

April 3, 2024

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

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**Announcement Regarding the Management Policy “The Brand-new Deal”  
and FYE 2025 Management Plan**

ITOCHU Corporation (“ITOCHU”) hereby announces that it has decided at the meeting of the Board of Directors held on April 3, 2024 about the Management Policy “The Brand-new Deal – Profit opportunities are shifting downstream –” and FYE 2025 Management Plan.

For more details, please refer to the attached materials.

Regarding the formulation of the Management Policy  
“The Brand-new Deal – Profit opportunities are shifting downstream –”  
and FYE 2025 Management Plan

We have formulated our Management Policy “The Brand-new Deal – Profit opportunities are shifting downstream –” as well as FYE 2025 Management Plan.

ITOCHU has implemented a total of five medium-term management plans, from “Brand-new Deal 2012” since 2011 to the latest management plan “Brand-new Deal 2023.” Typically, this fiscal year would be the time to announce the next medium-term management plan. However, considering the rapidly changing global situation in recent times, to deliver more useful information to our stakeholders, rather than simply following past precedents and developing a medium-term management plan for three years from now, which could be strongly affected by business environment like exchange rates and resource prices, etc., in this uncertain era, we have decided to establish a Management Policy that should serve as our compass for the long-term and publicly disclose profit plan, financial indicators and our shareholder returns policy as well, which we can commit with confidence for this coming year.

As for our Management Policy, we have titled it “The Brand-new Deal,” which adheres to the fundamental principles and business methodologies that have supported our advancement thus far. We will expand our business area through accelerating growth investments, by anticipating the changing needs of society with having all employees always enhancing their marketing capabilities based on the principle of “profit opportunities are shifting downstream” and leveraging the assets and expertise in a wide range of areas from our original downstream sector to the upstream and midstream. We aim to achieve sustainable enhancement in corporate value through three main pillars: steady earnings growth through investments as well as enhancement of corporate brand value and enhancing shareholder returns.

FYE 2025 Management Plan

Profit Plan	Shareholder Returns	Growth Investments
Consolidated net profit ¥880.0 billion	✓ Total payout ratio Aiming at 50% Minimum of dividend ¥200 per share (Increase of ¥40 from the previous fiscal year)	Maximum ¥1 trillion
ROE 16%	✓ Share buybacks Approx. ¥150.0 billion	NET DER Less than 0.6 times

\* The profit plan by segment and the outlook for other detailed information will be announced on May 8th.

Please refer to the attached materials for more details of the Management Policy and FYE 2025 Management Plan.

## Management Policy

# ***The Brand-new Deal***

– Profit opportunities are shifting downstream –

ITOCHU Corporation

April 3, 2024



I am One with Infinite Missions

**– Profit opportunities are shifting downstream –**

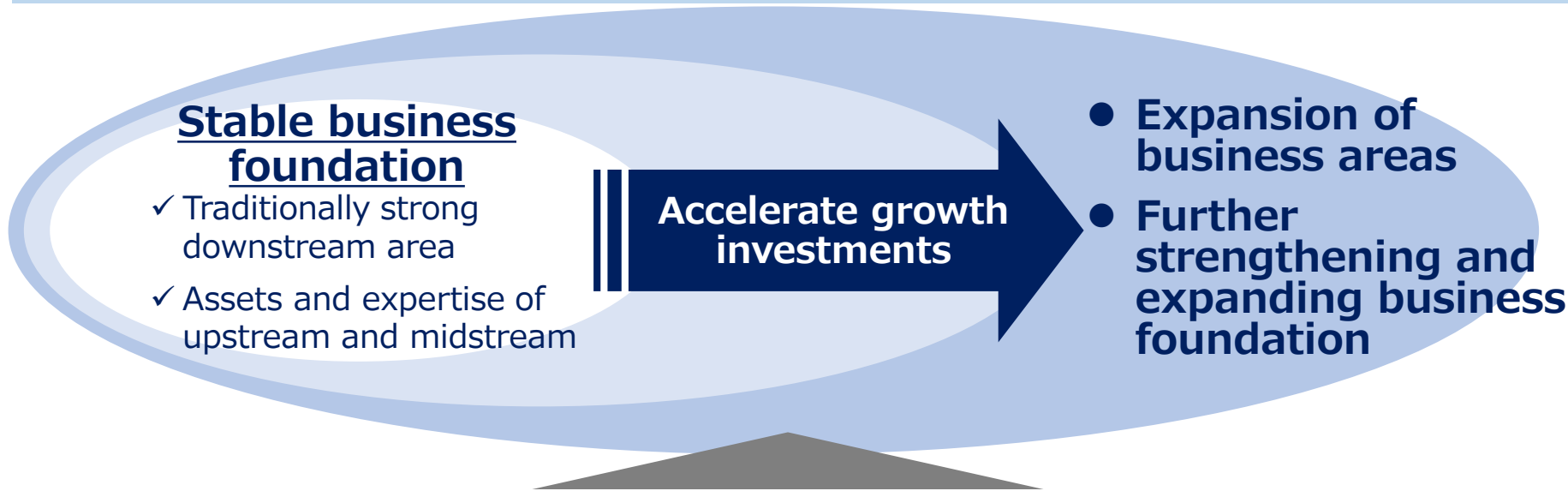
We aim to achieve sustainable enhancement in corporate value, by having all employees, from the business divisions to the administrative divisions, always enhancing their marketing capabilities, leveraging the assets and expertise of upstream and midstream, which we have been building up for over 160 years since our founding, while developing and evolving downstream businesses that are closer to consumers.

<p><b>Grow earnings</b></p>	<p><b>No growth without investments</b></p>
<p><b>Enhancement of corporate brand value</b></p>	<p><b>Enhancement in qualitative aspects</b></p>
<p><b>Shareholder returns</b></p>	<p><b>Total payout ratio 40% or more</b>  <b>The higher of 30% dividend payout ratio or dividend ¥200 per share</b></p>

# No Growth without Investments



Accelerate growth investments starting from a downstream, leveraging a stable business foundation, to grow earnings.  
Strive for further growth through the expansion of business areas and strengthening and expanding business foundation.



## Market-oriented perspective

**Developing and evolving downstream businesses that are closer to consumers**

- ◆ Maximizing synergies by horizontal collaboration among Division Companies
- ◆ Business transformation and creation through business integration

# Enhancement of Corporate Brand Value



**Built a "corporate brand" through high external evaluations based on the accumulation of innovative initiatives, creating a synergy effect with financial growth, thereby enhancing corporate value.**

**Based on the "market-oriented perspective," we aim to further enhance brand value by listening to the voices of the market, society, and consumers, and continuing to refine our qualitative aspects diligently.**

## Reinforcement of human capital

- ✓ Continuing to secure outstanding human resources by maintaining our position as the No.1 company selected by students
- ✓ Continuously cultivating a diverse pool of management talent based on their capabilities, regardless of age or gender, through our Executive Officer appointment policy
- ✓ Improving Employees' willingness to contribute by realizing "challenging but rewarding workplace" and pursue further labor productivity

## Strengthening dialogue with stakeholders

- ✓ Building and accumulating trust through actively incorporating insights gained from a wide range of dialogues into our management
- ✓ Enhancing our presence through expanding our contact points with consumers through unique channels and businesses

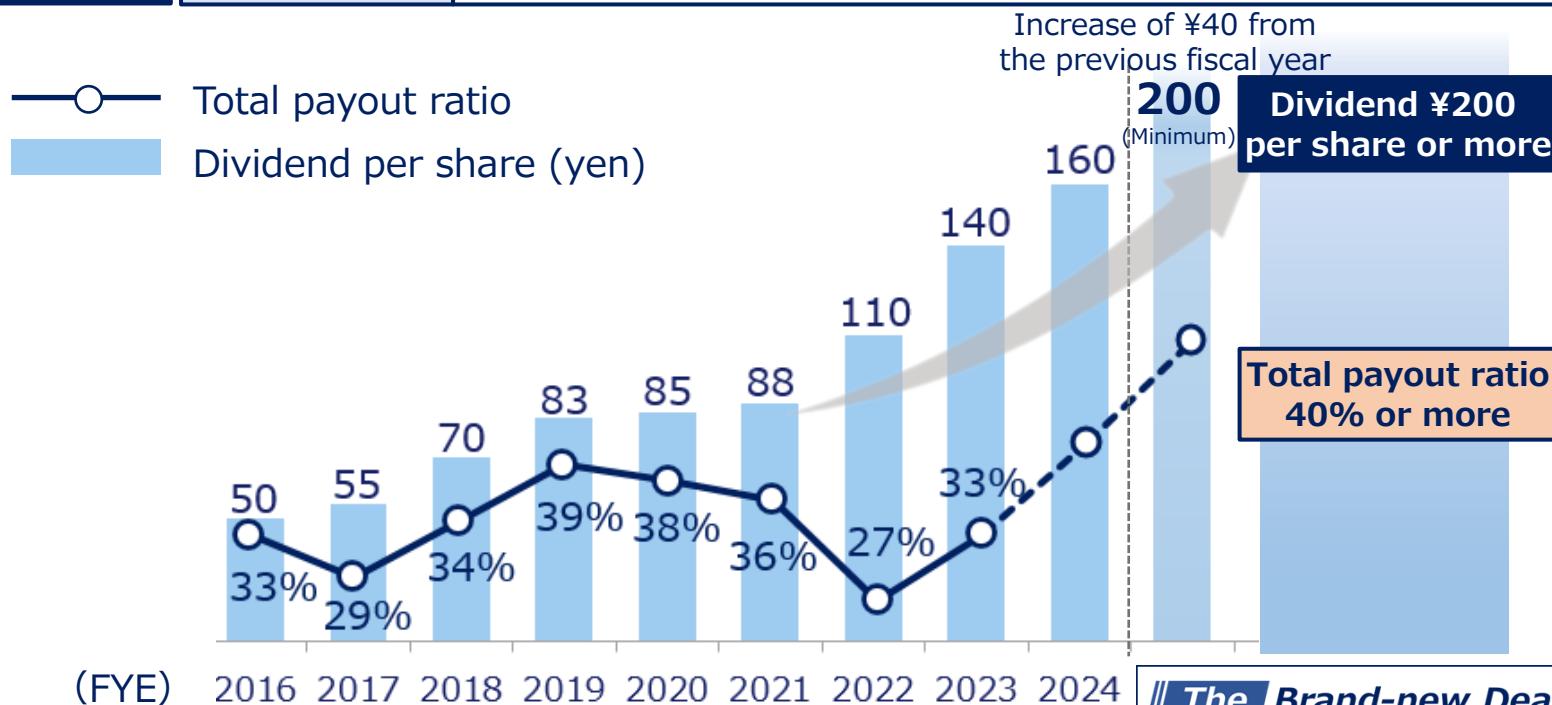
## Enhancing our contribution to and engagement with the SDGs through business activities

- ✓ Continuously responding to social demand by aiming to balance both sustaining the basic policies outlined in the previous medium-term management plan and promoting businesses that contribute to emissions reduction

# Shareholder Returns / Financial Policy



<b>Shareholder returns policy</b>	<b>Total payout ratio</b>	<b>40% or more</b>
	<b>Dividends</b>	<b>The higher of 30% payout ratio or dividend ¥200 per share</b> While based on <b>principle of 30%</b> payout ratio, also consider the minimum dividend of ¥200 per share <b>with an eye to the profit stage in the future</b>



Share buybacks (Billions of yen)

16.2	27.9	68.0	62.0	13.5	60.0	60.0	100.0
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**The Brand-new Deal**  
Execute share buybacks actively and continuously

<b>Financial policy</b>	<b>Maintaining financial foundation based on balancing three factors (Growth investments, shareholder returns, and control of interest-bearing debt)</b>
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# FYE 2025 Management Plan



## Profit Plan

Consolidated net profit  
**¥880.0 billion**

ROE  
**16%**

## Shareholder Returns

Total payout ratio  
 Aiming at **50%**

Dividends  
 Minimum of  
**¥200** per share  
 (Increase of **¥40** from the previous fiscal year)

Share buybacks  
 Approx. **¥150.0 billion**

## Growth Investments

Investment amount

Maximum **¥ 1 trillion**

Core operating cash flows after deducting shareholder returns in FYE2025 + Surplus capital in the previous medium-term management plan

NET DER  
 Less than **0.6 times**

\*1 The assumptions for major indicators are as follows: 140 yen/US\$ for exchange rate (average), 80 US\$/BBL for crude oil (brent), 0.4% for interest rate (TIBOR 3M) (¥), and 5.0% for interest rate (SOFR 3M) (US\$).

\*2 The profit plan by segment and the outlook for other detailed information will be announced on May 8th.



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