



# Employee Relations

ITOCHU Corporation has put up the “Full development of a global human resources strategy” as one of its priority measures in “Frontier<sup>e</sup> 2010” and is aggressively working on strengthening its human resources from a global perspective. We are striving to become an attractive enterprise and to create an attractive corporate climate, respecting individual careers and allowing every single person of our diversity of human resources to fully exert his or her skills regardless of nationality, race, gender and age by realizing a good working environment and a dynamic work style.

## Policy of ITOCHU Corporation’s human resources strategy

Based on our basic policy of “recruiting, developing and leveraging human resources worldwide,” ITOCHU Corporation aims to maximize and fully optimize the value of its human resources in the entire group all over the world and pursues a human resource strategy with a global perspective. With this strategy, ITOCHU works to develop an environment giving employees more motivation and satisfaction, allowing them to realize their capabilities to the maximum with peace of mind to take the challenge of facing new things. We further respect the values and personality of our employees and systematically acquire and develop human resources with a global perspective regardless of nationality, race, gender and age, striving to develop a good working environment for a diversity of human resources through support for a diversity of work styles and the realization of dynamic work styles.

Number of male and female employees (non-consolidated)

	Male	Female	Total
FY2006	3,122	915	4,037
FY2007	3,134	973	4,107
FY2008	3,161	1,014	4,175

Number of overseas bloc employees by region (as of March 31, 2009)

	Total
North America	177
Latin America	159
Europe	241
Africa	44
Middle East	180
Oceania	32
China	580
Asia	718
Under direct control of Headquarters	133
<b>Grand total</b>	<b>2,264</b>

\* The above mentioned employee numbers include employees of our local subsidiaries, overseas branches and representative offices

## Global human resources strategy and specific initiatives

ITOCHU Corporation is pursuing a variety of measures following two policies: 1) continually produce and optimally leverage global management human resources from all nationalities, races, genders and ages, and 2) encouraging an awareness change of all employees in the group to become a truly global enterprise. The Global Talent Enhancement Centers (GTEC) set up in four cities in the world and the Headquarters set up in Tokyo are at the center of these efforts. Particularly in “Frontier<sup>e</sup> 2010,” we perceive our global human resources strategy as the core of our human resources strategy and focus our efforts on “securing human resources” and “developing and creating group management human resources.”

### Specific measures

- 1 We seek to develop the leaders of the future and globalize our Headquarters by providing a system to accept overseas bloc employees from countries all over the world for two years at our Tokyo headquarters to give them an opportunity to learn our work processes, understand ITOCHU’s corporate mission, corporate climate and culture and to form personal connections. (as of the end of fiscal 2008, we accepted 31 persons, including those we are still expecting)
- 2 We measured the size of jobs and job responsibilities and developed the ITOCHU Global Classification (IGC) using a common scale for jobs all over the world and from all ranks to be utilized as a base for all policy measures. For the future, we plan to promote the effective and efficient management and utilization of human resources, and to assign, utilize and develop human resources irrespective of the nationality on the basis of IGC.

We will further incorporate the new corporate mission of ITOCHU Corporation into the human resource requirements that the leaders of the ITOCHU Group should provide and gradually develop this to the employment standards and evaluation and education systems of each region in order to recruit and develop human resources fitting

Structure to promote global human resources strategy



the values of ITOCHU Corporation on a global scale. In addition, we will promote a human resources strategy from a global perspective by developing more concrete measures such as increasing the mobility of human resources, and by spreading our global human resources strategy to all employees of the group.

## Promotion Plan on Human Resource Diversification: review and plans for the future

To encourage the diversification of human resources in Japan in our promotion of the global human resources strategy, we established and executed a “Promotion Plan on Human Resource Diversification” (term: January 2004 through March 2009) with the purpose of providing maximum support for the activities of a diversity of human resources irrespective of nationality, gender and age.

As a nationality-related initiative, we put up numerical targets as to how

Promotion Plan on Human Resource Diversification: targets and results

	Initial plan (FY 2008)	Result for FY2008	New target (FY2013)
Percentage of female employees among newly graduated employees in career-track position	20% or higher	31%	30% or higher
Percentage of female employees among all employees in career-track positions	5.0%	5.9%	10%

## Promotion Plan on Human Resource Diversification 2013 (Japan)

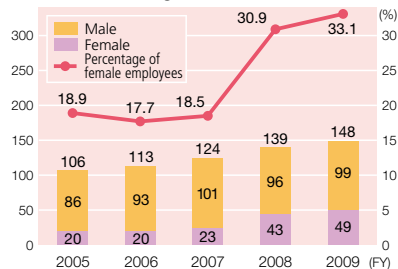
### Purpose of this plan

- Create an “attractive company and an attractive corporate climate” through support for the settling and activities of even more diverse human resources

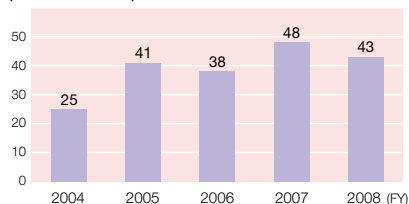
many employees from overseas blocs all over the world we accept for two years in our Headquarters, and as a gender-related initiative, we established numerical targets regarding the ratio of female employees in career-track positions and the ratio of female employees among newly graduated employees in career-track positions. Both of these numerical targets were achieved. To support even more activities of senior employees, we revised the employment extension system in October 2008, enhancing the system to allow diversified human resources to continue working with motivation and satisfaction irrespective of their age.

As the next phase, we established the “Promotion Plan on Human Resource

### Number of new graduates recruited



### Number of mid-career employees (career-track) recruited



Diversification 2013 (Japan)” (term: April 2009 through March 2014) for continued support of the activities of diverse human resources. This plan focuses on settling and providing support to even more diverse human resources by way of an increase in number and the development of systems and mechanisms.

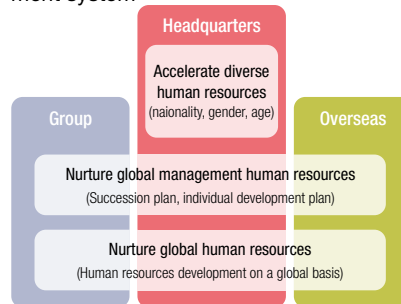
## Supporting the participation in society of people with disability

In 1987, ITOCHU Corporation established Itochu Uneedus Co., Ltd., as a special subsidiary based on the Law for Employment Promotion, etc. of the Disabled (Shogaisha Koyo Sokushin hou) in order to create work opportunities for those with disability. As of April 2009, 1.93% of our employees were with disability, higher than the legally stipulated level of 1.8%. We will continue to actively support the participation in society of individuals with disability.

## Policy for human resource development

We will promote human resources development not only for employees at our Headquarters but on a global basis including employees of our overseas blocs and group companies. We also provide well-balanced on-the-job training and other

### Overview of human resources development system



training as suitable for the aptitude of the employees. The costs for this training reach as much as about ¥1 billion per year (at the Headquarters).

## A variety of training schemes

In our “development of global management human resources,” we merge our “management school” for the Headquarters with “GLP training,” etc. for overseas bloc employees. Regarding the “development of global human resources,” we are continuing the dispatch of newly appointed section managers to overseas short-term business schools, the system for posting new employees overseas (overseas dispatch within four years after joining ITOCHU) and also English language classes for all employees at the Headquarters.

### Human resources development policy and training details (excerpt)

Overview of human resources development system	Training program name (excerpt)
Development of global management human resources	Global executive program, organization managers training, sending employees to MBA programs
Development of global human resources	Overseas short-term business school program for new section managers, sending new employees overseas
Diverse human resources development	Career vision support training, training for employees recruited mid-career/administrative employees

### Number of employees participated in major training programs

Training program name	FY2008 results
Management school (basic, advanced, executive)	70 (total)
Organization managers training	Approx. 400
Overseas short-term business school program for new section managers	54
System for sending new employees overseas	61
Training for overseas bloc employees at the Headquarters (GLP, GSP, NS trainings)	181 (total)
Career vision support training	Approx. 2,400 (cumulative)

## Trainee comments

### Participant in overseas short-term business school program for new section managers FY2008

#### Yoshiko Matoba

Manager, Osaka Secretary's Office, Secretariat

I participated in a seven-month training at Harvard Business School. In addition to learning about leadership, I was able to develop personal connections with elite players in various industries in the world. I will treasure this experience for my whole life.



## Participant in GSP\* training

#### Milos Vesnic

Belgrade Representative Office  
ITOCHU Corporation

During the GSP training, I was able to learn about ITOCHU's history, its values and experiences of employees in a concentrated form. This was also a valuable opportunity for discussions among participants from all over the world with a diversity of backgrounds and values. I was able to develop strong bonds and will never forget this experience.

\* Global Scholarship Program: one of the trainings for overseas bloc employees at the Headquarters



## Providing comfortable working conditions for employees

### Employee health management

For ITOCHU Corporation, where people are assets, the health management of every single employee is important to ensure that a diversity of employees can freely exert their capabilities with motivation and a sense of satisfaction. In addition to regular health checkups, we have developed a system allowing employees to receive counseling on their health and stress at any time inside the company and pay utmost attention to the health management



e-learning "For adequate time management (FY2009 Edition)"

and mental health of our employees. Particularly for mental health, we have established an organization that offers employees counseling from in-house psychiatrists and clinical psychologists at any time under strict confidentiality. Further, from the aspect of preventing long working hours, we established days where all employees leave early, conduct e-learning to make employees understand working hours correctly and take other measures to promote the development of an environment where employees can enjoy even more dynamic work styles.

### Career counseling

The Career Counseling Center offers career-related consultation services and support for all employees, ranging widely from new employees to senior managerial employees. Through career selection workshops on the employment extension system, the center also helps employees select career paths.

## Health management of employees assigned to overseas posts

To ensure that globally involved ITOCHU Corporation employees and their families spend a meaningful assignment term in safety and health, we have built a full system not only for incidents, accidents, disasters and other emergencies, but also for health management. In fiscal 2008, we established a task force in an effort to take measures for protecting health from new influenza and other infectious diseases, and also for education. To prepare for emergencies such as diseases or injuries, also including preventive measures for infectious diseases in the local region, we collaborate with multiple medical emergency service companies for a complete support system.

## Child care and nursing care support

Since the establishment of the Promotion Plan on Human Resource Diversification in December 2003, we have been enhancing our measures to support child care and nursing care to give employees the "opportunity to continue working with peace of mind." In particular, the revision of our system in November 2007 introduced measures to supplement the expenses for baby sitters or caretakers, meal delivery services and other child care or nursing care with up to ¥50,000 per month in order to support the motivation of our employees to continue working. In addition, we introduced "paternity leave" to encourage the involvement of male employees in child care, and also "family leave" to support families for school entrance ceremonies or parents' days at school, etc. A large number of employees are taking advantage of this system already, and we will continue to aggressively work to create an attractive environment where a diversity of employees can exert their skills to the maximum.

### Acquisition of leave according to child care or nursing care-related systems

(Unit: persons)

	FY2006	FY2007	FY2008	
Child-care	Parental leave	32	29	30 (30 females)
	Leave to nurse sick children	45	59	71 (22 males : 49 females)
	Shorter working hours for child care	29	34	40 (40 females)
	Special parental leave	17	15	21 (10 males : 11 females)
	Paternity leave	-	19	48 (48 males)
Nursing care	Nursing care leave	1	0	0
	Special nursing care leave	10	8	9 (2 males : 7 females)
	Shorter working hours for nursing care	2	2	1 (1 female)
	Family support leave	-	72	247 (146 males : 101 females)

### Comments from an employee who took paternity leave



#### Shigeaki Okoshi

Aerospace & Defence Department  
ICT, Aerospace & Electronics Company

Haruma was born on January 13, 2009, when there was snow in Nagasaki. Luckily, my wife's contractions started directly after I arrived at the hospital, and I was able to accompany my wife through all of her roughly nine-hour long fight. Actually, the

things that a father can do are really limited, but in witnessing the biggest fight in my wife's life, and the moment of ultimate bliss, I was able to pay respect to my wife, to rejoice in the birth of our child, and to get a real feeling of the responsibility I have for my family. These were very precious hours. Thanks to paternity leave, I was able to spend the most important time of my life with my family, and for this, I am grateful from my heart.

## Communications with employees

### Diversity Forum

As part of the "Promotion Plan on Human Resource Diversification," ITOCHU Corporation has been organizing "Diversity Forums" since fiscal 2006. The forums offer an opportunity for employees to think about further promotional measures for human resource diversity and propose these to the senior management. In fiscal 2008, we organized a forum under the theme "Multinational Human Resources" on the basis of the fact that we are promoting a global human resources strategy. Including overseas bloc employees, 20 participants of different nationalities, genders, ages and professional experience went through repeated discussions for four months and then made a proposal to the senior management on measures to promote the recruitment, development and support for activities of human resources with various nationalities. A part of this proposal is reflected in the global human resources strategy for fiscal 2009.



Diversity forum under the theme "Multinational Human Resources"

### Company-Wide Employee Meeting

Since fiscal 2001, ITOCHU has been holding Company-Wide Employee Meetings (CWEMs) once or twice a year. Based on free participation, CWEMs enable direct dialogue between our senior management, including the President & CEO, and employees. At the meetings, the President & CEO and other members of senior management inform employees directly about ITOCHU Corporation's management policies and the management team's passionate commitment to realizing them. At the same time, employees can state their opinions and pose questions directly to senior management. These meetings thereby enable valuable two-way communication.

The CWEM for fiscal 2009 was held on May 16. We connected Tokyo, Osaka, Guangzhou and Bangkok over video conference systems and held the meeting simultaneously at four sites with

about 1,300 attendants. At domestic branches and offices and at other overseas offices, we broadcasted the meeting live over the internet. The meeting saw a lively exchange of opinions on our management policy and the personnel system, and also helped to cultivate a sense of solidarity among employees. As suitable for a company that aspires to be a global enterprise, questions and answers in this CWEM from overseas bloc employees regarding overseas management were performed in English language.



President and CEO Eizo Kobayashi talking to employees



The award ceremony for the internal essay contest was also held

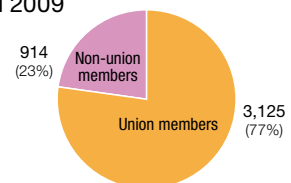
### Dialogue with the Labor Union

At ITOCHU Corporation, all issues are discussed with the labor union in order to realize our corporate mission "Committed to the global good." In fiscal 2008, we organized conferences on overtime, the personnel system, overseas compensation and benefits and other topics in addition to the regular annual conference. Through this kind of opportunity, labor and management are repeating discussions on current issues to build up a healthy relationship.

### Initiatives with the Labor Union in fiscal 2008



### Ratio of labor union members in April 2009



### Comments from the Labor Union President

**Masaaki Yamashita**  
President, ITOCHU Labor Union

ITOCHU Corporation's corporate mission "Committed to the global good." is its very stance on CSR. In a company, employees are both key actors to practice CSR and key clients to benefit from CSR. I believe that the labor union organizing these employees should actively participate and contribute as an organization directly reflecting the local voices in order to make CSR initiatives effective ones.



### Policies and tasks for fiscal 2009

"Human resources" are becoming increasingly important as they support the stable and sustainable growth of ITOCHU Corporation in its endeavor to become a "global enterprise" in "Frontier 2010." In the past, we focused on acquiring a diversity of human resources, and in recent years, a corporate climate was cultivated to accept diverse human resources, giving increasing momentum to more support for their activities. In fiscal 2009, our efforts will revolve around our global human resource strategy. We will continue to strengthen our human resources from a global perspective and aggressively promote activity support to enable each individual in our diversity of human resources to fully utilize his or her unique characteristics to exert his or her capabilities to a maximum.

### Further support for the activities of diverse human resources



**Toshio Obayashi**  
General Manager,  
Human Resources Division,  
Executive Officer



## Social Contribution Activities

Following our corporate mission “Committed to the global good,” ITOCHU Corporation is pursuing various social contribution activities inside and outside of Japan. As a social contribution project to commemorate the 150th anniversary of our foundation, we decided to provide support for conservation of tropical rainforests and ecosystem in Borneo and to establish ITOCHU Scholarship Fund (see pages 13-15). In this section, we will present a report on ITOCHU’s position on social contribution as well as some activities.

### Our stance on social contribution

The social contribution activities of ITOCHU Corporation focus on five fields: “action on global humanitarian issues,” “environmental conservation,” “community contribution,” “growth of future generations” and “support for volunteer work by our employees.”

### Program activity report



#### Support activities for the United Nations World Food Programme

We are supporting the activities of the United Nations World Food Programme (WFP), the United Nations frontline agency in the fight against global hunger. We participated in the worldwide charity event “Walk the World” (held on May 25, 2008 in Japan). To make the activities of the WFP known to the public, we also organized a “WFP Photograph Exhibition” in the lobby of our Tokyo headquarters and carried out fundraising activities.



ITOCHU Group employees and their families gathered at Walk the World



#### Visiting care facilities for elderly people

Under the theme “Elderly people to the extraordinary,” we had all newly hired employees submit plans with events for interaction. At the day of the visit, we carried out eleven of these events in four nursing homes and took time to communicate with the elderly as well. The purpose of this program was to let the new employees



Action on global humanitarian issues



Environmental conservation



Community contribution



Growth of future generations



Support for volunteer work by our employees

### Basic Activity Guidelines on Social Contribution

1. As a globally active enterprise, ITOCHU Corporation shall take proactive approaches to humanitarian issues around the world and help to build a better, more humane world.
2. ITOCHU Corporation shall vigorously pursue activities of environmental conservation and contribute to sustainable social advancement.
3. As a good corporate citizen, ITOCHU Corporation shall construct favorable relationships, and harmonize its business, with local communities.
4. ITOCHU Corporation shall conduct activities to support the sound development of youth as tomorrow’s leaders and work for the emergence of fulfilling and vibrant communities.
5. ITOCHU Corporation shall provide positive support for the activities of social contribution by each and every one of its employees.



Elderly people enjoying communication with our new employees at a nursing home Nukumori no Sato

become aware of how elderly people think and live, in view of the fact that with the increasing number of core families, they usually have only few contact with them. The new employees learned thinking not only from their own but from multiple perspectives, including those of the residents, elderly people commuting to the facilities, staff and friends.



#### “Social Contribution Week” across the board

Since fiscal 2006, we have been making the week around December 1, the date of our establishment, a social contribution week. In fiscal 2008, we carried out 1) an assistance dog demonstration by Guide Dog & Service Dogs Association of Japan,



Demonstration of Guide Dogs & Service Dog Association of Japan

2) “Campaign to Deliver Picture Books” for children in Asia, by Shanti Volunteer Association (SVA), and 3) a “Book Magic” program donating used books and CDs to NGO JEN.



#### Activities of the ITOCHU Foundation

To promote the sound development of young people, ITOCHU Corporation established the ITOCHU Foundation in 1974. The key activities of this foundation comprise “assistance for children’s book-reading (BUNKO),” the “operation of a children’s house” and “outdoor camps.” The “assistance for children’s book-reading (BUNKO)” in fiscal 2008 subsidized a total of 88 initiatives, including reading assistance for children fighting against diseases for long time periods and others, and applications from overseas (accumulated number of initiatives subsidized: 1,324). In March 2009, we conducted a “presentation ceremony” at our Tokyo headquarters and gave participants from each BUNKO an opportunity for exchange in a gathering after that.



Participants from BUNKO all over Japan

## Relief funds for disasters

<b>Cyclone Nargis, Myanmar</b>	Relief funds / fund-raising	Approx. ¥13 million
<b>Great earthquake in Sichuan, China</b>	Relief funds / fund-raising	Approx. ¥36 million
<b>Iwate-Miyagi Nairiku Earthquake, Japan</b>	Relief funds	¥10 million
<b>Bushfire in Australia</b>	Relief funds / fund-raising	Approx. ¥6.3 million

\* The amount includes relief funds from overseas offices and group companies inside and outside Japan, as well as fund-raising from employees.  
\* Note: the "¥" indicate Japanese currency, known as the Yen.

## Examples for other initiatives

<b>Action on global humanitarian issues</b>	<ul style="list-style-type: none"> <li>Supported the United Nations World Food Programme (WFP), the frontline agency in the fight against global hunger</li> <li>Conducted a "TABLE FOR TWO" campaign in our in-house cafeteria as food support for developing nations</li> </ul>
<b>Environmental conservation</b>	<ul style="list-style-type: none"> <li>Tree-planting campaign for environmental conservation at lake Biwa</li> <li>Organized rural-village volunteer activities to reclaim fallow land in Yamanashi prefecture</li> </ul>
<b>Community contribution</b>	<ul style="list-style-type: none"> <li>Participatory baseball class for physically challenged children, coached by a former professional baseball player (Tokyo Yakult Swallows Baseball Club)</li> </ul>
<b>Growth of future generations</b>	<ul style="list-style-type: none"> <li>Supported the establishment of a self-support facility for underprivileged youths in Manila, (Philippines) in cooperation with NGO "Kokkyo naki Kodomotachi (KnK)"</li> </ul>
<b>Support for volunteer work by our employees</b>	<ul style="list-style-type: none"> <li>Organized nature observations, collections of used stamps, reading aloud at a nursing home, local clean-up campaigns etc., internal classes by Japanese Red Cross Society, presentations of CSR movies and others.</li> </ul>

## Independent activities by branches and offices in Japan and overseas

The following presents a part of our social contribution activities in communities inside and outside of Japan.



### Invited orphans to Doraemon Dreamland <ITOCHU Corporation (Indonesia)>

ITOCHU Corporation (Indonesia) invited 940 orphans from 14 facilities to Doraemon Dreamland, an event held in Jakarta as part of the celebrations of the 50th anniversary of the Japanese-Indonesian friendship. The orphans were given a special time they cannot enjoy during their everyday life, including a stage show, games, play equipment, picture-painting and Japanese food.



Invited children enjoying the Doraemon Dreamland stage show



### Concert by students of the Nguyen Dinh Chieu School for the Blind <Hanoi office>

Our Hanoi office invited nine students of the school for the blind to Japan in September 2008 to perform at a concert on the "Vietnam Festival 2008" held in Yoyogi Park in Tokyo. We also held a mini-concert in the lobby of the ITOCHU headquarters in response to



Scene of the performance in the lobby of ITOCHU's Tokyo headquarters

the wish of the head teacher QUY and the students of the school for the blind to play for many people.

### Message from head teacher QUY

At the concert of ITOCHU's headquarters, we were able to deliver a very good performance together with the people who gave us a warm applause amidst the tense atmosphere of the venue. This will surely become a great experience for these nine students in the future. I would like to thank everyone at ITOCHU who helped us from my heart.



### Donated books and participated in tree-planting campaign <ITOCHU Taiwan Corporation>

In December 2008, a total of 42 employees, including their families, participated in a tree-planting campaign in the suburbs of Taipei. In this campaign, participants donated books (used books) to the Taiwan Leisure Farming Development Association, received plants of cherry trees or azaleas in return, and then planted these baby trees. The roughly 300 books with pictures for small children and literature donated were given to orphanages and the Association for Cultural Exchange of Indigenous People in Taiwan via this association.



After the tree-planting campaign



### Mangrove tree-planting campaign <ITOCHU Thailand Corporation>

Mangrove colonies fulfill an important role in protecting the natural environment of coastlines. However, in recent years, they have been threatened by haphazard cutting. In April 2008, roughly 120 employees participated in a mangrove tree-planting project promoted by the government of Thailand in Samut Songkhram Province about 67 km South of Bangkok. Riding on small boards, they took out to the tidal wetland when the tide was out, and all participants planted about 400 trees while getting covered in mud.



Participation in mangrove tree-planting campaign



### Participated in clean-up activities of the Asuwagawa river banks <Fukui branch>

In March 2009, 13 persons including Fukui branch employees and their families, as well as group company employees, participated in the clean-up activities of the Asuwagawa river banks in Fukui City, following the previous year. This campaign is carried out every year before the cherry-blossom viewing season. Participants walk the area under the responsibility of the Fukui branch (roughly 1.5 km) carrying fire tongs and trash bags to collect garbage. The feeling of having contributed to the beautification of the river banks, which are famous for their cherry trees, was very satisfying.