The Brand-new Deal

Integrated Report 2026

For the Fiscal Year Ended March 31, 2026

ITOCHU Corporation

Publication of Integrated Report 2026

This Integrated Report has been prepared to help a diverse range of stakeholders gain a clear understanding of our story of sustainable value creation. Rooted in the spirit of "*Sampo-yoshi*," our corporate philosophy, the report highlights key management priorities and illustrates how they are linked to the enhancement of corporate value, while conveying our approach from both financial and non-financial perspectives. Using this report as a starting point, we aim to create a virtuous cycle of deepening dialogue and evolving management.

Key Points of Integrated Report 2026: Pursing Multimedia Transformation

An integrated report does not necessarily have to take the form of a printed booklet.
As part of our efforts to provide timely updates on management developments, and in conjunction with our first IR Day, we released in advance on our website the management messages from the CEO, COO, and CFO, which form a core part of our integrated report. Since last fiscal year, we have continued to pursue new initiatives that contribute to the evolution of the integrated report, including a behind-the-scenes video (Japanese only) on the making of the integrated report and the creation of a digest version designed to be more concise and easier to read. Going forward, we will further enhance the appeal of our integrated report by integrating the front lines, our communication platforms, and multifaceted communications, so that our stakeholders can gain a deeper understanding of our strengths.

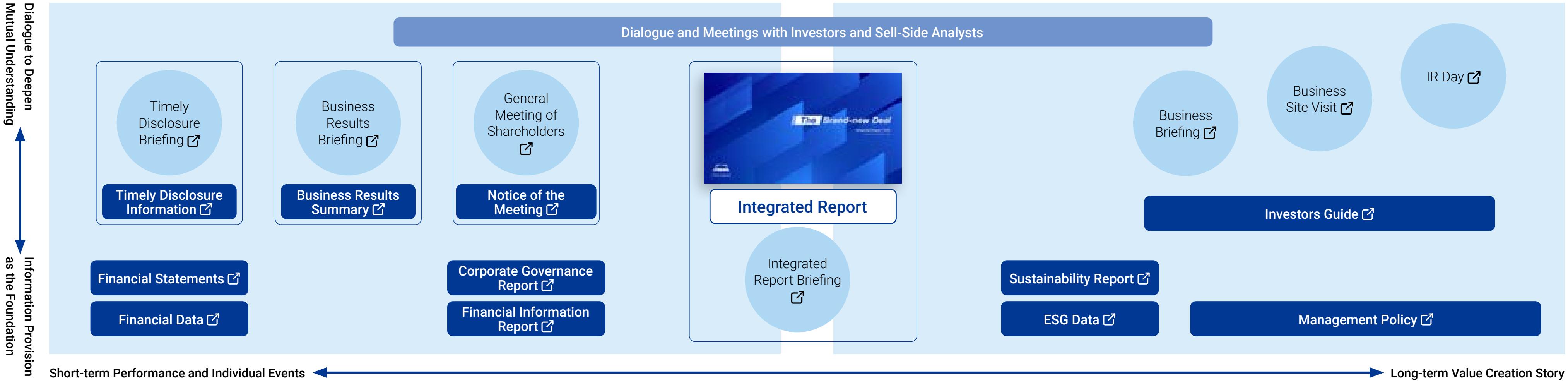
Publication of Integrated Report 2026

Hiroyuki Naka
Member of the Board,
Senior Executive Officer,
CFO; CXO

I am Naka, and I have been serving as CFO since April 2026. Thank you very much for taking the time to read ITOCHU's Integrated Report. This fiscal year, under the theme of a "gear shift," the entire Group is working together as one toward further growth. To help our stakeholders gain a deeper understanding of that growth story, we are also pursuing a "gear shift" in our IR activities and seeking to take them to the next stage. In this year's integrated report, we have placed greater emphasis on positioning it as a gateway for external communications by enhancing alignment with our various disclosure channels and IR events. Through this effort, we have also moved toward a more multimedia format. Looking ahead, we hope to continue demonstrating how integrated reporting itself can evolve. I hereby affirm that the creation process and contents of this report are fair and accurate. I also hope this report will serve as a starting point for dialogue with our stakeholders, and ITOCHU remains committed to the sustainable enhancement of corporate value through continued and proactive dialogue.

Disclosure Framework Image

■ Disclosure Materials ● Events



Dialogue to Deepen Mutual Understanding

Information Provision as the Foundation

Dialogue and Meetings with Investors and Sell-Side Analysts

Timely Disclosure Briefing

Timely Disclosure Information

Business Results Briefing

Business Results Summary

General Meeting of Shareholders

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Short-term Performance and Individual Events ↔ Long-term Value Creation Story

<Multimedia Initiatives>

Integrated Report 2026 Contents (Fiscal Year Ended March 31, 2026)

ITOCHU's Unique Corporate Value Calculation Formula

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

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

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

Lower Cost of Capital: Initiatives and Systems Supporting Sustainable Growth

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

At the core of this report is ITOCHU's unique Corporate Value Calculation Formula, which we have long used to organize our Integrated Report. Using this formula as a framework, we present the key drivers and initiatives that support the enhancement of corporate value. The Company section pages, for example, illustrate how front-line initiatives contribute to each element of the Corporate Value Calculation Formula.

Enhancement of Corporate Value ↑

Sustaining Commitment-Based Management Centered on *"Sampo-yoshi"*

Centered on our corporate mission of *"Sampo-yoshi,"* we advance our management strategies and initiatives swiftly and flexibly through a market-in approach and rigorous implementation of the "Earn, Cut, Prevent" principles. By practicing broad-based growth and commitment-based management, we will achieve sustainable enhancement of corporate value.

Expand Created Value ↑

Building a Track Record, Enhancing Our Trust and Creditworthiness

In order to reliably and continuously achieve our stated targets, we are committed to expanding our value creation through steady profit growth, driven by enhancing our hands-on management. By consistently building a solid track record, we will further strengthen our trust and creditworthiness, thereby supporting the ongoing expansion of our business domains.

Increase Growth Rate ↑

No Growth without Investments

To sustain medium- to long-term growth, we aim to enhance our growth rate by expanding the scope of our business through downstream-driven growth investments, maximizing synergies through horizontal collaboration within Division Companies, and accelerating digital utilization.

Lower Cost of Capital ↓

Establishing a Management Foundation to Support Sustainable Growth

In addition to enhancing our corporate brand value through improvements in qualitative aspects, we aim to minimize cost of capital by increasing the sustainability of our business and its resilience to economic fluctuations through risk management, as well as by strengthening our governance system with a focus on substance.

COVER STORY

Unchanging Spirit since Our Founding, "*Sampo-yoshi*"

Our corporate mission, "*Sampo-yoshi*," embodies the unchanging spirit that has guided us since our founding. It is the very DNA shared by all of our employees, forged through changes in the external environment as well as numerous challenges. In both business and the capital markets, this spirit of growing together with our stakeholders is the source of sustainable corporate value enhancement.

Founded in 1858

Chubei Itoh I, the Company's founder, began by selling linen cloth from Osaka to the Senshu and Kishu regions. His words "Trade is a compassionate business. It is noble when it accords with the spirit of Buddha by profiting those who sell and those who buy and supplying the needs of society." reflect his convictions and ideals regarding business, forming the origin of "*Sampo-yoshi*" (good for the seller, good for the buyer, good for society).

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

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

1950–1980s

ITOCHU expanded from its textile origins into non-textile sectors, accelerating its development as a general trading company and promoting internationalization. In 1958, we entered the computer business, the predecessor of CTC, and in 1969 completed the first shipment of iron ore from Western Australia. These and other developments laid the foundation for our current business portfolio. At the same time, we made management decisions such as investing in TOA Oil Co., Ltd. in 1966 and expanding real estate investments in the 1980s, which later resulted in losses.

1990–2000s

Following the collapse of Japan's economic bubble, we took decisive action to resolve the negative legacies of real estate investments. Despite facing a temporary risk of bankruptcy, we improved our financial structure through a strategy of selection and concentration. In 1998, during the process of loss disposal, we invested in FamilyMart, thereby securing a crucial business foundation for expansion in the consumer sector.

Learned from History

1960s	Believing the prevailing theory at the time that "oil would be depleted within 30 years," we made a large-scale investment in TOA Oil Co., Ltd. without sufficient regard for our financial capacity.
1970s	Losses began to materialize following the oil shock, resulting in cumulative losses exceeding ¥180 billion.
1980s	Amid intensifying sales competition within the industry, we prioritized business expansion and increased our holdings of real estate and financial assets without adequate regard for the risks involved.
1990s	Following the collapse of Japan's economic bubble, we took decisive action to resolve the negative legacies of real estate investments and other assets. We were on the brink of bankruptcy and were forced to focus on our core businesses.

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.

Do not pursue an excessive focus on our core business.

Ensure fairness in initiatives by thoroughly examining potential contradictions or adverse effects.

"The higher the mountain, the deeper the valley." As the business environment is bound to change, never become overconfident or complacent.

Postponing loss disposal can lead to fatal outcomes; it is crucial to have an accurate understanding of the situation and to make calm decisions.

2010–2020s

We steadily advanced from being "No. 1 in the consumer sector" to "No. 1 in the non-resource sector," and ultimately to "No. 1 among general trading companies," growing into one of Japan's largest companies by market capitalization. Through this process of growth, we have put into practice and embodied our management philosophy as a merchant. Building on this foundation, we will continue to pursue further growth and the sustainable enhancement of corporate value.

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

Market-in Approach

"Merchants need to be adaptable like water," adapting to change and creating businesses

Our market-in approach is rooted in our founding spirit. Ohmi merchants traveled from region to region on their own, hearing directly from customers and gaining firsthand insight into their needs, thereby opening up new business opportunities.

Today, as consumer needs continue to diversify, the sources of profit are rapidly shifting downstream. Under our policy that "Profit opportunities are shifting downstream," we do not rely blindly on assumptions, but instead focus on creating businesses based on customer feedback and needs from the front lines.

True to the spirit of "Merchants need to be adaptable like water," we will continue to drive business model evolution and create new growth opportunities.

"Earn, Cut, Prevent" Principles

Ensuring lean management and the front-line capability

These words capture the essence of business. In particular, putting "Cut" and "Prevent" into practice is critical. We have steadily evolved our lean management by thoroughly eliminating waste not only in expenses, but also through measures such as abolishing unnecessary meetings, reducing documentation, and improving operational efficiency through workstyle reforms.

In addition, through a strong commitment to the front lines, we strive to detect emerging issues at an early stage and take appropriate preventive measures, thereby preventing unnecessary losses before they materialize.

This practice of "Cut" and "Prevent" is a management discipline that can be highly replicable. The Group-wide and relentless practice of "Earn, Cut, Prevent" has become the foundation for sustainable corporate value enhancement.

Commitment-Based Management

Fostering stakeholder trust through sound management

For a listed company, trust is built only by delivering on its commitments. In the past, as we struggled to deal with bad debt and other legacy issues, our track record of meeting our plans declined significantly. As a result, we lost significant credibility in the market.

Determined never to return to such a period, we have thoroughly implemented commitment-based management since FY2010, under which we have remained committed to achieving the targets we set at the beginning of each fiscal year.

"Valuing trust above all else" was also the principle most cherished by the Ohmi merchants, who had to transport goods to unfamiliar regions and earn the trust of the people there before business could take root. That spirit remains just as relevant today.

Broad-Based Growth

Sustainable growth and stronger resilience to economic cycles

General trading companies have long been viewed by the market as being subject to a conglomerate discount, and "Focus on core business" is often praised as an easy-to-understand management approach.

However, our own experience showed that excessive dependence on specific businesses led to a range of negative consequences, including a decline in motivation among employees in non-core areas and a loss of trust from business partners and related industries, ultimately weakening our management base.

Yet every industry is changing, and every industry presents opportunities. If we can capture those opportunities, the Company as a whole will become stronger. Our strategy, therefore, is to pursue growth across all business areas and thereby achieve significant overall growth.

CEO MESSAGE

——“Don’t Favor Only the Most Respectable”

Junnosuke Inoue

Masahiro Okafuji
Chairman & Chief Executive Officer

Questioning the Conventional Wisdom

Looking across the world today, I sense that the seeds of major change are beginning to emerge amidst the turmoil.

I joined ITOCHU Corporation in 1974, in the midst of the first oil shock. More than 50 years later, who could have imagined that we would once again face what might be called a Reiwa-era oil shock? In Japan as well, we are now at a major turning point: many assumed that deflation would continue indefinitely, but now we are moving into an inflationary phase for the first time in more than 30 years. Today, prices are rising across the board and while people living in Japan may understand this intellectually, they may still find it difficult to adjust emotionally. I am keenly aware every day how challenging a phase this is for steering a company. The conventional wisdom of the past is no longer sufficient. We will not be able to overcome the difficulties before us unless I too begin by questioning the conventional wisdom.

Against that backdrop, one line in a book I happened to pick up recently stayed with me: “Don’t favor only the most respectable.” Looking into the phrase further, I found that it is attributed to Junnosuke Inoue, who served as the Minister of Finance as well as the Governor of the Bank of Japan from the Taisho era into the early Showa period. He, too, was someone who refused to be constrained by the conventional wisdom. The true intent of the phrase appears to have been that people who speak only in conservative, conventional terms do not produce original ideas or the capacity to overcome difficult situations. In corporate management, unexpected problems arise all the time. Speaking from my own experience as a manager, I found the point deeply persuasive. As I explored the background further, I also came to realize that ITOCHU has a meaningful historical connection to Inoue.

That connection began when Chubei Itoh II stopped in New York on his way to study in the United Kingdom. He visited Inoue, who was then stationed there in his capacity as the official overseeing the Bank of Japan’s New York office. During that visit, Inoue commented on Chubei Itoh II’s tendency to reject people who did not fit into the mold and to favor only respectable people, and urged him to change his approach. Thereafter, Chubei Itoh II held Inoue in the highest regard and reportedly sought his counsel whenever the occasion arose. In his later memoirs, he described these as “the strongest words anyone has ever said to me.”

During a dialogue I had with Hideki Kuriyama, who led Samurai Japan to victory, I happened to mention Inoue. To my surprise, I later received a letter from Inoue Shuzo, the sake brewery founded by his family, and had the opportunity to meet them. Inoue Shuzo has been brewing sake in Oita Prefecture for more than 200 years, and at a time when sake brewing was considered strictly a male domain, it took the pioneering step of having women engage in brewing. I was also told that Yuri Inoue, their seventh president, accepted both capital and management personnel from an Oita-based fund established to foster outstanding local industries, and then pressed ahead with management reform. Rather than limiting herself to utilizing Inoue’s ancestral home and brewery (both historically significant cultural properties), she decided to devote herself to the role of master brewer so that the business could continue for another 300 or 400 years. Hearing this story of taking on new challenges without being constrained by conventional wisdom about what a sake brewery should be, I felt both a strange sense of connection with Junnosuke Inoue, who opened up a new era by questioning conventional wisdom, and with Inoue Shuzo, which carries on that spirit. It was also a powerful reminder to me of how important it is today to question what is taken for granted.

The saying, “Great achievements are made in times of hardship; many undertakings fail in times of success,” was the personal motto of President Masakazu Echigo, who is regarded as one of the principal figures in our company’s postwar revival. But I later discovered that it originally came from Inoue. These important words have been passed down within ITOCHU to the present day.

Common Sense in Corporate Management

Corporate management, too, is full of conventional wisdom that should be questioned.

Take engagement surveys, for example, which have recently drawn attention as a way of gauging corporate culture. I am somewhat concerned by the tendency to pursue only one outcome: high employee satisfaction. A female officer of our company recently exchanged views with female officers from other companies, and one topic came up in the discussion: one company was relieved to very high engagement survey results, but a closer look into the details revealed that many employees had hardly come to the office for an entire month and had been working almost entirely from home. In other words, easier working conditions had become one of the reasons behind the improved results.

Work-style reforms that place excessive emphasis on making things easy may impede corporate growth and also limit the room individuals have to develop. Management is expected to sustain a virtuous cycle where employees feel a sense of purpose and make continuous efforts, management converts those efforts into better business performance, and employee benefits reflect those results; employees, in turn, are able to achieve more fulfilling lives.

The same applies to diversity. It has become conventional wisdom to set numerical targets for categories such as women or foreign nationals. But is such a formalistic approach really the right one for corporate management, which must deliver on growth? What is truly necessary is to create an environment in which we can listen to a wide range of people, including those with unconventional ideas, so that we can make our way through any difficult situation. People who appear to be model performers but only repeat the conventional wisdom lack the unconventional thinking, flexibility, and dynamism to solve difficult problems. If an organization is composed only of such people, it will not be able to deal with the unexpected. That is why it is so important to build a diverse team and place every perspective raised by that team on the table before making the best possible management decision. I regard that as one of the most important responsibilities of top management, including my own. In that sense, corporate management in the current environment brings us back, once again, to the words of Inoue.

A Merchant's Successor

In December 2025, Warren Buffett stepped down from the CEO position he had held for so many years at Berkshire Hathaway. His final shareholder letter was, as one would expect from the "Oracle of Omaha," full of insights that deeply affected me. Buffett touched on his management philosophy in selecting a CEO and listed several traits that make someone unsuitable as a successor or as a top executive.

1. *A person who tries to build a dynasty: someone driven by self-display, obsessed with standing out or creating an "era," and inclined to put personal interest ahead of the company's interest.*

2. *A person who openly boasts about being wealthy, displaying the arrogance of possessing vast personal assets.*

3. *A person who publicly declares his retirement age, purposefully stirring outside speculation.*

I imagine many people would find those points convincing. They also reminded me of the case discussed in *The Man from Tehran* by Hiroshi Kodama, a book I referred to in a previous message, in which a mistake in selecting Toshiba's successor ultimately led to organizational collapse.

In Japan, it is common for top executives to rotate after about six years on average. I question whether that is enough to practice true management from a long-term perspective. If people are highly capable, they should be given the opportunity to continue serving as officers for a longer period. In fact, our former CFO and CAO each supported the Company's remarkable progress for more than 10 years. Their contributions are recognized by all.

Selecting a successor is difficult for any company. In my view, one quality that the head of a general trading company must absolutely possess is a merchant's instinct. The person must have produced results on the front-lines of business, where conditions change constantly. He or she must also be able to think independently, question conventional wisdom, and make prompt decisions as circumstances evolve from moment to moment. A deep understanding of the importance of Group management is equally essential.

In fact, for FY2026 we appointed two individuals as headquarters officers who had previously gone on to deliver outstanding results in the management of Group companies after leaving headquarters. We also ensure that our Outside Directors meet many of our officers and the managements of our Group companies, and that views are exchanged constantly from every possible angle.

"Merchants need to be like water" is a business philosophy and also one of the qualities required of a manager. It means having the flexibility to change constantly in accordance with the counterpart, just as water changes shape depending on the vessel. Business cannot be built without empathy. The same is true with the market. ITOCHU is committed to cultivating managers of precisely that kind.

Reaffirming "No Growth without Investments" and Broad-Based Growth

Tsutomu Fujita, a well-known strategist on Japanese equities and now the representative of the Capital Markets Research Forum at Hitotsubashi University, recently contributed an opinion piece to the *Nikkei* warning against the view that Japanese companies hold excessive retained earnings and should therefore increase shareholder returns.

I share the sense that the current Japanese market has a tendency to prioritize shareholder returns first. As many people know, Amazon, one of the major global technology companies, generated net profit of ¥12.4 trillion, while making capital expenditures of ¥20.5 trillion and total growth investments of ¥38 trillion including research and development expenses. Since its listing in 1997, it has not paid a single dividend. Yet its market capitalization has reached an extraordinary ¥420 trillion, something difficult to imagine in Japan. Even Toyota, by contrast, has a market capitalization of roughly ¥45 trillion and R&D expenses of ¥1.5 trillion. This is exactly why I say, "No growth without investments."

Management at major technology companies, pursuing growth investments on such an extraordinary scale, may appear far outside the conventional wisdom. This is admittedly an extreme example, but I believe that what matters above all is the balance between growth investments and shareholder returns. Massive shareholder returns may provide a temporary boost to the share price, but they also carry the risk of cutting off future growth. For a company like ours, which must compete globally, unbalanced management decisions can be fatal, and would not serve Japan as a whole, either. The same holds true for portfolio management. Merchants need to be like water, and ITOCHU's approach to management is to maintain a broad portfolio and flexibly shift the center of gravity in line with the needs of each era. The approach we have pursued on that basis is broad-based growth. It is a way of thinking that seeks to raise the performance of the portfolio as a whole, not by becoming excessively dependent on any one business, but by building on strengths while steadily addressing weaknesses.

Take ITOCHU's Machinery Company, for example. In FY2010, its profit was the smallest among all segments and did not even reach ¥10.0 billion. Today, it is on pace to exceed ¥200.0 billion. I believe this is an achievement that could never have been realized through the conventional logic of "focus" alone.

A Rebound from Undervaluation—Toward the Next Stage of Growth

For many years, general trading companies were not highly valued, no matter how much profit they generated; trading company shares were perennially undervalued. In recent years, however, the market's evaluation of the sector has risen sharply. Our own share price has continued climbing from the ¥800 range at the time I became president, and at one point surpassed the ¥10,000 level on a pre-stock-split basis. Among all listed companies, ITOCHU is also the only one to have outperformed TOPIX for 11 consecutive years through the end of FY2025. At one point, a trading company even ranked among the top three listed Japanese companies by market capitalization. This reflects a broad reassessment of general trading companies in terms of profit levels, shareholder returns, company rankings by jobseekers, and overall standing in society. It is an extremely welcome development for the industry as a whole.

Recently, Yasuhiro Narita, an analyst at Nomura Securities who covers the trading company sector, published a report on our shares under the title "A Rebound from Undervaluation Begins." The substance of the report was that while ITOCHU is not benefitting in the short-term from persistently high energy prices caused by the prolonged Middle East conflict, given our relatively low share of earnings derived from the energy sector, the recent adjustment in our share price has made the stock appear increasingly undervalued. It also argued that momentum in the share price should improve once the conflict ends and energy markets stabilize with improvements in our core earnings becoming evident.

I read all reports issued by sell-side analysts. This particular report left me with a renewed sense of responsibility and strengthened my determination to meet the market's expectations.

This year, we will once again put our policy of "No growth without investments" into practice. We are currently working on a range of initiatives aimed at new growth, and some of them will be announced soon. I myself am committed to taking the lead in achieving high-quality investments, and will put in the hard work, endeavoring with each Division Company President to develop new business. I also continue to visit clients and Group companies in person, sharpening my instincts as I go about management every day.

This year, we plan to deliver solid results in the form of the sustainable enhancement of corporate value, and look forward very much to sharing them with you.

COO MESSAGE

Creating New Value Through the “Gear Shift”

K. Ishii

Keita Ishii
President & Chief Operating Officer; CSO

FY2026: The Year of a "Gear Shift"

It has already been five years since I assumed the position of President & Chief Operating Officer in April 2021. During that time, I have worked tirelessly to meet the expectations of our many stakeholders by visiting the front lines in Japan and overseas and doing everything in my power to drive the growth of the ITOCHU Group.

Today, the world is in an unprecedented state of uncertainty and turmoil, shaped by developments such as the Trump administration's challenge to the existing global order and wars and conflicts in various regions. At the same time, Japan, where ITOCHU has a substantial business base, is entering a period of major transformation. Japan is finally emerging from prolonged deflation and entering an inflationary environment for the first time in more than 30 years. Corporate governance reform is also gathering momentum and is pressing companies to transform themselves. Meanwhile, advances in AI and digital technologies continue at an extraordinary pace. We also see growing signs that domestic investment in Japan will accelerate, driven by government initiatives on economic security and national resilience. Against this backdrop of change in Japan, I also sense that overseas investors are paying closer attention to Japanese companies.

Over the past 15 years, our consolidated net profit has grown at a CAGR of more than 10%. However, to continue growing, we need a gear shift to move to the next stage. As we enter this period of major transformation, I am concerned that simply extending past ways of thinking may lead us to a dead end. We need to shift our thinking boldly-beyond vertical silos and toward broader, more multidimensional perspectives. For example, if we want to move beyond simply adding up multiple ¥1 billion profit opportunities and instead create profit on the order of ¥10 billion, we need a much bolder approach to partners, business domains, and business models.

That is why we have positioned FY2026 as the year for a "gear shift" and decided to step up growth investments significantly to the ¥1.5 trillion level. These investments are focused on creating new core businesses that will become future earnings drivers, while also generating new value from the front lines. That said, while our growth ambitions are rising, the way we will achieve that growth has not changed. It remains rooted in ITOCHU's way of building earnings.

How ITOCHU Builds Earnings at the Front Lines

Chairman & CEO Okafuji often says, "Merchants need to be adaptable like water." I believe this captures how we should approach business in an era of rapid and unpredictable change. Just as water freely changes its shape to fit the vessel that contains it, we must be agile in sensing changes in society and industry, respond with flexibility, and create new value. Guided by this distinctive merchant philosophy and by engaging deeply with society and industry, ITOCHU has steadily expanded its business. Over many years, we have built a deep presence in the front lines of a wide range of industries, built solid business foundations and networks of trust both inside and outside ITOCHU, and steadily honed the front-line capability of each employee. This is the essence of ITOCHU's way of building earnings.

A distinctive strength of ITOCHU is its front-line capability—its ability to identify business opportunities by being close to our customers. In particular, our business platforms connect the entire value chain from downstream consumer touchpoints to midstream and upstream operations. The broad and various networks we have built across industries, are also a result of this front-line capability.

One of the clearest expressions of this front-line capability is our Hands-on management. We dispatch management personnel and employees with relevant functional expertise from ITOCHU to work closely with investees on the ground, identify key issues, and improve corporate value through management reform. Employees seconded to management roles at Group companies are not there simply in name or on a short-term basis. Our personnel system provides incentives in evaluation and compensation that are clearly linked to performance. This creates a virtuous cycle. Employees return to ITOCHU as stronger management talent, bringing with them real on-the-ground experience and insight. At the same time, ITOCHU retains the know-how gained through both successes and setbacks.

Chairman & CEO Okafuji and I hold meetings twice a year with the management teams of our major Group companies. In these meetings, we receive performance updates and discuss strategy from both medium- to long-term and short-term perspectives, taking into account the business environment surrounding each company. We are often presented with examples of creative ideas drawn from consumer touchpoints and bold initiatives that enhance corporate value. These meetings confirm that our core business principles "Earn, Cut, Prevent" and a "Market-in approach" are being put into practice across our Group companies, and that the ITOCHU's way of building earnings has taken root there. Their contribution to earnings speaks for itself. In FY2025, approximately 70 Group companies, around 30% of all Group companies, achieved record-high profits, giving me real confidence in our future growth. For the growth of the ITOCHU Group, these Group companies —sharing the same philosophy, perspective, and determination to achieve ambitious goals— are truly irreplaceable assets, treasures that support the growth of the ITOCHU Group.

Creating New Value through Horizontal Collaboration

Another defining feature of the way we create value and build earnings is our Market-in approach: starting from downstream consumer touchpoints, identifying needs close to the ground, and turning those insights into business opportunities. However, market needs are becoming increasingly complex, and no single organization can address them alone. That is why I have consistently called for breaking free from siloed thinking, so that we can respond to customer needs across organizational boundaries and steadily convert them into earnings opportunities. This goes back to the mindset I mentioned earlier: moving beyond vertical silos and taking a broader, more multidimensional view so that we can enter new business domains. To reach the next stage of growth, horizontal collaboration based on broader strategic concepts that go beyond organizational boundaries will become more important.

The 8th Company, which was established in FY2019 to lead cross-sector initiatives, has served as the hub for such efforts. In FY2025, this led to collaboration with Seven Bank in the financial business. In the General Products & Realty Company as well, we launched a strategic alliance with JR East in the real estate business. Both partnerships are with companies that operate across a wide range of businesses, and in each case, we see ATMs and real estate as starting points for expansion into much broader business areas. Because we know the front lines so well, we believe we can leverage existing businesses as a foothold and provide a wide range of value tailored to our partners' needs. By pursuing projects that can create cross-sector opportunities across multiple business domains, I intend to lead from the front and accelerate ITOCHU's growth further.

This Market-in approach can also bring out ITOCHU's distinctive strengths not only in the consumer-related sector directly connected to downstream demand but also in the foundational industries that have long supported economic activity. In the past, trading companies mainly procured raw materials and other inputs from around the world and supplied them to midstream and downstream segments of the supply chain. That mission of stabilizing and strengthening supply chains remains as important as ever. But by looking upstream and across the middle from a downstream perspective, we can provide products and services with significantly higher added value. In the power field, for example, we can address upstream issues such as power shortages and the supply-demand and output adjustment challenges rising from the expansion of renewable energy. At the same time, we can provide downstream power solutions—such as energy storage and microgrid development—that improve convenience for users. The same applies to petrochemical products. As our chemicals-related Group companies are already demonstrating, we are working to create new materials and products by linking the technologies of diverse daily commodities manufacturers with the needs of end consumers. This, too, is a form of value creation unique to ITOCHU—one that goes beyond the conventional boundaries between upstream, midstream, and downstream.

Accelerating Growth by Leveraging AI and Data

Leveraging digital technology is essential to "gear shift." Digital innovation is advancing rapidly, and this trend is irreversible. AI is evolving into an agent capable of gathering information and supporting judgment. In many business settings, it is likely to become a trusted partner that helps us organize our thinking. I use AI every day as a sounding board so that I can keep up with the pace of change, and I continue to encourage the utilization of DX and AI across our Group. This goes back to a comment made to me some time ago by Audrey Tang, widely known as Taiwan's first Digital Minister. In response, I was told that the priority was no longer to build a platform first. Instead, we should begin by introducing AI in areas where it can already be applied, then connect those domains, and allow AI itself to identify the best solutions across them. That vision made a deep impression on me. Across our business domains, we are close to operations in a wide range of industries. If ITOCHU takes the lead in introducing AI where it can be applied in those settings and leverages it to drive business growth, I believe that, too, will become a form of value creation unique to ITOCHU.

Our Group has also accumulated diverse data obtained through direct consumer touchpoints. We are beginning by organizing that data into a form that can be readily used. By putting well-structured data to work in business, we expect to accelerate the creation of new value. Data organization and utilization have become not only key management issues for many companies seeking to capture new earnings opportunities but also challenges tied to creating synergies across industries. By leveraging the strengths of the digital value chain centered on CTC, with which we have long been involved, we will seize such opportunities and expand our businesses.

Leveraging digital technologies may dramatically improve labor productivity and also create technologies and services that would once have seemed unimaginable. Even so, it is people—those who go to the field, see what is happening there, and work hard on the ground—who ultimately give business its value. Through the chemistry between DX and AI and the capabilities of merchants who know the front lines, we will pursue value creation that only ITOCHU can deliver.

A Time of Major Transformation—and a Further Leap Forward

As the phrase "Merchants need to be adaptable like water" suggests, ITOCHU has always created new value by sensing changes in industry and consumer needs quickly and responding with flexibility. For a company like ours, periods of major transformation are opportunities to develop new ways of earning and expand into new domains. What this approach ultimately delivers is something we have proven over time: steadily building core profits year after year and enhancing sustainable corporate value. We must continue to meet market expectations steadily.

Today, under this "gear shift," the entire ITOCHU Group is moving at full speed toward a new stage. I will do everything in my power to ensure that our people at the front lines can continue to do business and serve customers in the ITOCHU way, and to realize value creation that is truly unique to ITOCHU.

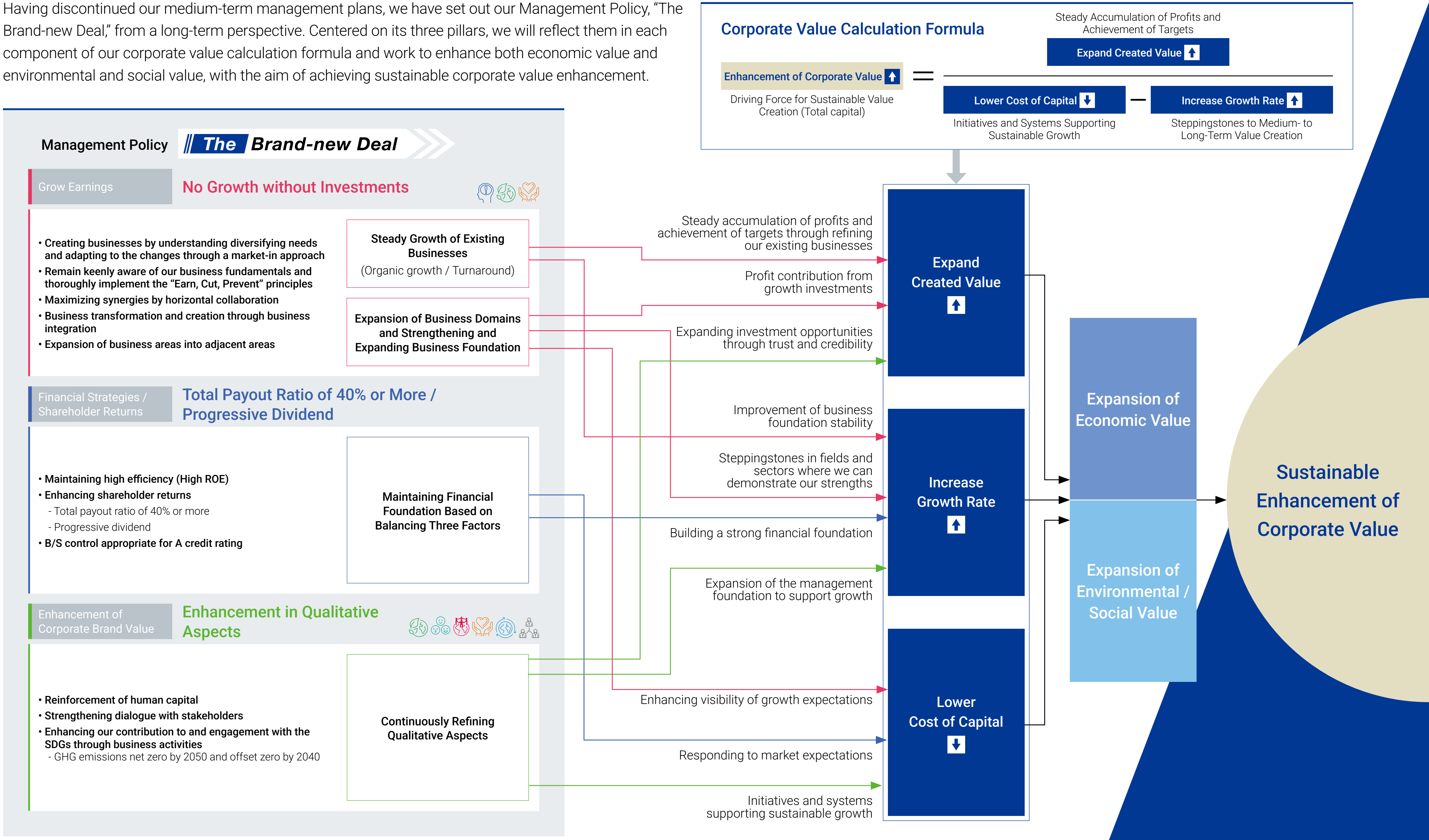
One for All,
All for One.

New Board

Together, we will continue to work as one to enhance our corporate value.

Management Policy for the Sustainable Enhancement of Corporate Value (Logic Tree)

Having discontinued our medium-term management plans, we have set out our Management Policy, “The Brand-new Deal,” from a long-term perspective. Centered on its three pillars, we will reflect them in each component of our corporate value calculation formula and work to enhance both economic value and environmental and social value, with the aim of achieving sustainable corporate value enhancement.



Corporate Value Calculation Formula

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

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

Management Policy ***The Brand-new Deal***

Grow Earnings — No Growth without Investments

- Creating businesses by understanding diversifying needs and adapting to the changes through a market-in approach
- Remain keenly aware of our business fundamentals and thoroughly implement the “Earn, Cut, Prevent” principles
- Maximizing synergies by horizontal collaboration
- Business transformation and creation through business integration
- Expansion of business areas into adjacent areas

Steady Growth of Existing Businesses
(Organic growth / Turnaround)

Expansion of Business Domains and Strengthening and Expanding Business Foundation

Financial Strategies / Shareholder Returns — Total Payout Ratio of 40% or More / Progressive Dividend

- Maintaining high efficiency (High ROE)
- Enhancing shareholder returns
  - Total payout ratio of 40% or more
  - Progressive dividend
- B/S control appropriate for A credit rating

Maintaining Financial Foundation Based on Balancing Three Factors

Enhancement of Corporate Brand Value — Enhancement in Qualitative Aspects

- Reinforcement of human capital
- Strengthening dialogue with stakeholders
- Enhancing our contribution to and engagement with the SDGs through business activities
  - GHG emissions net zero by 2050 and offset zero by 2040

Continuously Refining Qualitative Aspects

Steady accumulation of profits and achievement of targets through refining our existing businesses

Profit contribution from growth investments

Expanding investment opportunities through trust and credibility

Expand Created Value ↑

Improvement of business foundation stability

Steppingstones in fields and sectors where we can demonstrate our strengths

Building a strong financial foundation

Expansion of the management foundation to support growth

Increase Growth Rate ↑

Enhancing visibility of growth expectations

Responding to market expectations

Initiatives and systems supporting sustainable growth

Lower Cost of Capital ↓

Expansion of Economic Value

Expansion of Environmental / Social Value

Sustainable Enhancement of Corporate Value

The Merchant Value Creation Cycle

KPI and strengthening measures ►Page 15 Capitals That Drive Value Creation

Internal Capital

Human Capital (Individual Capabilities)

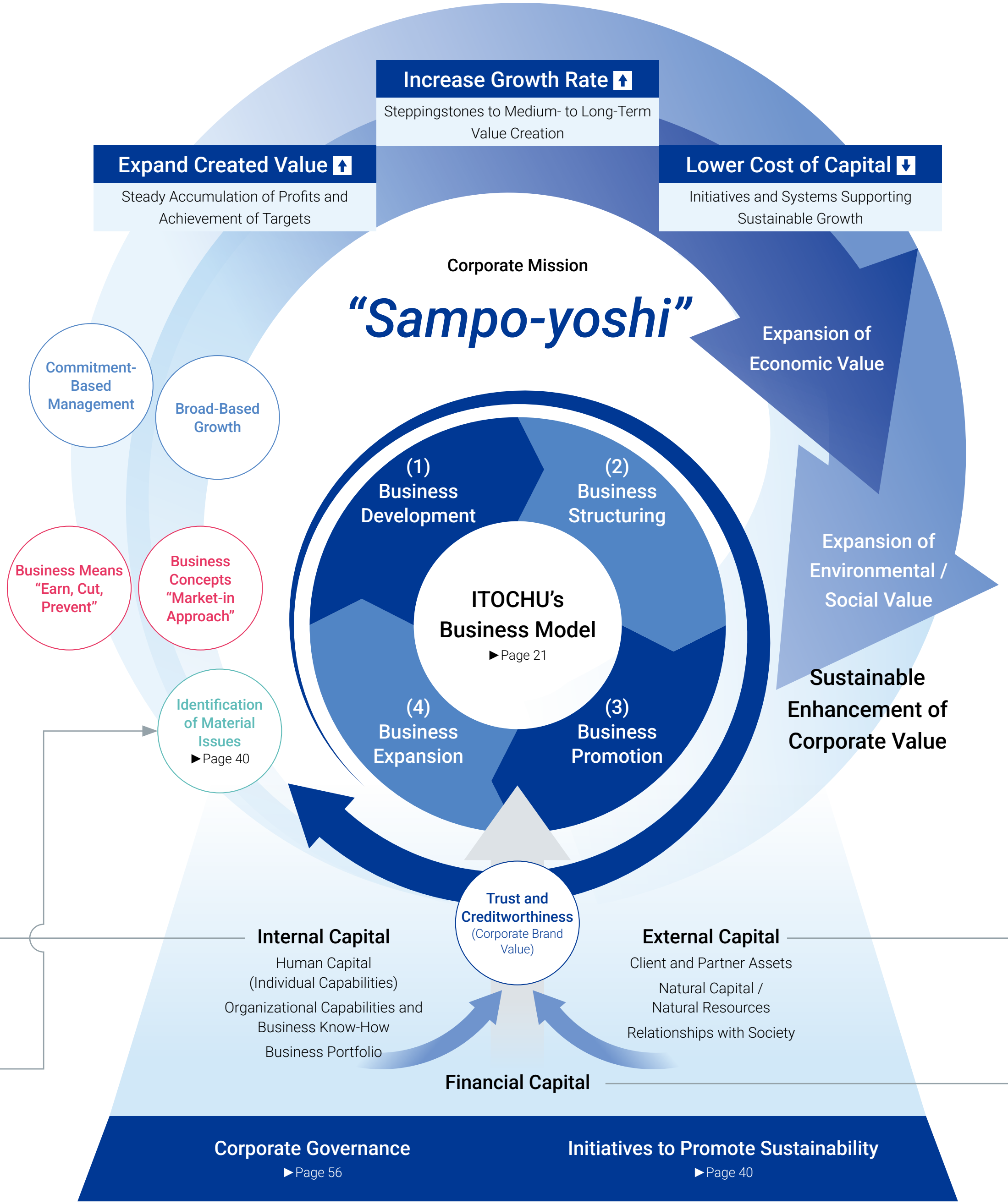
Aiming to be a company that is a challenging but rewarding workplace, we have made human resource strategy one of our key management strategies. By increasing labor productivity through improving employees' motivation and willingness to contribute, we are linking individual capabilities to the enhancement of corporate value. Additionally, through accumulating extensive front-line experience, we are heightening the individual capabilities as a merchant.

Organizational Capabilities and Business Know-How

We have established business divisions with deep insights and experience across various industries, as well as highly specialized administrative divisions. Under a swift decision-making system, both divisions collaborate closely together, effectively exercising their respective functions. Our extensive and advanced business know-how, which includes lessons learned from past failures, has accumulated into an intangible asset that is indispensable for creating new businesses.

Business Portfolio

Eight Division Companies operate businesses across a wide range of industries. By swiftly responding to rapid changes in the business environment and diverse consumer needs, we create multifaceted, linked businesses and drive business model transformation, leading to a highly flexible, wide-ranging, and balanced business portfolio.



External Capital

Client and Partner Assets

We maintain win–win relationships with our clients and partners, which include a large number of leading companies. This is vital for acquiring and developing trade, as well as expanding business domains. Our abundant client and partner assets enable sustainable earnings growth and contribute to "*Sampo-yoshi*."

Natural Capital / Natural Resources

Through our business in the non-resource and resource sectors, we meet social demand for stable procurement and supply of natural resources. At the same time, we recognize that our broad value chain both depends on and impacts the bounty of all kinds of natural capital, and we capture new business opportunities in responding to social issues outlined in the SDGs.

Relationships with Society

We engage in continuous and constructive communication with our stakeholders to grasp and address their expectations and demands toward the Company. These efforts enable us to stably promote business activities in Japan and overseas and heighten corporate brand value, thereby further enhancing corporate value.

Material Issues

Identifying material issues essential to sustaining the value creation cycle that drives continuous enhancement of corporate value, taking into account initiatives through our core businesses, alignment with management strategy, medium- to long-term social changes, and the addition of governance elements.

Financial Capital

We steadily accumulate profits and maintain financial foundation based on balancing three factors: growth investments, shareholder returns, and control of interest-bearing debt.

Capitals That Drive Value Creation

"Value creation, the ITOCHU way" – driven by distinctive and hard-to-replicate competitive advantage.

This value creation process further strengthens our capital, deepens our corporate mission, and drives the evolution of our business model.

Internal Capital

Human Capital (Individual Capabilities)

Examples of KPI and Monitoring Indicators

- Labor productivity of employees
- Company ranking among jobseekers
- Engagement survey
- Investment in human resource development
- Percentage of career-track employees sent on overseas assignment
- Ratio of females among all officers

Examples of Enhancement Measures

- Realization of corporate mission and Guideline of Conduct
- Conducting PDCA cycle based on engagement surveys
- Morning-Focused Flextime System and adoption of the work from home system (for all employees)
- Health management (Support for Balancing Cancer Care and Work, etc.)
- Strengthening front-line capabilities, including overseas assignments and dispatches to Group companies
- Establishment of the Women's Advancement Committee as an advisory committee to the Board of Directors
- Enhancing diversity and expanding promotion opportunities through a new policy for appointing Executive Officers

Business Portfolio

Examples of KPI and Monitoring Indicators

- CAGR of consolidated net profit by segment
- Management efficiency indicators by segment (ROA, etc.)

Examples of Enhancement Measures

- Practice of broad-based growth that elevates our entire business
- Breaking down product silos and strengthening collaboration among Division Companies
- Pursuit of highly efficient management (rigorously selected investments and continuous asset replacement)
- Analysis of key management indicators

Organizational Capabilities and Business Know-How

Examples of KPI and Monitoring Indicators

- CAGR of consolidated net profit
- Management efficiency indicators (ROE, etc.)
- Ratio of Group companies reporting profits
- Number of employees participating in training (Training on investment failure cases and PMI case studies)

Examples of Enhancement Measures

- Creation of business by business divisions with strong front-line capabilities
- Implementation of business support and control function by administrative divisions with specialized expertise
- Rigorous application of the "Earn, Cut, Prevent" principles through collaboration between business divisions and administrative divisions
- Transforming business models based on a market-in approach
- Refining businesses through hands-on management
- Rigorous focus on "The Four Lessons for Investments," as well as implementation of trainings on investment failure cases and PMI case studies

External Capital

Natural Capital / Natural Resources

Examples of KPI and Monitoring Indicators

- Ratio of renewable energy
- GHG emissions
- Electricity consumption
- Water withdrawal
- Waste volume
- Ratio of products with established traceability

Examples of Enhancement Measures

- Aiming for GHG emissions net zero by 2050 and offset zero by 2040
- Withdrawing completely from thermal coal interests
- Enhancement of disclosures in line with TCFD and TNFD frameworks
- Strengthening the sustainability management of the supply chain and business investees

Client and Partner Assets

Examples of KPI and Monitoring Indicators

- Profits from projects with trusted partners
- Number of key clients and partners

Examples of Enhancement Measures

- Selection and securing of blue-chip partners
- Collaboration with partners who complement each other's functions
- Complying with Environment, Health, and Safety (EHS) Guidelines
- Building of secure and safe supply chains

Relationships with Society

Examples of KPI and Monitoring Indicators

- Number of engagements with institutional investors and stakeholders
- External evaluations related to IR activities
- Number of sustainability surveys conducted
- Number and percentage of employees participating in sustainability and compliance-related internal training
- Number of compliance violation incidents
- External evaluation by ESG rating agencies, etc., and inclusions to indices

Examples of Enhancement Measures

- Enhancing our contribution to and engagement with the SDGs through environmentally friendly businesses, etc.
- Expansion of opportunities for dialogue and deeper business understanding through events such as project and business briefings for analysts and institutional investors
- Deployment of unique information-sharing bases and tools for dissemination, including ITOCHU SDGs STUDIO and SHONIN of the Earth (corporate PR magazine)

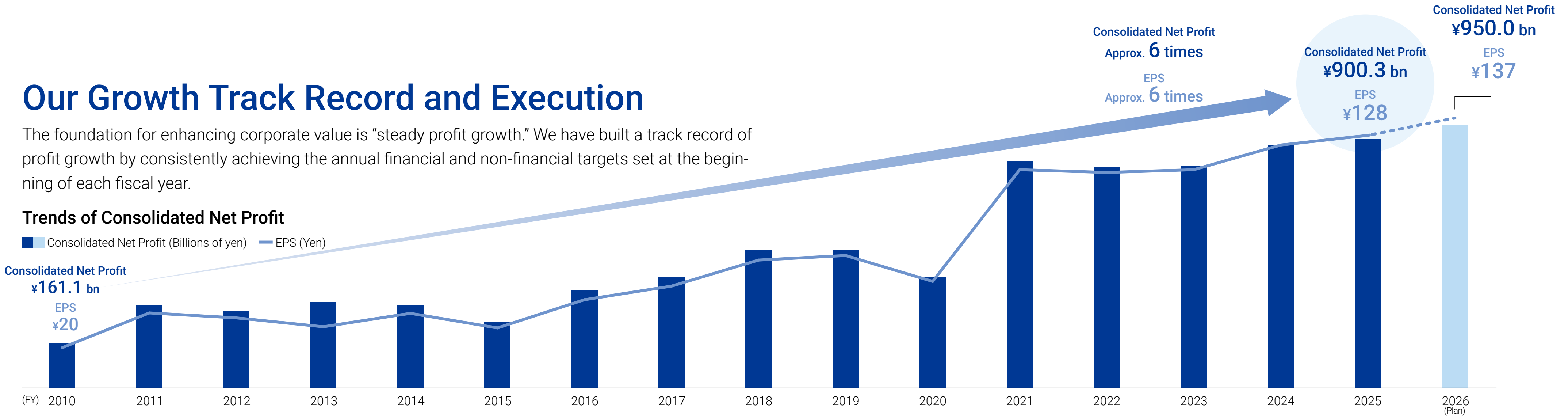
Financial Capital

Steadily accumulating profits and maintaining financial foundation based on balancing three factors: growth investments, shareholder returns, and control of interest-bearing debt

Our Growth Track Record and Execution

The foundation for enhancing corporate value is "steady profit growth." We have built a track record of profit growth by consistently achieving the annual financial and non-financial targets set at the beginning of each fiscal year.

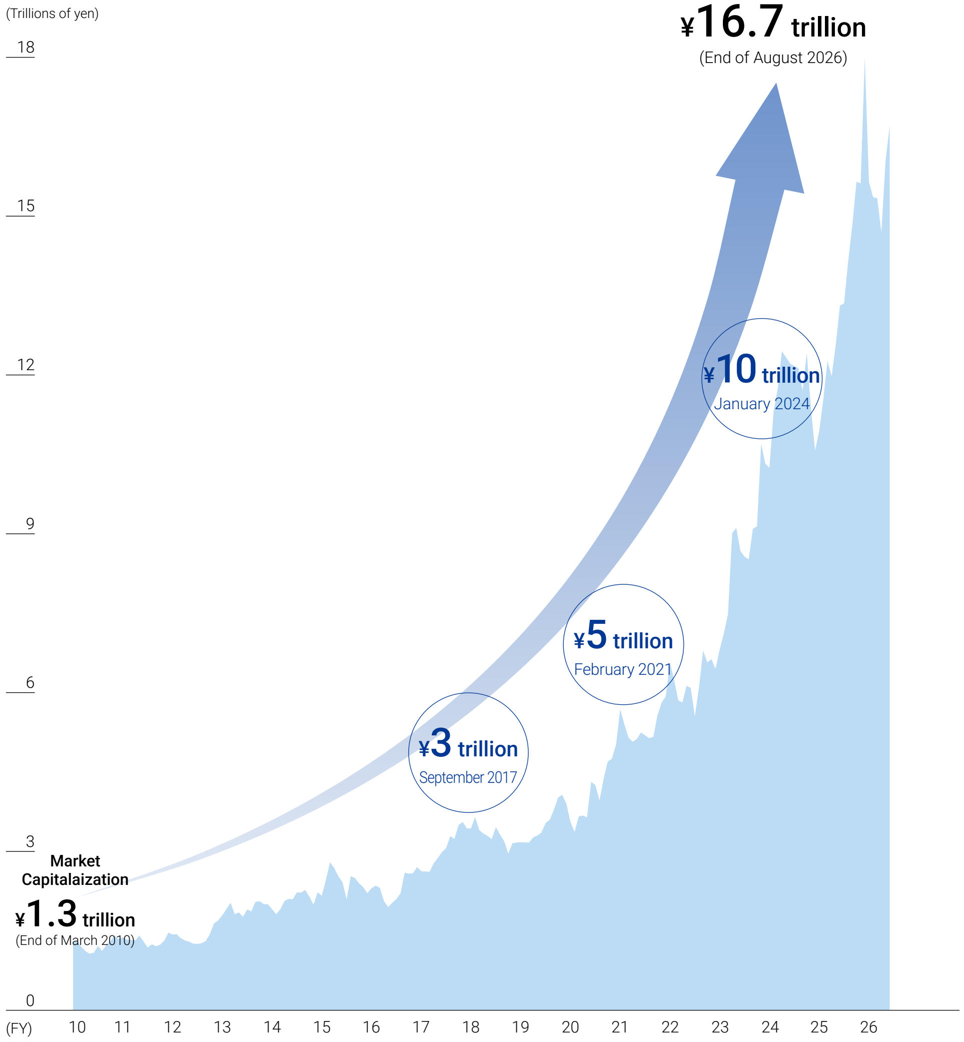
Trends of Consolidated Net Profit



	Brand-new Deal 2012	***Brand-new Deal 2014***	***Brand-new Deal 2017***	***Brand-new Deal 2020***	***Brand-new Deal 2023***	***The Brand-new Deal***
Policy	**"Earn, Cut, Prevent"**	**"Aiming to be the No. 1 Trading Company in the Non-Resource Sector"**	**"Challenge"** **"Engaging All Employees to Lead a New Era for the *Sogo Shosha*"** **"Infinite Missions Transcending Growth"**	**ITOCHU: INFINITE MISSIONS: INNOVATION** **"Evolution to Next-Generation Growth Models"** **+** **"Medium- to Long-Term Shareholder Return Policy (October 2018)"**	**Establish the "Profit Stage of ¥800.0 Billion" + Strengthen Balanced Financial and Non-Financial Capital**	**—Profit Opportunities Are Shifting Downstream—** **Grow earnings: No growth without investments** **Enhancement of corporate brand value: Enhancement in qualitative aspects** **Shareholder returns: Total payout ratio 40% or higher, Progressive Dividend**
	Strengthen our front-line capabilities Proactively seek new opportunities Expand our scale of operations	Boost profitability Pursue balanced growth Maintain financial discipline and lean management	Strengthen our financial position Build solid earnings base to generate ¥400.0 billion level consolidated net profit	Reinvention of business Smart management No. 1 health management Thoroughly instilling the "Earn, Cut, Prevent" principles as the core of our business	Realizing business transformation by shifting to a market-in approach Profit opportunities are shifting downstream Enhancing our contribution to and engagement with the SDGs through business activities "*Sampo-yoshi* capitalism"	Formulated and announced Management Policy as a long-term management compass.
Achievement	**No. 1 in the consumer sector**	**No. 1 in the non-resource sector**	**Established a robust business foundation in the China and Asia markets**	**Achieved Triple Crown**	**Downstream-driven transformation of the entire value chain with a market-in approach**	**Toward ¥1 trillion in consolidated net profit**
<Financial>	• Formulated and implemented the "Earn, Cut, Prevent" principles • Increased earnings through aggressive new investments	• Commenced strategic business alliance and capital participation with CITIC and CP Group	• Built an earnings base for consolidated net profit of ¥400.0 billion • Received Moody's A rating for the first time in roughly 20 years	• Established a foothold for consolidated net profit of ¥500.0 billion • Established The 8th Company • Revised the Group corporate mission	• Established consolidated net profit stage of ¥800.0 billion • Upgraded by Moody's, etc.	• Achieved consolidated net profit of ¥900.0 billion, setting a new record-high for the second consecutive year • Continued growth investments of up to ¥1 trillion • Maintained our commitment to highly efficient management • Maintained a total payout ratio of 50%, exceeding the 40% or higher level set out in Management Policy
<Non-Financial>	• Strengthened management foundations by reinforcing corporate governance, etc.	• Reformed work styles by introducing the Morning-Focused Working System, etc.	• Entrenched work-style reforms and increased the Outside Directors' ratio to at least one-third, etc.	• Became the first general trading company to be included in all ESG-related investment indices adopted by the Government Pension Investment Fund (GPIF), etc.	• Established the Women's Advancement Committee and evolved unique work-style reform measures, etc.	• Achieved No. 1 in all industries across six major company rankings by jobseekers for the second consecutive year

Sustainable Enhancement of Corporate Value

Trends of Market Capitalization



Trends of Stock Price / PER / PBR / TSR*[1]

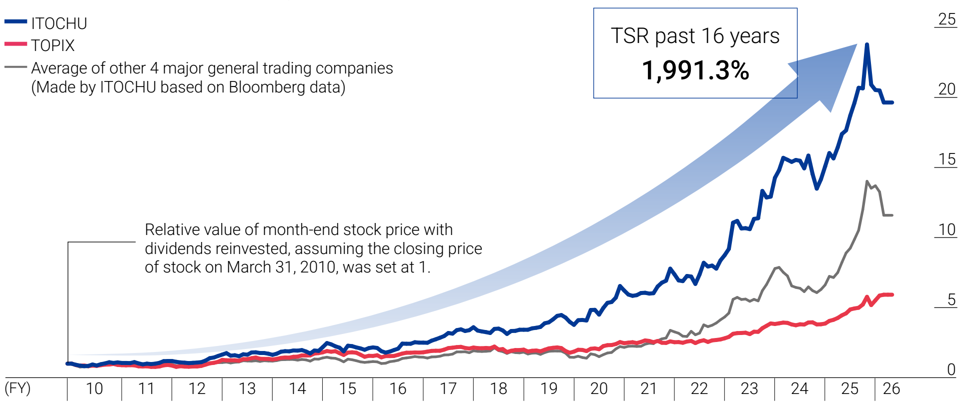
Stock price: Annual average of daily prices
PER: Daily average of (Stock price x Number of issued shares excluding treasury stock / Forecast of consolidated net profit, announced by ITOCHU)
PBR: Daily average of (Stock price x Number of issued shares excluding treasury stock / Most-recent results of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

FY2010
Stock price **¥157***[2]
PER **7.9 times**
PBR **1.1 times**

→

FY2025
Stock price **¥1,736**
PER **14.1 times**
PBR **2.1 times**

Total Shareholder Returns (Stock price with dividends reinvested)



Trends of ROE / PBR / PER

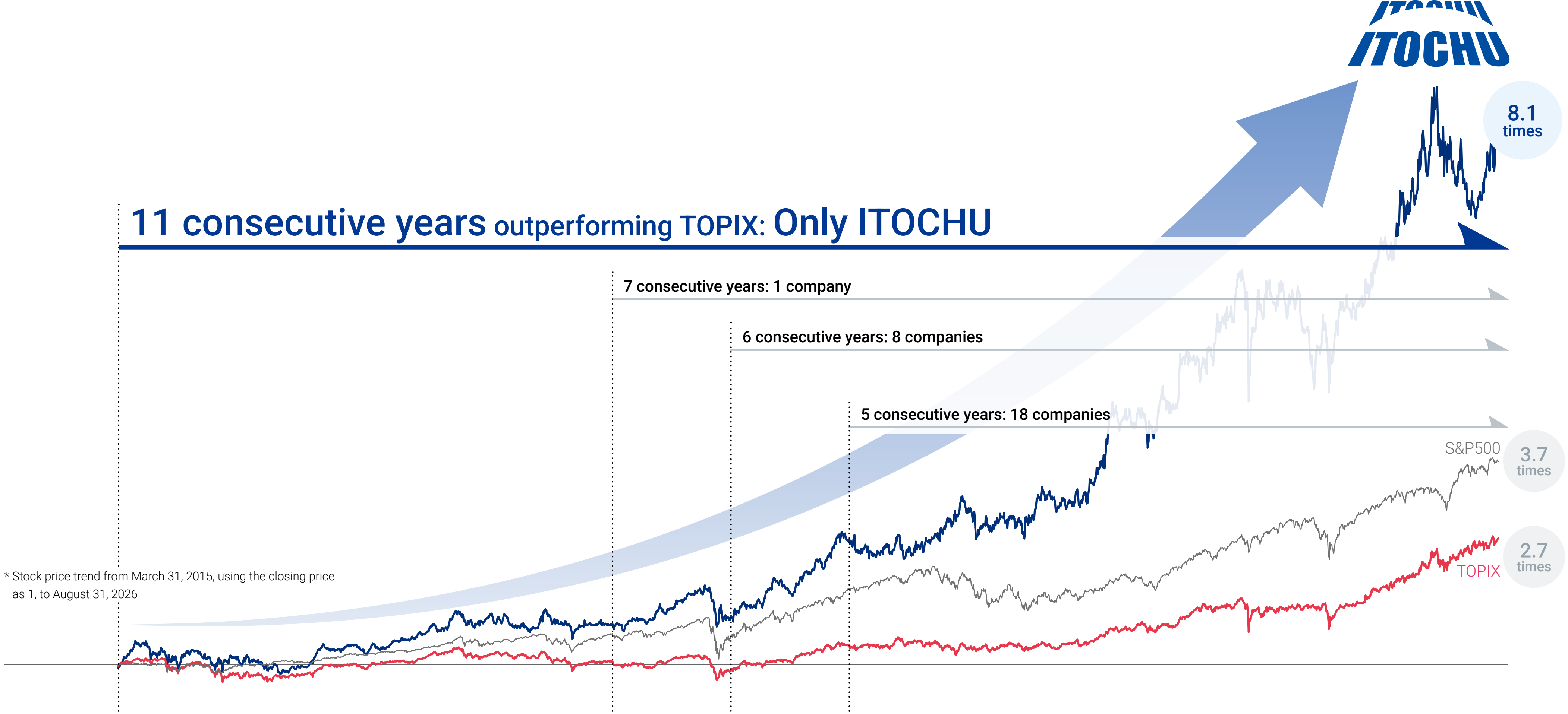
(FY)

	2010	2012	2014	2017	2020	2023	2025
ROE (%)	14.3	17.9	13.4	15.8	12.7	15.6	14.6
PER (times)	7.9	5.0	6.8	7.2	9.9	10.4	14.1
PBR (times)	1.1	1.0	0.9	1.1	1.3	1.6	2.1

*1 Total Shareholder Returns (TSR): Returns on investment assuming that dividends are reinvested.
*2 Reflecting the 5-for-1 common share split effective January 1, 2026, stock price is presented on a retroactively adjusted basis (pre-split stock price multiplied by 1/5).

The Only TOPIX Constituent to Have Outperformed the Index over the Long Term

Through consistent annual performance, ITOCHU has outperformed key benchmarks over the medium to long term



11 consecutive years outperforming TOPIX: **Only ITOCHU**

7 consecutive years: 1 company

6 consecutive years: 8 companies

5 consecutive years: 18 companies

* Stock price trend from March 31, 2015, using the closing price as 1, to August 31, 2026

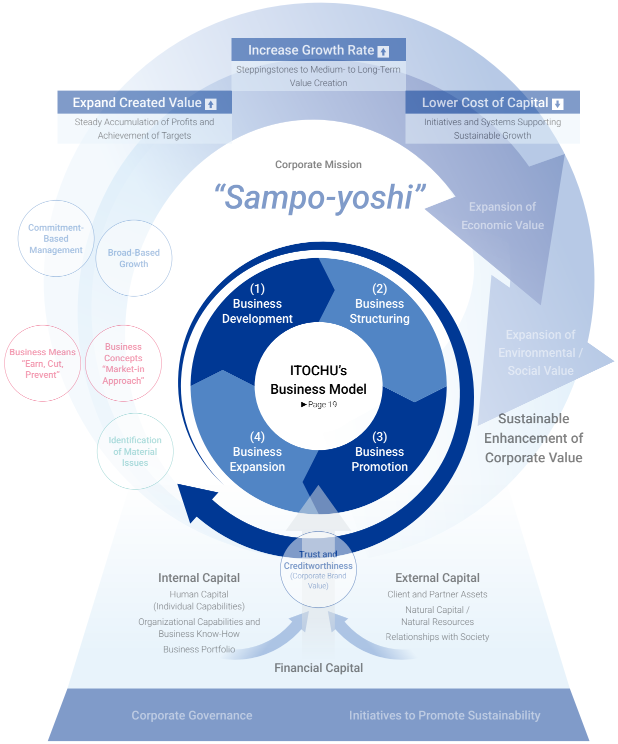
	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
ITOCHU	6.5%	14.0%	30.8%	(3.1%)	12.0%	60.0%	15.5%	3.8%	50.3%	6.7%	43.1%
TOPIX	(12.7%)	12.3%	13.5%	(7.3%)	(11.8%)	39.3%	(0.4%)	2.9%	38.2%	(4.0%)	31.6%
Outperform	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Mechanisms and Practices of Value Creation
—Business Model—

What This Section Covers

A business model is the mechanism through which a company leverages its strengths to create value and translate that value into sustainable profit growth and enhancement of corporate value. At ITOCHU, we have created new value through investments, trading, and the management of Group companies, based on the front-line capabilities and corporate culture cultivated across diverse business fields. In this section, we explain how financial and non-financial strategies—including the ITOCHU way of doing business, which underpins this value creation, portfolio management, our human resource and organizational foundation, and the promotion of sustainability—are interconnected in supporting our competitive advantage and sustainable growth.

The Merchant Value Creation Cycle



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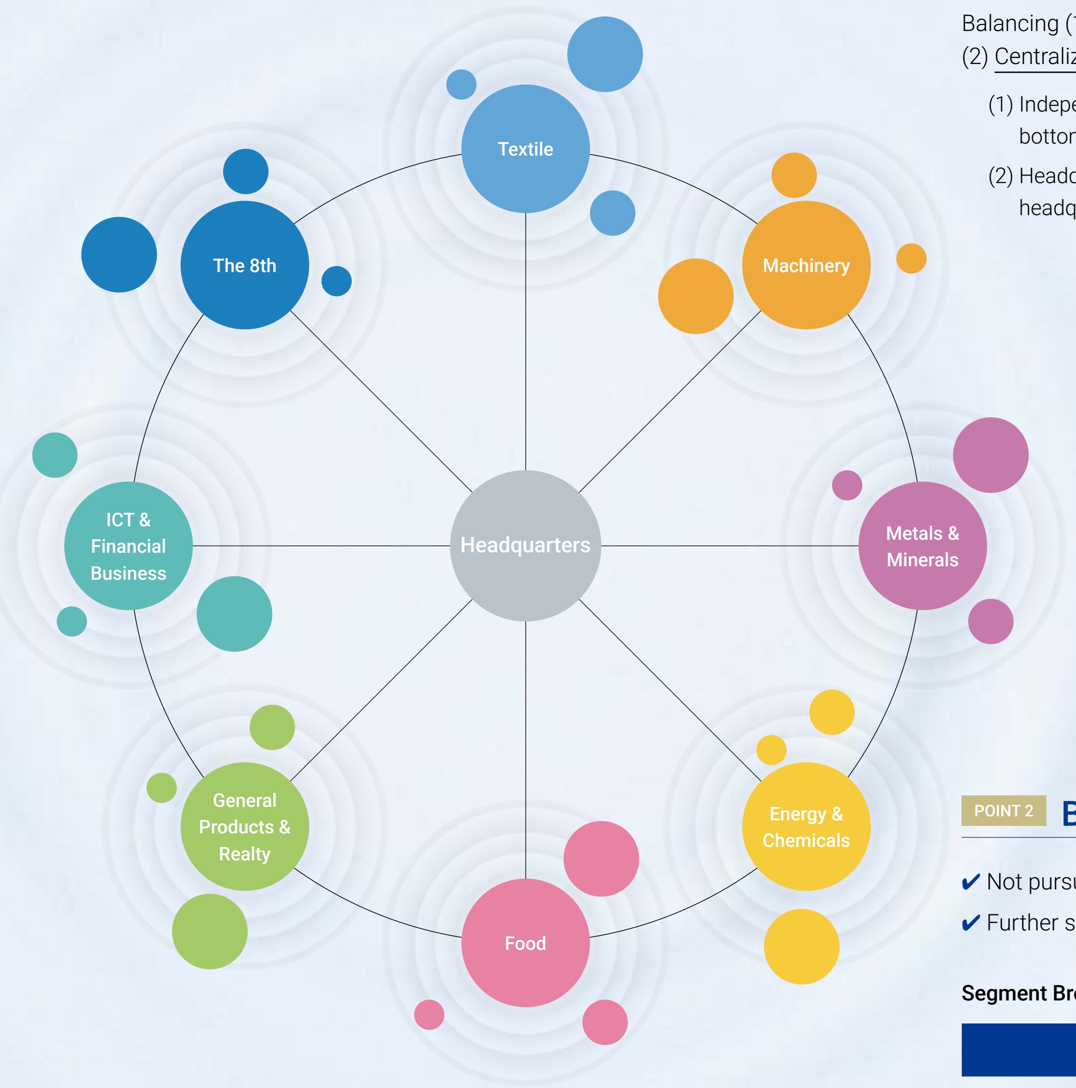
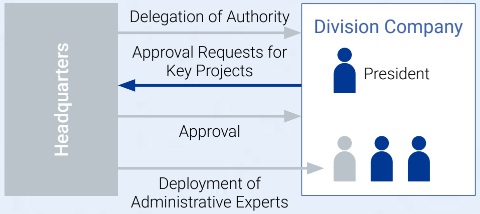


POINT 1 Eight Division Companies and Headquarters

Balancing (1) Decentralization and Bottom-Up Management with (2) Centralization and Top-Down Management

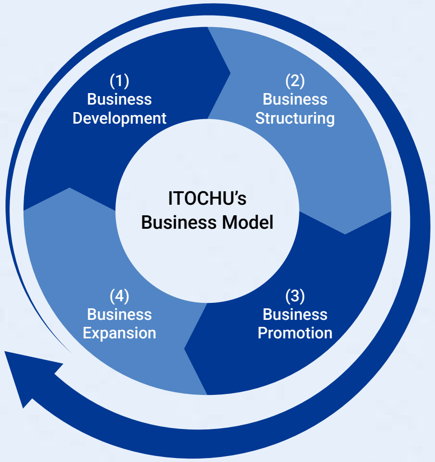
(1) Independent management by each Division Company and bottom-up generation of business opportunities

(2) Headquarters approval for key projects, corporate functions at headquarters, and checks and balances over front-line operations



Business Investment Process: ▶Page 22 (2) Business Struturing

Implementing and Transforming Business Models at the Front Lines

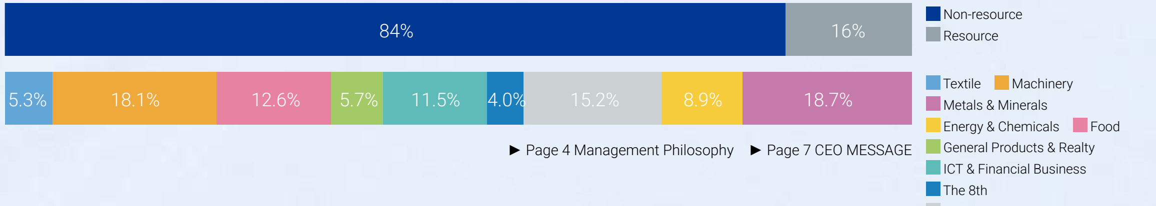


POINT 2 Broad-Based Growth

✔ Not pursuing a simple strategy of focusing only on core business

✔ Further strengthening areas of strength while elevating other areas to raise the overall level of performance

Segment Breakdown of Core Profit (FY2025)

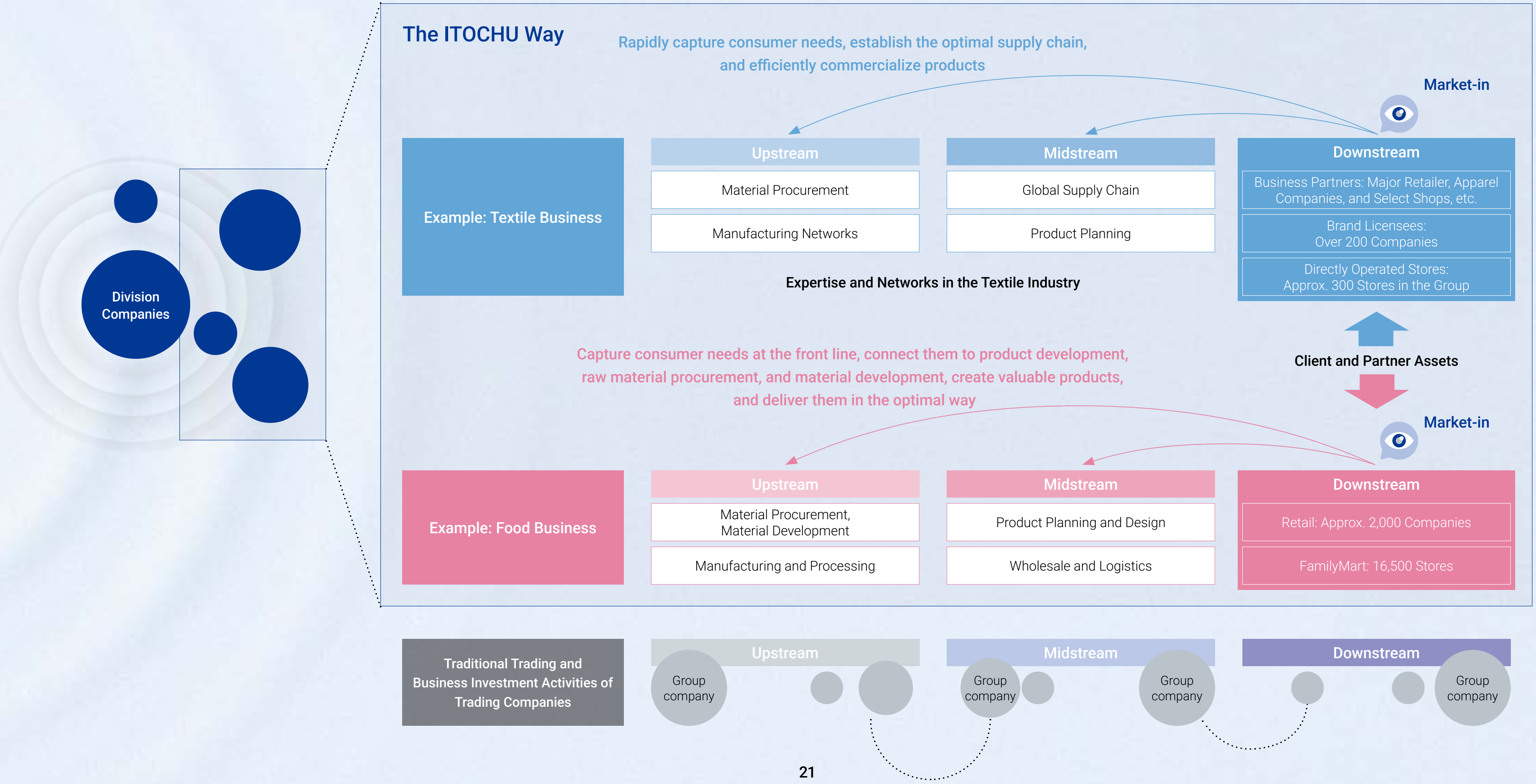


▶ Page 4 Management Philosophy ▶ Page 7 CEO MESSAGE

(1) Business Development: Market-in Approach / Profit Opportunities Are Shifting Downstream

POINT Profit Opportunities Are Shifting Downstream

- ✔ The center of economic power has shifted from producers and manufacturers to consumers
- ✔ Adopting a "market-in" approach rather than a product-out approach
- ✔ Capturing consumer needs at an early stage across upstream and midstream businesses and translating those insights into product planning, raw material procurement, and material development to create value



Division Companies

The ITOCHU Way

Rapidly capture consumer needs, establish the optimal supply chain, and efficiently commercialize products

Market-in

Example: Textile Business	Upstream	Midstream	Downstream
	Material Procurement	Global Supply Chain	Business Partners: Major Retailer, Apparel Companies, and Select Shops, etc.
	Manufacturing Networks	Product Planning	Brand Licensees: Over 200 Companies
			Directly Operated Stores: Approx. 300 Stores in the Group

Expertise and Networks in the Textile Industry

Client and Partner Assets

Capture consumer needs at the front line, connect them to product development, raw material procurement, and material development, create valuable products, and deliver them in the optimal way

Market-in

Example: Food Business	Upstream	Midstream	Downstream
	Material Procurement, Material Development	Product Planning and Design	Retail: Approx. 2,000 Companies
	Manufacturing and Processing	Wholesale and Logistics	FamilyMart: 16,500 Stores

Traditional Trading and Business Investment Activities of Trading Companies	Upstream	Midstream	Downstream
	Group company	Group company Group company	Group company

Business Investment Process

- ✔ Maintain flexible investment management without setting investment quotas by sector
- ✔ Business strategy formulation and target selection are led by the front lines of each Division Company through a bottom-up approach
- ✔ All investment projects above a certain amount are subject to a headquarters approval process
- ✔ Investment decisions that take into account not only compliance with investment criteria but also Companywide ROE and CAGR levels
- ✔ Companywide leverage control and asset allocation led by the headquarters

ITOCHU's Investment Criteria

(1) Investment efficiency based on the investee's Net Present Value (NPV)
NPV based on the free cash flow of the investee (Business plans of investment targets are carefully examined for feasibility, with stress testing applied as necessary)

(2) Investment efficiency based on the NPV of cash returns to ITOCHU
NPV of cash inflows to ITOCHU, including dividends received and trading profits

Discount rate (hurdle rate) to calculate NPV is **determined by industry (approximately 70 industries) x by country's** cost of equity / WACC[*1], [*2]. (Our cost of equity (8%) is also taken into consideration.)

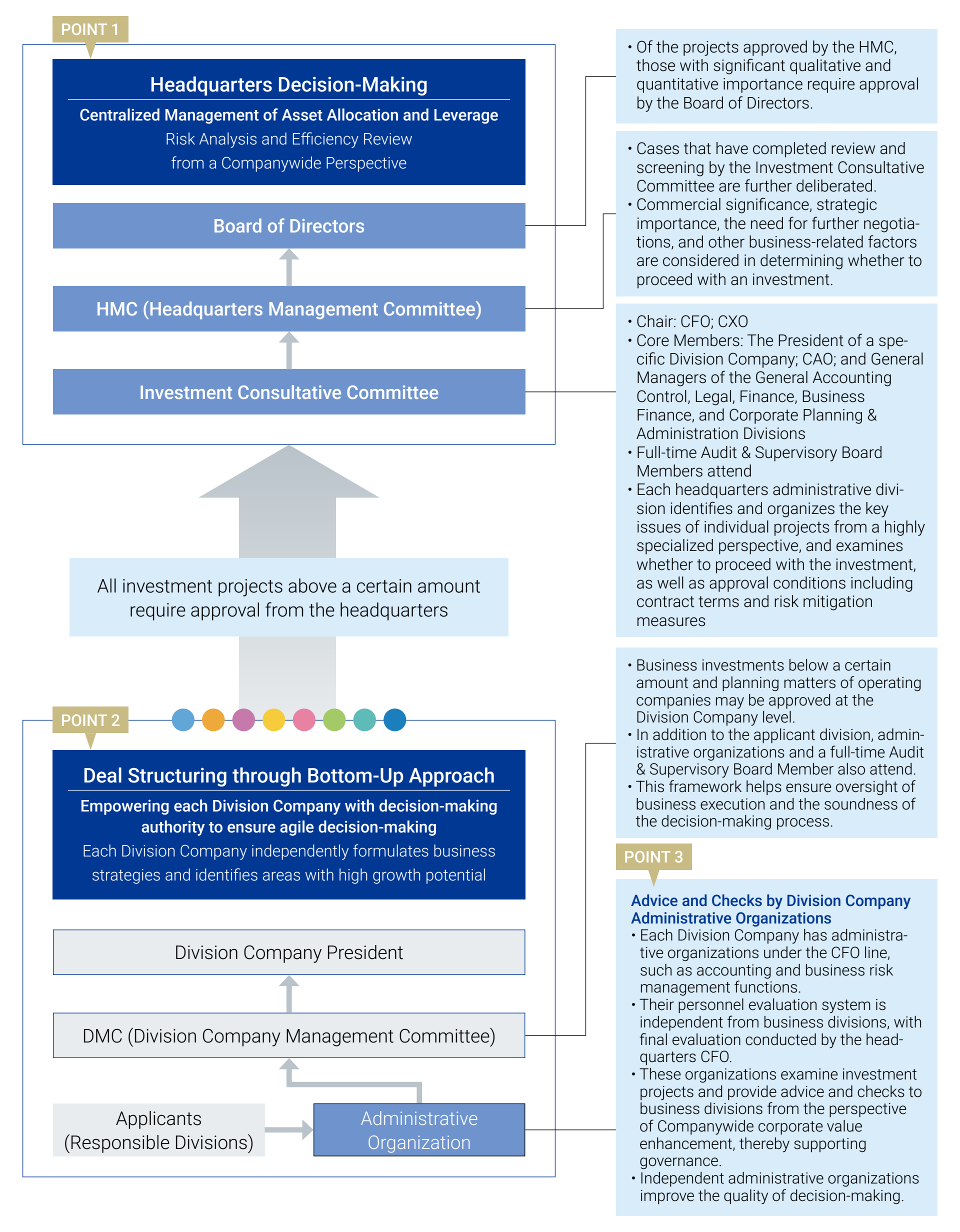
[*1] WACC: Weighted Average Cost of Capital
[*2] Hurdle rate is reviewed annually based on market standards, considering the risk-free rate, market risk premium, and industry beta.

(3) Scale of profits at the investee

- ✔ The lessons learned from failed investment cases have been systematized as "The Four Lessons for Investments"
- ✔ Knowledge is continuously shared through training on investment failure cases and Companywide management meetings
- ✔ By thoroughly applying these lessons, risk factors are eliminated from the investment review stage
- ✔ Extensive expertise and know-how in M&A accumulated over many years have been systematized
- ✔ AI trained on past internal approval data and "The Four Lessons for Investments" is used to support application review and discussion
- ✔ Training provided by each administrative organization has been developed and rolled out across the Company to improve the success rate of business investments

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



POINT 1

Headquarters Decision-Making

Centralized Management of Asset Allocation and Leverage
Risk Analysis and Efficiency Review
from a Companywide Perspective

Board of Directors

HMC (Headquarters Management Committee)

Investment Consultative Committee

- Of the projects approved by the HMC, those with significant qualitative and quantitative importance require approval by the Board of Directors.

- Cases that have completed review and screening by the Investment Consultative Committee are further deliberated.
- Commercial significance, strategic importance, the need for further negotiations, and other business-related factors are considered in determining whether to proceed with an investment.

- Chair: CFO; CXO
- Core Members: The President of a specific Division Company; CAO; and General Managers of the General Accounting Control, Legal, Finance, Business Finance, and Corporate Planning & Administration Divisions
- Full-time Audit & Supervisory Board Members attend
- Each headquarters administrative division identifies and organizes the key issues of individual projects from a highly specialized perspective, and examines whether to proceed with the investment, as well as approval conditions including contract terms and risk mitigation measures

All investment projects above a certain amount require approval from the headquarters

POINT 2

Deal Structuring through Bottom-Up Approach

Empowering each Division Company with decision-making authority to ensure agile decision-making
Each Division Company independently formulates business strategies and identifies areas with high growth potential

Division Company President

DMC (Division Company Management Committee)

Applicants (Responsible Divisions)

Administrative Organization

- Business investments below a certain amount and planning matters of operating companies may be approved at the Division Company level.
- In addition to the applicant division, administrative organizations and a full-time Audit & Supervisory Board Member also attend.
- This framework helps ensure oversight of business execution and the soundness of the decision-making process.

POINT 3

Advice and Checks by Division Company Administrative Organizations
- Each Division Company has administrative organizations under the CFO line, such as accounting and business risk management functions.
- Their personnel evaluation system is independent from business divisions, with final evaluation conducted by the headquarters CFO.
- These organizations examine investment projects and provide advice and checks to business divisions from the perspective of Companywide corporate value enhancement, thereby supporting governance.
- Independent administrative organizations improve the quality of decision-making.

(2) Business Structuring: Business Investment Monitoring

Periodic Review for Business Investment

- ✔ Conduct an annual review of all business investees.
- ✔ Reassess our action policies from both qualitative perspectives, such as strategic significance, and quantitative perspectives, such as profit scale and investment efficiency.
- ✔ Improvement measures are formulated for Group companies that are operating at a loss or have issues such as dividend cash-in, and the progress of these measures is monitored throughout the year
- ✔ Discussions are held at each Division Company's DMC*[1] and then reported to the ALM*[2] Committee in order to implement highly effective measures.
- ✔ If a business investment that meets the exit criteria is to be retained, HMC*[3] approval is required.

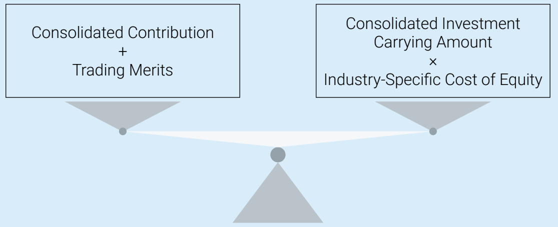
*1 DMC: Division Company Management Committee
*2 ALM: Asset Liability Management
*3 HMC: Headquarters Management Committee

Exit Criteria for Business Investment

(1) Cumulative deficit for three years

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

(3) Cumulative deficit in added value for three years
[Consolidated contribution*[4] – (Consolidated investment carrying amount x Cost of equity*[5])]



*4 Consolidated contribution: The sum of profit and loss contribution and trade benefits
*5 Cost of equity: Set according to industry (approximately 70) and country

Decision-Making Process

DMC

- For all business investments, assess whether they fall under any of the exit criteria for business investment.
- For business that falls under these criteria, verify the validity of improvement plans and closely examine the strategic rationale for continuing to hold each business investment in the context of the Division Company's strategy, after which the Division Company President approves the holding policy.

↓

HMC

- HMC approval is required when a Division Company intends to continue holding a business investment that falls under the exit criteria for business investment.
- Before submission to HMC, the ALM Committee reviews in advance the appropriateness of the Division Company's holding policy and the feasibility of executing an exit.

*6 ALM Committee: [Chair] CFO; CXO [Core Members] General Managers of the General Accounting Control, Legal, Finance, Business Finance, and Corporate Planning & Administration Divisions, Full-time Audit & Supervisory Board Members attend

Progress Follow-Up

Business Investments to Be Exited	Business Investments to Be Held Continuously
Monitor the progress of exits and each Division Company reports its progress to the CFO on a monthly basis	Implement improvement measures, check the progress of the improvement plans at the next fiscal year's periodic review for business investment, and rescreen holding policy

Return on Investments

New Investments in Non-Resource Sector since FY2015*[7]

Brand-new Deal 2017 FY2015–2017	• CITIC • YANASE • North American construction-materials, etc.	**¥780.0 bn**
Brand-new Deal 2020 FY2018–2020	• DESCENTE • HOKEN NO MADOGUCHI • FamilyMart, etc.	**¥775.0 bn**
Brand-new Deal 2023 FY2021–2023	• CTC • Hitachi Construction Machinery • DAIKEN, etc.	**¥725.0 bn**

FY2025 Profits from investees: **Approx. ¥220.0 bn*[8]**

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Investment amount in Non-Resource: BND2017 – BND2023 Total **¥2.28 tn*[7]**

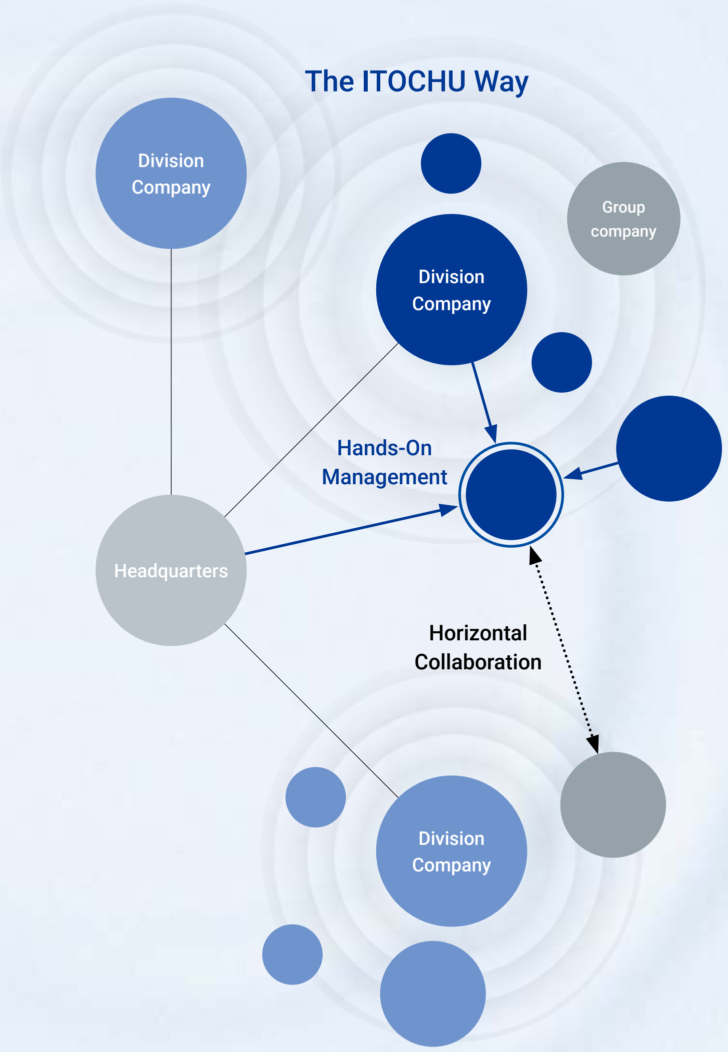
=

ROI approx. 10%

- ✔ In non-resource investments, where we apply our discerning investment capabilities and "The Four Lessons for Investments," we had achieved an ROI of approximately 10% as of FY2025
- ✔ Through value creation under our hands-on management approach, we aim to raise growth potential after investment and achieve higher ROI over the medium to long term

*7 Aggregated investment projects in Non-Resource sector over ¥5.0 billion, excluding CAPEX
*8 For additional acquisitions in existing businesses, only the profits corresponding to the additional investment are included.

(3) Business Promotion, (4) Business Expansion: Earn, Cut, Prevent / Hands-On Management / Horizontal Collaboration



POINT 1 Practicing Hands-on Management

▶ P46, 47 SPECIAL FEATURE: Three Approaches to Profit Growth

- ✔ Invest in companies where ITOCHU itself can create value and raise growth potential
- ✔ Through secondees, we instill our corporate culture and management philosophy, including “Earn, Cut, Prevent” and Commitment-Based Management
- ✔ We dispatch a diverse range of talent not only from the Division Company concerned but also from the Headquarters and other Group companies, including management personnel as well as specialists with a broad variety of capabilities
- ✔ Once corporate culture has taken root and growth potential has been enhanced, that experience is then applied to other Group companies in a virtuous cycle

How ITOCHU Differs from Typical PE Funds and Typical Active Funds

	ITOCHU	Typical PE Funds	Typical Active Funds
Investee Liquidity	• Either listed or unlisted	• In principle, unlisted	• In principle, listed
Key Considerations in Investment Decisions	• First-hand information obtained through networks of customers and investees • Value creation through our own capabilities and accelerated growth	• Realizing returns through exit after enhancing value	• Realization of value based on future projections and analysis of public information
Holding Period	• Buy and hold, with no predetermined holding period	• Around five years with an exit strategy	• Short to long term
Approach to Investees	• Hands-on • Dispatch personnel as management or front-line personnel • Provide networks, business expertise, and know-how	• Dispatch outside managers • Provide management know-how	• Hands-off; hold as part of a portfolio • With engagement through exercise of voting rights and dialogue
Synergies	• Create synergies with existing businesses and expand business domains	• In principle, none	• In principle, none

POINT 2 Horizontal Collaboration

▶Page 45 SPECIAL FEATURE: Three Approaches to Profit Growth

- ✔ With a market-in approach, we promote horizontal collaboration across Division Companies
- ✔ Through such collaboration, we aim to create synergies and improve investment returns

Strategic Alliance with JR East in the Real Estate Sector

- Creating new value by leveraging the real estate business foundations of both companies
- Delivering broad value beyond real estate by utilizing the JR East Group’s real and digital customer touchpoints, including Suica, through a market-in approach

Capital and Business Alliance with Seven Bank

- Deploying Seven Bank ATMs at approximately 16,000 FamilyMart stores in Japan to build the country’s largest ATM network
- Pursuing further growth in financial services by combining this network with our financial businesses

Value Chain Initiatives Centered on FamilyMart

- Enhancing and expanding products and services through Groupwide know-how and supply chains
- Creating and expanding new businesses and synergies in the areas of media and data

CFO MESSAGE

Hiroyuki Naka
Member of the Board,
Senior Executive Officer, CFO; CXO

As a CFO who can clearly explain the direction ahead, I will firmly fulfill my role as part of management and continue to support the sustainable enhancement of corporate value.

A CFO Who Can Clearly Explain the Management Policy

I was appointed CFO this fiscal year, at a time when we are aiming to achieve a step-change in earnings through a "gear shift." As I engage in dialogue with the market as the new CFO, I am keenly aware of significant responsibilities that come with the role.

There is one point I would like to emphasize at the beginning. Like my predecessor, I believe a CFO must be able not only to explain financial matters but also to assume part of the role expected of a Chief Strategy Officer (CSO) when engaging with the market. In 2018, I was appointed General Manager of the Corporate Planning Division, with responsibility for Companywide corporate planning. Since 2022, as CSO, I have led the formulation and execution of our Companywide management strategies. Since 2024, as Chief Transformation Officer (CXO), I have led the transformation of our business portfolio and business models across the ITOCHU Group. A world-class CFO must not only understand past performance but also take responsibility for the management strategy. Based on my experience, this is the standard I set for myself as CFO.

Enhancing corporate value requires both earnings growth and strong capital efficiency, as reflected in EPS and ROE. As indicated by the financial matrix, I believe that maintaining a total payout ratio of around 50%, in line with the level we have delivered in recent years, and achieving profit growth of 7% to 8% as our minimum target would enable us to sustain ROE at the 15% level, which I believe is a global standard. The role of the CFO is to execute financial strategy, take responsibility for the future management strategy and turn value creation into measurable results. With this conviction, I will fully commit to fulfilling my role as CFO.

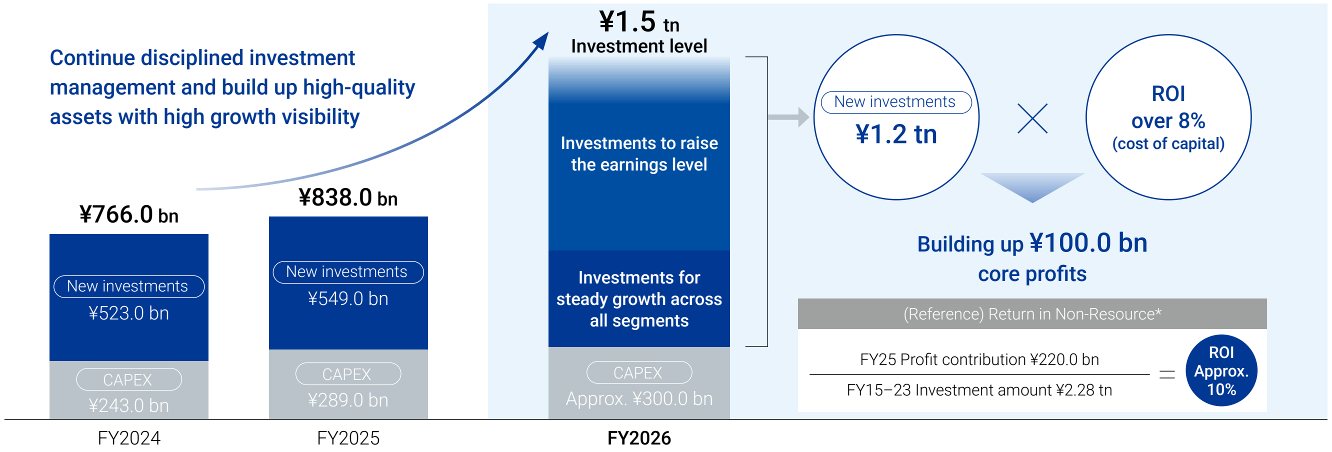
Matrix of Growth Rate, Total Payout Ratio, and ROE

		Total Payout Ratio		
		60%	50%	40%
ROE	13%	5%	7%	8%
	14%	6%	7%	8%
	15%	6%	**8%**	**9%**
	16%	6%	8%	10%
	17%	7%	9%	10%

1 Capital Allocation to Enhance Corporate Value

There is no change to our long-standing financial policy of maintaining a solid financial foundation based on balancing three factors: growth investments, shareholder returns, and control of interest-bearing debt. At the same time, while maintaining financial discipline, capital allocation should be managed flexibly in response to the changes in the business environment and management conditions. As of March 31, 2026, NET DER had improved to 0.46 times, and our financial foundation is robust. Provided we maintain our current high credit ratings, I believe we still have sufficient debt capacity. We are now in a position to consider the use of financial leverage as one of our strategic options.

In this fiscal year, our top priority is to actively pursue



* Calculated based on investment projects in Non-Resource sector of over ¥5.0 bn (excluding CAPEX and exited projects). For additional acquisitions related to existing businesses, only the profit attributable to the additional investment amount is included.

growth investments in order to raise our earnings level. Compared with the level of ¥700.0 billion to ¥800.0 billion in growth investments over the past two years, we are planning growth investments on the scale of ¥1.5 trillion, roughly double that level. This figure is not a preset allocation. In addition to investments already executed, multiple projects are already including several transactions that have reached an agreement in principle and are now in the final stages of negotiations. In other words, this amount is supported by a pipeline of specific projects. Based on our assessment that our current cost of capital is approximately 8%, we intend to steadily build a portfolio of growth investments capable of generating ROI above 8%. Through the execution of these proactive growth investments, we expect to increase core profit by at least ¥100.0 billion in the near future.

At the same time, let me state clearly that we have no intention whatsoever of relaxing investment discipline in order to accelerate growth investments. Japan is clearly moving into a higher interest-rate environment. Based on our approximately 70 business-specific hurdle rates currently in place, we carefully assess required returns based on the cost of capital. Over the past two years, I have personally chaired the Investment Consultative Committee and conducted this review process carefully. We have focused not only on valuation at the time of investment but also on future business expansion and creating new growth opportunities by realizing synergies after an investment. For example, creating synergies requires diverse insights and the building of practical, executable structures. Ensuring that each project can develop into a future earnings pillar is a key part of the CFO's role. By taking these efforts to the next level, we will accelerate growth investments with clear visibility on profit contribution.

On the other hand, the importance of shareholder returns remains unchanged. After extensive discussions within management, we have established our current shareholder returns policy. With regard to dividends, we have once again clearly stated a progressive dividend policy in our long-term Management Policy. In doing so, we have made clear our commitment to maintain progressive dividends in line with profit growth, without reducing them. For this fiscal year, we plan dividends of ¥44 per share or more, marking the 12th consecutive year of dividend increases. In addition, we plan share buybacks for the 11th consecutive year, at ¥300.0 billion or more, representing a record high. As a result, our initial forecast for the total payout ratio stands at 64%.

Implementing capital allocation that contributes to enhancing corporate value, based on the financial matrix we have consistently presented, is one of my most important responsibilities as CFO.

2 Our Continued Focus on High ROE

My view remains unchanged that an ROE level of 15% is a key benchmark for being favored by global investors, including overseas institutional investors. Among large-cap companies in Japan, those that have maintained ROE above 15% over many years are extremely rare, and I believe this has been a key factor behind ITOCHU's strong market valuation. In my view, the relatively high proportion of overseas investors in our shareholder base is further evidence that this strength has been recognized by global investors. This is a core principle that we should continue to value. It is also one of the most important principles I have inherited from my predecessor.

Some investors may be concerned that ROE could gradually decline going forward. As we have shown through our financial matrix, the key question is how to balance profit growth and shareholder returns. This is one of the most important responsibilities of the CFO. However, we will not pursue simplistic measures that raise ROE merely by excessively reducing shareholders' equity. In such an uncertain business environment, maintaining a sufficient risk buffer by strengthening shareholders' equity is also essential from a long-term management perspective. This also supports stable access to funding. Ultimately, simplistic measures do not lead to sustainable enhancement of corporate value over the long term.

At the same time, in order to maintain high ROE, we will pursue proactive asset replacement. I personally led the sale of CPP in FY2025. Even when low-efficiency assets and businesses that have already passed their peak continue to generate a certain level of profit, we must carefully assess them as candidates for replacement. Through the sale of CPP, I sought to demonstrate that stance in practice. By capital recycling, we can secure cash and redirect those funds into new growth areas. This kind of proactive asset replacement is something I will continue to promote as CFO as we work to maintain high ROE.

Furthermore, we will move into a higher gear in our efforts to improve the efficiency of our business portfolio. In FY2025, ROA in the non-resource sector was approximately 5.5%, while the resource sector, despite including projects that required turnaround, recorded ROA of 8.6%. This suggests that there is still considerable room for improvement in efficiency on a Companywide basis. As a first step, through the ALM Committee, which I chair, I will drive initiatives to raise ROA in the non-resource sector above 6%.

In terms of our overall portfolio, management's current view is that the optimal mix for ITOCHU is 90% non-resource and 10% resource on an asset basis, and 75–80% non-resource and 20–25% resource on a profit basis. Because resource assets are depleting in nature, their share will decline unless we continue to replenish them to a certain extent. At times, the resource sector delivers high ROA, and it can also contribute to improving overall asset efficiency. We do not intend to increase the resource ratio excessively. However, maintaining an optimal Companywide portfolio balance is essential for the sustainable enhancement of corporate value.

By taking these initiatives a step further, we will continue to improve Companywide ROA and make appropriate use of leverage to firmly sustain a high level of ROE. High ROE remains one of the key drivers of corporate value enhancement for ITOCHU.

3 Our Valuation and Market Perception

Since assuming the role of CFO, I have frequently been asked by investors how I view ITOCHU's current share price. I recognize that this reflects concern that our stock performance has recently lagged somewhat, and I take these questions very seriously. There are various ways to assess valuation, including metrics such as Share price = PER × EPS and PBR = PER × ROE. More recently, some companies have even started to set specific market capitalization targets. Against this backdrop, I would like to outline my views on how valuation should be understood.

When considering share price, PER is a major factor, as it reflects market expectations. However, it is determined by the market and not something we can control directly. I believe growth expectations develop naturally when investors understand our profit growth story. As CFO, I will continue to clearly articulate the drivers of our growth. In my view, there are three core approaches to driving ITOCHU's profit growth.

▷ **Share price** = PER × **EPS**
▷ **PBR** = PER × **ROE**

✓ **Maintaining highly efficient management**
ROE Approx. 15%

✓ **Sustainable EPS growth**

Sustainable enhancement of market capitalization

Three Approaches to Profit Growth

1. Execution of Growth Investments with High Visibility on Profit Contribution

Already in this fiscal year, we have executed several projects with high visibility on profit contribution, including the additional acquisition of Hitachi Construction Machinery shares and the securing of additional earnings opportunities in the North American power business. We will continue to invest in core businesses that support the growth of each segment.

2. Cross-Sector Collaboration and Reorganization Leveraging Existing Businesses

Growth is not driven by investments alone. By combining ITOCHU's business platform with the expertise and functions of new partners, we can expand beyond the boundaries of our business areas. For example, our strategic alliance with JR East in the real estate sector should further accelerate growth by combining the strengths and know-how of both companies. We aim to expand not only in real estate but also across a broad range of business areas.

3. Driving Growth in Areas of Deep Expertise: Hands-on Management and Market-in Approach

Businesses that now form the core of ITOCHU, such as DESCENTE, CTC, and FamilyMart, all achieved dramatic improvements in growth potential through additional acquisitions or privatization, combined with hands-on management. I believe there are still many such opportunities ahead of us.

Together with Our Stakeholders: Toward Further Enhancement of Corporate Value

My mission as CFO is to continue delivering both a high level of ROE and sustainable EPS growth, while articulating a growth story unique to ITOCHU, thereby earning a valuation that reflects our true value.

To that end, my conviction remains unchanged: dialogue with investors is the engine of corporate value enhancement. As a CFO committed to enhancing corporate value in concert with our investors, I will deliver on the commitments outlined here. At the same time, I will lead ITOCHU into its next stage of growth and deliver further enhancement of corporate value.

FY2026 Management Plan

"Gear Shift"
Accelerate Growth Investments to Deliver a Step-Change in Earnings

Profit Plan

Consolidated net profit	EPS
¥950.0 bn YoY +¥49.7 bn	¥137 YoY +¥9

Growth Investment

Investment amount	NET DER
¥1.5 tn level	Approx. 0.6 times

Shareholder Returns

Total payout ratio	DPS	Share buybacks
64% (Initial forecast)	Maintain progressive dividend ¥44 or higher	¥300.0 bn or more

Before FY2023

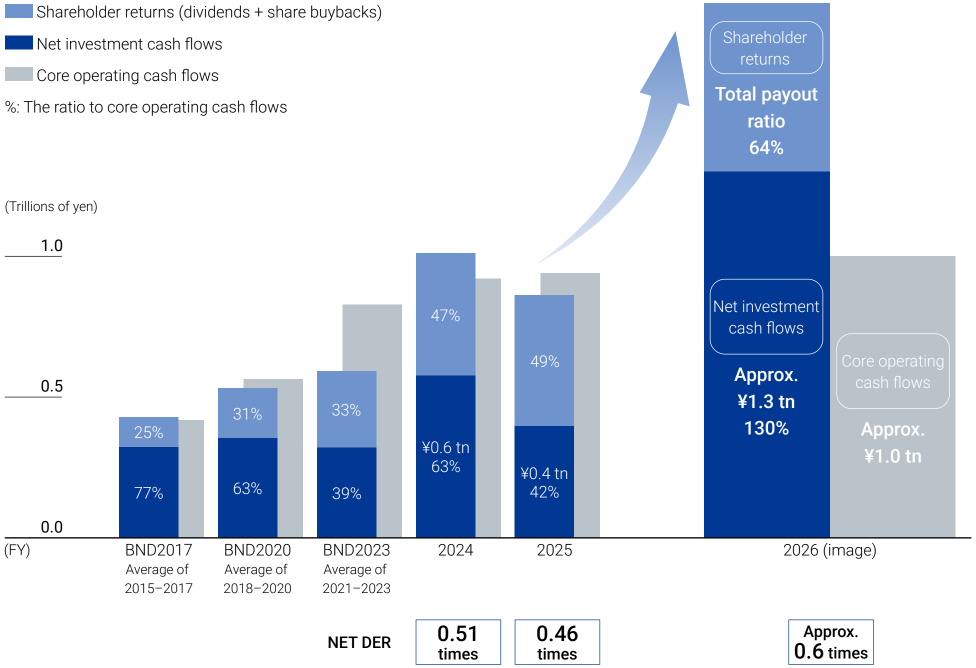
- Built a solid financial foundation by maintaining positive core free cash flows after deducting shareholder returns over each medium-term management plan period (approx. 3 years)
- Steadily increased the shareholder return ratio

After the announcement of Management Policy (April 2024)

- Actively pursue growth investments under the policy of "No growth without investments"
- Commit to maintaining "total payout ratio of 40% or higher" over the long term and further enhancing shareholder returns

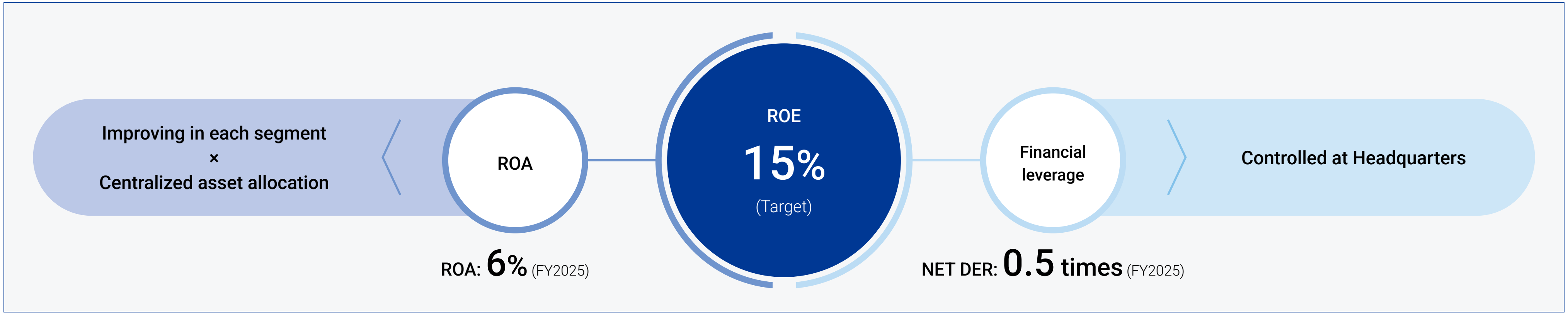
FY2026

- **Accelerate growth investments to raise the earnings level**
- **Cash allocation to drive earnings growth and enhance corporate value**

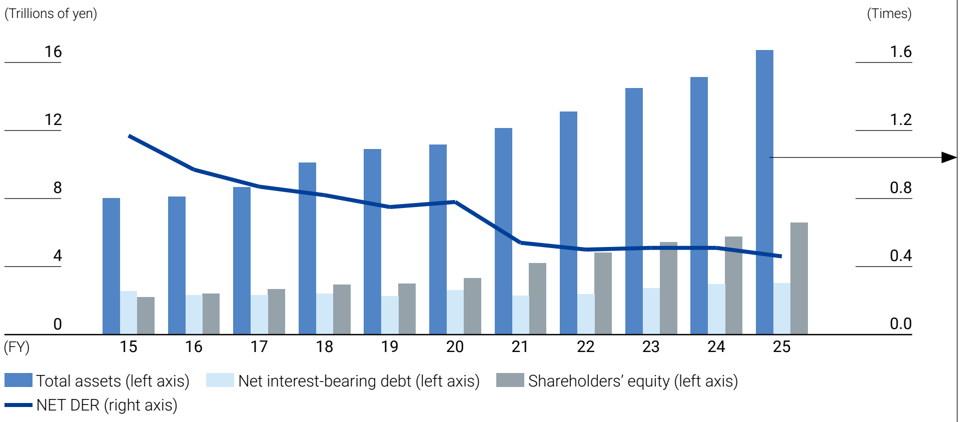


How We Sustain High ROE

Highly efficient management is one of our distinctive strengths. No other large-cap company in Japan has maintained ROE at 15% or higher over such a long period. This has been made possible by a clearly defined framework and disciplined execution. We will continue to uphold this distinctive financial policy.

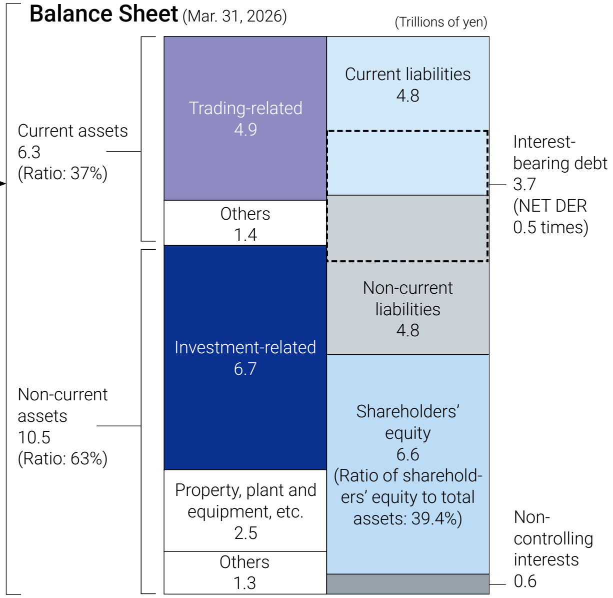


Financial Position



- Under each of our previous medium-term management plans, we ensured positive core free cash flow after deducting shareholder returns, while continuing to add high-quality assets through growth investments and controlling interest-bearing debt.
- We steadily enhanced shareholders' equity and strengthened our financial foundation by upholding our financial policy based on a balance among three factors: growth investments, shareholder returns, and control of interest-bearing debt.

Balance Sheet (Mar. 31, 2026)



Highlights of Balance Sheet Structure

• Substantial Trade-Related Current Assets

Our balance sheet is composed not only of business investments but also of a substantial proportion of current assets generated by our core trading business, including trade receivables and inventories.

• Funding Aligned with Asset Characteristics

Non-current assets, such as business investments and other fixed assets, are financed through shareholders' equity and long-term debt (fixed assets / long-term capital ratio: 92.0%). We maintain a prudent funding structure aligned with the characteristics of our assets.

Credit Ratings (As of August 2026)

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

* All stable

Improving ROA in Each Segment

Analysis of Key Management Indicators

▶Page 48–55 Initiatives to Improve ROA in Each Division Company

Main Analysis and Report Contents

- Analysis of asset efficiency (ROA, etc.) by segment according to the characteristics of each Division Company, and analysis of operating cash flow
- Measures in response to changes in the business environment (manifestation of geopolitical risks, rising resource and raw material prices, rising interest rates and prices, etc.)
- Issues and solutions for low-profit trades and inefficient business domains
- Initiatives to improve profitability and growth rates at major Group companies, and measures to enhance asset efficiency (such as ROA and CCC*1)

*1 CCC: Cash Conversion Cycle

ROA by Segment
(FY2019 and FY2025 results, ROA on core profit)

High ⟷ Low

	Metals & Minerals	ICT & Financial Business	Machinery	Textile	Energy & Chemicals	General Products & Realty	Food	The 8th
2019	13.2%	4.9%	4.5%	4.0%	4.2%	4.5%	2.6%	
2025	8.9%	6.0%	5.9%	5.4%	4.0%	2.9%	2.2%*2	32.8%*2

*2 The segment primarily responsible for FamilyMart has been changed from "The 8th" to "Food" since FY2026. Following this change, assets, liabilities, profits and losses related to FamilyMart are attributed to "Food," while the profit contribution from FamilyMart is allocated between "Food" and "The 8th" at a ratio of 3:7. FY2025 results are presented on a reclassified basis; however, ROA for "The 8th" is calculated using only total assets as of March 31, 2026.

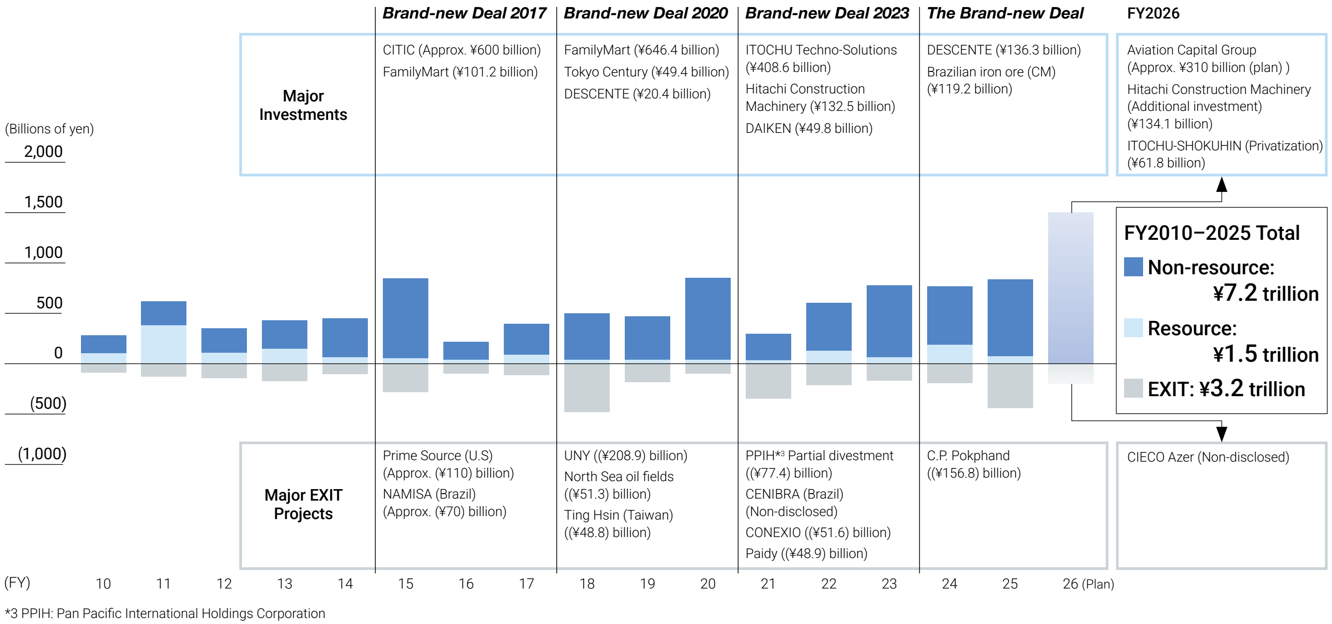
Monitoring by Headquarters

- FP&A function: To ensure the reliable execution of commitment-based management, budget-to-actual management and variance analysis are conducted on a frequent basis.

- Introduction of Group Standard Rules: Each Division Company's administrative division verify the status of development of internal rules and review, including the details, whether book inspections and balance confirmations are being properly carried out.

Asset Allocation

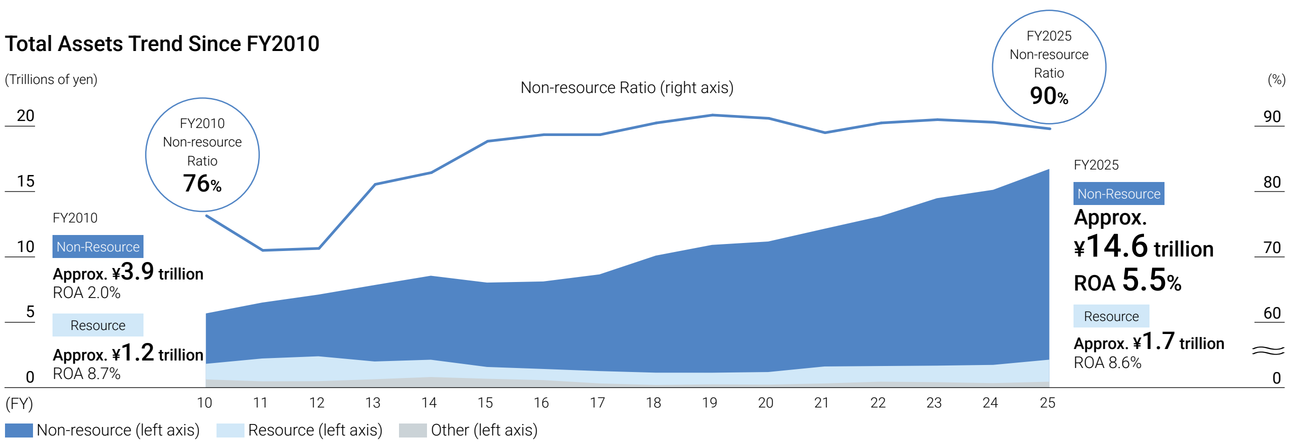
Investment and Exit Track Record since FY2010



	Brand-new Deal 2017	Brand-new Deal 2020	Brand-new Deal 2023	The Brand-new Deal	FY2026
Major Investments	CITIC (Approx. ¥600 billion) FamilyMart (¥101.2 billion)	FamilyMart (¥646.4 billion) Tokyo Century (¥49.4 billion) DESCENTE (¥20.4 billion)	ITOCHU Techno-Solutions (¥408.6 billion) Hitachi Construction Machinery (¥132.5 billion) DAIKEN (¥49.8 billion)	DESCENTE (¥136.3 billion) Brazilian iron ore (CM) (¥119.2 billion)	Aviation Capital Group (Approx. ¥310 billion (plan)) Hitachi Construction Machinery (Additional investment) (¥134.1 billion) ITOCHU-SHOKUHIN (Privatization) (¥61.8 billion)
Major EXIT Projects	Prime Source (U.S) (Approx. (¥110) billion) NAMISA (Brazil) (Approx. (¥70) billion)	UNY ((¥208.9) billion) North Sea oil fields ((¥51.3) billion) Ting Hsin (Taiwan) ((¥48.8) billion)	PPIH*3 Partial divestment ((¥77.4) billion) CENIBRA (Brazil) (Non-disclosed) CONEXIO ((¥51.6) billion) Paidy ((¥48.9) billion)	C.P. Pokphand ((¥156.8) billion)	CIECO Azer (Non-disclosed)

*3 PPIH: Pan Pacific International Holdings Corporation

Total Assets Trend Since FY2010



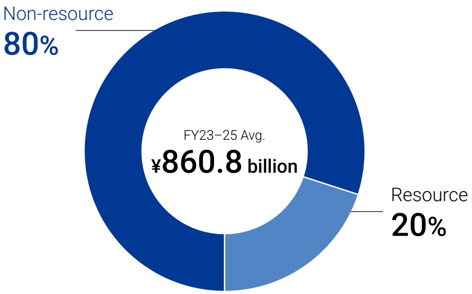
Our Portfolio Strategy

As shown on the previous page, we have expanded our non-resource portfolio over many years in order to further strengthen non-resource businesses, which have long been one of our core strengths. A key characteristic of our portfolio is a higher proportion of assets in Japan, reflecting the strong business foundation we have built in Japan and our relationships with partners. To achieve steady profit growth, we have built our business portfolio by further reinforcing our strengths.

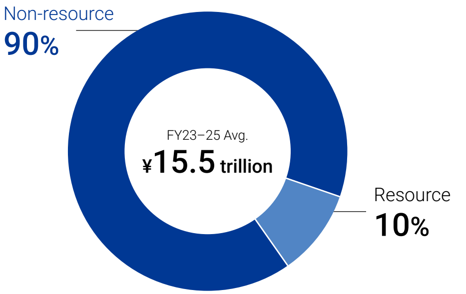
Resource / Non-Resource Balance Continuing to Strengthen Non-Resource Businesses and Our Approach to Resource Investments

The approximate balance we consider optimal for our portfolio is 90% non-resource and 10% resource on an asset basis, and 80% non-resource and 20% resource on a profit basis. At present, the profit-based balance stands at 85% non-resource and 15% resource, and over the past several years the resource proportion has trended downward, reflecting profit growth in non-resource businesses and proactive investments in those areas. In light of this optimal balance, adding to our resource asset base also remains an option, provided that such investments are in areas where we have expertise and are undertaken together with trusted partners. However, our growth strategy will continue to center on non-resource businesses, where we have strengths, and we will continue accumulating high-quality assets in these areas where further business expansion can be expected.

Consolidated Net Profit
(Average for FY2023–2025)



Total Assets
(Average for FY2023–2025)

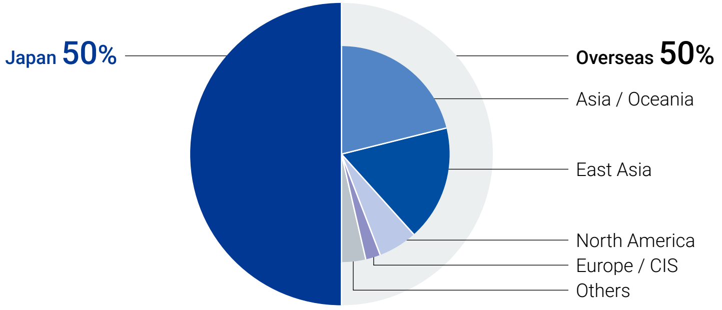


Regional Balance A Japan-Focused Portfolio Leveraging Our Strong Business Foundation and Partner Relationships

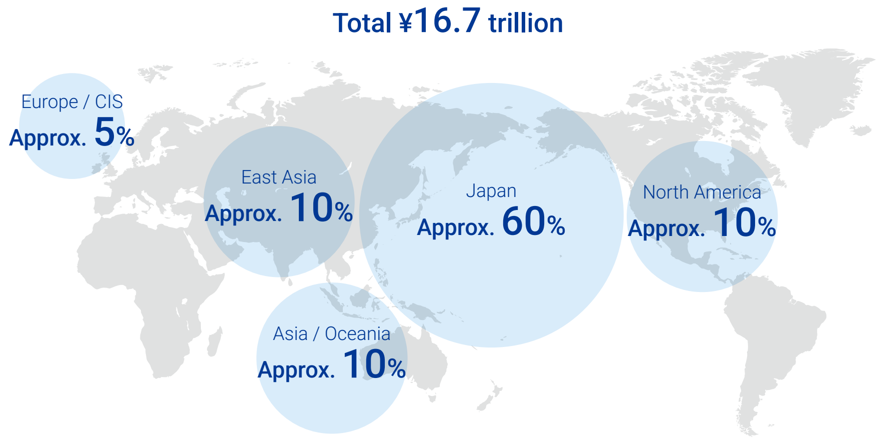
In terms of our Group's asset composition by region, domestic assets account for approximately 60%, representing more than half of our assets. North America is also a region where we see further growth potential, as it includes multiple business areas in which we have strengths, such as the North American power business and the North American construction-materials business. While we do not strategically focus on any single region, our approach of building on our strengths is also reflected in our regional portfolio.

Our overseas asset composition is well balanced across regions, giving us a structure that is less susceptible to economic fluctuations in any single country. As a result, our portfolio is highly resilient to sudden changes in the external environment.

Core Profit by Region
(Average for FY2023–2025)



Regional Asset Balances (End of March 2026)*



* 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.

Risk Management

Since the ITOCHU Group engages in a wide range of businesses, we recognize risk management as an important management issue under the “Prevent” principle. Accordingly, we identify various risks, assign responsibility for each to the relevant department, and implement measures to mitigate them.

Principal Risks	Responsible Divisions
Country Risks	Business Finance Division
Commodity Price Risks (Specific, Important Product)	
Credit Risks	
Investment Risks	
Stock Price Risks	
Compliance Risks	Legal Division
Legal Risks (Excluding Compliance Risks)	
Risks Associated with Trade Security Policy Management	
Risks Associated with Customs	
Foreign Exchange Rate Risks	Finance Division
Interest Rate Risks	
Financing Risks	
Information System and Security Risks	IT & Digital Strategy Division
Labor Management Risks	Human Resources & General Affairs Division
Human Resources Risks	
Risks Associated with the Appropriateness of Financial Reporting	General Accounting Control Division
Risks Associated with Internal Control	
Environmental and Social Risks	Sustainability Management Division

Examples of Risk Mitigation Measures

Limit Management in Response to Market Fluctuations

- Designation of products with futures markets as Specific, Important Products and introduction of rules for balance management
- Set monetary amount limits, quantity limits and period loss limits, and periodically review compliance with those limits

Global Tariff Management and Timely and Appropriate Information Gathering

- Establishment of manuals for import and export customs clearance management and tariff management
- Monitoring of appropriate import and export declarations
- Collection of information on tariff policies in various countries, particularly in North America, as well as sharing the information related divisions and holding related seminars

Financing Management for Growth Investments

- Development of an annual financing plan
- Securing liquidity through the use of cash on hand, commitment lines, and other measures
- Diversification of funding sources and financing methods, including USCP

Country Risks

As of March 31, 2026, our exposure to China totaled ¥1,909.0 billion, consisting mainly of investments in CITIC and DESCENTE CHINA.

The situation of CITIC


CITIC Tower in the Heart of Beijing

- We position CITIC as an important partner in China. Since our investment, CITIC has delivered steady performance, supported by its comprehensive financial services business, with core profit trending upward over time. At present, CITIC generates net profit of approximately ¥1.2 trillion.
- Its financial position is also robust. The credit rating from Moody’s is A3 and its outlook was revised to positive in June 2026.
- On the other hand, its share price does not fully reflect its corporate value, with a PBR of around 0.4 times in FY2025. In response, our Investor Relations Division and CITIC Group’s IR team hold regular discussions. Most recently, we have confirmed CITIC’s proactive stance toward share price improvement, including raising its dividend payout ratio and expanding overseas IR activities.
- In addition, we recognize that CITIC offers substantial strategic value not only in quantitative terms, such as annual profit contribution, dividends received amounting to several tens of billions of yen, and transactions with the CITIC Group also amounting to several tens of billions of yen, but also in qualitative terms, including enhanced creditworthiness and access to information in China, as well as expanded business opportunities.
- Each quarter, we calculate the recoverable amount of our investment in CITIC and confirm that it exceeds the carrying amount.

Topic: The ITOCHU Way PEST Analysis for Capturing Changes in the Macro Environment

The global environment is currently undergoing major shifts, and the macro environment continues to change from day to day. To secure both the quality and quantity of information that directly supports management decision-making at the front lines, we maintain think tank functions. Their role is not limited to simply gathering information and conducting conventional PEST analysis. Rather, through a market-in approach, they identify the risks and opportunities arising from change and deliver this insight to the front lines in a form that can be applied in business. ITOCHU’s distinctive intelligence capabilities support business operations and contribute to the sustainable enhancement of corporate value.


President and CEO Takeda appears on a TV business program

ITOCHU Research Institute

The Group’s in-house think tank, with highly specialized researchers and a broad network, provides timely and actionable information to both internal and external stakeholders.


Tada, SVP & General Manager (center), at a commemorative event for the Japan-U.S. summit meeting

Washington, D.C. Office

Leveraging extensive relationships across the U.S. and Japanese governments, U.S. Congress and influential advisory circles to provide geopolitical and policy intelligence, shape stakeholder engagement, and support ITOCHU’s global business and risk-management objectives.

CXO MESSAGE

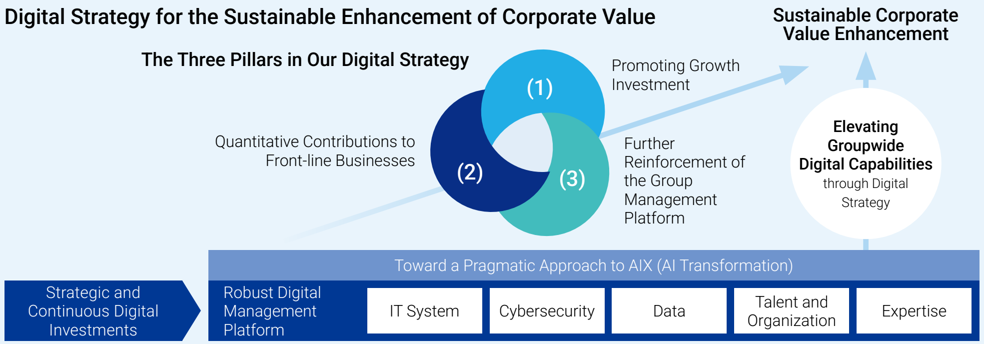
Hiroyuki Naka
Member of the Board, Senior Executive Officer, CFO; CXO

AIX (AI × Transformation) as the Dawn of a New Competitive Paradigm

We have consistently pursued the fusion of strategy and digital capabilities, and, with a grounded approach to AIX, have strengthened our digital management platform through strategic and continuous digital investments. At ITOCHU, AIX is not an end in itself. Our basic philosophy is that business comes first, with a clear focus on profitability. We believe that our selection as one of DX Stocks 2026 reflects our steady efforts to date and serves as external recognition of those efforts.

Our use of AI has now entered a new phase in which the efforts we have built up are beginning to take shape as tangible results. For example, we are strongly focused from a management perspective on creating a virtuous cycle in which reductions in working hours generated through AI are translated into the optimal allocation of personnel, thereby shifting from “Cut” to “Earn.” The key lies in making a gear shift from improvements in individual productivity to organization-wide utilization through All-Around AIX. This evolution is precisely what will serve as the driving force for transforming front-line businesses and achieving the sustainable enhancement of corporate value.

Digital Strategy for the Sustainable Enhancement of Corporate Value



At the same time, the more AI technology advances, the more “human capabilities” and “front-line execution capabilities,” cultivated through thinking things through for ourselves, will become key differentiators. While fully leveraging cutting-edge technologies, it is only human beings—in other words, we “Merchants”—who can question conventional assumptions, build relationships, and make the final decisions. Going forward, we will continue to advance an AIX approach with Merchants at the center, in a way that is distinctly ITOCHU.

Topics: Selected as One of DX Stocks 2026

ITOCHU was selected as one of DX Stocks 2026, jointly designated by the Ministry of Economy, Trade and Industry, the Tokyo Stock Exchange, and the Innovation Platform Agency, Japan. The following points were recognized:

1. Our DX initiatives contribute to enhancing corporate value through the principles of “Earn, Cut, Prevent”
2. Top management communicates DX-related messages directly
3. We engage in proactive external communication through the Integrated Report, IR briefings, and external media
4. We have a wide range of examples of AI and digital technology utilization
5. We are also strengthening organizational development and digital talent development to advance DX

DXStocks2026
Digital Transformation

Building a “Prevent” Framework That Protects the Organization Proactively

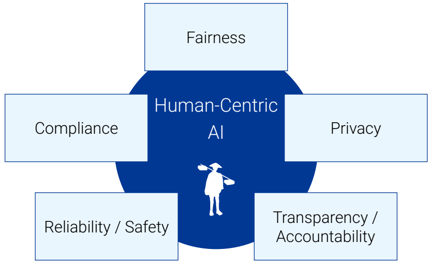
Groupwide Cybersecurity Structure

We position cybersecurity measures as a critical management issue and continue to strengthen them on an ongoing basis. Centered on ITOCHU Cyber & Intelligence Inc., which employs some of Japan’s leading top-tier security analysts, we have established a framework that protects approximately 600 Group companies, including sub-subsidiaries. As cyberattacks become increasingly sophisticated and complex with the advancement of AI technologies, we continue to monitor risk alerts at all times and work to detect vulnerabilities in advance. As a result, no major incident has occurred. Our Group maintains a high level of security awareness and responds proactively even to previously unknown threats.

AI Governance and Policy Development

As AI continues to evolve, new risks are also becoming more visible, including the leakage of confidential information and unforeseen problems arising from granting excessive authority to AI agents. Including the strengthening of AI security, ITOCHU has established AI governance designed both to manage risks appropriately and to maximize AI’s potential. In August 2026, we also formulated our AI Policy. Guided by the spirit of “*Sampo-yoshi,*” we will promote the ethical and effective use of AI without undermining the trust of customers or society.

Principles of Responsible AI Operations



Practical Measures for the Responsible Use of AI

1. Establishment of an AI governance framework
2. Development of policies and rules
3. Enhancement of employee education and literacy
4. Implementation of technical measures and ensuring security
5. Ongoing monitoring, evaluation, and improvement

SPECIAL CONTENTS Gear Shift from AIX-Ready to All-Around AIX

Following the rollout of the generative AI environment in 2023, the use of AI at ITOCHU rapidly gained traction. After advancing from broad-based operational efficiency improvements to application in specific business operations, AI has become part of the infrastructure supporting day-to-day operations. We are now shifting gears to the next phase: All-Around AIX.

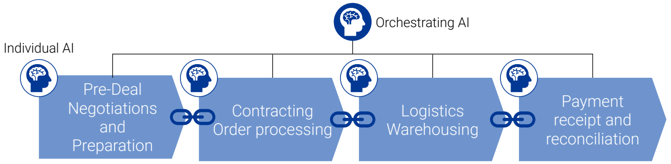
A Shift from Trade Automation to Business Investment

AI Implementation Approach to Enhancing Core Profit

Fundamental AI Transformation of Trade Operations

Trade, one of the traditional functions of a trading company, consists of a series of detailed operational processes and requires substantial human resources. At ITOCHU, we are fundamentally transforming these operations through AI by leveraging our Companywide integrated data platform and supply chain-related data platform.

For example, AI agents autonomously execute a broad range of tasks, from market and customer analysis before negotiations and the preparation of proposal materials, to the entry of contract information after agreements are concluded, logistics and delivery arrangements, and accounting entries. A framework that orchestrates multiple AI agents enables seamless integration of each process. Because AI can also learn the different business practices of each operation, Companywide deployment of AI agents is possible. We will also build the AI agent platform that supports these initiatives.



Optimal Allocation of Human Resources and Strategic Deployment in Business Investment

The human resources freed up through these initiatives will be reallocated to higher-value-added areas such as product planning and development, as well as business investment. We also utilize generative AI at each stage of business investment, including identifying potential target companies, conducting in-depth due diligence, and supporting the internal approval process. By combining internal and external data with internal knowledge such as "The Four Lessons for Investments," we contribute to building a robust, high-quality pipeline and selecting high-quality investment opportunities.

From Individual Tacit Knowledge to Companywide Intellectual Capital

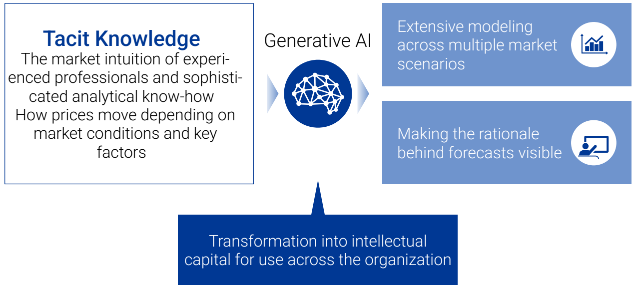
How AI Is Transforming Market Forecasting

Applying Tacit Knowledge to Market Forecasting

In trading operations where highly accurate market forecasting is required, tacit knowledge—such as the market intuition of experienced professionals and sophisticated analytical know-how—has been indispensable. We are advancing initiatives to enable AI to learn highly specialized expertise built on individual experience and transform it into intellectual capital available for Companywide use.

Case Study Use of AI in Aluminum and Power Trading

At ITOCHU, we are participating in the GENIAC project, led by the Ministry of Economy, Trade and Industry and NEDO to strengthen generative AI development capabilities and support real-world deployment. As part of this initiative, we are advancing the development of hybrid AI for market analysis in the aluminum and power markets. In aluminum trading, we are building a framework that combines supply-demand conditions and market trends with the thought processes of experienced professionals in order to make the rationale behind forecasts visible. In power trading, we are working to develop a next-generation AI platform designed to respond quickly to sudden market changes. Through these initiatives, we aim to facilitate the transfer of know-how and accelerate decision-making.



How Physical AI Is Transforming Front-line Capabilities

From Solving Diverse Challenges to a Robust Earnings Base

Using Physical AI to Solve Front-line Challenges

We are also promoting the use of AI to solve challenges on the front lines of our business. The operational challenges faced by ITOCHU and its Group companies are diverse and wide-ranging. These include machinery and equipment inspection and maintenance, including the early detection of signs of trouble, retail store operations, logistics center optimization, and hazardous work replacement. We are actively utilizing physical AI to address these challenges, with the aim of enhancing front-line capabilities and building a robust business foundation.

Case Study Smart Factory Transformation at C.I. TAKIRON


C.I. TAKIRON Ibogawa Plant

C.I. TAKIRON, a synthetic resin processing company, is promoting smart factory transformation through physical AI. At its Ibogawa Plant, which is one of the largest polycarbonate production sites in Japan, AI cameras are used to monitor production and equipment conditions, thereby optimizing on-site movement and workflows, while AI inspection equipment is enhancing quality control. This next-generation model, which combines existing equipment with AI, will be rolled out to other plants going forward. In addition, the company is planning to introduce AI robotics to automate manufacturing processes. By leveraging physical AI, C.I. TAKIRON aims to address a broader range of on-site challenges and drive stronger profitability.

CAO MESSAGE

Tomokuni Nishiguchi
Member of the Board, Senior Executive Officer, CAO

Strengthening Our Human and Organizational Resources under a Market-in Approach, and Supporting the Sustainable Enhancement of the ITOCHU Group's Corporate Value

As CAO, Putting Our Market-in Approach into Practice

I assumed the role of CAO this year, after spending the previous five years as General Manager of the Secretariat, where I coordinated with top management and had direct exposure to the state of ITOCHU's management and our leadership's thinking. In particular, working closely with Chairman & CEO Okafuji allowed me to fully absorb the market-in approach, one of our key management philosophies. I also have secondment experience at an ITOCHU Group company in the retail business, where I experienced the market-in approach on the front-lines as we listened carefully to customers' voices and responded flexibly to change.

I am committed to enhancing ITOCHU's management foundation from the non-financial perspective together with the members of the Corporate Communications, Human Resources & General Affairs, Legal, and Sustainability Management Divisions that fall under the CAO's purview. By fostering a market-in approach that remains close to both internal and external stakeholders, we will support ITOCHU's "gear shift."

People and Organizations that Respond to Change

Our human capital strategy must be designed with a long-term perspective, remaining flexible enough to respond to future business opportunities and various changes in the environment. Even when unforeseen events occur, such as the recent closure of the Strait of Hormuz, as merchants we must continue to operate on the front-lines in countries around the world. It is thus essential to detect changes on the ground before such situations arise. We must operate with a global perspective, constantly reassessing where to dispatch rotational staff and which languages to have our employees learn. Developing global talent means cultivating people who take a long-term perspective, building local networks and understanding cultures and systems, while driving business at the local level. This may be the age of AI, but only people can accumulate trust on the ground, build close relationships, and move business forward.

In addition, because overseas offices often operate with limited personnel, individuals may be required to contribute beyond the boundaries of vertical structures that exist at headquarters. Such situations create opportunities for ITOCHU to fully employ its diverse knowledge and functions from a broad, global perspective.

Promoting women's advancement is also crucial to building an organization that is responsive to change. Ever since our full-scale recruitment and development of women in career-track positions began, the pipeline of future leadership talent has grown steadily stronger. To further enhance diversity at the management level, it is necessary to provide systematic support for both development and promotion. To this end, we have introduced special measures to appoint a certain number of female executive officers, focusing primarily on internal talent development rather than relying excessively on external appointments, to diversify our management. To date, a total of 12 women have been promoted internally to executive officers. All of them have delivered strong results, building on varied experiences that extend beyond conventional career paths, from business to corporate divisions, and from domestic to overseas assignments. This not only fosters individual growth, it also offers visible role models to the next generation, creating a virtuous cycle that encourages bold new steps. I believe that enhancing diversity at the management level through internal talent development represents ITOCHU's distinctive approach to strengthening human capital, and will contribute to enhancing corporate value over the medium- to long-term.

The use of AI is also bringing significant changes to the way we work. There are certainly areas, such as routine tasks, data aggregation, and contract review, where AI should be used to improve efficiency. However, we should not leave matters such as accountability for management decisions or decisions on personnel transfers to AI. Our management will remain human-led, and the boundary between what should be entrusted to AI and what should remain in human hands will differ by organization based on the broad range of industries in which ITOCHU works. By making effective use of AI, we aim to further enhance the labor productivity we have long emphasized, while preserving the high-quality management decisions we are proud of at ITOCHU.

Driving Profit Growth through Our Group's Collective Strength

Enhancing our Group's collective strength is essential to increasing corporate value. In FY2025, 87% of consolidated net profit was generated by Group companies. The key to further enhancing the corporate value of the ITOCHU Group lies in raising its growth potential as a whole. Our aim is to have talent, knowledge, values, and management philosophy circulate between ITOCHU Corporation and Group companies. It is not enough to simply send personnel from headquarters to Group companies; it is also very meaningful to welcome outstanding talent from Group companies to headquarters, where they can acquire ITOCHU's management philosophy and a broad perspective on what is best for the Group as a whole, and take this knowledge back to their companies. This cycle will go beyond merely sharing philosophy, strengthening the management foundation of the entire Group and linking the growth of each company to growth in the Group's profit as a whole.

Our Group's collective strength is also highly significant in securing talent. During the peak season for new graduate recruitment, the ITOCHU Group ran joint advertisements featuring 24 Group companies through FamimaTV, the digital signage displayed in the stores of FamilyMart, a Group company. These advertisements generated strong interest, particularly among people in their teens and 20s, and produced effective results for the participating Group companies. Human resources managers across the Group have noted that holding events as the ITOCHU Group, rather than conducting information sessions individually, helps attract a larger number of high-caliber candidates. This is another example of a Group-wide approach to talent acquisition strategy.

Through such initiatives, we will further strengthen the cohesion of the ITOCHU Group and connect it to further growth.

Advancing Sustainability through Our Core Businesses

While the market's basis for evaluating sustainability may fluctuate, issues such as the environment, human rights, local communities, and supply chain stability will remain critical to business continuity over the long-term. The key is not to view sustainability as an additional cost separate from our core business, but to convert it into competitiveness within our business. It is equally important to communicate ITOCHU's distinctive approach to sustainability clearly to all stakeholders across society. Our strengths in the consumer-related sector enable us to implement sustainability initiatives in ways that are more approachable and readily felt by society than other companies. Our market-in approach is also important in sustainability, and we see our ability to translate sustainability into value that is easy for society and consumers to understand as one of our competitive advantages.

For example, Dole Japan's Mottainai Banana initiative reduces food loss by selling bananas that, while having no issues in quality, would otherwise have been discarded for superficial blemishes or size standards. It is an excellent example of how we can present solutions to social issues through our core business. The same can be said of our energy-from-waste business in Serbia. This business emerged from the expertise we have cultivated over many decades in the plant development field, particularly in water treatment and power generation. In Serbia, where waste management is a pressing issue, combining waste treatment with power generation enables us to contribute to GHG emissions reductions and improvement in the surrounding river environment, while also creating new revenue opportunities. There are many similar examples at the ITOCHU Group which advance sustainability through our core business, balancing environmental and social value with economic value. We look forward to sharing more of these initiatives in an accessible manner with you going forward.

Sustainable businesses do not emerge overnight. Rather, the accumulation of business experience on the front-lines brings us into contact with social issues there, and the initiatives taken in response create the foundation for sustainable business. As seen with Dole and our energy-from-waste business, sustainability can be converted into a competitive strength by delving into our core business and incorporating responses to social issues. I believe that ITOCHU's distinctive approach to sustainability balances both social and economic value, with business as the starting point.

Working Together as ITOCHU Group to Achieve a "Gear Shift"

As of this year, 100% of employees have joined the Employee Shareholding Association. This demonstrates that every employee is not only an employee but also a shareholder, and that a foundation is in place for everyone to view the enhancement of corporate value as their business. Moreover, over 30% of participants hold assets valued at over ¥20 million. This is an exceptionally high proportion even among peer companies with similar sizes and market capitalizations, demonstrating numerically that employees are truly sharing in ITOCHU's growth.

Precisely because we are a lean organization, it is important that each individual brings both a management and shareholder perspective, and deploys their skills towards the same goal. As CAO, I will continue to emphasize our market-in approach, strengthening individual employee performance as well as the foundation of organizational coherence, connecting our "gear shift" with the sustainable expansion of corporate value.

Human Resource Strategy

Under our corporate mission of "*Sampo-yoshi*," with a clearly identified human resource strategy as a key component of our management strategy, we aim to become a company that is challenging but rewarding to work for, and to ensure all employees find their work rewarding and fully utilize their abilities.

TOPIC 1

Clear Differentiation in Evaluation and Compensation through Revisions to the Personnel System

We strive to foster a culture in which all employees can maximize their abilities by providing clearly differentiated evaluation and compensation based on performance while also creating opportunities for early promotion and challenging assignments. In FY2025, following the revisions made in FY 2024, we further revised our personnel system. These revisions resulted in an approximately 10% increase in annual compensation for all employees, through a base salary increase of approximately 2% to 3%, together with expansion of stock-based incentive programs through the employee shareholding association.

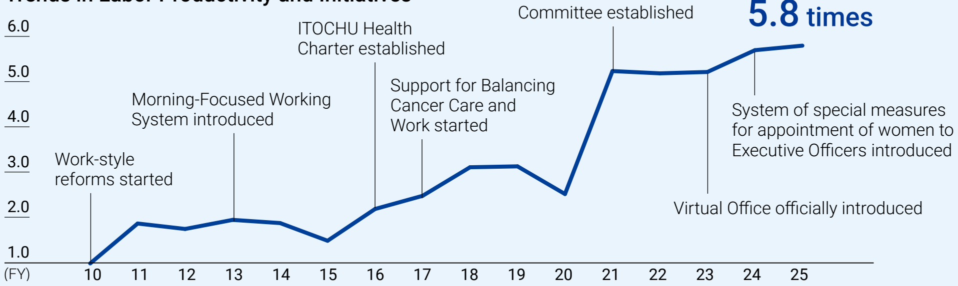
In addition, participation in the employee shareholding association has reached 100%. Every employee is not only an employee but also a shareholder, and employees and the Company work together as one to enhance corporate value.

Improving Employees' Motivation and Willingness to Contribute

Labor Productivity Improves Year by Year

- Even as consolidated net profit expands, the number of employees is decreasing
- Maximizing the productivity of each individual

Trends in Labor Productivity and Initiatives



* Shows the change in labor productivity with 1 as FY2010 (consolidated net profit / number of non-consolidated employees)

Challenging but Rewarding Workplace

- Strengthening Front-Line Capabilities Focused and Realizing "*Sampo-yoshi*"
- Emphasizing Diversity and Maximizing Potential

Recruiting Outstanding Human Resources
Enhancing corporate brand and the value of human resources

Evolving Work Styles
Pursuing efficiency through Morning-Focused Working System, etc.

Enhancing Health
Health management to maximize performance

Supporting Employee-Led Career Development
Creating growth opportunities based on each individual's aptitudes

Providing Evaluation and Compensation Commensurate with Results
Promoting growth by increasing feedback and level of understanding

Increasing Awareness of Participation in Management
Utilizing the Employee Shareholding Association to enable medium- to long-term asset formation

TOPIC 2

Supporting Employee-Led Career Development and Accelerating Human Resource Development Investment

We believe that the sustainable growth of the organization depends on clearly communicating the Company's human resource development policy, supporting each employee in proactively shaping their own career and continuing to grow, and enhancing employee engagement.

To foster next-generation merchants who can respond to changes in the social environment and increasingly diverse customer needs and lead future management, we are promoting human capital investment under three pillars: the development of globally capable management talent, the passing on of ITOCHU's distinctive values and mindset, and support for continuous learning. In FY2025, total investment in human resource development amounted to ¥2.7 billion, or ¥664 thousand per employee.

Positive External Evaluations

Enhancement of Corporate Brand Value

Company rankings by jobseekers

"**No. 1** in all industries"
in 6 of the 7 major media outlets

"**No. 1** in trading companies"
in all 7 major media outlets

METI and the Tokyo Stock Exchange

2026
健康経営優良法人
KENKO Investment for Health
ホワイト500

NADESHIKO BRAND 2026

Initiatives to Empower the Entire ITOCHU Group and Accelerate its “Gear Shift”

Women’s Advancement

ITOCHU’s Distinctive Approach to Diversity Management

As a trading company with particular strengths in consumer-related businesses, ITOCHU has consistently believed that organizational diversity and the advancement of women are essential to capturing increasingly diverse consumer needs through a market-in approach and continuously evolving our business models. Based on this belief, we have promoted initiatives to support the advancement of women for more than 20 years.

Women’s Advancement Committee

Established: 2021, as a voluntary advisory committee to the Board of Directors

Chair: Outside Director

Scope of discussion: Expansion of the appointment of female career-track employees, as well as various measures concerning BX employees*

* Effective April 2025, the former “clerical staff” category was renamed “Business Expert (BX).” BX are expected not only to perform general administrative duties, but also to acquire specialized knowledge and skills related to administrative functions unique to a general trading company. By demonstrating such expertise, they support the enhancement of corporate value and serve as a key pillar of organizational operations.

Example of Steady Development and Planned Advancement of Female Employees, and Individualized Support to Address Barriers to Career Development

- Integration and establishment of company dormitory for female career-track employees
- Femtech-related support programs, including fertility preservation (egg freezing) and fertility treatment assistance
- Subsidies for services that help reduce housekeeping and childcare burdens
- Provision of preconception care programs for early-career employees

FY2025 HIGHLIGHTS

- The ratio of female officers rose to 28%
  The introduction of the Special Measures for Appointment of Women to Executive Officers in FY2024 has enhanced the effectiveness of promoting women into senior management positions.
- Achieved a 100% uptake rate for paternity leave among male employees
  Measures including the “mandatory” adoption of paternity leave for male employees have contributed to supporting the balance between work and family responsibilities for all employees, regardless of gender.

TARGET

- Achieve 30% the Ratio of Female Officers by 2030
- Increase the Ratio of Female Managers to Twice the Current Level by the Mid-2030s

Horizontal Collaboration

Accelerating Cross-Organizational Collaboration to Break Down “Organizational Silos”

To maximize both individual capabilities and organizational strength, ITOCHU is taking its cross-organizational collaboration to the next stage across divisions, generations, job functions, and regions by breaking down the traditional organizational silos often associated with trading companies. Going beyond simply removing barriers, we are creating an environment in which diverse perspectives, expertise, and ideas come together to generate new forms of value creation.

✔ **Virtual Office:** In April 2023, ITOCHU officially launched “Virtual Office,” an online cross-organizational collaboration platform designed to further accelerate the promotion of cross-divisional projects and the creation of new businesses. The platform enables employees with a strong interest in a project to participate regardless of their organizational affiliation. Participation has steadily increased, fostering a culture in which ideas can spread across the organization irrespective of an employee’s tenure or position. The initiative has also delivered tangible results, including improvements in engagement survey scores related to cross-departmental collaboration and a culture that encourages challenge and innovation.

FY2025 HIGHLIGHTS

• A Business Case Generated through the Virtual Office

One example of a business opportunity generated through the Virtual Office is the IT equipment circular economy initiative led by the ICT & Financial Business Company in FY2025. Building on an existing business platform while engaging a Group company from another Division Company across the Group, the initiative ultimately led to a business investment in Electronic Recyclers International, the largest electronic waste recycling company in the US.

✔ **Challenge Career Program:** We continue to implement the Challenge Career Program, which enables employees to transfer to positions in their desired departments across Division Companies and Divisions. By respecting individual career aspirations and supporting proactive career development and enhanced motivation, we aim to strengthen organizational diversity and competitiveness.

Collaboration with Group Companies

Strengthening Group-wide Management Capabilities

ITOCHU continues to enhance and evolve a range of initiatives designed to maximize the value of the diverse talent working across our Group companies. Through various administrative divisions, including the Sustainability Management Division, Corporate Communications Division, and Investor Relations Division, we provide ongoing opportunities for knowledge sharing, training, and personnel exchange across the Group. These initiatives support the development and advancement of management talent while strengthening management capabilities on a Groupwide basis.

FY2025 HIGHLIGHTS

• Investment in Global and Management Talent Development Expanded to ¥1.86 Billion

On-the-job experience and the implementation of various structured training programs support the development of global management talent.

For example, through ITOCHU Management Program, which has been offered continuously since 2014, approximately 200 participants strengthen their basic knowledge unique to ITOCHU and risk management methodologies every year, thereby supporting the continued development of talent capable of overseeing the management of Group companies.

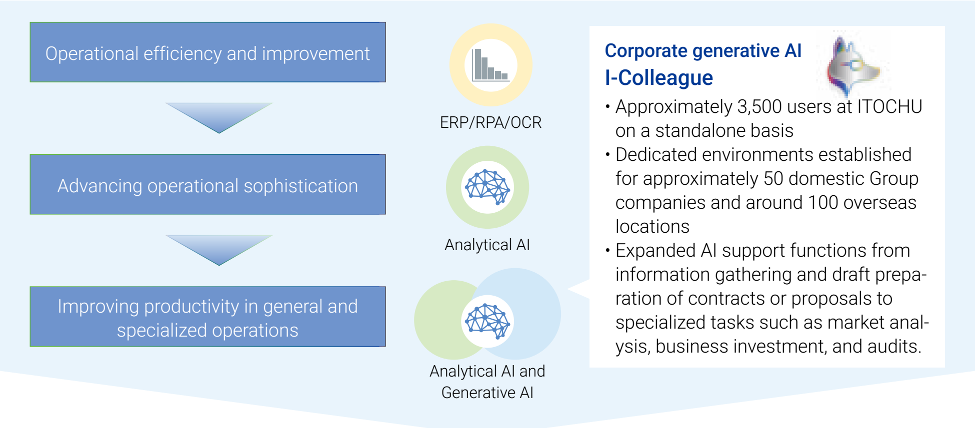
• Prestige Dinner: Recognizing Outstanding Employees Across the Group

ITOCHU hosts the Prestige Dinner, an employee recognition program that honors individuals from Group companies who have delivered outstanding achievements by inviting them to ITOCHU headquarters, where their accomplishments are recognized across the Company. The program also includes visits to our place of origin to learn about the management philosophy of the Ohmi merchants, which underpins ITOCHU, and our founding spirit. Through these initiatives, we seek to embody Group unity and a front-line focus, while fostering a virtuous cycle for the sustainable growth of the Group as a whole.

Group photo at the Prestige Dinner

Utilizing AI to Enhance Labor Productivity

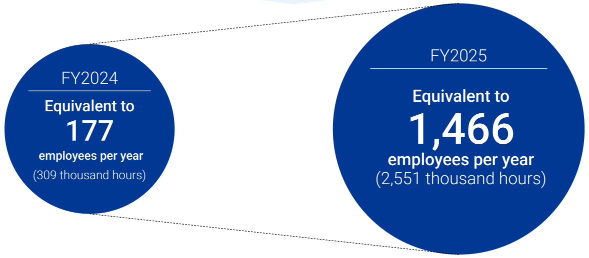
Since the introduction of ERP in 2001, we have continuously upgraded our management foundation through the streamlining of business processes and improvements in operational efficiency. In the 2010s, we advanced not only efficiency but also more sophisticated operations through the use of RPA, OCR, and data utilization. More recently, in July 2023, we introduced a dedicated generative AI environment for ITOCHU, which is now widely used by employees, including those at Group companies and overseas offices. Going forward, we will continue working to further enhance labor productivity not only by promoting the use of generative AI by each employee, but also by reviewing existing operations and the allocation of human resources.



Corporate generative AI
I-Colleague

- Approximately 3,500 users at ITOCHU on a standalone basis
- Dedicated environments established for approximately 50 domestic Group companies and around 100 overseas locations
- Expanded AI support functions from information gathering and draft preparation of contracts or proposals to specialized tasks such as market analysis, business investment, and audits.

Time Savings Generated by Generative AI

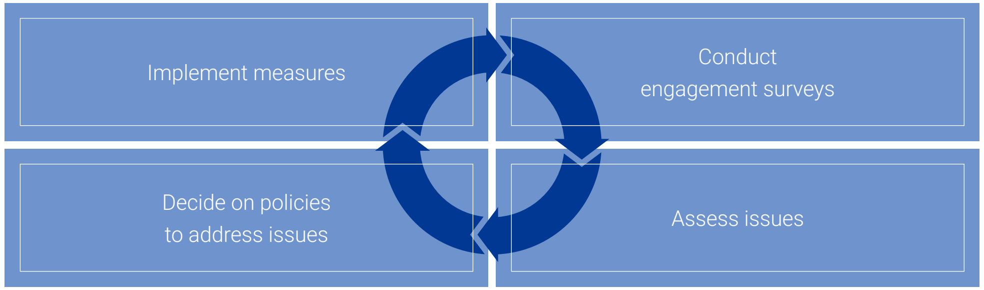


Initiatives to Advance Digital and AI Across the Group

ITOCHU	• Conducting awareness-building activities for all employees, including digital-related lectures, messages from the President & COO, and the dissemination of tips and case studies • Defining three core skills—problem-solving capability, data utilization capability, and project management and execution capability—and providing a wide range of training programs tailored to each skill level • Broadening the base of internal digital talent through personnel rotations from Division Companies to the IT & Digital Strategy Division
Group companies	• Hosting a Group Digital Community for digital talent across Group companies aimed at raising awareness, fostering a transformation mindset through the use of AI, and facilitating information exchange • Facilitating the exchange and development of digital talent through reciprocal personnel secondments between the IT & Digital Strategy Division and Group companies, including companies involved in the digital value chain in which the ICT & Financial Business Company has invested

Engagement Surveys and the PDCA Cycle

We conduct an engagement survey every year to promptly identify issues and have established a PDCA cycle for continuous improvement.



Recent Engagement Survey

(FY)	2022	2023	2024	2025
Engagement Score	67%	68%	68%	71%

In response to the results for FY2024, in FY2025 we implemented measures to strengthen communication, with particular emphasis on trust in management and disclosure of information, including communication from top management and expanded opportunities for dialogue with the labor union. As a result, scores in these areas rose significantly by 7 to 8 points. Major indicators such as engagement and the work environment that enables employees to maximize their potential also improved by 3 points.

At the same time, by employee groups, scores among junior and mid-career employees remain relatively low, and we recognize the need for continued follow-up on areas such as career development, evaluation, and diversity as a source of competitive advantage. We will continue to promote measures aimed at realizing a challenging but rewarding workplace, while carefully addressing issues specific to each employee group.

Policies to Address Issues	Implement Measures
Continuing Dialogue with Top Management	Holding labor-management council meetings with the labor union (Attendees: Chairman and President) Delivering management messages, etc.
Strengthening Measures for Different Employee Groups	Enhanced communication on initiatives for women's advancement, BX staff, junior and mid-level employees, and organizational leaders Strengthened career support measures for junior and mid-level employees, as well as support to enhance the management capabilities of organizational leaders
Measures by Department	Analysis and implementation of measures by sales and administrative divisions

Initiatives to Promote Sustainability

Corporate Mission & Guideline of Conduct

Corporate Mission *Sampo-yoshi*

Guideline of Conduct I am One with Infinite Missions

Policy

Code of Ethical Conduct

The ITOCHU Group Sustainability Policy

- Environmental Policy
- Human Rights Policy
- Biodiversity Policy
- Sustainability Action Guidelines for Supply Chains
- Basic Activity Guidelines on Social Contribution

Material Issues

Material Issues
Evolve Businesses through Technological Innovation We are creating new value by proactively exploring new technologies as we adapt to changing industry structures by venturing beyond existing business frameworks.
Address Climate Change (Contribute to a Decarbonized Society) We are striving to adapt to the impact of climate change on our business activities, while also promoting business activities that contribute to a decarbonized society and seeking to reduce GHG emissions.
Develop a Rewarding Work Environment We are developing a work environment where all employees feel proud and motivated, and where they can leverage their diversity to demonstrate their abilities to the fullest.
Respect and Consider Human Rights We are promoting respect and consideration for human rights in our business operations and ensuring stability in our business, while also contributing to the development of local communities.

Material Issues
Contribute to Healthier and More Affluent Lifestyles We are striving to improve the quality of life for all people and are contributing to the creation of healthier and more affluent lifestyles.
Ensure Stable Procurement and Supply We are contributing to the creation of a circular economy by giving consideration to biodiversity and other environmental issues while undertaking the effective utilization of resources as well as their stable procurement and supply, in line with demand in each country.
Maintain Rigorous Governance Structures We are ensuring appropriate and efficient execution of operations through independent, objective, and effective oversight of management by the Board of Directors and increased transparency in decision-making.

Management Policy

The Brand-new Deal

Enhancement of Corporate Brand Value

Enhancing our contribution to and engagement with the SDGs through business activities

Business Activities

- Division Companies
- Headquarters
- Group companies

PDCA Cycle for Action Plans

P Plan
Formulation of action plans based on medium- to long-term strategies

D Do
Execution of various initiatives to implement the action plan

C Check
Conducting annual reviews and reporting to the Sustainability Committee

A Act
Identified for each business field
- Risks and opportunities
- Social impacts
- Issues that should be addressed

Management Resources
- Human Capital (Individual Capabilities)
- Organizational Capabilities and Business Know-How
- Business Portfolio
- Financial Capital
- Trust, Creditworthiness, and Corporate Brand Value
- Client and Partner Assets
- Natural Capital / Natural Resources
- Relationships with Society

Solving Sustainability Issues through Business Activities

POINT 1 Identification and Review of Material Issues

Our material issues are essential to achieving value creation. We identified our material issues in April 2018 based on trends in the international community and the expectations of stakeholders and have reviewed them annually ever since. We have reconfirmed that these issues remain indispensable to our sustainable growth and that no changes are necessary for FY2025.

Identification and Review Process for Material Issues

STEP 1	Identification of issues based on the SDGs and other frameworks
STEP 2	Assessment of materiality and setting of KPIs for each Division Company
STEP 3	Review by the Sustainability Advisory Board
STEP 4	Discussion and decision by management
STEP 5	Review of material issues

POINT 2 Sustainability Action Plans

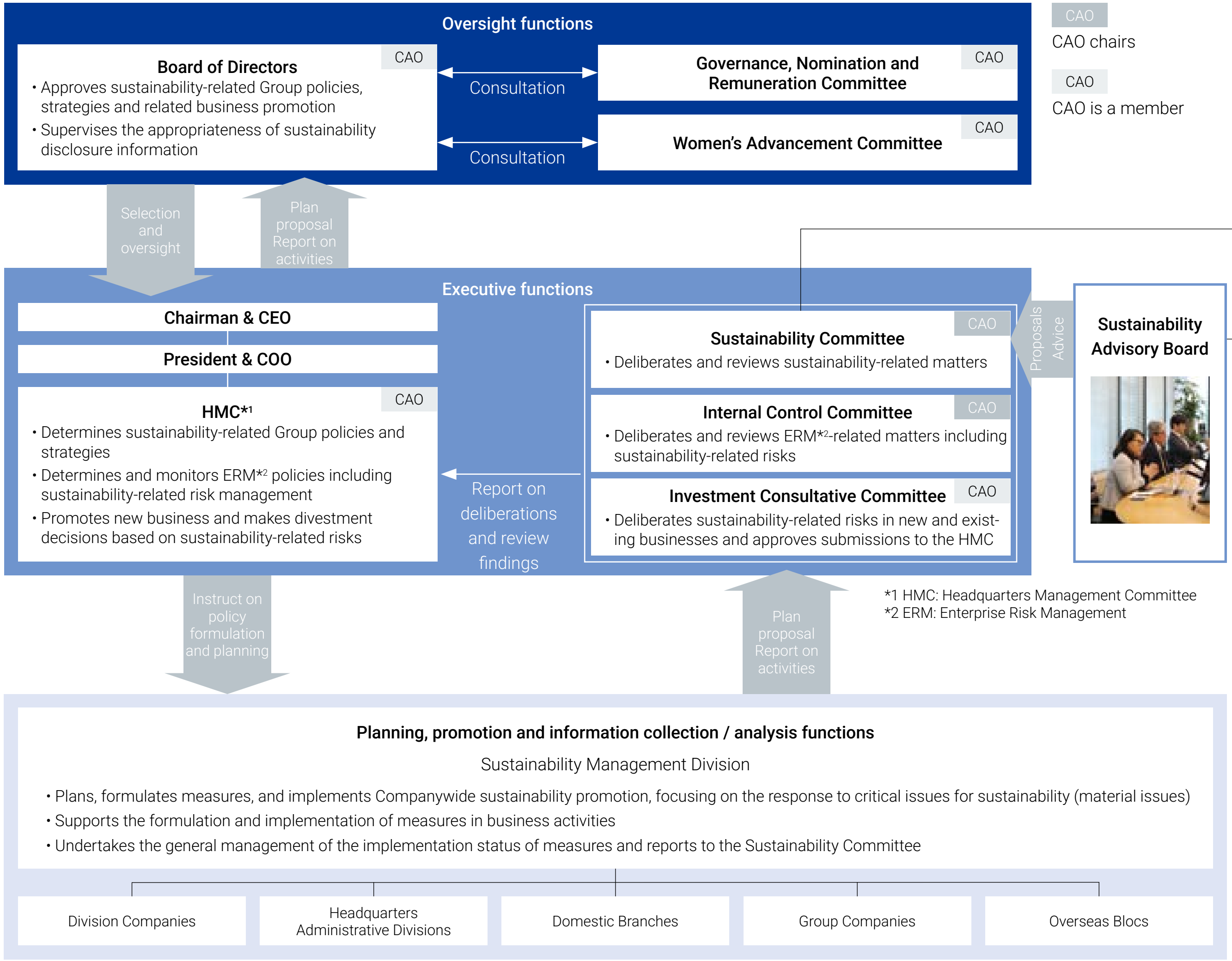
We have formulated Sustainability Action Plans that set out the specific initiatives undertaken by each organization to address our material issues.

In each business sector, we identify key sustainability-related issues, risks, and opportunities, and establish mid- to long-term commitments, as well as the approaches and KPIs required to achieve them. These plans are reviewed annually. By steadily implementing the PDCA cycle across the entire Company, we aim both to address social issues through our core business—thereby enhancing our contribution to and engagement with the SDGs—and to achieve our own sustainable growth, while further enhancing corporate value in a manner consistent with "*Sampo-yoshi*."

Sustainability-Related Governance Structural Chart

►Page 57 Corporate Governance System

To promote an integrated response to sustainability-related material issues, we have established a governance structure centered on the Sustainability Committee under the oversight of the Board of Directors. The progress of the Sustainability Action Plans formulated by each organization is monitored through periodic reviews, with the results reported to management, thereby ensuring Companywide governance and effective implementation.



Board of Directors CAO
- Approves sustainability-related Group policies, strategies and related business promotion
- Supervises the appropriateness of sustainability disclosure information

Governance, Nomination and Remuneration Committee CAO

Women's Advancement Committee CAO

Chairman & CEO

President & COO

HMC*1 CAO
- Determines sustainability-related Group policies and strategies
- Determines and monitors ERM*2 policies including sustainability-related risk management
- Promotes new business and makes divestment decisions based on sustainability-related risks

Sustainability Committee CAO
- Deliberates and reviews sustainability-related matters

Internal Control Committee CAO
- Deliberates and reviews ERM*2-related matters including sustainability-related risks

Investment Consultative Committee CAO
- Deliberates sustainability-related risks in new and existing businesses and approves submissions to the HMC

Sustainability Advisory Board

*1 HMC: Headquarters Management Committee
*2 ERM: Enterprise Risk Management

Planning, promotion and information collection / analysis functions

Sustainability Management Division
- Plans, formulates measures, and implements Companywide sustainability promotion, focusing on the response to critical issues for sustainability (material issues)
- Supports the formulation and implementation of measures in business activities
- Undertakes the general management of the implementation status of measures and reports to the Sustainability Committee

Division Companies | Headquarters Administrative Divisions | Domestic Branches | Group Companies | Overseas Blocs

Appoint the General Managers of the Planning & Administration Departments of each Division Company and the General Managers of Headquarters Administrative Divisions as Group ESG Officers
Assign a Group ESG Manager under each ESG officer to provide support

POINT 1 Sustainability Committee

The Sustainability Committee deliberates on the planning and implementation of various measures, sets sustainability-related targets and monitors progress, and undertakes the identification, assessment, and management of risks and opportunities. In this way, it plays a central role in supporting sustainability across the Company.

In FY2025, the Committee deliberated on and received reports on specific response policies, including the development of internal frameworks for disclosure in line with the SSBJ standards, the collection of environmental and human capital data, and the strengthening of internal controls. In addition, ESG officers in each organization manage the progress of various sustainability-related measures and initiatives and report to the Sustainability Committee.

We will further strengthen our alignment with international sustainability disclosure standards and provide investors and stakeholders with highly transparent disclosure.

POINT 2 Sustainability Advisory Board

The Sustainability Advisory Board was established to engage in dialogue with external experts to understand the latest developments in the rapidly changing sustainability landscape, confirm that the direction of our sustainability initiatives is aligned with the needs of society, and reflect these insights in the promotion of sustainability across the Company. The Advisory Board is held annually.

FY2025 Advisory Board

Theme:
The ESG Investment Environment and Corporate Value Enhancement

Members of the Advisory Board:
- Mr. Hiroshi Komori
  Member, International Sustainability Standards Board (ISSB), IFRS Foundation
- Mr. Hidemi Tomita
  CEO, Institute for Sustainability Management
- Ms. Minako Takaba
  Country Head, Japan, Asia Investor Group on Climate Change

Through discussions at the Advisory Board, we confirmed that, amid increasingly diverse corporate responses to ESG-related issues, investor expectations for initiatives and disclosures related to environmental, social, and governance issues remain robust.

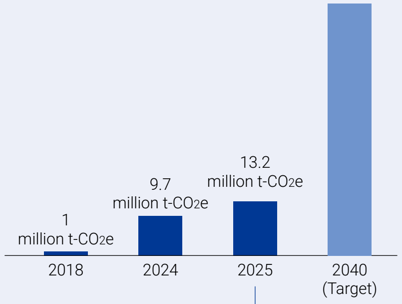
Initiatives to Address Climate Change

As a general trading company involved in diverse businesses across a broad value chain, ITOCHU is creating sustainable business by addressing a wide range of sustainability issues. Of our seven material issues, for the four that have a particularly significant impact on ITOCHU, we have established companywide medium- to long-term quantitative targets in addition to sustainability action plans for each business area, and we monitor progress against them. Among these, for the two material issues related to climate change, we are promoting the expansion of renewable energy and energy storage businesses, as well as the development of ammonia-fueled vessels and the establishment of related supply chains that will contribute to future GHG reductions. Through our businesses, we aim to both help resolve social issues and enhance corporate value.

GHG emissions: Scope 1, 2, and 3 (ITOCHU and subsidiaries), as well as fossil fuel businesses and interests (ITOCHU, subsidiaries, equity-method affiliates, and other investments).

POINT 1 Avoided Emissions

Accumulation of Avoided Emissions



Renewable energy: 12,863 thousand t-CO$_2$e
Energy Storage System: 368 thousand t-CO$_2$e
Renewable fuels: 9 thousand t-CO$_2$e

Medium- to Long-Term Targets for Material Issues

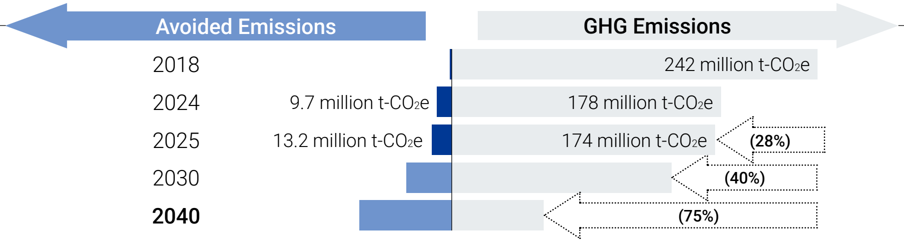
Evolving Businesses through Technological Innovation

The ITOCHU Group creates avoided emissions that exceed its GHG emissions by 2040 and achieves offset zero

Address Climate Change (Contribute to a Decarbonized Society)

The ITOCHU Group achieves a 75% GHG reduction from 2018 levels by 2040 and net zero GHG emissions by 2050

Climate Change Metrics and Targets



Avoided Emissions > GHG Emissions ⇒ Offset Zero

POINT 2 GHG Emissions Reduction

Driven by project exits and revisions to emission factors, including the greater use of primary data, GHG emissions decreased by approximately 28% from 2018 to 2025.

Expanded Disclosure of GHG Emissions

From FY2024 onward, we began disclosing all Scope 3 categories. We also expanded the notes to include calculation assumptions, transactions included and excluded from the calculation, and other information explaining the basis for calculation.

Please refer to the following for the reduction status of Scope 1, 2, and 3.

► Page 73 Selected Non-Financial Data

Progress in the Renewable Energy Business (North American Power Business)

Bowman wind farm in the U.S.

In FY2025, we decided to invest in projects including the Black Hollow Solar power plant in Colorado, U.S., and the Bowman wind farm in North Dakota, U.S. These projects will provide clean electricity equivalent to the annual consumption of more than 100,000 households, reduce CO$_2$ emissions, and secure stable earnings through long-term power purchase agreements. Against our FY2030 target of achieving a renewable energy ratio of over 20% on an equity interest basis, we have made steady progress, reaching 19.9%.

Expansion of the Energy Storage Business

Large-scale energy storage facility under construction in Fukuoka

In the residential sector, we are using the AI control software "GridShare" to advance the integrated control of distributed energy resources, including storage batteries. At the same time, we are promoting corporate decarbonization through the introduction of industrial and grid-scale energy storage systems, as well as the development of a circular-economy business model through battery recycling. By achieving a cumulative storage capacity of 3.5 GWh by FY2030, we aim to contribute to the broader adoption of renewable energy, the optimization of electricity supply and demand, and the resilience of regional power systems.

Renewable Fuels

Through the demonstration of environmental value trading for sustainable aviation fuel (SAF) and the supply of SAF at Narita Airport, we are contributing to the decarbonization of the aviation sector.

Ammonia-Fueled Vessel Initiatives for Future Emissions Reduction

Ammonia-fueled vessel

To contribute to the decarbonization of international shipping, we are promoting an integrated project encompassing the development and operation of ammonia-fueled vessels, the development of fuel supply bases, and fuel procurement. Through pilot operations, we aim to establish a global supply system and achieve early social implementation.

The Front Lines of Value Creation

CONTENTS

METHOD 1 Growth Investments with High Visibility Aimed at Creating New Core Business

In recent years, the Machinery Company has steadily built up growth investments in core businesses across its various fields. These investments offer high visibility in terms of profit contribution, supported by the business expertise we have cultivated over many years and the relationships of trust we have established with our partners. By combining these investments with ITOCHU's distinctive strengths, including the extension of value chains from a downstream perspective, we will pursue further business expansion.

North American Power Business

Capturing Growing Power Demand in North America through a Business Foundation "Deeply Rooted in Local Markets"

OVERVIEW

Investment in FY2025: ¥**34.7** bn

Expecting ROI of over 10% for the entire North American power business

Initiative and Strategy

We continue to grow by leveraging a business foundation and outstanding human resources that enable us to carry out the entire value chain on an integrated basis, from development to operations and maintenance, as well as asset ownership. By making full use of the network we have built in North America since the early 2000s and that is deeply rooted in local markets, we are capturing rising electricity demand driven by the expansion of AI and data centers.

Profit contribution in FY2022	Profit contribution in FY2025	Target of future profit contribution
¥6.7 bn	¥26.5 bn	¥50.0 bn

Hitachi Construction Machinery

Advancing the Construction Machinery Value Chain and Strengthening Global Competitiveness

OVERVIEW

Investment in FY2026: ¥**134.1** bn

Increased ownership from 20.4% to 33.4%

Attributable profit increase: Over ¥**10.0** bn

Initiative and Strategy

Through trading operations and joint ventures in Asia, we have built a relationship of trust with Hitachi Construction Machinery since the 1990s. Following our investment in 2022, we have supported the company's overseas sales expansion and jointly developed its North American finance business together with Tokyo Century. By leveraging the expertise and networks we have cultivated over many years, we will support the strengthening of Hitachi Construction Machinery's management foundation and the enhancement of its global competitiveness.

Aviation Capital Group LLC (ACG)

Establishing the Aircraft Value Chain Business as a New Earnings Pillar

OVERVIEW

Investment in FY2026 (Plan): ¥**310.0** bn

Attributable profit increase: ¥**16.0** bn (Planned in FY2027)

Initiative and Strategy

We acquired a 50% stake in ACG from Tokyo Century, in which we hold a 30% interest, and established a joint management structure with Tokyo Century. We position ACG as one of our earnings pillars and will seek to expand the value chain in aircraft-related businesses by accelerating growth in adjacent businesses.

ACG as an "Aircraft Asset Platform": Expanding the value chain

METHOD 2 Cross-sector Collaboration and Business Reorganization Leveraging Existing Businesses

In addition to executing investments, we can further expand our business domains by combining our existing business platform with the expertise and functions of new partners. By promoting "horizontal collaboration" beyond the boundaries of our existing business areas, we aim to improve investment returns and accelerate growth by maximizing synergies.

Strategic Alliance with JR East in the Real Estate Sector

OVERVIEW Effective October 2026, JR East and ITOCHU will merge their respective subsidiaries, with the integrated company to be owned 60% by JR East and 40% by ITOCHU.

The integrated company aims to establish a competitive edge as a comprehensive developer by combining the management resources and business foundations of both groups. By bringing together the JR East Group's railway network, expertise in development along railway lines, and extensive portfolio of business sites with the ITOCHU Group's real estate development capabilities, "market-in" approach, and broad industry network, we will further strengthen the real estate value chain. Centered on real estate development originating from stations and areas along railway lines, the integrated company will pursue a business model that combines development, ownership, and rotational business, with the aim of growing revenue to approximately ¥250.0 billion over the next five years.

In addition, using this integration as a starting point, we will explore opportunities for broader collaboration in other business areas, including digital, logistics, purchase, finance, and advertisement. By creating services and solutions that go beyond conventional frameworks from a downstream perspective, we aim to create new added value.

Capital and Business Alliance with Seven Bank, Ltd.

OVERVIEW In September 2025, we entered into a capital and business alliance agreement with Seven Bank and in December 2025, acquired a 20% stake for an investment amount of ¥65.3 billion.

Advances in digital technology in Japan and overseas are accelerating the diversification of payment methods and the entry of companies from other industries into financial services, further broadening the scope of financial solutions. As consumers' financial needs continue to diversify, ATMs are evolving from traditional "cash-in/cash-out infrastructure" into "multifunctional service platforms," and their value is increasing further. Even as cashless payments continue to spread, the number of transactions at ATMs installed in convenience stores remains on an upward trend. Through our capital and business alliance with Seven Bank, we will build Japan's largest ATM network. For Seven Bank, this will help expand its business scale. For FamilyMart, this will help enhance customer convenience.

In addition, by linking with our existing financial businesses, including credit cards, payments, and loans, we aim to provide a broad range of financial services under the FamilyMart brand that meet diverse customer needs through a "market-in" approach.

Rollout of New ATMs for FamilyMart

Installation of Seven Bank's ATMs for FamilyMart, branded as the "Famima ATM," began in June 2026. Over the next approximately four years, around 16,000 units will be installed at FamilyMart stores nationwide.

Various Functions of Famima ATM

- Cash charging for cashless payments
- Identity verification services using facial recognition
- Bank account opening
- Administrative procedures such as address changes
- Linkage with government and financial services

METHOD 3 Driving Growth in Areas of Deep Expertise (Our Hands-on Management and “Market-in” Approach)

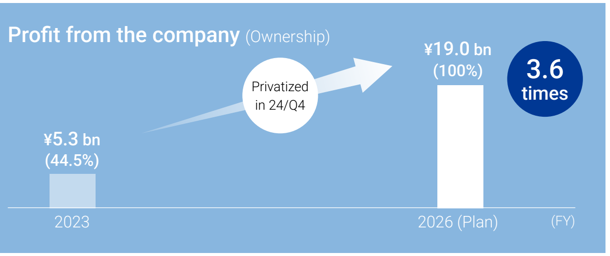
DESCENTE, within the Textile Company, is a company with which we have had a long-standing relationship since we first invested in 1971. Following its transition into an affiliate in 2008, we strengthened our management involvement through a TOB in 2019 and completed its privatization in 2025. By leveraging DESCENTE’s tangible and intangible assets, including its product development and manufacturing capabilities and brand assets, together with our broad network and expertise in the textile industry, we will maximize DESCENTE’s growth potential by putting hands-on management and a market-in approach into practice at the front line.

DESCENTE

POINT

- ✔ Delivered a growth strategy in the fast-growing sports apparel market by leveraging strong partners
- ✔ Enhancing brand value through strengthening directly operated stores and product competitiveness, while driving decisive hands-on management transformation

Profit from the company (Ownership)



Practicing a Market-in Approach in China through Collaboration with a Strong Partner

DESCENTE is expanding the China business through its partnership with the ANTA Group, one of China’s leading sporting goods manufacturers. By combining DESCENTE’s long-cultivated strengths in high-quality product development and manufacturing with the ANTA Group’s strong brand communication capabilities and marketing expertise in the Chinese market, the two companies are enhancing the brand’s presence as a premium sports brand and achieving significant growth.

In December 2025, DESCENTE opened its largest flagship store in China at China Central Place in Beijing. By providing a space where customers can experience the brand’s advanced technological capabilities and spirit of innovation, DESCENTE aims to further enhance brand value and accelerate growth in the Chinese market.

Mizusawa Factory: A Symbol of Sustainable Corporate Value Enhancement in the Local Community

DESCENTE rebuilt its Mizusawa Factory, the production base for Mizusawa Down, one of the brand’s signature products, with an investment of approximately ¥3.0 billion. Since its establishment in 1970, the factory has inherited and further refined the advanced technologies and expertise cultivated over 55 years, producing the highest-quality products through 280 processes, including artisan handwork. At the same time, DESCENTE has thoroughly pursued the creation of a workplace environment where women—who account for more than 90% of the factory’s employees—can work comfortably. In addition, by utilizing locally sourced building materials, the factory puts into practice sustainable value creation in harmony with the local community.

Promoting the DESCENTE Brand as a Premium Sports Brand in Japan

To establish the DESCENTE brand as a premium sports brand in Japan, DESCENTE is strengthening the brand through DTC (Direct to Consumer) initiatives, including enhancing directly operated stores, holding events, and enhancing communications. As hubs for showcasing the brand’s appeal, DESCENTE is opening large-format stores primarily in major metropolitan areas with significant customer traffic, where customers can fully experience the brand together with a broad product lineup, including high-performance apparel and an expanded footwear lineup.

In 2026, DESCENTE is advancing these initiatives through measures such as opening stores in major cities including Nagoya and Osaka and renovating the Ginza store. Building on Japan’s position as the brand’s home market, DESCENTE will further strengthen communication and branding activities across regions, including South Korea and China, in order to further enhance brand value.

ITOCHU People Making Difference on the Front Line

Pursuing Higher Quality and Excellence

Leveraging the expertise in fabric development and OEM product business that I developed at ITOCHU Corporation, I am engaged in the production of DESCENTE products. While working closely with DESCENTE CHINA on a daily basis to meet the demanding quality standards of the Chinese market, I am taking on the challenge of strengthening our product development and manufacturing capabilities together with my colleagues as we work to establish DESCENTE as a premium sports brand.

Keisuke Bundo
Manager
DESCENTE Global Sourcing
Brand Marketing I
DESCENTE JAPAN

METHOD 3 Driving Growth in Areas of Deep Expertise (Our Hands-on Management and “Market-in” Approach)

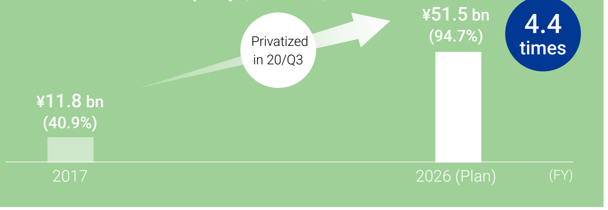
ITOCHU first invested in FamilyMart in 1998, when it became an equity-method affiliate. Then FamilyMart was turned into a consolidated subsidiary in 2018 and taken private in 2020. Through our long-standing relationship with FamilyMart, we have leveraged the resources of the entire ITOCHU Group to grow the convenience store (CVS) business while continuously enhancing the value it delivers to customers. At the same time, we have worked to strengthen the entire value chain in which the ITOCHU Group is involved across multiple Division Companies and business domains. Furthermore, by utilizing FamilyMart's extensive consumer touchpoints and business platform, we have created new business opportunities. We will continue to leverage FamilyMart as a key platform for expanding the earnings base of the entire ITOCHU Group.

FamilyMart

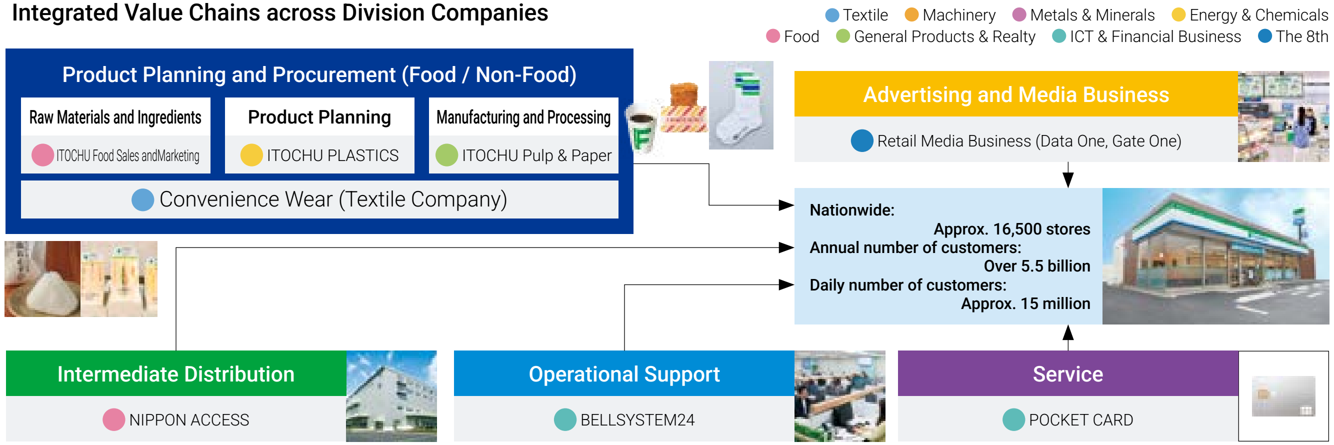
POINT

- ✔ Enhanced and expanded product and service capabilities through Groupwide know-how and supply chains
- ✔ Creating and expanding new businesses and synergies centered on media and data

Profit from the company (Ownership)



Integrated Value Chains across Division Companies



FAMIMA PARK AZABUDAI: A Symbol of Business Model Transformation

In July 2026, FamilyMart opened FAMIMA PARK AZABUDAI, its first flagship store. Developed in collaboration with creative director NIGO®, the store features carefully curated design, space planning, and customer experiences. Going beyond the traditional boundaries of the convenience store (CVS) format, it also explores opportunities in areas such as IP business development. Through this initiative, FamilyMart is taking on the challenge of creating a new convenience store experience by becoming a destination that customers actively choose to visit.

ITOCHU People Making Difference on the Front Line

Taking on the Challenge of Enhancing Corporate Value by Identifying Issues on the Front Line

Having spent approximately 15 years in accounting, tax, and IT at ITOCHU Corporation, I was seconded to my current position in 2024. I am currently working to improve productivity through the use of AI, maximize investment efficiency, and strengthen governance at overseas subsidiaries. By carefully resolving front-line issues one by one, I will contribute to the sustainable growth of the Group as a whole.

Tomohiro Yoshimura
Franchisee Accounting &
Finance Department
Finance & Accounting Division

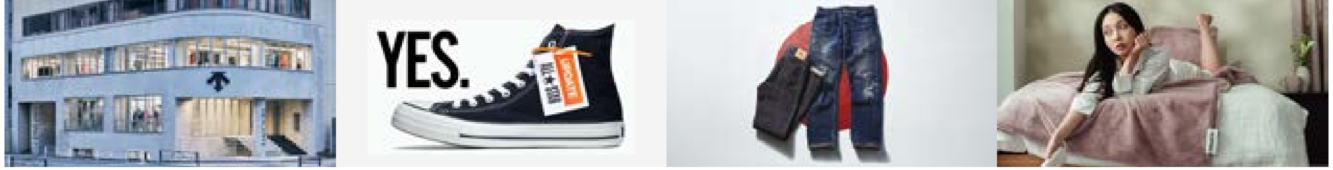
Creating Value in Sales Promotion through a Market-in Approach

After joining ITOCHU Corporation, I spent approximately two years in accounting operations. I then was engaged in import development for European alcoholic beverages and confectionery, as well as securing new distribution rights, before being seconded to my current position in 2025. Leveraging not only my product knowledge and proposal capabilities but also the ITOCHU Group's network, I have promoted differentiated sales promotion initiatives, including the appointment of Shohei Ohtani, contributing to growth in daily sales and profits.

Gai Goto
Merchandising Planning &
Field Communication
Department

Textile Company

Apparel Division / Brand Marketing Division



Hideto Takeuchi

President, Textile Company

Since joining the Company, Mr. Takeuchi has been consistently involved in the brand business. He also has extensive experience in leadership roles at apparel retail companies, having previously served as president of JOI'X Corporation, which handles brands such as Paul Smith. He has also contributed to the profit growth of numerous major brands, including Vivienne Westwood, LANVIN, and FILA. A strict hands-on businessman, he still regularly visits stores and exhibitions. Currently in this position since 2023

Advancing to a New Earnings Stage through Stronger Retail Operations and Collaboration

We aim to achieve a “gear shift” toward a higher earnings stage. While continuing to focus on our four core initiatives—(1) Strategic initiatives in priority areas, (2) Division Company-wide Collaboration, (3) Monetization of sustainability businesses, and (4) Enhancing product competitiveness—we will also focus on developing our retail store management capabilities.

As Group companies, including DESCENTE, continue to shift toward their own directly operated retail businesses, we will promote product development through a market-in approach, supported by advanced operational capabilities and rigorous risk management. In addition, beyond strengthening collaboration with major retailers, we will further link planning, production, and sales functions across the Division Company—for example, by having Apparel Division undertake the manufacturing of brands acquired by the Brand Marketing Division. By enhancing such Division Company-wide coordination and improving operating efficiency, we aim to build an earnings base through growth investments and improve capital efficiency.

Connection to the Corporate Value Calculation Formula

Expand Created Value

Economic Value (Quantitative Information)		FY2025 Result		FY2026 Forecast
	Consolidated Net Profit	¥43.3 bn	➡	¥52.0 bn

Environmental / Social Value

- Contributing to addressing environmental issues facing the fashion industry through a circular business model that collects discarded clothing and recycles it into regenerated materials.

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

Sustainability in Action

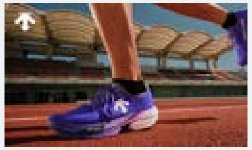
Promoting Clothing Resource Circulation through the RENU® Project

Recycled polyester material RENU®

The RENU® Project is an initiative aimed at realizing a circular economy through the recycling of used clothing and textile remnants. In collaboration with apparel and distribution companies, we are building systems for collection, sorting, reuse, and recycling, thereby promoting the circular use of clothing resources. Going forward, we will expand both our collection network and our partnerships, while balancing environmental value with business value.

Growth Strategy

Accelerating Growth through the Strengthening of the Footwear Business



DELTAPRO EXP V3 for top runners (DESCENTE)

By leveraging the established sales foundation of existing brands such as CONVERSE, UNDER ARMOUR, and FILA, we expect further collaboration across planning, production, and marketing. By utilizing a Companywide structure that draws on the scale advantages of the ITOCHU Group, we expect a high return on investment. Together with DESCENTE, which we converted into a wholly owned subsidiary, we will continue to strengthen our footwear business.

Initiatives to Improve ROA

Pursuing a Higher-Margin Business Model through Strengthening DTC*

The high growth achieved by DESCENTE after its conversion into a wholly owned subsidiary was supported by the strengthening of its DTC initiatives. In Japan, DESCENTE increased earnings by strengthening DTC and renewing its brand image and is aiming for further growth. In addition, alongside the technological capabilities that DESCENTE has long possessed, it has achieved higher sales and profitability through product development that reflects customer feedback gathered at the front line—an approach that truly embodies a market-in approach.

In China, where DESCENTE operates together with the ANTA Group, the business benefits from the ANTA Group’s extensive operational experience and expertise. Through directly managed stores, DESCENTE communicates the brand’s identity, connects customer experience to purchasing behavior, and also contributes to enhancing customer loyalty. We will roll out these initiatives across the Group’s retail companies to improve profitability.

* DTC: Direct to Consumer

ROA Based on Core Profit

FY2019		FY2025
4.0%	▶	5.4%

Machinery Company

Plant Project, Marine & Aerospace Division / Automobile, Construction Machinery & Industrial Machinery Division

Hiroyuki Tsubai

President, Machinery Company

Mr. Tsubai has mainly been involved in overseas plant construction projects and has contributed to the expansion of ITOCHU's global business, particularly in Nigeria, Thailand, and the Middle East. He served as CEO for three overseas blocs, Middle East, Africa, and Europe, and demonstrated outstanding management as the ITOCHU Group's bloc CEO worldwide. Currently in this position since 2019 and serving as Deputy COO from 2025.

Socially Meaningful Strategic Investments and the Deepening of the Value Chain

We are consistently committed to evaluating future strategic investments based on not only the criteria for expanding earnings scale and improving efficiency but also the perspective of whether an investment will be meaningful to society. With the aim of revitalizing Japanese manufacturing, addressing social challenges, and realizing a sustainable society, we have evolved our value chains to be broader and deeper. We have strengthened partnerships with manufacturers such as Hitachi Construction Machinery, Kawasaki Motors, and AICHI CORPORATION, and are actively engaged not only in product sales but also in adjacent businesses including maintenance, leasing, and finance. In addition to plant maintenance and repair, we are also taking on new areas such as aircraft engine and parts sales and maintenance services, thereby expanding value chain.

Going forward, we will continue to place socially meaningful strategic investments at the core of our approach, pursuing both economic value and social value while helping to shape the future of industry and society.

Connection to the Corporate Value Calculation Formula

Expand Created Value

Economic Value (Quantitative Information)		FY2025 Result		FY2026 Forecast*
	Consolidated Net Profit	¥155.6 bn	→	¥220.0 bn

Environmental / Social Value

- Advancement of large-scale waste-to-energy projects in Europe and the Middle East. Contribution to resolving environmental issues in each region
- Promotion of seawater desalination projects in Australia and the Middle East. Contribution to the development of social infrastructure

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

Sustainability in Action

Building Social Infrastructure through Waste-to-Energy Projects

Waste-to-Energy Plant in Serbia

We are promoting a project in Belgrade, Serbia, to develop and operate an integrated waste-to-energy plant that handles waste treatment, power generation, and heat supply. The project was completed in 2024 and commenced operations. In addition to addressing the city's waste management challenges, the facility also serves as important social infrastructure by providing electricity and heat. Through this business, we are contributing to the realization of a sustainable society.

Growth Strategy

Expanding Collaboration Based on Trust with Overseas Partners

Strategic MOU Signed with ACWA, a Major Infrastructure Company

Building on the strong relationships of trust we have cultivated over many years with partners around the world, we will continue to create new business opportunities that would be difficult to realize independently by combining our partners' business platforms and expertise with our network and business development capabilities. At the same time, by expanding and upgrading the value chain, we will broaden our business domains and achieve sustainable earnings growth and the enhancement of corporate value.

Initiatives to Improve ROA

Expanding the Aerospace Value Chain through an Asset-Light Strategy

We have delivered earnings growth while maintaining asset efficiency. As part of our strategic investments for the next stage of growth, we have positioned the aerospace business as a new earnings pillar and, in FY2026, decided to acquire a 50% stake in Aviation Capital Group, a major U.S. aircraft leasing company wholly owned by Tokyo Century, to be accounted for under the equity method.

Aircraft leasing is generally regarded as a business with relatively low asset efficiency. However, in this case, by utilizing external capital as an asset-light initiative, and by pursuing synergies with our existing aerospace business, we determined that this approach is expected to improve asset efficiency across the business as a whole. Going forward, not only in the aerospace business but also across the Division Company as a whole, we will continue to promote collaboration with partners and expand the value chain, while pursuing both earnings growth and improved asset efficiency.

ROA Based on Core Profit

FY2019		FY2025
4.5%	▶	5.9%

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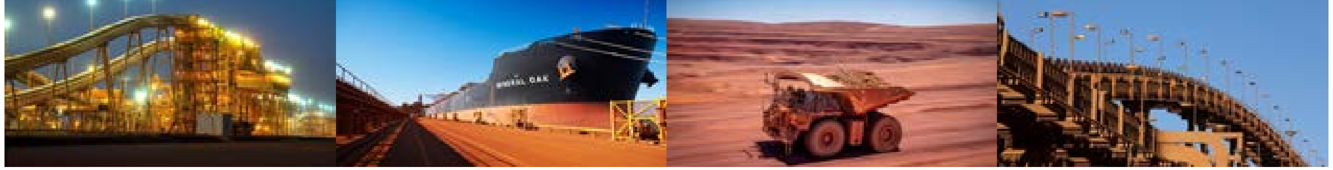
* With the announcement of FY2026 Q1 results, the full-year plan of ¥180.0 billion was revised upward.

Metals & Minerals Company

Metal & Mineral Resources Division



Masaya Tanaka

President, Metals & Minerals Company

Since joining the Company, Mr. Tanaka has been engaged in chemicals-related businesses and has experience working in South Korea. He has promoted businesses while valuing connections with local business partners. He also has experience working as a staff in the planning department, and places great importance on teamwork and listens to the opinions of those around him. He served as President of Energy & Chemicals Company from 2021 to 2025 and has held his current position since 2026.

Passing the Value of Resources on to Future Generations

Our strength lies in connecting high-quality resource assets with customer needs to create superior value. In the iron ore and coking coal business, based on long-term relationships with trusted partners, we continuously improve operations and enhance competitiveness to deliver high-quality raw materials and fuels to customers. At the same time, we are pursuing initiatives that turn future changes in industrial structures into new growth opportunities, including the development of a low-carbon direct reduced iron supply chain. We are also venturing beyond extensions of our existing businesses to develop new resources for which future demand is expected. By continuing to pursue the high-quality resources society needs and delivering them to customers in value-added forms, we will take our resource business to the next stage of growth.

Connection to the Corporate Value Calculation Formula

Expand Created Value

Economic Value (Quantitative Information)		FY2025 Result		FY2026 Forecast
	Consolidated Net Profit	¥143.5 bn	→	¥172.0 bn

Environmental / Social Value

- Maintain and expand high-quality resource interests amid heightened geopolitical risks to ensure a stable supply of the raw materials and fuels required by society and industry
- Contribute to the realization of a decarbonized society by advancing e-methane and direct reduced iron projects, among other initiatives

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

Sustainability in Action

Advancing Business Development toward the Supply of e-Methane

Overview of Ongoing e-Methane Project

We entered into a Joint Development and Operating Agreement to undertake Front-End Engineering Design (FEED) for the Live Oak e-methane production project in Nebraska, the U.S. The project will produce e-methane from green hydrogen generated using renewable energy and biomass-derived CO_2. The e-methane can be supplied through existing city gas infrastructure. Through this project, we will contribute to the widespread adoption of e-methane and the realization of a carbon-neutral society.

Growth Strategy

Accumulating High-Quality Resource Assets with Existing Partners

Ministers North Iron Ore Deposit

In our Western Australian iron ore business, we will promote the full-scale development of the Ministers North iron ore deposit together with BHP. The project will offset the decline in production at the currently operating Yandi iron ore mine and help ensure a stable supply of iron ore. For the business as a whole, we aim to establish annual production capacity of more than 305 million tonnes over the medium term and 330 million tonnes in the future.

Initiatives to Improve ROA

Turning Around Two Coking Coal Projects and Accumulating High-Quality Assets

We expect to complete the turnaround of two coking coal projects that struggled in FY2025 through collaboration with our partners during FY2026. To further improve our ROA, we are also enhancing the competitiveness of our existing interests, building on our highly profitable iron ore business. Working with blue-chip partners, we will improve operations and stabilize core profit across our businesses. At the same time, we will draw on our customer contact points to design and execute optimal supply arrangements and trade flows. Rather than pursuing only the absolute level of earnings, we will focus on identifying and generating earnings from efficient assets, thereby improving ROA. Through these initiatives, we will achieve efficient business operations and investments that enhance asset quality, thereby realizing management with an awareness of the cost of capital.

ROA Based on Core Profit

FY2019		FY2025
13.2%	→	8.9%

Energy & Chemicals Company

Energy & Power Solutions Division / Chemicals Division

Tsutomu Miyazaki
President, Energy & Chemicals Company

Joined ITOCHU in 1983; has worked in the chemicals business throughout his career. After serving in a range of positions, including an overseas posting in Taiwan and General Manager of the Organic and Inorganic Chemicals Department, became President of ITOCHU CHEMICAL FRONTIER in 2015. Current position since 2026

Enhancing Corporate Value through Evolving and Expanding Our Value Chain

Our strength lies in the robust value chain we have built across foundational industries that support everyday life, extending from upstream energy interests and trading in oil, gas, and power to a wide range of chemical businesses, from basic raw materials to high-performance materials. Today, uncertainty remains in both the energy and chemicals sectors, due to the Middle East situation. At times like these, it is important to accurately identify changes in industrial structures and evolving customer needs in each market. By doing so, we aim to create new trading channels and business opportunities. Another important business foundation is our strong portfolio of Group companies, which supports a diverse range of products and a strong customer base. For the 11 years through FY2025, I led ITOCHU CHEMICAL FRONTIER, where we expanded high-value-added businesses such as pharmaceuticals and fine chemicals and achieved record-high profits for six consecutive years. Going forward, we will pursue further growth by expanding the value chain across the Division Company as a whole, including through proactive strategic investments in upstream interests and semiconductor-related businesses.

Connection to the Corporate Value Calculation Formula

Expand Created Value

Economic Value (Quantitative Information)		FY2025 Result		FY2026 Forecast*
	Consolidated Net Profit	¥69.3 bn	➡	¥111.5 bn

Environmental / Social Value

- To address environmental issues associated with plastics and other materials by promoting the use of environmentally friendly materials and nylon circular recycling business
- To realize a low-carbon society by expanding solar power generation, SAF, and renewable diesel businesses

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

Sustainability in Action

Expanding the Utility-Scale Energy Storage Business

Project with Mitsubishi Estate

To realize the carbon neutrality by 2050, we are promoting energy storage projects, which are expected to play an important role in balancing supply and demand for renewable energy. In addition to Japan's first fund exclusively for utility scale energy storage in 2024, we launched a large-scale project in 2026 jointly with Mitsubishi Estate and Tokyo Century. By supporting the efficient use of renewable energy, we aim to achieve both a contribution to a low-carbon society and the strengthening of our earnings base.

Growth Strategy

Expanding Semiconductor-Related Business as a Growth Driver

Promoting Semiconductor-Related Business

We are currently expanding our semiconductor-related businesses, including high-performance resin plates at C.I. TAKIRON and photoresists at ITOCHU PLASTICS. In the semiconductor field, where market growth is significant, we aim to further expand our semiconductor-related businesses by executing investments that contribute to the expansion of the semiconductor value chain, while also enhancing existing businesses.

Initiatives to Improve ROA

Focusing on High-Profit Businesses and Actively Replacing Assets

In the chemicals field, we are strengthening high-functionality and high-value-added areas, including pharmaceutical raw materials and semiconductor-related materials, centered on our major Group companies: ITOCHU CHEMICAL FRONTIER, C.I. TAKIRON, and ITOCHU PLASTICS. By shifting toward business areas with high growth potential and profitability, we will continue to improve profit margins and raise ROA.

In the energy field, we have also been executing asset replacements, such as the sale of the ACG interest held through ITOCHU Oil Exploration (Azerbaijan) Inc., which had contributed to earnings for many years. Going forward, we will improve asset efficiency across the entire Company by steadily building up assets through acquisition of high-quality upstream interests and strategic investments to expand our value chain.

ROA Based on Core Profit

FY2019		FY2025
4.2%	➡	4.0%

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* With the announcement of FY2026 Q1 results, the initial full-year plan of ¥75.5 billion was revised upward.

Food Company

Provisions Division / Fresh Food Division / Food Products Marketing & Distribution Division

Shuichi Miyamoto
President, Food Company

Since joining the Company, Mr. Miyamoto has consistently worked in the food sector and has extensive overseas experience, including a total of 11 years stationed in Asia and Oceania. His experience spans a wide range of businesses, from global procurement of food ingredients to fresh foods and domestic distribution and retail. During his secondment to ITOCHU Food Sales and Marketing, he also focused on domestic sales. His mottos are "Adapt to Change" and "TRUE GRIT." He has served in his current position since 2023.

Looking Beyond the Turnaround to Accelerate Downstream-Driven Growth

In FY2025, we made significant progress in the turnaround of Dole and FUJI OIL's U.S. chocolate business through continued hands-on management, delivering tangible results in strengthening our earnings base. At the same time, we have steadily laid the groundwork for future earnings expansion through the privatization of ITOCHU-SHOKUHIN, our investment in NISSEI, and our investment in CONFEX HOLDINGS.

Going forward, starting from consumer touchpoints such as FamilyMart, we will capture constantly changing downstream needs swiftly and accurately, and further accelerate growth by refining our strong value chain as an integrated whole, including stable raw material procurement, product planning and development functions based on a "market-in" approach, and optimized food distribution infrastructure.

Connection to the Corporate Value Calculation Formula

Expand Created Value

Economic Value (Quantitative Information)	Consolidated Net Profit	FY2025 Result* ¥106.5 bn	FY2026 Forecast ¥115.5 bn

Environmental / Social Value
- Reducing food loss by commercializing off-spec products and through other initiatives
- Ensuring a stable supply of sustainable food resources that support food safety and security

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

Sustainability in Action

Reducing Food Loss through "Mottainai Banana"

"Mottainai Banana" Project

At Dole, bananas that fall outside standard specifications but have no issues in taste or quality are branded as "Mottainai Banana" to help reduce food loss. In addition to offering them through office subscription services and as ingredients for processed foods, Dole has expanded their use into non-food applications such as lightweight, easy-to-ignite charcoal for camping and deodorizing products. In this way, Dole is not only reducing food loss but also promoting the effective use of resources in multiple ways.

Growth Strategy

Strengthening Functions and Competitiveness in the Food Distribution Sector

ITOCHU-SHOKUHIN Logistics Center

We own some of Japan's leading food distribution businesses, including NIPPON ACCESS, which has a strong competitive advantage in low-temperature distribution; ITOCHU-SHOKUHIN, which is strong in ambient food products and alcoholic beverages; and CONFEX HOLDINGS, which has a nationwide sales network and product development capabilities in the confectionery sector. By promoting greater efficiency and sophistication across the entire value chain, from product procurement to logistics and sales, we will build a robust distribution platform that enables a stable supply of high-quality products.

Initiatives to Improve ROA

Achieving Growth through Hands-On Management and Continuing Strategic Asset Replacement

Through steady and thorough hands-on management at the front line, Dole and FUJI OIL's U.S. chocolate business made solid progress in their turnaround and improved profitability. At Dole, production operations in the Philippines and Thailand and sales markets in the U.S. and Asia are closely linked on a global basis, and integrated management across production and sales has enabled appropriate control of pricing, volumes, and costs. As a result, supported by strong performance in the U.S. market, the core market for processed products, Dole is steadily moving from the turnaround phase into a phase of sustainable organic growth. Going forward, in addition to continuing to enhance our businesses through hands-on management, we will also pursue steady improvement in ROA across the Food Company through strategic asset replacement that goes beyond non-core and low-utilization assets.

ROA Based on Core Profit

FY2024*	FY2025*
2.0%	2.2%

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* Adjusted for the impact of the change in the Division Company responsible for FamilyMart

General Products & Realty Company

Forest Products, General Merchandise & Logistics Division / Construction & Real Estate Division

Masatoshi Maki
President, General Products & Realty Company

Since joining the Company, Mr. Maki has built up extensive experience primarily in the construction and real estate sectors and has expanded real estate businesses both in Japan and overseas. During his posting in China, he oversaw the entire General Products & Realty business domain. Grounded in relationships of trust with partners, he has been deeply involved in business succession and turnaround projects, promoting a "trading company-style PE model" to enhance business value and build new growth foundations. Currently in this position since 2022.

Creating New Value in the Social Infrastructure That Supports Daily Life

Our Company operates a broad range of businesses that support people's daily lives, including building materials, pulp and paper, mobility-related services, logistics, construction, and real estate. Through these businesses, our mission is to support safe and secure social infrastructure and enriched living environments, while contributing to addressing social issues and the realization of sustainable local communities. Against the backdrop of national resilience initiatives and aging infrastructure, we position renewal projects, infrastructure development, and disaster-prevention projects for public facilities as growth areas where demand is expected to expand over the medium to long term, and we will drive earnings growth in these fields. In addition, through our capital and business alliance with Sun Frontier Fudousan, we have made a full-scale entry into the office renovation business. We will also strengthen our business foundation and enhance corporate value through hands-on management, including further enhancing manufacturing and distribution capabilities in the building materials business by leveraging our business foundations in North America and Japan, as well as rebuilding WECARS.

Connection to the Corporate Value Calculation Formula

Expand Created Value

Economic Value (Quantitative Information)		FY2025 Result		FY2026 Forecast
	Consolidated Net Profit	¥60.8 bn	→	¥63.0 bn

Environmental / Social Value

- Promoting the sustainable use of forest resources and responsible procurement through enhanced traceability
- Supporting the safety and security of local communities through the renewal of aging social infrastructure and the strengthening of the disaster-prevention functions of public facilities

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

Sustainability in Action

Promoting Circular Use of Wood Resources

Development of Materials and Building Products Utilizing Wood Resources

At DAIKEN, we contribute to resource circulation and the realization of carbon neutrality through the development of materials and building products that utilize wood resources such as wood from demolished buildings and wood-processing waste. In addition, we are working to help maintain forest health by expanding the use of domestic timber. Through the provision of functional building materials, as well as products and construction methods that contribute to labor-saving and seismic reinforcement, we are working to create comfortable and safe spaces while helping to address social issues.

Growth Strategy

Building a New Earnings Base by Leveraging Expertise from Existing Businesses

WECARS Flagship Store

In the ETEL business, including Kwik-Fit, which operates more than 700 tire sales and maintenance stores mainly in the U.K., we are driving business transformation through hands-on management. We will apply the expertise and know-how cultivated in the ETEL business to the domestic automotive aftermarket business centered on WECARS and grow it into a new earnings pillar.

Initiatives to Improve ROA

Driving Growth through Strategic Alliances in the Real Estate Business

In the real estate sector, we aim to improve asset efficiency, expand the scale of development, and enhance earnings power through the business integration of ITOCHU Property Development and JR East Real Estate. At the same time, we are expanding our business domains through initiatives such as entering the real estate aftermarket sector, which is characterized by high asset turnover, through our capital and business alliance with Sun Frontier Fudousan; entering the North American housing market, where strong growth is expected, through our investment in Wood Partners; and actively participating in public-private partnership projects, which offer high asset efficiency. Through these initiatives, we aim to increase core profit, achieve further profit growth, and improve asset efficiency.

In addition, in the overseas pulp and paper sector, we have been working to improve asset efficiency through reviews of the business portfolio. In the logistics sector, we are pursuing highly efficient management by leveraging alliances with domestic and overseas partners. At the same time, we are promoting the rotation of businesses and assets with a focus on asset efficiency and growth potential.

ROA Based on Core Profit

FY2019		FY2025
4.5%	▶	2.9%

ICT & Financial Business Company

ICT Division / Financial & Insurance Business Division

Shunsuke Noda

President, ICT & Financial Business Company

Since joining the Company in 1987, Mr. Noda has been involved in information and communications businesses. His experience includes a secondment to CTC and the development of ITOCHU's internet businesses since the dawn of the internet era. He has served as President and Representative Director of Excite Japan, General Manager of the Corporate Planning & Administration Division, CSO, and CDO·CIO. After serving as President and Representative Director of BELLSYSTEM24 Holdings, he assumed his current position in 2024 and has also served as Deputy COO since 2025.

Accelerating Growth through the Digital Value Chain and Expanding the Earnings Base in Finance and Insurance

In the information and communications area, we will further accelerate the growth of our digital value chain centered on ITOCHU Techno-Solutions by steadily capturing strong IT investment demand in Japan and Asia. We are also building and strengthening new earnings bases through proactive investments in the areas of healthcare, space and satellite, IP content, and circular technology. In the finance and insurance area, we will expand the earnings base of our overseas finance businesses by growing the auto loan business. We will also further strengthen our retail business and broaden our earnings base through the conversion of HOKEN NO MADOGUCHI GROUP into a wholly owned subsidiary. Leveraging the networks cultivated through our venture investment activities in Japan and overseas, as well as the expertise and capabilities we have developed through the early adoption of advanced technologies such as generative AI, we will also contribute to accelerating the transformation and growth of a broad range of businesses and projects, including those of other Division Companies.

Connection to the Corporate Value Calculation Formula

Expand Created Value

Economic Value (Quantitative Information)		FY2025 Result		FY2026 Forecast
	Consolidated Net Profit	¥93.0 bn	➡	¥97.0 bn

Environmental / Social Value

- Contribute to value enhancement, solutions to social issues, and a sustainable society through the utilization of ICT, including AI, cybersecurity, and the promotion of DX
- Contribute to better health, improved quality of life, and enriched lifestyles through the utilization of medical data and the provision of advanced medical equipment

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

Sustainability in Action

Contributing to a Circular Economy through Growth in Circular Technology Businesses

ERI's advanced shredding facility

Through Belong, which operates an online distribution business for used mobile devices in Japan, and ERI Japan, a leading-edge e-waste recycling company that provides innovative circular solutions, we are responding to changing consumer needs while contributing to the development of a sustainable society by reducing environmental impact and helping realize a circular economy.

Growth Strategy

Overseas Expansion of the Auto Loan Business and Building and Strengthening Its Value Chain

CARMONEY's loan quotation page

In the auto loan business, with a view to establishing operations across Europe, the U.S., and Asia, we made CARMONEY, a U.K.-based auto loan broker, into a consolidated subsidiary. We are also strengthening the business foundation through a capital and business alliance with Premium Group in Japan and a joint investment with Premium Group in Eastern Commercial Leasing in Thailand.

Initiatives to Improve ROA

Improving Asset Efficiency through Roll-Up Strategies and Business Enhancement

We aim to improve asset efficiency by strengthening the value chains and expanding the earnings scale of existing businesses through acquisitions of industry peers and roll-ups in adjacent business areas. At HOKEN NO MADOGUCHI GROUP, which we converted into a wholly owned subsidiary, we acquired four peer companies in the same industry, expanding both the scale of the business and its service coverage. In addition, we are pursuing roll-ups in the healthcare area, including the medical equipment sales and contract research organization (CRO) businesses, with a view to expanding the product and service portfolio and integrating sales and logistics networks. We are also accelerating the enhancement of existing businesses and new investments including building value chains across Asia and North America for our IP agency businesses, leveraging intellectual property to create value in the high-value-added content market, and establishing our Circular Tech Value Chain that links the secondary distribution, repair, maintenance, and disposal of IT equipment. By steadily accumulating businesses that generate returns above the cost of capital and reviewing our asset holdings, we will achieve both profit growth and improved ROA.

ROA Based on Core Profit

FY2019		FY2025
4.9%	▶	6.0%

The 8th Company

Kensuke Hosomi
President, The 8th Company

Since joining the Company in 1986; Mr. Hosomi has long been engaged in brand marketing, primarily in the Textile Company. In 2019, he was appointed President upon the establishment of The 8th Company. Most recently, from 2021 to 2025, he has served as President of FamilyMart. Currently in this position since 2026.

From Life-Live Data to Consumer Intelligence

The 8th Company's mission is to create new value across the Group, driven by evolving consumer needs. In our retail media business, which is the first successful case of its kind in Asia, we have achieved steady growth by leveraging customer touchpoints across 16,500 FamilyMart stores nationwide and a data foundation built on 60 million customer IDs linked to daily purchase data totaling approximately ¥10 trillion annually. Going forward, by combining Life-Live data with AI, we will further deepen our understanding of consumers—our "Consumer Intelligence"—and create new value not only in digital advertising but also in areas such as data marketing. In addition, we will leverage these insights and existing assets to pursue growth investments in new business domains centered on consumer-related sectors. As the Division Company closest to consumers, we will continue to convert changes in the market into growth opportunities for the Group as a whole.

Connection to the Corporate Value Calculation Formula

Expand Created Value

Economic Value (Quantitative Information)		FY2025 Result*	FY2026 Forecast
	Consolidated Net Profit	¥30.6 bn	¥31.5 bn

Environmental / Social Value

- Support the realization of sustainable consumption and supply through demand forecasting and improved distribution efficiency by making full use of data
- By leveraging a digital signage network across 11,600 stores nationwide, we are building a community-based information platform as a new form of infrastructure.

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

Sustainability in Action

Enhancing Store Operations and Public-Interest Information Services Through Data Utilization


Using Digital Signage to Raise Awareness of Heatstroke Prevention

By utilizing AI and data, we are promoting more efficient store operations and reducing the burden on store staff, while also providing services tailored to each consumer. In addition, we are using a digital signage network at approximately 11,600 stores nationwide to deliver daily-life and disaster-prevention information, thereby enhancing our role as an information infrastructure supporting local communities.

Growth Strategy

Expanding Profit Opportunities by Leveraging Physical and Digital Platforms

Deepening our understanding of consumers

We will expand the use cases for "Life-Live Data" by leveraging our nationwide physical customer touchpoints and digital platforms. In addition to marketing support, we will expand into areas such as demand forecasting, distribution efficiency, retail finance, and healthcare, with the aim of creating new profit opportunities centered on "Consumer Intelligence."

Initiatives to Improve ROA

Early Profit Contribution from New Investments and Creation of Synergies across Division Companies

In FY 2025, we made investments in AND PHARMA (ownership: 20.0%), Seven Bank (20.4%), and BOOKOFF GROUP HOLDINGS (5.0%). We will accelerate the growth of these investee companies and steadily build up their profit contribution to The 8th Company. At the same time, we aim to create synergies across Division Companies at an early stage and thereby contribute to improving Companywide ROA.

For example, Seven Bank began rolling out highly functional ATMs for FamilyMart in June 2026. Approximately 16,000 units are scheduled to be installed nationwide over the next four years. We will leverage the installation of advanced ATMs to drive customer traffic to FamilyMart stores.

ROA Based on Core Profit
FY2025* 32.8%

* Adjusted for the impact of the change in the Division Company responsible for FamilyMart

Corporate Governance

What This Section Covers

To strengthen the management foundation that supports the sustainable enhancement of corporate value, we have continuously undertaken a wide range of initiatives and steadily enhanced our management foundation. Rather than pursuing formal sophistication for its own sake, we place emphasis on substance with the objective of enhancing corporate value. At the same time, we will continue to listen carefully to the views of the market and society and, taking into account the Corporate Governance Code, continue to develop an optimal governance structure.

Continuous Updates to Our Governance Structure

FY2025–2026	• Revised the methodology for evaluating the effectiveness of the Board of Directors • Held a small meeting with institutional investors, attended by all four Outside Directors
FY2023–2024	• Reorganized the committee into the Governance, Nomination and Remuneration Committee • Appointed an Outside Director as chair and made Outside Directors a majority of the committee members
FY2021–2022	• Established the Women's Advancement Committee • Appointed two individuals with corporate management experience as Outside Directors
FY2019–2020	• Maintained the ratio of Outside Directors at one-third or more • Formulated the Policy on the Governance of Listed Subsidiaries
FY2017–2018	• Transitioned to a Board of Directors with a greater emphasis on monitoring • Abolished the senior advisor and advisor system
FY2015–2016	• Established the Nomination Committee and the Governance and Remuneration Committee • Increased number of Outside Directors

CONTENTS

Corporate Governance System (As of July 1, 2026)

Establishment and Enhancement of a Governance System Focused on Substance

To enhance the quality of discussions at the Board of Directors, we have introduced various operational measures. Prior to Board meetings, we carefully share with Outside Officers the background of agenda items, their positioning within Companywide strategy, and the substance of discussions held by management, thereby creating an environment in which sufficient discussion can be devoted to substantive issues on the day of the meeting. In addition, opinions and proposals from Outside Officers are reflected in agenda setting, information sharing, and follow-up on important matters, and the operation of the Board itself is reviewed on an ongoing basis.

POINT Voluntary Advisory Committees

✔ To strengthen the oversight function of the Board of Directors and enhance the transparency of the decision-making process, we have established voluntary advisory committees to the Board of Directors

✔ Outside Directors constitute a majority of the committee, and the committee is chaired by an Outside Director.

Committee	Governance, Nomination and Remuneration Committee
Role	• Matters related to the nomination and dismissal of management, including the nomination and dismissal of Executive Officers, the appointment and dismissal of Senior Operating Officers, the nomination of candidates for Directors and Audit & Supervisory Board Members, the dismissal of Directors and Audit & Supervisory Board Members, and the selection and dismissal of Directors and Executive Officers with titles • Review of the succession plan • Remuneration systems for Executive Officers and Directors • Deliberation on other governance-related agenda items
FY2025 Activities	Main agenda items: Succession planning, FY2026 Corporate Officer appointments, the establishment of Senior Executive Officer positions, and corporate officer remuneration system, etc.
Ratio of outside officers	57% (4 members)

Committee	Women's Advancement Committee
Role	Deliberation on policies, strategies, and initiatives to support the advancement of female employees
FY2025 Activities	Main agenda items: Specific measures to address the percentage of women in managerial positions and the gender pay gap, and on setting new targets in the general employer action plan, etc.
Ratio of outside officers	57% (4 members)

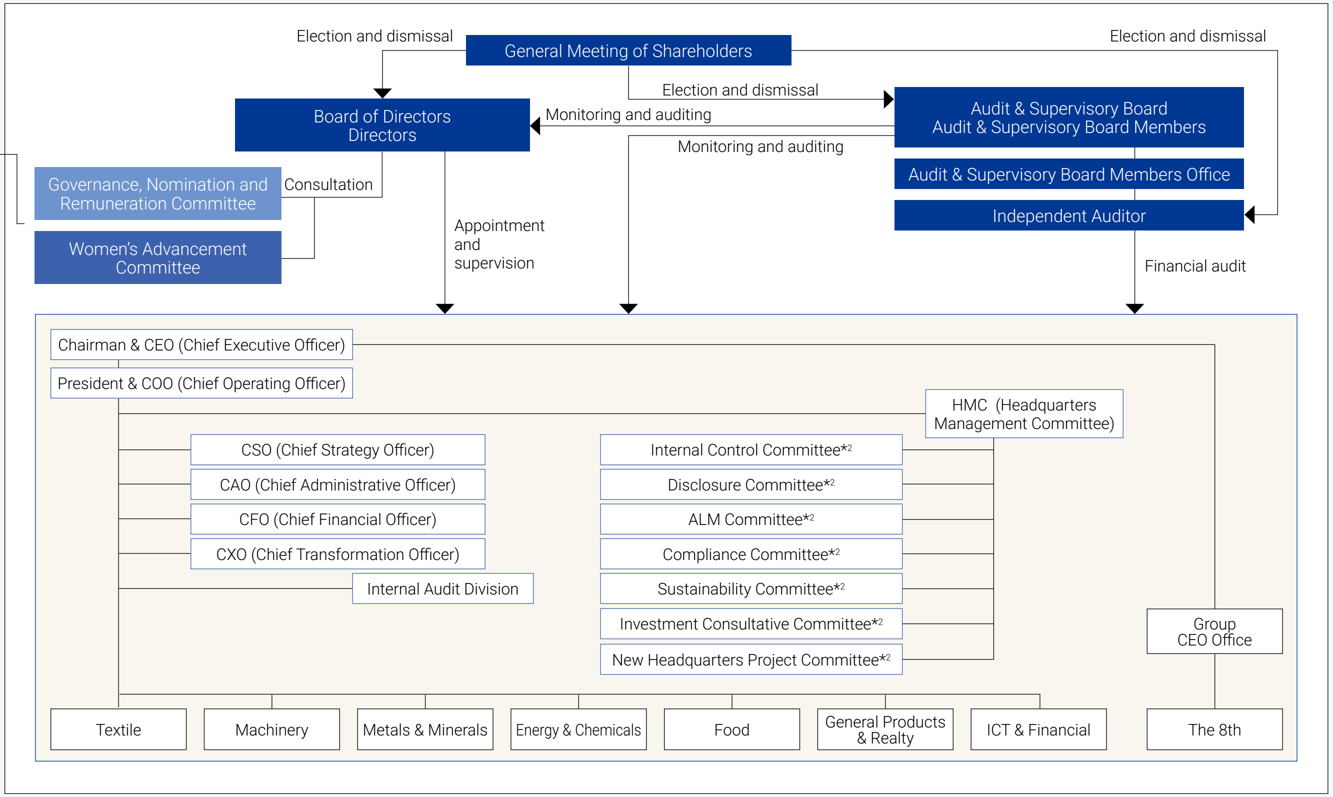
Structure of the Board of Directors

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

Board of Directors		Audit & Supervisory Board Members		Ratio of Female Officers on the Board of Directors and Audit & Supervisory Board	Ratio of Outside Officers on the Board of Directors and Audit & Supervisory Board	Attendance Rate Inside Directors*1 Outside Directors (FY2025)
Inside Directors*1	Outside Directors	Inside Audit & Supervisory Board Members	Outside Audit & Supervisory Board Members			
5 CEO COO·CSO P CFO·CXO CAO	4	2	3	21% (3)	50% (7)	99% (19 times)

✔ Board of Directors: Outside Directors account for at least one-third of members ✔ Audit & Supervisory Board: Outside Audit & Supervisory Board Members account for the majority

Overview of Corporate Governance and Internal Control System [Company with an Audit & Supervisory Board]



*2 Chairperson is indicated in parentheses. **Internal Control Committee (CAO)**: Deliberates on issues related to the development of internal control systems. **Disclosure Committee (CFO)**: Deliberates on issues related to business activity disclosure and on issues related to the development and operation of internal control systems in the area of financial reporting. **ALM Committee (CFO)**: Deliberates on issues related to risk management systems and balance sheet management. **Compliance Committee (CAO)**: Deliberates on issues related to compliance. **Sustainability Committee (CAO)**: Deliberates on issues related to sustainability, the SDGs, and ESG, excluding governance-related issues. Investment Consultative Committee (CXO): Deliberates on issues related to investment and financing. **New Headquarters Project Committee (President & COO; CSO)**: Deliberates on issues related to new headquarters project.

Board Effectiveness Evaluation

Revamping the Evaluation Items and Methodology for Board Effectiveness Evaluation

To ensure objectivity, the Company conducts an annual evaluation of the effectiveness of the Board of Directors with the support of an external consultant.

In FY2025, recognizing that the effectiveness of the Board of Directors has remained at a generally high level, we took a step beyond the conventional framework of "identifying issues and making improvements" and fundamentally revised the evaluation methodology. This revision also reflected suggestions from Outside Directors, including the need to move beyond using the same approach every year and avoid the process becoming routine, as well as the need to ensure that the evaluation leads to substantive recommendations for improvement rather than focusing on minor changes in scores.

Specifically, with the aim of identifying and analyzing more specific issues in greater detail, we newly introduced individual self-assessments by Board members and position-based peer evaluations. We also placed greater emphasis than before on in-depth analysis based on qualitative comments. Rather than allowing the Board effectiveness evaluation to remain a formal review exercise, we will use it to achieve further improvements in effectiveness in a manner that reflects the ITOCHU way.

Progress in Addressing Issues Identified in FY2024

Issue	Progress in FY2025 and Further Areas for Improvement
Supervision of the implementation status of diversity enhancement measures and discussions toward further evolution	• Steady progress was made in implementing and embedding measures, including maintaining and embedding the special measures system for female Executive Officers, communicating a strong message regarding women's advancement, and creating opportunities for detailed follow-up through networking events and individual meetings. • On the other hand, it was confirmed that continued discussion is needed regarding the development of promoted talent, the visibility of the progress and outcomes, the system's long-term sustainability and eventual exit strategy, and broader talent diversity.
Oversight of governance strengthening measures for the Group's sustainable growth	• Concrete progress was made in enhancing supervisory functions, including improving the quality and oversight of growth investments, enhancing both the volume and quality of reporting on key risks, and enriching discussions at the Governance, Nomination and Remuneration Committee. • On the other hand, it was confirmed that further efforts are needed to improve the quality of supervision across the Group, including listed affiliates, improve communication of the growth story to the market, enhance the timeliness of risk information gathering, and further clarify the Company's approach to succession planning.

Overview of the FY2025 Board Evaluation

Respondents	All Directors and all Audit & Supervisory Board Members in FY2025 (10 and 5, respectively)
Evaluation Process and Methodology	**STEP 1:** An external consultant conducted a questionnaire survey and individual interviews with the evaluation subjects, with responses collected on an anonymous basis. In FY2025, the questionnaire results were shared in advance and in-depth analysis was conducted based on qualitative comments. **STEP 2:** The external consultant analyzed and compiled the responses. **STEP 3:** The Governance, Nomination and Remuneration Committee reviewed the results with reference to the external consultant's analysis and compilation. **STEP 4:** The Board of Directors conducted its analysis and evaluation.
Items Covered by Questionnaire	**The evaluation comprised the following nine major categories (39 questions in total):** • Composition of the Board of Directors • Governance structure, supervision, and the roles and functions of the Board of Directors • Board operation, process, and support systems • Human resources • Culture, ethics, and compliance • Effectiveness of voluntary advisory committees • Effectiveness demonstrated by individual Directors and Audit & Supervisory Board Members • Year-on-year relative evaluation, including items improved from the previous fiscal year • Position-by-position peer evaluation and other overall matters

Key Initiatives Going Forward to Address Issues and Drive Improvement

1. Continued Evolution of Consolidated Group Governance
— Strengthening mechanisms for overall visibility and control —

While maintaining the strengths of our Company-led structure, we will strengthen coordination, oversight, and control functions from the perspective of optimizing the Group as a whole.

2. Promotion of DX and AI as Themes for Value Creation
— Enhancing agenda-setting and oversight —

The Board of Directors will clarify the themes it should monitor and discuss as priorities and oversee initiatives not only from the standpoint of improving operational efficiency but also from the standpoint of driving business transformation and earnings creation.

3. Human Resource Development to Support Sustainable Management
— Continued oversight of diversity and succession —

The Board of Directors will continuously monitor and discuss the status of the development and appointment of diverse talent, as well as succession planning, and use these discussions to strengthen the future management structure.

POINT 1 Greater Emphasis on In-Depth Analysis Based on Qualitative Comments

By changing the process so that questionnaire results were shared in advance and then discussed during individual interviews, this significantly improved our ability to identify specific issues that cannot be captured through quantitative scores alone.

POINT 2 Significant Expansion of Evaluation Items: From six themes to nine major categories and 39 questions

In addition to the conventional items that emphasized continuity, new perspectives such as culture, ethics, and how individuals perform their roles were proactively introduced, enhancing both comprehensiveness and specificity.

POINT 3 Introduction of Individual and Peer Perspectives

In addition to evaluating the effectiveness of the Board of Directors as a whole, we newly introduced individual self-assessments by Board members and position-based peer evaluations, thereby making Board dynamics more visible.

List of Inside Directors (As of July 1, 2026)

Name	Masahiro Okafuji	Keita Ishii	Hiroyuki Tsubai	Hiroyuki Naka	Tomokuni Nishiguchi
Role	Chairman & Chief Executive Officer	President & Chief Operating Officer	Member of the Board	Member of the Board	Member of the Board
Number of years in office	22 years	5 years	4 years	4 years	Newly appointed
Attendance at meetings of the Board of Directors	19/19 (100%)	19/19 (100%)	19/19 (100%)	18/19 (95%)	–
Governance, Nomination and Remuneration Committee	☐	☐			☐
Women's Advancement Committee[*1]					☐
Number of shares held[*2]	3,548,206 (1,797,390[*2])	1,813,226 (1,076,793[*2])	991,912 (473,748[*2])	397,936 (255,237[*2])	208,096 (40,477[*2])
Ratio of variable remuneration	90.35%	90.07%	90.11%	78.43%	–
Ratio of stock remuneration	54.44% (9.65%[*3])	50.41% (13.31%[*3])	43.61% (5.84%[*3])	28.48% (16.37%[*3])	–

Skill Matrix ►Page 62 Director Selection Criteria

Main Role, Career History, Qualifications, etc.	President, Textile Company; President & CEO, ITOCHU Corporation	CEO for Indo-China Bloc; President, Energy & Chemicals Company, Chief Strategy Officer, ITOCHU Corporation	CEO for Africa Bloc; CEO for Europe Bloc; President, Machinery Company, Deputy COO, ITOCHU Corporation	General Manager of Corporate Planning & Administration Division, Chief Digital & Information Officer, Chief Strategy Officer, Chief Transformation Officer, Chief Financial Officer, ITOCHU Corporation	General Manager, Secretariat; Chief Administrative Officer, ITOCHU Corporation
Principal Specialized Area of Experience / Areas in Which Officers Are Expected to Make a Particular Contribution					
All Aspects of Management	◎	◎	○	○	○
Global	○	○	◎	○	○
Marketing / Sales	◎	◎	◎	○	○
Self-Transformation / Digital Transformation	○	○	○	◎	○
SDGs & ESG	○	○	○	○	◎
Health & Medical Care	○	○			○
Finance, Accounting & Risk Management	○	○	○	◎	
Human Resource Strategy	○	○	○	○	◎
Internal Control & Legal Affairs / Compliance	○	○	○	○	○

■ Chair ☐ Member ※ Observer
○ Areas of knowledge and experience ◎ Areas in which particular contributions are expected

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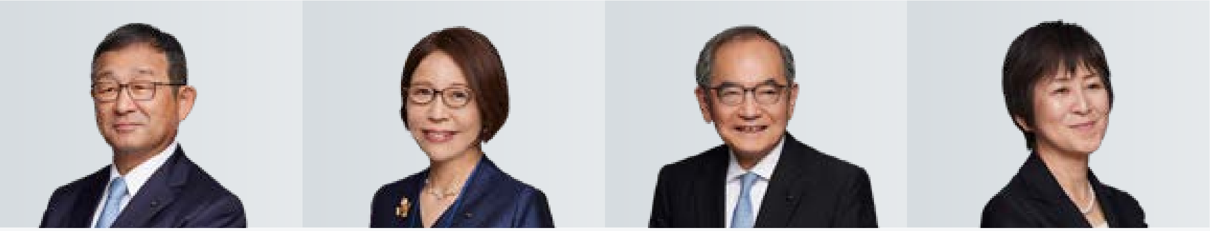
*1 In addition to the members shown above, the General Manager of the Corporate Communications Division and the General Manager of the Human Resources & General Affairs Division are members of the Women's Advancement Committee.
*2 "Number of shares held" indicates the number of ITOCHU shares held. This includes the number of shares to be delivered after retirement pursuant to the stock compensation plan, equivalent to vested points under the performance-linked stock compensation plan (trust-type). The number of shares held is presented inclusive of such shares.
*3 Ratio of stock-based remuneration granted upon retirement.

List of Outside Directors (As of July 1, 2026)



Name	Masatoshi Kawana	Makiko Nakamori	Kunio Ishizuka	Akiko Ito
Role	Outside Director	Outside Director	Outside Director	Outside Director
Number of years in office	8 years	7 years	5 years	3 years
Attendance at meetings of the Board of Directors	19/19 (100%)	19/19 (100%)	19/19 (100%)	19/19 (100%)
Governance, Nomination and Remuneration Committee	■	□	□	□
Women's Advancement Committee*1		□		■
Number of shares held*2	67,200	68,200	30,800	10,600

Skill Matrix ►Page 62 Director Selection Criteria

Main Role, Career History, Qualifications, etc.	Vice-president of Tokyo Women's Medical University Hospital; Doctor of Medicine	Certified Public Accountant in Japan	President and CEO / Chairman, Isetan Mitsukoshi Holdings Ltd.	Commissioner, Consumer Affairs Agency
Principal Specialized Area of Experience / Areas in Which Officers Are Expected to Make a Particular Contribution				
All Aspects of Management	●		●	
Global				
Marketing / Sales			●	
Self-Transformation / Digital Transformation		●		
SDGs & ESG	●			●
Health & Medical Care	●			●
Finance, Accounting & Risk Management		●		
Human Resource Strategy			●	●
Internal Control & Legal Affairs / Compliance		●		

■ Chair □ Member ※ Observer
○ Areas of knowledge and experience ◎ Areas in which particular contributions are expected

*1 In addition to the members shown above, the General Manager of the Corporate Communications Division and the General Manager of the Human Resources & General Affairs Division are members of the Women's Advancement Committee.
*2 "Number of shares held" indicates the number of ITOCHU shares held.

List of Audit & Supervisory Board Members (As of July 1, 2026)

Name	Jun Inomata	Kenji Takai	Kentaro Uryu	Tsutomu Fujita	Kumi Kobayashi
Role	Audit & Supervisory Board Member	Audit & Supervisory Board Member	Audit & Supervisory Board Member	Audit & Supervisory Board Member	Audit & Supervisory Board Member
Number of years in office	Newly appointed	Newly appointed	11 years	3 years	3 years
Attendance at Meetings of the Board of Directors	—	—	19/19 (100%)	19/19 (100%)	19/19 (100%)
Attendance at Meetings of the Audit & Supervisory Board	—	—	14/14 (100%)	14/14 (100%)	14/14 (100%)
Governance, Nomination and Remuneration Committee			※		
Women's Advancement Committee*[1]				☐	☐
Number of shares held*[2]	164,746	41,620	48,200	3,500	4,200

Skill Matrix ►Page 62 Director Selection Criteria

Main Role, Career History, Qualifications, etc.	CEO for the Latin America Bloc President, Metals & Minerals Company	CFO, Energy & Chemicals Company General Manager, Internal Audit Division	Managing Partner, URYU & ITOGA; Attorney-At-Law in Japan	Vice Chairman and a board member, Citigroup Global Markets Japan Inc.	Certified Public Accountant in Japan; Certified Public Tax Accountant in Japan
Principal Specialized Area of Experience / Areas in Which Officers Are Expected to Make a Particular Contribution					
All Aspects of Management	●			●	
Global	●			●	
Marketing / Sales	●		●		
Self-Transformation / Digital Transformation					●
SDGs & ESG		●			
Health & Medical Care					
Finance, Accounting & Risk Management		●	●	●	●
Human Resource Strategy					
Internal Control & Legal Affairs / Compliance		●	●		●

■ Chair ☐ Member ※ Observer
○ Areas of knowledge and experience ◎ Areas in which particular contributions are expected

*1 In addition to the members shown above, the General Manager of the Corporate Communications Division and the General Manager of the Human Resources & General Affairs Division are members of the Women's Advancement Committee.
*2 "Number of shares held" indicates the number of ITOCHU shares held.

Director Selection Criteria

Appointment of Directors with a Focus on the Quality of Decision-Making

✔ As a general trading company with a broad range of business areas, it is important that Director candidates possess a deep understanding of our businesses, as well as diverse perspectives and experience.

✔ In principle, Inside Directors are selected from among the Chairman, the President, the Chief Officers responsible for the Headquarters' Administrative Divisions, and one appropriate Division Company President.

✔ Outside Directors are selected from individuals who are expected to contribute to the management of the Company based on the high level of insight they have developed through experience in their respective fields.

✔ To strengthen the supervisory function of the Board of Directors, the ratio of Outside Directors is maintained at one-third or more.

✔ Director candidates are determined by the Board of Directors after deliberation by the Governance, Nomination and Remuneration Committee, in which Outside Directors comprise the majority, based on a draft proposal prepared by the Chairman with due consideration given to diversity in knowledge, experience, gender, and internationality.

Reasons for the Selection of Areas of Knowledge and Experience and for the Selection of Areas in Which Officers Are Expected to Make a Particular Contribution

As a general trading company operating a wide range of businesses on a global basis, ITOCHU ensures that the Board of Directors as a whole possesses the skills necessary for the execution and oversight of strategy. In appointing Directors, we place emphasis not only on each individual's experience and expertise, but also on the overall combination of skills required of the Board. In addition, after assuming office, Directors continue to update and deepen their knowledge through discussions at Board meetings, dialogue with management and Group companies, and site visits to business operations.

Area	Reasons for Selection
All Aspects of Management	• To oversee the broad range of business fields as a general trading company and gain control over management • To formulate business plans and strategies aimed at enhancing corporate value
Global	• To maintain and expand global business operations based on an understanding of different cultures and geopolitics
Marketing / Sales	• To promote "Earn" measures through market-oriented perspective and leveraging sales capabilities as a merchant
Self-Transformation / Digital Transformation	• To transform ourselves in response to changes in the external environment while demonstrating our comprehensive strength as a general trading company • To promote digital transformation expected to swiftly contribute to profit, such as by improving supply chain efficiency through utilization of existing business foundations
SDGs & ESG	• To address the seven identified material issues, including addressing climate change, through our core business and contribute to accomplishing the Sustainable Development Goals (SDGs)
Health & Medical Care	• To enhance our workforce capabilities by further strengthening the health of our employees, who are the most valued management resources of ITOCHU
Finance, Accounting & Risk Management	• To continuously promote the "Earn, Cut, Prevent" principles through building a firm financial base, preparing accurate financial reports, and conducting risk analysis for judgment of projects such as M&A
Human Resource Strategy	• To promote the enhancement of corporate value more effectively through the evolution of human resource strategies, such as work-style reforms
Internal Control & Legal Affairs / Compliance	• To promote "Prevent" measures by ensuring that the management's monitoring and supervisory functions are properly exercised, thereby securing appropriate and efficient business operations

Message from Outside Director

Masatoshi Kawana
Outside Director

Mr. Kawana served as Vice-president of Tokyo Women's Medical University Hospital, in addition to other positions, where he gained a high level of experience in hospital management and advanced knowledge of medical care. He assumed his position as a member of the Board of Directors at ITOCHU in June 2018. He uses his expertise to provide many useful proposals and suggestions in the fields of health management and in setting preventive measures against in-office infection post-COVID-19. As of FY2026, he serves as chair of the Governance, Nomination and Remuneration Committee.

The Appointment of the New CFO and CAO

At ITOCHU, we have engaged in ongoing discussions from a long-term perspective on the development of successors and succession planning for the CFO and CAO positions, with the aim of sustainably strengthening our management structure. Former CFO Mr. Hachimura and former CAO Mr. Kobayashi made significant contributions to the Company's growth and the strengthening of its management foundation under Chairman & CEO Okafuji. As they were widely regarded as irreplaceable, careful consideration was given to whether they should continue in their roles even after reaching the obligatory retirement age for officers.

At the same time, from a governance perspective, it is equally important to pass the baton to the next generation at the appropriate time. Mr. Naka, the new CFO, has served in positions including General Manager of the Corporate Planning & Administration Division and CSO, and has overseen corporate planning for many years. In addition, through Companywide responsibilities including serving as Chair of the Investment Consultative Committee and as a CXO, he has steadily developed managerial judgment and a Companywide perspective. As Outside Directors, we have thoroughly assessed his capabilities and experience, and supported him with confidence as the successor. As for Mr. Nishiguchi, the new CAO, in addition to his many years of front-line experience in the Textile Company, he has had extensive contact with senior management and Outside Directors in his role as General Manager of the Secretariat. Through direct communication with him over many years, we came to understand both his character and capabilities and concluded that he was well suited to the position.

This transition was not merely a handover. It also served as an opportunity to reconsider the way the organization and these roles should function. We discussed the need not simply to carry forward the responsibilities of their predecessors as they were, but rather to review the allocation of functions and optimize the management structure. Going forward, we will continue to develop management talent and advance succession planning for the management team in ways that support the sustainable enhancement of corporate value, while maintaining the appropriate balance between continuity and transformation in management.

Succession Planning

ITOCHU positions succession planning as one of our important management issues in order to enhance management sustainability and support the medium- to long-term enhancement of corporate value.

POINT 1 Prioritizing Substance over Form

► Page 65 Activities of Outside Directors

There are no formal rules regarding the CEO's term of office or retirement age.

The Governance, Nomination and Remuneration Committee deliberates based on proposals by the Chairman & CEO. A majority of the committee members are Outside Directors, who maintain a clear understanding of candidates' capabilities and character through individual meetings with more than 20 officers, employees, and management of Group companies each year, thereby ensuring that they are always in a position to deliberate on candidates. In addition, through regular opportunities for dialogue with investors and shareholders, Outside Directors explain the status of preparations for succession planning and exchange views on the matter.

CEO Selection Process

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

POINT 2 The Proven Business Instincts Required of a General Trading Company Leader

►Page 5 CEO MESSAGE

A necessary condition is a proven track record of delivering results at the ever-changing business front lines. In addition, the ability to question conventional wisdom, think independently, and make timely judgments and decisions in rapidly changing circumstances is indispensable. We assign officers to positions that enable them to demonstrate these capabilities and steadily accumulate experience. To develop leadership and help multiple candidates learn how to engage with customers, we ensure that they gain experience through challenging front-line assignments on a continual basis, regardless of whether they are at headquarters or Group companies, in Japan or overseas.

POINT 3 Understanding the Importance of Group Management

An understanding of the importance of Group management is also indispensable. In this respect, there are cases in which a person who, after retiring from an executive position at ITOCHU, goes on to assume a top management position at a Group company and achieves strong results is reappointed to an executive position at headquarters.

In appointing individuals to key senior management positions, we have established a system, introduced in FY2024, that enables us to select candidates for senior management from a broader pool across the Group, including Senior Operating Officers* and former Executive Officers who have been transferred to Group companies. Through this system, we are building a rigorously meritocratic management talent pool.

* Executive Officers, excluding those who hold key positions such as Executive Officers with title, Division Company Presidents, Chief Officers responsible for the Headquarters' Administrative Divisions, and Executive Officers appointed under the special measures for female Executive Officers, are limited to a maximum tenure of two years. At that point, all such officers retire from their executive positions. Among those who retire, individuals who continue in their previous duties or assume other internal responsibilities are designated as Senior Operating Officers.

Message from Outside Director

Kunio Ishizuka
Outside Director

Mr. Ishizuka has extensive knowledge of corporate management and the retail industry, which was earned through his experience as President and Chairman of Isetan Mitsukoshi Holdings Ltd. and as a Vice Chair of Nippon Keidanren (Japan Business Federation). He assumed his position as a member of the Board of Directors at ITOCHU in June 2021. He served as Chair of the Nomination Committee in FY2022 and as Chair of the Governance, Nomination and Remuneration Committee in FY2023 and FY2024. In FY2026, he serves as a member of the Governance, Nomination and Remuneration Committee.

CEO Succession

We, as Outside Directors, regard CEO succession as one of the most important issues for the sustainable enhancement of corporate value at ITOCHU. Through dialogue with the management of Group companies and Division Companies, we continuously assess the qualities of successor candidates as business leaders, including how they lead their organizations, develop talent, and address difficult challenges. We also exchange views among ourselves regarding potential candidates, and a framework is always in place to allow deliberation at any time by the Governance, Nomination and Remuneration Committee.

Even if Chairman & CEO Okafuji were to step down, we believe that the Company's growth is supported by its front-line talent and business foundation, and that its business operations and performance would not be materially affected. At the same time, it is also true that the market places a certain premium on Chairman & CEO Okafuji. We therefore maintain regular direct dialogue with investors and exchange views on their concerns and areas of interest. If a new leader were to take the helm, the role of the Outside Directors would become even more important. It is our responsibility to support the transition to a new management structure while ensuring continuity in management and thereby contribute to the enhancement of corporate value.

The governance structure itself, including the role and composition of the Board of Directors, must also be continuously reviewed in light of the future management structure. Rather than viewing the current framework as fixed, we believe it is important to pursue the most appropriate form of governance in line with the Company's stage of growth and changes in the business environment.

Dialogue Between Outside Directors and Institutional Investors

ITOCHU provides regular opportunities for Outside Directors to engage in direct dialogue with investors and shareholders. As Outside Directors, they understand firsthand the interests and concerns of investors and shareholders and incorporate them into Board discussions, thereby helping to enhance the effectiveness of the Board of Directors. In addition, Outside Directors directly explain to investors and shareholders their perspectives on the Company's management situation, as well as on the succession plan, a topic of particular interest to investors and shareholders.

December 2024

Speakers:

Two long-serving Outside Directors
Makiko Nakamori, Kunio Ishizuka

Main Themes: Women's advancement / Governance system

Main Questions Raised:

- The structure of the Board of Directors, the status of discussions at the Board of Directors, and communication with management
- Women's advancement and the special measures for female Executive Officers
- Succession planning

June 2025

Speakers:

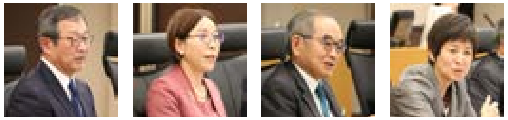
The two chairs of the advisory committees
Masatoshi Kawana, Makiko Nakamori

Main Themes: Women's advancement / Governance system

Main Questions Raised:

- How executive compensation is determined
- Details of discussions at the Board of Directors regarding the acceleration of growth investments
- Succession planning

April 2026



All four Outside Directors participated together for the first time

Speakers
Masatoshi Kawana, Makiko Nakamori, Kunio Ishizuka, Akiko Ito
Participants: 21 domestic and overseas institutional investors
Observers: 13 sell-side analysts

Main Questions Raised:

- Progress in developing successors in light of the changes in the CFO and CAO positions, the appropriateness of the nomination process, and the involvement of the Governance, Nomination and Remuneration Committee in succession planning for key positions
- How discussions on the selection of the next CEO are being conducted, the relationship between the current top management and the committee, and the transparency of the future management structure and decision-making process
- The prevention of misconduct, the thorough implementation of internal controls, and the effectiveness of governance across the Group as a whole, given the large number of Group companies

Comments from Outside Director

Masatoshi Kawana
Outside Director

- In the dialogue held this year, shareholders and investors showed a very high level of interest in governance and succession. At the same time, because we placed particular emphasis on carefully conveying our assessment of the Company's current situation, our remarks may have left the impression that our discussion of future challenges and growth potential was somewhat limited.
- In actual Board and committee deliberations, there have been cases in which, after thorough discussion reflecting the views of Outside Directors, proposals were ultimately rejected by the Board. That stance remains unchanged. We regard the feedback we received as a valuable takeaway for ourselves going forward, so that we can communicate the substance of those discussions more concretely in our dialogue with stakeholders.

Comments from Participants

- There was a strong sense of unity among the four Outside Directors, which struck me as a distinctive feature not seen at other companies. I felt that this sense of unity contributes to a stronger checks-and-balances function.
- I was impressed by the strong sense of cohesion among the four Outside Directors. It gave me a vivid sense of how discussions take place at the Board of Directors and how the Outside Directors contribute.
- What left a strong impression on me was that, in discussing succession, they were not focused solely on who should be next. Rather, they were taking a broader view that included reexamining the governance system, the executive team, and the division of roles. It was also reassuring to see that they clearly view this as an opportunity to shape ITOCHU's next phase of growth strategy and move the Company into a new stage.
- While it was reassuring to hear that the Outside Directors hold ITOCHU in high regard, I would also have welcomed somewhat more critical views or a clearer presentation of the challenges the Company faces.

Activities of Outside Directors

ITOCHU's Outside Directors place importance on direct dialogue with the Company's officers and employees and strengthen communication and information sharing through such engagement. In addition, to deepen their understanding of the diverse businesses of a general trading company, they conduct regular visits to business sites in Japan and overseas.

Major Activities of Outside Directors (FY2025)

Details of Activities	Number of Activities / Participants
Board of Directors	19 times
Participate in Pre-briefings for the Board of Directors	17 times
Advisory Committee	6 times
Interviews with Executive Officers (Division Company Presidents, Officers in charge of Headquarters' Administrative Divisions, Senior Operating Officers, Executive Officers)	18
Meeting with the presidents of the Group companies (YANASE, ITOCHU Techno-Solutions, WELLNEO SUGAR, ITOCHU ENEX, Data One, Gate One, Marubeni-Itochu Steel)	7

Board Discussions on Specific Matters (Main Comments from Outside Directors)

Case: Applying the Equity Method to Seven Bank

- The importance of confirming the earnings contribution expected from expanded ATM installations and the basis for that projection
- The future potential of the ATM business and the growth strategy for the broader retail finance business, including cards and loans

Case: Investment in Wood Partners, a Major U.S. Real Estate Company

- The strategy of focusing on the multifamily property development business, which is a strength of Wood Partners
- The rationale for the scope of business covered by Wood Partners

December 2025

North American Power Business (Machinery)

Sites Visited:

- Hickory Run Power Plant (Tyr Energy), Pennsylvania
- Prairie Switch Wind Farm (Tyr Wind), Texas
- Gridforce*, a subsidiary of NAES, Texas

We received briefings from the local management teams of each company on their business portfolios and strategies, as well as on their integrated initiatives spanning the full value chain anchored in power plant operation and maintenance. This deepened our understanding of the strengths of the business and its growth strategy. We also observed on-site operations, including transmission and remote operations within the NAES group, which enhanced our understanding of the essentials of business operations and initiatives to ensure safe and stable operations—insights that cannot be gained from reviewing materials alone.

Prairie Switch Wind Farm

* Provides services including transmission and distribution line maintenance and operation, energy management, and remote power plant monitoring and control.

ITOCHU International Inc. (U.S. Office)

We also exchanged views with younger expatriate employees. Hearing directly a diverse range of perspectives—including those of female expatriates accompanying their families while raising children—provided us with an opportunity to better understand the concerns and challenges they face in both their daily lives and careers. We also held interviews with female Executive Officers who are covered by the Special Measures System for Female Executive Officers.

Lunch with Expatriate Employees

February 2026

Logistics Center in Yashio, Saitama

After receiving a briefing from the management on its business overview and the operation of the center, we toured the site with a focus on operations within the frozen and chilled warehouse. This enabled us to deepen our understanding of work processes and operational practices at logistics sites across different temperature ranges.

Inside the Warehouse During the Tour

Comments from Outside Director

Kunio Ishizuka
Outside Director

Effectiveness Enhanced through Dialogue

What I value most as an Outside Director is the effectiveness that can be achieved through dialogue. To that end, regular site visits and direct meetings with senior management and the heads of Group companies, conducted at our request, are invaluable opportunities. The insights we gain into both the business and the people through such direct communication also help inform our succession planning. It is also an important responsibility to carefully assess whether sufficiently thorough discussions have taken place within management to support decision-making. In this respect as well, improvements such as the advance sharing of minutes of HMC and the Investment Consultative Committee, which we specifically requested, as well as follow-up on important matters, were made through dialogue with the relevant parties and remain in place today. We also regard dialogue with investors as an important role to be fulfilled by Outside Directors. For that reason, we have continued to engage in dialogue with investors in a format limited to Outside Directors, without executive participation, so that we can engage openly and directly. Effectiveness cannot be ensured through rigid oversight alone. As Outside Directors, we carry out our duties with a constant awareness of the new value that can be created through dialogue.

Messages from Outside Directors

Unlocking the Potential of Diverse Individuals to Achieve Sustainable Growth

Makiko Nakamori
Outside Director

Ms. Nakamori possesses a high level of expertise in finance and accounting as a Certified Public Accountant in Japan, and has a wealth of experience as a corporate manager. She assumed her position as a member of the Board of Directors at ITOCHU in June 2019. She often provides insightful advice based on her specialized knowledge and unique experience in the fields of internal control, compliance, and DX. As of FY2026, she serves as a member of the Women's Advancement Committee, and a member of the Governance, Nomination and Remuneration Committee.

1. Developing Next-Generation Management Talent and Succession Planning

Chairman & CEO Okafuji and the Outside Directors regularly engage in frank and open discussions. While he articulates his own management decisions and views on key issues, he also actively seeks differing opinions and gives serious consideration to opposing views and recommendations from the Outside Directors. I believe that such open discussion supports the Company's prompt decision-making and effective governance. At the same time, it is equally important to ensure that the current management structure, built under strong leadership, remains sustainable in the future. We continue to hold regular meetings with potential management successors in order to assess their character, track record, and leadership qualities. We need to ensure a steady transition to the next generation of management, while fully considering the impact on corporate value over the medium to long term.

2. Investment Strategy for the Next Stage of Growth

ITOCHU has carefully managed cash allocation and steadily expanded growth investments, primarily in areas where each Division Company has expertise. Investment opportunities are carefully refined at the front lines before being submitted to the Board of Directors following rigorous risk-return screening by the Investment Consultative Committee and HMC. The high level of expertise within the administrative organizations, together with the careful deliberation process, is a major strength underpinning our investment discipline. At the same time, now that the Company has reached a scale that ranks among the largest in the industry, the conventional incremental growth model may no longer be sufficient to fully meet market expectations. Going forward, while maintaining investment discipline, we will need to pursue projects with significant social impact and substantial scale by leveraging ITOCHU's distinctive competitive advantages. We recognize that a key challenge in the next stage of growth will be balancing growth and capital efficiency, while also delivering short-term results and creating value over the medium to long term.

3. Leveraging the Strengths of Diverse Talent to Enhance Corporate Value

Having served as Chair of the Women's Advancement Committee until last fiscal year, I have come to strongly believe that the goal is not simply to increase the number or proportion of women. What matters more is unlocking the full potential of each employee, which leads directly to higher productivity and greater corporate value. The appointment of female Executive Officers has expanded their access to management information and decision-making processes. This has not only supported the growth of the individuals themselves but has also begun to shift the mindset of those around them and the behavior of the organization as a whole. For generations in which the number of female employees remains limited, it is important to provide tailored support. For younger generations, meanwhile, it is important to develop and promote talent without regard to gender. At the same time, we also need to address issues such as generational and gender imbalances in decision-making positions, employee engagement among those in their 30s and 40s, and promoting talent developed within Group companies. I believe that evolving into an organization that gives younger employees and women greater roles and more opportunities to participate in decision-making, while ensuring that senior leaders provide appropriate support, will form the foundation for sustainable growth.

Developing Talent and Building Stronger Organizations for Sustainable Value Creation

Akiko Ito
Outside Director

Ms. Ito served as Commissioner of the Consumer Affairs Agency after playing other vital roles. As Director General of the Housing Bureau, she became the first female Director in the Ministry of Land, Infrastructure, Transport and Tourism. Subsequently, she served as Councillor in the Cabinet Secretariat, Director General for Regional Revitalization, Secretariat of the Headquarters for Overcoming Population Decline and Vitalizing Local Economy in Japan. She brings extensive knowledge on consumer issues. She assumed her position as a member of the Board of Directors at ITOCHU in June 2023. As of FY2026, she serves as Chair of the Women's Advancement Committee and a member of the Governance, Nomination and Remuneration Committee.

1. Succession Is Not Only About "Who," but Also "When" and "Team Transition"

When considering succession, it is important to ask not only who comes next, but also whether this is truly the right time for a transition. If the current management team is contributing to corporate value creation, it is also important to build on that strength. At the same time, we cannot afford to neglect preparation for the future. With the management team transition in mind, as Outside Directors, we assess their qualities as business leaders from multiple perspectives through dialogue with the management of Group companies and Division Company Presidents. In doing so, we look not only at business knowledge and performance, but also at their approach to talent development, their views on organizational management, and their judgment in difficult situations. I believe that succession preparation should be an ongoing process embedded in day-to-day management.

2. Leveraging Our Ability to Connect to Become a Platform for Society

ITOCHU has significant potential to serve as a platform that connects diverse companies, regions, and industries, thereby creating new value. It is important that we continue to evolve into a company that can drive growth not only for our partner companies but for society as a whole. To do so, we need a mindset that goes beyond pursuing only short-term results and instead focuses on building businesses over the medium to long term. While maintaining our strengths in high profitability and risk management, we aim to further strengthen our role as a platform that helps solve social issues while enhancing corporate value.

3. A Talent-Developing Culture as a Source of Competitive Advantage

One of ITOCHU's strengths, in my view, is its organizational culture that welcomes challenges and develops talent. In particular, Chairman & CEO Okafuji carefully articulates his own decisions and shares the thinking and background behind them. This ongoing practice is also contributing to the development of next-generation management talent. At the same time, in talent development, it is important to help employees develop a management perspective early on. By enabling diverse talent, including employees of Group companies, to gain management experience and develop a broader perspective beyond organizational boundaries, we can build an even stronger management foundation. Our founder, Chubei Itoh I, valued not only "*Sampo-yoshi*," but also a philosophy known as "*Sanbore*," which encourages devotion to one's work, one's community, and one's family. As this suggests, I believe ITOCHU shares a set of values centered on approaching work with passion and valuing not only local communities, but also family, colleagues, and other stakeholders. I believe that continuing to be a company where each employee can experience personal growth will contribute to sustainable corporate value enhancement.

Activities of Audit & Supervisory Board Members

As a company with an Audit & Supervisory Board, ITOCHU ensures effective oversight of management through initiatives such as those described below.

Main Activities of the Audit & Supervisory Board Members (FY2025)

Supervision of Important Decision-Making	Participated in important meetings, including meetings of the Board of Directors and the Executive Officers' Meeting, to review important management matters and the execution of duties by Directors.
Continuous Dialogue with Management	Engaged in dialogue with management, including the Chairman & CEO and the President & COO, as well as with the heads of each division, to understand business management issues, responses to risks, and the status of the development and operation of internal controls.
Group-Based Audits	Confirmed the management status of the Group as a whole and the effectiveness of governance through site visits to domestic and overseas subsidiaries and coordination with Audit & Supervisory Board Members of Group companies.
Review of Financial Reporting and Internal Controls	Confirmed the reliability of financial reporting and the status of the development and operation of internal controls through regular meetings with the Independent Auditor and coordination with the Internal Audit Division.
Expressing Opinions from an Independent Standpoint	Audit & Supervisory Board Members expressed opinions on management from an objective and neutral standpoint, drawing on their respective professional expertise.

Messages from Outside Audit & Supervisory Board Members

Kentaro Uryu
Audit & Supervisory Board Member

The Effectiveness of Administrative Functions in Supporting Sustainable Growth

In recent years, as authoritarian tendencies have gained momentum around the world, I believe the importance of robust oversight functions based on diverse perspectives has become even greater in corporate management. ITOCHU is sometimes described as a group of brave warriors and is often seen as having a corporate culture that is open, dynamic, and unafraid of taking on challenges. At the same time, some may perceive the Company as one in which the presence of the business divisions is particularly strong, while the involvement of control and administrative functions is relatively limited. However, from my own perspective, having served for many years as an Audit & Supervisory Board Member, the reality of ITOCHU is more complex than that. The growth of the business is supported not only by the business divisions' ability to earn, but also by the ability to "Cut" and "Prevent," backed by highly specialized administrative personnel. In the Internal Audit Division, Legal Division, Finance Division, General Accounting Control Division, Business Finance Division, and the administrative organizations of each Division Company, many highly specialized professionals responsible for corporate governance are making important contributions. By working closely with the business divisions and enabling both sides to fully demonstrate their respective functions, they play an essential role in the management of the Company. The fact that the business divisions and the administrative organizations operate with an appropriate sense of tension between them forms the foundation of the Company's soundness and sustainable corporate value enhancement.

Tsutomu Fujita
Audit & Supervisory Board Member

The Effectiveness of an Audit & Supervisory Board Backed by Diverse Expertise

A defining part of ITOCHU's DNA is its drive to be the best in Japan. The Company has not only aimed to become No. 1 among general trading companies in terms of net profit and market capitalization but has also pursued leadership across a wide range of fields, including popularity by jobseekers and corporate legal capabilities, and has delivered on those ambitions. While there is, unfortunately, no ranking for Audit & Supervisory Boards, I believe that our Audit & Supervisory Board is among the very best in Japan. One of our full-time Audit & Supervisory Board Members previously served as President of the Division Company that generated the largest amount of profit within the Company. Because the individual who generated the greatest earnings within the organization now leads its audit function, his views command great respect. In addition, ITOCHU's Internal Audit Division has a distinctive feature rarely seen elsewhere: it goes beyond auditing and actively makes proposals regarding management strategy. Another full-time Audit & Supervisory Board Member is an experienced audit professional who has served as General Manager of the Internal Audit Division and as an Audit & Supervisory Board Member of FamilyMart. Furthermore, our Outside Audit & Supervisory Board Members bring highly specialized perspectives from their respective fields: a distinguished attorney, a certified public accountant with extensive M&A experience, and, in my case, expertise in capital markets. Each of us provides audit opinions from our own area of expertise. In recent years, the number of companies with an Audit & Supervisory Board structure has declined, while the number adopting an Audit and Supervisory Committee structure has increased. However, because the term of office for Audit & Supervisory Board Members is four years, longer than the two-year term for Audit and Supervisory Committee members, I believe this structure enables more effective auditing. Going forward, we will continue to deliver the highest standard of auditing with the strongest possible team, and to live up to the trust placed in us by shareholders and society.

Kumi Kobayashi
Audit & Supervisory Board Member

Adaptability to Change as Reflected in "Merchants Need to Be Adaptable like Water"

In corporate management, what matters is not adhering rigidly to a fixed model, but rather the ability to accurately grasp changes in the external environment and adapt flexibly. As global circumstances shift significantly and the outlook for the business environment becomes increasingly difficult to foresee, the importance of such adaptability continues to grow. I believe that ITOCHU's phrase, "Merchants need to be adaptable like water," is one of the clearest symbols of this adaptability to change. The Company has continued to evolve not only at the front lines of business but also in the way it approaches its organization and people, by responding positively to change. At the Women's Advancement Committee, on which I serve as a member, initiatives to support the advancement of female employees are moving beyond the development of systems and frameworks and increasingly taking shape as efforts aimed at fostering next-generation management talent. In my view, what matters is not simply increasing the number of female managers and officers, but ensuring that diverse talent can fully demonstrate its capabilities and that their different perspectives and experiences contribute to organizational decision-making and change. To achieve this, it is essential that these initiatives do not remain temporary. We must create an environment in which those appointed to new responsibilities can continue to thrive, and in which their experience can in turn be passed on to the next generation. A strong organization that can respond to change is not built once and for all simply by putting systems in place. Rather, it is one that continues to learn from changes in the environment and from the results of its own initiatives, and keeps reexamining itself. As an Outside Audit & Supervisory Board Member, I intend to examine whether this adaptability to change is taking root not as a one-time response, but as the organizational capability to continue renewing itself, and to make the recommendations necessary to support that process.

Corporate Officer Remuneration

Remuneration System Driving Business Growth and Stock Price Increase

Policy on Corporate Officer Remuneration

Our corporate officer remuneration system is designed with a strong emphasis on the sustainable enhancement of corporate value and the maximization of shareholder returns, adopting an incentive structure closely linked to business performance and stock price. The proportion of variable compensation within the total package is exceptionally high compared to peers. When performance improves, compensation increases accordingly, while in the event of deteriorating results, each Director's compensation decreases significantly, thereby ensuring clear accountability for management. We have long disclosed the calculation formula and other details of the remuneration system externally, ensuring a high degree of transparency. Performance-linked bonuses are intended to incentivize achievement of short-term results, while share price-linked bonuses and performance-linked stock remuneration are positioned as incentives to enhance corporate value over the medium- to long-term.

Overview of Remuneration System and Remuneration Limit

Type	Details	Fixed / Variable	Remuneration Limit	Resolution at General Meeting of Shareholders
(1) Monthly remuneration	Determined based on the standard amount by position and the level of contribution to ITOCHU, including its response to climate change, the SDGs, and ESG.	Fixed	¥1.1 billion per year as total amount of monthly remuneration (including ¥0.2 billion per year as a portion paid to Outside Directors)	June 20, 2025
(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.	Variable (Single year)	¥5.0 billion per year as total bonuses paid to all Directors	
(3) Share price-linked bonuses	Calculated based on the increase in ITOCHU's stock price for two consecutive fiscal years and relative growth rate of ITOCHU's stock price compared to TOPIX.	Variable (Medium- to long-term)		
(4) Performance-linked stock remuneration	Number of shares delivered as remuneration is determined based on consolidated net profit and in relation to the position of the Director.		(i) BIP Trust The following are the limits for Directors, Executive Officers, and Senior Operating Officers for two fiscal years: • Limit on contribution to trust by ITOCHU: ¥8.0 billion • Total number of points granted to eligible person: 4.5 million points (conversion at 1 point = 1 share)	
			(ii) RS Remuneration Plan • Total amount of ITOCHU's shares or monetary claims provided as remuneration: ¥3.0 billion annually • Total number of ITOCHU's shares to be issued or disposed: 1,500,000 shares per year	

* Variable compensation items (2) to (4) are not paid to Outside Directors

Details of the Remuneration Paid to Directors and Audit & Supervisory Board Members of the Company in FY2025

(Rounded to the nearest million yen)

Type		Number of People	Total Amount of Remuneration (Millions of yen)	Details (Millions of yen)				
				(1) Monthly Remuneration	Performance-Linked Remuneration			
					(2) Performance-Linked Bonuses	(3) Share Price-Linked Bonuses	(4) Performance-Linked Stock Remuneration	
							BIP Trust	RS Remuneration
Directors	Inside	6	**5,637**	602	1,818	395	569	2,252
	Outside	4	**93**	93	—	—	—	—
	Total	10	**5,729**	694	1,818	395	569	2,252

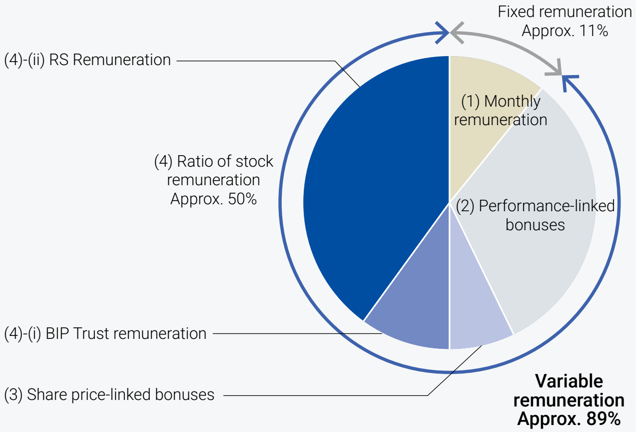
Type		Number of People	Total Amount of Remuneration (Millions of yen)	Details (Millions of yen)				
				(1) Monthly Remuneration	Performance-Linked Remuneration			
					(2) Performance-Linked Bonuses	(3) Share Price-Linked Bonuses	(4) Performance-Linked Stock Remuneration	
							BIP Trust	RS Remuneration
Audit & Supervisory Board Members	Inside	2	**160**	160	—	—	—	—
	Outside	3	**69**	69	—	—	—	—
	Total	5	**229**	229	—	—	—	—

Corporate Officer Remuneration

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 FY2025, variable remuneration (the total of performance-linked bonuses, share price-linked bonuses, and performance-linked stock remuneration) accounted for approximately 89% of remuneration for Internal Directors, with fixed remuneration held to around 11%. This structure ensures a stronger alignment between management and shareholder profits.

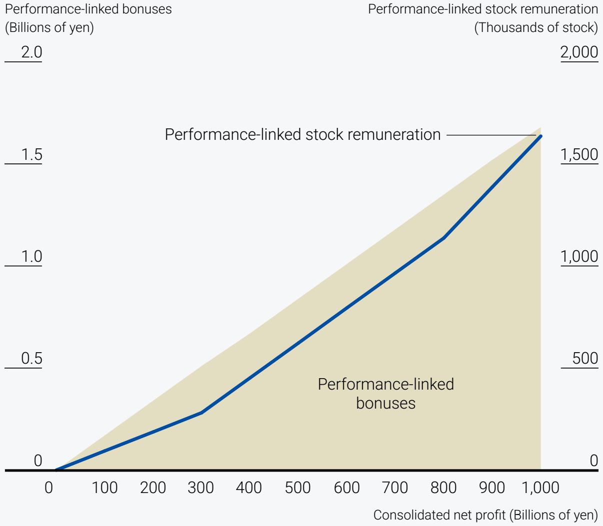
Composition Image of Remuneration for Directors (Excluding Outside Directors) (FY2025)



Q. How is remuneration linked to performance?

A. If consolidated net profit is negative, (2) Performance-linked bonuses and (4) performance-linked stock remuneration are not paid. (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.

Approach of Performance-Linked Remuneration... (2), (4)



* Indicates the total amount of bonuses and the number of stock compensation shares granted to Inside Directors, based on the composition of Inside Directors for FY2026

Q. How is remuneration linked to share price?

A. Our corporate officer remuneration reflects share price performance through two mechanisms. First, a (3) share price-linked bonus is paid if certain criteria are met, based on both the absolute share price and comparison with TOPIX. Second, with (4) performance-linked stock remuneration, increases in the share price are directly reflected in the amount of compensation through the value of the granted shares. Since the maximum limit is substantial, any rise in the share price is strongly reflected in the total remuneration.

Mechanism of Share Price-Linked Bonuses... (3)

The higher of A or B will be paid
(B: Only When Outperforming TOPIX)

A　**Increase in Average Stock Price During the Target Period Compared to the Reference Period** (Daily closing price) × **Relative Growth Rate Compared to TOPIX** × **Coefficient** (Pro-rated based on term of office)

B　**Average Stock Price During the Reference Period** (Daily closing price) × **Relative Growth Rate Compared to TOPIX** × **Coefficient** (Pro-rated based on term of office)

Policy on the Governance of Listed Subsidiaries and Affiliates

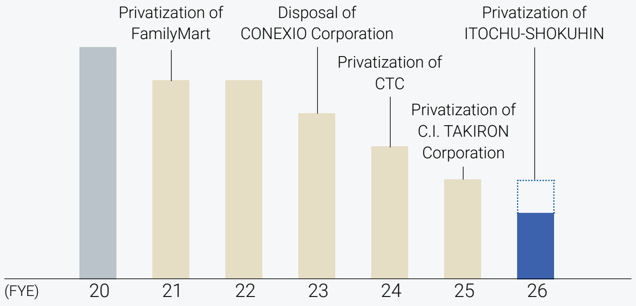
Policy on the Governance of Listed Subsidiaries and Affiliates

ITOCHU respects the autonomy of listed subsidiaries and prohibits any acts that contradict the principle of shareholder equality, in accordance with ITOCHU's Policy on the Governance of Its Listed Subsidiaries, which was announced in October 2019. Each subsidiary and ITOCHU are in a mutually beneficial relationship to enhance corporate value as business partners. Recognizing that there is a potential conflict of interest between ITOCHU and the minority shareholders, we ensure independent decision-making at listed subsidiaries by encouraging them to establish well-functioning governance structures that effectively utilize independent Outside Directors.

Within our Group management framework, we regularly review the strategic positioning of each company and the rationale for holding it, regardless of whether it is listed or unlisted. On a case-by-case basis, we execute capital policies such as additional acquisitions or divestitures, with the aim of maximizing corporate value across the Group.

As a company with a large number of listed Group companies, we take concerns from the capital markets seriously. In our Corporate Governance Report, we disclose detailed information not only on listed subsidiaries but also on all domestic listed affiliates, including the specific rationale for holding each company, its governance structure, and whether any agreements relating to Group management are in place.

Listed Subsidiaries Numbers



FYE2020: **7 companies** → End of September 2026: **2 companies**

Our Approach to Group Management and Capital Policy

1. Strong Management Foundation Based on Group-Based Management

- From the formulation of management plans to internal control and risk management, we operate our management framework on an integrated Group basis.
- Through hands-on participation in management, including the dispatch of Directors and Audit & Supervisory Board Members, we share the management foundation of each company not merely as an investor, but as an active participant in management.

2. Business Portfolio Strategy Pursuing the Optimal Ownership Structure

- Based on our Group management foundation, we carefully review the strategic rationale for holding each company, whether listed or unlisted.
- We do not take a blanket approach to unwinding such holdings; instead, we determine the optimal capital policy on a case-by-case basis.

3. Balancing the Independence of Listed Subsidiaries and Affiliates with Synergy Creation

- For companies that remain listed, we strictly manage the balance between the protection of minority shareholders, including respect for management independence, and appropriate internal oversight as a parent company (major shareholder).
- We seek to enhance mutual corporate value by creating synergies through means such as personnel exchanges.

The Significance of Holding Listed Subsidiaries and Governance System

(As of July 1, 2026)

Company Name	(1) Significance of Holding and (2) Key Synergies	Ratio of Independent Outside Directors	Advisory Committees to the Board of Directors	Ratio of Independent Outside Audit & Supervisory Board Members
ITOCHU ENEX CO.,LTD.	(1) Covering a broad range of our business domains, including existing energy businesses, the power business, new fuel sales, logistics efficiency businesses, and next-generation businesses (2) Collaborating in fields such as WECARS and in new energy, as well as fuel supply businesses for the ITOCHU Group	**50%** (4 out of 8 Directors)	• Governance Committee • Special Committee	**50%** (2 out of 4 Members)
PRIMA MEAT PACKERS, LTD.	(1) Assuming an important role within the value chain in the sale of final products-meat and processed livestock products (2) Ensuring a stable supply of high-quality imported raw materials for Prima Meat Packers' core products and jointly development of pork brands with our overseas affiliates	**50%** (3 out of 6 Directors)	• Management Advisory Committee • Sustainability Committee	**50%** (2 out of 4 Members)

In addition, as of September 1, 2026, we hold investments in 16 domestic listed affiliates. In transactions with these affiliates as well, we give full consideration to conflict-of-interest risks and, taking into account each company's actual circumstances, including capital relationships and transaction status, implement measures equivalent to those applied to listed subsidiaries where necessary. Over the past year, we invested in Seven Bank, Sun Frontier Fudousan, and Oriental Shiraishi, thereby newly bringing them under the equity method. In addition, the number of domestic listed affiliates increased by four following the new listing of Tsuji-Hongo IT Consulting, which had already been an equity-method affiliate.

Major Listed Affiliates (As of September 1, 2026)

Tokyo Century Corporation	HITACHI Reliable Solutions
FUJI OIL CO., LTD.	SKY Perfect JSAT

Selected Financial Data

	Billions of yen											Millions of U.S. dollars
FY	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	**2025**	**2025**
P/L (For the year):												
Net profit attributable to ITOCHU	¥ 240.4	¥ 352.2	¥ 400.3	¥ 500.5	¥ 501.3	¥ 401.4	¥ 820.3	¥ 800.5	¥ 801.8	¥ 880.3	**¥ 900.3**	**$ 5,631**
Consolidated net profit: Non-resource	237.3	313.7	331.0	378.0	378.3	292.7	610.3	587.8	603.5	717.7	**774.7**	**4,846**
Consolidated net profit: Resource	1.8	30.6	82.3	115.5	126.8	107.9	221.6	215.6	204.6	172.6	**133.3**	**834**
Core profit	315.4	370.2	416.8	472.0	485.3	452.4	690.3	787.5	788.8	770.3	**781.5**	**4,887**
Extraordinary gains (losses)	(75.0)	(18.0)	(16.5)	28.5	16.0	(51.0)	130.0	13.0	13.0	110.0	**119.0**	**744**
Per share (Yen and U.S. dollars):												
Basic earnings attributable to ITOCHU (EPS)*1	30.43	44.73	51.59	64.81	67.12	53.97	110.57	109.22	110.60	123.13	**128.00**	**0.80**
Cash dividends	10.0	11.0	14.0	16.6	17.0	17.6	22.0	28.0	32.0	40.0	**42.0**	**0.27**
Shareholders' equity (BPS)*1	277.73	306.51	344.41	386.09	402.07	446.57	571.50	662.87	754.35	811.84	**942.78**	**5.90**
B/S (As of March 31):												
Total assets	¥8,036.4	¥8,122.0	¥8,663.9	¥10,098.7	¥10,919.6	¥11,178.4	¥12,153.7	¥13,115.4	¥14,489.7	¥15,134.3	**¥16,732.8**	**$104,659**
Interest-bearing debt	3,196.2	2,944.7	2,779.5	2,983.8	2,877.0	3,155.3	2,905.9	3,006.6	3,357.6	3,550.8	**3,672.7**	**22,972**
Net interest-bearing debt	2,555.6	2,330.7	2,320.4	2,406.8	2,256.9	2,601.4	2,283.0	2,391.2	2,741.6	2,961.3	**3,024.3**	**18,916**
Total shareholders' equity	2,193.7	2,401.9	2,669.5	2,936.9	2,996.0	3,316.3	4,199.3	4,823.3	5,427.0	5,755.1	**6,590.0**	**41,218**
Cash flows (For the year):												
Core operating cash flows*2	¥ 374.2	¥ 419.7	¥ 461.1	¥ 514.3	¥ 601.8	¥ 574.3	¥ 790.2	¥ 871.4	¥ 823.5	¥ 920.1	**¥ 939.7**	**$ 5,878**
Cash flows from operating activities	419.4	389.7	388.2	476.6	878.1	895.9	801.2	938.1	978.1	997.3	**1,131.8**	**7,079**
Cash flows from investing activities	(557.3)	(81.3)	(256.4)	201.1	(248.8)	(207.3)	38.6	(453.8)	(206.0)	(516.3)	**(388.9)**	**(2,432)**
Cash flows from financing activities	81.8	(335.4)	(296.1)	(538.3)	(575.5)	(728.8)	(846.7)	(500.1)	(801.2)	(525.0)	**(726.5)**	**(4,544)**
Cash and cash equivalents at the end of the year	632.9	605.6	432.1	572.0	611.2	544.0	611.7	606.0	600.4	549.6	**593.8**	**3,714**
Ratios:												
ROA (%)	2.9	4.4	4.8	5.3	4.5	3.6	7.0	6.3	5.8	5.9	**5.7**	**—**
ROE (%)	10.4	15.3	15.8	17.9	17.0	12.7	21.8	17.7	15.6	15.7	**14.6**	**—**
Ratio of shareholders' equity to total assets (%)	27.3	29.6	30.8	29.1	27.4	29.7	34.6	36.8	37.5	38.0	**39.4**	**—**
Net debt-to-shareholders' equity ratio (NET DER) (Times)	1.17	0.97	0.87	0.82	0.75	0.78	0.54	0.50	0.51	0.51	**0.46**	**—**
Interest coverage (Times)*3	10.1	11.1	9.3	8.3	8.7	13.2	23.6	12.3	8.3	7.8	**7.7**	**—**
Common stock information:												
Stock price (Closing price, as of March 31, yen and U.S. dollars)	¥277.2	¥316.0	¥413.3	¥400.5	¥448.5	¥717.4	¥828.8	¥860.2	¥1,293.2	¥1,380.2	**¥1,974.5**	**$ 12.35**
Market capitalization (Calculated by including treasury stock, as of March 31, yen and U.S. dollars in billions)	2,305	2,627	3,436	3,174	3,554	5,685	6,568	6,817	10,248	10,937	**15,647**	**97.87**
Market capitalization (Calculated by excluding treasury stock, as of March 31, yen and U.S. dollars in billions)	2,189	2,476	3,203	3,046	3,342	5,328	6,090	6,259	9,304	9,784	**13,802**	**86.33**
Number of shares of common stock issued (As of March 31, thousand shares)	8,314,447	8,314,447	8,314,447	7,924,447	7,924,447	7,924,447	7,924,447	7,924,447	7,924,447	7,924,447	**7,924,447**	**—**

* Reflecting the 5-for-1 common share split effective January 1, 2026, stock price is presented on a retroactively adjusted basis (pre-split stock price multiplied by 1/5).
* Due to the adoption of IFRS 17, the results for FY2022 are presented post retroactive adjustment.
* Figures in yen for FY2025 have been translated into U.S. dollars solely for the convenience of the reader at the rate of ¥159.88 = US$1, the exchange rate prevailing on March 31, 2026.
*1 Basic earnings per share attributable to ITOCHU and Shareholders' equity per share are calculated by using the number of shares of common stock issued excluding treasury stock.
*2 "Cash flows from operating activities" – "Changes in working capital" + "Repayment of lease liabilities, etc."
*3 Interest coverage = (Gross trading profit + SG&A expenses + Provision for doubtful accounts + Interest income + Dividends received) / Interest expense

Total Shareholder Return (%)(As of March 31)*4

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	**2026**
8.8%	18.6%	54.8%	71.5%	91.4%	111.3%	150.3%	239.3%	242.2%	297.7%	554.2%	678.2%	736.8%	1,192.0%	1,315.9%	**1,991.3%**

*4 The chart shows total shareholder return for shares held since March 2010.

Performance Trends of Major Group Companies

By rigorously implementing our management principle of “Earn, Cut, Prevent” and proactively restructuring underperforming businesses, we have significantly reduced the number of Group companies and increased the ratio of Group companies reporting profits. Meanwhile, through the practice of “hands-on management” and business expansion driven by a “market-in” approach, earnings of our core Group companies have continued on a steady upward trajectory.

(Billions of yen)

			BND 2012	BND 2014	BND 2017	BND 2020	BND 2023	The Brand-new Deal	
		Number of Group companies*1	356	342	300	279	263	265	
		Ratio of Group companies reporting profits	84.6%	→	→	→	→	93.2%	
	Ownership (As of the end of March 2026)		FY2010	FY2014	FY2017	FY2020	FY2023	FY2025	Comparison with FY2010
DESCENTE LTD.	100.0%	Invested in 1971 → Became an equity-method affiliate in 2008	Non-disclosed	Non-disclosed	1.4	1.6	5.3 FY2024 Privatized	13.2	**9.4** times*2
Tokyo Century Corporation	29.9%	Involved in the establishment in 1969 →	4.0	9.1	12.5	13.5	23.4	39.6	**9.9** times
YANASE & CO., LTD.	99.0%	Invested in 2003 →	Non-disclosed	Non-disclosed	FY2017 Converted to a subsidiary 3.7	4.6	12.8	12.2	**3.3** times*2
ITOCHU Minerals & Energy of Australia Pty Ltd (IMEA)	100.0%	Started development in 1967 →	80.1	42.3	62.3	90.6	166.9	110.2	**1.4** times
Marubeni-Itochu Steel Inc.	50.0%	Established in 2001 →	6.8	12.8	9.2	8.7	40.1	20.2	**3.0** times
ITOCHU ENEX CO., LTD.	55.7%	Established in 1961 →	2.2	2.8	6.0	6.6	7.4	9.0	**4.1** times
ITOCHU CHEMICAL FRONTIER Corporation	100.0%	Established in 1971 →	2.0	3.1	3.7	4.7	8.2	9.5	**4.8** times
NIPPON ACCESS, INC.	100.0%	Invested in 2001 →	6.5	8.6	9.8	7.1	21.0	23.8	**3.7** times
FUJI OIL CO., LTD.	43.8%	Established in 1950 →	2.5	2.4	4.2	2.4	0.7	4.5	**1.8** times
FamilyMart Co., Ltd.	94.7%	Invested in 1998 →	4.0	8.1	11.8 FY2018 Converted to a subsidiary	FY2020 Privatized (16.7)	41.8	52.8	**13.2** times
ITOCHU LOGISTICS CORP.	100.0%	Established in 1961 →	0.7	1.9	2.7	3.0	6.1	6.2	**8.9** times
DAIKEN CORPORATION	100.0%	Established in 1945 →	0.2	0.7	1.6	2.0	FY2023 Privatized 5.2	3.8	**19.0** times
ITOCHU Techno-Solutions Corporation (CTC)	99.95%	Established in 1972 →	6.3	10.2	13.6	17.8	FY2023 Privatized 37.6	60.6	**9.6** times
Orchid Alliance Holdings Limited	100.0%		—	—	FY2014 Established 67.9	72.5	98.3	116.2	**1.7** times*2

*1 Number of group companies as of final year of the medium-term management plan
*2 Comparison with 2017

Selected Non-Financial Data

E Environment

► Page 42 Initiatives to Address Climate Change

	Consolidated[*1]		
	FY2023	FY2024	**FY2025**
GHG emissions (Thousand t-CO_2e)			
Scope1	1,062	1,087	**1,162**
Scope2	627	640	**699**
Scope3 (Million t-CO_2e)			
1. Purchased Goods and Services	–	60	**59**
2. Capital Goods	0.5	0.6	**0.8**
3. Fuel & Energy Related Activities not included in Scope1 and Scope2	0.3	0.3	**0.3**
4. Upstream Transportation & Distribution (Non-consolidated: Domestic contracted transportation where the company acts as the shipper[†1])	0.01	0.02	**0.01**
4. Upstream Transportation & Distribution (Consolidated: Domestic and international transportation arranged by the company and its subsidiaries)	–	7	**7**
5. Waste Generated in Operations	0.2	0.2	**0.2**
6. Business Travel[†2]	0.1	0.1	**0.1**
7. Employee Commuting	0.03	0.03	**0.03**
8. Upstream Leased Asset	–	Including Scope1, 2	**Including Scope1, 2**
9. Downstream Transportation and Distribution	–	0.2	**0.2**
10. Processing of Sold Products[†3]	–	16	**15**
11. Use of Sold Products	–	70	**73**
12. End-of-life Treatment of Sold Products	–	2	**2**
13. Downstream Leased Assets	–	0.4	**0.2**
14. Franchises[†4]	1	1	**1**
15. Investments	–	16	**11**
Total	2	175	**171**
Electricity consumption (Thousand MWh)	1,673	1,842	**1,846**
Water withdrawal (Thousand m^3)	50,663	50,136	**50,524**
Waste volume (Thousand t)	610	655	**649**
Waste recycling rate	77%	83%	**85%**

*1 This is the total of ITOCHU, Group companies in Japan, overseas offices, and overseas Group companies. FY2025 figures include 631 companies.

S Society

► Page 37 Human Resource Strategy

	FY2023	FY2024	**FY2025**
Average of annual salary (Thousands of yen)	17,536	18,046	**19,912**
Consolidated employees (People)	113,733	115,089	**114,570**
Non-consolidated employees (People)	4,098	4,114	**4,125**
Female employees as a percentage of employees	25%	26%	**26%**
Monthly average overtime hours (Hours / Month)[*2]	12	11	**10**
Annual paid leave acquisition rate	66%	69%	**71%**
Overseas assignment ratio for career-track employees within their first eight years at the Company	87%	87%	**86%**
Average training / development hours per regular employee (Hours / Year)	28.2	31.0	**29.8**
Human capital development investment per employee (Thousands of yen)	555	606	**664**
Number of employees visiting the foundation site to gain a deeper understanding of "*Sampo-yoshi*" corporate mission[*3]	3,565	3,943	**4,319**
Percentage of membership in the Employee Shareholding Association	100%	100%	**100%**
Persons with disabilities as a percentage of employee	2.43%	2.42%	**2.66%**

*2 This figure represents the total actual working hours exceeding the statutory eight-hour workday.

*3 Cumulative number of participants from the entire ITOCHU Group visiting the foundation site since FY2004.

✓ GHG emissions are calculated with reference to the GHG Protocol developed by WRI (the World Resources Institute) and WBCSD (the World Business Council for Sustainable Development). GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials.

✓ The scope of aggregation covers ITOCHU Corporation (non-consolidated) and its consolidated subsidiaries.

✓ Regarding the calculation categories, only Categories 2, 3, 4 (domestic contracted transportation only), 5, 6, 7, and 14 were disclosed in FY2023. From FY2024, all categories are disclosed.

✓ The following transactions are excluded from calculation if applicable:
- Transactions treated as agency transactions in accounting and recognized as agency revenue.
- Transactions with so-called traders where neither the processor nor end-consumer can be identified as the buyer.
- Transactions between companies included within the scope of aggregation.

✓ Emission factor is selected from the Inventory Database for Calculation of an Organization's GHG Emissions through the Supply Chain issued by the Ministry of Environment of Japan, the Inventory Database for Environmental Analysis (IDEA) developed by National Institute of Advanced Industrial Science and Technology (AIST), etc.

Footnotes for Scope3

†1 Emissions related to domestic contracted transportation of ITOCHU Corporation as the shipper are calculated based on the Greenhouse Gas Emissions Calculation and Reporting Manual issued by the Ministry of the Environment and the Ministry of Economy, Trade and Industry.

†2 Calculated based on the consolidated accounting data of the ITOCHU Group. The emissions factor is used for each type of business trip. In FY2024, the GHG reduction effect of 100 t-CO_2e was included applying "Certificate of CO_2 Reduction Effect by SAF" which we purchased through "SAF Flight Initiative" offered by All Nippon Airways Co., Ltd.

†3 For processing of sold intermediate products, calculations are included if the downstream use can be identified and the emissions from the processing process can be reasonably estimated. For iron ore and metallurgical coal (ferrous raw materials), emissions from crude steel production are allocated proportionally by weight.

†4 The difference between Scope1 and Scope2 of franchisees of related consolidated subsidiaries of the ITOCHU Group and Scope1 and Scope2 of those subsidiaries is calculated.

ESG Ratings (As of June 2026)

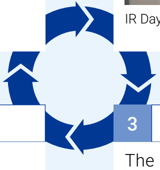
- **MSCI ESG Rating: AAA[*4]**
- **S&P Global CSA Score 2025: Top 1%**

*4 THE INCLUSION OF ITOCHU CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF ITOCHU CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

IR Activities / External Evaluation / Shareholder Information

Corporate Value Enhancement through Dialogue with Stakeholders

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

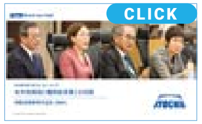


1 Key Initiatives for FY2025

Further enhancement of disclosure materials to improve multiples, hosting events to deepen understanding of our growth strategy, and advancing engagement with institutional investors

2 Disclosure / Dialogue with Stakeholders

IR Day



Dialogue between Outside Directors and Institutional Investors

3 Feedback to Management

The CFO, who serves on the Board of Directors and is responsible for IR, engages in direct dialogue with institutional investors. The opinions and feedback obtained through these dialogues are then discussed by the Board of Directors. In addition, following the announcement of financial results and the disclosure of individual matters, the IR Division directly shares the views of analysts and investors with management.

4 Key Initiatives for FY2026

Further enhancing the communication of the Company's growth story and the delivery of growth

- Further expand IR events and disclosures that highlight the Company's distinctive growth potential
- Further enhance dialogue between management and institutional investors
- Further strengthen content on the Company website and other channels, renew the integrated report, and pursue a multimedia approach

Enhancement of Corporate Value

Initiatives to Further Enhance Disclosure

- Published the Investors Guide: A concise summary of our management strategy, which is also used in meetings with investors

Initiatives to Enhance IR Events

- October 17, 2025: CXO and Digital Strategy Briefing, explaining our distinctive, pragmatic approach to AIX
- January 9, 2026: DESCENTE New Mizusawa Factory Tour, providing an on-site opportunity to experience the strengths of DESCENTE's manufacturing capabilities and brand story
- April 13, 2026: Continued dialogue between Outside Directors and institutional investors
- July 8, 2026: IR Day, held for the first time by ITOCHU, with President & COO; CSO Ishii, CFO; CXO Naka, and all Division Company Presidents as speakers

Initiatives to Ensure Timely Disclosure

- Held briefings on matters subject to timely disclosure and promptly provided opportunities to explain major investment projects after disclosure
  (April 16, 2026: Additional acquisition of Hitachi Construction Machinery; August 3: Investment in Aviation Capital Group; September 4: Strategic alliance with Dentsu Group)

Major IR Activities (Primarily for Analysts and Institutional Investors)

Activity	FY2023	FY2024	FY2025
Individual meetings	426	605	**698**
–Overseas	201	339	**391**
–Domestic	225	266	**307**
Investor briefings on financial results*[1]	4	5	**4**
Business briefings and sustainability briefings for analysts and institutional investors	1	2	**1**
Business briefings	1	1	**2**
Overseas IR roadshows	5	6	**6**
Conferences sponsored by securities companies	6	10	**13**
Individual investors briefings	3	2	**5**

*1 Investor briefings on financial results includes the Management Policy briefing held on April 3, 2024.

Investor briefings on financial results for analysts and institutional investors

Individual meetings with institutional investors

External Evaluation of Our IR Activities

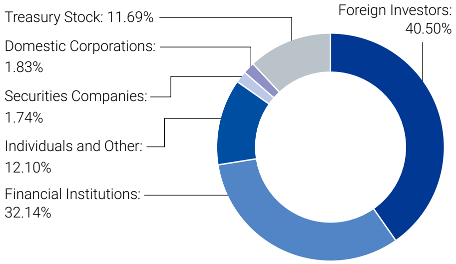
IR Activities	• Japan Investor Relations Association: "'**Most Liked!' IR Award**" • IR Good Visual Award
Integrated Report	• WICI Japan Integrated Report Award 2025: "**The Silver Award**" • 5th Nikkei Integrated Report Award: "**Grand Prize**" and "**Regend Prize**"
IR Website	• Daiwa Investor Relations Co. Ltd. 2025 Internet IR Award: "**Grand Prize (1st Place)**" • Nikko Investor Relations Co., Ltd. All Japanese Listed Companies' Website Ranking 2025: "**Overall Ranking: AAA Grade**" "**Sector Ranking (Wholesale Trade): AAA Grade**" • Broadband Security, Inc. Gomez IR Site Ranking 2025: "**Gold Ranking**"

Stock and Shareholder Information (As of March 31, 2026)

Basic Information about Our Stock

Stock Exchange Listings	Tokyo Stock Exchange (Prime Market)
Category	Wholesale, Trade
Stock Code	8001
Share Trading Unit	100 shares
Fiscal Year	From April 1 to March 31
Record Date for Dividend Payment	March 31 (Interim: September 30)
Number of Common Shares Issued	7,924,447,520
Number of Shareholders	506,630
Shareholder Register Administrator	Sumitomo Mitsui Trust Bank, Limited

Breakdown of Shareholders



ITOCHU Corporation

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