



# Corporate Governance

ITOCHU will aim to achieve sustained gains in corporate value by both showing strong leadership and implementing transparent and fair decision-making.

## Fundamental Approach to Corporate Governance

With its corporate mission of "Committed to the Global Good," ITOCHU strives to respect each individual and to make meaningful contribution towards creating a bright future for all human beings and the environment. In addition, ITOCHU has formulated its corporate message—"I am One with Infinite Missions"—which expresses the purpose of the corporate mission in plain terms and describes the exceptional individual capabilities that are ITOCHU's core strength.

A strong leadership and a transparent decision-making system are pillars of good corporate governance. ITOCHU adopts an organizational structure with the presence of a Board of Corporate Auditors. In recent years, ITOCHU has gradually shifted to a governance model where executive officers decide and carry out the day-to-day business under the direction and supervision of the Board of Directors, as itself monitored and audited by the Board of Corporate Auditors. In order for the Board of Directors to further exercise effective control and management over the corporation, ITOCHU has established a Governance and Remuneration Committee and a Nomination Committee, each of which is chaired by an outside director. In appointing outside directors and corporate auditors, ITOCHU places great importance on their independence, and

in this connection ITOCHU has adopted its own independence criteria, augmenting the independence criteria established by the Tokyo Stock Exchange. The Board of Directors, which includes multiple, highly independent directors, supervises the business execution of "senior managements" and conducts deliberations regarding business execution that is highly important, from both quantitative and qualitative perspectives. The Company believes that, through this type of functioning by the Board of Directors, the supervision of business execution can be handled appropriately and important business execution matters can be considered from an outside perspective.

It is vital that ITOCHU timely and adequately discloses its financial and non-financial information to the stakeholders as part of good governance. In May 2015, ITOCHU adopted the "Basic IR Policy" to further promote a multi-party stakeholder dialogue. Through communication with its stakeholders, ITOCHU aims to enhance its corporate value on a long-term basis.

The Company is aware of the rapid progress of discussions regarding Japan's corporate governance as well as trends in overseas countries. ITOCHU will continue to evaluate and improve its corporate governance structure so that it always best suits ITOCHU in any given moment and time in its corporate history.

## Steps Taken to Strengthen Corporate Governance

1999	Introduced Executive Officer System	To strengthen decision-making and supervisory functions of the Board of Directors
2011	Introduced an Outside Directors System	To increase the effectiveness of the supervision of management and improve the transparency of decision-making
2015	Established the Nomination Committee and the Governance and Remuneration Committee, etc.	To strengthen the Board of Directors' supervision function and increase transparency
2016	Increased the number of outside directors by one, moved to three-person system	To strengthen the Board of Directors' supervision function
	For the Nomination Committee and the Governance and Remuneration Committee, made the chairs outside directors half or more of the committee members	To strengthen the functioning of the Nomination Committee and the Governance and Remuneration Committee
	Implemented Board of Directors' effectiveness evaluation	To consider a future system based on Board of Directors' recognition of issues