% as stock remuneration)

The total amount paid shall be the sum of A, B, and C, which shall be adjusted with due regard to the increase / decrease in the number of eligible Directors, the change in position, and other factors. (Remuneration limits exist on bonuses and stock remuneration.)

Amount Paid to an Individual Director

Amount paid to an individual Director =
Total amount paid to all Directors x Position points
÷ Sum of position points for all the eligible Directors

accumulated points. Plans call for all of the stocks paid from the trust to be acquired on the stock market, and accordingly there will be no dilution of shares.

A Director that is a resident outside Japan is not eligible for performance-linked stock remuneration. As a substitute, such Director is eligible for the equivalent amount of individual stock remuneration. The equivalent amount of individual stock remuneration is calculated in accordance with the formula on the left (except the points assigned to such Director being 15) as if such Director were subject to performance-linked stock remuneration, and the amount will be added or subtracted according to a certain performance achievement rate. The remuneration will be determined and paid separately from the performance-linked bonus based on the formula on the left.

* Formula for 80% of the amount paid in cash to an individual Director:
(Total base amount paid to all Directors x Position Point / Sum of Position points for all the eligible Directors) x 80% x Rate determined based on plan achievement rate of the consolidated net profit of the assigned division/ department
• Rate: 100% + (plan achievement rate of the consolidated net profit of the assigned division / department - 100%) x 2 (if negative, it will be 0%)
• The plan achievement rate shall be 100% for the eligible Director for whom no plan achievement rate is measurable.

Calculation Formula for (3) Share Price-Linked Bonuses

Amount Paid to an Individual Director*1 (FYE 2022 and FYE 2023)
= ((Simple average of daily closing price of ITOCHU stock in FYE 2023) - (Simple average of daily closing price of ITOCHU stock in FYE 2021))
x 1,300,000 x (Total position points*2 of FYE 2022 and FYE 2023) / (108.8 points x 2 (years)) x Relative stock price growth rate*3

*1 Share price-linked bonus amounts are determined and paid after the Director retires (after the Executive Officer retires, in the case of taking on the position of Executive Officer after retirement of the Director). Furthermore, the amount payable to a Director retiring at the end of FYE 2022 will be calculated and determined in accordance with the above formula, based on the increase in ITOCHU's stock price and relative growth rate of the ITOCHU's stock price between FYE 2021 and FYE 2022.

*2 The position points assigned to each Director are the same as those applied for calculating (2) performance-linked bonuses, excluding the 5 points assigned to an Executive Vice President who resides outside of Japan.

*3 Relative stock price growth rate = (simple average of daily closing price of ITOCHU stock in FYE 2023 / simple average of daily closing price of ITOCHU stock in FYE 2021) / (simple average of daily TOPIX in FYE 2023 / simple average of TOPIX in FYE 2021)

Details of the Remuneration Paid to Directors and Audit & Supervisory Board Members of the Company in FYE 2021

(Rounded to the nearest million yen)

Type		Number of people	Total amount of remuneration (Millions of yen)	Monthly remuneration	Details (Millions of yen)			
					Performance-linked remuneration			
					Performance-linked bonuses	Share price-linked bonuses	Special benefits	Stock remuneration
Directors	Inside	6	2,274	575	1,009	268	355	67
	Outside	4	76	76	—	—	—	—
	Total	10	2,350	651	1,009	268	355	67
Audit & Supervisory Board Members	Inside	3	92	92	—	—	—	—
	Outside	3	57	57	—	—	—	—
	Total	6	148	148	—	—	—	—

Following deliberation by the Governance and Remuneration Committee, at a meeting of the Board of Directors held on April 14, 2021, ITOCHU resolved to pay special benefits. These special benefits for FYE 2021 were paid within the limit of Director bonuses based on the minimization of earnings reductions caused by the COVID-19 pandemic, the achievement of the earnings goal in the "FYE 2021 Management Plan," the significant improvement of corporate value, and the Company claiming the top position in the general trading company industry for the first time in terms of annual average stock price and average market capitalization.