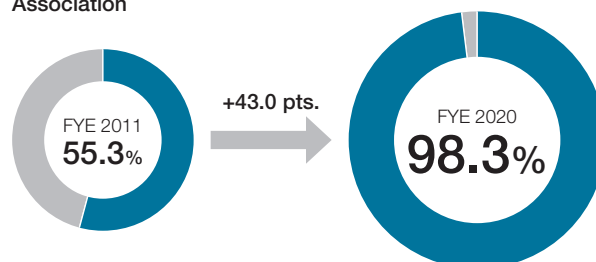


Increase Awareness of Participation in Management (Shared Value with Shareholders)

Shareholder-Conscious Stock Compensation Scheme

To achieve sustainable increases in corporate value, we believe it is important for employees, in addition to the management team, to take part in management. We have encouraged participation in our employee shareholding association, and the participation level reached almost 100% in FYE 2019. Going further, in FYE 2020 we used this association to introduce a stock compensation scheme. Under this scheme, we pay special incentives when the Company's performance reaches a certain level, granting shares as consideration.

Percentage Membership in the Employee Shareholding Association



Cultivate a Motivating Workplace Environment

Create a Rewarding Workplace Environment	OUTCOME
Morning-Focused Working System (from FYE 2014) <ul style="list-style-type: none"> Shift from the tendency to work late-night to morning-focused working style In principle, prohibit work after 8:00 p.m., and encourage to work in early morning (from 5:00 a.m. to 8:00 a.m.) Offer free breakfast Provide a higher wage rate for people who start work before 8:00 a.m. Extend morning training options, such as Morning Activity Seminars 	<ul style="list-style-type: none"> Improve operating efficiency and use time more effectively (self-improvement, etc.) Reduce overtime work, correcting the issue of long working hours By reducing overtime pay and taxi fares, almost no change in net costs even though providing free breakfast
Dress-down Days (from FYE 2018) <ul style="list-style-type: none"> Create an environment that encourages flexible thinking Allow employees to work in casual clothing from Tuesday through Friday (every day in summer) 	<ul style="list-style-type: none"> By encouraging employees to think more about their clothing, promote employees to actively have interests in various things and foster an environment conducive to new ideas

Results of Morning-Focused Working System

		Before introduction	One year after introduction	FYE 2020
Leaving the Office* ¹	8:00 p.m. or after	30%	7%	6%
	Of which, 10:00 p.m. or after	10%	almost 0%	almost 0%
Entering the Office* ¹	8:00 a.m. or before	20%	34%	43%
Hours of overtime work* ²		—	(7%)	(8%)
Cost per month (Overtime pay + cost of breakfast)* ²		—	—	almost no change
Usage of paid holidays* ²		—	—	increase of 10%

*¹ 1 % of people in the headquarters

*² Compared with the level before we introduced the Morning-Focused Working System

FYE 2019 Engagement Survey*¹ Results (Main Items)

	Affirmative response rate	Compare with global average* ²
ITOCHU considers employees important and takes them into consideration	80%	+17%
ITOCHU places importance on customers	80%	+5%
ITOCHU calls for the achievement of high levels of success	91%	+5%

*¹ Next survey scheduled for FYE 2023 (conducted every four years)

*² Global average of 330 enterprises and 6.7 million employees

Improve Employee Health

Improve Employee Health	OUTCOME
Establishment of the ITOCHU Health Charter (from FYE 2017) Support Measures for Balancing Cancer Care and Work (from FYE 2018) <ul style="list-style-type: none"> Hold regular special checkups through a cooperation with the National Cancer Center Research Institute Reflect the balance between treatment and work tasks in individual performance reviews Provide full Company assistance for expenses for advanced cancer treatment Provide schooling and work support for bereaved family members 	<ul style="list-style-type: none"> Maintain and increase employee motivation and sense that work is worthwhile Create an environment where employees can feel secure and devote their full attention to work Reduce uncertainty about the future Nearly 100% screening among people targeted for cancer screening Held a total of three internal seminars themed on cancer, with more than 1,000 participants Strengthen the organizational capabilities

