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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 Introduction of New Performance-Linked Stock Remuneration Plan**

ITOCHU Corporation (“ITOCHU”) hereby announces, as described below, that it resolved at the Board of Directors’ meeting held on April 17, 2024 to introduce a new performance-linked stock remuneration plan (the “Plan”) in the fiscal year ending March 31, 2025 while maintaining the framework that utilized the trust of its performance-linked stock remuneration plan (the “Former Plan”) introduced in the fiscal year ended March 31, 2017. The main difference between the Former Plan and the Plan is that base points for each position have been set in advance. In addition, since the framework that utilized the trust for the Former Plan will be maintained even under the Plan, the residual assets and shares in the trust will be succeeded to the Plan.

A proposal regarding the Plan will be submitted to the 100th Ordinary General Meeting of Shareholders to be held on June 21, 2024 (“Shareholders Meeting”). In addition, after receiving approval for the proposal at the Shareholders Meeting, ITOCHU plans to retrospectively apply the upper limit on trust money even to the Former Plan for the last two fiscal years (from the fiscal year ended March 31, 2023 to the fiscal year ended March 31, 2024).

#### **1. Introduction of the Plan**

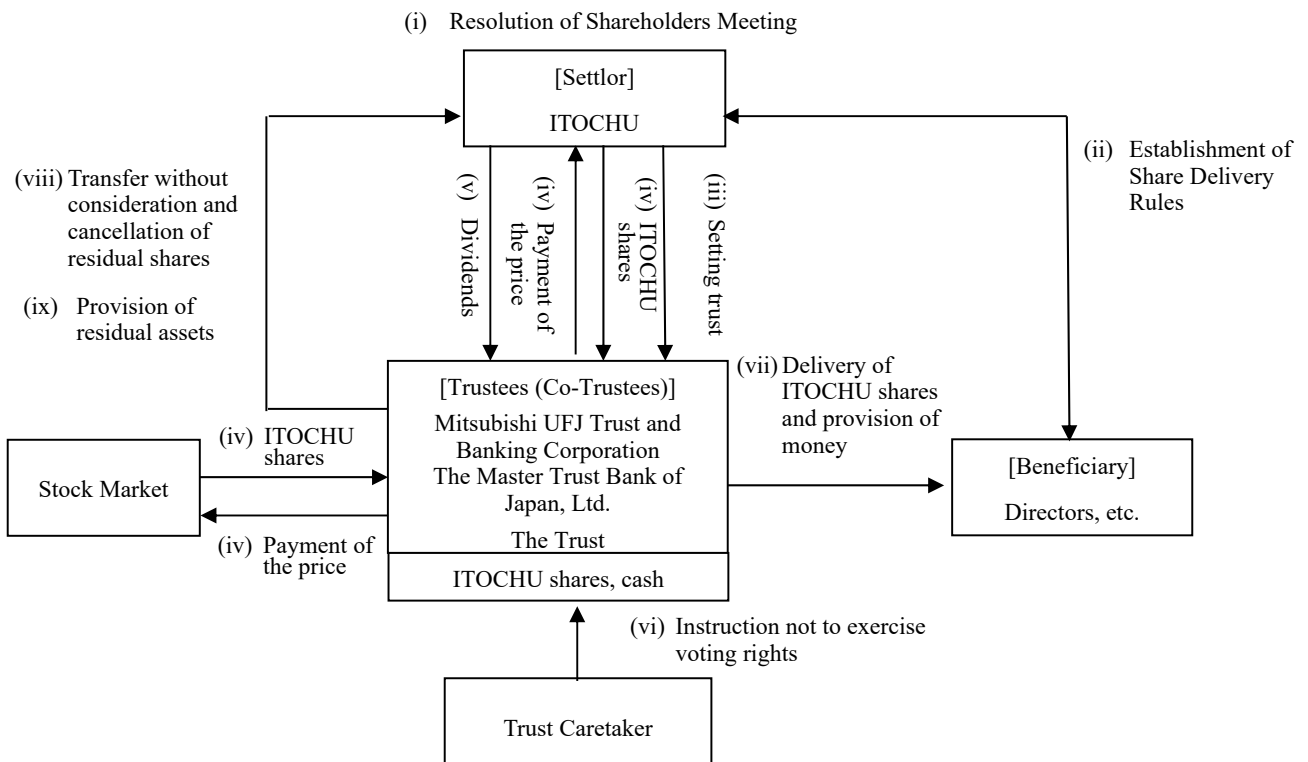
(1) ITOCHU will introduce a new performance-linked stock remuneration plan for Directors, Executive Officers and Senior Operating Officers (excluding Outside Directors and Directors who are non-residents of Japan; “Directors, etc.”), as a remuneration plan closely linked to the corporate performance and having high transparency and objectivity, with the objective of further heightening their awareness toward making contributions to improving ITOCHU’s performance and to enhancing its corporate value over the medium- to long-term (Note 1).

(Note 1) The Trust will maintain the framework that utilized the trust of the Former Plan, and through the placement of this additional trust, the Trust will be set as a new trust and the trust period and other trust details will be changed.

(2) The introduction of the Plan is subject to approval at Shareholders Meeting.

- (3) As its performance-linked stock remuneration plan, ITOCHU will adopt 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 U.S. ITOCHU will conduct delivery and payment (“Delivery, etc.”) 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 achievement of performance targets, etc.
- (4) Upon expiration of the trust period of the BIP Trust (the “Trust”) established in order to introduce the Plan, ITOCHU plans to continue the Plan by setting a new Trust or by making changes or additional entrustments to the existing Trust whose trust period has expired.

## 2. Overview of the Plan



- (i) In regard to the introduction of the Plan, ITOCHU will obtain approval on remuneration by resolution of Shareholders Meeting.
- (ii) In regard to the introduction of the Plan, ITOCHU’s Board of Directors will adopt Share Delivery Rules regarding the remuneration of Directors, Executive Officers and Senior Operating Officers.
- (iii) ITOCHU will set a trust to which it makes additional contributions of money within the range approved by resolution of Shareholders Meeting as in (i) and of which Directors, etc. who satisfy the requirements for eligible beneficiaries are beneficiaries.

- (iv) The Trust will purchase ITOCHU shares from the stock market or from ITOCHU using the money entrusted in (iii), in accordance with the instructions of the trust caretaker (in principle, such purchases shall be conducted from the stock market). 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, etc. 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 share-based 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.

\* In the event that, during the trust period, the possibility arises that the number of shares in the Trust will fall short of the number of shares corresponding to the Accumulated Points (provided for in (3) below) stipulated on behalf of each Director, etc. during the trust period, or the possibility arises that the amount of money in the trust assets will fall short of payments of trust fees and trust expenses, ITOCHU may entrust additional money to the Trust, within the upper limit on trust money approved by resolution of Shareholders Meeting.

#### (1) Overview

The Plan is a plan by which ITOCHU 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”). In the event that the Trust is continued as provided for in (4) B. below, the Applicable Period will be set to every two fiscal years thereafter.

(2) Resolutions by Shareholders Meeting on introduction of the Plan

The upper limit on trust money contributed to the 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 ITOCHU Shares, etc. corresponding to the accumulated points granted (“Accumulated Points”), 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. (Note 2)
  - (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 must have Accumulated Points determined by the calculation method provided for in (5) below.
  - (vi) Other requirements deemed necessary to achieve the objectives of the performance-linked stock remuneration plan.
- (Note 2) In the event that the trust period is extended in accordance with (4) C. below and the persons eligible for the Plan are in office as Directors, etc. at the expiry of the extended trust period, the Trust will be terminated at that time and Delivery, etc. of ITOCHU Shares, etc. will be made to said eligible persons during their term of office as Directors, etc.

(4) Trust Period

A. Initial trust period

The trust period is the approximately two years from August 2024 (planned) to August 2026 (planned).

B. Continuation of the Trust

Upon expiry of the trust period, the Trust may be continued by amendment to the trust contract and placement of additional trust. In this case, the trust period of the Trust will be extended by two years, and for each extended trust period, ITOCHU will make additional contributions to the Trust within the upper limit on trust money approved by resolution of Shareholders Meeting, and will continue to grant points to Directors, etc. during the extended trust period; provided, however, that, in the event that such additional contribution is made, when there are ITOCHU shares (excluding any undelivered portion of ITOCHU shares corresponding to points granted to the Directors, etc.) and money remaining within the trust assets on the last day of the trust period prior to the extension (“Residual Shares, etc.”), the total amount of the monetary amount of Residual Shares, etc. and additionally contributed trust money are to be within the upper limit on trust money approved by resolution of Shareholders Meeting. This extension of the trust period is not limited to one time only, and the Trust may be subsequently re-extended in the same way.

C. Handling of the termination of the Trust (extension of trust period not accompanied by additional contributions)  
 Even if the Trust is to be terminated, in the event that Directors, etc. who may fulfill beneficiary requirements are in office at the expiry of the trust period (or the extended trust period in the case that continuation of the Trust has been performed according to B. above), the Trust will not be terminated immediately and the trust period of the Trust will be extended, limited to a certain period. In this case, however, new points will not be granted to the Directors, etc.

(5) ITOCHU 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.

Points granted to Directors in June of each year

= 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)

|           | Position                          | Base points |
|-----------|-----------------------------------|-------------|
| Directors | Chairman                          | 31,900      |
|           | President                         | 23,900      |
|           | Executive Vice President          | 16,000      |
|           | Senior Managing Executive Officer | 12,800      |
|           | Managing Executive Officer        | 9,600       |
|           | Executive Officer                 | 7,000       |

Following the retirement from office of a Director, etc., Delivery, etc. of ITOCHU Shares, etc. corresponding to the Accumulated Points will be performed. One point will correspond to one ITOCHU share; provided, however, that, in the event that a share split, consolidation of shares, etc. involving ITOCHU shares occurs during the trust period, the number of ITOCHU shares (include the ones converted) per point will be adjusted, in accordance with said split ratio, consolidation ratio, etc.

(6) Method and timing of Delivery, etc., of ITOCHU Shares, etc., to Directors, etc.

In the event that a Director, etc. who fulfills the requirements for beneficiaries retires from office (excluding the case of death), the Director, etc. will receive delivery of ITOCHU shares corresponding to a certain percentage of the Accumulated Points stipulated in (5) above after retirement from office (rounding down shares of less than one unit), and, with regard to the number of ITOCHU shares corresponding to the residual number of the points, will receive provision of money equivalent to those shares, converted into cash within the Trust.

(7) Method of acquisition of ITOCHU shares by the Trust

The initial acquisition of ITOCHU shares by the Trust is planned to be conducted from the stock market or from ITOCHU, within the range of the amount of funds for acquiring shares and the total number of granted points approved by resolution of Shareholders Meeting (in principle, such acquisitions shall be conducted from the stock market).

(8) Clawback provision

In the event that a Director, etc. is found to have committed major infractions of their duties or company rules, or in the event that a Director, etc. is subject to punitive dismissal or resigns or is dismissed due to serious unlawful acts, etc. that warrant disciplinary action, ITOCHU shall be able to demand compensation from said Director, etc. of an amount obtained by multiplying the number of shares delivered under the Plan (including the number of shares converted) by the closing stock price of ITOCHU shares on the Tokyo Stock Exchange on the date on which ITOCHU provided notification of the return to said Director, etc.

(9) Exercise of voting rights of ITOCHU shares in the Trust

In order to ensure neutrality toward management, voting rights of ITOCHU shares in the Trust will not be exercised during the trust period.

(10) Handling of dividends of ITOCHU shares in the Trust

With regard to dividends paid on ITOCHU shares in the Trust, following receipt thereof by the Trust and except where 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. as of the record date, and will be provided to Directors, etc. together with ITOCHU Shares, etc. for which Delivery, etc. is performed under (6) above.

(11) Handling of termination of the trust period

In the event that there are residual shares at the time of expiry of the trust period due to the non-attainment of performance targets or other reasons during the Applicable Period, ITOCHU may continue use of the Trust as an incentive plan same as or similar to the Plan by performing amendment to the trust contract and additional contribution to the Trust. In the event that the Trust is terminated by expiry of the trust period, ITOCHU plans to transfer the residual shares without consideration from the Trust to ITOCHU, and to cancel the shares by resolution of the Board of Directors.

Residual dividends from ITOCHU shares in the Trust occurring at the time of expiry of the Trust will be used as funds for purchasing shares in the event of continued use of the Trust. However, in the event that the Trust is terminated by expiry of the trust period, ITOCHU plans to donate any portion in excess of the reserve for trust expenses to groups having no interest in ITOCHU or its Directors, etc.

**(Reference)**

**[Details of the trust contract]**

|        |                                 |  |
|--------|---------------------------------|--|
| (i)    | Type of trust                   | Trust of money other than a specified individually operated monetary trust<br>(third party beneficiary trust)  |
| (ii)   | Purpose of trust                | Granting of incentives to Directors, etc.  |
| (iii)  | Settlor                         | ITOCHU   |
| (iv)   | Trustee                         | Mitsubishi UFJ Trust and Banking Corporation<br>(Co-trustee: The Master Trust Bank of Japan, Ltd.)   |
| (v)    | Beneficiary                     | Directors, etc. who have retired from office and who fulfill beneficiary requirements  |
| (vi)   | Trust caretaker                 | A third party having no interest in ITOCHU (certified public accountant)   |
| (vii)  | Trust contract date             | August 3, 2024   |
| (viii) | Trust period                    | August 3, 2024 to August 31, 2026  |
| (ix)   | Exercise of voting rights       | Not to be exercised  |
| (x)    | Class of shares to be acquired  | Common Shares of ITOCHU  |
| (xi)   | Upper limit on trust money      | ¥5.0 billion (planned) (including trust fees and trust expenses)   |
| (xii)  | Stock acquisition date          | August 9, 2024 (planned) to August 31, 2024 (planned)  |
| (xiii) | Method of acquisition of shares | Acquired from Stock Market or ITOCHU   |
| (xiv)  | Rights holder                   | ITOCHU   |
| (xv)   | Residual assets                 | Residual assets that may be received by ITOCHU as the rights holder will be within the range of reserve for trust expenses, after deduction of funds for purchasing shares from the trust money. |