excess funds for growth investments going forward.

In terms of NET DER, we achieved further improvement, reducing it from 0.82 times in FYE 2019 to 0.75 times and setting a new best record.

Finally, in terms of ROE, we hit 17.0%, beating our initial target of around 16%. By maintaining such a high level, we have held the No. 1 spot among general trading companies for six years running while striking a balance between "enhancing shareholder returns," namely through higher dividends and share buybacks, and "enhancing shareholders' equity."

In addition to the methodical allocation of capital and enhancement of shareholder returns, we have once again earned praise from shareholders and investors regarding the stability and sustainability of our earnings in the non-resource sector, especially the consumer-related business, which is our strength. As a result, in FYE 2020 ITOCHU's share price set 22 record highs.

Question 2
Are there any changes to the financial and capital strategies under the "FYE 2021 Management Plan?"

Answer 2
There have been no fundamental changes.

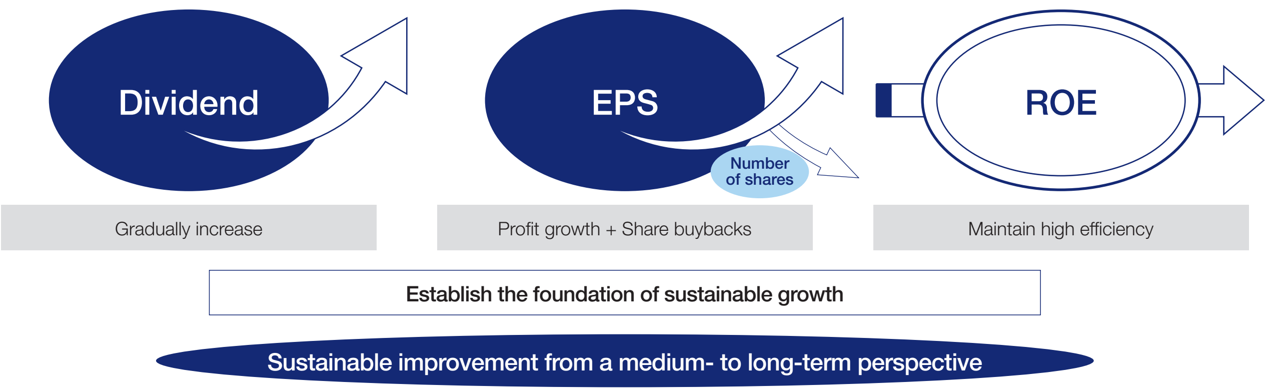
While the goals of "Brand-new Deal 2020" were achieved ahead of schedule, as mentioned previously, we have decided not to make any major changes under the single-year "FYE 2021 Management Plan" to the management policies in place. Neither have we made any changes to the "Policy to achieve high ROE while balancing three factors (shareholder returns, growth investments, and control of interest-bearing debt)" nor to the "Medium- to Long-Term Shareholder Returns Policy."

The latter policy clarifies the two aspects of our approach to shareholder returns in the medium to long term (a period of three to four years from the policy's announcement) concerning dividend payout ratio and share buybacks. It also sets forth our policy that focuses on EPS in order to achieve a medium- to long-term enhancement in corporate value. Basically, by working toward achieving profit growth, we aim to sustainably improve EPS and will therefore continue to search out growth investment opportunities. Meanwhile, we need to more seriously consider the financial impact of the extraordinary circumstances caused by the COVID-19 pandemic.

Regarding share buybacks, to live up to our commitments under this shareholder returns policy, we will continue to carry out the remaining "share buybacks of up to 35 million shares or ¥70.0 billion" as currently announced. However, we intend to continue to strike just the right balance to ensure that corporate management does not overemphasize either growth investments or shareholder returns. We seek to avoid becoming shackled to one side, which creates warped priorities.

Furthermore, regarding the status of our funding

Concept for Enhancing Corporate Value



Medium- to Long-Term Shareholder Returns Policy	• Gradually increase dividend payout ratio Gradually increase dividend payout ratio, targeting up to approx. 30%. • More actively execute share buybacks Actively and continuously execute share buybacks, while considering the level of share price and cash flow availability.