

Corporate Officer Remuneration

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

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

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

Overview of Remuneration System and Maximum Remuneration Limit

Fixed / Variable	Overview	Remuneration Limit	Resolution at General Meeting of Shareholders
Fixed remuneration	(1) Monthly remuneration Determined based on the standard amount by position and the level of contribution to ITOCHU, including its response to climate change, the SDGs, and ESG.	¥1.0 billion per year as total amount of monthly remuneration (including ¥0.1 billion per year as a portion paid to Outside Directors)	June 24, 2022
Variable remuneration (Single year)	(2) Performance-linked bonuses Determined based on consolidated net profit, and each individual payment amount is determined in relation to the position points for the Director.	¥3.0 billion per year as total bonuses paid to all Directors * Not paid to Outside Directors	
Variable remuneration (Medium- to long-term)	(3) Share price-linked bonuses Calculated based on the increase in ITOCHU's stock price for two consecutive fiscal years and relative growth rate of ITOCHU's stock price compared to TOPIX.		
	(4) Performance-linked stock remuneration (non-monetary remuneration) Total payment amount is determined based on consolidated net profit, and each individual payment amount is determined in relation to the position points for the Director used in calculating the individual performance-linked bonuses.	The amounts below are limits for two fiscal years, for Directors and Executive Officers <ul style="list-style-type: none">• Limit on contribution to trust by ITOCHU: ¥1.5 billion• Total number of points granted to eligible person: 1.3 million points (conversion at 1 point = 1 share) * Not paid to Outside Directors	June 24, 2016

Details of the Remuneration Paid to Directors and Audit & Supervisory Board Members of the Company in FYE 2023

(Rounded to the nearest million yen)

Type		Number of People	Total Amount of Remuneration (Millions of yen)	Details (Millions of yen)			
				Monthly Remuneration	Performance-Linked Remuneration		
					Performance-Linked Bonuses	Share Price-Linked Bonuses	Stock Remuneration
Directors	Inside	6	2,964	581	1,825	168	390
	Outside	4	81	81	—	—	—
	Total	10	3,045	662	1,825	168	390
Audit & Supervisory Board Members	Inside	3	111	111	—	—	—
	Outside	3	60	60	—	—	—
	Total	6	172	172	—	—	—

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

Total Amount Paid to All Directors

Total amount paid to all Directors
= (A + B + C) x Sum of position points for all the eligible Directors ÷ 55
A = (Of consolidated net profit for FYE 2024, the portion up to ¥200.0 billion) x 0.35%
B = (Of consolidated net profit for FYE 2024, the portion exceeding ¥200.0 billion and up to ¥300.0 billion) x 0.525%
C = (Of consolidated net profit for FYE 2024, the portion exceeding ¥300.0 billion) x 0.525% (of which, 0.175% as stock remuneration)

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

Amount Paid to an Individual Director

Amount paid to an individual Director = Total amount paid to all Directors x Position points ÷ Sum of position points for all the eligible Directors. Amount paid to an individual Director is determined by dividing total amount paid to all Directors based on points assigned by position shown below:

Chairman	President	Executive Vice President	Senior Managing Executive Officers	Managing Executive Officers	Executive Officers
10	7.5	5	4	3	2.2

Of the amount paid to an individual Director, the portion corresponding to A and B is paid entirely in cash. In regard to the portion corresponding to C, 0.175% is paid as stock remuneration and the balance is paid in cash. Furthermore, 80%*1 of the amount paid in cash is linked to a rate determined based on the plan achievement rate of the consolidated net profit of the assigned division / department. In regard to stock remuneration during the term of office, annual points are awarded (1 point = 1 share), and after retirement stock remuneration is paid from the trust in correspondence with accumulated points. Plans call for

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

- *1 Formula for 80% of the amount paid in cash to an individual Director: (Total base amount paid to all Directors x Position point / Sum of position points for all the eligible Directors) x 80% x (Rate determined based on plan achievement rate of the consolidated net profit of the assigned division / department*2)
- *2 Rate determined based on plan achievement rate of the consolidated net profit of the assigned division / department: 100% + (Plan achievement rate of the consolidated net profit of the assigned division / department – 100%) x 2 (if negative, it will be 0%. Maximum will be 200%.)
- *3 Among the Company's Directors in FYE 2024, a Director has been assigned the Machinery Company as the division / department whose business performance evaluation is reflected. The plan value for the consolidated net profit of the Machinery Company in FYE 2024 is ¥105.0 billion (announced on May 9, 2023). However, the standard amount for business performance evaluation has been set at ¥110.0 billion to provide an incentive for further enhancement of business performance.
- *4 The plan achievement rate shall be 100% for the eligible Director for whom no plan achievement rate is measurable.

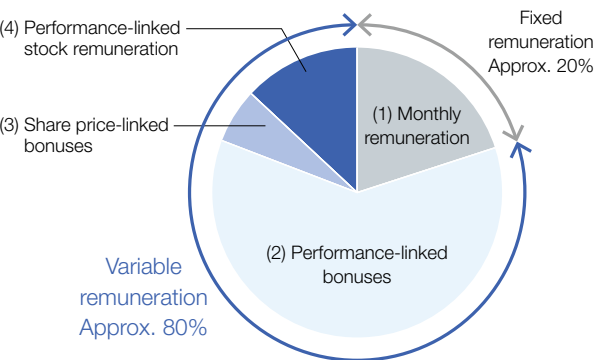
Calculation Formula for (3) Share Price-Linked Bonuses

Amount paid to an individual Director*1 (FYE 2024)
= ((Simple average of daily closing price of ITOCHU stock in FYE 2024) – (Simple average of daily closing price of ITOCHU stock from FYE 2022 to FYE 2023)) x 1,300,000 x (Position points*2 of FYE 2024) / (108.8 points) x Relative stock price growth rate*3 x 1/2

Amount Paid to an Individual Director*1 (FYE 2025)
= ((Simple average of daily closing price of ITOCHU stock from FYE 2024 to FYE 2025) – (Simple average of daily closing price of ITOCHU stock from FYE 2022 to FYE 2023)) x 1,300,000 x (Total position points*2 of FYE 2024 and FYE 2025) / (108.8 points x 2) x Relative stock price growth rate*4 – Share Price-linked Bonuses of FYE 2024

- *1 Share price-linked bonus amounts are determined and paid after the Director retires (after the Executive Officer retires, in the case of taking on the position of Executive Officer after retirement of the Director). If the amount calculated based on the calculation formula is negative, the amount paid to an individual Director for the relevant year will be zero.
- *2 The position points assigned to each Director are the same as those applied for calculating (2) performance-linked bonuses.
- *3 Relative stock price growth rate = (Simple average of daily closing price of ITOCHU stock in FYE 2024 / Simple average of daily closing price of ITOCHU stock from FYE 2022 to FYE 2023) / (Simple average of daily TOPIX in FYE 2024 / Simple average of daily TOPIX from FYE 2022 to FYE 2023)
- *4 Relative stock price growth rate = (Simple average of daily closing price of ITOCHU stock from FYE 2024 to FYE 2025 / Simple average of daily closing price of ITOCHU stock from FYE 2022 to FYE 2023) / (Simple average of daily TOPIX from FYE 2024 to FYE 2025 / Simple average of TOPIX from FYE 2022 to FYE 2023)

Composition of Remuneration for Directors (Excluding Outside Directors) (FYE 2023)



Remuneration Image of Directors (Excluding Outside Directors)

