

## Management Policy

# ***The Brand-new Deal***

– Profit opportunities are shifting downstream –

ITOCHU Corporation

April 3, 2024



I am One with Infinite Missions

**– Profit opportunities are shifting downstream –**

We aim to achieve sustainable enhancement in corporate value, by having all employees, from the business divisions to the administrative divisions, always enhancing their marketing capabilities, leveraging the assets and expertise of upstream and midstream, which we have been building up for over 160 years since our founding, while developing and evolving downstream businesses that are closer to consumers.

<p><b>Grow earnings</b></p>	<p><b>No growth without investments</b></p>
<p><b>Enhancement of corporate brand value</b></p>	<p><b>Enhancement in qualitative aspects</b></p>
<p><b>Shareholder returns</b></p>	<p><b>Total payout ratio 40% or more</b>  <b>The higher of 30% dividend payout ratio or dividend ¥200 per share</b></p>

# No Growth without Investments

Accelerate growth investments starting from a downstream, leveraging a stable business foundation, to grow earnings.

Strive for further growth through the expansion of business areas and strengthening and expanding business foundation.



## Market-oriented perspective

Developing and evolving downstream businesses that are closer to consumers

- ◆ Maximizing synergies by horizontal collaboration among Division Companies
- ◆ Business transformation and creation through business integration

# Enhancement of Corporate Brand Value



**Built a "corporate brand" through high external evaluations based on the accumulation of innovative initiatives, creating a synergy effect with financial growth, thereby enhancing corporate value.**

**Based on the "market-oriented perspective," we aim to further enhance brand value by listening to the voices of the market, society, and consumers, and continuing to refine our qualitative aspects diligently.**

## Reinforcement of human capital

- ✓ Continuing to secure outstanding human resources by maintaining our position as the No.1 company selected by students
- ✓ Continuously cultivating a diverse pool of management talent based on their capabilities, regardless of age or gender, through our Executive Officer appointment policy
- ✓ Improving Employees' willingness to contribute by realizing "challenging but rewarding workplace" and pursue further labor productivity

## Strengthening dialogue with stakeholders

- ✓ Building and accumulating trust through actively incorporating insights gained from a wide range of dialogues into our management
- ✓ Enhancing our presence through expanding our contact points with consumers through unique channels and businesses

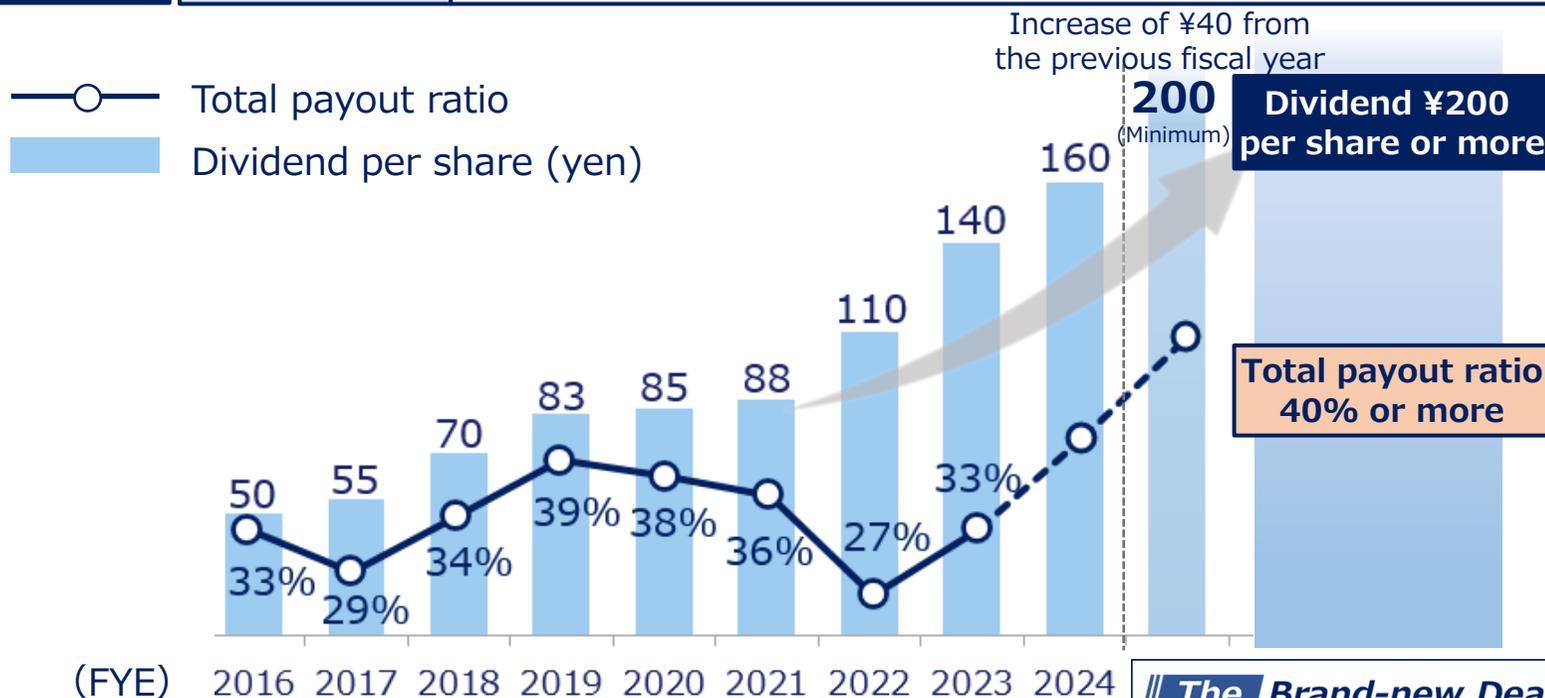
## Enhancing our contribution to and engagement with the SDGs through business activities

- ✓ Continuously responding to social demand by aiming to balance both sustaining the basic policies outlined in the previous medium-term management plan and promoting businesses that contribute to emissions reduction

# Shareholder Returns / Financial Policy



<b>Shareholder returns policy</b>	<b>Total payout ratio</b>	<b>40% or more</b>
	<b>Dividends</b>	<b>The higher of 30% payout ratio or dividend ¥200 per share</b> While based on <b>principle of 30%</b> payout ratio, also consider the minimum dividend of ¥200 per share <b>with an eye to the profit stage in the future</b>



Share buybacks (Billions of yen)

16.2	27.9	68.0	62.0	13.5	60.0	60.0	100.0
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**The Brand-new Deal**  
Execute share buybacks actively and continuously

<b>Financial policy</b>	<b>Maintaining financial foundation based on balancing three factors (Growth investments, shareholder returns, and control of interest-bearing debt)</b>
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# FYE 2025 Management Plan



## Profit Plan

Consolidated net profit  
**¥880.0 billion**

ROE  
**16%**

## Shareholder Returns

Total payout ratio  
 Aiming at **50%**

Dividends  
 Minimum of  
**¥200** per share  
 (Increase of **¥40** from the previous fiscal year)

Share buybacks  
 Approx. **¥150.0 billion**

## Growth Investments

Investment amount  
**Maximum ¥ 1 trillion**

Core operating cash flows after deducting shareholder returns in FYE2025 + Surplus capital in the previous medium-term management plan

NET DER  
**Less than 0.6 times**

\*1 The assumptions for major indicators are as follows: 140 yen/US\$ for exchange rate (average), 80 US\$/BBL for crude oil (brent), 0.4% for interest rate (TIBOR 3M) (¥), and 5.0% for interest rate (SOFR 3M) (US\$).

\*2 The profit plan by segment and the outlook for other detailed information will be announced on May 8th.

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