

The Brand-new Deal

Integrated Report Briefing

October 17, 2025

ITOCHU Corporation (8001)



(This Briefing uses the Integrated Report 2025 (Digest Edition) [ar2025E_digest.pdf](#) as reference material.)

First, I would like to share the key points in the creation of this year's Integrated Report. Under Chairman & CEO Okafuji's leadership, we are consistently required to thoroughly instill a "Market-Oriented Perspective" not only within our business divisions but also across the administrative divisions. IR is the function that oversees dialogue with the market and investors. For the Investor Relations Division, it is essential, in line with a truly "Market-Oriented Perspective," to constantly listen to the voices of the market and our investors and reflect the insights we receive into our IR activities.

In preparing this year's Integrated Report, we had many opportunities to speak with a wide range of market participants. We received numerous valuable suggestions about what is missing from our report and what could be improved. All of these were extremely helpful and meaningful dialogue opportunities.

Through this process, we realized, once again, the importance of clarity—making the report easier to understand.

As the editorial and production team, we tend to fall into the mindset that more detail equals better understanding, assuming that explaining everything is helpful. However, this is, in fact, a "product-out approach," which is the opposite of a "Market-Oriented Perspective."

True clarity lies in simplicity that communicates. Investors cover a wide range of industries, business models, and companies. We are not the only company they are looking at. Through dialogue, we realized once again what may be obvious: that "easy to understand" means "simplicity that communicates."

About Digest of Integrated Report 2025

- The Integrated Report 2025 has been prepared with an even greater emphasis on readability—both in booklet and PDF formats—as well as on meeting the diverse needs of our readers.

Emphasizing the Readability of Booklet/PDF, and Addressing Diverse Needs of Readers	
① Reduction of Page Count	Reflecting feedback from meetings with investors and Integrated Report briefings, we have extracted the essence of each item and summarized the content in a more concise manner.
② Introduction of Interactive PDF format	Enhancing usability by utilizing internal links within the booklet and index on the right edge of the pages.
③ Creation of a Digest	As a first-time initiative, released a digest of the PDF, allowing readers to quickly confirm the key points.



We have thoughtfully compiled this digest to provide a concise overview while retaining all the key elements required for an integrated report. This digest is designed to help you efficiently understand the essence of ITOCHU’s sustainable value creation story. At the bottom of each slide, you will find links to important keywords and related topics, which are discussed in greater detail in the full integrated report. Should you wish to learn more about our initiatives and strategies, we invite you to explore the complete integrated report for a more in-depth perspective.

With that in mind, we took on two major challenges in this year’s Integrated Report: (1) Reduction of Page Count, and (2) Creation of a Digest Version.

Regarding (1) the Reduction of Page Count, we reduced the number of pages from 133 last year to 97—about a 30% reduction—taking it as a given from the outset that we would produce a report with a double-digit page count.

In Integrated Report production, the prior year’s template can easily influence the structure, often resulting in the booklet’s composition becoming formulaic. By introducing page constraints, we revisited the page structure and reconsidered what we truly wanted to convey. By stripping away the “impurities,” we clarified our true message. In this process, we even arrived at new truths and ideas. The details will be explained later.

(2) We also created a Digest Version. Although we reduced the total page count, the booklet still spans 97 pages, and it is indeed difficult for everyone to read through the entire content in detail. Therefore, we narrowed down the key points even further and created a Digest Version to ensure effective delivery of the essentials.

This initiative, too, is a challenge undertaken with a “Market-Oriented Perspective,” though we recognize that we are still a work in progress. We will continue to raise the level of the Digest Version so that we will be able to deliver it to you in a more refined form.

It is my belief that IR activities must always be “Market-Oriented.” In line with this philosophy, we created this year’s Integrated Report.

Theme and Structure of Integrated Report 2025

Theme

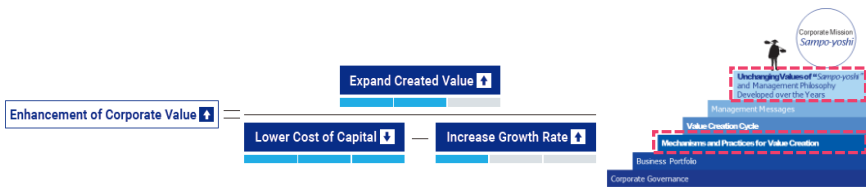
The management philosophy developed over the year and the framework and practice of value creation

The source of our competitive advantage lies in our unwavering values, embodied by the “*Sampo-yoshi*” philosophy, as well as our management principles developed over the year.

We believe that the essence of ITOCHU Corporation’s story of sustainable value creation lies in how our management philosophy was formed, how it is structured, and how it is put into practice at the frontline of our business.

Accordingly, we have structured this booklet in a way that allows us to communicate these core elements directly to our readers.

Furthermore, instead of the corporate valuation formula that we used in previous years to structure the booklet, we have adopted a barometer-style approach on each page. This visually illustrates how the content presented on each page contributes to enhancing corporate value from multiple perspectives, enabling readers to instantly grasp the areas where our initiatives have the greatest impact.



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Next, I will explain the theme and structure of this year’s Integrated Report. The theme is “Management philosophy developed over the years and the framework and practice for value creation.” Founded in 1858, we have accumulated nearly 170 years of history. Our history has shaped the Company’s culture and DNA. There have been ups and downs—failures as well. What matters is what we learn from them and how we develop our Management Philosophy. I believe that companies that learn from their own history are the ones that will achieve the sustainable enhancement of corporate value.

It has been 16 years since Chairman & CEO Okafuji began leading the Company. Today’s ITOCHU is not built only by him. It exists because his current management is based on a Management Philosophy learned from the history.

We unpack our corporate mission “Sampo-yoshi,” which originates from the Ohmi merchants, and the “Management Philosophy” cultivated over the years. We also revisit our “Corporate Value Calculation Formula,” the unchanging framework of our Integrated Report, to clearly show how these connect to the story of the sustainable enhancement of corporate value.

Management Philosophy as a Merchant, Cultivated and Refined through the Accumulation of Historical Lessons

POINT Our management philosophy has been developed based on the lessons we have learned throughout our history. By expressing these principles in clear and accessible language, and by constantly communicating and reinforcing them, we ensure they are deeply embedded in our organization and serve as a source of competitive advantage. In Integrated Report 2025, we provide an in-depth look at four representative management philosophies, including their origins and the historical foundations that have enabled them to take root. These explanations are accompanied by relevant KPIs.

Learned from History
Investment in TOA Oil Co., Ltd. and the Oil Shock

Summary 1
Do not formulate long-term management plans based solely on idealism. Avoid philosophy-driven management.
Do not set numerical targets without a backup; place emphasis on commitment-based management.

Expansion into Real Estate During the Bubble Period and Comprehensive Loss Disposal through Selection and Concentration

Summary 2
Avoid management that relies excessively on selection and concentration.
Ensure fairness in selection by thoroughly examining potential contradictions or adverse effects.

Summary 3
"The higher the mountain, the deeper the valley." As the business environment is bound to change, never become overconfident or complacent.
Prioritizing loss disposal can lead to fatal outcomes; it is crucial to have an accurate understanding of the situation and to make calm decisions.

Management Philosophy as a Merchant, Cultivated and Refined through the Accumulation of Historical Lessons

Lessons learned from past management decisions, such as the investment in TOA Oil Co., Ltd. and the expansion into real estate during Japan's economic bubble, have been repeatedly discussed and reviewed at management meetings. In addition, these words are easy for anyone to follow, and by repeatedly communicating them to our front line, they have been elevated to our Management Philosophy.

Management Philosophy
(P.4-9)

Market-Oriented Perspective

"Earn, Cut, Prevent" Principles

Commitment-Based Management

Consistent Management

Market-Oriented Perspective

"We have been able to do this" - helping to shape and maintain business

The TOA Group's business philosophy is based on the idea of "helping to shape and maintain business." This philosophy is reflected in the TOA Group's business strategy, which focuses on the development of new businesses and the expansion of existing businesses. The TOA Group's business strategy is based on the idea of "helping to shape and maintain business," which is reflected in the TOA Group's business strategy, which focuses on the development of new businesses and the expansion of existing businesses.

"Earn, Cut, Prevent"

The principle of "Earn, Cut, Prevent" is a management philosophy that focuses on the development of new businesses and the expansion of existing businesses. This principle is based on the idea of "helping to shape and maintain business," which is reflected in the TOA Group's business strategy, which focuses on the development of new businesses and the expansion of existing businesses.

Commitment-Based Management

As a merchant, TOA Group has always been committed to the development of new businesses and the expansion of existing businesses. This commitment is reflected in the TOA Group's business strategy, which focuses on the development of new businesses and the expansion of existing businesses.

Consistent Management

Consistent Management is a management philosophy that focuses on the development of new businesses and the expansion of existing businesses. This philosophy is based on the idea of "helping to shape and maintain business," which is reflected in the TOA Group's business strategy, which focuses on the development of new businesses and the expansion of existing businesses.

In the report, we describe the historical background and origins of each element of our Management Philosophy that we always explain to you: "Market-Oriented Perspective," "Earn, Cut, Prevent," "Commitment-Based Management," and "Consistent Management." Although these may not be sophisticated terms as seen in business school textbooks, they are KPIs born from our management history and practices and, therefore, we believe they are highly effective. As the starting point of our story toward the sustainable enhancement of corporate value, we have allocated space in the report to explain these elements of our Management Philosophy.



Sustainable enhancement of corporate value is the mission of management.
Drawing on our history and staying true to the merchant philosophy we have developed over the years, we will continue to strive for new heights.

The Japanese Dream

Enhancing our corporate value ultimately contributes to the well-being and satisfaction of all those who hold shares in our company.

The Essence of Lean Management

"Cut" is a basic management skill with very high reproducibility if the right mindset and methods are acquired.

The Sensitivity of a Market-Oriented Perspective

Merchants need to be like water: the core of a merchant is to change shape like water to fit the vessel of customer needs.

The True Meaning of Corporate Brand Value

Once a brand is established, its value can be maintained and enhanced through ongoing refinement, no matter the circumstances.

Expanding Investment Opportunities through Trust

we are simultaneously enhancing corporate brand value and expanding new investment opportunities.



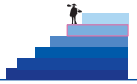
From here, I will highlight key points from each management message. First is the message from Chairman & CEO Okafuji. We understand that many of you look forward to the CEO message, and we devote particular effort to this section. We begin entirely without a script; this section emerges from an interview and discussion with CEO Okafuji.

While I strongly recommend reading the original, based on the conversations with the CEO, I would like to highlight three points:

First, "The Essence of Lean Management." While a strong cost awareness is the starting line of management, it requires a sensitivity—an ability to sense what is truly necessary. Employees will not follow if we simply urge cost cutting. Whether there is a culture that cultivates this sensitivity is a critical dividing line. And this sensitivity applies to every aspect of management: not only appropriate expense control but also appropriate inventory management and appropriate workforce allocation.

The message also states that "Cut" and "Prevent" are "management methods with very high reproducibility." Indeed, "Earn" is greatly influenced by macro factors such as market, industry, and economic trends and is very difficult. On the other hand, "Cut" and "Prevent" can be practiced by our own hands, independently of external factors, and in that sense, are highly reproducible management methods. The question is how thoroughly we can implement them. We have more than 260 Group companies. If each front line implements these methods steadily, they can become one of our sources of growth.

Second, "Expanding Investment Opportunities through Trust." We are strong in domestic business. At the same time, many people are concerned about the future of the Japanese economy, including demographics, and question the growth potential in the domestic market. Meanwhile, with the Tokyo Stock Exchange's reforms, activists have intensified, and many companies are being forced to reorganize their business structures. As written in the message, in this trend we are receiving approaches from customers facing challenges, which have led to multiple investment opportunities. Even in a domestic market widely viewed as having limited growth potential, we see opportunities to realize growth based on the "trust" we have cultivated through business over many years. This is an example of converting the non-financial value of "trust," which management values, into financial value. Finally, the "Japanese Dream." This keyword emerged from a casual conversation with the CEO. The message shares an example of a woman and illustrates that continuing to hold shares in a company that sustainably enhances corporate value can lead to such an outcome. Our major shareholder, Berkshire Hathaway Inc., has said that its investments in general trading companies will be long-term, lasting over 50 years. Through the interview and discussion, Chairman & CEO Okafuji once again felt a strong sense of responsibility for sustainably enhancing corporate value. For management to truly internalize their mission and act, I believe sense of urgency and mission re-influenced by familiar and concrete event is essential. "We must not disappoint trust." "Management is about materializing everyone's happiness." This interview made me feel that this is what the CEO truly believes.



By honing our front-line capability and ability to make timely corrections through “cultivating human power and sensitivity,” we will carve out the future of ITOCHU.

Demonstrating the Ability to Make Timely Corrections

Live information obtained from closed front-line networks derived from information networks based on relationships of trust with customers is essential for proactive crisis response. In other words, for demonstrating the ability to make timely corrections, which makes the difference in crucial situations.

Creating New Businesses by Breaking Down Product Silos

One of the key roles expected of a general trading company is to take the lead in combining strengths across different industries and fields, pioneering and creating new value and markets that did not exist before.

As for our challenges, I recognize the need to further strengthen our overseas expansion and the utilization of digital technology and AI.

ITOCHU Group's Underlying Strength

The messages that we have consistently communicated over time have gradually permeated the front lines, eventually becoming firmly rooted as part of our Group's management philosophy.



Next is the message from President & COO Ishii. Again, I strongly encourage you to read the original. Through this interview, I felt three points: (1) business ultimately depends on people—the importance of front-line capabilities; (2) a sense of urgency regarding ITOCHU's specific challenges as seen by the COO; and (3) tangible progress that our Management Philosophy is increasingly ingrained across the Group.

Like CEO Okafuji, COO Ishii's comments reflect his career rising from the front lines and convey anew the characteristics of ITOCHU as a company of merchants. Meanwhile, as he has also assumed the role of CSO this year, he also touches on our current issues and sense of urgency: (1) breaking down product silos, (2) building overseas businesses precisely because we are strong in domestic business, and (3) further potential for utilizing digital technologies and AI. Going forward, we believe COO Ishii will also take the lead in transforming the ITOCHU Group in these areas.



We will continue to drive the sustainable enhancement of our corporate value under our new Management Policy by pursuing globally competitive efficiency and maintaining a consistent financial policy.

Steadily accumulating core profit

Analysis of the scale of profit contribution, ownership ratio, and growth rate reveals that medium-sized Group companies with an established business foundation and hands-on management tend to achieve higher growth rates. The key point is how we can further evolve our “hands-on management,” which is one of our core strengths.

Our commitment to highly efficient management remains unchanged

We have charted a roadmap for enhancing corporate value, guided by our “financial matrix”—that is, starting from a total payout ratio of over 40% and achieving profit growth of around 10% based on our track record, we can consistently maintain a globally competitive ROE of 15% or higher.



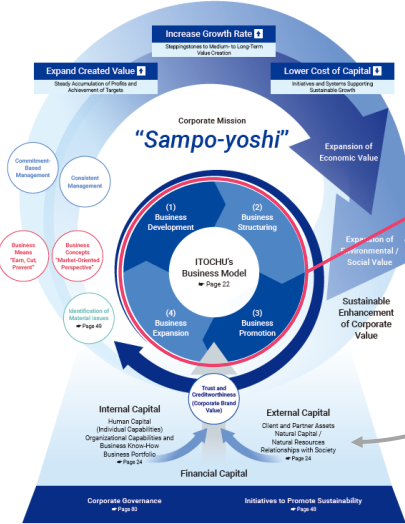
		Total Payout Ratio			
		60%	50%	40%	30%
ROE	13%	5%	7%	8%	9%
	14%	6%	7%	8%	10%
	15%	6%	8%	9%	11%
	16%	6%	8%	10%	11%
	17%	7%	9%	10%	12%
	18%	7%	9%	11%	13%

Next is the message from CFO Hachimura. It has already been 10 years since he became CFO. In this message, he consistently articulates his unwavering perspective as CFO. While the “financial matrix” underlying the long-term Management Policy announced last year has been recognized for its clarity, he feels a very strong sense of responsibility for how we will steadily deliver on it. He also touches on some specific thoughts and approaches for putting ITOCHU on a path of sustainable profit growth. As CFO, he clearly communicates his intentions as the chief steward of our financial strategy on topics such as (1) steady profit growth, (2) maintaining and improving high ROE, and (3) sustainable shareholder returns.

The Merchant Value Creation Cycle / Business Model

POINT We have newly integrated a “business model” into our value creation cycle.

POINT We have clarified how our management philosophy and capital resources are leveraged within our business model.



Creating added value through the business concepts of
Market-Oriented Perspective

Enhancing corporate value through business means of
Earn, Cut, Prevent

(1) Business Development

Understanding needs from the downstream perspective

(2) Business Structuring

Advancing into domains where we have expertise

(3) Business Promotion

Enhancement of corporate value through hands-on management

(4) Business Expansion

Expansion of business domains and asset replacement



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In-Depth :

The Merchant Value Creation Cycle and Logic Tree P.20-21, Business Model, Differences between Typical PE Funds and ITOCHU P.22-23, Capital that forms the foundation of our competitive strengths P.24-25

TOP

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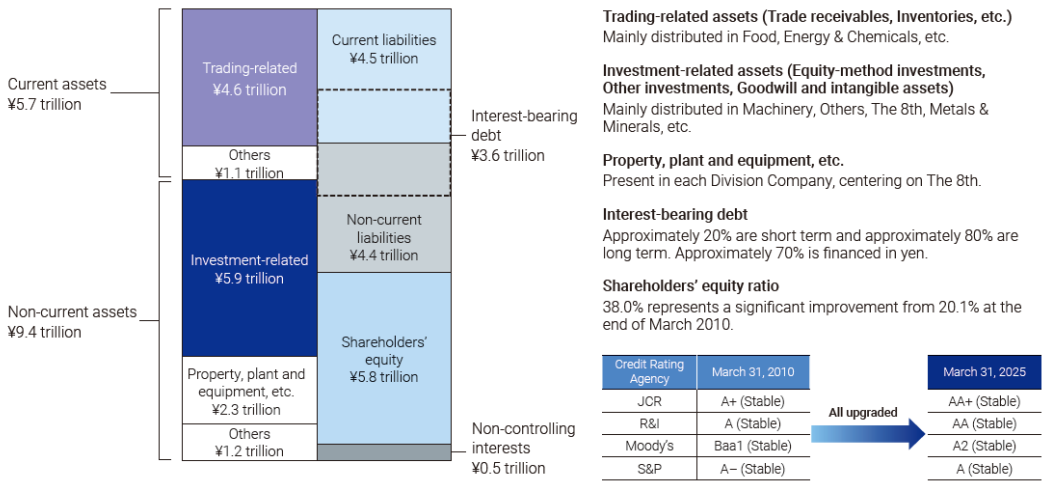
For the “Merchant” Value Creation Cycle / Business Model. In Integrated Report 2025, we also reviewed the content regarding the value creation cycle and our business model. In the main booklet, we present “Value Creation Cycle and Logic Tree,” “ITOCHU’s Business Model,” and “ITOCHU’s Capital (Financial and Non-Financial)” as a single continuous section.

By connecting the value creation cycle and business model, this structure is intended to more clearly bridge the front sections—management messages and Management Philosophy—with the latter sections—practices and mechanisms of business. Our basic view remains unchanged: the long-term value creation of ITOCHU is consistently guided by “Sampo-yoshi,” and is realized by flexibly adapting to changes in society and customer needs. We have placed a four-phase business model within that cycle and, on the following pages, organized focal points and the added value of each phase in connection with our Management Philosophy. We also explain how effectively we utilize accumulated capital and demonstrate our strengths at each phase of the business model.

Financial Strategy – Balance Sheet–



POINT By consistently maintained a financial policy based on balancing three factors, we are able to achieve both growth investments and shareholder returns while strengthening our shareholders' equity—thereby enhancing our credit rating. Our asset portfolio maintains a balanced composition between investment-related assets and trade-related assets. We also maintain an equity ratio of around 40%, ensuring an appropriate risk buffer.

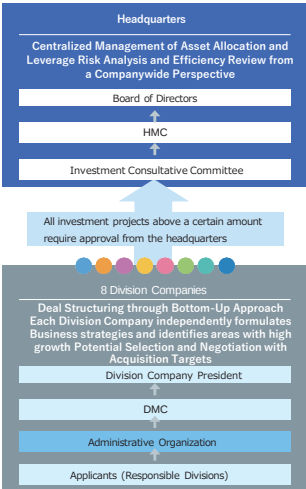


Next, the booklet moves on to our Companywide management frameworks and systems under the heading “Mechanisms and Practices for Value Creation.” The first is “Financial Strategy.” By illustrating our balance sheet, this page allows you to intuitively grasp our asset composition. The key point is simple: it provides a one-glance understanding that “we operate real businesses with the dual engines of trade and business investment.” As the slide shows, by looking at ITOCHU’s balance sheet, which holds many trading-related assets, you can see that we are not merely an investment company. By showing the actual look of the balance sheet, we hope to enable deeper dialogue—beyond a simple focus on the level of NET DER—about topics such as risk buffers in relation to risk assets and other aspects of what the balance sheet should ideally look like. Please also refer to the characteristics by Division Company and the currency composition of interest-bearing debt.

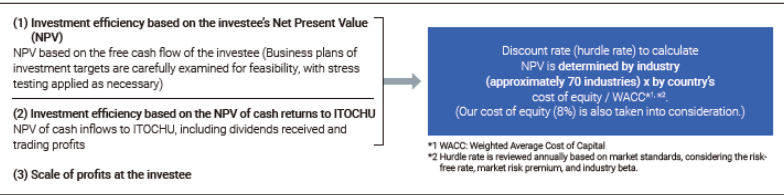
Business Investment・Monitoring Structure

POINT Our investment execution process is characterized by a bottom-up approach to deal origination and centralized asset allocation management at our headquarters. Our investment and exit criteria take into account the cost of equity by industry and by country.

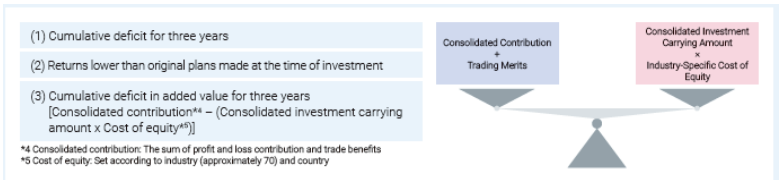
Characteristics of the Investment Execution Process



ITOCHU's Investment Criteria



Exit Criteria for Business Investment



Next, please look at page 11, which explains our business investment and monitoring framework. In Integrated Report 2025, we aimed to explain the key features and criteria of our business investment process in a clearer manner than in past years.

As we expand our growth investments, we are always asked in investor meetings, "Which areas are your focus?" Under "Consistent Management," however, we do not set sector-specific investment quotas and instead give equal growth opportunities to every segment. Each time we answered such questions, we felt it was necessary to clearly explain why "Consistent Management" works as a system.

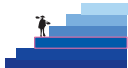
The key features of our investment execution process are twofold: "deal origination through a bottom-up approach" and "centralized Companywide asset allocation management at headquarters." To balance these two in a Company handling very different types of businesses, a "common standard" is necessary to compare the projects of each Division Company on under same conditions.

Therefore, rather than using a single IRR or ROIC across the board, we set internal hurdle rates by industry (approximately 70 industries) and by country based on cost of equity and WACC, and we calculate the NPV of the investee using DCF for investment decisions. We review these hurdle rates at market standards by periodically updating the risk-free rate, market risk premium, and industry betas. In other words, we fairly screen various projects using the same "standard" as market participants.

Similarly, our EXIT criteria combine absolute levels and plan-based comparisons—such as three consecutive fiscal years of cumulative losses or underperformance against the initial investment plan—and further include whether the sum of returns and synergies from the investee exceeds the product of cost of equity and consolidated investment carrying amount. If not, the criteria are deemed to be breached. Thus, we continuously review the appropriateness of holding positions in our existing portfolio using the market's standard.

In the main booklet, we describe in greater detail how our Administrative Divisions are involved in the investment screening process, what must be considered at the deal origination stage, and how we increase the investment success rate. Please refer to the relevant pages when you have time.

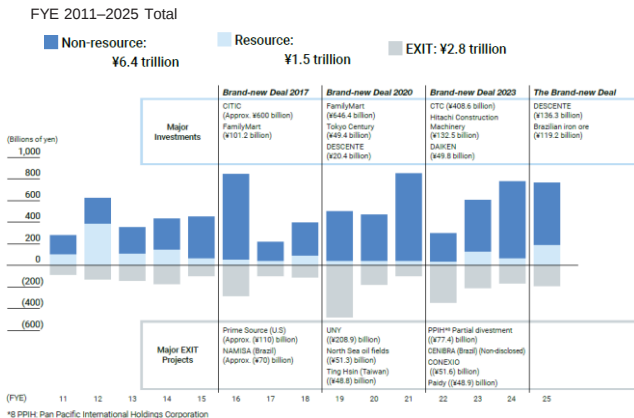
Asset Allocation Trajectory



POINT Through growth investments focused primarily on non-resource sectors and strategic asset allocation achieved by past asset replacements, we have been able to continuously improve our ROA.

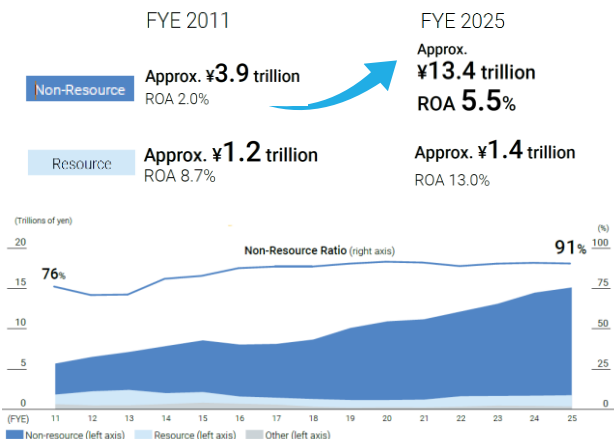
Investment and Exit Track Record Since FYE 2011

Accelerate investment in non-resource areas and continuously implement asset replacements



Total Assets Trend Since FYE 2011

Asset allocation continues to shift toward non-resource sector, with significant improvement in ROA



Next, I will explain a new content piece introduced this year: “Asset Allocation Trajectory.” On this page, we visualize how we have strategically built and upgraded the quality of our portfolio from both “flow” and “stock” perspectives.

First, please look at the “flow.” Over the past 15 years, we have executed ¥6.4 trillion in new investments in the non-resource sector—focusing on high-quality projects where we can display our expertise, such as FamilyMart, CTC, and DESCENTE LTD. In contrast, new investments in the resource sector amounted to ¥1.5 trillion. In addition, we have executed exits totaling ¥2.8 trillion, a material amount relative to total assets. In other words, we have not merely “increased assets” but continuously “replaced and refined the business content.”

As for the resulting “stock,” note that resource assets have remained largely unchanged—from ¥1.2 trillion in FYE 2011 to ¥1.4 trillion in FYE 2025. Resource assets are inherently depleting in nature. Despite executing ¥1.5 trillion in investments, we have selectively improved their quality. Meanwhile, in the non-resource sector, strategic asset allocation has increased assets from ¥3.9 trillion to ¥13.4 trillion, and the non-resource ratio of total assets has risen from 76% to 91%.

Please also note the ROA in the non-resource sector. Through strategic investments in areas where we have expertise and the thorough implementation of hands-on management, the non-resource ROA has nearly tripled—from 2.0% to 5.5% over the same period. This demonstrates that we have continuously improved the quality of our portfolio through appropriate asset allocation at headquarters and effective “refinement” on the front lines, not simply by investing.

Regional Composition of Assets and Profit / Loss



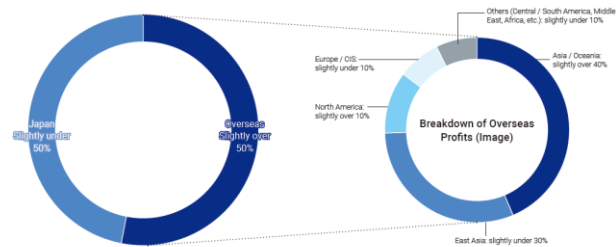
POINT Our regional portfolio is well-balanced, with a strong focus on Japan, where we have a solid business foundation.

Regional Asset Balances (End of March 2025) *1



*1 Our total assets and the consolidated book value of our subsidiaries and affiliates are calculated based on their actual locations, and the asset balances in major regions are shown in units of 5%. Therefore, the calculation method differs from the disclosed investment, loan and guarantee balance by major country, which is calculated based on the destination country of the investment, loan and guarantee amount, and the trade receivable amount.

Profit and Loss by Region (Core profit, average for the past three years)*2



The next page is also a new content developed in response to questions in investor meetings. In the past, our disclosure scope for country exposure was limited, which sometimes led the market to perceive ITOCHU as a “China-related stock.”

In addition, amidst the “Buy Japan” trend, we heard from overseas investors a desire to invest in “Japanese companies with strong domestic business foundations.” We felt it was unfortunate that we could not provide global disclosures to address these interests. Therefore, after internal discussions with relevant departments, we conducted an aggregation and disclosed regional asset balances.

As shown on the slide, even under current yen depreciation, we were able to show that approximately 60% of our assets and roughly half of our business profit are generated in Japan, indicating that our business portfolio is domestically centered compared to our peers.



Our goal is to be a sustainable company, and the best company in Japan.

Our approach is to embody our Company’s founding spirit of “*Sampo-yoshi*,” which is now attracting global attention, by accumulating trust and credibility to enhance our corporate brand value.



Giving a presentation at Harvard Business School

“Sampo-yoshi” as ITOCHU’s core operating system

Harvard Business School has provided an academic explanation of the relationship between our initiatives based on the “*Sampo-yoshi*” philosophy and the enhancement of corporate value and sustainability. “*Sampo-yoshi*” is now attracting global attention.



Background and Impact of the Special Measure for Female Executive Officers

Special measures designed to bridge the “time lag,” with consideration for the positive impact on the next generation of women.

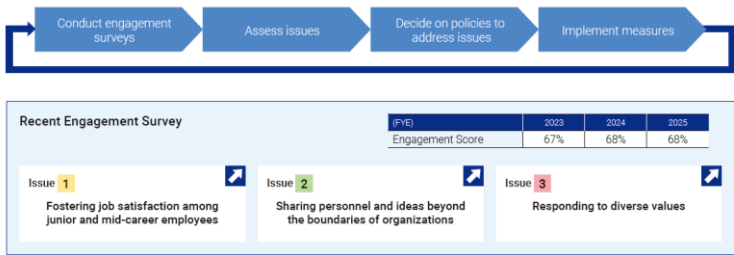
Challenges in Pursuing Our Goal to become the best company in Japan

By maintaining close attention to each employee on the front lines and fostering a sense of unity between top management and employees, we believe that the true value of a merchant lies in sustainability—that is, the ability to build long-term trust and credibility. By steadily accumulating trust not only from employees but also from society at large, we aim to embody the spirit of “*Sampo-yoshi*” and become the best company in Japan.

Next, I will explain the message from CAO Kobayashi. For the past two years, the CAO’s section was presented in a dialogue format, but this year it is a standalone deep dive into “Sampo-yoshi.” Referring to the Harvard Business School case that academically explains how ITOCHU’s “Sampo-yoshi” has contributed to corporate value enhancement, the message illustrates how “Sampo-yoshi” functions as our Company’s “core operating system (OS).” It also discusses corporate brand value and sustainability from the perspective that the value of a “merchant” lies in sustainability based on trust and credibility. In addition, it explains the background of the special measures for appointing female Executive Officers—an initiative that is attracting wide attention.

Human Resource Strategy—Work-style reforms・Engagement Surveys—

POINT Upholding our commitment to being a challenging but rewarding to work, we continue to pursue pioneering and unique initiatives. We continuously identify and address issues through engagement surveys, steadily measure KPIs, and implement specific initiatives to drive the PDCA cycle.

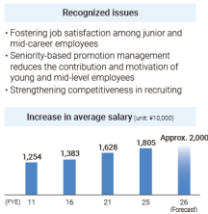


(Specific examples of initiatives)

Revised Personnel System for More Effective Evaluation and Compensation

In FYE 2025, we implemented our first major revision of the human resource system in approximately a decade. This included raising salary levels, particularly for young and mid-career employees, and introducing measures to enable the early appointment of outstanding employees as Executive Officers of Group companies. Furthermore, from FYE 2026, we are enhancing differentiation in compensation by setting annual salary levels of up to ¥35 million for manager-level employees and ¥40 million for general manager-level employees in cases of exceptional performance. We have also revised our stock compensation plan, doubling the standard grant amount and awarding additional shares upon promotion. As a result, these changes are expected to increase employee's annual income by approximately 10% year on year.

Degree of Variation in Annual Salary
Manager Level
(High performance VS. Average)
1.3 times



Women's Advancement in the Workforce to Increase Diversity within the Organization

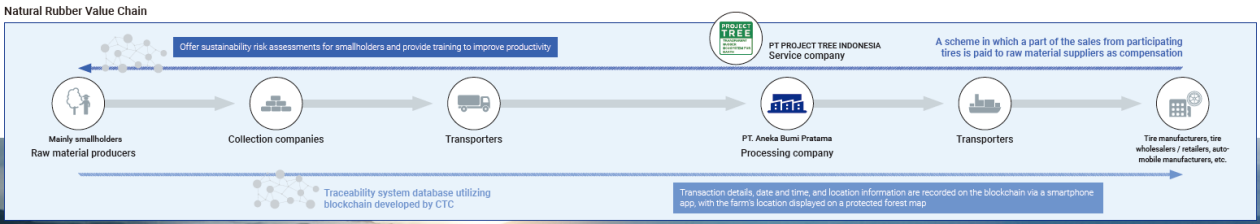
Issue 3 Response
As a trading company with strengths in the consumer-related business, we aim to capture the diversifying needs of consumers and evolve our business model accordingly. To create an environment where women can continue working without giving up on their careers, we provide detailed individual support to remove barriers to career development, taking into consideration life events, etc. In FYE 2025, we will integrate the women's dormitories, and promote communication across age and departments as a place for internal networking and human resource development. In response to significant changes in the administrative environment driven by DX initiatives and the advancement of internal controls, we have redefined "clerical staff" and renamed them as "Business Experts (BX)." BX are tasked with playing a central role as an Organizational Hub by leveraging advanced expertise.



Next is the Human Resource Strategy page. In addition to our work-style reforms and improvements in labor productivity, this year we also describe the PDCA cycle based on the results of engagement surveys. The main booklet features concrete case, including new products born out of our in-house dual jobs system "Virtual Office."

Initiatives to Promote Sustainability Across the Value Chain

POINT As a general trading company, we conduct detailed monitoring and implement improvements regarding environmental and social Risks —such as human rights and natural capital—at each stage of the value chain. Contributing to the promotion of sustainability through our core business activities.



Agricultural Technical Guidance by PT PROJECT TREE INDONESIA Implementation of Human Rights Due Diligence



Identification of production sites using GPS



Training on productivity improvement

Excerpt from LEAP Analysis for the Natural Rubber Business	
Locate	• Using multiple databases, we identified sites associated with ecologically sensitive locations, covering all rural villages and ABP's factories in Indonesia.
Evaluate	• Literature review showed that the cultivation process is highly dependent on biomass provision, genetic material, climate condition, soil quality, and the natural functions of purification and disaster mitigation services. Land-use change and solid waste emissions have significant impacts on nature. • The processing stage is highly dependent on water sources (rivers), and water consumption and pollution of soil are found to have significant impacts on nature.
Assess	• The desktop analysis conducted in the Evaluate phase indicated that, for example, soil pollution has a significant impact on nature. However, the results of the Assess phase showed that the factory we operate has appropriate wastewater treatment and other measures in place, and that the risk is not significant. • We organized and discussed measures to address the risks and opportunities that were rated as highly significant.
Prepare	• In order to mitigate significant risks and create opportunities, it is important to ensure traceability and reduce environmental impacts in collaboration with farmers. • The core global indicators that TNFD recommends for disclosure and our specific collection indicators that we have considered based on the results of our analysis are disclosed.

Next is the sustainability section. This year's sustainability section largely streamlines the role of a data compendium and focuses on initiatives for promoting sustainability embedded within the real business value chain. As a concrete example, we feature "PROJECT TREE," an initiative aimed at enhancing sustainability across the natural rubber value chain using traceability systems and other tools. While some highlights appear on the slide, the main booklet goes into more detail, including on-site human rights due diligence, agricultural technical support, and the content of our LEAP analysis from the perspective of natural capital and biodiversity. Through the diverse ESG issues around a single project, we introduce how we are striving—through our core businesses—to simultaneously pursue economic value with environmental and social value.

At the same time, throughout the booklet, we increased links to our Sustainability website so that the latest, detailed ESG data can be viewed online. We are by no means reluctant to expand ESG disclosures. In fact, the number of pages in our ESG Report prepared by the Sustainability Management Division has expanded year by year—from 207 pages in 2023 to 232 pages in 2024, and 252 pages in 2025.



We will accelerate our growth by strengthening our business portfolio through steady growth investments and asset replacements with no exceptions, as well as by expanding horizontal collaboration initiated by digital transformation.

Further Evolving Investment Structuring

Careful assessment of whether an investment project can truly contribute to the returns and growth required of the Company as a whole
Ensuring “The Four Lessons for Investments” are thoroughly embedded by incorporating them into contract terms and securing the rights and means to generate synergies and exercise influence



Asset Replacements with No Exceptions

To build a more efficient, competitive, and resilient portfolio and make effective use of our limited resources, we are executing asset replacements with no exceptions in parallel with our growth investments.

Expanding Horizontal Collaboration Initiated by Digital Transformation

Leveraging our two major strengths—a broad business base in the information technology and communications sector, and vast amounts of data derived from our consumer-related businesses—we use the power of digital technology to connect businesses that were previously unrelated. These new connections are precisely where the infinite potential of a general trading company lies.

The Four Lessons for Investments (To Rigorously Prevent Below)

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

As explained by the CXO in today’s briefing, the message covers themes such as the “structuring” of investments, asset replacements with no exceptions, and the acceleration of horizontal collaboration and utilization of digital technologies. We would be grateful if you could revisit the CXO message in light of today’s explanations.

(Briefing materials used on the same day)
Enhancing Corporate Value as CXO
[ITC251017_1_e.pdf](#)

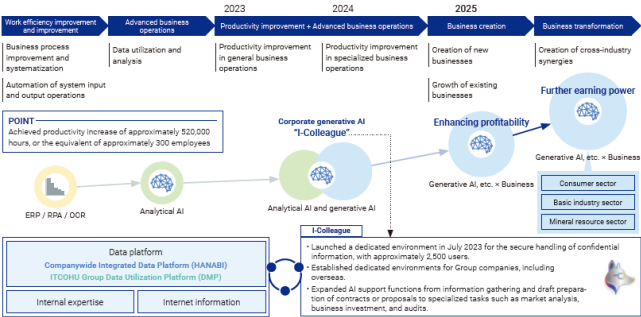


POINT

We support business creation by combining the diverse data resources of a general trading company with the capabilities of generative AI.

From Continuous Business Improvement and Productivity Improvement to the Phase of Business Creation and Business Transformation Using Generative AI

As part of our lean management "Cut" principle, we have been promoting continuous business improvement and efficiency using digital tools, and have already achieved a significant increase in productivity. At this stage, it has started to contribute to "Earn" by creating new businesses and transforming business models in various fields by combining our proprietary generative AI "I-Colleague" with the data platform we have built (HANABI and DMIP). Going forward, we will further expand AI utilization, including the introduction of autonomous AI agents, and focus on building and operating robust governance controls to ensure the transparency and safety of AI use.



POINT

By standardizing digital transformation approaches, we are enhancing the competitiveness of our Group companies in the consumer sector.

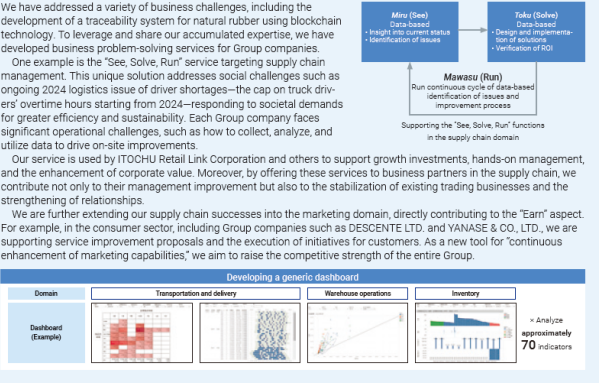
Case Study: "See, Solve, Run" Services that Utilize Problem-Solving Know-How
Contribute to Enhancing "Earn" by Combining Our Business Problem-Solving Capabilities with Data Analysis and Utilization Skills

We have addressed a variety of business challenges, including the development of a traceability system for natural rubber using blockchain technology. To leverage and share our accumulated expertise, we have developed business problem-solving services for Group companies.

One example is the "See, Solve, Run" service targeting supply chain management. This unique solution addresses social challenges such as ongoing 2024 logistics issue of driver shortages—the cap on truck drivers' overtime hours starting from 2024—responding to societal demands for greater efficiency and sustainability. Each Group company faces significant operational challenges, such as how to collect, analyze, and utilize data to drive on-site improvements.

Our service is used by ITOCHU Retail Link Corporation and others to support growth investments, hands-on management, and the enhancement of corporate value. Moreover, by offering these services to business partners in the supply chain, we contribute not only to their management improvement but also to the stabilization of existing trading businesses and the strengthening of relationships.

We are further extending our supply chain successes into the marketing domain, directly contributing to the "Earn" aspect. For example, in the consumer sector, including Group companies such as DESCENTE LTD. and YANASE & CO., LTD., we are supporting service improvement proposals and the execution of initiatives for customers. As a new tool for "continuous enhancement of marketing capabilities," we aim to raise the competitive strength of the entire Group.



The Digital Strategy pages are also new content this year. They feature the "See, Solve, Run" service and generative AI, as explained in detail at today's briefing.

(Briefing materials used on the same day)
Digital Strategy ~Towards a Pragmatic Approach to AIX~
[ITC251017 2 e.pdf](#)

SPECIAL FEATURE — Examples of Areas with High Growth Potential (1) —

POINT Leveraging our wide range of business domains as a general trading company, we are promoting the development of a robust value chain related to FamilyMart and driving the creation of new businesses.



Copyright © ITOCHU Corporation. All Rights Reserved. In-Depth : Trend of FamilyMart's Core Operating Profit, History of FamilyMart and ITOCHU P58-59 Retail Media Business (Investor Briefing)

Next, I will introduce two case studies featured as SPECIAL FEATURES in this year's Integrated Report. Last year's report featured many projects—six in total. Since then, we have increased the number of business briefings and included more project-focused content in our financial disclosure materials. With such initiatives, this year's Integrated Report has limited the featured cases to those that demonstrate a "pattern" common to our growth and strengths—focusing on differentiation. The FamilyMart case is the easiest example for overseas investors to understand the business of general trading companies, and a classic growth pattern for ITOCHU: "building a value chain and creating synergies through horizontal collaboration." To help you grasp the breadth and robustness of the FamilyMart business value chain in a tangible manner, this year we explain in greater detail than before the products and services provided to FamilyMart by each of our Group companies. We also refer to initiatives after FamilyMart's privatization, such as Convenience Wear and the retail media business, to illustrate our creation of new businesses. We have posted separate briefing materials about the retail media business on our website, and we would like you to refer to them together.

Materials from Retail Media Business (Investor Briefing)
[ITC250630_1_e.pdf](#)

SPECIAL FEATURE — Examples of Areas with High Growth Potential (2) —

POINT By leveraging our ability to create added value to help leading companies solve their challenges, we are able to expand both investment and trading profits while generating synergies. This approach enables us to continuously broaden our business domains.

Diverse Collaboration with Domestic Manufacturers Originating from Investment in Hitachi Construction Machinery

Our investment in Hitachi Construction Machinery was made possible by many years of collaboration and our expertise in finance in the U.S. The accumulation of tangible achievements through these partnerships—such as the profitability of ZAXIS Financial Services Americas—has created a “chain of trust” that has led to further investment opportunities, including shares in Kawasaki Motors and AICHI CORPORATION.

1990s	Started a joint venture with Hitachi Construction Machinery Co., Ltd. in Indonesia Began investing in the predecessor company of MULTIQUIP Inc. in the U.S.
2007	Established a finance company with Isuzu Motors Limited in the U.S.
2022	Invested in Hitachi Construction Machinery Co., Ltd.
2023	Established ZAXIS Financial Services Americas, LLC in the U.S., together with Hitachi Construction Machinery Co., Ltd. and Tokyo Century Corporation
2025	Entered into a capital and business alliance with Kawasaki Motors, Ltd. and launched a finance business in North America Invested in AICHI CORPORATION



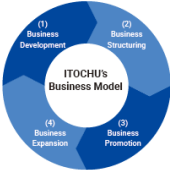
Expanding Infrastructure Business Addressing Social Issues by Enhancing Construction and Building Materials Alliance

After participating as a capital partner to help stabilize the management of Nishimatsu Construction which was facing changes in its business environment such as activist shareholder pressure, we steadily realized collaboration through joint initiatives. This track record led to an increased equity stake and its transition to an equity-method affiliate. In addition, by leveraging M&A with existing Group companies, we are actively expanding into new areas that address emerging social needs.



Supporting Problem-Solving as a Business Model and Expanding Our Business Domains

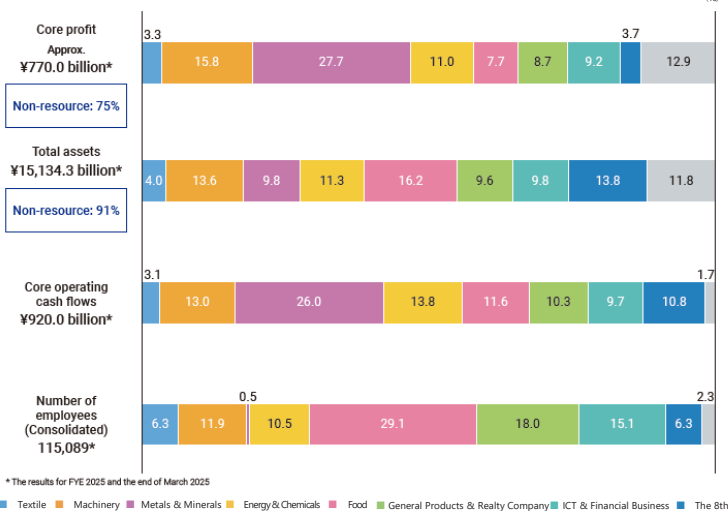
Balancing support for addressing the challenges faced by leading domestic companies with the strategic expansion of our own value chain has been made possible by leveraging the wealth of experience and know-how accumulated over many years through our business model. For example, our investments in NIPPON ACCESS, YANASE, and Prima Meat Packers were carried out in response to requests for support from each company and their shareholders. By providing such support and creating added value, we have been able to realize growth together with our partners.



The second featured theme is “Expanding Collaboration with Leading Domestic Companies by Leveraging ‘Trust and Credibility’.” As noted in the CEO message, this is another ITOCHU-like growth pattern: turning trust into growth opportunities. We introduce the Machinery Company’s initiatives with Hitachi Construction Machinery and the General Products & Realty Company’s investment in Nishimatsu Construction as representative examples. In the case of Hitachi Construction Machinery, we explain how we created synergies by leveraging our long-accumulated expertise, which in turn led to further growth opportunities such as investments in Kawasaki Motors and AICHI CORPORATION. For Nishimatsu Construction, we explain how we secured an additional investment opportunity after our initial investment at their request by accumulating synergies, thereby expanding the construction & building materials business into the infrastructure domain. With the Tokyo Stock Exchange’s governance reforms and intensified activists’ requirements, such cases are expected to increase. This feature also touches on how ITOCHU has historically pursued similar initiatives as a reproducible approach. We highlight that some of our current core businesses—YANASE & CO., LTD., Prima Meat Packers, Ltd., and NIPPON ACCESS INC.—have grown by solving the challenges of our partners and expanding our business domains through the same pattern, making our unique growth pattern easier to understand even for investors unfamiliar with our history.

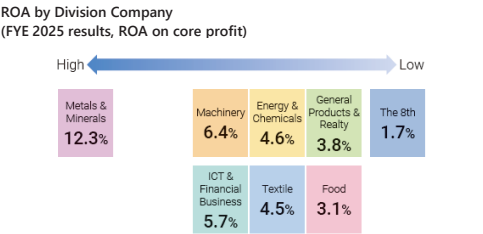
Business Portfolio (1) Percentage of the Total for ITOCHU／KPI

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



CAGR by Division Company
Compound annual growth rate of consolidated net profit for
FYE 2011–2025

Textile	12%	Food	12%
Machinery	20%	General Products & Realty	12%
Metals & Minerals	3%	ICT & Financial Business	15%
Energy & Chemicals	14%	The 8th	22%



Next, I will briefly introduce the Division Company pages—another area we significantly revamped this year. The biggest change in the main booklet is the introduction of messages from each Division Company President. This responds to investor feedback that the Division Company pages remained at the level of business descriptions and did not convey their business strategies. With each Division Company President—leaders at the front lines of ITOCHU’s businesses—sharing in their own words the short- and medium-term strategies and aspirations of their segments, we then present the business overviews and featured cases of each Division Company. We also include the Presidents’ profiles to provide background information on business strategies and investments.

Meanwhile, the Digest Version you are seeing today focuses on an overall view of our business structure, and the details are left to the main booklet. The Digest Version therefore consists of an overview page of the portfolio, followed by a page listing areas with high growth potential for each Division Company to clarify segment directions.

Business Portfolio (2) Areas with high growth potential by segment



POINT Based on our “Consistent Management” approach, each Division Company identifies its own high-potential growth areas and Undertakes initiatives to achieve steady growth.

Textile Company

- Expanding sports business centered around DESCENTE LTD., and strengthening the value chain of the footwear business
- Enhancing core brands and improving profitability through the strengthening of directly managed stores



Flagship store of DESCENTE LTD., which became a wholly owned subsidiary in FYE 2025



Footwear from the Italian sports brand FILA

Machinery Company

- Broadening our earnings base by expanding the North American power business and enhancing our functions in the marine and aerospace sectors
- Strengthening the value chain by overseas partnerships with Japanese manufacturers in the automobile and construction machinery areas



Wind and solar power plants



Mining machinery of Hitachi Construction Machinery Co., Ltd.

Metals & Minerals Company

- Adding high-quality assets in iron ore and coking coal, etc.
- Engaging in projects that contribute to the realization of a decarbonized society (direct reduced iron, aluminum, hydrogen, ammonia, etc.)



Photo courtesy of BHP



Various green aluminum products which ITOCHU trade

Energy & Chemicals Company

- Expanding business in core Group companies such as ITOCHU CHEMICAL FRONTIER Corporation and C.I. TAKIRON Corporation
- Investment in utility scale energy storage and expansion of business in peripheral areas



C.I. TAKIRON Corporation Ibogawa Plant



Grid-scale battery storage

Food Company

- Strengthening functions and competitiveness in the food distribution field by leveraging Group capabilities
- Improving profitability by expanding transactions of high-value-added raw materials



Digital transformation (DX) support services in the food product planning and development domain (FOODATA)



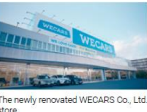
High-value-added raw materials (premix)

General Products & Realty Company

- Expanding functions and strengthening profitability in the North American construction-materials business with DAIKEN CORPORATION and acquisitions of competitors
- Strengthening and expanding public-private partnership projects
- Rebuilding of WECARS Co., Ltd.



New entry into the outdoor living business



The newly renovated WECARS Co., Ltd. store

ICT & Financial Business Company

- Strengthening the digital value chain centered around CTC
- Expanding overseas business in the retail finance and insurance areas
- Expanding the business foundation in growth areas such as space and satellite, healthcare, circular economy-related business, etc.



Promotion of digital transformation (DX) support by accurately capturing IT demand



Investment in Thaiwat Insurance PCL, a non-life insurance company in Thailand

The 8th Company

- Enhancing FamilyMart's convenience store business while creating and expanding new businesses by leveraging FamilyMart's business foundation
- Creating new consumer-related businesses



FamilyMart store



FamiPay

This is the page where we have listed the areas with high growth potential for each Division Company, clearly indicating the direction of each segment’s growth strategy.

Business Portfolio (3) PEST analysis/Linkage to corporate value calculation formulas

POINT Each Division Company identifies the impacts, opportunities, and risks arising from its respective external environment and drives its business forward through various approaches, all with the aim of enhancing corporate value.

Key Macroevironmental Factors Affecting the Company

P Political / Legal

- Strengthening of food safety regulations
- Changes in tariffs and trade policies of each country
- Ongoing 2024 logistics issue of driver shortages
- the cap on truck drivers' overtime hours starting from 2024—

E Economical

- Domestic consumption trends
- Inflation and rising costs of raw materials

S Social / Cultural

- Increase in health consciousness and ensuring food safety
- Strengthening efforts for human rights throughout the supply chain
- Response to climate change and natural capital

T Technological

- Optimization of the supply chain and support for product development using AI
- Development of new products utilizing plant-based proteins, etc.
- Enhancement of traceability through blockchain technology

Key Opportunities

- Expanding earnings through product development support using DX and improved logistics efficiency
- Creation of new markets, including health foods and plant-based proteins

Key Risks

- Deterioration of profitability in food manufacturing and processing businesses due to rising raw material costs
- Decline in production of primary commodities due to climate change, pests, and infectious diseases

Food

By analyzing opportunities and risks through a focus on more direct impacts and specific themes related to each Division Company's business—compared to a Division Company-wide PEST analysis—we are able to provide a more detailed and nuanced understanding of how each Division Company's business is connected to its external environment.

Examples:
Issues such as the 2024 logistics problem and inflation themes like the utilization of AI
→ In the food distribution sector, leveraging digital transformation to improve logistics efficiency leads to increased profitability.

Connection to the Corporate Value Calculation Formula

Corporate Value

=

Created Value

Cost of Capital

Growth Rate

Expand Created Value
Through strengthening product competitiveness and marketing capabilities at FamilyMart, achieved record-high business profit. These product enhancements are the result of Companywide collaboration, including stable rice supply from ITOCHU Food Sales and Marketing Co., Ltd. and the development of Convenience Wear leveraging expertise from the Textile Company.

Increase Growth Rate
The retail media business, utilizing FamilyMartVision digital signage installed in over 10,000 stores and one of the largest advertising IDs in Japan, has grown into a large-scale media platform with an average daily audience of approximately 15 million. We are expanding new business areas in the domestic advertising market as a front-runner.

Lower Cost of Capital
At FamilyMart, sustainability promotion is positioned as a core marketing strategy, and new initiatives have started. By changing the design of markdown stickers for near-expiry food products to "teary-eyed stickers," the purchase rate of discounted items has increased, and annual food loss at stores is expected to be reduced by approximately 3,000 tons per year. In addition, leveraging the expertise of ITOCHU PLASTICS INC., we provide packaging that balances consumer convenience with reduced environmental impact.

The 8th

Among the various initiatives undertaken by each Division Company, we provide an explanation of those measures that are expected to have the greatest impact on the individual components of our corporate valuation formula.

From the perspective of growth rate, we focus on transformative efforts such as the retail media business, which go beyond traditional business models.

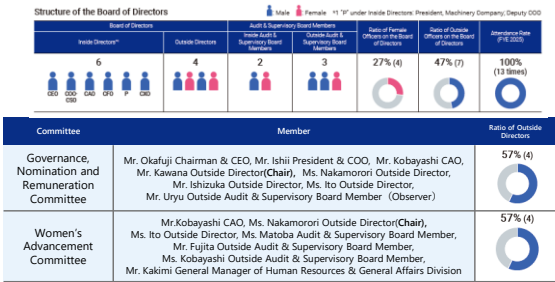
From the perspective of capital cost, we present examples of how we strive to enhance business sustainability by balancing economic value with environmental and social value through our core businesses.

One more change is that, starting this year, the PEST analysis that used to be included at the Companywide level is now presented for each Division Company, incorporating more direct and specific themes and degrees of impact. By adding information on the external environment surrounding each Division Company and its relationship to the business—opportunities and risks—we hope to better convey the current status of each Company's initiatives to enhance corporate value.

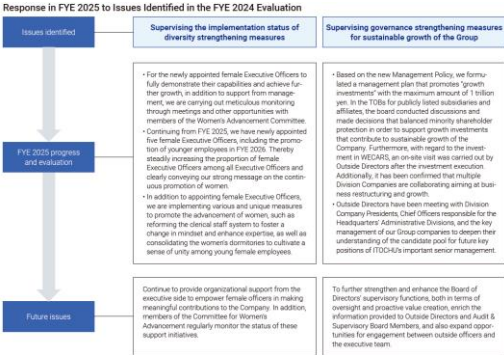
Corporate Governance (1) – Board of Directors with high effectiveness –



POINT As general trading companies with wide range of business domains, establishment of system and appointment of directors focused on substantive effectiveness. Decision-making for important projects is conducted referring diverse views.



Respondents	All 11 Members of the Board and all 5 Audit & Supervisory Board Members in FYE 2025
Implementation and Evaluation Method	Step 1: Enlist external consultants to conduct questionnaires and individual interviews with each member (anonymous responses) Step 2: Have external consultants compile and analyze respondents' answers Step 3: Conduct analysis at the Governance, Nomination and Remuneration Committee with reference to the compiled answers and analysis of the external consultants Step 4: Conduct analysis and evaluation at the Board of Directors
Items Covered by Questionnaire	• Structure of the Board of Directors • Role and duties of the Board of Directors • Information provision and training for Members of the Board and Audit & Supervisory Board Members • Structure of advisory committees to the Board of Directors, etc. • Operation status of the Board of Directors • Other important themes



Discussion of Individual Cases: Example of the Privatization of DESCENTE LTD.	
In FYE 2025, we executed a tender offer (TOB) with the aim of taking DESCENTE LTD. private. Our objective is to accelerate the company's growth by leveraging our expertise to strengthen brand management and production collaboration, enhance and expand its overseas business, and create new business opportunities. In advancing this initiative, the following two proposals were formally submitted to the Board of Directors: a policy proposal to commence negotiations, and an execution proposal requesting approval of a TOB price of ¥4,350 per share (total purchase amount: ¥182.6 billion) after a total of eight proposal submissions and related negotiations. Numerous questions and opinions were expressed by outside officers, leading to active and constructive discussions.	
Main Opinions from Outside Directors	• The need to build a DX foundation by learning from industry peers with strong market valuations • Importance of promoting initiatives to realize synergies and ensure the appropriateness of investment variance
Main Opinions from Outside Audit & Supervisory Board Member	• Importance of realizing synergies with consideration for impairment risk • Importance of PMI • Importance of examining backup plans in case of deviations from synergy plans • Importance of negotiations that appropriately take into account capital market evaluations

Next, I will explain Corporate Governance, which we have made a standalone section starting this year. Until last year, Corporate Governance was included as part of the section on lowering the cost of capital. Recognizing that governance has become a more important foundation for running a company, we now present it as a standalone section.

In the main booklet, each item—such as the evaluation of effectiveness, the skills matrix, and corporate officer remuneration—is presented in a barometer format to illustrate how governance is related not only to lowering the cost of capital but also to “expanding created value” and “increasing growth rate,” thereby conveying the aspect of “governance for growth” that drives enterprise value. Increasing the number of charts and graphics is also one of this year’s changes.

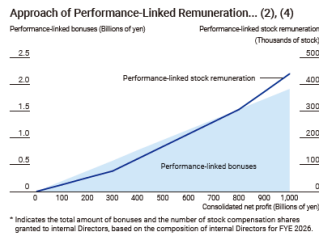
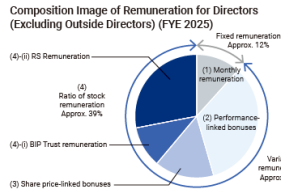


POINT

Enhancement of corporate value increase through remuneration system closely linked to business performance and stock price.

Q. What is the ratio of fixed to variable remuneration?
A. We have adopted a corporate officer remuneration system where the proportion of variable compensation, closely linked to business performance and share price, is extremely high. In FYE 2025, variable remuneration (the total of performance-linked bonuses, share price-linked bonuses, and performance-linked stock remuneration) accounted for approximately 88% of remuneration for Internal Directors, with fixed remuneration held to around 12%. This structure ensures a stronger alignment between management and shareholder profits.

Q. How is remuneration linked to performance?
A. If consolidated net profit falls into a deficit, no variable remuneration (performance-linked bonuses or performance-linked stock remuneration) is paid under our strict system. (2) Performance-linked bonuses increase in proportion to net profit, and (4) performance-linked stock remuneration increases stepwise with profit levels. As a result, differences in compensation amounts due to business performance fluctuations are clearly linked to executive incentives.



POINT

Rigorously reviewing the significance of holding listed subsidiaries and affiliated companies and establishing well-functioning governance. Regarding cross-shareholdings, utilizing them to expand business fields while limiting holding to those where investment return such as synergies are anticipated and strategic significance of holding has been verified.

Listed Subsidiaries Numbers

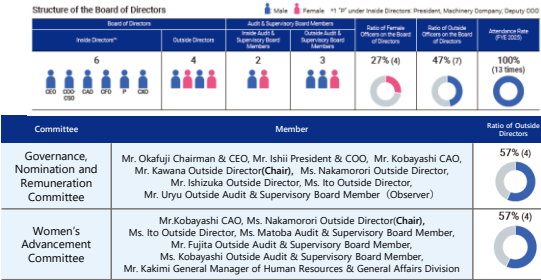


For example, at the page 26 in the Digest Version, we illustrate what used to be text-heavy content such as corporate officer remuneration and the number of listed subsidiaries.

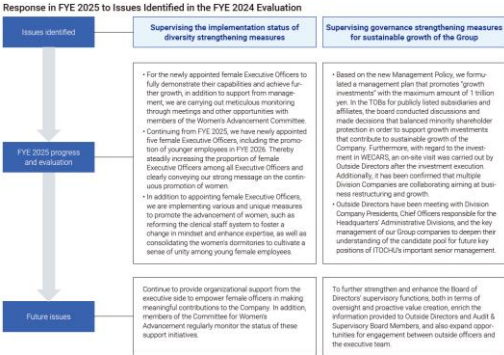
Corporate Governance (1) – Board of Directors with high effectiveness –



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Procedure for Evaluation of the Board of Directors	
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Main Opinions from Outside Directors	• The need to build a DX foundation by learning from industry peers with strong market valuations • Importance of promoting initiatives to realize synergies and ensure the appropriateness of investment variance
Main Opinions from Outside Audit & Supervisory Board Member	• Importance of realizing synergies with consideration for impairment risk • Importance of PMI • Importance of examining backup plans in case of deviations from synergy plans • Importance of negotiations that appropriately take into account capital market evaluations

Let me highlight a few key points regarding the content. Returning to page 24, we present the case of the privatization of DESCENTE LTD. under "Discussion of Individual Cases," including the primary opinions of Outside Directors and Outside Audit & Supervisory Board Members.



POINT Through interviews with either officers and employees or various activities, deepening understanding of business, ensuring oversight of business execution, and providing practical recommendations aimed at further growth. These activities also contribute succession plan, and foundation for discussion about organizational management etc.

Major Activities of Outside Directors (FYE 2025)

Details of Activities	
Board of Directors	13times
Participate in Pre-briefings for the Board of Directors	10times
Advisory Committee	7times
Interviews with Executive Officers (Division Company Presidents, Officers in charge of Headquarters' Administrative Divisions, Senior Operating Officers, Executive Officers)	19 times (total 24 persons)
Meeting with the presidents of the Group companies	10times
Meeting with analysts and institutional investors	2times
Site visits to global operations and the Group companies	3times

< Excerpts from Comments on Succession Plan >

- In FYE 2025, conducting interviews with over 20 Executive Officers and Group company presidents to gain a multifaceted understanding of management candidates-their abilities, achievements on the front lines, and their reputations among peers.
- Among all outside directors, sharing an image of the future management team that considers not only professional backgrounds and performance but also character, mental resilience etc. through dialogues.
- With numerous Group companies, ITOCHU provides opportunities for employees to gain management experience from a young age.
- More than 90% of approximately 260 Group companies are profitable, which is a distinctive strength, and demonstrates that our future management talent pool, grounded in the "merchant" spirit, can deliver results even in rapidly changing environments.



Outside Director, Ms. Ito
Diverse activities serving "foundation" for decision-making and organizational management



Outside Director, Mr. Kawana
Suggestions for improvement based on diversity of perspectives, or mindful of public scrutiny, and importance of utilization of digital technology.



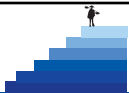
Outside Director, Ms. Nakamori
Maximizing labor productivity and enhancing corporate value through the promotion of women's advancement.



Outside Director, Mr. Ishizuka
Various activities supporting identification of management talent for succession plan.

Next, on page 25, we list the activities of Outside Directors in a table. For example, you can see the high level of activity—29 meetings with ITOCHU executives and Group company presidents. As a general trading company with a broad range of business fields, ITOCHU’s Board places strong emphasis on a deep understanding of our businesses. Rather than simply focusing on the number of Outside Directors, we emphasize deepening each person’s substantive understanding of the businesses to achieve an effective supervisory function. The main booklet also includes messages from each of the four Outside Directors. Notably, Director Ishizuka’s message addresses the highly topical issue of the succession plan and mentions the depth of our management team, as evidenced by our high ratio of Group companies reporting profits.

Performance Trends of Major Group Companies



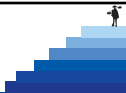
POINT Alongside business expertise built upon our long history, each of our Group companies—particularly in non-resource sectors—has achieved remarkable growth, which has contributed to the formation of our current portfolio.

				BND 2012	BND 2014	BND 2017	BND 2020	BND 2023	The Brand-new Deal
Ownership (As of the end of March 2025) (Billions of yen)		Relationship with our Company		FYE2011	FYE2015	FYE2018	FYE2021	FYE2024	FYE2025
DESCENTE LTD.	100.0%	We started our investment in 1971. The company became an equity-method affiliate in 2008. In 2019, we strengthened our management involvement through a TOB. The company was privatized in 2025 through another TOB in 2024.		Non-disclosed	Non-disclosed	1.4	1.6	5.3	7.0
Tokyo Century Corporation	30.0%	We were involved in the establishment of Century Leasing System Inc. in 1969. The company was listed in 2003 and integrated with Tokyo Leasing Co., Ltd.*1 in 2009. The company changed its name in 2016.		4.0	9.1	12.5	13.5	23.4	23.1
YANASE & CO., LTD.	90.5%	We started our investment in 2003. The company became an equity-method affiliate in 2008 and was converted to a subsidiary in 2017. Since then, we have gradually increased our share.		Non-disclosed	Non-disclosed	3.7	4.6	12.8	13.1
ITOCHU Minerals & Energy of Australia Pty Ltd	100.0%	We have been involved in the Western Australia iron ore business with BHP since the development of the Mt Whaleback mine in 1967, achieving the first shipment in 1969. The company was established in 2004 through the integration of resource development businesses, including iron ore and coal.*2		80.1	42.3	62.3	90.6	166.9	127.3
Marubeni-Ittochu Steel Inc.	50.0%	The company was established in 2001 through the spin-off and merger of the respective steel divisions of Marubeni Corporation and ITOCHU.		6.8	12.8	9.2	8.7	40.1	25.7
ITOCHU ENEX CO., LTD.	55.6%	The company was established in 1961 as Itochu Fuel Corporation to market products from the Mizushima Refinery of Nippon Mining Co., Ltd. The company was listed in 1978 and changed its company name to current name in 2001.		2.2	2.8	6.0	6.6	7.4	9.4
ITOCHU CHEMICAL FRONTIER Corporation	100.0%	ITOCHU Techno-Chemical Inc.*3 was established in 1971. In 1979, the Fine Chemical Department of ITOCHU was spun off and established as ITOCHU Fine Chemical Corporation. The two companies were merged in 2005 to form the current entity.		2.0	3.1	3.7	4.7	8.2	9.1
NIPPON ACCESS, INC.	100.0%	We acquired shares of Yukijirushi Access Co., Ltd. from Snow Brand Milk Products Co., Ltd. and entered a capital and business alliance in 2001. In 2002, through additional share acquisitions, the company became an equity-method affiliate. The company changed name to its current name in 2004. Converted to a subsidiary in 2006, making it a wholly owned subsidiary in 2019.		6.5	8.6	9.8	7.1	21.0	23.8
FUJII OIL CO., LTD.*4	43.9%	We established in 1950 through the spin-off of the Osaka mill of Fuji Sanshi as an oil extraction business using palm oil. Listed in 1961.		2.5	2.4	4.2	2.4	0.7	(1.9)
ITOCHU LOGISTICS CORP.	100.0%	We transferred a textile warehouse in Naniwa-ku, Osaka, and established C. ITOH WAREHOUSE & TRANSPORT CO., LTD. in 1961. Listed in 1994. The company was privatized through TOB in 2009.		0.7	1.9	2.7	3.0	6.1	5.6
DAIKEN CORPORATION	100.0%	The forestry department of Daisen Sangyo Co., Ltd.*5 was spun off and established as DAIKEN Wood Industry Co., Ltd. in 1945. The company was listed in 1949 and changed company name in 1967*6. The company was privatized through TOB in 2023.		0.2	0.7	1.6	2.0	5.2	6.6
ITOCHU Techno-Solutions Corporation	99.95%	C. ITOH Data Systems Co., Ltd.*7, established in 1972, and Tokyo Electronic Computing Service Co., Ltd. *, established in 1958, were merged in 2006. The company was privatized through a TOB in 2023.		6.3	10.2	13.6	17.8	37.6	50.5
FamilyMart Co., Ltd.	94.7%	We started our investing in 1998 (as an equity-method affiliate). Converted to a subsidiary in 2018. The company was privatized through TOB in 2020.*8		4.0	8.1	11.8	(16.7)	41.8	69.8
Orchid Alliance Holdings Limited	100.0%	We established in 2015 jointly with the CP Group for the purpose of investing in CITIC.		—	—	67.9	72.5	98.3	114.1

*1 The company's name at the time of its integration was Century Tokyo Leasing Corporation. *2 The company's name at the time of its establishment was CI Minerals Australia Pty. Ltd.
*3 Originally established as Ando Kaseihin KK. *4 The company changed its name from FUJII OIL HOLDINGS INC. as of April 1, 2023.
*5 The company was established in 1944 through the integration of Marubeni Corporation, ITOCHU, and other companies under wartime controls. In 1949, it was split again into separate companies, including ITOCHU.
*6 The company changed its name after merging with DAIKEN Wallboard Industry Co., Ltd., in which we also had share.
*7 After established by ITOCHU, integrated with ITOCHU Techno-Science Corporation in 1989 and listed in 1999.
*8 We were involved in its establishment, and after several name changes, listed in 2000. In 2001, the company changed its name to CRC Solutions Corp.

The long-term performance trends of Group companies, which we presented in Integrated Report 2024 as a growth track record, are included this year in the Data Section. We also add background on our historical involvement with each company, which we hope will help you understand the long-standing business history behind the expertise ITOCHU has accumulated in each business area.

Dialogue with Stakeholders



POINT In our IR activities, we actively address key themes and implement the PDCA cycle.
We are continuously strengthening our dialogue and disclosure efforts to enhance corporate value through effective IR activities.

IR Activities Themes for FYE 2025

(1) Strengthening dialogue with overseas investors	- Significantly increased the number of individual meetings with overseas institutional investors, and achieved a record high of 605 meetings - Significantly increased the proportion of overseas active institutional investors
(2) Renewal of financial disclosure materials (Enhanced disclosure)	- Redesigned the format of financial disclosure materials - Expanded quarterly disclosure content based on investor feedback
(3) Expansion of IR events	- Created new opportunities for dialogue between Outside Directors and analysts and institutional investors - Increased the frequency of business briefings (North American power business, DESCENTE) - Held the integrated report briefing (5th) in a large meeting format

Trend of numbers of meetings

	FYE 2023	FYE 2024	FYE 2025
Individual meetings with analysts and institutional investors	333 times	426 times	605 times
–Overseas	107 times	201 times	339 times
–Domestic	226 times	225 times	266 times

Next, on our IR activities page, we explain the goals and strategies of the Investor Relations Division in our daily activities. As one of our focus themes—“strengthening dialogue with overseas investors”—we significantly increased the number of individual meetings with overseas institutional investors, as shown on the slide. Since last year, we have also revamped our financial disclosure materials. As a team, we are continuing try and error to make our materials easier for investors to understand and more conducive to lead productive dialogue. As of end-September, the number of investor meetings has reached a record high, exceeding the level in the same period last year. Based on continued dialogue with investors like you, we intend to further evolve ITOCHU’s IR activities, step by step.



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Finally, let me briefly summarize.

Change gives us new insights. Conversely, it is precisely because we gain insights that new issues come into view.

As one example, while the Digest Version was created as a tool to help you grasp the essence of the Integrated Report more concisely, it has also become a means that generates new insights for us. Most recently, we have also prepared an Investor's Guide primarily for institutional investors, and we are using it in meetings and dialogues with investors; it has been well received as easy to understand. The question now is how we should integrate these two media going forward. From the day they were published, we have already begun taking on this new challenge.

We expect that further dialogue with all of you will continue to surface new issues and discoveries. Dialogue with the market is the first step toward transforming management. We would be grateful for your continued support.