

March 19, 2025

This document is an English translation of a statement written originally in Japanese. The Japanese original should be considered as the primary version.

ITOCHU Corporation
(Code No. 8001, Prime Market)
Representative Director and President and Chief Operating Officer: Keita Ishii
Contact: Kazunori Harada
General Manager, Investor Relations Division
(TEL. +81-3-3497-7295)

Notice Concerning New Introduction of Restricted Stock Remuneration Plan and Revision of Board Incentive Plan (BIP) Trust

ITOCHU Corporation (“ITOCHU”) hereby announces, as described below, that at the Board of Directors’ meeting held on March 19, 2025, it reviewed the current remuneration plan for corporate officers, and resolved to newly introduce a restricted stock remuneration plan (the “RS Remuneration Plan”) and revise the existing Board Incentive Plan (BIP) Trust (“BIP Trust”), and a proposal regarding the plan will be submitted to the 101st Ordinary General Meeting of Shareholders to be held in June 2025 (“Shareholders Meeting”).

1. Purpose for Newly Introducing RS Remuneration Plan and Revising BIP Trust

ITOCHU has decided to introduce the RS Remuneration Plan as a new performance-linked stock remuneration plan for Directors, Executive Officers and Senior Operating Officers (excluding Outside Directors and Directors who are non-residents of Japan; “Directors, etc.”), and partially revise the BIP Trust for the purpose of clarifying the linkage between the remuneration for corporate officers and ITOCHU’s equity value, further heightening awareness among corporate officers regarding their contributions to improving ITOCHU’s performance and to enhancing its corporate value over the medium- to long-term, and promoting the further alignment of their interests with those of shareholders. This proposal is subject to approval by the shareholders at the Shareholders Meeting.

2. Overview of the RS Remuneration Plan

ITOCHU will introduce the RS Remuneration Plan for Directors, etc. in order to further raise their awareness of participation in management. The RS Remuneration Plan is a performance-linked stock remuneration, and the business performance shall be the net profit attributable to ITOCHU (consolidated) (“net profit (consolidated)”). By introducing the RS Remuneration Plan, ITOCHU aims to expand stock remuneration, a non-monetary remuneration, as a part of overall remuneration.

(1) Overview

The RS Remuneration Plan is a plan whereby each fiscal year following the announcement of ITOCHU's financial results, ITOCHU will either (1) grant common shares of ITOCHU (the "Shares") of an amount adjusted according to the net profit (consolidated), or (2) pay monetary claims as corporate officer remuneration, which shall serve as property to be contributed in kind to acquire the Shares.

However, if before the granting of the Shares, a Director, etc. retires due to the expiration of their term of office, death, or other justifiable reason, or there is a merger agreement or other reorganization in which ITOCHU becomes the dissolving company, the Director, etc. will be paid in cash in lieu of shares. The initial performance evaluation period of the RS Remuneration Plan is planned to apply from the fiscal year ending March 31, 2025.

(2) Resolution at the Shareholders Meeting for the RS Remuneration Plan

The proposal to be submitted to the Shareholders Meeting concerning the RS Remuneration Plan shall only be the portion that relates to Directors. The total value of the Shares and monetary claims granted and paid to Directors shall not exceed ¥3.0 billion per year, and the total number of common shares of ITOCHU to be newly issued or disposed of shall not exceed 300,000 shares per year (provided that, in the event of a share split of the Shares with the effective date after the date of resolution of the Shareholders Meeting (including a gratis allotment of the Shares), or in the event of a share consolidation, the total number of shares shall be adjusted within a reasonable range as required, according to the ratio of a share split or share consolidation to be applied from the aforementioned effective date).

If cash is paid in lieu of shares, that amount, combined with the total value of the Shares or monetary claims, shall not exceed ¥3.0 billion per year.

(3) Method of allocation

If the remuneration to be provided by ITOCHU under the RS Remuneration Plan is granted to the Directors, etc. in the form of the Shares, rather than being paid in the form of monetary claims, the Shares shall be issued or disposed of as remuneration for the Directors, etc., and no payment of monetary claims as property contributed in kind shall be required. In this case, the monetary value of the Shares to be provided to the Directors, etc. shall be calculated as the value-per-share of the Shares to be issued or disposed of based on the closing price of the Shares on the Tokyo Stock Exchange on the business day immediately prior to each date of resolution by the Board of Directors concerning the issuance or disposal of the Shares (if no transaction is executed on that date, the closing price on the most recent trading day immediately preceding that date shall be used).

If, however, the remuneration to be provided under the RS Remuneration Plan is paid to the Directors, etc. in the form of monetary claims as property contributed in kind for the acquisition of the Shares, the Directors, etc. shall pay in all of the monetary claims as property contributed in kind and receive

an issuance or disposal of the Shares. In this case, the amount to be paid per share shall be determined by the Board of Directors based on the closing price of the Shares on the Tokyo Stock Exchange on the business day immediately prior to each date of resolution by the Board of Directors (if no transaction is executed on that date, the closing price on the most recent trading day immediately preceding that date shall be used), within the scope of not being an amount that is particularly advantageous to the Directors, etc. who shall receive the Shares.

(4) Performance evaluation period and the execution of the allotment agreement

Each fiscal year becomes a performance evaluation period. The specific timing of the provision and the specific allocation to be received shall be determined after the performance evaluation period by ITOCHU's Board of Directors based on the achievement level of the performance targets that have been set by the Board of Directors beforehand for that period.

As a condition for the issuance or disposal of the Shares and the provision of monetary claims as property to be contributed in kind for the Shares under the RS Remuneration Plan, ITOCHU and its Directors, etc. shall enter into a restricted stock allotment agreement including the following provisions: (1) there shall be a prohibition on transfers, creation of security interest, or any other disposal of the Shares to third parties for a certain period of time (the "Restriction Period"), and (2) in the event that certain circumstances arise, ITOCHU shall acquire the Shares without consideration. The Shares will be managed in dedicated accounts to be opened with Nomura Securities Co., Ltd. by the Directors, etc. for the Restriction Period so that they cannot transfer to a third party, create a security interest in, or otherwise dispose of the Shares during the Restriction Period.

3. Overview of revision of the BIP Trust

ITOCHU will change the calculation of points indicative of performance ("Performance Points") so that more shares will be provided to Directors, etc. when the net profit (consolidated) exceeds a set standard amount. For the purpose of enhancing awareness among Directors, etc. of participation in management and the further alignment of their interests with those of shareholders, the framework for dividends, which up until now had them accumulated in a trust and then paid to Directors, etc. in cash upon their retirement from office, will be changed to a framework where dividends are converted to points corresponding to the dividend amount ("Dividend Points") and those points are granted. In order to accommodate to this change, ITOCHU is revising the upper limit on trust money in the BIP Trust and the upper limit on points that can be granted. In addition, ITOCHU plans to apply the revisions of this plan from the fiscal year ending March 31, 2025, and to apply the details relating to dividends stated below in (4) and (6) from the year-end dividends for the fiscal year ending March 31, 2025.

Except for the details shown below, the content of the BIP Trust introduced from 2024 will remain the same.

(1) Overview

The BIP Trust is a plan by which the Shares and an amount of money equivalent of the conversion value of the Shares (the “Shares, etc.”) are delivered to Directors, etc. as remuneration following retirement from office based on performance and other factors in each fiscal year, applicable to the two fiscal years from the fiscal year ending March 31, 2025 to the fiscal year ending March 31, 2026 (“Applicable Period”).

(2) Resolutions by Shareholders Meeting on revision of the BIP Trust

The upper limit on trust money contributed to the BIP Trust, the total number of points to be delivered to Directors, etc., and other necessary matters will be resolved at Shareholders Meeting.

(3) Eligibility (beneficiary requirements)

Directors, etc. may, following retirement from office and contingent upon fulfilling the requirements for beneficiaries, and after following the prescribed beneficiary vesting procedure, receive delivery, etc. of the Shares, etc. corresponding to the accumulated points granted (“Accumulated Points”) defined in (4) below, for the period of service until retirement from office.

The beneficiary requirements are as follows.

- (i) The beneficiary is in office as a Director, etc. during the Applicable Period.
- (ii) The beneficiary has retired from office as a Director, etc.
- (iii) The beneficiary is a resident of Japan.
- (iv) The beneficiary has not resigned or has not been dismissed on grounds such as having committed major infractions of duties or company rules or certain unlawful acts during the term of office.
- (v) The beneficiary’s Accumulated Points have been determined by the details provided for in (4) below.
- (vi) Other requirements deemed necessary to achieve the objectives of the BIP Trust.

(4) The Shares, etc. subject to the delivery, etc., to Directors, etc.

In June of every year during the trust period, Directors, etc. who served as a Director, etc. from July 1 of the previous year to the last day of June of said year (“Applicable Period of Payment”), but excluding persons who retired from office as a Director, etc. before the last day of March of said year, will be granted points based on performance in the fiscal year that ended on March 31 of said year and in accordance with the number of months of service in the Applicable Period of Payment, as consideration for the performance of duties during the Applicable Period of Payment. In addition, Dividend Points corresponding to the dividend amount at the time of each dividend record date of the year-end or interim dividend of each year (“Record Date”) are granted to the individuals who are at the office as a Director, etc. up until the Record Date.

Accumulated Points

= Cumulative total of Performance Points + Cumulative total of Dividend Points

Performance Points

= Base points for each position x Point calculation rate based on performance x {(Number of months of service during Applicable Period of Payment (rounding up fractions of less than one month)) / 12} (rounding down fractions)

Point calculation rate based on performance (A + B + C as defined below)

A= (Amount of net profit (consolidated) exceeding ¥300.0 billion up until ¥800.0 billion subtracted by ¥300.0 billion) / ¥10.0 billion x 2%

B= (Amount of net profit (consolidated) exceeding ¥800.0 billion up until ¥1,000.0 billion subtracted by ¥800.0 billion) / ¥10.0 billion x 2% x 2

C= (Amount of net profit (consolidated) exceeding ¥1,000.0 billion subtracted by ¥1,000.0 billion) / ¥10.0 billion x 2% x 3

* For Directors, etc. for which performance evaluation regarding the organization they are in charge of can be carried out, the [2%] shall be [1%].

	Position	Base points
Directors	Member of the Board, Chairman	31,900
	Member of the Board, President	23,900
	Member of the Board, Executive Vice President	16,000
	Member of the Board, Senior Managing Executive Officer	12,800
	Member of the Board, Managing Executive Officer	9,600
	Member of the Board, Executive Officer	7,000

Dividend Points

= Accumulated Points on the Record Date x Dividend per share / Reference share price

Reference share price

= Average share price of the one month before the month in which the dividend payment date falls

Following the retirement from office of a Director, etc., delivery, etc. of the Shares, etc. corresponding to the Accumulated Points will be performed. One point will correspond to one share

of the Shares; provided, however, that, in the event that a share split, consolidation of shares, etc. involving the Shares occurs during the trust period, the number of the Shares (include the ones converted) per point will be adjusted, in accordance with said split ratio, consolidation ratio, etc.

- (5) The upper limit on the total amount of trust money contributed to the BIP Trust, and the upper limit on the total number of points granted to Directors, etc. in the BIP Trust
The following upper limits shall be applied to the total amount of trust money contributed to the BIP Trust, and the total number of points granted to Directors, etc. in the BIP Trust during the trust period, on condition that these limits be approved at the Shareholders Meeting.

Upper limit on the total amount of trust money contributed to the BIP Trust: ¥8.0 billion (2-years' portion)*

* The above upper limit refers to sum of funds used by the BIP Trust to acquire shares, trust fees, and trust expenses during the trust period.

Upper limit on the total number of points granted to Directors, etc. during the trust period of the BIP Trust: 900,000 points (2-years' portion)

- (6) Handling of dividends of the Shares in the BIP Trust

With regard to dividends paid on the Shares in the BIP Trust, following receipt thereof by the BIP Trust and in addition to appropriated for purposes of trust fees and trust expenses, an amount equivalent to the per-share dividend will be reserved per point in accordance with the Accumulated Points of Directors, etc. until the record date for the interim dividends for the fiscal year ending March 31, 2025, and will be provided to Directors, etc. together with the Shares, etc. for which delivery, etc. is performed under (4) above. In addition, dividends on and after the record date of the year-end dividend for the fiscal year ending March 31, 2025 shall not be provided to Directors, etc., and in lieu of such payment, Dividend Points calculated in line with the details presented in (4) above will be granted to them.