

ITOCHU emphasizes dialogue with its shareholders, investors, and other stakeholders from the perspective of achieving sustainable growth and enhancing corporate value over the medium to long term. After announcing “Brand-new Deal 2020,” which failed to give due consideration to market expectations, the Company’s share price plunged. Learning from this experience, we now strive to reflect input obtained in investor meetings, general meetings of shareholders, and one-on-one meetings into our management strategies and financial and capital policies. Through commitment-based management, we are striving to expand corporate value and sustain a positive cycle through effective engagement.

Examples of Feedback from Shareholders and Investors

Achievements Short Term Targets	<ul style="list-style-type: none"> General trading companies’ results are affected significantly by fluctuations in resource prices. The impact of COVID-19 on performance is unclear. As far as possible, I would like to obtain information and outline its directions. 	
Steppingstones Medium- to Long-Term Value Creation	<ul style="list-style-type: none"> The shareholder returns policy unveiled along with “Brand-new Deal 2020,” the medium-term plan, was vague and less attractive than expected. The measures for enhancing corporate value described in “Brand-new Deal 2020” were not clear. No KPIs were provided. The “reinvention of business” policy was vague; no specific actions were evident. I would like the Company to indicate specific growth strategies. In particular, no specific collaboration with CITIC and CP Group. 	
Initiatives and Systems Supporting Sustainable Growth	<ul style="list-style-type: none"> I find it unfortunate that no progress was made on the share buybacks announced in the medium-term plan. I would like to hear the Company’s thoughts on parent-subsidiary listing. The Company’s policies for the coal-related business should be announced. Please outline initiatives on climate change. I would like to see a progress on successor planning. 	

Dialogue

Reflection in

management measures

Examples of Measures Launched as a Result of Dialogue

Achievements Short Term Targets	<ul style="list-style-type: none"> Built a steady earnings base centered on the non-resource sector and practiced “commitment-based management” achieving initially planned results for four consecutive years Indicated quantitative targets in the FYE 2021 Management Plan (May 2020) 	
Steppingstones Medium- to Long-Term Value Creation	<ul style="list-style-type: none"> Announcement of the “Medium- to Long-Term Shareholder Returns Policy” (October 2019) Presented management indices that consider the enhancement of corporate value (medium-term plan, positive Core Free Cash Flows after deducting shareholder returns) Conducted a briefing session regarding the reinvention of business (investors meeting for one-on-one dialogue) Clarified and explained our thoughts on the “reinvention of business” in the annual report 	
Initiatives and Systems Supporting Sustainable Growth	<ul style="list-style-type: none"> Announced ITOCHU’s coal-related business policy (February 2019) After conducting a TCFD scenario analysis, announced our endorsement of the TCFD recommendations Announced “ITOCHU’s Policy on the Governance of its Listed Subsidiaries, etc.” (October 2019) 	

Issues the Company Recognizes It Needs to Address through Dialogue

Steppingstones to Medium- to Long-Term Value Creation	<ul style="list-style-type: none"> Specific results of collaboration with CITIC and CP Group Prompt execution of the share buybacks already announced, for 35 million shares or more 	
Initiatives and Systems Supporting Sustainable Growth	<ul style="list-style-type: none"> Explanation of specific deliberations by the Nominating Committee 	