[Translation for Reference and Convenience Purposes Only]

ITOCHU Corporation

CORPORATE GOVERNANCE

Please note that the following is an unofficial English translation of the Japanese original text of the Corporate Governance Report of ITOCHU Corporation, which has been reported to the Tokyo Stock Exchange. ITOCHU Corporation provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

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The following is an overview of corporate governance at ITOCHU Corporation.

I Basic Policy, Capital Structure, Corporate Attributes and Other Basic Information

1. Basic Policy

ITOCHU Corporation ("ITOCHU" or the "Company") commits itself to the global good. To realize this mission, ITOCHU strives to respect each individual and to make meaningful contribution towards creating a bright future for all human beings and the environment. In addition, "I am One with Infinite Missions" was adopted as a corporate message to express the ITOCHU Mission in plain terms. Underlying the message is the exceptional ability of each employee, the core strength of ITOCHU.

It is our fundamental management policy to build a fair and good relationship with various stakeholders based on our corporate philosophy and our code of conduct and thus improve our corporate value from a long-term perspective. In accordance with this policy, with the intention to ensure proper and efficient execution by management, we will enhance the transparency of decision-making and establish a corporate governance system in which monitoring and supervision functions are appropriately incorporated.

A strong leadership and a transparent decision-making system are pillars of good corporate governance. ITOCHU adopts an organizational structure with the presence of an Audit & Supervisory Board (*kansayaku secchi kaisha*). In recent years, ITOCHU has gradually shifted to a governance model where executive officers decide and carry out the day to day business under the direction and supervision of the Board of Directors, along with implementing measures to strengthen monitoring.

In order to separate execution by and monitoring over management, we reduced several executive Directors and the percentage of outside Directors in our Board of Directors was increased to one-third or more from April 2017. We keep this percentage of outside Directors also in FY2020 and onwards. Additionally, ITOCHU has established a Governance and Remuneration Committee and a Nomination Committee as advisory committees to the Board of Directors. Each committee is chaired by an outside Director and the majority members of each committee are outside Directors and Audit & Supervisory Board Members. In appointing outside Directors and Audit & Supervisory Board Members, ITOCHU places great importance on their independence, and in this connection, ITOCHU has adopted its own independence criteria, augmenting the independence criteria established by the Tokyo Stock Exchange.

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This highly independent Board of Directors monitors execution by management as well as deliberates the execution of business that is of high quantitative or qualitative importance. The Company believes this arrangement facilitates not only appropriate monitoring over execution by management but also the consideration of important business execution from an external perspective.

It is also vital that ITOCHU timely and adequately discloses its financial and non-financial information to the stakeholders as part of good governance. In May 2015, in line with the ITOCHU Mission and the Corporate Governance Code of the Tokyo Stock Exchange, ITOCHU adopted a “Basic IR Policy” to further promote a multi-party stakeholder dialogue. Through the communication with its stakeholders, ITOCHU aims to enhance its corporate value on a long-term basis.

We believe that our current corporate governance structure accords with good and effective corporate governance called for by the Tokyo Stock Exchange, in its Corporate Governance Code. ITOCHU will continue to evaluate and improve its corporate governance structure so that it always best suits ITOCHU in any given moment and time in its corporate history.

[**Reasons for Not Implementing Principles of Corporate Governance Code**]

ITOCHU complies with all principles set forth in the Corporate Governance Code.

[**Disclosure Based on Principles of Corporate Governance Code**]

(Principle 1.4)

■ Policy on Acquiring and Holding Listed Stocks

ITOCHU classifies investments other than for pure investment purposes and to consolidated companies as “Investments to Non-Affiliated Companies,” and the “Cross-Shareholdings” as set forth in Corporate Governance Code is included in this classification. ITOCHU engages in investments to non-affiliated companies in order to create business relationships. In principle, it is the Company’s policy to limit investments to non-affiliated companies to those that have a high likelihood of generating investment returns, and those with a high strategic significance including affiliation in future or the “reinvention of business”. This policy remains the same, regardless of whether investments are in or outside Japan, or listed or unlisted.

In order to manage our investment, we set our internal rule. Through annual review of all investments to non-affiliated companies including the Cross-Shareholdings, we examine economic (quantitative) rationale based on returns on our investment, and review strategic objectives to hold such investments taking into consideration the likelihood that our investment purpose is realized in the future. Investments that do not generate economic added value over two-years or investments that lack strategic objective based on such annual review will be, in principle, sold. Results of such annual review with respect to Cross-Shareholdings are subject to further scrutiny at our Board of Directors from the perspective of economic rationale and strategic objective. Most recently, our Board of Directors made such scrutiny on 12 June, 2019 and reached its conclusion that the result of such annual review was reasonable.

ITOCHU places great importance on communication with each investee with the view to building, strengthening and maintaining business relationship as well as to improving corporate value of both ITOCHU and each investee. In May 2015, ITOCHU adopted the following internal voting guideline with respect to Cross-Shareholdings to ensure that ITOCHU’s voting rights on all of such investments are exercised in a timely and adequate manner.

[Voting Guideline]

(1) In principle, not to abstain from voting or to grant full authority to exercise voting rights on our behalf.
(2) To decide for or against a proposal taking into consideration our investment purpose and holding policy.

ITOCHU’s final position on voting is determined through internal decision making process based on an initial plan prepared by a department in question through which an investment is made.

(Principle 1.7)

■ Transactions between Related Parties

Based on our Rules of the Board of Directors, ITOCHU requires a resolution of the Board of Directors concerning transactions involving conflict of interests of Directors or transactions by Director which may compete with ITOCHU, and through such requirement, ITOCHU believes such transactions are adequately supervised by the Board of Directors.

(Principle 2.6)

■ Functional Performance of Corporate Pension as an Asset Owner

In ITOCHU, our finance division dispatches several persons with high expertise in asset management to our corporate pension fund, and such persons, one of who is positioned as the executive Director of the pension fund, are in charge of asset management thereof. Appropriate placement of such persons is arranged by sufficient training as well as planned and regular rotation. In addition, ITOCHU respects the intention of the pension fund regarding its investment portfolio and the stewardship activities of the investment management institutions. Furthermore, operating the pension fund in the interest of the third parties is strictly prohibited pursuant to the internal regulation of the pension funds, and the potential conflict of interest is regularly announced and well-known to the Directors of the pension fund. Thus, we appropriately manage conflicts of interest that may arise between the beneficiaries of the corporate pension and ITOCHU. On 6 June, 2019, the corporation pension fund has accepted and announced the Japan's Stewardship Code as an Asset Owner. The corporation pension fund as an asset owner will fulfill its stewardship responsibilities through the actions of the asset managers, to which they outsource their asset management activities.

(Principle 3.1(i))

■ Corporate Mission

ITOCHU's corporate philosophy and code of conduct are available at our homepage. Please refer to the following URL:
https://www.itochu.co.jp/en/about/mission/

■ Management Plan

Our current mid-term management plan, called "Brand-new Deal 2020" was disclosed on 2 May, 2018. Please refer to the following URL to find the management plan:
https://www.itochu.co.jp/en/ir/news/2018/__icsFiles/afieldfile/2018/05/02/ITC180502-3_e.pdf

Medium to Long Term Shareholders Return Policy / FY2019 Annual Forecast and Dividend was disclosed on 1 October, 2018. Please refer to the following URL to find such policy.
https://www.itochu.co.jp/en/ir/news/2018/__icsFiles/afieldfile/2018/10/01/ITC181001-3_e.pdf

On 26 April, 2019, we announced the FY2020 Management Plan. Please refer to the following URL to find the management plan
https://www.itochu.co.jp/en/about/plan/

(Principle 3.1(ii))

■ Basic Policy on Corporate Governance

Please see Paragraph I-1 (Basic Policy) above in this report.

(Principle 3.1(iii))

■ Policy and Process for Setting Compensation

Our current remuneration plan for Directors is designed to be an incentive to grow business performance. Performance-linked bonus has a high proportion of overall remuneration, and this remuneration plan, including the calculation method, has been previously disclosed publicly, making it highly transparent. In order to increase awareness of contribution to raising business performance and enlarging corporate value over the medium to long term, we are including stock remuneration as part of the remuneration plan.

Given our current performance up until today, the purpose of this remuneration plan is sufficiently achieved. In order to continue the expansion in business performance, we are keen to maintain this remuneration plan for Directors.

Our remuneration plan for Directors is resolved at the Board of Directors with consideration of the annual financial plan of each year following the deliberation at the Governance and Remuneration Committee under the Board of Directors as voluntary advisory committees.

Remuneration Plan for Directors for FY2020 consists of monthly remuneration, performance-linked bonuses, share price-linked bonuses, and performance-linked stock remuneration (trust type). With respect to compensation paid to Directors for FY2020, please refer to "Disclosed Details of Policy for Determining Amount and Calculation Method of Compensation" in the section II-1 of this report. Only monthly remuneration is paid to the outside Directors and bonuses and stock remuneration are not paid thereto. Monthly remuneration paid to Audit & Supervisory Board Members is determined by consultation among Audit & Supervisory Board Members and bonuses and stock remuneration are not paid thereto.

(Principle 3.1(iv))

■ Policy and Process for Appointing Directors and Audit & Supervisory Board Members

With respect to policy and process for appointing executive officers and candidates for Directors and Audit & Supervisory Board Members, please refer to "Policy and Process for Appointing Executive Officers and Candidates for Directors and Audit & Supervisory Board Members" in II-2 below in this report.

(Principle 3.1(v))

■ Explanations on the Individual Appointments and Nominations

Company has disclosed reasons for appointment of each candidate for Directors and Audit & Supervisory Board Members in our notice of general meeting of shareholders. Please refer to the following URL with respect to the disclosure made in FY2020:

https://www.itochu.co.jp/en/files/95_shoshu_eng.pdf
(please refer to pages 8–14 for candidates for Directors, and pages 17 for candidates for Audit & Supervisory Board Members)

(Supplementary Principle 4.1.1)

■ Scope of the Matters Delegated to the Managements

As a corporation with the Audit & Supervisory Board (*kansayaku secchi kaisha*), ITOCHU has gradually shifted to a governance model where decisions of the day to day business are delegated to the managements to the extent permitted under applicable laws. ITOCHU's Board of Directors assumes the role to supervise the business execution by the managements, as well as to decide corporate governance related matters and certain business matters which are highly important either qualitatively or quantitatively. Matters to be resolved at the Board of Directors are set forth in our Rules of Board of Directors.

(Principle 4.9)

■ Independence Criteria

ITOCHU's Board of Directors has adopted its own independence criteria (augmenting the independence criterial established by the Tokyo Stock Exchange) following discussion at our Nomination Committee, which is disclosed at our homepage. Please refer to the following URL:
URL:
https://www.itochu.co.jp/en/about/governance_compliance/governance/pdf/independence_criteria.pdf

(Supplementary Principle 4.11.1)

■ Composition of the Board of Directors

For ITOCHU's stance on the composition of the Board of Directors as well as policy and process for appointing executive officers and candidates for Directors and Audit & Supervisory Board Members, please refer to "Policy and Process for Appointing Executive Officers and Candidates for Directors and Audit & Supervisory Board Members" in II-2 below in this report.

(Supplementary Principle 4.11.2)

■ Directors' and Audit & Supervisory Board Members' Concurrent Positions Held at Other Companies

With the view to monitoring concurrent positions held by our Directors and Audit & Supervisory Board Members at other companies, ITOCHU's Board requires, by the Rules of Board of Directors, each Director and Audit & Supervisory Board Member to seek approval of or report to the Board prior to holding a position at other entities. In addition, important concurrent positions of our Directors and Audit & Supervisory Board Members have been disclosed in our notice of general meeting of shareholders. Please refer to the following URL with respect to disclosure made in FY2020:
https://www.itochu.co.jp/en/files/95_shoshu_eng.pdf
(please refer to pages 44 and 47)

(Supplementary Principle 4.11.3)

■ Evaluation as to the Effectiveness of the Board of Directors

ITOCHU conducted the evaluation as to the effectiveness of the Board of Directors targeting Directors and Audit & Supervisory Board Members in FY2019.
As a result of this evaluation, in terms of the structure of the Board of Directors and its advisory committees as well as the roles and duties, operation status, information provision and training, the Board of Directors of ITOCHU confirmed that the effectiveness of the Board of Directors was secured.
According to the external consultant, it is evaluated that (1) the score has improved in the majority of the questionnaires, (2) the Chairman of the Board of Directors as well as the secretariat cooperate with the outside Directors to improve the governance and realize more efficient and high-density operation of the Board of Directors and (3) the objectivity, independence and transparency of the advisory committees to the Board of Directors have been improved due to the efforts of both inside Directors and outside Directors.
As to the operation of the Board of Directors based on the transition to "Monitoring-Focused Structure" which we recognized as an issue as a result of the previous evaluation of the Board of Directors, it was opined that the more agenda such as the mid-term management plan review after announcement, internal control and compliance were certainly discussed, but we should more timely discuss the vision and strategy of the specific business area. We will discuss what should be discussed at the Board of Directors based on the opinion from the outside Directors. As to the enhancement of reporting to the Board of Directors the deliberations of the advisory committees which we also recognized as an issue as a result of the previous evaluation, we resolved at the Board of Directors what the Nomination Committee should discuss about the succession plan and how the discussion thereof should be reported to the Board of Directors, and we will follow the resolution.
Based on the results of this evaluation of the Board of Directors, we will continue to maintain and improve the effectiveness of the Board of Directors.
For your reference, please see the result in our homepage at:
https://www.itochu.co.jp/en/files/board_evaluation_2018e.pdf

(Supplementary Principle 4.14.2)

■ Training Policy

The Company conducts training related to corporate governance and other matters as part of its training for newly appointed internal and outside Directors and Audit & Supervisory Board Members. The Company also provides Directors and Audit & Supervisory Board Members with opportunities for training at third-party institutions, with the Company bearing the costs of such training. Also, to ensure that management supervision by Directors and audit by Audit & Supervisory Board Members are adequately performed, before each meeting we provide to outside Directors and Audit & Supervisory Board Members prior explanations on matters presented to each meeting of the Board of Directors through respective offices of the Board of Directors and the Audit & Supervisory Board. In addition, ITOCHU strives to ensure that outside Directors and Audit & Supervisory Board Members appropriately understand its business environment and challenges through various occasions such as introductory session concerning ITOCHU's business upon election, visits to business premises in or outside Japan, meetings with Audit & Supervisory Board Members, periodical discussions with the managements and explanatory sessions on matters requested by outside Directors and Audit & Supervisory Board Members

(Principle 5.1)

■ Policy of Dialogue with Shareholders

In our "Basic IR Policy," we have established our policy of dialogue with shareholders and other stakeholders as follows:

(Dialogue with Shareholders and Investors, etc.)
- The Chief Financial Officer (CFO) has the primary responsibility for dialogue with shareholders and investors, etc. The senior management and Directors will strive to engage in dialogue with shareholders and investors, etc., within reasonable limits.
- The CFO supervises the Investor Relations Department as the section in charge of dialogue with shareholders and investors. The Investor Relations Department assists the senior management and Directors in engaging in dialogue with shareholders and investors, etc., by maintaining close cooperation with relevant internal departments and sections, including through regular meetings with them.
- The CFO regularly reports to the board the views and concerns of shareholders and investors, etc., learned through dialogue. In addition, the CFO shares the views and concerns of shareholders and investors, etc., with the senior management as needed.
- With the Investor Relations Department in charge of related activities, the CFO promotes dialogue with shareholders and investors, etc.

ITOCHU strives to achieve our group's continuous growth and to enhance corporate value on mid-to-long term basis. It is vital for ITOCHU to actively conduct IR activities in order to promote constructive dialogue with shareholders. For detailed information on such activities, please refer to "Investor Relations Activities" in III-2 below in this report.

2. Capital Structure

Ratio of Shares Held by Foreigners	More than 30%

[Major Shareholders]

Name or Designation	Number of Shares Held (Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	104,741,000	6.87
Japan Trustee Services Bank, Ltd. (trust account)	86,881,000	5.70
CP WORLDWIDE INVESTMENT COMPANY LIMITED	63,500,000	4.17
Japan Trustee Services Bank, Ltd. (trust account 9)	39,253,200	2.58
Nippon Life Insurance Company	34,056,023	2.23
Mizuho Bank, Ltd.	31,200,000	2.05
SSBTC CLIENT OMNIBUS ACCOUNT	28,725,446	1.89
Japan Trustee Services Bank, Ltd. (trust account 5)	27,035,400	1.77
Asahi Mutual Life Insurance Company	23,400,500	1.54
JP MORGAN CHASE BANK 385151	23,355,565	1.53
Controlling Shareholders (excluding parent company)	—	
Parent Company	—	

Supplementary Information

(1) The major shareholders as abovementioned are as of 31 March, 2019.
(2) As of 31 March, 2019, the Company holds 60,996,901 shares of treasury stock (3.85% of the total number of issued shares), but is excluded from the above list of the major shareholders.
(3) As of 19 April, 2019, a large shareholding report was submitted to Kanto Local Finance Bureau by JPMorgan Asset Management (Japan) Limited which reported that JPMorgan Securities Plc, together with other three joint holders, hold 85,969 thousand shares (shareholding ratio is 5.42%). However, this is not included in the above list of major shareholder as we could not confirm the substantial ownership as of 31 March, 2019.
(4) As of 22 May, 2019, a large shareholding report was submitted to Kanto Local Finance Bureau by Mizuho Bank, Ltd. which reported that Asset Management One Co., Ltd., together with another joint holder, holds 96,333 thousand shares (shareholding ratio is 6.08%). However, this is not reflected to the above list of major shareholders as we could not confirm the substantial ownership as of 31 March,

2019.

3. Corporate Attributes

Stock Exchange Listings and Market Classification	First Section, Tokyo Stock Exchange
Fiscal Year-end	March
Industry	Wholesale Trade
Number of Employees as of Previous Fiscal Year-End (Consolidated)	1,000 or more
Total Trading Transactions in Previous Fiscal Year (Consolidated)	¥1 trillion or more
Number of Consolidated Subsidiaries	100 or more and less than 300

4. Policy for Measures to Protect Minority Shareholders When Conducting Transactions with Controlling Shareholder

N.A.

5. Other Exceptional Circumstances that May Have a Material Impact on Corporate Governance

Revised

The Company's listed subsidiaries include ITOCHU Techno-Solutions Corporation, ITOCHU ENEX CO., LTD., ITOCHU-SHOKUHIN Co., Ltd., CONEXIO Corporation, C.I. TAKIRON Corporation, FamilyMart Co., Ltd., and Prima Meat Packers, Ltd..

ITOCHU respects the autonomy of these listed subsidiaries and prohibits any acts that contradict the principle of shareholder equality. In particular, with the recognition that there is a potential conflict of interest between ITOCHU and the minority shareholders of these listed subsidiaries and in order to secure the independent decision-making of these listed subsidiaries, we request these listed subsidiaries to set up the governance structure under which the independent outside directors of these listed subsidiaries are well functioned.

At the same time, to enhance the corporate value of the overall ITOCHU Group, ITOCHU, as their parent company and major shareholder, regularly pays adequate attention to the legal compliance systems and status of these listed subsidiaries. ITOCHU provides appropriate advice and support as needed on specific compliance-related matters, creation of internal control systems, and other managerial issues.

ITOCHU will perform our accountability as to the rationale to maintain listed parent-subsidiary relationship as well as the effectiveness of the governance structure of these listed subsidiaries.

II Overview of Business Management Organization and Other Corporate Governance Systems Related to Managerial Decision-Making, Business Execution, and Management Supervision

1. Items Related to Organizational Structure and Operations, etc.

Form of Organization	Company with Audit & Supervisory Board Members

[Directors]

Number of Directors Stipulated in Articles of Incorporation	The maximum number is not stipulated.
Term of Office for Directors Stipulated in Articles of Incorporation	1 year
Chairman of the Board of Directors	Chairman and Chief Executive Officer
Number of Directors	10
Election of Outside Directors	Elected
Number of Outside Directors	4
Number of Outside Directors Designated as Independent Director	4

Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Atsuko Muraki	Other											
Harufumi Mochizuki	Other											
Masatoshi Kawana	Scholar								○			
Makiko Nakamori	Certified Public Accountant											

* Relationship with the Company

○: shows the item is/was applicable to the outside director either currently or until recently

△: shows the item was applicable to the outside director in the past

●: shows the item is/was applicable to a close relative of the outside director either currently or until recently

▲: shows the item was applicable to a close relative of the outside director in the past

a. A person performing an executive role at the Company or its subsidiary
b. A person performing an executive role at or who is a non-executive director of the Company's parent
c. A person performing an executive role at an affiliate who is another subsidiary of the Company's parent
d. A person (or its person performing an executive role) whose major customers include the Company
e. A person (or its person performing an executive role) who is a major customer of the Company
f. A consultant, accountant or lawyer who receives a large amount of monetary compensation or other property (other than remuneration as the outside director) from the Company
g. A major shareholder (or its person performing an executive role) of the Company
h. A person performing an executive role at a customer of the Company (other than those to which item d, e or f applies) (this item applies only to the outside director himself/herself)
i. A person performing an executive role at an entity who has an outside director or corporate auditor from the Company
j. A person performing an executive role at an entity to which the Company makes donations (this item applies only to the outside director himself/ herself)
k. Others

Relationship with the Company (2)

Name	Independent Directors	Supplementary Information Related to the Criteria	Reason for Appointment as Outside Director (For Independent Directors, Including Reason for Designation as an Independent Director)
Atsuko Muraki	✓		Ms. Muraki is appointed as an outside Director in the anticipation that she will use her wealth of experience and high-level knowledge she accumulated as a government official and also monitor and supervise the corporate management of ITOCHU from an independent perspective. According to the criteria for the independence of directors/auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Ms. Muraki qualifies as an independent Director. Accordingly, ITOCHU believes that she is unlikely to have conflicts of interest with general investors, and she has been designated as an independent Director.
Harufumi Mochizuki	✓		Mr. Mochizuki is appointed as an outside Director in the anticipation that, based on a wealth of experience and high-level knowledge he accumulated as a government official at the Ministry of Economy, Trade and Industry (and the former Ministry of International Trade and Industry), his experience as a corporate executive at other entities where he concurrently serves, he will monitor and supervise the corporate management of ITOCHU from an independent perspective. According to the criteria for the independence of directors/auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Mr. Mochizuki qualifies as an independent Director. Accordingly, ITOCHU believes that he is unlikely to have conflicts of interest with general investors, and he has been designated as an independent Director.
Masatoshi Kawana	✓	As a medical consultant, we are irregularly provided from Mr. Kawana medical advice to the Chairman and the President in case of his	Mr. Kawana is appointed as an outside Director in the anticipation that, based on his experience as a doctor at Tokyo Women's Medical University Hospital for many years

		illness or injury and other advice on health management (except medical treatment). This is internally regulated for our Chairman and President in consideration of the importance of our executives' health management. Consideration paid to Mr. Kawana is as small as 100,000 yen per month, and in light of the size and nature of this service, it is our judgment that there is no risk of affecting his independence.	and as an important post such as the Deputy Director of the same hospital as well as his high level of medical knowledge, he will monitor and supervise the corporate management of ITOCHU from an independent perspective. According to the criteria for the independence of directors/auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Mr. Kawana qualifies as an independent Director. Accordingly, ITOCHU believes that he is unlikely to have conflicts of interest with general investors, and he has been designated as an independent Director.
Makiko Nakamori	✓		Ms. Nakamori is appointed as an outside Director in the anticipation that, based on her high level expertise regarding finance and accounting as a certified public accountant as well as her extensive experience as a corporate executive, she will monitor and supervise the corporate management of ITOCHU from an independent perspective. According to the criteria for the independence of directors/auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Ms. Nakamori qualifies as an independent Director. Accordingly, ITOCHU believes that she is unlikely to have conflicts of interest with general investors, and she has been designated as an independent Director.

Existence of advisory committee(s) comparable to nomination committee or remuneration committee	Yes

Advisory Committee(s) to the Board, Composition and Attribution of Chairperson

Name of Committee	Total Number of Members	Internal Directors	Outside Directors	Internal Audit & Supervisory Board Members	Outside Audit & Supervisory Board Members	Chairman
Nomination Committee	7	3	2	0	2	Outside Director
Governance and Remuneration Committee	7	2	3	1	1	Outside Director

- We have established Governance and Remuneration Committee and Nomination Committee under the Board of Directors as voluntary advisory committees to raise the transparency of the decision-making process and strengthen the supervisory function of the Board of Directors. Each

committee is chaired by an outside Director and the majority members of each committee are outside Directors and Audit & Supervisory Board Members.

- The Roles, Composition (as of 10 October, 2019) and the Activities in FY2019 are as follows:
  [Governance and Remuneration Committee]
  Roles:
  To deliberate and advise to the Board on proposals relating to remuneration system for Directors and executive officers and other matters on corporate governance.
  Composition:

Chair	Atsuko Muraki, Director (Outside)
Members	Masahiro Okafuji, Chairman & Chief Executive Officer Yoshihisa Suzuki, President & Chief Operating Officer Masatoshi Kawana, Director (Outside) Makiko Nakamori, Director (Outside) Shuzaburo Tsuchihashi, Audit & Supervisory Board Member Kotaro Ohno, Audit & Supervisory Board Member (Outside)
Activities:	This committee was held for four (4) times with the participant of all members, and the remuneration plan for Directors, evaluation as to the effectiveness of the Board of Directors and the measures required to Japan's Revised Corporate Governance Code were deliberated therein.

  [Nomination Committee]

Roles:	To deliberate and advise to the Board on proposals relating to nomination and dismissal of executive officers, nomination of candidates for Directors and Audit & Supervisory Board Members, dismissal of Directors and Audit & Supervisory Board Members, and appointment and dismissal of responsible Directors and executive officers.

  Composition:

Chair	Harufumi Mochizuki, Director (Outside)
Members	Masahiro Okafuji, Chairman & Chief Executive Officer Yoshihisa Suzuki, President & Chief Operating Officer Fumihiko Kobayashi, Director Atsuko Muraki, Director (Outside) Shingo Majima, Audit & Supervisory Board Member (Outside) Kentaro Uryu, Audit & Supervisory Board Member (Outside) *Kiyoshi Yamaguchi, Audit & Supervisory Board Member, attends as an observer.
Activities:	This committee was held for four (4) times with the participant of all members (except one absence of Mr. Uryu), and the measures required to Japan's Revised Corporate Governance Code, and the executive management appointment, and the plan for the successor were deliberated therein.

[Audit & Supervisory Board Members]

Establishment of the Audit & Supervisory Board	Yes
Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	The maximum number is not stipulated.
Number of Audit & Supervisory Board Members	5

Cooperation Between Audit & Supervisory Board Members, Independent External Auditor, and Internal Audit Division

- Corporate auditors and the Audit & Supervisory Board endeavor to enhance cooperation with the independent external auditors, for example through active exchange of information and opinions on the status and results of each other' audit plans and audits along with other important auditing matters

with the aim of improving the quality and efficiency of auditing and of enhancing corporate governance.

- Corporate auditors and the Audit Division (internal audit division) endeavor to closely cooperate and exchange information by discussing internal audit plans regularly to exchange opinions on the results of each internal inspection, issues and recommendations, etc.
- The Audit Division and independent external auditors endeavor to cooperate by holding regular meetings to exchange information, etc.

Election of Outside Audit & Supervisory Board Members	Elected
Number of Outside Audit & Supervisory Board Members	3
Number of Outside Audit & Supervisory Board Members Designated as Independent Auditor	3

■ Relationship with the Company (1)

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Shingo Majima	Certified public accountant													
Kentaro Uryu	Lawyer													
Kotaro Ohno	Lawyer													

* Relationship with the Company

○: shows the item is/was applicable to the outside corporate auditor either currently or until recently

△: shows the item was applicable to the outside corporate auditor in the past

●: shows the item is/was applicable to a close relative of the outside corporate auditor either currently or until recently

▲: shows the item was applicable to a close relative of the outside corporate auditor in the past

a. A person performing an executive role at the Company or its subsidiary
b. Non-executive director or accounting advisor of the Company or its subsidiary
c. A person performing an executive role at or who is a non-executive director of the Company's parent
d. A corporate auditor of the Company's parent
e. A person performing an executive role at an affiliate who is another subsidiary of the Company's parent
f. A person (or its person performing an executive role) whose major customers include the Company
g. A person (or its person performing an executive role) who is a major customer of the Company
h. A consultant, accountant or lawyer who receives a large amount of monetary compensation or other property (other than remuneration as the outside corporate auditor) from the Company
i. A major shareholder (or its person performing an executive role) of the Company
j. A person performing an executive role at a customer of the Company (other than those to which item f, g or h applies) (this item applies only to the outside corporate auditor himself/herself)
k. A person performing an executive role at an entity who has an outside director or corporate auditor from the Company
l. A person performing an executive role at an entity to which the Company makes donations (this item applies only to the outside corporate auditor himself/ herself)
m. Others

■ Relationship with the Company (2)

Name	Independent Auditors	Supplementary Information Related to the Criteria	Reason for Appointment as Outside Audit & Supervisory Board Member (For Independent Auditors, Including Reason for Designation as an Independent Auditor)
Shingo Majima	✓		Mr. Majima is appointed as an outside

			Audit & Supervisory Board Member in the anticipation that he will monitor management and provide auditing from an independent perspective by utilizing his wealth of experience and expertise on finance and accounting audit as a certified public accountant for many years. According to the criteria for the independence of Directors/auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Mr. Majima qualifies as an independent Audit & Supervisory Board Member. Accordingly, ITOCHU believes that he is unlikely to have conflicts of interest with general investors, and he has been designated as an independent auditor.
Kentaro Uryu	✓		Mr. Uryu is appointed as an outside Audit & Supervisory Board Member in the anticipation that he will monitor management and provide auditing from an independent perspective by utilizing his high level of expertise in law and extensive experience as an attorney-at-law for many years. According to the criteria for the independence of Directors/ auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Mr. Uryu qualifies as an independent Audit & Supervisory Board Member. Accordingly, ITOCHU believes that he is unlikely to have conflicts of interest with general investors, and he has been designated as an independent auditor.
Kotaro Ohno	✓		Mr. Ohno is appointed as an outside Audit & Supervisory Board Member in the anticipation that he will monitor management and provide auditing from an independent perspective by utilizing his advanced specialized knowledge in law and the extensive experience he accumulated while serving in important positions at the Ministry of Justice, including Vice-Minister of Justice, Superintending Prosecutor of Tokyo High Public Prosecutors Office and Prosecutor-General. According to the criteria for the independence of Directors/ auditors prescribed by the Tokyo Stock Exchange, as well as our

			own independence criteria, Mr. Ohno qualifies as an independent Audit & Supervisory Board Member. Accordingly, ITOCHU believes that he is unlikely to have conflicts of interest with general investors, and he has been designated as an independent auditor.

[Independent Directors/ Audit & Supervisory Board Members]

Number of Independent Directors/ Audit & Supervisory Board Members	7

Other Items Related to Independent Directors/ Audit & Supervisory Board Members

[criteria for the independence of Directors/ auditors]

- ITOCHU has adopted its own independence criteria (augmenting the independence criteria established by the Tokyo Stock Exchange), which is disclosed at our homepage. Please refer to the following URL:
  https://www.itochu.co.jp/en/about/governance_compliance/governance/pdf/independence_criteria.pdf

- All of the Company's outside Directors and outside Audit & Supervisory Board Members who qualify as an independent Director/ Audit & Supervisory Board Member are designated as independent Directors/ Audit & Supervisory Board Members.

- ITOCHU has established a *de minimis* standard of ¥10 million per fiscal year relating to a donation made by the Company. ITOCHU views that a donation within the *de minimis* standard above is unlikely to affect our investor's judgment on its voting, thus description on such donation is omitted from our filings of independent Directors/ auditors.

[Performance of the Independent Executives]

- Ms. Muraki attended all of the 17 meetings of the Board of Directors held during the current term. She mainly made statements from an objective and neutral position as an outside Director. During the current term, she chaired the Governance and Remuneration Committee and led discussions regarding how to respond to Japan's Revised Corporate Governance Code. Furthermore, she provided many beneficial suggestions in the areas of internal control, compliance, work-style reforms, and sustainability.
- Mr. Mochizuki attended all of the 17 meetings of the Board of Directors held during the current term. He mainly made statements from an objective and neutral position as an outside Director. During the current term, he chaired the Nomination Committee and offered a practical perspective while leading discussions on the appointment and dismissal of key management members and succession plans. Furthermore, he provided many beneficial and broad-minded suggestions on internal control, compliance, and reinvented business.
- Mr. Kawana attended all of the 13 meetings of the Board of Directors held since his appointment. He mainly made statements from an objective and neutral position as an outside Director. During the current term, he was a member of the Governance and Remuneration Committee and contributed to the further enhancement of governance at ITOCHU. Additionally, he used his expertise to provide many beneficial suggestions in the areas of health management and health care-related business.
- Outside Directors actively advise and provide recommendations, from a neutral and objective position, at the Board of Directors and at the voluntary advisory committee of the Board of Directors, and ensure and enhance the effectiveness of the monitoring and supervising function of the Board of Directors and transparency of decision-making by appropriately demonstrating to the internal Directors their supervisory functions based on various perspectives and their management advice function of the outside Directors.

- Mr. Majima attended all of the 17 meetings of the Board of Directors and all of the 13 meetings of the Audit & Supervisory Board held during the current term. He mainly made statements from an objective and neutral position as an outside Audit & Supervisory Board Member. During the current

term, he was a member of the Governance and Remuneration Committee and contributed to the further enhancement of governance at ITOCHU. Additionally, he was a member of the Nomination Committee and made contributions toward improving the objectivity of ITOCHU's officer nomination process.

- Mr. Uryu attended 16 of the 17 meetings of the Board of Directors and all of the 13 meetings of the Audit & Supervisory Board held during the current term. He made statements from an objective and neutral position as an outside Audit & Supervisory Board Member. During the current term, he was a member of the Nomination Committee and made contributions toward improving the objectivity of ITOCHU's officer nomination process.
- Mr. Ohno attended all of the 17 meetings of the Board of Directors and all of the 13 meetings of the Audit & Supervisory Board held during the current term. He mainly made statements from an objective and neutral position as an outside Audit & Supervisory Board Member. During the current term, he was a member of the Governance and Remuneration Committee and contributed to the further enhancement of governance at ITOCHU.
- Outside Audit & Supervisory Board Members actively provide an opinion, from a neutral and objective position, at the Board of Directors and at the voluntary advisory committee of the Board of Directors, and enhance the transparency of decision-making by appropriately demonstrating their supervisory functions of the outside Directors against the performance of the internal Directors.

In July 2018, the Japan Fair Trade Commission issued a cease and desist order under Article 7, Paragraph 2 of Japan's Antimonopoly Act to ITOCHU regarding its sales of uniforms to ALL NIPPON AIRWAYS CO., LTD. up until FY2017. Also, in October 2018, the Japan Fair Trade Commission issued a cease and desist order and a surcharge payment order (amount of surcharge to be paid: ¥4.29 million) to ITOCHU for illegal acts under the Antimonopoly Act regarding the supply of uniforms to NTT DOCOMO, INC. up until that same year. Each of these matters is, like its sales of uniforms to West Japan Railway Company and NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION regarding which the cease and desist orders were issued by the Japan Fair Trade Commission in January and February 2018 to ITOCHU, a matter regarding our uniform sales operations up until FY2017, and in the process of formulating and carrying out measures to prevent recurrence we stopped illegal activities ourselves before the start of the Japan Fair Trade Commission's investigation. Each of outside Directors Ms. Atsuko Muraki, Mr. Harufumi Mochizuki and Mr. Masatoshi Kawana and each of outside Audit & Supervisory Board Members Mr. Shingo Majima, Mr. Kentaro Uryu, and Mr. Kotaro Ohno has continually made statements in Board of Directors meetings concerning the importance of legal compliance, and, after the incident became known, conducted proactive advocacy concerning the further enforcement of legal compliance in ITOCHU and the Group, as well as measures to prevent recurrence of incidents, including the development of internal rules for compliance with the Antimonopoly Act, the promotion of voluntary reporting of violations, and the strengthening and enhancement of education on compliance with the Antimonopoly Act. They perform continuous checking of these initiatives to strengthen our compliance systems

[Incentives]

Status of Implementation of Measures to Grant Incentives to Directors	Adoption of a performance-linked compensation system

Supplementary Information

- Following the deliberation at the Governance and Remuneration Committee, Board of Directors has resolved unanimously the Remuneration Plan for Directors for FY2020 consisting of monthly remuneration, performance-linked bonuses, share price-linked bonuses, and performance-linked stock remuneration.
- The Performance –Linked Bonuses is positioned as compensation linked to short-term (one fiscal year) performance, and the share price-linked and performance-linked stock remuneration are positioned as compensation for the performance for enhancing the corporate value over the medium to long term. Under the current Remuneration Plan for Directors, the ratio of performance-linked bonuses is not fixed, and in conjunction with the expansion of Company's business performance, the ratio of performance-linked bonus in total remuneration of Directors is designed to increase. Regarding the Director's remuneration in FY2019, the ratio of performance-linked bonus is approximately 59% and the aggregate ratio of the market capitalization-linked bonuses (revised to the share price-linked bonuses in FY2020) and performance-linked stock

remuneration is approximately 13%. As for the Director's remuneration in FY2020, the estimated ratio of the aggregate amount of the performance-linked bonus is approximately 62% and the ratio of the share price-linked bonuses and performance-linked stock remuneration is approximately 13%. In the calculation of the ratio in the above for FY2019 mentioned above, as described later in section II (Overview of Business Management Organization and Other Corporate Governance Systems Related to Managerial Decision-Making, Business Execution, and Management Supervision.) -1 (Items Related to Organizational Structure and Operations, etc.), the "special bonus" mentioned in " Disclosed Details of Policy for Determining Amount and Calculation Method of Compensation" is included, and the share price-linked bonus in FY2020 is calculated based on the assumption that the relative stock growth rate with TOPIX is 110%.

- Net profit (consolidated) is of high interest to the stock market because it is an easy-to-understand indicator of capital to growth-oriented investments and to returns to shareholders and we have an unshakeable belief in its importance as an indicator going forward. In addition, bonuses for employees are linked to net profit (consolidated) so we have net profit attributable to ITOCHU (consolidated) as the linked indicator for performance-linked bonuses and performance-linked stock remuneration. Also, regarding share price-linked bonuses, as stated above we have the growth rate of ITOCHU's share price during the period of each medium-term management plans as the linked indicator, but for the calculation of the growth rate of the share price, we use the simple average of the final price for each fiscal year.
- For the details of the performance-linked bonuses, share price-linked bonuses, and performance-linked stock remuneration mentioned above, please refer to section II (Overview of Business Management Organization and Other Corporate Governance Systems Related to Managerial Decision-Making, Business Execution, and Management Supervision.) -1 (Items Related to Organizational Structure and Operations, etc.) "Disclosed Details of Policy for Determining Amount and Calculation Method of Compensation".

Grantees of Stock Options	Not Applicable

Supplementary Information

N.A.

[Directors' Compensation]

Disclosure Status (of Compensation for Individual Directors)	Partial individual disclosure

Supplementary Information

Name, position, and amount of compensation paid to Directors receiving compensation of ¥100 million or more during FY2019, are as follows.

(Rounded to nearest million yen)

Name	Category	Monthly Remuneration	Bonus	Special Bonus	Stock Remuneration	Total
Masahiro Okafuji*	Director	¥153 million	¥334 million	¥38 million	¥63 million	¥589 million
Yoshihisa Suzuki	Director	¥95 million	¥251 million	¥29 million	¥42 million	¥417 million
Tomofumi Yoshida	Director	¥55 million	¥147 million	¥16 million	¥19 million	¥238 million
Fumihiko Kobayashi	Director	¥76 million	¥134 million	¥15 million	¥25 million	¥250 million
Tsuyoshi Hachimura	Director	¥65 million	¥134 million	¥15 million	¥24 million	¥238 million

Note 1: The remuneration paid to Directors (excluding outside Directors) in FY2019 comprised monthly remuneration, performance-linked bonuses, special bonuses, and performance-linked stock remuneration for Directors (Board Incentive Plan Trust). Monthly remuneration is determined by the contribution to ITOCHU of each Director according to a base amount set by position, and the total amount of performance-linked bonuses is determined on the basis of consolidated net profit attributable to ITOCHU. An overview of special bonuses and the system of performance-linked and stock remuneration for Directors is described below in "Disclosed Details of Policy for Determining Amount and Calculation Method of Compensation" below.

(*) Monthly remuneration includes housing allowance.

Policy for Determining Amount and Calculation Method of Compensation	Adopted

Disclosed Details of Policy for Determining Amount and Calculation Method of Compensation

(a) Compensation Paid to Directors, etc. in FY2019

- Details of the compensation paid to Directors and Audit & Supervisory Board Members of the Company in FY2018 are as follows.

Type	Number of People	Amount Paid (Millions of yen)	Details
Directors	10	1,779	(1) Monthly remuneration: ¥493 million (2) Bonuses for FY2019: ¥1,000 million (3) Special Bonuses for FY2019: ¥113 million (4) Stock Remuneration for FY2019: ¥173 million
(Outside Directors)	(5)	(48)	
Corporate auditors	6	115	Only monthly remuneration
(Outside Audit & Supervisory Board Members)	(3)	(43)	
Total	16	1,894	
(Outside Directors/ Audit & Supervisory Board Members)	(8)	(91)	

(Rounded to nearest million yen)

Notes:

1. Maximum compensation paid to all Directors:
   ¥800 million per year as total monthly remuneration (including ¥100 million per year for the outside Directors, resolved at the General Meeting of Shareholders on 21 June, 2019, as of the date hereof, the numbers of the Directors applicable is 10 (including 4 outside Directors)) and ¥2.0 billion per year as total bonuses paid to all Directors (excluding the outside Directors, resolved at the General Meeting of Shareholders on 21 June, 2019, as of the date hereof, the numbers of the Directors applicable is 6) under a framework different from the preceding maximum monthly remuneration amount. Also, based on the resolution at the aforementioned General Meeting of shareholders, this revision to the maximum amount of total bonuses will be applied from the payment of bonuses relating to the business performance for FY2019.
2. Maximum compensation paid to all Audit & Supervisory Board Members:
   ¥13 million per month (resolved at General Meeting of Shareholders on 29 June, 2005, as of the date hereof, the numbers of the Audit & Supervisory Board Members applicable is 5)
3. Contingent upon the approval of Proposal No. 4 (Revision of Remuneration Amount for Directors) at the General Meeting of Shareholders on 21 June, 2019, ITOCHU decided to pay a special bonus, in accordance with the resolution passed at the Board of Directors meeting held on 18 April, 2019, after examination by the Governance and Remuneration Committee. The Director bonus calculated by the current formula shall be paid inside the range of the existing bonus (1.0 billion yen per year) and, contingent upon the approval of Proposal No. 4 (Revision of Remuneration Amount for Directors) at this Ordinary General Meeting of Shareholders, any amount exceeding the said range shall be paid as a special bonus, separate from the Director bonus.

4. The introduction of performance-linked stock remuneration for Directors (Board Incentive Plan Trust) was approved at the 92nd Ordinary General Meeting of Shareholders held on 24 June, 2016. The total amount of stock remuneration described above is the recorded amount of expenses involving share granted points granted during FY2019 related to the Board Incentive Plan Trust. An overview of this stock remuneration system is provided below, in "(c) Performance-Linked Stock Remuneration for Directors."
5. The retirement benefits system for Directors and Audit & Supervisory Board Members was abolished on the date of the 81st Ordinary General Meeting of Shareholders held on 29 June, 2005, and it was resolved that Directors and Audit & Supervisory Board Members retaining their positions after the conclusion of the said General Meeting of Shareholders shall be presented with retirement benefits on the date of their retirement for the period up to the time the retirement benefits system was abolished.

(b) Directors' Bonuses for FY2020

- Performance-linked Bonuses

Director performance-linked bonuses for FY2020 will be paid in amounts calculated according to the methods described below, following the conclusion of the 96th Ordinary General Meeting of Shareholders.

a. Total amount paid to all Directors:

The total amount paid to all Directors shall be the lesser of the sum of the amount paid to an individual Director in b. below or ¥2.0 billion.

b. Amount paid to an individual Director

The formula to calculate the amount paid to an individual Director is below.

Total base amount paid to all Directors = (A + B + C) x Sum of Position points for all the eligible Directors/55

Where:

A = (Consolidated net profit attributable to the Company for FY2020 for the portion up to ¥200.0 billion) × 0.35%

B = (Consolidated net profit attributable to the Company for FY2020 for the portion more than ¥200.0 billion but up to ¥300.0 billion x 0.525%

C = (Consolidated net profit attributable to the Company for FY2020 for the portion exceeding ¥300.0 billion) × 0.35%

(amount of less than ¥1 shall be rounded down)

The amount paid to an individual Director = (Total base amount paid to all Directors as above x Position Point/Sum of Position points for all the eligible Directors) x 30% + (Total base amount paid to all Directors as above x Position Point/Sum of Position points for all the eligible Directors) x 70% x plan achievement rate of the consolidated net profit of the assigned division/department
(amount of less than ¥1,000 shall be rounded up)

Provided, however, that the plan achievement rate shall be 100% for the eligible Director for whom no plan achievement rate is measurable.

The points assigned to each position are as per below:

Position points	
Chairman and Chief Executive Officer	10
President and Chief Operating Officer	7.5
Executive Vice President	5
Senior Managing Executive Officer	4

Managing Executive Officer	3

Notwithstanding the calculation stated above, the amount paid to an individual Director shall not exceed the maximum amount for each position as set forth below:

Maximum amount paid to an individual Director	(Millions of yen)
Chairman and Chief Executive Officer	560
President and Chief Operating Officer	420
Executive Vice President	280
Senior Managing Executive Officer	224
Managing Executive Officer	168

- Share Price-linked Bonuses

By resolution of Board of Directors held on 2 February, 2018 and for the purpose of the incentive towards increasing the Company's corporate value, ITOCHU introduced Market Capitalization-linked Bonuses structure which is linked to the increased amount of the Company's market capitalization as compared to the last fiscal year.
In order to further strengthen awareness of enhancing corporate value from a medium- to long-term perspective, the following changes were made, and the name was changed from market capitalization-linked bonus to share price-linked bonus:

- Changed a design based on the medium-term business plan (3 years) rather than on a single year
- Changed a linked indicator from market capitalization to stock price in order to better align with shareholders
- In order to secure fairness, included an index relative to the absolute amount

For Share Price-Linked bonuses, the bonus amount for individual director is calculated for each fiscal year based on the following specific calculation formula for individual payment amounts, and when the director retires or, in the case of taking on the position of executive officer after retirement of the director, the executive officer retires, such amount will be paid.

a. The First Fiscal Year for the Medium-Term Management Plan

[(The simple average of daily stock closing price of the Company ("Average of Daily Closing Price") in the First Fiscal Year of the Medium-Term Management Plan) – (Average of Daily Closing Price in the previous year of the first Fiscal Year of the Medium-Term Management plan)] × 1,300,000 × (Points assigned to each Director according to the position ("Position Point") / 108.8 points × Relative Stock Price Growth Rate (Note 1)

Note 1 Relative Stock Price Growth Rate = (Average of Daily Closing Price in the First Fiscal Year of the Medium-Term Management Plan / Average of Daily Closing Price of the previous year of the First Fiscal Year of the Company-Medium-Term Management Plan) / (Simple average of daily TOPIX (Note 2) in the First Fiscal Year of the Medium-Term Management Plan / Simple average of TOPIX in the previous year of the first Fiscal Year of the Medium-Term Management plan)
Note 2 TOPIX = Tokyo Stock Price Index, the principal index consisting of all Japanese common stocks listed on the First Section of Tokyo Stock Exchange.

b. The Second Fiscal Year of Medium-term Management Plan

[(Average of Daily Closing Price in the Second Fiscal Year of the Medium-Term Management Plan) – (Average of Daily Closing Price in the previous year of the first Fiscal Year of the Medium-Term Management plan)] × 1,300,000 × (Total Position Points in the First and Second Fiscal Year) / (108.8 points × 2 (years)) × Relative Stock Price Growth Rate (Note 3) - (share price-linked bonus calculated in the above a.).

Note 3 Relative Stock Price Growth Rate = (Average of Daily Closing Price in the Second

Fiscal Year of the Medium-Term Management Plan / Average of Daily Closing Price of the previous year of the First Fiscal Year of the Medium-Term Management Plan) / (Simple average of daily TOPIX of the Second Fiscal Year of the Medium-Term Management Plan / Simple average of TOPIX in the previous year of the first Fiscal Year of the Medium-Term Management plan)

c. The Final Fiscal Year of the Medium-term Management Plan

[(Average of Daily Closing Price in the Final Fiscal Year of the Medium-Term Management Plan) – (Average of Daily Closing Price in the previous year of the first Fiscal Year of the Medium-Term Management plan)] × 1,300,000 × (Total Position Points in First, Second and Final Fiscal Year) / (108.8 points × 3 (years)) × Relative Stock Price Growth Rate (Note 4) - (share price-linked bonus calculated in the above a. + share price linked bonus calculated in the above b.)

Note 4 Relative Stock Price Growth Rate = (Average of Daily Closing Price in the Final Fiscal Year of the Medium-Term Management Plan / Average of Daily Closing Price of the previous year of the First Fiscal Year of the Medium-Term Management Plan) / Simple average of daily TOPIX of the Final Fiscal Year of the Medium-Term Management Plan / Simple average of TOPIX in the previous year of the first Fiscal Year of the Medium-Term Management)

The Position Points assigned to each position are same as those applied for performance-linked bonuses.

The share price-linked bonuses together with performance-linked bonuses are paid to the eligible Directors within the Director bonuses limit of ¥2.0 billion.
(If the amount of performance-linked bonus and share price-linked bonus based on the above formula exceeds 2.0 billion yen, the performance-linked bonus is preferentially allocated to the limit amount)

(c) Performance-Linked Stock Remuneration Plan

- By resolution at the 92nd Ordinary General Meeting of Shareholders held on 24 June, 2016, ITOCHU introduced the performance-linked stock remuneration plan (the “Stock Remuneration Plan”) and, by resolution of the Board of Directors held on 2 May, 2018, we continue this plan from FY2019. This plan is described below.
- Under this plan, in June of ever year during the trust period, Directors who served as Directors from 1 July of the previous year to the last day of June of the said year are granted points based on performance in the fiscal year that ended on 31 March of said year and in accordance with the number of months of service during that period.
- The method of calculating the number of points granted to Directors (excluding outside Directors) in FY2020 is described below. One point corresponds to one share in ITOCHU, and amounts of less than one point are discarded.

Points = Individual stock remuneration amount (Note 1) / Average acquisition stock price of ITOCHU shares in the trust (Note 2) × {(Number of months of service from July, the beginning month of the applicable period of payment, to June of the following year (rounding up fractions of less than one month)) / 12} (rounding down fractions)
(Note 1) the individual stock remuneration amount is calculated on the basis of the total stock remuneration amount, which is calculated as indicated below.
a. Total stock remuneration amount
= (the amount of consolidated net profit attributable to ITOCHU for FY2020 – ¥300.0 billion) x 0.175% x Sum total of position points of eligible Directors / 55 (rounding up fractions of less than ¥1)
b. Individual stock remuneration amount
= Total stock remuneration amount x Position points of each Director / Sum total of position points of Directors (rounding down fractions of less than ¥1,000)
Position points for each Director are the same as the number used for calculating Director bonuses.

(Note 2) In the event that the trust period has been extended, this is the average acquisition stock price of ITOCHU shares that were acquired by the Trust in accordance with the extension of the trust period. (However, if no ITOCHU shares are acquired by the trust in accordance with the extension of the trust period, then this is the closing stock price of ITOCHU shares on the market of Tokyo Stock Exchange on the first day of the extended trust period).

- Points to be granted to executive officers (excluding those serving concurrently as Directors) in June of each year will be calculated using the similar method as points for Directors.

- As the Stock Remuneration Plan, ITOCHU has adopted a framework called "Board Incentive Plan Trust (BIP)" ("BIP Trust"). The BIP Trust is a stock incentive plan for executives, based on the performance share and restricted stock plans in the United States. ITOCHU will conduct delivery and payment of ITOCHU shares acquired by the BIP Trust and an amount of money equivalent of the conversion value of said shares ("ITOCHU Shares, etc."), together with dividends derived from ITOCHU shares, to Directors, etc. following retirement from office (or after death in the event of the death of a Director, etc.; the same applies hereinafter), based on performance, etc. Please see Chart 1 below for overview of the BIP Trust.

- Outline of the Stock Remuneration Plan is as follows:

(1) Persons Entitled to Receive Stock Remuneration: Directors and executive officers of ITOCHU (excluding outside Directors and those who are non-residents of Japan, as of the date hereof, the numbers of the Directors applicable is 5 and of the executive officers not being Director is 17)
(2) Maximum Amount of Money Contributed by the Company to the Trust: a total of ¥1.5 billion for 2 fiscal years
(3) Method for the Acquisition of Shares by the Trust: Scheduled to be acquired on the stock market (thus no dilution of shares is anticipated)
(4) Upper Limit on the Number of Shares to be acquired by Directors, etc.: For the trust period, with an applicable period of 2 fiscal years, the upper limit will be 1,300,000 points (an average of 650,000 points per year)
(5) Performance Index under the Stock Remuneration Plan: Consolidated net profit attributable to the Company (upon which the amount of total stock remuneration will be calculated. See above for more details)
(6) Timing of Delivery of Shares: After retirement from Office
(7) Voting Rights Concerning Shares in the Trust: Will not be exercised in order to ensure neutrality toward management

(d) Rules for Directors of non-residents in Japan
A Director of non-residents in Japan is not eligible for performance-linked stock remuneration. As a substitute, the Equivalent Amount of Individual stock remuneration calculated in accordance with the above formula (c) as if such Director were subject to performance-linked stock remuneration will be determined and paid following the conclusion of the 96th Ordinary General Meeting of Shareholders as a performance-linked bonus, (round up less than ¥ 1,000), separately from the performance-linked bonus based on formula (b). Provided, however, that 70% of the Equivalent Amount of Individual stock remuneration will fluctuate based on the achievement rate against the plan of consolidated net profit of the assigned division/department (the plan achievement rate shall be 100% for the eligible Director for whom no plan achievement rate is measurable).

This performance-linked bonus (the Equivalent Amount of Individual stock remuneration) will be paid within the limit of 2.0 billion yen (a resolution of the general meeting of shareholders on June 21, 2019), the overall maximum limit of the bonus including this performance-linked bonus, the performance-linked bonus calculated by formula (b) and the share price-linked bonus. If the total amount exceeds 2.0 billion yen, this performance-linked bonus and the performance-linked bonus calculated by formula (b) will be preferentially allocated.

[Support System for Outside Directors (Outside Audit & Supervisory Board Members)]

The Corporate Auditors' Office provides the outside Directors with materials and prior briefings on items on the agenda of the meetings of the Board of Directors, as required, and the secretary in charge provides other necessary support activities to assist them in fulfilling their duties.
The Audit & Supervisory Board Member's Office, which is under the direct control of internal Audit & Supervisory Board Member and the Audit & Supervisory Board, provides the outside Audit & Supervisory Board Members with materials and prior briefings on items on the agenda of the meetings of the Board of Directors, as required, as well as other necessary support activities to assist them in fulfilling their duties with measures such as the appropriate provision of corporate information through the Audit & Supervisory Board Member's Office.

[**Status of the Company executives who are the former representative Director and president and other positions**]

Name and other information of the senior advisor/advisor and other positions who are the former representative Director and president and other positions

Name	Position	Assignment	Work Condition (full time or non-full time, remuneration etc.)	Retirement Date	Term of Assignment
Uichiro Niwa	Director Emeritus (“*Meiyo Riji*”)	None	Non-full time and no remuneration	16 June, 2010	Not fixed
Eizo Kobayashi	Senior Representative for Business Community Relations (“*Tokubetsu Riji*”)	External affairs such as business community relations	Full time and remuneration to be paid	24 June, 2016	2 years from 1 April, 2018

Number of the senior advisor/advisor and other positions who are the former representative director and president and other positions	2

Remarks

The Company, by the resolution of the Board of Directors on 18 January, 2018, abolished the senior advisor (“*Sodanyaku*”) and advisor (“*Komon*”) positions as from 1 April, 2018 (excluding the advisor(s) to be appointed who are not the executives of the Company). From the past, the Company has Advisory Member (“*Riji*”) position in addition to the senior advisor (“*Sodanyaku*”) and advisor *(“Komon”)* positions, and all of the executives of the Company will be appointed as Advisory Member (“*Riji*”) after their retirement. Advisory Member (“*Riji*”) is an honorary position after the retirement of the executives of the Company, and no Advisory Member (“*Riji*”) is involved in the management and decision making of the Company at all. On the other hand, taking the external affairs such as business community relations of the Company into consideration, we need the support of the former executives of the Company, so the new positions of “Senior Representative for Business Community Relations” (“*Tokubetsu Riji*”) and “Representative for Business Community Relations” (“*Jomu Riji*”) have been established. They are assigned the said business community relations and the appropriate remuneration is paid.

The summary of “*Riji*” positions is as follows:

Position	Number	Term	Work Condition	Remuneration	Assignment	Others
Director Emeritus (“*Meiyo Riji*”)	A few	Not fixed	Non-full time	None	None	The former Chairman and

						President only
Senior Representative for Business Community Relations (“*Tokubetsu Riji*”)	One	Fixed	Full time in principle	To be paid	External affairs such as business community relations	The former Chairman and President only
Senior Vice Representative for Business Community Relations (“*Semmu Riji*”)	A few	Fixed	Full time in principle	To be paid	External affairs such as business community relations	-
Representative for Business Community Relations (“*Jomu Riji*”)	A few	Fixed	Full time in principle	To be paid	External affairs such as business community relations	-
Advisory Member (“*Riji*”)	Not fixed	Not fixed	Non-full time	None	None	-

* Executives mean Director (excluding non-executive Directors), officers and Audit & Supervisory Board Members (excluding non-executive members).
** The term of Senior Representative for Business Community Relations (“*Tokubetsu Riji*”), Senior Vice Representative for Business Community Relations (“*Semmu Riji*”) and Representative for Business Community Relations (“*Jomu Riji*”) is fixed at the time of the appointment.
*** Senior Vice Representative for Business Community Relations has been newly established as of 21 June, 2019.

2. Items Related to Functions of Business Execution, Audits and Supervision, Nomination, and Decisions on Compensation, etc. (Overview of Current Corporate Governance System)

[The Current System]

- The Company is a company with the Board of Directors and Audit & Supervisory Board Member (the Audit & Supervisory Board).
- As from 1 April, 2018, Chairman of the Company is Chief Executive Officer and President of the Company is Chief Operating Officer.
- The Board of Directors, comprising 10 Directors including 4 outside Directors, is chaired by the Chief Executive Officer. The Board of Directors is held, in principle, at least once a month, and it makes decisions on important matters in accordance with laws and regulations, the Articles of Incorporation, the “Board of Directors Regulations,” and supervises the performance of the Directors. Two of the outside Directors are female, and the average term of overseas assignment period of our internal Directors is 5.5 years (as of 21 June, 2019).
    - In FY2019, a total of 17 meetings of Board of Directors was held and attended by all Directors and all Audit & Supervisory Board Members except for one absence by Mr. Uryu, outside Audit & Supervisory Board Member. The major issues discussed at the meetings were the medium-term management plan (including the review after announcement), shareholders return, capital policy, investment projects with high importance from the aspect of quantitative or qualitative, internal control and compliance (including the measures for the cease and desist order issued by Japan Fair Trade Commission under in FY2019), executive compensation, corporate governance (including a review of Cross-Shareholdings, and the measures required to Japan’s Revised Corporate Governance Code), etc.
- Each Director carries out functions and duties as designated by the Board of Directors in accordance with laws and regulations, the Articles of Incorporation, resolutions by the Board of Directors, and the other internal regulations.

- With the view to further enhancing the Board's monitoring functions and increasing transparency on the decision making process, both Governance and Remuneration Committee and Nomination Committee have been established as voluntary advisory committees to the Board. Each committee is chaired by an outside Director and the majority members of each committee are outside Directors and Audit & Supervisory Board Members.
- The Executive Officer System has been adopted to strengthen the decision-making function and supervisory function of the Board of Directors, and to streamline executive decision-making. Based on the decisions made by the Board of Directors, executive officers implement their designated duties delegated by the Board of Directors and representative Directors. As of 21 June, 2019, the Company has 36 executive officers (some of whom concurrently serve as Directors), comprising 34 male executive officers and 2 female executive officers.
- The HMC (Headquarters Management Committee) and various internal committees have been established for the purpose of contributing to appropriate and flexible decision making on management issues by the President and Chief Operating Officer and the Board of Directors. HMC is, in principle, chaired by the President, and in principle consists of the Chairman, the President, and executive officers appointed by the President. The HMC is a supporting committee to the President and Chief Operating Officer where companywide management policy and important issues are discussed.
- Various internal committees carefully screen and discuss management issues in their respective fields. Several of the internal committees including the Internal Control Committee work to support the decision making by the President and Chief Operating Officer and the Board of Directors by incorporating external opinions with measures such as designating outside key figures.
  The roles of the main internal committees are as follows (as of 21 June, 2019).

Internal Control Committee (Chairman: Chief Administrative Officer (CAO))	Deliberates on issues related to the development of internal control systems
Disclosure Committee (Chairman: CFO):	Deliberates on issues related to business activity disclosure and on issues related to the development and operation of internal control systems in the area of financial reporting
Asset Liability Management (ALM) Committee (Chairman: CFO):	Deliberates on issues related to risk management systems and balance sheet management
Compliance Committee (Chairman: CAO):	Deliberates on issues related to compliance
Sustainability Committee (Chairman: CAO):	Deliberates on issues related to sustainability and ESG including environmental problems, and social contribution initiatives but excluding governance related issues.
Investment Consultative Committee (Chairman: CFO)	Deliberates on issues related to investment and financing
New Headquarters Project Committee (Chairman: CAO)	Deliberates on issues related to New Headquarters Project

- The Audit & Supervisory Board is comprised of 2 internal Audit & Supervisory Board Members and 3 non-executive 3 Audit & Supervisory Board Members (outside auditors). In addition, the Audit & Supervisory Board Members' Office (5 members as of 21 June, 2019), which directly reports to the Audit & Supervisory Board, is set with employees dedicated to the duties of the Audit & Supervisory Board Members.
- Each Audit & Supervisory Board Member attends meetings of the Board of Directors and other important meetings to hear from Directors etc. about the status of the execution of their duties in accordance with the "Audit & Supervisory Board Regulations," "Auditors' Auditing Standards" the policy on auditing and the division of responsibilities as specified by the Audit & Supervisory Board. In addition, each auditor views important documents approved by management, etc., investigates the operations and assets at Headquarters and other key offices, requests subsidiaries to report on their businesses as required, and strictly audits the execution of duties of Directors and executive officers. Furthermore, a council comprising internal Audit & Supervisory Board Members of key group companies has been established as part of the activities conducted to focus on cooperating with the

Audit & Supervisory Board Members of consolidated group companies. Mr. Shingo Majima, Auditor, is qualified as a certified public accountant in Japan and Unites States of America, and has adequate knowledge and experience in the fields of finance and accounting. In addition, Mr. Kentaro Uryu and Mr. Kotaro Ohno, both Audit & Supervisory Board Members, are qualified as a lawyer in Japan and have adequate knowledge and experience in the field of law.

- The Audit Division is established responsible for internal audits under the direct control of the President and Chief Operating Officer (about 50 members as of 21 June, 2019). The Audit Division implements audits of the Company and its domestic and overseas consolidated companies from various perspectives, such as 1) whether the financial information, other reports, records and related procedures can be trusted; 2) whether laws, statutory regulations and other items are being complied with and whether related internal mechanisms and systems are effective and appropriate; 3) whether operational procedures and activities are effective and efficient for carrying out organizations' policies and plans; and 4) whether other management activities are being conducted rationally and efficiently. The audit results are directly reported to the Chairman and Chief Executive Officer as well as the President and Chief Operating Officer. Thorough follow-ups are also made on the status of improvements made based on suggestions and recommendations after audits. Close collaboration with the internal auditing departments of group companies is also carried out. The internal control audit section established within the Audit Division independently evaluates the development and operation of internal control systems concerning financial reporting.
- Regarding accounting audits, the Company entered into an audit contract with Deloitte Touche Tohmatsu LLC, and has been conducted English financial statements audit, the Companies Act audit and the Financial Instruments and Exchange Act audit. The Company appropriately exchanges opinions on accounting and internal control considerations, etc. with the accounting auditor in response to the report set forth the results of the financial statement audits and internal control audits conducted by the auditor as an independent third party, and have received advice such as improvement matters.
  In addition, we provide sufficient information and data contributing to create an environment where quick and accurate audits can be conducted. The accounting auditors who executed the audit are Mr. Koichi Okubo, Mr. Hiroyuki Yamada, Mr. Masaru Nakayasu and Mr. Susumu Nakamura, and the number of years of continuous audit of each auditor is within the statutory period. As of 21 June, 2019, there were 33 certified public accountants and 59 assistants involved in audit work.
- When the accounting auditor falls under any of Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board dismisses the accounting auditor. In addition, when the Audit & Supervisory Board finds that the accounting auditor cannot ensure the appropriateness and reliability of the audit, it decides the content of the proposal regarding dismissal or non-reapproval of the accounting auditor to be submitted to the general meeting of shareholders.
- In accordance with the "Accounting Auditor's Evaluation Criteria" formulated by the Audit & Supervisory Board, the Company evaluates the accounting auditor each period. The quality control system of Deloitte Touche Tohmatsu LLC, the results of external inspections, the independence and expertise of the audit team, the contents of the audit plan, the contents of the audit, and its quality, various communications with the domestic and overseas auditors within the group and audit fees, etc. As a result of such evaluation, it was judged that the expected functions were fully realized.
- The results of audits by the Audit & Supervisory Board Members, Audit Department and Accounting Auditors are reported to the Board of Directors, HMC, internal committees, etc. in a timely and appropriate manner, and are fully taken into account in decision making and used to improve management.

[Policy and Process for Appointing Executive Officers and Candidates for Directors and Audit & Supervisory Board Members]

1. Policy and Process for Appointing Executive Officers
   Executive Officers are appointed annually by the Board of Directors among, in principle, employees regarded as candidates for executives based on our HR system with high integrity and exceptional ability (or those who have already been appointed as Executive Officers) who are judged to be capable of assuming the role as the Executive Officers. Candidates for Executive Officers are first selected by the Chairman and Chief Executive Officer based on, among others, recommendations from other officers (or in terms of incumbent Executive Officers, based on their respective performance) and submitted to the Nomination Committee for further deliberation. Based on the

deliberation and advice of the Nomination Committee, the Board of Directors appoints Executive Officers by its resolution. In case that an Executive Officer breaches the Executive Officers' Regulation of the Company or otherwise his or her performance is judged to be not appropriate, the Chairman and Chief Executive Officer (or the chairman of the Nomination Committee) firstly makes a proposal of dismissal, and the Board of Directors dismisses such Executive Officer by its resolution based on the deliberation and advice of the Nomination Committee.

2. Policy and Process for Appointing Candidates for Directors
In order to effectively supervise management and decide important business matters as the Board of Directors of a general trading company with broad range of business, ITOCHU's Board of Directors consists of, in principle, the Chairman, President, officers in charge of headquarters administrative functions, one appropriate Division Company president, and such several outside Directors that the percentage of outside Directors in our Board of Directors is one-third or more to improve supervisory function of the Board of Directors. In nominating outside Directors, ITOCHU prioritizes candidates with higher independence, based on the criteria for "independent Directors" prescribed by the Tokyo Stock Exchange, and ITOCHU's "Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members," who with his or her experience and knowledge in the relevant category, are expected to contribute to the management of ITOCHU. Proposal on candidates for Directors is created by the Chairman and Chief Executive Officer taking into consideration diversity such as knowledge, experience, gender and international experience, and submitted to the Nomination Committee for further deliberation before the Board of Directors finally nominates the candidates for election at the General Meeting of Shareholders.

3. Policy and Process for Appointing Candidates for Audit & Supervisory Board Members
As Audit & Supervisory Board of a *sogo-shosha* with broad range of business, for effective monitoring and audit, candidates for Audit & Supervisory Board Members are selected from those with understanding about ITOCHU's management and with high expertise and extensive experience in the relevant area such as accounting, finance, legal and risk management. Among the members of ITOCHU's Board of Audit & Supervisory Board Members, half or more of the members always consist of outside Audit & Supervisory Board Members. In appointing outside Audit & Supervisory Board Members, ITOCHU prioritizes candidates with higher independence based on the independence criteria prescribed by the Tokyo Stock Exchange, and ITOCHU's own independence criteria who are expected to effectively monitor and audit ITOCHU's activities. In addition, ITOCHU selects at least one Audit & Supervisory Board Member with adequate expertise in finance and accounting. Candidates for Audit & Supervisory Board Members are selected by the Chairman and Chief Executive Officer after the discussion with the executive Audit & Supervisory Board Members and submitted to the Nomination Committee for further deliberation before the Board of Directors (with consent of the Audit & Supervisory Board) finally nominates the candidates for election at the General Meeting of Shareholders.

[Outline of Limitation of Liability Contracts]
Pursuant to Article 427, Paragraph 1, of the Companies Act, ITOCHU has entered into limitation of liability contracts with respect to liability as set forth in Article 423, Paragraph 1, of the Companies Act with outside Directors and outside Audit & Supervisory Board Members. Under these contracts, their liabilities are limited to the lowest amount of liability pursuant to Article 425, Paragraph 1, of the Companies Act if and so long as they have acted in good faith and without gross negligence in performing their duties.

3. Reason for Adopting the Current System
The Company, as a company with Audit & Supervisory Board Members, endeavors to strengthen the monitoring/supervising function and ensure the transparency of decision making by having the Audit & Supervisory Board Members (including outside Audit & Supervisory Board Members) fully monitor corporate management. In addition to its corporate governance system primarily based on the monitoring of corporate management by Audit & Supervisory Board Members, the Company appointed outside Directors the percentage of which is one-third or more of the total number of the Directors, and keep this percentage of outside Directors also in FY2020 and onwards. And, the Company has already appointed independent outside Directors and established the Governance and Remuneration Committee

and the Nomination Committee, as voluntary advisory committees to the Board which are chaired by outside Directors and which comprise of majority outside members, for the purpose of further increasing the effectiveness of the supervision of management by the Board of Directors and strengthening and improving the transparency of decision making. In the process of appointing the outside Directors and outside auditors, the company focuses securing independency of the outside Directors and the outside auditors, and in addition to the independence criteria established by the Tokyo Stock Exchange ITOCHU has adopted its own independence criteria.
The Company believes that its current corporate governance system—which is based on the Board of Directors consisting with the independent outside Directors for one-third or more of all Directors, the said voluntary advisory committees to the Board and the Audit & Supervisory Board, more than half of whom are outside Audit & Supervisory Board Members— accords with ITOCHU's "Basic Policy" stated in I-1 above in this report.

III Status of Implementation of Measures Related to Shareholders and Other Stakeholders

1. Measures to Revitalize the General Meeting of Shareholders and Facilitate of Exercise of Voting Rights

	Supplementary Information
Prompt Delivery of Convocation Notice of General Meeting of Shareholders	Sent approximately three weeks before the General Meeting of Shareholders.
Setting Date of General Meeting of Shareholders to Avoid Being Held on the Same Day as Many Other Companies	Held on a day other than the day on which the largest number of companies held their meetings.
Exercise of Voting Rights by Electromagnetic Means	In order to promote the exercise of voting rights by individual shareholders, the exercise of voting rights by electronic means has been available since the Ordinary General Meeting of Shareholders held in June 2005.
Participation in Platform for Exercise of Voting Rights by Electromagnetic Means and Other Measures to Enhance Environment for Exercise of Voting Rights by Institutional Investors	The “Voting Rights Electronic Exercise Platform” operated by ICJ Co., Ltd., has been used since the Ordinary General Meeting of Shareholders held in June 2008.
Providing Convocation Notice (Summary) in English	An English version of the entire convocation notice, including Business Report, has been prepared and posted on the Company’s Web site and on TDnet since the Ordinary General Meeting of Shareholders held in June 2010.
Other	In order to improve convenience for shareholders and ensure sufficient time for considering proposals, the convocation notices have been made available via electronic means since the Ordinary General Meeting of Shareholders held in June 2005. Furthermore, since the Ordinary General Meeting of Shareholders held in June 2015, the Company has posted its convocation notice on its website and on TDnet before posting the notice to shareholders.

2. Investor Relations Activities

	Explanation by Representative	Supplementary Information
Adoption of Disclosure Policy	-	ITOCHU’s disclosure policy is included in our Basic IR Policy. Please refer to the following URL: https://www.itochu.co.jp/en/ir/policy/
Holding Regular Meetings for Individual Investors	No	Meetings were held for several times at securities companies etc.
Holding Regular Meetings for Analysts and Institutional Investors	Yes	Meetings are held every quarter, as either presentations or online conferences.
Holding Regular Meetings for Foreign Investors	Yes	Meetings are held in Europe, North America, Hong Kong and Singapore etc.
Posting Investor Relations Materials on	—	Financial statements, presentation materials of investors meetings(including Q&A summary), materials used in

the Company Web Site		briefings on each segment, materials for timely disclosure, annual securities reports (*yuka shoken hokokusho*), quarterly securities reports (*shihanki hokokusho*), the status of corporate governance, convocation notices for General Meetings of Shareholders, reports (*hokokusyo*) and annual report are posted on the Company web site.
Establishment of Investor Relations Department	—	Investor Relations Department was established under the CFO as a department specializing in investor relations.

3. Measures that Consider the Interests of Stakeholders

	Supplementary Information
Provisions Made in Consideration of Stakeholders' Interests (Internal Regulations, etc.)	In our corporate philosophy, we declare that the ITOCHU Group values our individuals and society and fulfills our responsibilities to bear the wealth for the future. Compatible with the medium-term management plan and in order to promote response to issues related to companywide sustainability such as social and environmental problems, we have formulated the basic policies for sustainability promotion in the timing of formulating the said management plan, and "Mutual trust building with society" is clearly stated in the basic policies and published. We aim to have our Company trusted by increasing information to be disclosed, receiving interactive dialogue with stakeholders, receiving expectations and requests from society, and practicing them.
Promotion of Environmental Protection, Corporate Social Responsibility (CSR), and Other Activities	Founded since 1858, we have inherited the spirit of Ohmi merchant's management philosophy "*Sampo Yoshi* (Good for the seller, Good for the buyer, and Good for the society)" for such a long period of more than 160 years, and, based on the corporate philosophy "Committed to the Global Good", we believe that it is important to increase sustainable corporate value through our business and fulfill our social responsibilities. Measures for promoting company-wide sustainability, such as social and environmental issues, are planned by the Sustainability Management Department, promoted by domestic and international organizations under the decision of CAO who are responsible for company sustainability. Regarding the formulation of policies and important matters, discussions and decisions are made at the "Sustainability Committee", one of the main internal committees, and the main activities of sustainability promotion are regularly reported to the Board of Directors. In addition, we regularly grasp social expectations and requests for our Company through "Sustainability Advisory Board" aiming at dialogue with internal and external stakeholders, and make use of them in promoting sustainability. In April 2018, we identified material sustainability issues (materiality) incorporating environmental, social and governance (ESG) perspectives. As a specific measure to identify materiality and contribute to solving social issues, we are putting it in the "Sustainability Action Plan" for each business field. This plan sets out "commitment" showing medium and long-term growth and as to how to provide society with value, concrete "response approach" and "outcome indicator" to achieve commitment, disclose of the degree of progress in each year annually, and promotes sustainability throughout the entire Company. To resolve the materiality through our business field leads to the "sustainable growth through a reinvented *sampo yoshi* approach" which we aim for in the medium-term management plan "Brand-new Deal 2020". Our sustainability efforts to fulfill our responsibility to society now and to the future also contribute to achieving "sustainable development goals (SDGs)"

	adopted by the United Nations in 2015. In 1997, we introduced the environmental management system (EMS) based on ISO 14001 for the first time as a trading company, and actively engage in environmental protection business that utilizes a wide range of functions as Trading House and network, and we, not only the Company but also our entire group, are promoting efforts in response to the growing global environmental issues such as global warming. Since 2009, we are also participating in the United Nations Global Compact, a global effort to realize sustainable growth in the international community. We are actively participating in activities as a member company of "Global Compact Network Japan" (GCNJ), a local network of the United Nations Global Compact. In accordance with the ten principles of "Human Rights", "Labor", "Environment" and "Prevention of Corruption", we practice the concept of the UN "Guiding Principles on Business and Human Rights" for risk management and promote our employees. Since 2009, we are also participating in the sustainability action plan thorough our business activities. https://www.itochu.co.jp/en/csr/activities/actionplan/index.html
Establishment of Policy Concerning Disclosure of Information to Stakeholders	The Basic Policy regarding the Internal Control System states that ITOCHU will provide timely and appropriate disclosure.
Other	1. Supporting the success of human resources diversification In our recognition, an "attractive company and corporate culture" is that there exists an environment in which each employee can actively perform his or her ability without being conscious of gender, nationality, and age, and such environment leads to strengthening individual and organizational performance as well as enhancing profitability. In particular, as global competition intensifies, "organizational diversity" is indispensable in order to respond precisely to the various needs of the market and to continuously create new business and added value. Based on this idea, the Company formulated the "Human Resource Diversification Promotion Plan" in December 2003, and, during 10 years thereafter, expanded the number of diversified human resources, promoted their settlement and performance, and prepared the support system for compatibility between life events such as nursing and caring and work at a level higher than the statutory level. Currently, with utilizing these systems as safety nets, we sincerely make an individual support according to their life stage and career as by "*Gen*(front)･*Kotsu* (individual)･*Tsu* (connection) *Kaikaku*". These efforts were evaluated, and we were awarded Platinum Kurumin Company from Ministry of Health, Labor and Welfare, FY2015 Nadeshiko stock, New Diversity Management Company Top 100, and FY2017 Equality/Compatibility Promotion Company Award, Family-Friendly Company Division, of Minister of Health, Labor and Welfare. 2. Promoting women success What we mostly focus on human resources diversification is support for women success. Under the "Human Resource Diversification Promotion Plan", we expanded the number of women employees, gradually expanded childcare and nursing care-related regulations, established in-house childcare centers, and implemented mentor and career forums. Currently, under the action plan corresponding to the Act on Promotion of Women's Activities, we provide carefully individualized support according to individual's life stage and career, and, by providing training for developing

	young women' career awareness and promoting awareness of managers, we promote mainly improving the environment that women can actively work as well as developing women candidates for managers in the next generation. Specifically, the work from home system, which is applied based on specific criteria to employees who have time constraints due to childcare, nursing care, or similar reasons and those who have difficulty commuting for reasons such as pregnancy, injury, or illness, transfers from clerical positions, (e)three-party meeting on return from childcare leave and follow up meeting for those who have returned to work from childcare leave, interviewing system for women's employees before and after transfer to overseas, preparation of individual career plan for the next generation management, sending women employees to the external training session, provision of skill up training during childcare and follow-up training after child care leave with a supervisor, taking only children during overseas working, and re-employment system that allows to apply for re-employment within 5 years after retiring due to relocation of spouses, . 【ITOCHU's Action Plan】 https://www.itochu.co.jp/en/files/action_plan_kohyo.pdf 3. Promotion of Working-Style Reform For our company aiming for management based on a small number of elite personnel systems, it is essential to achieve high productivity and individual employee skills. We regard "Working-Style Reform" as an important measure of the management strategy for improving corporate value, consider the customer's perspective first, and are practicing measures aiming for not "easy to work", but "a company that takes on challenges and accomplishes worthwhile work. We introduced "Morning Focused Working System" in FY2014 and affected the working-style reform of government as well as many private entities and thereafter, developed "Health and Productivity Management" in FY2017 and "full support measures for balancing cancer care and work" and "Dress-down Days" in FY2018. As a pioneer of Working-Style Reform, we will promote measures unique to ITOCHU, and we will realize a workplace where all employees have a sense of motivation and can work with peace of mind without worry. 4. Health and Productivity Management To maintain further growth and maintain competitiveness, we believe that an environment in which each and every employee can demonstrate the maximum results is essential, and we believe that it is the cornerstone of strengthening good health of each employee. Under the idea that improvement of "good health" of each employee leads to realization of permanent enhancement of corporate value that is beneficial not only for "employees" but also for "company" and "shareholders", we regard health and productivity management as one of our management strategies and we established ITOCHU Health Charter in June 2016. With this charter as the core, we strongly promote morning focused working system, increase the acquisition rate for the vacation leave, strengthen support system for "meals" and "exercise" (company-wide deployment of health management applications and introduction of individual guidance programs using wearable terminals etc.), implement countermeasures against life-style related disease such "smoking cessation" support (smoking cessation program that utilize online application and interviews), and improve the vitality of our employees both mentally and physically through measures such as maintenance of mental health and strengthening of mental response. From August 2017, we began to implement measures to support balancing cancer treatment and work. We have now decided to add the new initiative to support balancing cancer care with work from the three perspectives of prevention. For this purpose, we promote the treatment and co-existence and

	cooperation with National Cancer Center, the establishment of a system that offers support for balancing work with cancer treatment, the enhancement of financial support for advanced cancer treatment, and the expansion of scholarships for children and job search support. By promoting these measures, we hope to create a workplace in which all employees, regardless of whether they suffer from disease, can continue to work as much as they like without concern, and reach their fullest potential. We want employees to maintain motivation and find their work worthwhile. At the same time, we aim to become a company that is challenging but does work worth doing—the strongest and best in Japan. As a leading company of health and productivity management, we are awarded "Health Management Stock 2016 · 2017" and "A company promoting cancer care and developing actions" from Minister of Health, Labor and Welfare Award. We will actively promote health and production management in the future.

IV Items Related to the Internal Control System

1. A Basic Policy and Development and Operation Status Related to Internal Control System

The Company has established the following internal control systems, which are necessary to ensure that executive officers' implementation of duties are in compliance with laws and statutory regulations and the Articles of Incorporation and ensure the appropriateness of other operations. Below is a summary of the Basic Policy and implementation status regarding the Internal Control System as of 21 June, 2019, which the Board of Directors approved on 19 April, 2006 (and partially revised as of 6 May, 2016).

Notes

1. System to Ensure Compliance by Directors and Employees to Laws, Regulations and the Articles of Incorporation

1) Corporate Governance

(1)As the decision-making body, the Board of Directors, consisting of Directors and Outside Directors, is to decide important matters in accordance with laws and regulations, the Articles of Incorporation, the "Board of Directors Regulations," and other internal regulations, and as the supervisory body, the Board of Directors is to supervise the performance of the Directors.

(2)Each Director is to carry out such Director's functions and duties as designated by the Board of Directors in accordance with laws and regulations, the Articles of Incorporation, resolutions by the Board of Directors, and internal regulations.

(3)ITOCHU is to adopt the Executive Officer System to strengthen the decision-making function and supervisory function of the Board of Directors, and to streamline executive decision-making. Based on the approval of the Board of Directors, executive officers implement their designated duties based on delegation from the Board of Directors and representative Directors.

(4)The Audit & Supervisory Board Members are to oversee the performance of the Directors based on the "Audit & Supervisory Board Regulations" and "Auditors' Auditing Standards."

2) Compliance

(1)Directors, executive officers and employees are to conduct themselves in accordance with the ITOCHU Group Corporate Philosophy and the ITOCHU Group Code of Conduct.

(2)ITOCHU is to designate a representative Director as the chief officer responsible for supervising compliance and also establish the Compliance Committee and a department that oversees all compliance matters. In addition, the "ITOCHU Group Compliance Program" is to be created to further enhance our compliance system.

3) Internal Control to Ensure Reliability of Financial Reporting
(1)ITOCHU is to have in place internal regulations concerning commercial transactions management and accounting, and is to create the position of CFO to ensure the reliability of financial reporting.
(2)ITOCHU is to establish the Disclosure Committee and regularly review and improve the development and implementation status of the internal control systems to ensure the reliability of financial reporting.

4) Internal Audits

ITOCHU is to establish the Audit Division under the direct control of the President and Chief Operating Officer. The Audit Division is to regularly implement internal audits of all aspects of business operations based on the "Audit Regulations." Such internal audits are to examine compliance with laws and regulations, the Articles of Incorporation, and internal regulations, as well as, among other matters, the appropriateness of the procedures and nature of the exercise of duties and responsibilities.

2. System for the Storage and Preservation of Information Related to Director Duties

The Directors are to appropriately store and preserve important documents and related materials concerning the performance of their duties, including the minutes of the General Meeting of Shareholders, in accordance with the "Information Management Regulations," the "Document Management Rules" and other internal regulations. All documents and information so stored and preserved are to be subject to inspection by the Directors and auditors at any time. Further, the Company will establish departments responsible for the timely disclosure of important corporate information and other information. At the same time, Directors will rapidly and comprehensively gather information that requires disclosure and implement timely and appropriate disclosure in compliance with laws and statutory regulations.

3. Regulations Concerning the Management of the Risk of Loss and Other Relevant Risk Management System

To adequately address the various risks associated with our business operations, such as market risk, credit risk, country risk, and investment risk, ITOCHU is to establish internal committees and responsible departments, and is to develop the necessary risk management system and risk management techniques, for example establishing a full range of management regulations, investment criteria, risk limits and transaction limits, and developing reporting and monitoring systems, and managing company-wide as well as matter-specific risks . Furthermore, ITOCHU is to regularly review the effectiveness of the risk management system.

4. System to Ensure Efficient Performance of Directors

1) The HMC and Other Internal Committees

The HMC as a supporting body to the President and Chief Operating Officer, and a number of other internal committees, are to facilitate the proper and agile decision-making by the President and Chief Operating Officer and the Board of Directors.

2) Division Company System

Under the Division Company System, the position of Division Company president is to be created at each Company, and each Company is to manage its business autonomously in accordance with laws and regulations, the Articles of Incorporation, and internal regulations. Furthermore, each Company is to establish its own numerical targets, and regularly evaluate its performance by comparing against such numerical targets.

3) Clearly Define the Scope of Authority and Responsibilities

In order to ensure the appropriateness and efficiency of the performance of the management, ITOCHU is to develop internal regulations to clearly define the scope of authority and responsibilities of each corporate officer and divisional manager.

5. System to Ensure the Adequacy of Operations of the ITOCHU Group (Consisting of ITOCHU and Its Subsidiaries)

1) Subsidiary Management and Reporting System

(1)ITOCHU is to establish a department that oversees all the subsidiaries. Furthermore, relevant departments within ITOCHU are to exercise jurisdiction over their responsible subsidiaries, and provide managerial guidance to such subsidiaries in accordance with the internal regulations concerning consolidated company management. In principle, ITOCHU is to send Directors and Audit & Supervisory Board Members to each subsidiary to ensure the adequacy of the subsidiary's operations.

(2)With respect to subsidiaries that ITOCHU owns indirectly through its directly-owned subsidiaries, ITOCHU is to strive to ensure the adequacy of operations by such indirectly-owned subsidiaries in

accordance with this Basic Policy by way of, in principle, causing directly-owned subsidiaries to provide managerial guidance to indirectly-owned subsidiaries.

(3)With respect to important matters on the management of subsidiaries, ITOCHU is to, in principle, agree and specify with each subsidiary what matters will require the prior approval of or reporting to ITOCHU, as appropriate, taking into account, among others, each subsidiary's nature and size of business and whether it is listed or unlisted.

2) Rules and Other Systems to Manage the Risk of Loss at Subsidiaries

ITOCHU is to identify the subsidiaries which shall be subject to ITOCHU's Group-wide risk management in respect of each risk category, taking into account, among others, each subsidiary's nature and size of business and whether it is listed or unlisted. In addition, ITOCHU is to periodically review the effectiveness of such Group-wide management system.

3) System to Ensure the Efficient Performance of Duties by Directors, etc. of Subsidiaries

ITOCHU is to formulate a management plan on a consolidated basis and undertake managerial guidance of subsidiaries in order to attain the said management plan as well as to provide support to subsidiaries such as provision of group financing from ITOCHU.

4) System to Ensure Compliance by Directors, etc. and Employees of Subsidiaries to Laws, Regulations and the Articles of Incorporation

(1)In principle, ITOCHU is to send Directors and Audit & Supervisory Board Members to each subsidiary and strive to ensure that the performance of duties of Directors, etc. and employees of a subsidiary complies with laws and regulations and the Articles of Incorporation of such subsidiary through supervision and audit of the performance of duties at the subsidiary by the said Directors and auditors sent from ITOCHU.

(2) ITOCHU is to provide guidance to its subsidiaries for the purpose of implementing a compliance system under the "ITOCHU Group Compliance Program" and to perform periodic monitoring and review of the implementation status of the relevant matters as well as providing education and training at subsidiaries whenever necessary for the purpose of securing compliance by the entire ITOCHU Group.

(3)All of the operations and activities of the subsidiaries are to be subject to internal audits by the Audit Division.

6. Matters Concerning Supporting Personnel to Audit & Supervisory Board Members, Independence of Such Personnel from the Directors and Ensuring the Effectiveness of Instructions to Such Personnel

ITOCHU is to establish the Audit & Supervisory Board Members' Office under the direct jurisdiction of the Audit & Supervisory Board and is to put in place full-time employees with the sole responsibility of supporting the work of the Audit & Supervisory Board Members. The supervisory authority over such employees is to belong exclusively to the Audit & Supervisory Board Members, and evaluation of such employees is to be carried out by the Audit & Supervisory Board Member designated by the Audit & Supervisory Board. Any transfer orders or disciplinary actions relating to such employees are to require prior approval by such Audit & Supervisory Board Member.

7. System for Reporting by Directors and Employees to Audit & Supervisory Board Members

1) Attendance at Important Meetings

The Audit & Supervisory Board Members are to attend meetings of the Board of Directors, the HMC meetings, and other important meetings, and interview the Directors and other relevant persons regarding the performance of their duties. In addition, the Audit & Supervisory Board Members are to have the right to inspect all relevant materials.

2) Reporting System

(1)The Directors and corporate officers are to regularly report to the Audit & Supervisory Board Members about their performance. Furthermore, in addition to the matters required by laws and regulations, the Directors and corporate officers are to report all the decisions that could have a major impact on the finance or business of ITOCHU to the Audit & Supervisory Board Members immediately after such decisions are made.

(2)Employees are to have the right to report directly to the Audit & Supervisory Board Members any matters that could cause serious damage to ITOCHU.

(3)In the "ITOCHU Group Compliance Program," ITOCHU is to explicitly prohibit disadvantageous treatment of Directors and employees who have reported to the Audit & Supervisory Board Members and to ensure thorough familiarization with this prohibition.

8. System for Reporting by Directors, Audit & Supervisory Board Members and Employees of Subsidiaries or by a Person who Received a Report from Them to Audit & Supervisory Board Members

1) Reporting System

(1) The Directors and Audit & Supervisory Board Members of subsidiaries may report directly to the Audit & Supervisory Board Members of ITOCHU any matters that could cause serious damage to the said subsidiary.

(2) A department that oversees compliance is to periodically report to the Audit & Supervisory Board Members of ITOCHU a summary of matters that could cause serious damage to a subsidiary that were reported by the officers and employees of the said subsidiary.

(3) In the "ITOCHU Group Compliance Program," ITOCHU is to explicitly prohibit disadvantageous treatment of persons who have reported to the Audit & Supervisory Board Members under the provisions listed above and to ensure full familiarization with this prohibition.

9. Matters Concerning Policy on Procedures for Prepayment or Refund of Expenses Arising in Relation to Performance of Duties of Audit & Supervisory Board Members and Processing of Expenses or Obligations Arising in Relation to the Performance of Other Duties

When an Audit & Supervisory Board Member claims prepayment, etc. from ITOCHU in relation to the performance of duties under Article 388 of the Companies Act, ITOCHU is to process the relevant expense or claim promptly upon confirmation by the responsible department.

10. Other Relevant Systems to Ensure the Proper Functioning of Audits

1) Coordination with the Audit & Supervisory Board Members by the Audit Division

The Audit Division is to maintain close communication and coordination with the Audit & Supervisory Board Members with respect to matters such as formulation of the internal audit plan for each business year, and internal audit results.

2) Retaining Outside Experts

When deemed necessary, the Audit & Supervisory Board Members are to independently retain outside experts for the implementation of an audit.

For the proper operation of internal control systems, ITOCHU has adopted a system by which it further segments items stipulated by the Basic Policy into more detailed confirmatory items in respect of each fiscal year, and, after setting the department in charge of each of these confirmatory items, conducts checks of the

construction and the operational status of internal control systems by each department (and by other related internal committees) at the Internal Control Committee meetings held each half year. The Internal Control Committee (FY2020), chaired by CAO and with the Corporate Planning & Administration Division as secretariat, consists of CFO, General Manager of Internal Audit Division, and an external expert (attorney) as members. Audit & Supervisory Board Members also attend and voice opinions every time.

At its meetings, the Internal Control Committee verifies the content of checklists summarizing achievement status, issues, etc. for each of the above confirmatory items, as submitted by the departments in charge of each. It also confirms the construction and operational status of internal control systems by verifying the content of individual reports from the departments in charge, with respect to important matters such as systems to ensure the reliability of financial reporting, compliance systems, systems to manage the risk of losses, and the construction and operational status of internal control systems in the ITOCHU Group.
The results of deliberations by the Internal Control Committee are reported once per year to the HMC and the Board of Directors, the latter of which conducts a full-year evaluation of the construction and operational status of internal control systems.

Regarding the meetings of main internal committees related to internal control in FY2019, the Internal Control Committee met 2 times, the Compliance Committee 2 times, and the ALM Committee 8 times.

ITOCHU's internal control systems are constructed on the base of the ITOCHU Group, consisting of ITOCHU and its subsidiaries, and the operational status of the Group base internal control systems, and the construction and operational status of internal control systems in subsidiaries, are reported regularly to the Internal Control Committee.

ITOCHU intends to revise and improve these internal control systems tirelessly in order to build systems that are even more appropriate and efficient. Further, a meeting of the Board of Directors convened on 18 April, 2019, evaluated the development and implementation status of each item enumerated in the Basic Policy regarding the Internal Control System for the FY2019 and confirmed that there were no significant deficiencies or defects.

2. Basic Policy and Efforts to Against Antisocial Forces

ITOCHU has set out basic policy to tackle antisocial forces and groups that threaten the order and safety of civic society, stipulating three basic principles plus one - Don't fear, Don't pay, Don't use, and Don't associate - in its stance against antisocial forces and 10-point guideline as a manual to disseminate this information among all employees. We have also established a special department with overall responsibility for countermeasures in relation to antisocial forces within the Human Resources & General Affairs Division. In addition, we are improving systems and promoting enlightenment education in hopes of preventing unintentional entry into transactional relationships with anti-social forces and groups.

V Others

1. Adoption of Takeover Defense Measures

Adoption of Takeover Defense Measures	—

Supplementary Information

N.A.

2. Other Items Related to Corporate Governance System, etc.

Please refer to Chart 2 for ITOCHU's Corporate Governance and Overview of Internal Control System below.

[Overview of System for Timely Disclosure]

1. Internal Organizational Structure

The company has established internal rules for the handling of disclosure and assigned primary responsibility for operations related to the timely disclosure to the Investor Relations department, in consultation with the Corporate Planning & Administration Division and the Corporate Communications Division. Also, the company assigned in each Division Company persons in charge of corporate communication and investor relations, and endeavors to do timely disclosure by closely communicating with such persons in charge.

The Investor Relations Department, promptly after the public announcement of our financial result in each year, notifies each division company and headquarters administrative departments of the criteria and other details related to our and our subsidiaries' qualitative and quantitative information which is required to timely disclose pursuant to the relevant regulations of Tokyo Stock Exchange, and holds explanatory sessions, regularly and if required, to relevant departments in our company in order to strictly follow the regulations of Tokyo Stock exchange, thereby promoting the awareness of such timely disclosure rules.

2. Decision of timely disclosure

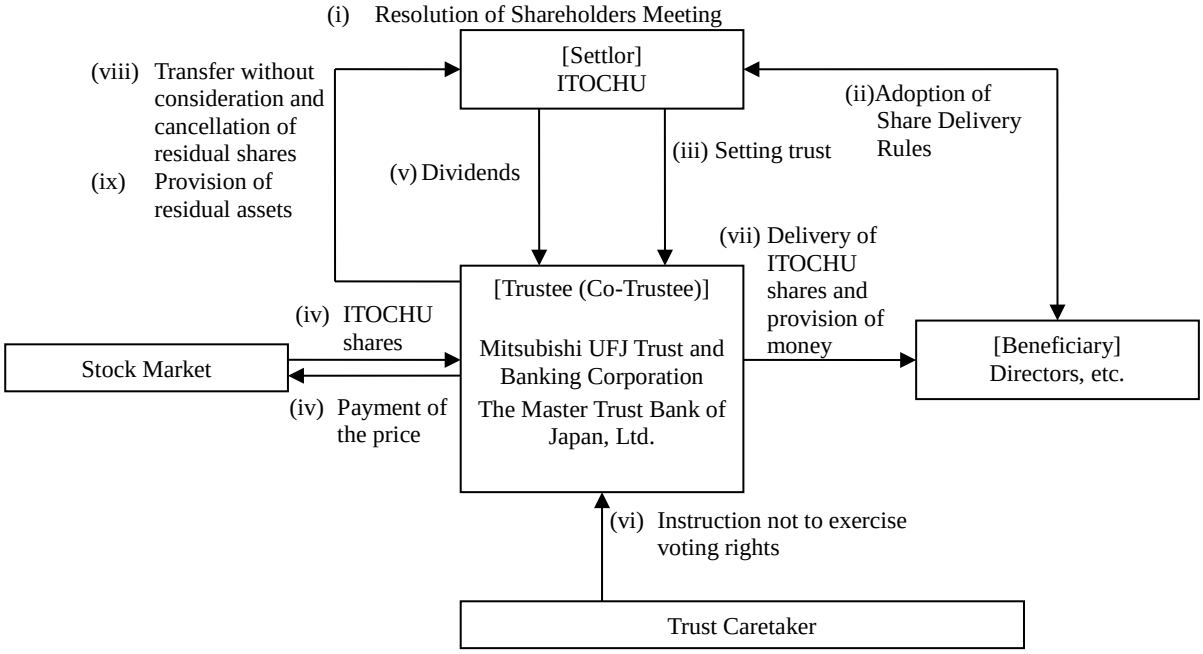
Our decision for timely disclosure is as follows.

(1) The person in charge of each Division Company, of each domestic or overseas subsidiary and of each administrative division at headquarters, report without delay to the general manager of the Investor Relations Department any decisions, events, or financial information related to the divisions and domestic or overseas subsidiaries for which they are responsible as requested or as may be requested to disclose based on the regulations of the Tokyo Stock Exchange.

(2) When the general manager of the Investor Relations Department receives a report as per preceding, he/she considers and determines (i) whether the information requires disclosure, and (ii) if disclosure is required, the details and method thereof, and upon the examination and receipt of opinions from the Corporate Planning & Administrative Division and the Corporate communications Division, he/she requests the approval of the CFO about the disclosure.

(3) After receiving approval as per the preceding, the general manager of the Investor Relations Department without delay files the disclosure with the Tokyo Stock Exchange.

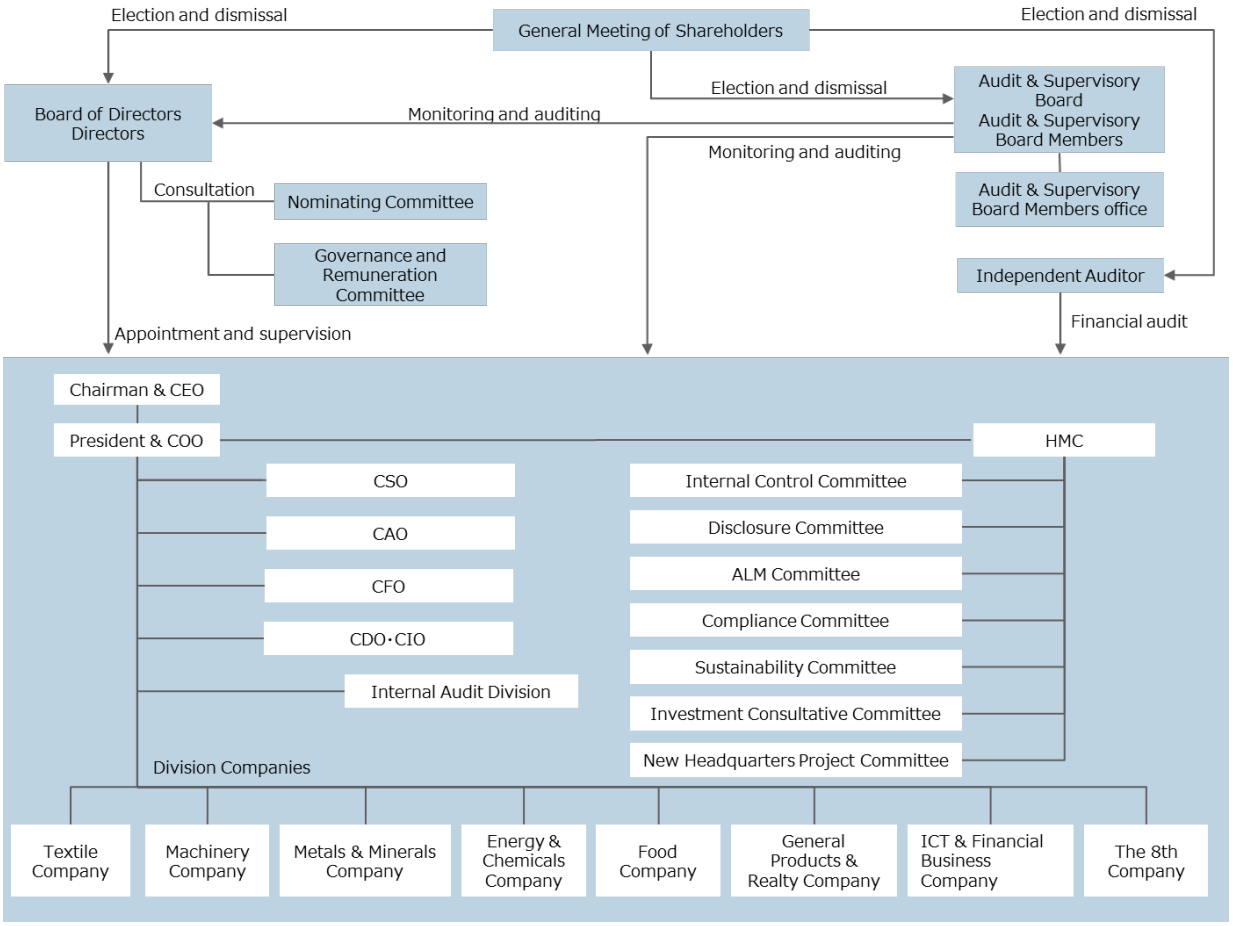
[Chart 1] Overview of the BIP Trust



(i)	In regard to the introduction of the Stock Remuneration Plan, ITOCHU obtains approval on remuneration by resolution of Shareholders Meeting (such approval was granted on the 92nd Ordinary General Meeting of Shareholders held on 24 June, 2016).
(ii)	In regard to the introduction of the Stock Remuneration Plan, ITOCHU's Board of Directors will adopt Share Delivery Rules regarding the remuneration of Directors and Executive Officers.
(iii)	ITOCHU will set a trust to which it entrusts money within the range approved by resolution of Shareholders Meeting as in (i) and of which Directors, etc. that satisfy the requirements for eligible beneficiaries are beneficiaries ("Trust").
(iv)	The Trustee (of the Trust) will purchase ITOCHU shares from the stock market using the money entrusted in (iii) in accordance with the instructions of the trust caretaker. The number of shares to be acquired by the Trust will be within the range approved by resolution of Shareholders Meeting as in (i).
(v)	Payment of dividends for ITOCHU shares in the Trust will be made in the same manner as done for other ITOCHU shares.
(vi)	Voting rights for ITOCHU shares in the Trust will not be exercised throughout the trust period.
(vii)	During the trust period, a certain number of points will be granted to Directors, etc. based on performance and other factors during each fiscal year. A Director, etc. who fulfills certain requirements for beneficiaries will, after retirement from office, receive the delivery of ITOCHU shares corresponding to a certain ratio of the number of points accumulated; money equivalent to a number of ITOCHU shares corresponding to the residual number of points, converted into cash within the Trust in accordance with the provisions of the trust contract; and money for dividends paid on ITOCHU shares in the Trust, corresponding to the number of points as of the record date.
(viii)	In the event that there are residual shares at the time of expiry of the Trust due to the non-attainment of performance targets during each fiscal year during the trust period or other reasons, ITOCHU will either continue use of the Trust as a new stock remuneration plan by amendment to the trust contract and placement of additional trust, or transfer the residual shares without consideration from the Trust to ITOCHU and cancel the shares by resolution of the Board of Directors.
(ix)	Residual assets after distribution are made to beneficiaries at the time of termination of the Trust will belong to ITOCHU within the range of the reserve for trust expenses derived by deducting the funds for purchasing shares from the funds of the Trust. With regard to any portion in excess of the reserve for trust expenses, ITOCHU plans to donate this to groups having no interest in ITOCHU or its Directors, etc.

[Chart 2]ITOCHU's Corporate Governance and Overview of Internal Control System

(As of 10 October, 2019)



*1 HMC＝Headquarters Management Committee
CEO＝Chief Executive Officer
COO=Chief Operating Officer
CSO=Chief Strategy Officer
CAO＝Chief Administrative Officer
CFO＝Chief Financial Officer
CDO・CIO＝Chief Digital & Information Officer
ALM＝Asset Liability Management

*2 CAO is the chief officer for compliance. Also, each Division Company has a Division Company president.

*3 Internal control systems and mechanisms have been implemented at every level of ITOCHU. Only the main internal control organization and committees are described herein.

[Chart 3]Overview of System for Timely Disclosure

CORPORATE GOVERNANCE

