

Transition of the Corporate Governance System

ITOCHU aims to continuously improve the effectiveness and transparency of its corporate governance system, a foundation that supports sustainable increases in economic and social value under its new “Sampo-yoshi” Group corporate mission.

Design of Effective Organizations and Systems with Strong Awareness of Corporate Value Improvement

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Transparent and fair decision-making Independent advisory committees to the Board of Directors ➡ Page 74	Ensure diversity Outside Directors with specialized experience in diverse fields ➡ Page 75	Maintain and improve effectiveness of the Board of Directors Continuous confirmation and improvement of effectiveness based on third-party assessments ➡ Page 76



Atsuko Muraki

Outside Director

Ms. Muraki assumed a position as member of the Board of Directors at ITOCHU in June 2016, after serving as Vice Minister of Health, Labour and Welfare. She served as Chairman of the Governance and Remuneration Committee in FYE 2020, leading discussions regarding Corporate Officer remuneration, etc. She has provided many helpful suggestions concerning internal control, compliance, deploying personnel, and strengthening organizations.

Aiming for Long-Term Increases in Corporate Value

Since being appointed as an Outside Director of ITOCHU, I have served as a member of the Governance and Remuneration Committee, and I also chaired the same committee in FYE 2019 and FYE 2020, fulfilling my role as Outside Director through deep involvement in changing the Company's corporate governance for the better. During my tenure, I have experienced major changes as the Board of Directors transitioned to a monitoring-focused structure. Thereafter, the Company's corporate governance system has steadily improved with each passing year, including an increase in the ratio of Outside Directors to 40%.

The Corporate Officer remuneration system, one of the major topics of discussion by the Governance and Remuneration Committee, is designed to reflect in the remuneration of each Corporate Officer's role and contribution to performance, with the aim of winning the trust of shareholders and other stakeholders.

There is no goal for advancing corporate governance. Therefore, we continue to seek to create an even better system through constant revisions in response to the rapidly changing external business environment. In FYE 2021, as the Chairman of the Nomination Committee, I will work to improve ITOCHU's corporate value by strengthening the Company's corporate governance system through examining succession plans, an important corporate governance issue for the Company, and through discussions about personnel matters relating to Board Members.

History of Changes in the Corporate Governance System

	Purpose	Actions Taken
FYE 2021	Maintenance and improvement of the effectiveness of the Board of Directors and improvement of Group governance system	<ul style="list-style-type: none"> Maintain the ratio of female Directors at 20% Improve the governance structure of listed subsidiaries
FYE 2020	Further improvement of the effectiveness of the Board of Directors	<ul style="list-style-type: none"> Maintain the ratio of Outside Directors to more than one-third at any time Further improve the diversity of Outside Directors Achieve ratio of 20% of female Directors on the Board of Directors (in addition, two female Executive Officers (non-Director)) Formulate ITOCHU's Policy on the Governance of its Listed Subsidiaries Reorganized the Nomination Committee (Majority members of both the Governance and Remuneration Committee and the Nomination Committee are outside executives)
FYE 2019	Maintenance of the Board of Directors' system in response to internal and external changes	<ul style="list-style-type: none"> Transition to a Management Structure with a Chairman & CEO and a President & COO Improve diversity of Outside Directors Maintain an Outside Directors' ratio of at least one-third Discontinue consultant and advisor system
FYE 2018	For thorough separation of management execution and supervision	<ul style="list-style-type: none"> Transition to a Board of Directors with a monitoring-focused structure Increase in the ratio of Outside Directors to at least one-third No Directors except one Division Company President appointed to concurrent positions
FYE 2017	To strengthen the Board of Directors' supervision function	<ul style="list-style-type: none"> Increase in the number of Outside Directors (from two to three) Reorganized the Governance and Remuneration Committee and the Nomination Committee (appointing Outside Directors as chairmen and accounting Outside executive half or more of members)
FYE 2016	To strengthen the Board of Directors' supervision function and increase transparency	<ul style="list-style-type: none"> Response to Japan's Corporate Governance Code Establishment of the Governance and Remuneration Committee and the Nomination Committee
FYE 2012	To increase the effectiveness of the supervision of management and improve the transparency of decision-making	<ul style="list-style-type: none"> Appointment of two Outside Directors
FYE 2000	To strengthen decision-making and supervisory functions of the Board of Directors	<ul style="list-style-type: none"> Introduction of Executive Officer System