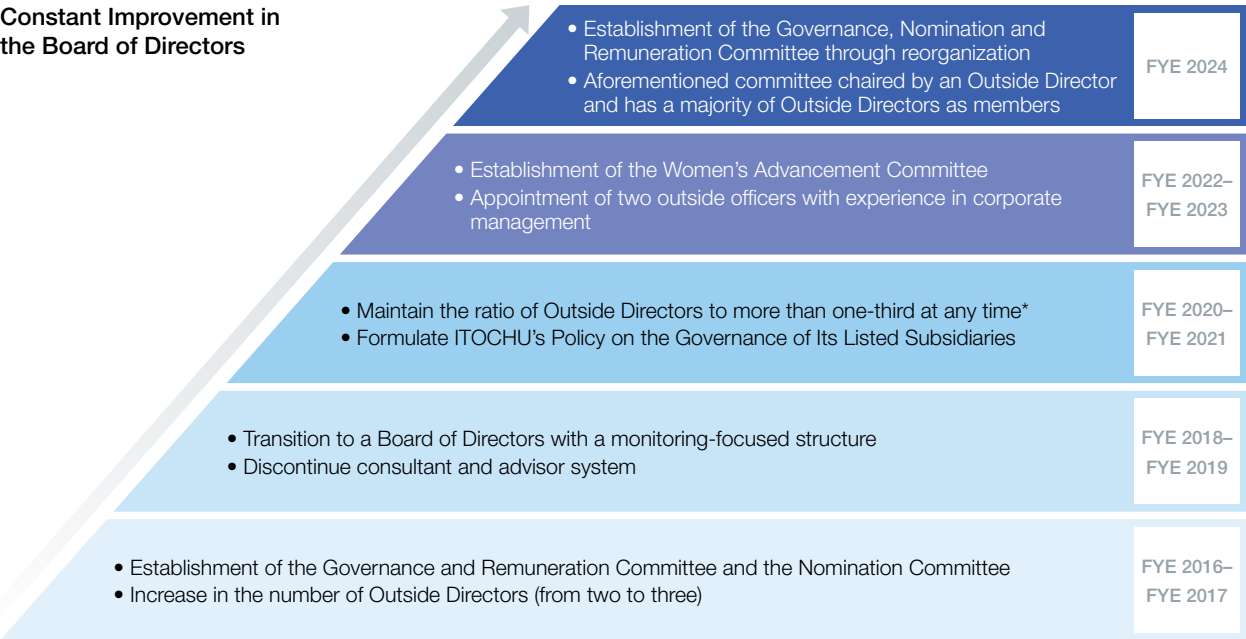


Constant Improvement in the Board of Directors



\* The ratio of Outside Directors to more than one-third had been practiced after the transition to a monitoring-focused Board of Directors in FYE 2018 and has been adopted and adhered to as a policy.

Activities of the Advisory Committees to the Board of Directors

Governance and Remuneration Committee

In FYE 2023, a total of four meetings were held (two of which were held by paper circulation), with all members in attendance. The main topics included the Board of Directors' effectiveness evaluation, the conclusion of a company indemnification agreement, reorganization of the Governance and Remuneration Committee and the Nomination Committee, and the continuation of share price-linked bonuses with the two fiscal years from FYE 2024 to FYE 2025 as a calculation period. Each member engaged in active deliberations on every topic. In deliberations on the reorganization of the Governance and Remuneration Committee and the Nomination Committee, opinions were expressed to the effect that integration of the committees would promote even livelier discussions and that a committee with a composition reflecting the different roles of Directors and Audit & Supervisory Board Members would enable them to better fulfill their respective roles.

Nomination Committee

In FYE 2023, a total of four meetings were held (one of which was held by paper circulation). One of the in-person meetings was attended only by the Chairman & CEO and the committee members who are outside officers. The other two meetings were attended by all committee members. The committee members deliberated such matters as FYE 2024 personnel matters related to Executive Officers, succession plans, and other items, and held lively discussions on important personnel matters, including the continued appointment of the CAO and CFO and the appointment of Directors, Audit & Supervisory Board Members, and Executive Officers. In addition, future-oriented discussions on succession planning will continue to be held.

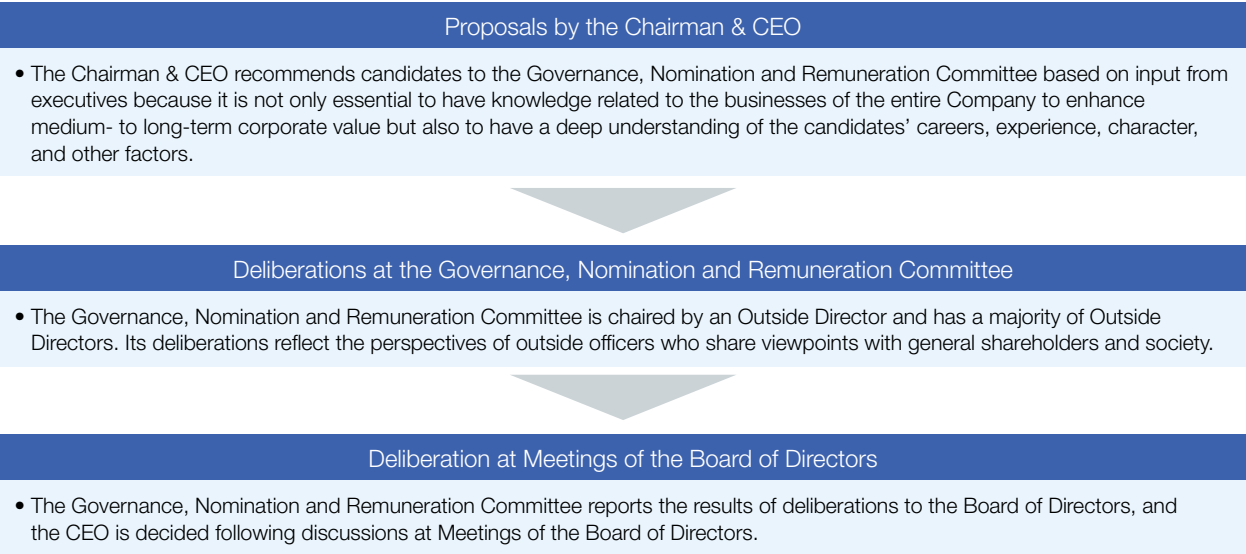
Women's Advancement Committee

In FYE 2023, a total of two meetings were held, with all members in attendance. The main topics included the current status of new female appointees to and female candidates for senior management positions, initiatives for the promotion of female employees, and human capital disclosure in the Financial Information Report. Each member engaged in active deliberations on every topic. Regarding new female appointees to senior management positions, the committee received reports stating that, partly thanks to initiatives to date, steady progress is being made in appointing women to important positions, including the appointment of the first female president of an overseas office and the appointment of a first female president of a domestic Group company. Also, opinions were provided to the effect that in achieving further favorable results, it was necessary to share examples of female career-track employees who have successfully assumed important positions, and to understand and support from the front lines in which female employees are actually promoted.

Succession Plan

The Company positions succession plans as a material management issue in an effort to enhance management sustainability and medium- to long-term corporate value. As the CEO leading ITOCHU, a general trading company, it is assumed that the most important skill is to have "business capabilities as a merchant" and business sense, and to be able to practice "Sampo-yoshi." The CEO selection process and a policy on training CEO candidates are as follows.

CEO Selection Process



Policy on Training CEO Candidates

Officers who have "business capabilities as a merchant" are positioned within the organization to enable them to thrive and gain experience. To train multiple candidates in leadership and enable them to learn how to engage with customers, we allow them to gain daily experience in highly challenging frontline operations, regardless of whether they are stationed at headquarters or a Group company, in Japan or overseas.



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. As of FYE 2024, he serves as chair of the Governance, Nomination and Remuneration Committee.

Selecting Management with a Focus on Practicality

As chair of the Governance, Nomination and Remuneration Committee, I emphasize practicality above all else in selecting senior management members. There are aspects of formally setting the CEO's term and retirement age that are easy for stakeholders to comprehend, but amid this uncertain business environment, I do not believe that proceeding with generational replacement in line with just one set of rules will necessarily lead to the sustainable growth and enhancement of corporate value. Corporate management is not conducted by the CEO alone. The presence of a robust management team supporting the CEO is crucial. The Governance, Nomination and Remuneration Committee discusses many important human resource matters, including management supporting the CEO. When selecting management, some aspects of character can be glimpsed from their experience to date and their daily interactions. It is also important, however, to uncover their unwavering resilience and true qualities in line with the trends of the time. General trading companies have expanded business and changed their business structures in tandem with changes in the external environment. In addition to nimble innovation suited to the roles of companies demanded by each era, we need to assess whether they have a consistent core as a merchant and can demonstrate steadfast leadership. ITOCHU has many personnel who have a talent for doing business. As chair of the Governance, Nomination and Remuneration Committee, I will continue leading discussions on important personnel, such as the CEO and other senior management members, while assessing current trends, as well as utilizing my perspective as outside officer and as a former top management in the retail industry.