



ITOCHU Corporation **CSR Report 2010**



Corporate Profile

Corporate name	● ITOCHU Corporation
Founded	● 1858
Incorporated	● December 1, 1949
Headquarters	● Tokyo: 5-1, Kita-Aoyama 2-chome, Minato-ku, Tokyo 107-8077, Japan Osaka: 1-3, Kyutaromachi 4-chome, Chuo-ku, Osaka 541-8577, Japan
President & CEO	● Masahiro Okafuji
Capital	● ¥202,241 million
Number of domestic offices	● 15
Number of overseas offices	● 136 North America: 9, Latin America: 12, Europe: 19, Africa: 8, Middle East: 19, Oceania: 6, Asia: 32, China: 22, and CIS: 9
Number of employees	● Consolidated: 62,379* / Non-consolidated: 4,259

* The number of consolidated employees is based on actual working employees excluding temporary staff.

(as of March 31, 2010)



Business outline of the ITOCHU Group

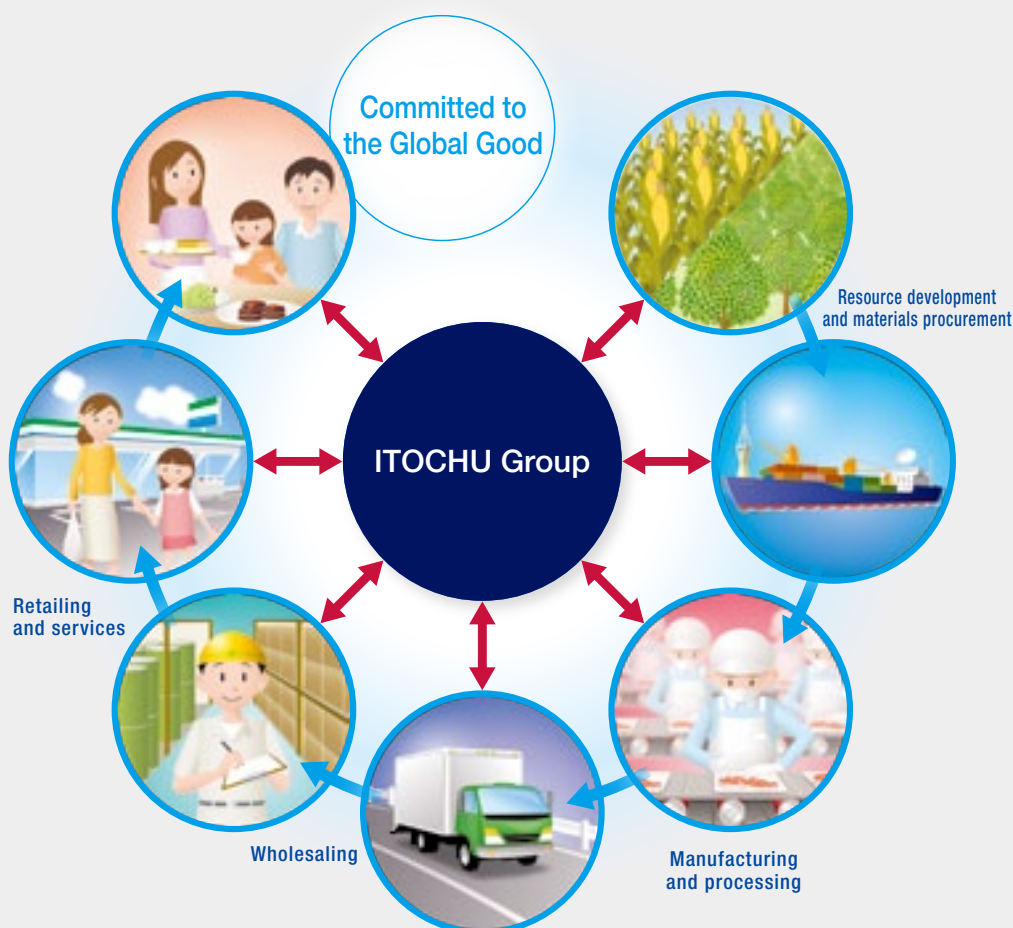
The businesses of the ITOCHU Group comprehensively encompass upstream raw materials business areas through to downstream retail business areas, enabling it to provide a wide variety of goods and services that support people's everyday lives. In order to advance businesses worldwide, we make the fullest use of our capabilities as a *Sogo Shosha* (general trading company). In other words, we trade, invest in businesses, and add value to these businesses through their overall coordination. Further, a feature of the ITOCHU Group is its well-balanced business portfolio, which covers a broad range of industries and business areas.

Trading

Trading is our core capability. It is to find in-demand, quality goods and services worldwide, purchase them, add value to them, and deliver them to places where they are in demand. Delivering quality goods and services to those who need them helps enrich everyone's life physically and spiritually and realizes our mission "Committed to the Global Good."

Business investment

As well as trading, the ITOCHU Group develops businesses across a wide area by investing in or acquiring companies in key business areas and participating in their management. Those initiatives include upstream raw materials and natural resources development, midstream manufacturing and processing, and downstream retailing. By actively drawing on our diverse capabilities and deploying personnel, capital, and expertise to develop businesses, we strengthen group corporate management and build sound value chains linking upstream through to downstream businesses.



Editing Policy

▶ ITOCHU Corporation's perspectives on CSR

We at ITOCHU Corporation believe that corporate social responsibility (CSR) lies in corporate thought and action on the question of how to play a role in building sustainable societies through business activities. This report presents the role we must discharge and our initiatives for it.

▶ CSR promotion in our business through CSR action plans

We have seven Division Companies engaged in a diverse range of industries and businesses; therefore, sustainability issues will come up in a variety of forms and situations. To promote effective CSR through their business activities, each Division Company independently works through to identify material issues and create relevant CSR action plans. This report presents the status of their CSR activities based on action plans, as well as the progress of CSR efforts across the ITOCHU Group.

In addition, each Division Company held the workshop to review their CSR action plans, in order to focus on more essential issues, thereby enhancing the quality and effectiveness of action plans.

▶ Highlight

The following three initiatives, which ITOCHU is placing special focus on, are presented in this report as highlighted features.

- 1) Green Crossover Project: a joint pilot project on a low carbon transportation system using clean energy in order to achieve low carbon society
- 2) Documentary Report Project on Supply Chains: tracing our products from downstream to upstream
- 3) Progress Report on Social Contribution Programs to Commemorate the 150th Anniversary


In the section of "Stakeholder Dialogue," we provide a report on the exchange of views between outside experts and our management under the theme of "Considering the role of ITOCHU in the development of emerging economies from the perspective of CSR."

▶ The role of this report

We strove to make this report a clear one that would not only inform on our CSR activities to society widely, but also, to each and every employee of the ITOCHU Group, give a good understanding of CSR activities and help conduct such activities themselves.

■ Referenced guidelines

Sustainability Reporting Guidelines 2006 issued by Global Reporting Initiative (GRI)
Environmental Reporting Guidelines (2007 version) issued by the Ministry of the Environment

 The Comparative Table with GRI Guidelines and UN Global Compact Principles is posted on the following web site.
<http://www.itochu.co.jp/en/csr/report/>

■ Reporting period

This report principally covers actual data for the fiscal year beginning on April 1, 2009, and ended on March 31, 2010 (FY2009). However, some of the most recent information on our activities and initiatives are also included.

*The terms "FY2009" and "fiscal 2009" refer to the period noted above.

■ Reporting scope

This report covers ITOCHU Corporation (15 domestic offices and 136 overseas offices) and its major group companies.

■ Publication information

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■ Inquiries

ITOCHU Corporation
 CSR Promotion Department, General Affairs Division
 Tel: +81-3-3497-4064 Fax: +81-3-3497-7919
 E-mail: csr@itochu.co.jp

Front page: Solar panels installed on the roof of our Tokyo headquarters building (see page 34)

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We provide CSR information on the following website as well.
<http://www.itochu.co.jp/en/csr/>

 This icon shows our website page on which relevant information is posted.



My mission is to create an open and active corporate culture, building on the philosophy of *sampo yoshi*, which we have cultivated over the past 150 years.

Masahiro Okafuji

President and Chief Executive Officer

We are creating a liberated environment in which our employees can work dynamically. Every employee is an ambassador for ITOCHU.

I believe that what makes ITOCHU great is that it gives its employees opportunities to work to their full potential, in an open and active atmosphere. It was this capacity that gave me the opportunity to take up the position of president, despite having spent my entire career in textiles and never having been assigned to a post outside Japan.

A liberal and open-minded environment is a place where our employees feel encouraged to work proactively and dynamically using their full potential. If you are able to produce results by doing your job with freedom and vigor, you will be happy at home, too. If things are not going well at work, we are likely to go home in a bad mood. Our negative feelings are then communicated to members of our families and, potentially, to the society around us.

The times when you are happiest working in a company are probably when you could perform well in your job, or successfully completed your tasks. This creates a sense of satisfaction and accomplishment. When employees do their jobs with energy and purpose, this dynamic is strongly communicated to their families, and to customers and shareholders. I see this as CSR in the broad sense, and I believe that my role as president is to create an environment that enables this attitude to flourish.

ITOCHU has many employees, each with his or her unique traits and personalities; however, customers see only the frontline employees who directly provide services to

them. In other words, they are the face of ITOCHU, and hence our customers' perceptions of ITOCHU will be determined according to their personalities. If a representative is energetic and cheerful, the customer will think the same of ITOCHU. Then, this impression will be applied to the corporate image of ITOCHU. Particularly in the case of trading companies, the lifestyles and attitudes of the company's employees have a huge impact on the company's relations with its customers. This is why I want each employee to be aware that he or she is our ambassador, representing the corporate image of ITOCHU.

It is essential to adjust our approach to CSR responding to the needs of the times, by carefully identifying what should be maintained and what should be changed.

ITOCHU Corporation has inherited the *sampo yoshi* philosophy of the Ohmi merchants. This philosophy is the origin of our CSR. But, the fact that we have maintained this philosophy over the last 150 years does not mean that we have been doing the same thing throughout that time. Rather, we have been constantly reviewing our approach to the philosophy at each major turning point, adjusting it to what we think is right for us in responding to the needs of the times. This is precisely why we have been able to continue in business for so long.

There is no doubt that internal controls, legal compliance, and other rules are important. But, as with all other companies, ITOCHU has recently strengthened its internal rules, and I feel that this tighter regulatory environment

could be robbing our employees of their energy. I think that we have now come to a crossroads, a point at which we should consider easing some of our “regulations” in order to develop an open and active atmosphere.

Some people may mistakenly believe that “freedom” means being able to do anything you want. Not so. It is critical that an enterprise complies with rules and creates profitability within those rules. While progress requires breaking away from established notions, this is completely different from breaking rules.

That said, when people feel that they are too tightly bound by rules, they naturally start looking for ways to get around them. A car without brakes is dangerous, but a car that has only brakes and no accelerator cannot move forward. The same applies to a company; it is vital to find a balance between the accelerator and the brakes.

Our front-line approach creates new business opportunities. It is vital to have a culture that encourages employees to exchange their frank views and opinions.

My motto is “take a front-line approach.” It means going into the market and trying to see things as consumers perceive them using your own five senses, and listening to your customers directly rather than making decisions based on hearsay.

Our customers only get a one-sided view of events but, as a trading company, we come into contact with many people. This enables us to gather large amounts of raw data and to make decisions based on a more complete picture of any situation. Then, we can develop hypotheses, check them, and validate them. Doing this will lead to the creation of new business opportunities.

When you are in contact with customers, it is essential that you talk with them in a straightforward manner, and get straight to the heart of them. Do not worry about appearances. The same approach applies within the company. You must feel free to speak your mind to your colleagues, your subordinates and even your superiors, which includes me. I believe that an open internal culture is an important element of CSR.

General trading companies have a huge role to play in environmental and other next-generation businesses.

New environment-related businesses are sprouting up around the world at a furious pace. But, large projects cannot be completed by single companies; they require the backing of national governments. In Japan, however, the political situation is currently at a standstill; government is not ideally placed to advance new, future-oriented projects in collaboration with enterprises. We have also witnessed the emergence in Japan of the “Galapagos Syndrome.” If the national government and enterprises do not find ways to work in partnership, there is a danger that Japan will be left behind. Given Japan’s acknowledged skills and technologies, this would be an unconscionable waste of valuable resources.

In this situation, general trading companies have a huge role to play. In light of our operational functions, I feel that trading companies are expected to coordinate and lead many companies from various industries.

Companies need to constantly make investments with a view somewhat toward the future. We have committed to a

wide range of environmental businesses targeting the next generation. A couple of concrete examples are our collaboration and cooperation agreement with General Electric in the field of renewable energy, and our pilot project in Tsukuba City (see pages 9-10). Although trading companies are not as good as manufacturers at thinking over the long term, we must think along two axes: short-term businesses, and businesses with a perspective of investing in the future. I also plan to study and practice this way of thinking.

Every business has professionals of the field. My role as president is to create the mechanisms and the environment that make things easier for such people. What will enable them to work more proactively? I believe that it is the role of management to ease regulations where appropriate and thereby foster an open and active corporate culture, while guiding employees along the right path.

It is vital to develop a personal ability to distinguish between right and wrong.

A year has passed since ITOCHU Corporation signed on to the UN Global Compact. We do our jobs with the intention of contributing to society and the environment through our principal business activities. Seen from that perspective, everything in the Global Compact is a matter of course, and that is why we participated in the initiative. Of the 10 principles of the Global Compact, I think that there is one area in which we can play a particularly strong role, namely the principle of abolition of child labor. We can fulfill that role by refusing to place orders with suppliers that utilize child labor. A company cannot survive in business if its practices violate good sense. That is truly unsustainable. No matter how much cheaper it makes a product, in the long run it does not benefit our customers or society.

The only way to find out about such issues is to visit the worksite and judge for yourself. I want every employee to develop the sensitivity to imagine one’s own child being exploited in this way.

When you regulate something, people’s first inclination is to wonder if they are abiding by or breaking the rules. They cease to make decisions based on common sense and good judgment. We should shift our CSR approach away from being hidebound by rules and regulations to the next phase of liberal, open-minded actions and decisions based on our own good judgment. I believe that this is true CSR, and I think that this era has arrived.



CSR for ITOCHU Corporation

ITOCHU Corporation is pursuing multi-faceted corporate activities in various regions of the world and a wide range of fields, and as such, ITOCHU is well aware of the significance of its impact on the global environment and international society.

In April 2009, we have joined the United Nations' Global Compact, following our re-organization of ITOCHU Mission and Values in March. We will continue to contribute to building a sustainable society through our business activities, being "*Committed to the Global Good*" toward the future.

ITOCHU Mission and Values

In March 2009, ITOCHU Corporation re-organized the conceptual structure of its corporate philosophy so that all employees could understand their responsibility to society, and act continually to fulfill that responsibility.

The core concept of ITOCHU Mission, based on the philosophy of *sampo yoshi*, is to be "*Committed to the Global Good*," while ITOCHU Values newly define the core values that are important for each employee to fulfill the ITOCHU Mission. We have also created 5 self-tests, which each employee takes in order to make sure that he or she is acting autonomously to achieve the ITOCHU Values, and uses to check his or her initiatives in everyday life against the five values.






— ITOCHU Mission —

Committed to the Global Good



The ITOCHU group respects the individual, society, and the future in its Commitment to the Global Good.

— ITOCHU Values & 5 self-tests —

	Visionary	Am I communicating vision and moving forward with others?
	Integrity	Am I proud to say I am involved in this work?
	Diversity	Am I including the ideas and skills of a variety of people to create the best result?
	Passion	Am I taking responsibility for and caring intensely about what I am doing?
	Challenge	Am I actively trying new things and pursuing innovative solutions?



We distribute booklets (in Japanese, English, and Chinese), pocket cards, and mouse pads to all employees in order to ensure universal understanding of the ITOCHU Mission within the company.

Basic perspective on CSR at ITOCHU

ITOCHU Corporation is strongly aware that companies are also members of society, and that a company cannot remain sustainable unless it coexists with society as a good corporate citizen, and meets the expectations of society through its business activities. This approach ties into a management philosophy of *sampo yoshi* held by the Ohmi merchants, which forms the cornerstone upon which our founder Chubei Itoh built his business. We believe that it is our mission to understand diverse values as a truly global enterprise, meet the expectations of society, and continue to be a company that is needed by society.

The roots of CSR, *sampo yoshi*

The founding of ITOCHU Corporation can be traced back to as far as 1858 when our founder Chubei Itoh started a wholesale business for linen. Chubei based his business on the spirit of *sampo yoshi* (being good for the seller, the buyer, and society), a management philosophy of the merchants in Ohmi, where he was born. This philosophy is the origin of our present CSR, which stipulates that "companies should do business that is balanced among multiple stakeholders," and the spirit of this philosophy has been handed down from generation to generation in our company.

The year 2008 marked the 150th anniversary of our founding. Building on our history that we moved through together with the philosophy *sampo yoshi*, we will practice our CSR that is rooted in this principle also during the next 150 years.

ITOCHU's participation in the United Nations Global Compact

In April 2009, ITOCHU Corporation joined the Global Compact, which is advocated by the United Nations. This is because we support the ten principles of the Global Compact, a global initiative to achieve sustainable growth of the international community, in order to fulfill our CSR even more actively as a global enterprise following our corporate mission "Committed to the Global Good."

In the compliance of the Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption, ITOCHU will continue to meet the demands from various stakeholders of the international community.



The ITOCHU Corporation CSR Report 2009 which ITOCHU firstly submitted as its Communication on Progress (COP) to the United Nations Global Compact was recognized as a "Notable COP."

The Ten Principles of the United Nations Global Compact

Human rights	<p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and</p> <p>Principle 2: make sure that they are not complicit in human rights abuses.</p>
Labour	<p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p>Principle 4: the elimination of all forms of forced and compulsory labour;</p> <p>Principle 5: the effective abolition of child labour; and</p> <p>Principle 6: the elimination of discrimination in respect of employment and occupation.</p>
Environment	<p>Principle 7: Businesses should support a precautionary approach to environmental challenges;</p> <p>Principle 8: undertake initiatives to promote greater environmental responsibility; and</p> <p>Principle 9: encourage the development and diffusion of environmentally friendly technologies.</p>
Anti-corruption	<p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.</p>

CSR approaches through dialogue with our stakeholders

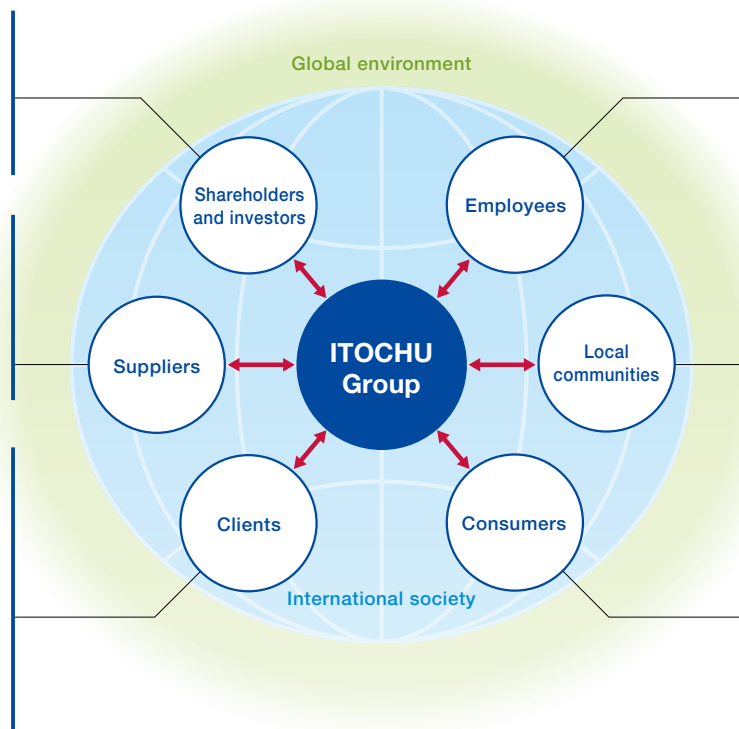
In each and every one of our wide range of corporate activities, we always take care to avoid arbitrary logic and judgments. For this reason, in our approaches to CSR as well, we engage in dialogue with our stakeholders based on the premise that judgments in society are by definition correct.

Major stakeholders of the ITOCHU Group

For all of our shareholders and investors, we endeavor to provide the right information, in the right amounts and at the right time, so that they can make proper decisions on the path we should follow as a good corporate citizen.

It is vital for us to work cooperatively with suppliers in consideration with the gravity of the impact our products and services impose on society and the environment. We strive to pay full attention to social and environmental impacts through supply chain management.

We are determined to ascertain the needs of clients, constantly offer goods and services with high levels of safety, security and quality, and practice a highly transparent disclosure of information about our goods and services. We also aim to deepen interaction with clients in joint development of products and business that contribute to society, in order to assist their advancement and the creation of sustainable societies.



Our employees are valuable assets in our activities as a *Sogo Shosha* (general trading company). We foster a work environment conducive to a full exercise of capabilities by our diverse employees while improving our personnel systems, in order for employees to feel motivated and fulfilled.

We conduct various corporate activities around the world. At each location, we need to coexist with local communities as a good corporate citizen. We continue to value communication with local communities and contribute to their development.

The end users of our goods and services are consumers around the world. We strive to enrich consumer life by keeping customer satisfaction in mind and providing safe and secure goods and services.

► Besides those noted above, the list of our major stakeholders includes many other parties, such as NGOs and NPOs, financial institutions, government ministries and agencies, mass media, and the coming generations.

Progress of CSR in the ITOCHU Group

The ITOCHU Group has long promoted CSR in order to make each group employee fully aware of *raison d'être* of ITOCHU in modern society, and in order to keep being an enterprise that fulfills its responsibility to create a prosperous society. Here, we report the progress of CSR at ITOCHU, starting with ITOCHU Corporation, and then extending the promotion of CSR to our group companies and our supply chains.

ITOCHU Group's approach to CSR


ITOCHU Corporation is a general trading company operating a wide range of businesses with its seven Division Companies. We view CSR as our responsibility to help create a sustainable society through our business activities.

Specifically, we formulate CSR action plans, and promote effective CSR based on a PDCA cycle system.

Implementing CSR initiatives at group companies

Our major group companies began formulating CSR action plans in fiscal 2007, based on the model methods of ITOCHU Corporation.

- Accumulated total of target group companies by fiscal 2009: 48

 Group companies targeted for CSR implementation at a glance
<http://www.itochu.co.jp/en/csr/itochu/group/>

Promoting CSR to our suppliers

We undertook the process to check the status of our suppliers with our first supplier survey, from late fiscal 2007 to fiscal 2008.

CSR at ITOCHU Corporation

In order to promote CSR in organized and systematic manner, ITOCHU Corporation began non-consolidated management by formulating CSR action plans and implementing CSR based on a PDCA cycle system. (See pages 19-34 for each Division Company's CSR action plans)

2006

2007

2008

Internal penetration of CSR at ITOCHU

■ Questionnaire survey on the CSR Report over the intranet

We distribute the CSR Report to all employees each year, and conduct a questionnaire survey over the intranet.

■ Production of CSR educational videos and organization of workshops

FY 2006: "What is CSR?"

FY 2007: "Global Warming and Human Rights"

FY 2008: "Considering Upstream Issues in the Cornerstone Businesses Comprising Society"

Toward achieving a sustainable society

Establishment of ITOCHU Corporation's CSR Action Guidelines for Supply Chains

We established action guidelines in April 2009, and are promoting CSR in partnership with our suppliers. (See pages 37-38)

2010

2009

Participation in the United Nations Global Compact

In April 2009, ITOCHU Corporation participated in the United Nations Global Compact. (See page 6)

Reorganization of ITOCHU Credo to ITOCHU Mission and Values

We have reorganized ITOCHU Credo to ITOCHU Mission and Values. (See page 5)


Advancing CSR

The workshop to review CSR at Division Companies

In order to improve the quality of CSR action plans, each Division Company held the workshop with the goal of increasing the understanding of CSR by its staff in charge of CSR. (See each Division Company's section on pages 19-34)

Meetings with third parties

In fiscal 2008 and 2009, each Division Company invited experts in its business area to the third-party CSR meetings to exchange opinions on its CSR action plans.

 Meetings with third parties
<http://www.itochu.co.jp/en/csr/stakeholder/meeting/>

Basic policies for CSR promotion

To become a truly global enterprise, we must further develop our management system to meet global standards, while incorporating CSR, one of the requirements in a global society, into our management plans. Therefore, ITOCHU Corporation sets up "Basic policies for CSR promotion" each time it formulates management plans, and promotes its CSR activities combined with these plans on a global scale.

Basic policies for CSR promotion "Frontier^o 2010"

Promote the following 4 items on a global scale

1. Strengthening communication with stakeholders
2. Ensuring and enhancing safety and reliability in the product, service, and human aspects
3. Promoting CSR-related education and enlightenment
4. Strengthening supply chain management (Respect for human rights)

Basic policies for environmental activities*

* For the environment, which is an important CSR issue, we promote activities according to separately defined basic policies for environmental activities.

We have implemented a variety of measures to increase the understanding and awareness of CSR by all employees.

■ Internal CSR seminars

- 1st seminar: Human rights / labor issues
- 2nd seminar: Global warming and the business of general trading companies
- 3rd seminar: The social impacts and roles of information technology in Japanese society
- 4th seminar: Loss and recycling in food distribution
- 5th seminar: Biodiversity and corporate initiatives
- 6th seminar: Procedures for assessing environmental and social risk in project finance

Green Crossover Project: Joint Pilot Project on Low Carbon Transportation System Using Clean Energy

“Green energy” is generated from natural energy sources such as solar power, which has a low impact on the global environment. In May 2010, we launched a joint pilot project called the Green Crossover Project together with Tsukuba City in Ibaraki Prefecture. The project adopts a crossover approach in realizing a low-carbon society through the development of advanced applications for green energy and lithium-ion batteries.

Committed to achieving a low carbon society by leveraging the combined strengths of the ITOCHU Group

● Project overview

We launched Japan’s first pilot project on low-carbon transportation system, integrating solar power and electric vehicles (EVs) in Tsukuba City. Three MAZDA DEMIOs were converted to EVs, and deployed as the official vehicle for Tsukuba City, company vehicle for FamilyMart convenience store, and vehicle for car sharing to the Tsukuba residents.

In line with the project’s goal for EVs with zero CO₂ emissions, photovoltaic power generation systems, stationary storage batteries, and quick chargers have been installed at FamilyMart “Tsukuba Science City Store” and ITOCHU ENEX “Tsukuba Science City East Avenue CS” to charge EVs using solar-generated electric power.

● ITOCHU Group in cooperation with leading companies from various industries

As a first step in developing a competitive, environmental business model, ITOCHU is promoting the secondary use of the lithium-ion car batteries for grid storage, and is conducting a comprehensive analysis of the battery degradation as well as the operational data. The ITOCHU Group, together with leading companies from various industries, will be deploying advanced technologies such as integrated energy management systems using Information and Communication Technology (ICT), car sharing, and billing system for quick charging.

By leveraging ITOCHU Corporation’s unique strengths of having convenience stores and gas stations as group companies, Green Crossover Project is the first step toward realizing our goal for a low carbon society as well as smart grid and smart cities.

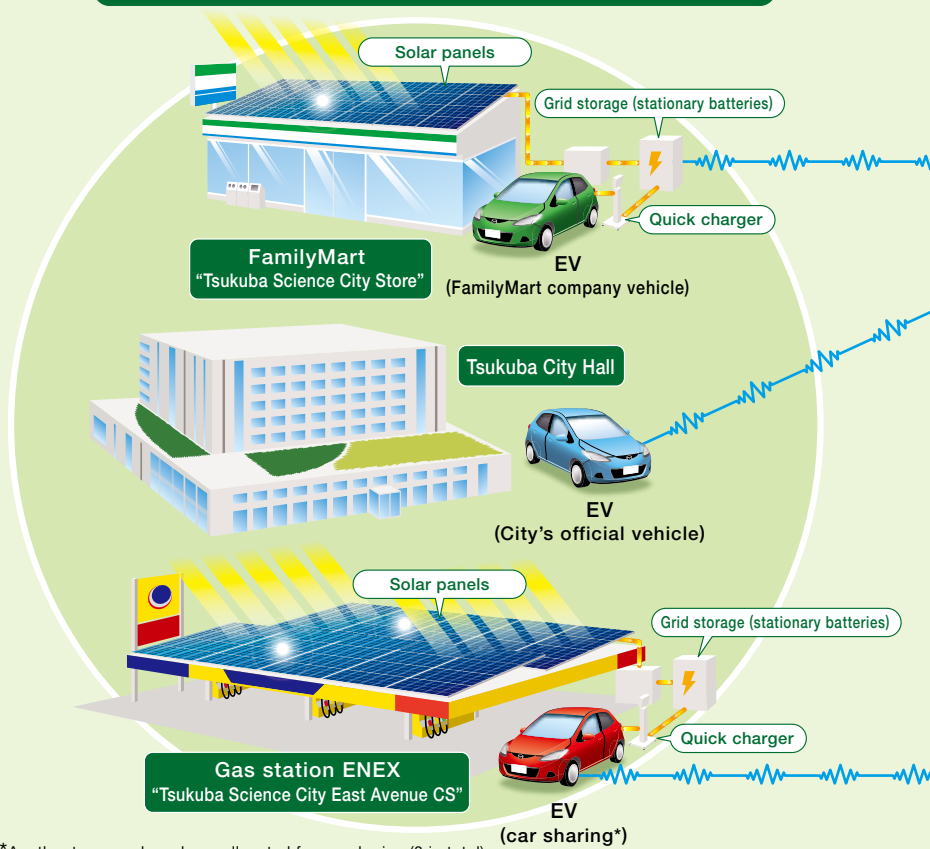


MAZDA DEMIOs converted to EVs



Opening ceremony

Concept diagram of the pilot project



*Another two cars have been allocated for car sharing (3 in total)

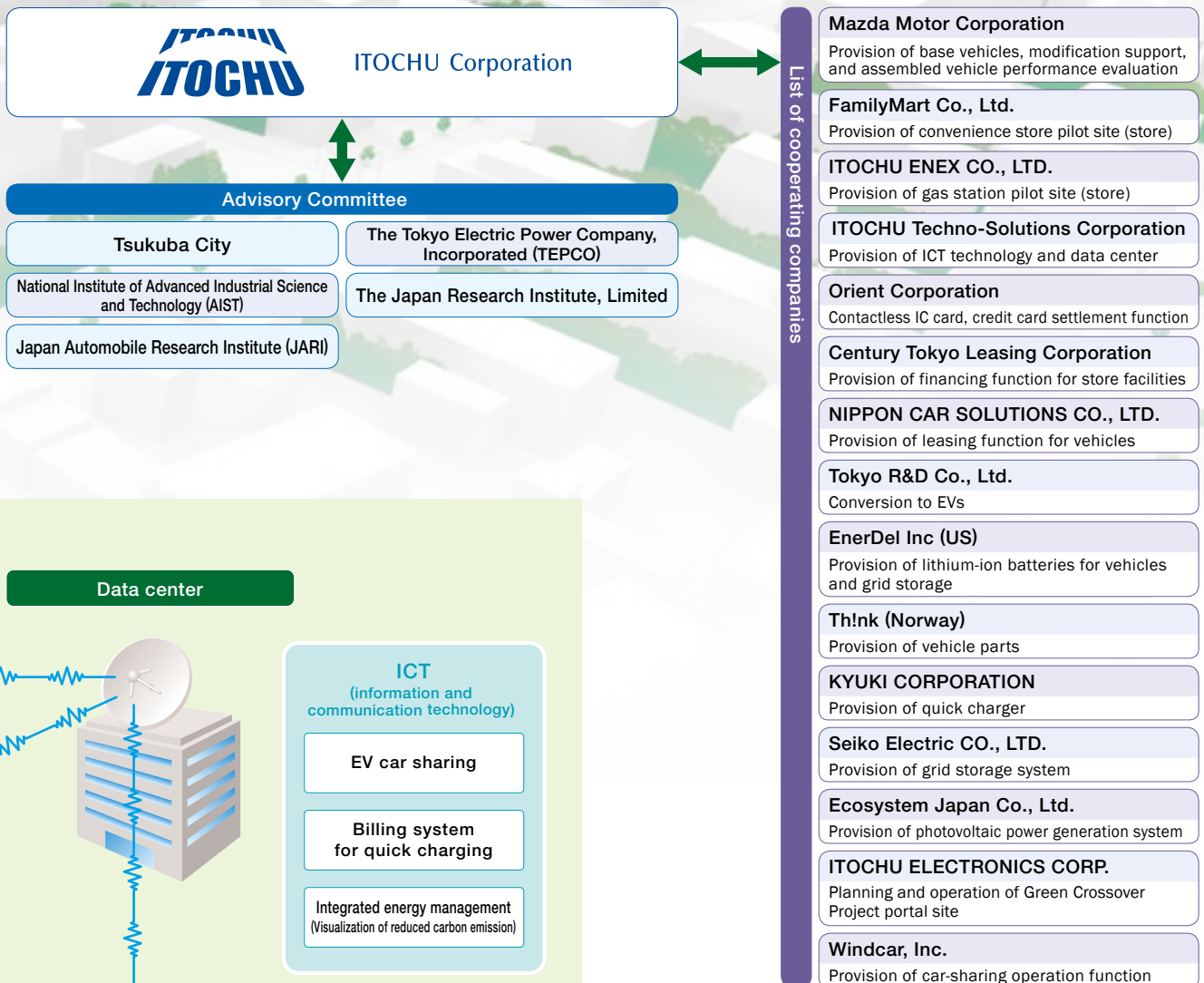
Vision for a low carbon society

In the medium-term management plan, Frontier[®] 2010, ITOCHU has designated solar power generation, energy storage devices, and water resources as key focus areas in the Environment & New Energy business area. The Green Crossover Project is an innovative low carbon transportation initiative that integrates solar power generation and energy storage devices. As a trading company, we believe that ITOCHU's role in achieving a low-carbon transportation society is to create a bold

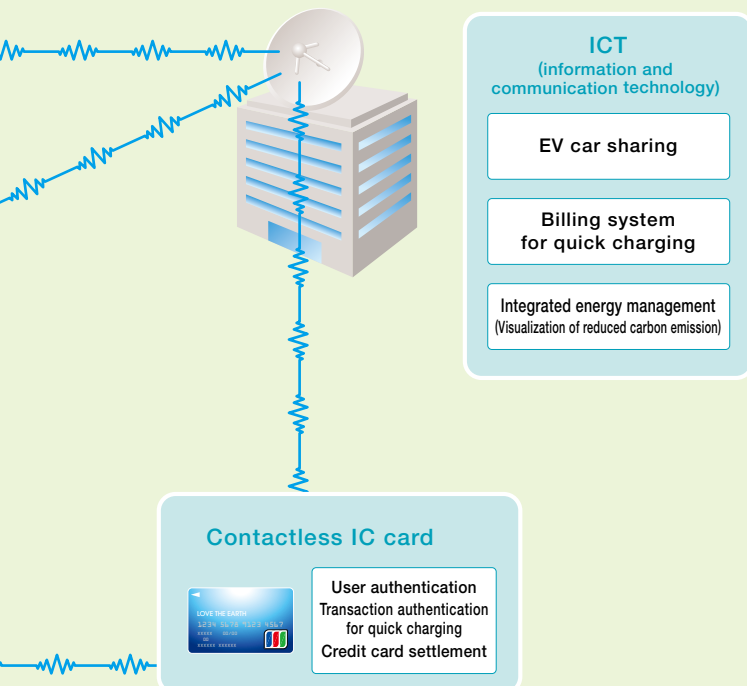
vision and strategic plan for a new society (system).

This pilot project envisions laying down the foundation for a low-carbon transportation society, combining a wide range of environmental technologies and devices, including solar power generation, electric vehicles, quick chargers, energy storage batteries, and ICT. Our goal is to promote the creation of new environmental and value-added business models, based on this vision for a new society.

Green Crossover Project: strategic partners



Data center



Green Crossover Project <http://www.green-crover.jp/>

Towards a low carbon future

While it is extremely vital for industry to make a commitment to reducing CO₂ emissions, commitments from the consumer and the transportation sectors will also be critical if we are to aim for a low-carbon society. Through this pilot project, we are aiming to create a new low-carbon transportation system, and actively market our model globally.

Kazuhiko Sunada,
General Manager, Corporate Development Office



Documentary Report Project on Supply Chains

Vol. 2 Coffee from Central America

ITOCHU Corporation believes that it is important, as a trading company, to tell consumers where things come from. With this in mind, we have launched the Documentary Report Project on Supply Chains in 2009. This project aims to report the overall picture of supply chains by tracing each product we handle from downstream to upstream. Following our first report on cotton, we focus on coffee this time. Coffee is believed to originate in East Africa, in such countries as Ethiopia. Starting around the 16th century, coffee became increasingly popular in Spain and other wealthy nations, and it came to be cultivated in then colonies in tropical regions, including Central and South America.

Coffee is a focus of attention in terms of CSR, because it is grown in developing countries in the tropics, and consumed in industrialized countries.

Vol.2 Coffee from Central America

ITOCHU Corporation handles coffee produced around the world. In this documentary report, we traced the supply chain for coffee grown in El Salvador and Guatemala, from plantation to consumer.

Growing



① A coffee tree ready to be harvested: the fruits turn red when they mature.



② Harvesting; only mature fruits are picked by hand.



③ The tall trees are shade trees; the short ones are coffee trees.

El Salvador Las Lajas Agricultural Cooperative



Mr. German Humberto
Manager (back right of photo)

"Las Lajas is an agricultural cooperative of 213 small-scale farmers. About 70% of the roughly 900 hectares of farmland are devoted to coffee cultivation. We use the certification standards for coffee farmers set by the NGO Rainforest Alliance to improve our farming, the natural environment, and our lives in general. We are proud that we are practicing completely organic agriculture beyond the certification standards."

Guatemala Alotenango Agricultural Cooperative collection point



Mr. Juan Francisco Urias, Unex (Guatemala), S.A. (right end in photo)

"We support 18 agricultural cooperatives nationwide, including Alotenango. Agricultural improvement programs like the C.A.F.E. Practices have many requirements, and it is difficult for small-scale farmers to meet all of them. But they are improving every year, and getting higher assessments from inspectors. The most difficult thing is convincing farmers that they'll be OK even if they stop using the pesticides and herbicides that they have always used."

Mr. Juan Cojolon Chuy
Cooperative Manager
(second from right in photo)

"We were referred to the coffee buying guidelines, or C.A.F.E Practices, in our dealings with Starbucks Coffee Company, and all of us in the cooperative decided to join the program. We are also working to eliminate the use of agricultural chemicals from our farms, with the help of Francisco from Unex (Guatemala), S.A."

Guatemala Carolina Agricultural Cooperative



Mr. Rene Sanchez Lopez
Cooperative Manager

"We are a cooperative of 70 farms. Before, we were tenant farmers on a huge plantation. We lived like slaves: for example, we did not have the right to negotiate prices. But we all got together and borrowed enough money to buy our own land, and started farming for ourselves. Coffee farms are poor, and it is hard to make ends meet, but I would not trade the autonomy we have won together for anything."



Members of the Carolina Cooperative

Overview and challenges of coffee farming

Coffee is grown in tropical regions, in highlands at altitudes of 1,000 to 2,000 meters. Immediately after the coffee cherries are picked, they begin to ferment and lose their flavor, so the pulp of the cherries is removed within a few hours of harvest, and the drying process is started.

◆ Economic aspects

For many countries in the tropics, coffee farming is a valuable industry for obtaining foreign currency. Various countries have focused on coffee cultivation, and increased their production. In contrast, however, growth in coffee consumption has been relatively slow. As a result, producer prices*, which are determined by demand, are sometimes lower than the labor, fertilizer, and other costs required to grow the crop. This is one of the factors locking farmers into chronic poverty. As farmers' debts pile up and they are unable to turn a profit, more of them are giving up coffee farming, and migrating to industrialized countries to work.

* Standard selling prices for coffee beans are determined by demand in New York, London, and other markets. Local selling prices are then determined by factoring quality and the like into these standard prices.

◆ Labor aspects

It is difficult to mechanize coffee farming, because coffee is grown on mountain slopes at altitudes of above 1,000 meters. As a result, most of the growing, harvesting, and carrying of coffee is done by hand.

◆ Environmental aspects

Coffee farming uses mountainsides in tropical forests. Since coffee trees shun strong sunlight and evaporation, they require shade trees to protect them from the sun. When a natural forest is converted into a coffee plantation, existing trees are kept as shade trees (see photo ③), and the coffee trees are grown in their shade. One of the distinctive features of coffee farming is this ability to maintain diverse plant life and ecosystems.

The challenges are to avoid the excessive use of chemical fertilizers and agricultural chemicals, and to prevent the runoff of agricultural chemicals and other pollutants into the water system.



Activities of ITOCHU Corporation and UNEX, S.A.— Agriculture that balances society, the environment, and economy

UNEX, S.A. is founded on the principle of coexistence with small- and medium-scale farmers and support for their autonomy. It provides guidance to small and medium-scale farmers in many regions on compliance with such standards as the certification standards for coffee farmers set by the Rainforest Alliance and Starbucks' C.A.F.E. Practices*. UNEX, S.A. also conducts businesses to achieve agriculture that balances social, environmental, and economic factors, by purchasing at a premium beans that have met these standards through farmers' efforts.

* Starbucks' socially and environmentally responsible coffee buying guidelines



An organic farming training center opened on the grounds of the processing plant in Guatemala (April 2010)

UNEX, S.A., El Salvador

Conducts coffee processing and exporting in El Salvador. Handles a substantial 20% of the coffee exports in this country.

Unex (Guatemala), S.A.

Conducts coffee processing and exporting in Guatemala. Handles 10% of the coffee exports in this country.

Processing

Processing plant, Unex (Guatemala), S.A

Coffee cherries collected from farmers are soaked in water, and then their pulp is removed.



The pulp and seeds (beans) have been separated. When the yellow seeds are dried and roasted, they become coffee beans.

Processing plant, UNEX, S.A. El Salvador



Mr. Leopoldo Muyschondt (bottom right of right photo)

"We have started receiving a large number of CSR requirements from Starbucks and other coffee companies, and now there is a broader awareness at our company that we need to focus more on the environment and society."

Unex (Guatemala), S.A.

Toshiyuki Hayashi, President (until June 2010)

"Our job at Unex (Guatemala) is to build good relations with farmers, and offer high-quality coffee to our customers. One of our jobs is to provide support to enable farmers to be autonomous."



Overview and challenges of processing

Processing plants are located close to the farm land. After harvest, coffee cherries are quickly stripped of their pulp and dried. As large amounts of water are used for processing, it is necessary to filter and treat the soiled water from processing. Due to lack of budget for water-treatment facilities, however, many processing plants still dump their wastewater into the soil and rivers without treatment.

Roasting

After the beans have been processed and dried, they are exported to the points of consumption. They are then roasted and blended by coffee manufacturers and retailers, and offered to consumers.

Marketing & sales

UCC Ueshima Coffee Co., Ltd.

UCC is continually increasing its imports of environmentally and socially conscious coffee, including Rainforest Alliance certified coffee. Spurred by customer demand, we expect to increase imports of these types of sustainable coffee even further in the future.



Export

Consumers

Reflections on the inspection visits

Mr. Tomohiko Yamaguchi from The CSR Institute, Inc. made inspection visits to production sites.

1) Coffee supply chain

In general, agriculture is the central challenge in the supply chain, both in terms of society and the environment. In order to reach a fundamental solution to the issue of producer prices, controlling balance between worldwide supply and demand is considered necessary. However, during my visit, I have learned another angle to solving this issue. There is a movement where consumers, coffee manufacturers, farmers, and NGOs and other certification bodies are rationally working together, and some schemes (business models) are now rolling out individually which will comprehensively solve issues of farmer poverty, conservation of biodiversity, etc.

2) Activities of ITOCHU Corporation and UNEX, S.A.

What left the greatest impression on me this time was the words of Mr. Hayashi, at Unex (Guatemala): "The most important thing for farmers is to have their own farm land and become autonomous." I saw their efforts directed toward both attaining autonomy for farmers and producing high-quality coffee, by combining several methods, such as providing guidance on farming methods and supports for certification acquisition, purchasing at appropriate prices, distributing organic fertilizers and the like. I think this approach is excellent and can be applied to other fields as well.



Mr. Tomohiko Yamaguchi
CSR Consultant
The CSR Institute, Inc.

Social Contribution Program to Commemorate the 150th Anniversary

In 2008, ITOCHU Corporation marked its 150th anniversary. In 2009, we commemorated this event by launching two programs to contribute to society: "Activities to restore the tropical rainforests and conserve Borneo's ecosystem," and "ITOCHU Scholarship Fund." These two programs were selected from the fields of reforestation/habitat preservation and support for education, which were the most popular among our Japanese and international employees.

Activities to restore the tropical rainforests and conserve Borneo's ecosystem



● Project overview

The purpose of this program is threefold: to plant trees in order to restore rainforest that has been damaged by logging and other factors, and which cannot be expected to recover naturally; to secure habitat for animals, including endangered species like orang-utans; and to restore and preserve biodiversity in the forest as a whole. Together with its group companies, ITOCHU Corporation is supporting the Heart of Borneo, a project to restore and preserve a total of 220,000 km² of forest that is being advanced by WWF on the island of Borneo. Starting in the fiscal 2009, ITOCHU Corporation and its group companies would donate ¥250 million over a five-year period to WWF Japan. The support provided by the ITOCHU Group covers 967 hectares, which is one of the largest-scale reforestation support provided by a single enterprise.

Reforestation area	North Ulu Segama, Sabah, Malaysia
Total area covered	967 hectares
Activities	Planting trees in target areas, subsequent management of seedlings, and monitoring of status of orang-utan habitat

Group companies participating in the program in fiscal 2010

In fiscal 2010, we are advancing this program with the collaboration of the 16 group companies below.

- ITC NETWORKS CORPORATION ● ITOCHU ENEX CO., LTD.
- ITOCHU CHEMICAL FRONTIER Corporation ● ITOCHU-SHOKUHIN Co., Ltd.
- ITOCHU SUGAR CO., LTD. ● ITOCHU Techno-Solutions Corporation
- ITOCHU PROPERTY DEVELOPMENT, LTD. ● ITOCHU PLASTICS INC.
- ITOCHU LOGISTICS CORP. ● CONVERSE JAPAN CO.,LTD.
- C. I. Kasei Company, Limited ● Century Medical, Inc.
- DAIKEN CORPORATION ● NIPPON ACCESS, INC.
- FamilyMart Co., Ltd. ● FUJI OIL CO., LTD.

(order of the Japanese syllabary)



● Current status of reforestation

In October 2009, the memorandum of understanding concerning forest restoration was signed by the Sabah Forestry Department and WWF Malaysia, and the operation was officially begun. As of end-May 2010, 126 hectares have been prepared, and young trees have been planted on 75 hectares of that area.




First tree planting tour



On 19 November 2009, we conducted our first tree-planting tour to Borneo. A total of 16 volunteers of varying ages and job descriptions went on the 4-night, 5-day tour, including employees of our overseas bloc employees and group-company employees. This was the first time visiting Borneo for almost all of the participants.

The tour group arrived at the tree-planting site after a trip that included transferring to a small aircraft, and subsequently travelling overland via four-wheel drive. Under the guidance of local WWF and Sabah Forestry Department staff, the group donned anti-leech socks, and everyone started the hot and sweaty work of planting trees in Borneo's sweltering heat. That was effectively the first day of the ITOCHU Group's rainforest restoration project, and everyone in the group was overwhelmed with emotion. After trying their hand at planting trees, the tour group went on a trip in small boats to observe the region's precious wildlife. In addition to orang-utan, the group saw crocodiles and the extremely rare Borneo Pygmy Elephants. This experience gave the participants a renewed awareness of the importance of habitat preservation.

2010 has been designated by the United Nations as the International Year of Biodiversity, and we believe that this will deepen awareness of the importance of biodiversity. Moving forward, we plan to hold tree-planting tours once or twice a year, in order to deepen the understanding of our employees.

 Tree planting tour
http://www.itochu.co.jp/en/csr/150_anniversary/borneo/01/



Comments from tour participant

With the support of my tour mates

Planting seedlings under the merciless glare of the equatorial sun, on a steep slope following the natural contours of the land, was even more brutal than I had imagined. This was my first time both coming to such a jungle and planting trees, but I was very happy that the local Forestry Department and WWF staff accepted us as colleagues working together on the project, rather than treating us as guests from Japan.

I had come to Borneo on business before, and I was deeply moved to be able to get involved with forest restoration on the island. I will continue to watch over the growth of the trees we planted with my comrades.



Yutaka Ichinose (front row in photo)
 Planning & Administration Department
 ICT, Aerospace & Electronics Company

Comments from WWF

Returning biodiversity to the forest

While everyone is gazing on, the first seedling was carefully planted. This was the moment that started the new stage of the ITOCHU Group's forest restoration project. In the future, the entire 967-hectare of degraded ground will be reborn as a rich forest home once again for orang-utans in this area.

It actually took a great deal of work to make this day possible: WWF Malaysia conducted a series of surveys on plants and animal ecology while negotiating with a variety of local stakeholders. While there are many levels of reforestation, the WWF's aim is to achieve high-quality forest restoration projects to restore the forest to its original nature state, using the latest science with cooperation of the local communities.



Ms. Yumiko Kawamura
 Director, Fundraising
 & Marketing
 Communications,
 WWF Japan

Establishing the ITOCHU Scholarship Fund Assisting non-Japanese students to lead the next generation

● Overview of ITOCHU Scholarship Fund and progress report

This program was started in 2008, with the goal of providing an environment that would allow foreign exchange students in Japan to concentrate on their studies, by reducing their economic burdens. The program provides scholarships of ¥1.5 million per student to 50 foreign exchange students in their third and fourth year of study (the scholarship is provided for two years to each recipient). Scholarship students also participate in presentations on our business and volunteer activities, in order to help them know more about ITOCHU Corporation.

By supporting the exchange students who will lead the next generation of society in the future, ITOCHU hopes to contribute to the international society, and to support these students' contributions to the development of Japan and their home countries, and the establishment of a stronger relationship between them, after their graduation.



Scholarship seminar

Comments from ITOCHU scholarship student

Expressing my gratitude for being awarded the ITOCHU scholarship

I had been interested in the Japanese language since I was in high school in China, but as I took classes as an elective, I became even more interested, and decided to study abroad in a Japanese university. I am studying a wide range of subjects in the faculty of law of my university, with a focus on corporate law and international trade. The scholarship has enabled me to increase my knowledge, by purchasing books on laws and economics.

After graduation, I plan to go on to graduate school in Japan. In the future, I hope to find a job where I can use the knowledge and language skills that I have learned at university, and contribute to international exchange in the areas of economics and culture.



Ms. Wang Fang Shu
 School of Law,
 Osaka University



Considering the role of ITOCHU in the development of emerging economies from the perspective of CSR

At the beginning of the 21st century, many countries entered a process of high economic growth. We invited a wide range of stakeholders to discuss what is needed for growth in these emerging economies, and what ITOCHU Corporation should do moving forward to assist in this growth. (Discussion held on May 20, 2010)

Social and economic situation and challenges for growing emerging economies

Akamatsu Our jobs and personal lives are involved closely with development in the BRICs and throughout Asia, and this development must be sustainable.

Today, I would like to ask for your suggestions on the businesses that ITOCHU should operate in the emerging economies.

Ka Discussing the Earth's capacity, I am reminded of the 1972 report from the Club of Rome, "The Limits of Growth." It has been several decades since this report was

published, and my thought on sustainability now is whether the current growth is sustainable.

I think that we have to think seriously about an economic theory that lets us be happy without growth. In the future, if China becomes as prosperous as Japan, and reaches the same level of car ownership as Japan has now, then that will be 700 million cars. If that happens, then the Japanese islands will be covered in smog year-round. As an example, I think that the time has come to seriously consider a scheme where people can be happy without riding in cars.

Kikuchi On the other hand, when you ask about the level of material wealth that people want, China's paper consumption went from 80 million tons in 2008 to 94 million tons in 2009. This is an 18% increase over the course of a year, greatly outpacing the growth in GDP.

When you look at national consumption per capita, in 2008 it was 266 kg in America, and 242 kg in Japan, while just 59 kg in China, and 9 kg in India. There is thus a large amount of latent demand for pulp in the emerging economies, and if we run out of forest resources, then it could destroy the environment as well.

Aoki When you go to the emerging economies, the people there want the things that we use in countries like Japan. It would be irrational to tell them not to get those things. If you cannot understand this desire, then there is no way to move the discussion forward. It is important to think about how we can balance material prosperity with the Earth's capacity.

Kawaguchi Over the past 50,000 years of human history,



Outside experts



Prof. Haruhiko Ando
Visiting Professor, the University of Electro-Communications
Director for Science, Technology and Innovation, Cabinet Office



Mr. Ka Ryu
Senior Fellow
Fujitsu Research Institute



Ms. Mariko Kawaguchi
General Manager,
CSR Promotion Department
Daiwa Securities Group Inc.



Dr. Hiroyuki Kawashima
Associate Professor
Graduate School of Agricultural and Life Sciences / Faculty of Agriculture, The University of Tokyo

ITOCHU Corporation



Toshihito Tamba
Executive Vice President (LINEs)



Yoshihisa Aoki
Senior Managing Executive Officer
President, Food Company



Satoshi Kikuchi
Managing Executive Officer
President, Chemicals,
Forest Products & General Merchandise Company



Yoshio Akamatsu
Senior Managing Executive Officer
Chairman, CSR Committee

while we were hunter-gatherers and farmers, growth was quite slow, essentially tied to the productive capacities of the Earth and sunlight. But in the industrial revolution, with the discovery of coal and oil, which are a storehouse of the sun's energy, we are now about to use up the Earth's assets and heritage. I think that we have to gradually transition to an economic model of seeking and increasing spiritual happiness.

Kikuchi After the Stone Age, Bronze Age, and Iron Age, we are experiencing the Petroleum Age. We didn't go from the Stone Age to the Bronze Age because we ran out of stones; new ages arrived because we created new things: bronze tools, and then iron tools. We are now in an unprecedented era in which humans are about to completely use up our petroleum resources.



India. My specialization is agriculture. When farmers spread fertilizer on their fields, although it raises productivity, eutrophication caused by that fertilizer pollutes lakes, rivers, and bays. Sewers must be built using public money, so ODA from Japan is probably also necessary, but there is nothing that individual people or companies can do unless the government makes a move. It would be great if trading companies could leverage Japan's experiences in building infrastructure, and serve as a bridge between Japanese technology and governments in emerging economies.

Meanwhile, I think that concerns that we will run out of food are nearly groundless. Over the past 30 to 40 years, while GDP has increased several fold, food prices have less than doubled. This is because overproduction has destroyed the balance of supply and demand.

The problem is food distribution. Nearly all starvation is caused by civil war, conflict, and inadequate agricultural policies. I think that it is a mistake to tie this to food shortages.



Water and food issues

Ka Placing the focus on China and India, I think that the most vexing issue is water. I was born and raised in Nanjing, and lived right next to the Yangtze River. When I was young I used to swim in it, but I do not feel at all like swimming in it now. Industrial wastewater, agricultural wastewater, and sewage from cities flow into the river without sufficient treatment, and the river has now become a filthy sewer.

Kawashima Water pollution is also a severe problem in

Excessive food production also means that farmers are becoming poorer. In Asia in particular, the pace of economic growth has been fast, and farmers have been unable to keep up with these changes, leading to a gap between rich and poor in society.

Aoki There are aspects of food whose future cannot be predicted clearly. Some examples are issues of water and technological innovation. Depending on how these changes, I truly cannot tell whether or not we will have enough food. But I guess we will make our utmost efforts to ensure that there is enough. There are regional disparities, and gaps between supply and demand. Our challenge as a trading company is to respond to shortages and needs in emerging economies by creating new models, such as combining production with distribution.



Kawashima The issue of virtual water also comes up frequently. As market economies have developed, the appropriate production has come to be carried out in the appropriate locations worldwide. I think that it is more reasonable to see this as the beginning of movement of virtual water. I think that this is friendlier to the environment than excessive irrigation in order to grow food in places that aren't suited to farming. Overall, I think that it will go better if organizations like trading companies promote the appropriate transportation of goods that are produced in the appropriate places.

What environmental technologies are demanded by the emerging economies?

Ka In the debate over global warming, the emerging economies all claim that it is a conspiracy by the industrialized countries. But it is certain that if they do not make efforts now, they will be harming the planet, and by harming the planet, they will harm themselves. But despite this, the issue of global warming is not a high priority for them, because the focus is placed on economic growth.

I think that in order to advance environmental measures in the emerging economies, we need to change the awareness of the people, and create schemes and policies that incentivize people and companies. Japan has experience improving the environment, so I hope that they bring not only their technologies, but also their know-how in changing awareness and creating schemes to the emerging economies.

Ando It seems to me that at first, the emerging economies were imitating the industrialized countries; however, that recently they are taking advantages of "modular architecture," a new industrial structure, and quite often succeeding at managing to mix and match various modules and technologies and creating huge business value very rapidly.

In BRICs, the abundant resources and population



(potential huge market) are the backbone of their growth, so they leverage these factors to swiftly incorporate new business models and achieve rapid growth. I think that this is the current economic trend.

Tamba I work in L-I-N-E-s^{*1}, where we are creating new ITOCHU businesses that cross through the whole company. In this role, I would like to describe our solar and smart-community^{*2} initiatives.

Turning to solar power, what makes solar power stand out is that it can be installed anywhere, and technology innovation has progressed further than any other forms of renewable energy. This will mitigate global warming, while at the same time promoting employment in emerging economies. In the sense of not being dependent on other countries for energy, it also signifies energy security. We are working to create a value chain both upstream and downstream. Our focus is on Japan, Europe, and America, but moving forward we will probably move into the emerging economies. Recently, we have begun a project to generate solar power in villages without electricity, and supply water from wells using electrical pumps.

Kawaguchi Distributed energy using solar power is said to be suited to BOP^{*3} businesses. These businesses also add value to health and education in poor rural villages in India, so although profitability comes into play, I hope that you will continue with these initiatives.

Tamba Also, smart communities are an attempt to build infrastructures and systems for all of society, including electric power as well as buildings, homes, and new transportation systems.

This can create new business opportunities across all industries, so we are advancing experimental pilot projects in Japan and the United States. In Japan, we started a joint pilot project in Tsukuba City on May 17th, 2010, for a new low-carbon transportation social system (see pages 9-10).

In China, we are advancing a plan to develop the island of Changxing, in the city of Dalian, in Liaoning province, as an "eco island." ITOCHU is coordinating a wide range of fields, from water and transportation systems to recycling, together with Japanese, Chinese, Korean, and European companies.



The role of ITOCHU Corporation

Ando Your company is making bio-ethanol in the Philippines. That is good; however, it is necessary to look very closely at whether the total process including manufacturing method is truly sustainable. I think that we must always be careful at whether things are truly sustainable, looking 50 or 100 years down the road, and focusing on energy, water, food, and many other aspects.

Under the Obama Administration, America is currently creating new markets for biofuels and the like, including creating schemes and regulations. For example, many countries are creating programs that provide support for innovation, in anticipation of future rises in the prices of fossil fuels, resources and carbon credits.

I think that Government needs to encourage companies to seek innovations on environmental issues, by creating affirmative, systematic legal frameworks, and create opportunities for people to tackle.



Tamba Speaking for example of smart communities, Japan Smart Community Alliance was created in April, with the New Energy and Industrial Technology Development Organization (NEDO) playing a central role in its creation. The alliance currently has 330 corporate members. The government and enterprise in Japan need to work together as a united team. These sorts of opportunities are being created in the fields of renewable energy and smart communities in particular. Amid this, the question is how we can tie this into new businesses. Although it will take a significant amount of time, I believe that it is vital to do this with a long-range view.

Kawaguchi Rather than single technologies, I think that it is important to think about frameworks like the pilot project in Tsukuba City, or how to incorporate them into social programs. Your company has the perspective of thinking in terms of networks, and I hope you will continue to use your capabilities to take the role of a coordinator.

Ando Looking at general trading companies in Japan, I think that they have been playing a fundamental role by bringing things physically from where there are surpluses to where there are shortfalls, to fill unmet needs. Intangible assets, assets that you cannot see, are becoming more important now. There are demands on how we create new business models and paradigms that can link to invisible and intangible things.

In 2002, ITOCHU Corporation worked on a cooperative agreement with the Los Alamos National



Laboratory, located in the US state of New Mexico and where the most advanced technologies and talents are available. I think that everyone at ITOCHU Corporation carries on the DNA of the founder, Chubei Itoh, to continually take on new challenges with an eye to the future, which can be found in his motto “One step over hyaku shaku kantou (aiming to take one step higher when seemingly reaching a pinnacle of success).” I expect all of you to do your utmost to help create a new, sustainable world, including spurring the government into action.

Conclusions

Akamatsu Economies are connected, and actions are not easily undone. The growth of the emerging economies has also been founded on economic globalization, so we should think about overall maintenance, including food issues, while remaining aware of connections and sustainability.

It is extremely difficult to measure prosperity and happiness. However, considering what we can do and how we can contribute to society so that the people of the world can enjoy what the industrialized nations enjoy, without losing energy or resources, there are many things we can work on, including advancing the creation of infrastructure, and utilization of environmental technologies.

The important thing is to maintain the connectivity and sustainability of our economies, while maintaining the viewpoint of an equal partnership.

Today’s discussion was valuable, and it has given us a lot to think about. Thank you all for your time today.



*1 L-I-N-E-s: Life Care, Infrastructure, New Technologies & Materials, Environment & New Energy, synergy

*2 Smart community: A social system using such technologies as smart grids and electric vehicles (EVs)

*3 BOP: Base of the Pyramid. It refers to the people with the lowest income levels: annual incomes of less than \$3,000. It is estimated that this group accounts for 70% of the world’s population, or about 4 billion people.

Textile Company CSR Action Plans and Report on Activities

Contributing to the realization of a healthy, prosperous, and active society

CSR at this Division Company

The Textile Company places a top priority on further improving the safety of its products and services as well as customer satisfaction in its CSR activities. It also strives to promote environment-friendly businesses and expand its CSR activities into our group companies.

Division	CSR tasks	FY2009 action plans	Status*
Textile Material & Fabric Division	Promote environment-conserving businesses	Strive to increase market recognition of the eco-friendly dyeing technology in Japan, the US and Europe, as well as to build and expand new businesses relating the technology.	
Apparel Division	Strengthen response to customers and consumers	Continuously participate in practice-review meetings, as well as CSR educational activities at division meetings etc.	
Brand Marketing Division 1	Strengthen response to customers and consumers	Ensure participation of group companies in compliance meetings of the Division Company in order to reinforce their compliance, and plan and hold CSR-related meetings for consumer response, etc.	
Brand Marketing Division 2	Strengthen response to customers and consumers	Continuously participate in practice-review meetings, as well as CSR educational activities at division meetings etc.	

*: :Achieved :Nearly achieved :Unachieved

Reflections from the workshop to review CSR at Division Companies



Textile manufacturing is a labor-intensive industry. Nevertheless, despite the importance of compliance management with relation to human-rights and labor issues, there are still very few companies in the apparel industry with active commitments to CSR. Our Textile Company contributes widely to the industry, and it is committed to taking a lead in CSR initiatives in the industry as a whole. Therefore, we hold company-internal training to improve understanding of CSR.

Major CSR initiatives ①

Fashion Earth Project



Fashion Earth PROJECT

We have begun an initiative to purchase CO₂ emission credits from wind-power projects in India and other sources, and sell product tags with CO₂ emission credits to apparel manufacturers. This cross-industry initiative allows apparel manufacturers to highlight their contribution to the environment to consumers, by attaching these tags to their clothing. We are committed to making a contribution to the mitigation of global warming by making a broad call to apparel manufacturers, and expanding the commitment to environmental conservation throughout the industry.



Shigeaki Hayashi

Apparel Department 2,
Apparel Division

[Key points of our FY2010 CSR Action Plan]

We continue to conduct monitoring and evaluation of overseas production plants, as well as strive to enhance the effectiveness of supply chain management through employee education and training. In addition, we further continue to promote environment-friendly businesses.

Business overview

The Division Company aims for sustainable growth by globally developing its business in a range of fields from raw materials to finished products, from fashion to non-fiber materials.

Major products and services

Fiber raw materials; industrial materials; textile, apparel, fashion goods; brand marketing including food and living related products.

Major group companies

- itochu fashion system co.,ltd
- ROY-NE Co., Ltd.
- JOI'X CORPORATION
- ITOCHU TEXTILE (CHINA) CO., LTD.
- ITOCHU TEXTILE PROMINENT (ASIA) LIMITED
- Sankei Co., Ltd.



Hitoshi Okamoto
President, Textile Company

FY2009 results

Developed and promoted businesses relating to pre-organic cotton and eco-friendly dyeing technology in coordination across divisions within the Division Company.

Hosted practice-review meetings initiated by the Division Company with the attendance of section managers, coordinators and logistics section managers, as well as division meetings in order to ensure a thorough understanding of CSR related issues that require special attention.

Further reinforced compliance of group companies, by requesting compliance officers of group companies to attend internal compliance meetings of the Division Company, and instructing them a timely and accurate reporting of compliance issues.

Hosted practice-review meetings initiated by the Division Company with the attendance of section managers, coordinators and logistics section managers, as well as division meetings in order to ensure a thorough understanding of CSR related issues that require special attention.

FY2010 action plans

- Develop and promote businesses relating to pre-organic cotton and enhance coordination across divisions within the Division Company.
- Strengthen overseas bases for eco-friendly dyeing service systems, and further expand the business inside and outside Japan.

New Promotion of environment-conserving businesses

Launch and promote the "Fashion Earth Project" and further advance our efforts for environmental conservation across the industry.

Ensure participation of group companies in compliance meetings of the Division Company in order to reinforce their compliance, and plan and hold CSR-related meetings for consumer response, etc.

New Promotion of environment-conserving businesses

Develop environment-friendly products in the area of non-fiber materials.

Major CSR initiatives ②

PRE-ORGANIC COTTON PROGRAM

The Danish URBAN ELK brand of children's clothing using INKMAX print



We have launched a cross-functional project at our Textile Company to sell pre-organic cotton jeans, in collaboration with a famous brand that supports the PRE-ORGANIC COTTON PROGRAM. This product has been accepted widely by consumers, for the traceability from the cotton used as a raw material until the product reaches consumers, and for its concern for environmental impact. We have also begun sales of bed sheets, towels, and children's clothing products fusing pre-organic cotton with our Textile Company's INKMAX process environmentally aware dyeing technology. We will continue our efforts to make products that are friendly to people and the global environment, and to popularize pre-organic cotton.

Ryoma Omuro

Section Manager, Textile Material Section,
Textile Material & Fabric Department

CSR initiatives by major group companies

Factory audit in China

Audit of our textile factory in Zhejiang Province



As a compliance team leader, we support businesses with a high level of compliance management at our production plants in China. Our compliance team regularly audits the factories of our suppliers, checking to ensure that the environmental response and protection of human rights meet international standards and comply with local laws. We also work in partnership with the ITOCHU headquarters in order to further improve supply chain management.



Vivian Tang

ITOCHU TEXTILE (CHINA) CO., LTD.

Machinery Company CSR Action Plans and Report on Activities

Contributing to the prosperity of local communities and international society through environment-friendly businesses

CSR at this Division Company

The Machinery Company strives to develop and expand environment-friendly businesses and products which will reduce environmental burdens. We will also endeavor to help toward the realization of a society that is in harmony with the environment, and contribute to the prosperity of local communities and international society.

Division	CSR tasks	FY2009 action plans	Status*
Plant Project & Marine Division	Resolve urban transportation problems (traffic congestion, exhaust emissions, etc.)	Research and seek new opportunities to supply HSST (High Speed Surface Transport).	
	Promote projects to increase energy usage efficiency/reduce substances with adverse environmental impact	<ul style="list-style-type: none"> Develop biomass power projects in the US. Promote the early launch of bio-ethanol projects mainly in Southeast Asia and Latin America. 	
	Secure and utilize water resources	<ul style="list-style-type: none"> Continuously promote the rehabilitation of desalination plant projects Promote desalination projects using wind power. 	
Automobile & Construction Machinery Division	Promote sales of equipment that will reduce environmental burdens and develop new environment-friendly products	Promote reduction of environmental burdens through expanding the sale of the new technology of DPF (Diesel Particulate Filter).	

*: :Achieved :Nearly achieved :Unachieved

Reflections from the workshop to review CSR at Division Companies



The workshop gave our CSR representatives the opportunity to reflect anew on the meaning of CSR. Our Division Company has long contributed to society through its main business, including environmentally conscious business initiatives, conservation and development of water resources, and creation of social infrastructures. We plan to continue our current activities, while working actively in areas such as environment-friendly business.

Major CSR initiatives ①

Water business initiatives

Conceptual drawing of new desalination plant



In August 2009, a consortium of which we are a member, was selected as a preferred bidder for the world's largest desalination project (about 400,000 tons/day) in Melbourne, Australia. This project will provide a stable supply of water over a 27-year period to Melbourne, where water shortages are a matter of concern. We have also established a development organization in our Plant Project & Marine Division, which is developing water-related businesses other than desalination.



Tsuneharu Hibino
China & Oceania Group,
Plant & Project Department No.2



[Key points of our FY2010 CSR Action Plan]

Continuing the management considering environmental and CSR issues, we will aggressively work on businesses related to renewable energies including biomass, geothermal, etc. as well as those related to water including mainly desalination plants in this fiscal year.

Business overview

The Machinery Company develops infrastructure overseas as well as invests in businesses and trades in areas that include automobiles, ships, and construction machinery. It also promotes environment-friendly businesses.

Major products and services

Gas and petrochemical plants; equipment related to water resources, environment, and energy conservation; railway rolling stock; power generation equipment; ships; automobiles; construction machinery

Major group companies

- ITOCHU Plantech Inc.
- ITOCHU Automobile Corporation
- ITOCHU CONSTRUCTION MACHINERY CO., LTD.
- MCL Group Limited (UK)
- ITOCHU Automobile America Inc. (USA)
- Century Tokyo Leasing Corporation



Toru Matsushima
President, Machinery Company

FY2009 results

Launched discussion and feasibility study on potential businesses and projects in Middle East and Asia.

- Completed the development phase of the biomass power project in North America, and sold the project to a major US electric company.
- Launched the bioethanol projects in Philippines.

A consortium, of which ITOCHU is a member providing project finance, was selected as a preferred bidder for the world largest desalination project in Australia.

Advanced consultation with business partners and suppliers regarding specific matters such as introduction of samples.

FY2010 action plans

Continuously promote sales activities focusing on Middle East, Asia, and other emerging countries.

- Further promote other biomass power projects in North America.
- Further promote bioethanol projects focusing on Asia.

- Continuously promote the rehabilitation of desalination plant projects.
- Continuously promote desalination plant projects in Australia and Middle East where water shortage is a concern.

Continuously advance technical consultation with business partners and suppliers.

Major CSR initiatives ②

Advancing creation of bioethanol business

Field of sugarcane used as a raw material for bioethanol plant



We are actively promoting projects for the local production and consumption of bioethanol in Asia. Domestically produced bioethanol is a vital source of energy for Asian countries, where most of them are importers of crude oil. Bioethanol is considered to have zero net CO₂ emissions, so it contributes to environmental conservation. We expect growth in this field moving forward, as various countries are trying to create laws for the introduction of bioethanol.



Daisuke Takimoto

Asia Group No.1,
Plant & Project Department No.2

CSR initiatives by major group companies

Reducing volume of dredging soil

Tagonoura plant with Power Filter Press (PFP) system for dredge works



Japanese ports have been having difficulties in securing landfill sites for dredging soil, which is a result of dredging in order to allow entry of larger ships, and to maintain the water depth of the port. ITOCHU CONSTRUCTION MACHINERY CO., LTD. is helping to extend the lifetimes of landfill sites by greatly reducing the volume of dredging soil, through provision of mechanical dehydration systems, the core of which is a PFP system that applies a massive four megapascals of filtration pressure. In addition, dredging soil can also be reused as a construction material after PFP system has been applied, and we intend to contribute to the creation of a recycling-oriented society by popularizing this method.

Masashi Waida

Shield & PFP Rental Department,
ITOCHU CONSTRUCTION MACHINERY CO., LTD.



ICT, Aerospace & Electronics Company CSR Action Plans and Report on Activities

CSR at this Division Company

Creating an affluent lifestyle through initiatives in new businesses

We practice CSR activities in line with the mission of our Division Company "Making people's lifestyle safer and more affluent through the development of new businesses in a wide scope of fields including IT, aerospace and industrial machinery."

Division	CSR tasks	FY2009 action plans	Status*
Aerospace & Industrial Systems Division	Improve convenience/safety in air transportation business area	<ul style="list-style-type: none"> Propose security equipment and system networks that satisfy the needs of airports, customs bureaus and other public service institutions, and provide such products to these facilities. Continuously conduct training on the National Public Service Ethics Act, and ensure that all employees are thoroughly informed of the observance of compliance. 	
	Promote environment-conserving businesses	<ul style="list-style-type: none"> Propose operations using eco-friendly turboprop aircraft made by ATR which are characterized by low fuel consumption, low CO₂ emissions and low noise. Take initiatives for the spread of secondary batteries with a low impact on the environment. 	
ICT & Media Division	Offer products and services that can contribute to the realization of a safe, reliable and affluent society	<ul style="list-style-type: none"> Provide IT solutions utilizing "green tech" and "green tech data centers." 	
	Realize businesses based on 3R philosophy	<ul style="list-style-type: none"> Continue activities for philosophy penetration through sales and brand development of MOTTAINAI products. Continue promotional measures to spread the insurance service for mobile phones, and consider the launch of a repair and recycling business for used mobile phones. 	

*: :Achieved :Nearly achieved :Unachieved

Reflections from the workshop to review CSR at Division Companies



Our Division Company runs environmentally conscious businesses, such as secondary batteries, green-tech businesses, and businesses that promote the 3Rs, but this workshop made us realize anew that these are the fields where we should work actively from the perspective of CSR as well. The industries that our company is involved with are continually creating new technologies and markets. Focusing on them, we plan to make an active commitment to resolving social issues as well.

Major CSR initiatives

Energy-conserving business initiatives using IT



Amid the current worldwide movement to reduce CO₂, Japanese companies subject to the revisions of the Act on the Rational Use of Energy are being required to carry out comprehensive energy-conservation measures. In October 2009, our division started offering "ecoFORTE" energy conservation services leveraging the expertise and technologies we have cultivated in our IT businesses. ecoFORTE reduces the workload of enterprises by offering concrete services to conserve energy via the Internet, such as management of energy usage and energy conservation analysis. We will continue to contribute to the realization of a low-carbon society by offering solutions that further improve energy savings.



Yoshiyuki Muramatsu
Manager, GreenTech Business Section,
Information Technology Business
Department

[Key points of our FY2010 CSR Action Plan]

We will proactively promote new business areas such as green tech, smart grid, and secondary batteries, adding to our existing initiatives, and provide environment-conserving products and services, thereby contributing to the realization of a safe, reliable, and affluent society.



Hiroo Inoue

President, ICT, Aerospace & Electronics Company

Business overview

The Division Company is engaged in a wide range of businesses including aircraft, industry machinery, IT services, Internet business, media contents, mobile business, etc.

Major products and services

Aircraft; defense and security related equipment; electronic system related equipment; IT related business; Internet, mobile, telephone related business

Major group companies

- ITOCHU AVIATION CO., LTD.
- JAPAN AEROSPACE CORPORATION
- ITOCHU Techno-Solutions Corporation
- ITC NETWORKS CORPORATION
- ITOCHU MACHINE-TECHNOS CORPORATION
- Excite Japan Co., Ltd.
- SPACE SHOWER NETWORKS INC.

FY2009 results

- Successfully received an order from Haneda Airport by actively providing proposals, and conducted intensive promotional activities to introduce the latest security system for Narita Airport.
- Enhanced the awareness of compliance issues and the importance of their observance among employees through department/section meetings.

- Conducted marketing and proposal activities to airline companies and local governments.
- Successfully received an order for a large project of secondary battery production facilities in the US.
- Participated in the joint pilot project with Tsukuba City regarding smart grid initiatives.

Launched the energy-saving solution services using IT technologies in full swing.

- Increased recognition of the MOTTAINAI brand by opening MOTTAINAI Shop, as well as enhancing sales and distribution channels for eco-point products.
- Increased members of the insurance service for mobile phones.

FY2010 action plans

Focus on world trends in security systems including new technologies, and continue marketing and proposal activities to introduce new security systems to airports, customs bureaus, and police stations.

- Continuously conduct marketing and proposal activities to airline companies and local governments.
- Continuously conduct sales promotion of secondary battery production facilities.
- Establish a new business aiming for the widespread use of secondary batteries.

Enhance the range of services in the energy-saving solution business, and take initiatives to acquire new customers.

- Continuously take initiatives to disseminate the concept of MOTTAINAI into everyone's life style.
- Continuously take promotional measures to spread the insurance service for mobile phones.

CSR initiatives by major group companies ①

The link between community contribution activities and winning customers

Award ceremony for community contribution activities at New Year's gathering



ITC NETWORKS CORPORATION (ITCN) carries out company-wide activities to conserve the environment, such as collecting used mobile phones and PET bottle caps. ITCN also conducts cleanups around its "carrier shops" and other sites nationwide, as well as holding job-experience programs for elementary school children and mobile-phone classes for the elderly. In the 2009 in-house awards for activities that contribute to local communities, the management received 89 richly varied applications, including activities relating to mobile-phone sales and purely volunteer activities. The company awarded two outstanding performance awards and eleven "fighting spirit" awards. ITCN policy is to proactively advance a wide range of activities, in order to win new customers and build customer loyalty through recognition by the community as a good corporate citizen.

ITC NETWORKS CORPORATION

CSR initiatives by major group companies ②

Reducing power consumption and costs through virtualization technologies



ITOCHU Techno-Solutions Corporation (CTC) is strengthening its commitment to green IT solutions that enable its customers to reduce power consumption and costs. As one method for achieving this, it is using a virtualization technology, which enables a single server to be used just as if it were multiple servers. In April 2008, CTC began offering a cloud service called "TechnoCUVIC," which is a shared hosting service using the virtualization technology. This innovative service is generating a great deal of buzz in the industry, and is being used by many customers, because it allows customers to use the servers and other IT equipment that they need, when they need it, without having to actually own the equipment.

ITOCHU Techno-Solutions Corporation

Energy, Metals & Minerals Company CSR Action Plans and Report on Activities

Promoting CSR through the development and stable supply of resources and energy

CSR at this Division Company

We promote CSR with the entire ITOCHU Group, while pursuing the following missions: 1) development and stable supply of resources and energy; 2) development of new energy that are kind to the earth; and 3) initiatives for recycling-related businesses.

Division	CSR tasks	FY2009 action plans	Status*
All divisions	Promote CSR education at overseas group companies	Examine and check supply chains, conduct environmental enlightenment activities for business partners, enhance CSR education activities at overseas group companies to raise their awareness.	
New Energy Department	Contribute to projects for reduction of greenhouse gas emissions	Make a strategic move to provide a stable supply of energies with a low impact on the environment, by building and promoting a range of environment-conserving businesses, as well as participating in uranium mine development projects.	
Metals & Minerals Division	Recycle and recover resources from recyclable waste appropriately	Provide lectures on safety in mining and exploration businesses for employees involved, check operation conditions at work site, prepare for the waste flow control system as well as the introduction of an electronic manifest system, monitor and review the flow control of fluorocarbons (CFC), etc.	
Energy Division	Prevent tanker accidents and ensure a swift and appropriate response to emergencies	Provide employee training to prevent accidents, appeal to operators for the practice of eco-conscious initiatives through administrative/environmental meetings, communicate with and contribute to local communities in the project areas, etc.	

*: :Achieved :Nearly achieved :Unachieved

Reflections from the workshop to review CSR at Division Companies



Our goal for the company is to balance CSR between proactive and protective efforts. Our proactive CSR efforts are such environmentally conscious businesses as businesses using clean development mechanisms (CDM); new-energy initiatives such as biofuel and nuclear fuel; and scrap and other recycling businesses. Meanwhile, our protective CSR efforts are aimed at performing our obligations as a business operator and maintaining a balance with society, such as environmental conservation when developing resources, shipping via tankers and the like, and making contributions to local communities.

Major CSR initiatives ① Health, safety, and environmental awareness in petroleum development

Petroleum development in Azerbaijan



There is currently much talk about ocean pollution due to petroleum accidents, and the public is turning an extremely critical eye toward measures against petroleum and gas-development accidents. At ITOCHU Corporation, we have long been active in calling on the partners in each of the petroleum and gas-development projects we participate in to enhance their health, safety, and environment (HSE) activities. More recently, in March 2010 our wholly owned subsidiary ITOCHU Oil Exploration Co., Ltd. created its own HSE standard in order to further strengthen these measures. Through this standard, the entire ITOCHU Group will advance businesses with strong measures to continually raise the awareness of everyone involved with such projects regarding health, safety, and the environment in the local community.

Exploration & Production Department

[Key points of our FY2010 CSR Action Plan]

As a global enterprise, we strive to improve our environment management system in Japan as well as at overseas group companies, and take on challenges of environment-friendly business practices. In addition, we will continue to conduct CSR education and training for our employees to raise their awareness.

Business overview
The Division Company aims at contributing to the development of the world economy and conservation of the environment, by providing a stable supply of resources and energies through business investment and trading.

Major products and services
Crude oil; petroleum products; LPG; LNG; nuclear fuel; Dimethyl ether (DME); bio fuel; iron ore; coal; aluminum; steel scrap; steel products

Major group companies

- ITOCHU Metals Corporation
- ITOCHU Minerals & Energy of Australia Pty Ltd
- ITOCHU Oil Exploration Co., Ltd.
- Marubeni-Itochu Steel Inc.
- ITOCHU ENEX CO., LTD.



Yoichi Kobayashi
President, Energy, Metals & Minerals Company

FY2009 results

Carried out checks of supply chains for each business with check lists, delivered letters to business partners to ask for environmental conservation, and distributed CSR reports to overseas group companies to raise their awareness.

Successfully advanced the biomass, bioethanol, and ESCO businesses, started the feasibility study of the uranium mine development project in West Australia, and acquired a stake in a large uranium mine project in Namibia, Africa.

Provided lectures on resource developments to employees, confirmed operation guidelines at work site, placed an order for an electronic manifest system, and implemented regular reports from CFC operators to check there was no problem.

Conducted employee training to prevent accidents, communicated with business partners to confirm their activities giving proper consideration to occupational safety and health as well as the environment, made social contributions to local communities such as providing personal computers to children in orphanages in Azerbaijan.

FY2010 action plans

[For further strengthening the supply chain management and advancing CSR initiative at a group-wide level] Examine and check supply chains, conduct environmental enlightenment activities for business partners, enhance CSR education activities at overseas group companies to raise their awareness.

[For exploring environment-friendly energies and providing a stable supply of them] Further make efforts to provide a stable supply of energies with a low impact on the environment, by building and promoting a range of environment-conserving businesses, participating in uranium mine development projects, and exploring other new projects.

[For ensuring safety in mining and exploration businesses, appropriate treatment of wastes, and prevention of ozone destruction] Provide lectures on safety in mining and exploration businesses for employees involved, check operation conditions at work site, implement the waste flow control system and an electronic manifest system, and monitor and review the flow control of fluorocarbons (CFC), etc.

[For promoting initiatives to prevent accidents and protect the environment effectively, and contributing to local communities] Further enhance employee training to prevent accidents, appeal to operators for the practice of eco-conscious initiatives through administrative and environmental meetings, communicate with and contribute to local communities in the project areas, etc.

Major CSR initiatives 2
Reducing greenhouse gases through biomass fuels



ITOCHU Corporation has created a joint venture with Malaysia's FELDA, the world's largest palm-oil manufacturer, to manufacture solid biomass fuel (EFB pellets), using refuse from the palm oil-pressing process. Once manufactured, the venture plans to deliver the EFB pellets to electric power companies in Japan, to be used as a substitute for coal in coal-fired power generation boilers. This innovative attempt to convert waste material into fuel is the world's first introduction of EFB pellets on a commercial scale. Our division is helping to resolve the issue of global warming through the introduction of biomass fuels.



Yasuji Maeda
Deputy Manager, Environmental Business Office, New Energy Department

CSR initiatives by major group companies

Community partnerships in Australian business

2009 award ceremony in Newman, Australia



IMEA is currently operating six joint iron-ore production ventures in Western Australia. Through these businesses, it is vital for us not only to contribute to the local economy, but also to form partnerships with the local communities in which our businesses are operated. As part of this effort, we established the ITOCHU Junior Sports Award. This program, which has been running for over 10 years, provides trophies and cash prizes to the most outstanding athletes 18 years or younger and their teams, at two locations in our operations areas.



Yasushi Fukumura
ITOCHU Minerals & Energy of Australia Pty Ltd (IMEA)

Chemicals, Forest Products & General Merchandise Company CSR Action Plans and Report on Activities

Promoting the protection of the natural environment and the safety management of chemical substances

CSR at this Division Company

We constantly strive to improve the quality and safety of our products in a broad scope of business areas, and ensure a smooth and stable supply of products and services which precisely respond to the needs of our customers, whilst giving maximum consideration to the environment, thus contributing to everyone's quality of life.

Division	CSR tasks	FY2009 action plans	Status*
Forest Products & General Merchandise Division	Enhance the traceability of raw materials and ensure the observance of labor laws and regulations	Further review the contents of questionnaires for suppliers, select suppliers subject to surveys, and conduct the questionnaire surveys and visiting surveys to them.	
	Handle internationally certified forest products as well as health-safe products	<ul style="list-style-type: none"> ● Increase the ratio of certified materials handled, and request non-certified suppliers to acquire certifications. ● Expand lineups and supply chain capacity of low-formaldehyde products (MDF) within group companies. 	
Chemicals Division	Comply with chemical-related laws and regulations	<ul style="list-style-type: none"> ● Host seminars on chemical-related laws and regulations for employees across the entire division in order to raise their awareness towards legal compliance. ● Continuously take measures to respond to the EU REACH regulations. 	
	Procure safe and reliable products	Confirm status of ISO certification for new manufacturers and manage data on properties of newly handled products.	

*: :Achieved :Nearly achieved :Unachieved

Reflections from the workshop to review CSR at Division Companies



In our company, it is vital for us to maintain a shared awareness of the global environment and working conditions with our suppliers. This is because we carry consumable products that are largely related to forest resources, and chemical products that require great care in safety management. For this reason, we send CSR questionnaires to a wide range of our suppliers, and use these as an indicator to help ascertain conditions at our business partners and select suppliers. We also actively advance green material and product initiatives.

Major CSR initiatives ① Contributing to a resource recycling oriented society

Acacia tree farm in Malaysia (Daiken Sarawak Sdn. Bhd.)



Our Forest Products & General Merchandise Division focuses on carrying medium-density fiber (MDF) board, in order to use forest resources effectively and in an environmentally conscious way. We manufacture MDF board jointly with DAIKEN CORPORATION at three overseas sites. We are building a product-supply system predicated on resource recycling. This includes initiatives to make maximum use of waste wood as a raw material, as well as to increase the usage of forest-certified trees by planting about 5,000 ha of trees in Malaysia.



Tomoaki Kato

General Manager, Wood Products & Materials Department, Forest Products & General Merchandise Division



[Key points of our FY2010 CSR Action Plan]

We focus on the handling of certified pulp and lithium battery related goods, as they are environment-conserving materials. We also strive to ensure the traceability of raw materials by conducting questionnaire surveys for suppliers, and improve awareness toward the safety management of chemical goods through employee education and training.

Business overview
The Division Company handles various materials in the consumer-related sector focusing on housing and living, as well as a wide range of chemical related products including medical products and electronic materials.

Major products and services
Housing materials; logs and lumber; woodchips, pulp and paper; crude rubber and tires; shoes; organic chemicals; inorganic chemicals; plastics; consumer-related products

- Major group companies**
- ITOCHU KENZAI CORPORATION
 - ITOCHU PULP & PAPER CORP.
 - ITOCHU CHEMICAL FRONTIER Corporation
 - ITOCHU PLASTICS INC.
 - C. I. Kasei Company, Limited
 - DAIKEN CORPORATION
 - Takiron Co., Ltd.



Satoshi Kikuchi

President, Chemicals, Forest Products & General Merchandise Company

FY2009 results

Partly revised the contents of our questionnaires in terms of labor issues, and conducted questionnaire surveys for 79 companies, and visiting surveys for 60 companies.

- Increased the ratio of certified pulp handled by 13% from the previous year to 86%.
- Expanded lineups of low-formaldehyde products by 16% in the first half, and by 21% in the second half, from the previous year respectively.
- Hosted seminars by outside professionals concerning REACH and the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc. (one seminar in Osaka, two in Tokyo), with 570 participants from other companies and subsidiaries.
- Continuously discussed with manufactures, to handle the situations after pre-registration by their branches in Europe.

Reviewed the status of certification documents such as Material Safety Data Sheets (MSDS) of manufactures, and managed them appropriately, in addition to confirmation of ISO certification status of major business partners.

FY2010 action plans

Further update the contents of questionnaires, and conduct questionnaire surveys. Continuously conduct a regular visit to business partners for surveys, and update their data.

- Increase the ratio of certified materials handled, by continuously requesting non-certified suppliers to acquire certifications.
- Continuously expand lineups and supply chain capacity of low-formaldehyde products with business partners.
- Host seminars on the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc., to raise awareness toward chemical-related laws and regulations and the importance of observance across the entire division.
- Continuously take measures to respond to the EU REACH regulations.

New Promotion of environment-conserving businesses

Expand lineups of lithium-ion battery related materials and parts.

Major CSR initiatives ②

Seminar for understanding chemical laws and regulations

Our Chemicals division carries a large range of products, from basic chemicals, to synthetic resins, electronic materials, and pharmaceutical raw materials, which fall under many regulations and accompanying work requirements. Every year, we invite outside instructors to hold seminars for all employees in the division, in order to enable us to comply with these laws and regulations, and requirements appropriately. We also contract with expert chemical consultants, and have created a system whereby we can obtain the views of experts at any time we have questions about legal regulations. Chemical regulation frameworks are being established and reinforced on a global scale, including Japan's revised Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc., and Europe's REACH regulations. Amid these

circumstances, we are creating an environment where each employee in our division can obtain necessary knowledge of relevant laws and regulations and carry out his or her duties in compliance with them.

Tatsuo Tsujimoto

Manager, Chemical Planning & Coordinating Section, Chemicals Division



CSR initiatives by major group companies

Promoting the protection of water resources and resource recycling

ITC Green & Water Corp. has been working for some 30 years to develop and improve technologies for cleaning organic effluent such as livestock wastewater. The company has leveraged its expertise in wastewater treatment to create a new business with a system for improving substratum and water quality in dam reservoirs and ports that have become polluted due to oxygen depletion. The company also operates an environmental solutions business that contributes to resource recycling with its integrated treatment system, from wastewater treatment to



Compound lagoon for livestock

making effective use of sludge. One example is an initiative to compact organic sludge, which had conventionally been treated as waste, and compost/convert it into fuel.

ITC Green & Water Corp.

Food Company CSR Action Plans and Report on Activities

Responding to the needs of consumers and society with environmental consideration

CSR at this Division Company

We aim to practice good businesses that can contribute to society, by ensuring a stable supply of safe products, checking multiple aspects of food safety, and at the same time, consider environmental preservation. In this manner, we strive to earn the trust of our customers and local communities.

Division	CSR tasks	FY2009 action plans	Status*
All divisions	Enhance systems relating to food safety and compliance	1) Ensure the observance of food safety management manuals, and establish and confirm the compliance system in each department. 2) Create a framework of the Food Company centered on food inspection and consulting companies.	
Provisions Division	Ensure a stable supply of safe and reliable raw materials	<ul style="list-style-type: none"> Continually grasp situation at production sites and share information with business partners. Promote food-resource procurement businesses. 	
Fresh Food & Food Business Solutions Division	Improve and strengthen the management system for production bases inside and outside Japan	Continue audits at all overseas plants and raise the level of audits (extract problems to be addressed, and implement measures for them).	
Food Products Marketing & Distribution Division	Improve stability and efficiency by sharing information through all processes from intermediate distribution to retailing	<ul style="list-style-type: none"> Expand the number of companies working on data that connects consumers → retailers → wholesalers → manufacturers. Utilize data to propose the reduction of loss and inventories. 	

*: :Achieved :Nearly achieved :Unachieved

Reflections from the workshop to review CSR at Division Companies



The workshop brought together CSR representatives from each division. It was a good opportunity to share information on concrete CSR actions and other topics. We also reconfirmed that the key CSR and social challenges on which the Food Company should tackle through its main business are: (1) supply chain management in order to provide safe and reliable products; (2) food-safety checking functions; (3) a stable supply of food with awareness of worldwide food demand; and (4) response to environmental and waste issues.

Major CSR initiatives ① Providing a stable food supply to Asian countries

Conceptual drawing of completed terminal



As populations grow and their income levels rise, especially in China and the rest of Asia, further rises in demand for grains are expected. There is also increasing demand for grain quality and traceability in Japan and other countries, in order to meet consumer needs for safe and reliable food in the future. We have responded actively to these needs: ITOCHU Corporation has built a new high-efficiency grain-export terminal in Longview, in the US state of Washington, which will contribute to the stable world supply of grains. The terminal is scheduled to begin operations in July 2011.



Toru Nishizaka
Grain Section,
Grain & Feed Department



[Key points of our FY2010 CSR Action Plan]

We strive to establish a framework for ensuring food safety, and conduct investment activities for a stable supply of food. To further improve the efficiency of our operation, we plan to implement several measures such as sharing of information with stakeholders, educational trainings, and other cooperative initiatives.

Business overview

The Division Company is engaged in food businesses in the value chain that extend from food resource development in Japan and overseas, production and processing, through to intermediate distribution and retailing.

Major products and services

Grain; ingredients for animal feed; fat and oil; sugar; beverages; dairy; agricultural, livestock, and marine products; frozen and processed foods; other food products

Major group companies

- ITOCHU-SHOKUHIN Co., Ltd.
- NIPPON ACCESS, INC.
- Japan Foods Co., Ltd.
- FUJI OIL CO., LTD.
- FamilyMart Co., Ltd.
- YOSHINOYA HOLDINGS CO., LTD.
- YAYOI FOODS CO., LTD.



Yoshihisa Aoki
President, Food Company

FY2009 results

- 1) Visited around departments and offices, checked the status of their operation management in May, and implemented food safety audits in November.
- 2) Conducted market surveys in Japan and China, selected food inspection centers to cooperate, and established the flow chart of inspection systems.

- 1) Ensured a stable supply of wheat, corn, and soya beans; launched construction of a new grain export terminal in the US which has been progressing steadily.
- 2) Ensured a stable supply of dairy products; executed the investment in an Australian dairy production manufacturer.

Implemented audits at all overseas plants. The number of plants in China declined from 49 in 2008 to 40 (including new 7 plants) in 2009 as a result of streamlining. Conducted surveys to check the audit status at business departments in order to improve the accuracy of operations.

Continued strategic cooperation with Uny Co., Ltd., JOIS Co., LTD., and Izumiya Co., Ltd. The number of cooperative manufacturers increased steadily.

FY2010 action plans

- 1) Enhance checking functions of compliance and implement audits for food safety and compliance.
- 2) Establish a sustainable food inspection system in Japan and China, and strengthen the stable supply system of safe and reliable food.

- 1) Establish a stable supply system; promote food-resource procurement businesses.
- 2) Ensure the safety of food-resource; share information with business partners and discuss improvement items.

Propose measures to improve the accuracy and effectiveness of plant audits, and work on the execution of such measures (conduct training for auditors who audit plants, accompany with auditors when they audit plants, etc.).

Continuously expand the number of companies working on data. Continuously propose possible measures to reduce loss and inventories to retailers.

Major CSR initiatives ②
Initiatives to develop products meeting consumer needs

Product displays at a FamilyMart convenience store



As metabolic syndrome and other lifestyle diseases gain attention, our office was quick to note the increased health consciousness of consumers. In 2007, we have launched a health promotion project, "Karada Smile Project," which jointly develops products with serious consideration for physical health and wellbeing. This project focuses on developing products that meet consumer needs, in partnership with ingredient makers, food manufacturers, and multiple retailers. The project selects concepts based on consumer marketing, and offers a successive line of products with high added value, such as reduced-calorie bread and fiber-enriched yogurt.



Tokuko Metani
General Manager, Food Products Marketing & Development Office

CSR initiatives by major group companies

Eco-Mottainai initiatives

Food wholesaler ITOCHU-SHOKUHIN Co., Ltd. has introduced a new marketing concept for "mottainai products" (mottainai is the Japanese word for "wasteful"); products by food manufacturers that can no longer be distributed smoothly (examples include products that have been manufactured in excessive quantities, or products that still have not reached their expiration dates, but cannot be sold in the market because they have been changed or discontinued). It sells these "mottainai products" to Internet and mobile sites via its EC site "Eco-Mottainai.com." The company intends to keep contributing to society through "Eco-Mottainai.com," by reducing loss of sales opportunities and loss from waste.






Conceptual image of Eco-Mottainai

ITOCHU-SHOKUHIN Co., Ltd.

Finance, Realty, Insurance & Logistics Services Company CSR Action Plans and Report on Activities

CSR at this Division Company Offering service functions full of creativity

As a Division Company providing services and solutions in the fields of finance, realty, insurance and logistics, we strive to offer highly transparent and reliable products and services for higher customer satisfaction.

Division	CSR tasks	FY2009 action plans	Status ^{*1}
Financial & Insurance Services Division	Establish channels with local communities and explore potential needs of customers	Carefully examine and select projects, while exploring new financing opportunities.	
Construction & Realty Division	Supply quality housing with emphasis on safety and security	Strive to provide good-quality homes through thorough observation of related laws and regulations by reliable execution of measures to strengthen control of the construction and realty group, and through checks of the observation status by the "Project Inspection Meeting" (twice per six month).	
Logistics Services Division	Contribute to the improvement of social overhead capital in newly industrializing countries through building of logistics infrastructure and increase the level of customer satisfaction	Review and make proposals on restructuring and integration of the logistics business in China, by integrating with i-LOGISTICS CORP., to build an efficient and rational logistics scheme within China.	

*1: :Achieved :Nearly achieved :Unachieved

Reflections from the workshop to review CSR at Division Companies



We mainly discussed CSR in the fields of construction and real estate. There are two general types of CSR: "proactive" and "protective." The concept of "protective" CSR, our basic stance, is based on legal compliance, and focuses on offering safe, reliable, and high-quality products and services. "Proactive" CSR is a persistent and continual effort of trial and error, while predicting needs, due to the wide variety of ways that economic added value is evaluated, depending on the field, country, and other factors.

Major CSR initiatives ①

**IXINAL
Monzen-Nakacho
office building
obtained A-rank
CASBEE certification**



IXINAL Monzen-Nakacho office building

A property in Tokyo's Koto Ward developed by the ITOCHU Group has obtained A-Rank CASBEE certification. CASBEE is a system developed under Japan's Ministry of Land, Infrastructure and Transport (MLIT) for comprehensive environmental assessments of construction. CASBEE certifies green buildings, and this certification is a key element of socially responsible property investment (RPI). Although RPI is still in the developing stages worldwide, we believe that we should form an active commitment to this field.



Eisuke Kawanishi

Construction & Realty Section No.2,
Construction & Realty Department No.1

[Key points of our FY2010 CSR Action Plan]

We strive to offer safe and reliable products and services that can obtain higher customer satisfaction. At the same time, we try to contribute to local communities with credit insurance services and PFI*2 business, and promote environment-conserving businesses through the development of housing and offices, logistics services, etc.

Business overview
We offer high value-added products and services by combining various functions in the fields of finance, realty, insurance and logistics.

Major products and services
Foreign exchange; credit card business; fund business; insurance agent business; real estate securitization business; housing-related business; international general logistics

Major group companies

- ITOCHU Finance Corporation
- Orient Corporation
- ITOCHU PROPERTY DEVELOPMENT, LTD.
- ITOCHU Urban Community Ltd.
- CENTURY 21 REAL ESTATE OF JAPAN LTD.
- ITOCHU LOGISTICS CORP.



Kenji Okada

President, Finance, Realty, Insurance & Logistics Services Company

*2 PFI (Private Finance Initiative): Projects in which private-sector capital, technological capabilities, and operational expertise are used for the design, construction, maintenance, management, and operation of public facilities.

FY2009 results

ITOCHU Finance Corporation made contributions to local small- and mid-sized companies, through conventional financing services, as well as other services such as mezzanine financing, factoring, ABL (asset based lending), etc.

Implemented checking of observation status of related laws and regulations by the Project Inspection Meeting and Transaction Review Meeting. The status of observation posed no problem. Continued to enhance quality control and compliance systems.

i-LOGISTICS CORP (current ITOCHU LOGISTICS CORP.) became a wholly-owned subsidiary through TOB. By integrating its operation, launched restructuring and integration of businesses in China. Specific proposals are now under review.

FY2010 action plans

Continuously implement the action plan announced in fiscal 2009.

Ensure observation of related laws and regulations, and implement checking of the observation status by the Project Inspection Meeting and Transaction Review Meeting. Provide quality housing based on the "Master Specification" (to be reviewed once a year) as well as focusing on customer satisfaction.

Implement restructuring and integration of logistics businesses in China by integrating operation with ITOCHU LOGISTICS CORP. Establish an efficient logistics scheme within China and contribute to local community from logistics aspects.

Major CSR initiatives ②

Contributions to local communities in overseas distribution business

Chengdu Tingtong Distribution Center



Logistics Services Division develop logistics business in Asian countries. In China in particular, we have 80 facilities nationwide, which develop one of the top Japanese-owned logistics networks, centered on logistics firms ITOCHU LOGISTICS (CHINA) CO., LTD (Former: BEIJING PACIFIC LOGISTICS CO., LTD) and Tingtong Logistics Co., Ltd. We are using this network to build a distribution network into the continental interior, expanding business opportunities for our company and our clients, while contributing to local communities in terms of logistics. When the Great Sichuan Earthquake struck in 2008, we used our Chengdu Distribution Center as a base facility for transporting international relief materials and food relief to the towns around the hardest-hit regions. We further plan to expand our logistics network to India and Indonesia.

Reiko Ayabe

Logistics Solution Section No.1, Logistics Solution Department

CSR initiatives by major group companies

Credit insurance: Vitalizing local economies

Signing ceremony at the Saitama Chamber of Commerce and Industry



Although the number of corporate bankruptcies is lower than it was at one point, it remains high, and the total amount of debt continues to rise. In 2003, ITOCHU Orico Insurance Services Co., Ltd. and ITOCHU Corporation began a partnership with the Osaka Chamber of Commerce and Industry, offering products to hedge the credit risk of business partners (Group Transaction Credit Insurance Scheme) to business members of the Chamber of Commerce and Industry. Then in 2005, the company began partnering with various chambers of commerce and industry in Kansai and Western Japan, and currently has partnerships nationwide, including Niigata, Kanazawa, Sapporo, and Saitama. We are helping to vitalize local business and stabilize the management of local companies through the use of this system by local chambers of commerce and industry, whose members include large numbers of smaller businesses.

Kiyoshi Matsumoto

Deputy General Manager, Chief Marketing Officer's Office ITOCHU Orico Insurance Services Co., Ltd.

L-I-N-E-s*¹

CSR Action Plans and Report on Activities

Implementing CSR activities through continuing efforts on construction and enhancement of new corporate-wide businesses

CSR at L-I-N-E-s

Through our new corporate-wide businesses including the solar business and healthcare business, we conduct CSR activities that can contribute to the development of society, while maintaining profits for the future society where a sustainable growth becomes an essential element.

*¹ L-I-N-E-s: Life Care, Infrastructure, New Technologies & Materials, Environment & New Energy, synergy

Department/Office	CSR tasks	FY2009 action plans	Status*
Healthcare Business Department	<ul style="list-style-type: none"> Support preventive measures against H1N1 Address preventive healthcare 	<ul style="list-style-type: none"> Establish organizations to provide educational programs to local communities. Launch a business model for personal medical checkups by Wellness Communications Corporation. 	
Solar Business Department	<ul style="list-style-type: none"> Expand businesses relating to photovoltaic/solar thermal power generation 	<ul style="list-style-type: none"> Build a value chain in the solar power generation business. Start sales of modules and power generation systems in the major markets (the US, Europe, and Japan). 	
Innovative Technology Business Development Office	<ul style="list-style-type: none"> Contribute to society through advanced technology projects Promote environment-conserving businesses 	<ul style="list-style-type: none"> Review the sociality and usability of projects in the pioneering phase. Focus on business developments in the fields of clean technologies and healthcare. 	
Corporate Development Office	<ul style="list-style-type: none"> Promote environment-conserving businesses 	<ul style="list-style-type: none"> Establish a task force and a sectional committee relating to the major areas of secondary batteries and water at the corporate-wide level. Conduct research study by outside consultants. 	

*: :Achieved :Nearly achieved :Unachieved

Reflections from the workshop to review CSR at L-I-N-E-s



L-I-N-E-s has a close relationship with CSR. It carries out initiatives with a focus on building a low-carbon society, and business continuity planning (BCP) for pandemic influenza. Through this workshop, we held discussions with a focus on CSR. These discussions made us recognize anew that our organization's current business initiatives must be based on a long-term view, and that in order to do this, we must continue and expand our businesses while maintaining profitability.

Major CSR initiatives ①

Support for measures against H1N1



In October 2008, our Healthcare Business Department formed a corporate alliance called Japan Medical Partners together with companies specializing in various fields, with the goal of providing support for measures in local communities against new strains of flu. ITOCHU acts as the secretariat for the alliance, taking such actions as providing information in order to disseminate correct knowledge, and creating an emergency delivery system for equipment and materials in the event of a pandemic. Through these initiatives, we help keep people safe, protect their livelihoods, and contribute to local communities.

Tsutomu Sasazaki

Healthcare Business Section No.1,
Healthcare Business Department



[Key points of our FY2010 CSR Action Plan]

We continue to promote and enhance our new corporate-wide businesses. Under the medium-term management plan, Frontier[®] 2010, we will focus on the Life & Healthcare and the Environment & New Energy areas, thereby creating a CSR-conscious business culture across the Group.

Business overview	Major products and services	Major group companies
The Life & Healthcare area, which comprises medical and health-related businesses; the Infrastructure area, focusing on functional/social infrastructures; the New Technologies & Materials area, mainly biotechnology and nanotechnology; and the Environment & New Energy area	Solar power related materials; modules; systems; medical materials and devices; products that prevent infectious diseases; services for pharmaceutical companies	<ul style="list-style-type: none"> ● Century Medical, Inc. ● ACRONET Corp. ● Wellness Communications Corporation ● Healthcare-Tech Corporation ● Ecosystem Japan Co., Ltd. ● Solar Depot, LLC ● SolarNet, LLC



Toshihito Tamba
Executive Vice President (LINES)

FY2009 results

- Disseminated information on infectious diseases through the website of Japan Medical Partners, as well as in exhibitions and other events.
- Established an online booking system for medical checkups. Launched the sales of medical checkups together with the provision of healthcare information through membership organizations.
- Strengthened trading in the upstream sector.
- Continuously enhanced management by increasing investment in the existing SI (system integrator) business.
- Installed a solar power system on the roof of ITOCHU Tokyo headquarters building. This project has been designated as a grant-aid project by the Ministry of the Environment.
- Advanced initiatives relating to bio fuel, advanced materials, next-generation lighting, etc. in the field of clean technologies.
- Advanced initiatives relating to drug discovery, regeneration medicine, medical equipment, etc. in the field of healthcare.
- Further promoted second batteries for electric vehicles, storage of renewable energies such as solar power.
- Strengthened the value chain strategy for raw materials of second batteries.
- Launched an water business development team focusing on water supply and sewerage businesses inside and outside Japan.

FY2010 action plans

- Plan and host events in cooperation with local governments, provide more citizen oriented information, and create workshops.
- Review the degree of popularity and marketability of services, improve the contents of services and re-consider selecting business partners.
- Contribute to the production volume of high-efficiency, low-cost solar batteries, by expanding trading of high quality materials.
- Enhance marketing of safe and reliable power generation systems as well as construction processes of such systems.
- Contribute to the diffusion of solar power generation.
- Create and promote advanced technology projects that can be beneficial to society in the future, centered on the clean technologies and healthcare areas.
- Launch pilot projects smoothly.
- Start approach to targeting companies.

Major CSR initiatives ②
Solar Power Plant at ITOCHU Tokyo headquarters building



Solar panels on the roof of our Tokyo headquarters building

We are committed to popularizing solar-power systems in Japan and the world. In fiscal 2009, we installed solar power generation panels with a total generating capacity of 100kW on the roofs of ITOCHU Tokyo headquarters building, and the next-door CI Plaza building, with the help of Ecosystem Japan Co., Ltd. This system, called the ITOCHU Corporation Tokyo Headquarters Solar Power Plant, produces the equivalent of the amount of power used by 30 ordinary households. Employees and stakeholders can check the level of power generated with

the displays installed on the first and twenty-first floors of the headquarters, and the grounds of CI Plaza. We believe that this has increased understanding of solar power.

Atsuo Ishihara

Solar Business Section No.2,
Solar Business Department



Major CSR initiatives ③

Solasia Pharma develops antiemetic



Not yet launched in Japan

We have established Solasia Pharma K.K. together with the US-based MPM Capital, as an initiative to help promote human health through pharmaceuticals. The company is currently developing medicinal plasters to counter the nausea and vomiting caused by cancer chemotherapy, as a product candidate for Japan and China. One of the benefits of the plasters is that they are extremely easy to use: one plaster can control symptoms for several days. We will continue to actively

advance CSR activities, providing good pharmaceuticals with a focus on the Asian region.

Takashi Ono

Innovative Technology Business Development Office



Report on Overseas Activities



With 136 overseas bases, ITOCHU Corporation operates globally. Recently, there has been a growing demand for CSR outside of Japan as well, and we have responded by promoting CSR, creating and executing CSR action plans at our overseas bases.



Distomo solar park in Greece

Major CSR initiatives ① Solar business initiatives in Europe

Various European countries encourage the adoption of clean energy through subsidies and other incentives. Against the backdrop, we actively promote solar businesses

in the European bloc. Together with our local partners, we are investing in such solar power generation system integrators as Scatec Solar (Norway), Greenvision ambiente (Italy), Enolia Solar System (Greece), as well as solar parks in Greece, the Czech Republic, and elsewhere. In Greece, the Distomo 1.4 MW solar

park began operation in 2010, and we plan to invest in other power generation businesses of over 10 MW in total by the end of the year. Moving forward, we will continue to promote the widespread adoption of environment-friendly solar energy.



Ichiro Okura
Greek Office, ITOCHU Europe PLC



Freight railway route and development plan area

Major CSR initiatives ② India: Toward smart cities

ITOCHU Corporation has formed a consortium with Hitachi, Ltd. and five other companies. The consortium is now conducting a pre-feasibility study for the project to create smart cities between Delhi and Mumbai

using low-carbon, environment-friendly infrastructure. The study targets the Dahej region in the district of Bharuch, which is in the state of Gujarat, located in western India. The aim is to build next-generation power grids called "smart grids," drinking water and sewage treatment plants using water treatment membranes, wastewater recycling facilities, and industrial-waste recycling facilities, in this rapidly developing areas. The consortium includes ITOCHU Corporation; Hitachi, Ltd.; KYOCERA Corporation; The Tokyo Electric Power Company, Incorporated; Hyflux Ltd; EX CORPORATION Environmental & Urban Planning, Research and

Consulting; and the city of Kitakyushu, and aims to create environment-friendly cities, reflecting the expertise of the consortium in smart-city construction. As India builds a dedicated freight railway line between Delhi and Mumbai, it is planning roughly 300 infrastructure projects, worth a total of \$90 billion, centered on 24 cities along the railway.

Nawaru Kutsuzawa (left in photo)
Business Development and Investment Office, ITOCHU India Pvt. Ltd.
Tarun Khanna (right in photo)
Machinery Department, ITOCHU India Pvt. Ltd.



NY headquarter office of ITOCHU International Inc. (III)
The logo is LEED Silver Certification

Major CSR initiatives ③ New office in New York awarded LEED*1 certification

ITOCHU International Inc. (III) has renovated its New York City headquarter office from 2007 to 2009, giving the greatest possible attention to reducing greenhouse-gas emissions and improving the

environment. The company recycled 80% of construction waste, and made it possible to reduce annual water usage by 33% through the use of water-efficient facilities and waterless urinals, saving 1.2 million liters of water. III also purchased Renewable Energy Credits (RECs*2) equivalent to two years of its electricity usage, reducing CO₂ emissions by 1,100 tons per year. This is equivalent to the annual CO₂ emissions of 120 households from electricity usage. The purchase of RECs also

helps to popularize and increase the adoption of renewable energy.

After its completion of renovation in June 2009, the new office space was awarded the prestigious LEED Silver Certification by the U.S. Green Building Council.

*1 LEED (Leadership in Energy and Environmental Design): The largest system in the United States for evaluating green building design, construction, and operations.

*2 RECs (Renewable Energy Credits): III indirectly uses electric power generated from such forms of natural energy as wind, biomass, small- and medium-sized hydropower and geothermal.



George Sprance
ITOCHU International Inc.

Corporate Governance and Internal Control/Compliance

ITOCHU Corporation strives to enhance the transparency in the decision making process in order to ensure appropriate and effective executions of its operations. At the same time, ITOCHU establishes and maintains a corporate governance system that appropriately incorporates monitoring and supervision functions, and conducts corporate management charged with upholding the trust of its shareholders and other stakeholders. For internal controls, ITOCHU will constantly review and improve its system to further enhance accuracy and efficiency.

Corporate governance

ITOCHU Corporation has a Board of Corporate Auditors. To make sure that our corporate auditors conduct adequate audits, we developed an organization that enables corporate auditors to collect information inside the company, for example, by attending important internal meetings, collaborating with the Audit Division and the Independent External Auditor, etc. In addition, a Corporate Auditors Office consisting of specialized staff provides supports for the auditing work.

Our executive organization has adapted a Division Company system where seven Division Companies divide their business areas for autonomous management responding to the needs of the market and customers under the overall management of the Headquarters.

Further, we have established the Headquarters Management Committee as a body that assists the President by deliberating corporate-wide management policy and important issues. Also, ITOCHU has a variety of internal committees that help the decision-making of the President and the Board of Directors by carefully investigating and deliberating management issues within their areas of responsibility.

Internal controls

ITOCHU Corporation operates effective internal controls through the Disclosure Committee, the ALM Committee, and the Compliance Committee. They are responsible for maintaining effective internal controls, focusing on the following objectives that aim to ensure: 1) reliability of financial reporting, 2) effectiveness and efficiency of business operations, 3) safeguarding of assets, and 4) compliance with applicable laws and regulations. Further, the Internal Control Committee is responsible for overall internal controls, and deliberates corporate-wide issues and remedial measures on internal controls.

● Response to the internal-control reporting system

ITOCHU Corporation has built internal controls conformant with the internal-control reporting system, in order to increase the reliability of its consolidated financial reports. We have also established an independent organization for evaluating internal controls, and check their validity. The results of these checks are fed back to the relevant divisions, and help to create guidelines for the appropriate creation and operation of internal controls. In such a way, we have

established a PDCA cycle in order for responding to the internal-control reporting system, and further improving the effectiveness of internal controls.

 Corporate governance and internal control <http://www.itochu.co.jp/en/about/governance/>

Compliance

The ITOCHU Group builds and operates systems to enhance compliance. It assigns compliance officers to each of its organizations and group companies, both in Japan and internationally. Specifically, we have created the ITOCHU Group Compliance Program, and conduct corporate-wide monitoring and review twice a year in order to track the status of its operation. In fiscal 2009, we conducted a compliance awareness survey including officers and employees of our group companies, and created measures to strengthen compliance at each Division Company based on the results of the survey. We are currently implementing these measures in order of precedence. Moving forward, we will focus on initiatives to enhance compliance among our overseas offices and group companies.

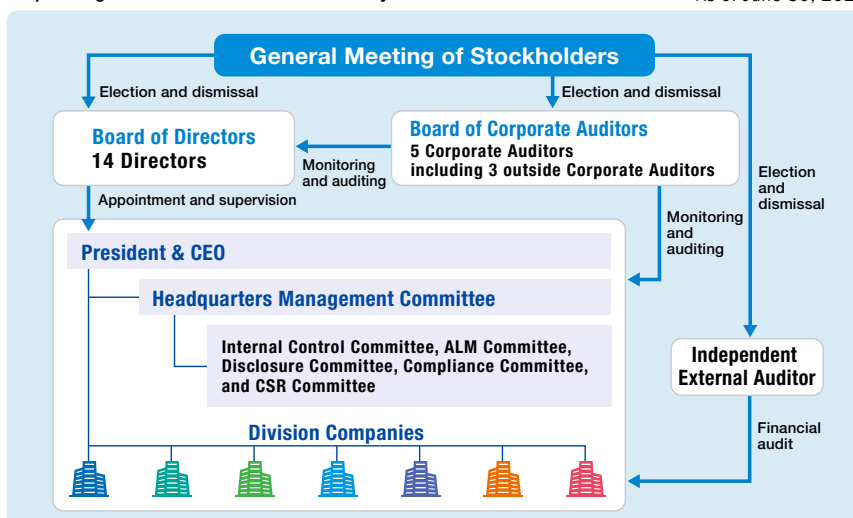
● Global security risk management

The potential intersection of corporate operations with global terrorism or the development and proliferation of weapons of mass destruction can give rise to reputational and financial risks for ITOCHU and other companies with extensive international business operations. As a responsible member of society and the global business community, ITOCHU recognizes the need to carefully manage the potential risks associated with business operations in certain locations. Accordingly, ITOCHU has implemented a comprehensive global security risk management program that involves the performance of rigorous, security-minded due diligence with respect to projects and transactions in which international security concerns could be present.

 Compliance <http://www.itochu.co.jp/en/csr/compliance/>

Corporate governance and internal control systems

As of June 30, 2010



Supplier Relations

Consideration for the human rights, labor affairs, and the environment in the supply chain is an important CSR issue for companies that trade on a global scale.

Following its first supplier survey in fiscal 2007-2008, ITOCHU Corporation followed up with a second survey in fiscal 2009. ITOCHU is committed to continual improvement in partnership with its suppliers, and will conduct yearly surveys moving forward.

Basic stance on supply chain management

Economic globalization is bringing social and environmental issues into the public eye. These issues include forced labor and child labor, especially in developing countries. Conducting business in countries around the world, ITOCHU Corporation has identified these issues as a key CSR challenge that must be tackled in order to maintain the sustainability of the entire planet. We take action to prevent human-rights, labor, environmental, and other problems in the supply chains in which we are involved, and when a problem is found, we strive to improve it through dialogue with the suppliers. We established the "ITOCHU Corporation CSR Action Guidelines for Supply Chains" in order to ensure that these actions are carried out, and we remain committed to the implementation of these guidelines.

CSR survey of supply chains

ITOCHU Corporation's seven Division Companies operate a wide range of businesses around the world, including lumber, food, and textiles. In order to check the status of our various suppliers, we conduct survey with a method suited to the characteristics of the goods of each Division Company, along with mandatory questions on the nine items in our "CSR Action Guidelines for Supply Chains."

In addition to the nine items covering human rights, labor, and environmental issues, we added further items specific to each Division Company. For example, we added check items for forest conservation for the Forest Products & General Merchandise Division (lumber, pulp & paper); product safety items for the Food Company; and items on protection of intellectual property for our Textile Company. Each Division Company selects target suppliers and creates a survey plan based on such parameters as high-risk countries,

ITOCHU Corporation CSR Action Guidelines for Supply Chains (provisions only)

1. Suppliers shall respect the human rights of employees, and never treat employees in an inhumane manner.
2. Suppliers shall prevent forced labor or child labor.
3. Suppliers shall not practice discrimination in hiring and employment.
4. Suppliers shall prevent unfair low-wage labor.
5. Suppliers shall respect the rights of employees to organize, for smooth negotiation between labor and management.
6. Suppliers shall strive to provide employees with a safe and healthy work environment.
7. In the course of their business activities, suppliers shall duly consider the need to conserve ecosystems as well as local and global environments, and strive to prevent the occurrence of any environmental pollution.
8. Suppliers shall observe all related laws and international rules, and ensure fair transactions and prevent corruption.
9. Suppliers shall disclose information regarding the above items in a timely and appropriate manner.

products handled, and transaction amounts by referring to the criteria of the FTSE4Good Index. Sales representatives or locally assigned ITOCHU employees of each Division Company visit the suppliers, and survey them by means of interviews or questionnaires.

We will also conduct a survey in fiscal 2010 after reviewing and modifying our survey method. We also plan to extend similar initiatives to suppliers of our overseas offices and group companies.

Number of suppliers each Division Company targeted and surveyed for FY2009

Division Company	Number of suppliers targeted	Number of suppliers surveyed
Textile Company	28	28
Machinery Company	17	17
Energy, Metals & Minerals Company	11	11
Chemicals, Forest Products & General Merchandise Company	148	133
Food Company	98	93
Finance, Realty, Insurance & Logistics Services Company	18	18
Total	320	300

Sample checklist for a supply chain survey [Food Company]

Supplier Checklist/Guide			
			Supplier: _____
			ITC Unit in charge: _____
			Prepared by: _____
	Check item (reference)/Guide	Check	Comments
1	The company has a policy or system for compliance with laws and regulations , and implements them. (ITC CSR checklists)		
2	The company guarantees the rights of freedom of association and collective bargaining . (ILO International Labor Standards - Fundamental Principles and Rights at Work)		
3	The company does not practice forced labor or inhumane treatment (ILO International Labor Standards - Fundamental Principles and Rights at Work)		
4	The company does not practice child labor . (ILO International Labor Standards - Fundamental Principles and Rights at Work)		
5	The company does not practice discrimination in hiring and employment . (ILO International Labor Standards - Fundamental Principles and Rights at Work)		
6	The company has taken measures to protect occupational health and safety . (ILO International Labor Standards)		
7	The company observes the national (host country) laws and regulations regarding working hours . (ILO International Labor Standards)		
8	The company observes the national laws and regulations regarding minimum wage . (ILO International Labor Standards)		
9	The company has a policy or system for dealing with complaints from its business partners, and implements them. (ITC CSR checklists)		
10	The company has a policy or system for environmental conservation/complies with national laws and regulations concerning environmental conservation (ITC CSR checklists)		
11	The company ensures that its products are safe and secure .		
12	The company ascertains the country of origin of the procured items and checks the environmental and social aspects of its suppliers .		

Check symbols: ○: Implemented; △: Partially implemented; ×: Not implemented



Overview of CSR surveys by Division Companies

In fiscal 2009, we conducted our second survey, targeting 320 suppliers. In March 2010, we completed the survey of 300 suppliers, excluding 15 suppliers whose responses could not be obtained by the deadline, and 5 suppliers excluded from the survey

scope because of the termination of business relationship with them. No serious problems requiring immediate response were found in the survey results. We also found that the survey results were more focused this time on the key points, thanks to the increased

understanding by the employees conducting the surveys.

By continuing this survey, we are committed to continually increasing our employees' awareness in our daily business, and improving the CSR of our suppliers.

The results of CSR surveys by Division Companies

Textile Company

Our employees visited suppliers' plants, and held direct dialogues with management. We think that this made it possible to communicate ITOCHU's approach to CSR properly. Although plant managers as a whole have strong awareness of CSR and comply with our action guidelines, we will continue to visit and check the situation.



Machinery Company

The results of our supplier survey showed that overall, our company's suppliers have systems in place for legal compliance, respect for human rights, environmental measures, etc.

We see raising each supplier's awareness of CSR to be one of the goals of the survey, and we intend to continue to survey our suppliers actively.

Energy, Metals & Minerals Company

Major resource companies, semi-

major resource companies, state-owned petroleum companies, and state-owned nuclear-power companies are central to our company's business, and we thus have a relatively high level of management of legal compliance, employment issues, and environmental measures. The survey also generally found no issues among private-sector companies. We are committed to further improvement moving forward.

Chemicals, Forest Products & General Merchandise Company

As much as possible, our company conducted the survey by visiting our suppliers, with a mainly focus on suppliers of lumber and pulp & paper. We think that this succeeded at communicating ITOCHU's approach broadly. Last year, we created company guidelines, and expanded the target to overseas group companies and suppliers of subsidiaries. We plan to work on PR moving forward.

Food Company

Suppliers of Food Company had been selected from those that had overall organizational system in place. It surveyed 93 companies, and generally found no problems. Our staff who visited suppliers reported that they were met with wholehearted sincerity. Moving

forward, we will work to improve mutual awareness by conducting regular visits.



Finance, Realty, Insurance & Logistics Services Company

We surveyed 18 suppliers of our group companies in China. The results of the survey did not indicate any significantly serious problems. None of the companies had problems with respect for human rights, forced or child labor, or discrimination in hiring or employment. Some companies had problems in such areas as working hours, lack of health insurance or regular health exams, and lack of specific environmental measures.



Employee Relations

A global human resources strategy is one of the key measures of Frontier[®] 2010, ITOCHU Corporation's mid-term management plan. We have long promoted diversity in our workforce, and focused on hiring and retaining diverse human resources. Starting in fiscal 2009, we have given our global human resources strategy a central role; we are working actively to enhance our human resources with a global perspective, and support activities enabling each member of our diverse workforce to exert his or her capabilities to a maximum.

Full scale rollout of global human resources strategy

The basic policy of ITOCHU Corporation is "recruiting, developing and leveraging human resources worldwide." Since fiscal 2007, we have been advancing a human resources strategy with a global perspective, with a commitment to maximizing and globally optimizing the value of our human resources throughout the group on a worldwide basis. We are also creating an environment that respects our employees' diverse values and personality, increases their motivation and fulfillment, and empowers them to tackle new challenges while taking maximum advantage of their abilities, regardless of age, national origin, gender, or other incidental differences.

As we advance our global human resources strategy, our headquarters Human Resources Division, Global Talent Enhancement Centers (GTECs) set up in four cities worldwide, and GTEC Headquarters in Tokyo are taking the lead in a wide range of initiatives. Through these initiatives, we are focusing on continuous development of group management, and reforming the awareness of group employees in order to become a truly global enterprise. In fiscal 2010, we will accelerate our human resources strategy from a global

perspective, by actively rolling out specific initiatives that go even further toward achieving these goals.

Structure to promote global human resources strategy



Number of overseas bloc employees by region

Overseas bloc	Number of people
North America	179
Latin America	161
Europe	244
Africa	44
Middle East	177
Oceania	35
Asia	711
China	578
CIS	99
Total	2,228

Note: The above mentioned employee numbers include employees of our local subsidiaries, overseas branches and representative offices. (As of March 31, 2010)

Specific initiatives

- 1 We are inviting employees from our overseas blocs worldwide to come to our headquarters for approximately two years. We offer opportunities for them to learn job skills, understand the ITOCHU Mission, our corporate climate and culture, and build human networks; they also receive developmental opportunities to become future leaders. At the same time, this initiative encourages our headquarters to become more global in its outlook. (As of March 31, 2010, a cumulative total of 47 employees have been accepted)
- 2 We are assigning, promoting, and developing human resources on a global basis regardless of nationality, using the ITOCHU Global Classification (IGC) as a common measure of job level/level of responsibility for all jobs and positions worldwide.
- 3 In October 2009, we launched a global recruitment website for prospective local hires outside Japan. In addition to a message from the President and a description of our global human resources strategy, the website includes links to the recruitment websites of each of our overseas blocs, enabling us to hire on a global basis.
- 4 We have incorporated the five ITOCHU Values, formulated as the new ITOCHU Mission, into the human-resource requirements for ITOCHU leaders. These requirements are reflected in our hiring standards and our evaluation and HR development programs, enabling us to hire and develop human resources suited to ITOCHU's values globally.

Commitment to promoting more diverse human resources

Promotion Plan on Human Resources Diversification 2013 (Japan)

Purpose of the plan

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

In fiscal 2009, we launched the "Promotion Plan on Human Resources Diversification 2013 (Japan)" (from April 2009 to March 2014), in order to promote greater diversity of human resources in Japan. Under this plan, we are executing concrete measures with a focus on retaining and supporting the activities of diverse human resources. As part of this plan, in September 2009 we launched the Gaienmae Forum, expanding the mentor program that we started in 2004. We created the forum to provide opportunities for more senior employees to serve as role models, sharing their experiences balancing work and childcare, working overseas, and other experiences with more junior employees. We thus expect the forum to serve as a reference for employees' future career building. We have also expanded our initiatives to support the career development of each employee. As an example, when we provide group training to junior employees, HR personnel also give one-on-one career interviews.



Gaienmae Forum

Number of male and female employees

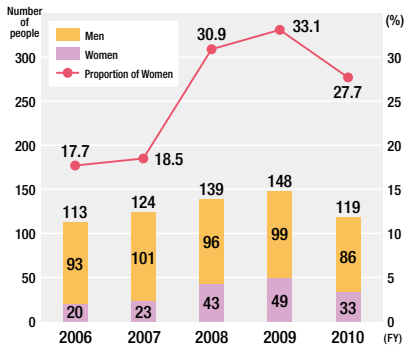
(non-consolidated)

	Men	Women	Total
FY 2007	3,134	973	4,107
FY 2008	3,161	1,014	4,175
FY 2009	3,191	1,068	4,259

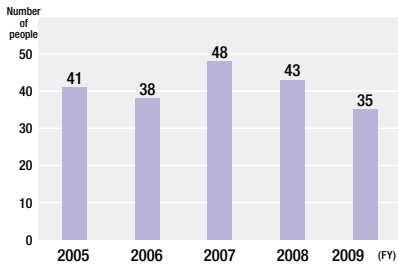
(As of March 31, 2010)



Total hires of new graduates



Mid-career hires (career-track)



Supporting the participation in society by people with disability

In 1987, ITOCHU Corporation established Itochu Uneedus Co., Ltd., as a special subsidiary based on the Disabled Persons Employment Promotion Act (Shogaisha Koyo Sokushin hou) in order to create work opportunities for those with disability. As of April 2010, the proportion of our workforce with disabilities is 1.94%, which exceeds the legally stipulated ratio of 1.8%. We will continue to actively support the participation in society by people with disabilities.

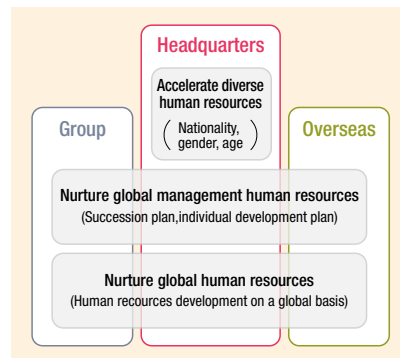
Human resources development policy

We are committed to diversity in our workforce, at our headquarters as well as our overseas blocs and group companies, and fostering human resources who can be active in a wide range of fields based on their individual aptitude and careers. A core part of this commitment is our development of global management human resources. We provide balanced training based on on-the-job training (OJT). We spend approximately one billion yen per year on training.



Training of overseas bloc employees at the headquarters

Overview of human resources development system



A variety of training schemes

We have a wide range of programs for the “Development of global management human resources,” including the “Global executive program (GEP*),” “New division/department manager training,” “Organization managers training,” and our “System for sending new employees overseas.” We also offer a wide range of training for specific objectives, such as “Career vision support training” and “Training for administrative employees” in order to create diverse human resources.

* Global executive program (GEP) is one of our core programs for developing global human resources. Its aim is to develop global executives.

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	Training overseas bloc employees at the headquarters, Sending new employees overseas
Diverse human resources development	Career vision support training, Training for mid-career hire/administrative employees

Number of employees participated in major training programs

Training program name	FY2009 results
Global executive program	15
Organization managers training	About 400
Overseas short-term business school program for new section managers	46
System for sending new employees overseas	73
Training for overseas bloc employees at the headquarters (GLP, GSP, NSUTR trainings)	83
Career vision support training	Cumulative 2,200

Comments by training participants

GEP trainee

Joerg Lietz

Deputy General Manager, European Chemical Team, ITOCHU Deutschland GmbH

GEP program was the most exciting and challenging program which taught us a lot about leadership, management, culture, company values, diversity, etc. And I could recognize that our company really wants to become truly global, and I spread their message to my staff as well.



Sending new employees overseas program (Boise State University)

Seriko Inomata

Apparel Section 2, Apparel Department 2

I was trained in America for four months under the “Sending new employees overseas program.” I think that actually living in the United States made me more receptive to many different values than I was before the training. It was a wonderful experience.



Providing comfortable working environment for employees

● Employee health management

For ITOCHU Corporation, people are assets, and thus the health management of every single employee is extremely important to ensure that a diversity of employees can freely exert their capabilities.

We have developed an in-house system allowing employees to receive counseling on their health and stress at any time. Particularly for mental health, we have established an organization

that offers employees counseling from in-house psychiatrists and clinical psychologists whenever necessary. Further, from the aspect of preventing long working hours, we launched a wide range of initiatives in fiscal 2009, such as conducting e-learning and setting “off early days” for each office, to make employees understand working hours correctly. We are enhancing the corporate-wide system so that we can manage hours appropriately, by introducing new initiatives, such as managing working hours using records of building entrances and departures.

● Employee safety measures

To ensure that ITOCHU Corporation employees stationed around the world and their families spend a meaningful assignment term in safety and good health, we have built a full system not only for incidents, accidents, disasters and other emergencies, but also for health management.

To prepare for emergencies such as diseases or injuries, including preventive measures for infectious diseases in the dispatched area, we collaborate with multiple medical emergency service companies for a complete support system.

Efforts to support employees' child care and nursing care

As part of our efforts to retain diverse human resources and support them to fully demonstrate their potential, we have been taking steps to improve child care and nursing care systems so as to offer our employees a work environment where they can concentrate on their work with peace of mind. In fiscal 2009, I-Kids was opened; a child care center for our employees, at a location close to our Tokyo headquarters. This move was made in light of a widespread social issue where many children are currently waiting for entry to the nursery in the Tokyo metropolitan area, and female workers face difficulties in planning their return from childcare leave. Subsequently, we made a step to minimize factors that might hinder our employees from

continuing their careers and support their motivation to keep working. As an additional note, an increasing number of employees are taking advantage of our “paternity leave” and “family support leave” systems, which have been introduced to help balance work and child care.



I-Kids, a child care center for employees

Acquisition of leave according to child care or nursing care related systems (Unit: persons)

		FY 2007	FY 2008	FY 2009
Child care	Parental leave	29	30	43 (43 females)
	Leave to nurse sick children	59	71	98 (42 males; 56 females)
	Shorter working hours for child care	34	40	32 (32 females)
	Special parental leave	15	21	16 (6 males; 10 females)
	Paternity leave	19	48	53 (53 males)
Nursing care	Nursing care leave	0	0	0
	Special nursing care leave	8	9	8 (1 male; 7 females)
	Shorter working hours for nursing care	2	1	2 (2 females)
Family support leave		72	247	383 (229 males; 154 females)

Comments from an I-Kids user

Yusuke Teragaki, Airline Business Section, Aircraft & Interior Department

My wife and I were planning to send our first daughter to a neighborhood nursery when she turned one and my wife's child care leave ran out, but the public nurseries in Tokyo were all full. Then the opening of I-Kids was announced, and we started using the center a month after it opened. I-Kids has certified nursery staff and

nutritionists who take very good care of the children. Thanks to I-Kids, mealtimes have become a lot more fun for our daughter, and she even eats tomatoes now, which she used to hate. I go to work each morning with my daughter, and she always appears to be having great fun playing with her friends at I-Kids.



Communications with employees

● Company-Wide Employee Meeting

Since 2001, ITOCHU has been holding Company-Wide Employee Meetings (CWEMs). Based on free participation, CWEMs enable direct dialogue between the President and employees. At the meetings, the President informs employees directly about ITOCHU Corporation's management policies and his passionate commitment to realizing them. At the same time, employees can state their opinions and pose questions directly to the President. These meetings thereby enable valuable two-way communication.

The CWEM for fiscal 2010 was held



A lively CWEM

on April 15, connecting Tokyo and Osaka over video conference systems. This was the first meeting held since Masahiro Okafuji became the President, and he spoke extensively from about ITOCHU Corporation's future management policies to his personal topics. The result was an extremely lively meeting.

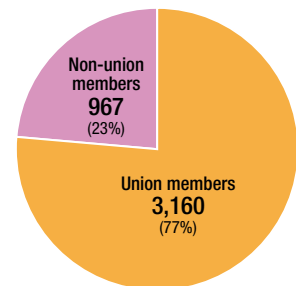
● Dialogue with the labor union

At ITOCHU Corporation, a wide range of issues are discussed with the labor union in order to realize its corporate mission, "Committed to the Global Good." In fiscal 2009, we held a number of meetings, including management meetings with the President and the ones with Division Companies as well as a time management meeting. Through this kind of opportunity, labor and management are repeating active and extensive discussions to build up a healthy relationship that enables both sides to recognize challenges currently facing them and to study and implement improvement measures.

Initiatives with the Labor Union in fiscal 2009

2009	May	● Settlement of accountings meeting
	October	● Finance, Realty, Insurance & Logistics Services Company management meeting
	December	● Machinery Company management meeting
2010	February	● Food Company management meeting ● Time management meeting ● Management meeting with the President

Ratio of labor union members in April 2010



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. One of the aspects of employees is that they are also the beneficiaries of CSR. As an organization of these employees, and being in the best position to get local inputs, I believe that the labor union should actively participate in CSR initiatives, and strive to create an environment in which employees can work with motivation and satisfaction.



Policies and tasks for fiscal 2010 Further support for the activities of employees to strengthen human resources

For ITOCHU Corporation, which is enhancing its initiatives to become a global enterprise, human resources are becoming increasingly important as they support its stable and sustainable growth.

To encourage the diversification of human resources in Japan in our promotion of the global human resources strategy, we established and started executing a "Promotion Plan on Human Resource Diversification" in 2004, and in recent years, a corporate climate has been cultivated to

accept diverse human resources.

We will further enhance our organization to support the activities of each individual in our diversity of human resources, so that he or she can fully utilize his or her unique characteristics to exert his or her capabilities to a maximum.

Toshio Obayashi

Executive Officer,
General Manager, Human Resources Division



Social Contribution Activities

ITOCHU Corporation is aware of its duty to be a good corporate citizen with a global outlook. We strive for harmony with the local and international communities, and help to create a more prosperous society. On that premise, we are currently advancing social contribution activities based on our Basic Activity Guidelines on Social Contribution with a focus on five key areas, including a social contribution program to commemorate our 150th anniversary.

Key areas for social contribution

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

Major social contribution activities

1 Support activities for the World Food Programme (WFP)

We support the activities of the World Food Programme (WFP), which is the United Nation’s world’s largest humanitarian agency fighting hunger worldwide. In June 2009, we participated in the “Walk the World” charity walk that was held simultaneously worldwide. We also displayed panels and drawings highlighting the WFP’s activities in the lobby of our Tokyo headquarters, and also carried out fund-raising activities.



Panel and drawings exhibition in lobby of Tokyo headquarters

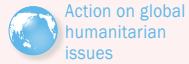
2 Activities of the ITOCHU Foundation

The ITOCHU Foundation was established in 1974 with the goal of supporting the sound development of young people. Its main activities include subsidies for children’s libraries and outdoor camps.



Reading to children with subsidized books (children’s library in France)

Basic Activity Guidelines on Social Contribution



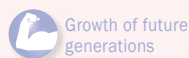
Action on global humanitarian issues



Environmental conservation



Community contribution



Growth of future generations



Support for volunteer work by our employees

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.

In fiscal 2009, ITOCHU Foundation provided a total of 95 subsidies and donations to children’s libraries, including support for reading to children with long-term illnesses, and donations to libraries overseas.

3 Support for NGO Kokkyo naki Kodomotachi (KnK)

We support the activities of Kokkyo naki Kodomotachi (KnK: meaning children without borders), an NGO that supports street children, children who are victims of major disasters, and other children in developing countries. On December 11, 2009, remodeling was completed for House for Youth, made possible through support from ITOCHU. Located in the

outskirts of Manila (Philippines), House for Youth is a home that helps young people become independent. It was also put to effective use as an emergency evacuation center when typhoons hit the Philippines in September 2009. Moving forward, the home will provide a wide range of support to approximately 1,000 young people per year.



House for Youth re-opened after remodeling

Relief funds for disasters (including funds from overseas offices)

Earthquake off Sumatra, Indonesia	¥10 million
Typhoon Ketsana, Philippines	¥500,000
Haiti earthquake	¥11 million (including fund-raising from employees)
Chile earthquake	¥10 million
Qinghai earthquake, China	¥10 million



Fund-raising drive

Examples for other initiatives

Action on global humanitarian issues	<ul style="list-style-type: none"> Conducted a “TABLE FOR TWO” campaign in our in-house cafeteria as food support for developing nations Took part in the “Campaign to Deliver Picture Books,” in which seals with local language translations are stuck on the pages of Japanese picture books for children in other nations
Environmental conservation	<ul style="list-style-type: none"> Organized rural-village volunteer activities to reclaim fallow land in Yamanashi prefecture and elsewhere, and tend the land from tilling to harvest Presented an exhibition at Biodiversity Expo 2010 hosted by the Ministry of the Environment to introduce our activities to restore Borneo’s tropical rainforests
Community contribution	<ul style="list-style-type: none"> Organized a participatory baseball class for physically challenged children, coached by a former professional baseball player Employees volunteered for the local Kumano Shrine Festival in Aoyama to carry a portable shrine and give other assistance
Growth of future generations	<ul style="list-style-type: none"> Provided scholarships to students and challenged children through the National Fund for Vietnamese Children Donated proceeds from charity bazaars to Japan CliniClowns Association that dispatches clowns to bring smiles to the faces of hospitalized children
Support for volunteer work by our employees	<ul style="list-style-type: none"> Organized nature observations, donation of used stamps, reading aloud at a nursing home, local clean-up campaigns, classes by Japanese Red Cross Society, etc. Sold bread from the Swan Bakery, a bakery that employs people with disabilities, in the employee cafeterias



Examples of major activities at overseas offices

● **Participation in “Distribution of the Wood of Love” volunteer event**

(ITOCHU Korea Ltd.)

In November 2009, a total of 20 employees and their friends took part in the “Distribution of the Wood of Love” volunteer event outside Seoul. This volunteer effort involves collecting deadwood, chopping it into firewood and delivering it to elderly people who live alone. It was a very fulfilling activity, as the volunteers could make use of deadwood, and earned the appreciation of the elderly people.



A job well done

● **Volunteering in park cleanup in New York**

(ITOCHU International Inc.)

In April 2009, 40 ITOCHU Group employees and their families spent a day raking, weeding, and cleaning up in Queens, New York. The road became once again a passable path into the park for local residents. The employees had a good time doing something worthwhile as a team.



Finishing the cleanup

● **Supporting orphanages and schools in Azerbaijan**

(ITOCHU Oil Exploration (Azerbaijan) Inc.)

Every year, we donate computers and materials worth about \$10,000 to local orphanages and schools in Azerbaijan. We also provide support to several charitable organizations and refugee communities, including donating goods and repairing facilities. Our efforts have won us high praise from the community.



Children receiving support

● **Support for an elementary school in a slum**

(PT ITOCHU INDONESIA)

In July 2009, a volunteer group of employees visited an elementary school in a slum outside Jakarta with aid materials. Greeted by the children, the group brought roughly 10 cardboard boxes of donated materials, and presented sweets to each of the children. A monetary donation was put to the purchase of desks, chairs, and other items for the classrooms.



Interacting with the children

● **Charity at Sydney Marathon**

(ITOCHU AUSTRALIA LTD.)

In September 2009, we made a donation to a charitable organization at the Sydney Marathon (which included support for children with incurable disease and their families), and participated in the marathon. A total of 36 employees of the ITOCHU Group and their families participated in the 9km Bridge Run or the 4km Family Fun Run, depending on their levels of fitness.



Together with their families after all the races had ended



Environmental Activities Policies

ITOCHU Corporation positions global warming and other environmental problems as one of the top priority issues in its management policy. In addition, to fulfill our corporate philosophy “Committed to the Global Good,” we have established an Environmental Policy. Now, we advance our corporate management and activities on a global scale under this policy, not only to contribute to the prosperity of the present generation, but also from the view point of what we can create to pass on to the next generation, while keeping a strong awareness of global environmental problems.

The ITOCHU Group Environmental Policy

I. Basic Philosophy

Global warming and other environmental problems are affecting the future of mankind. As a global enterprise, ITOCHU Group is positioning these issues as one of the most important management policies. ITOCHU Group contributes to the realization of a sustainable society by promoting “Activity addressing the better global environment” based on The ITOCHU Group Code of Conduct, in order to achieve the goals of The ITOCHU Group Corporate Philosophy, “Committed to the Global Good.”

II. Activity Guidelines

In keeping with the basic philosophy presented above, ITOCHU Group pursues a continual improvement of its environmental management system and defines the following guidelines concerning activities of environmental conservation.

(1) Prevention of environmental pollution

In all business activities, duly consider the need to conserve ecosystems and biodiversity as well as local and global environments, and strive to prevent the occurrence of any environmental pollution.

(2) Observance of laws and regulations

Observe all domestic and foreign laws and regulations related to environmental conservation, along with other requirements to which we have subscribed.

(3) Promotion of environmental conservation activities

Besides promoting activities for conservation of energy and resources as well as reduction and recycling of waste as needed to establish the recycling-oriented society, endeavor to develop and supply products and services that help to conserve the environment.

(4) Harmonious coexistence with society

As a good corporate citizen, aspiring for the prosperity of succeeding generations and positive contribution to society in general, support local communities for environmental education and assist in basic research pertaining to conservation of the global environment.

(5) Promotion of educational activities

Educate both our own employees and those of Group companies in order to raise their awareness of environmental conservation and improve the quality and effectiveness of associated activities.

May 2010

Masahiro Okafuji

President and Chief Executive Officer

ITOCHU Corporation's stance on the environment

ITOCHU Corporation is active in Japan and internationally, offering a wide range of products and services, developing resources, and investing in businesses. Our activities are closely related to global environment problems.

We believe that a company cannot grow sustainably without awareness of these problems. In 1990, we created a Global Environment Department, and in April 1993, we documented our

environmental activity guidelines in the ITOCHU's Activity Guidelines on the Environment (the predecessor of our Environmental Policy). In 1997, these guidelines were revised to the “ITOCHU Corporation Environmental Policy” and we have subsequently revised this policy several times, in order to keep up with changing demands over time and reflect them in the Policy's expression. We also made the following two revisions in May 2010.

(1) We changed the name from the “ITOCHU Corporation's Environmental Policy” to “The

ITOCHU Group Environmental Policy,” in order to express clearly that our commitment to environmental issues is shared throughout the ITOCHU Group, rather than just by ITOCHU Corporation.

(2) We revised the Activity Guidelines in our current Environmental Policy, in order to make it clear that our commitment goes a step beyond conserving ecosystems, to conserving biodiversity as well. The expression was thus changed from “conserve ecosystems” to “conserve ecosystems and biodiversity.”

Initiatives for the Environment

ITOCHU Corporation is aware of the impact that its business activities may have on the global environment. We have thus built a framework for assessing the impact of the products we handle, and in particular before making new investments, in order to prevent environmental risk. Meanwhile, we are also actively committed to environment-conserving businesses that take advantage of our broad capabilities and network as a *sogo shosha* (general trading company). ITOCHU Corporation advances both individual and group-wide initiatives to mitigate global warming and other increasingly serious global environmental problems.

Environmental management system

In 1997, ITOCHU Corporation became the first trading company to establish an environmental management system (EMS) based on ISO 14001, and we continue to work to improve our EMS. The system's aim is to comply with environmental laws and regulations, and take precautionary approaches to environmental pollution. Specifically, the system controls and manages targets through a yearly PDCA (plan-do-check-act) cycle of setting targets for preventing environmental risk; evaluating and analyzing progress; and acting to achieve our targets.

Environmental management system

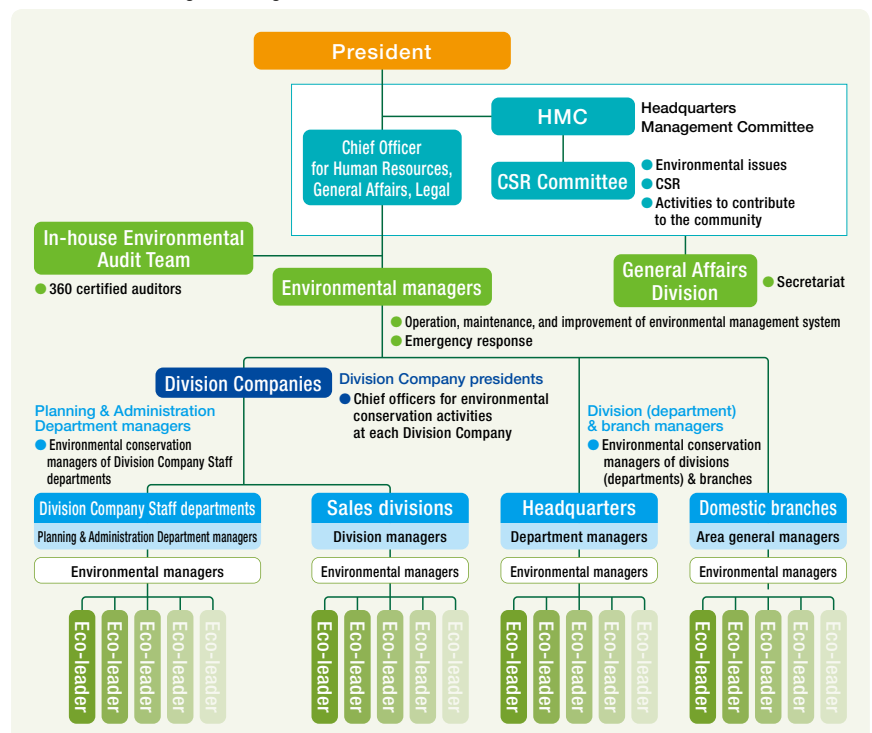


ITOCHU Corporation's environmental management organization

Our president has the ultimate responsibility for ITOCHU Corporation's environmental management organization. The president appoints a Chief Officer for Human Resources, General Affairs, Legal, who has the authority to determine the environmental policy and environmental management manual that form the core of our environmental management.

Concrete managements are carried out by the CSR Committee, which is established to review environmental policies and perform annual reviews of corporate-wide activities. The Global Environment Department of the General Affairs Division serves as the committee's secretariat of CSR Committee. Environmental managers, assigned to each division that is subject to environmental audits (75 total in fiscal 2009), and assisted by eco-leaders (215 total as of March 31 2010), are responsible for promoting environmental conservation in their respective divisions.

Environmental management organization



The "eco" in "eco-leaders" combines the meanings of "ecology" and "economy."

Precautionary approach on environmental risks

In addition to evaluating environmental risks of the products we handle, we are committed to taking precautionary approach on the environmental risks. This commitment extends to the ITOCHU Group companies, because we need to identify the impact on the global environment from the business activities of the group as a whole.

● Evaluation of the environmental impact of products handled

We handle a wide and diverse range of products on a global scale. We thus carry out our original environmental impact evaluations, because we believe that it is vital to evaluate the relationship of these products with the global environment. We use a so-called LCA*-based analysis method to analyze our products from procurement of raw materials to manufacturing process, use, and disposal of products. If the evaluation shows that the impact on the global environment exceeds a predetermined benchmarks, then we create procedures and manuals for the management of that product.

* LCA (Life-cycle assessment) is a method that evaluates the environmental impact of products at all stages of their life cycle, from procurement of materials, distribution and use through disposal and recycling or reuse.

● Fact-finding investigations of group companies

We began fact-finding investigations of our group companies after several of



Inspecting the management of parts containing regulated substances, at our Auto Parts Distribution Center in the United States



Inspecting the segregation of post-manufacturing materials at a brewery in China into valuable materials and waste

them received complaints about environmental pollution from their surrounding neighborhoods in 2001. We analyze about 200 of our roughly 700 group companies with relatively higher levels of impact on the global environment, and implement investigations on about 20 of them per year. The evaluation is made using the Q&As between auditors and management, inspections of plants, warehouses, and other facilities, surveys of wastewater released into rivers, and assessments of compliance with environmental laws and regulations.

● Seminars

We actively hold seminars in order to ensure that all employees of the ITOCHU Group are aware of and comply with the requirements of environmental laws and regulations, and in order to raise environmental awareness.

Internal seminars (fiscal 2009 results)
(Number of people)

Legal seminars	Num. times	Total participants
Seminars on Waste Management and Public Cleaning Law	6	661
Soil Contamination Countermeasures Act	2	294
Act on the Rational Use of Energy (Cargo Owners)	4	166

These seminars and fact-finding investigations have spurred an increase of consultations with our Global Environment Department regarding ways to prevent environmental problems.

Environmental consultations
(Number of inquiries)

Internal inquiries	FY 2008	FY 2009
Relating to Waste Management and Public Cleaning Law	29	44
Relating to Soil Contamination Countermeasures Act	6	24

● Communicating environmental information in the ITOCHU Group

We had been planning to appoint Environmental Management Promoters in our group companies in Japan in fiscal 2009, and have these promoters hold periodic liaison meetings on global environmental issues. Taking into consideration our existing system, however, we changed course and determined to create a framework that uses the method of Compliance Monitoring and Review. This encourages

more substantial communication of environmental information between group companies.

This new framework first specified Waste Management and Public Cleaning Law, Soil Contamination Countermeasures Act, and Act on the Rational Use of Energy as the main environmental laws to target, and collected basic information from our group companies through Compliance Monitoring and Review. Moving forward, we will focus on management where it is needed most, in accordance with the status of each group company.

● The ITOCHU Group plan for estimating CO₂ emissions

Fiscal 2009 saw repeated actions to revise and toughen energy-conservation laws in Japan. In order to comply with the revised Act on the Rational Use of Energy and the revised Law Concerning the Promotion of the Measures to Cope with Global Warming, ITOCHU Corporation introduced ecoFORTE, a software package for compliance with the revised Act on the Rational Use of Energy (see page 23), at approximately 40 of its offices, including its Tokyo headquarters building. It also consults with energy-conservation consultants if necessary.

We began our plan to estimate the CO₂ emissions of the ITOCHU Group in fiscal 2009, by first ensuring accurate compliance with the abovementioned revised laws, and then beginning to ascertain an overview of emissions within the group companies in Japan through the use of Compliance Monitoring and Review.

● Response to outside inquiries

The Global Environment Department serves as the point of contact for responding to complaints, questionnaires, interviews with NGOs and others, and other environmental matters directed at the ITOCHU Group. The department leads to comply with laws and regulations and revises management frameworks as necessary, from the viewpoint of environmental conservation, as well as communicates with many parties, including NGOs, industry groups, government agencies, rating and survey agencies, the media, etc.

Promotion of Environmental education and awareness

We are committed to improving the environmental awareness of the entire ITOCHU Group for the environmental conservation efforts of our employees.

This includes a wide range of education programs, as well as seminars on environmental law, and seminars to raise awareness of global environmental issues, which also target our group employees.

● Training of in-house environmental auditors

Our in-house environmental audits for fiscal 2009 based on ISO 14001 cover currently total 75 divisions. An in-house environmental audit lasting approximately six months has had benefits including the precautionary approach on environmental risks.

Since fiscal 2007, we have held five "In-house environmental auditor training seminars" per year, in order to certify auditors participating in internal audits, and improve their environmental awareness. The feature of seminars is (1) an instructor from our Global Environment Department (a certified CEAR Environmental lead auditor); and (2) as part of the employee education curriculum to encourage trainees to increase their self awareness thorough historical study of environmental issues.

Number of in-house environmental auditor increased

Fiscal year	Qualified employee
FY 2006 and before	74
FY 2007	95
FY 2008	93
FY 2009	98
Total	360

● Global environmental management seminar

In March 2010, at the Seminar on Global environmental management held at our Tokyo headquarters, we invited Dr. Hiroshi Komiyama, President Emeritus at the University of Tokyo and Chairman of Mitsubishi Research Institute, Inc. to give a lecture entitled "A Vision of Japan in the 21st Century – Initiatives for an Environment to Create New Industries." Dr. Komiyama delivered a powerful message, describing how the various changes in societies as they worked to

respond to global environmental issues provided companies with opportunities to create new businesses. Japan could create huge markets by developing creative demand for environmentally friendly products while leveraging its strengths in the area of manufacturing technologies. Here, trading companies will play an especially important role in coordinating manufacturing sites.

Dr. Komiyama's advice was extremely relevant and valuable for the ITOCHU Group, as we strategically advance environmental conservation businesses.

Participants in "Global environmental management seminar" (Number of people)

	Total participants
Global environmental management seminar	377



Dr. Hiroshi Komiyama gives a lecture at the seminar

Co-existence with society

● Summer school programs on the environment

Since 1992, we have been organizing "Summer school programs on the environment," mainly targeting elementary school students of Minato ward, Tokyo. In fiscal 2009, 82 elementary school students participated in our two-day global environmental program, where they, together with volunteers including our employees, learned in hands-on lessons by certified weather forecasters about global warming and in explorations of the nature around the headquarters guided by nature observation instructors in a very lively class.

● Supporting Center for Climate System Research, The University of Tokyo

We have supported the basic research of the University of Tokyo's Center for Climate System Research (re-organized as the Division of Climate System Research, Atmosphere and Ocean

Research Institute in 2010) since 1991. Each year, the ITOCHU Symposium has been held as a place to present the results of this research. In fiscal 2009, we invited as lecturers Dr. Masahide Kimoto, (then) Vice Director of the center, and Dr. Michio Kawamiya, Senior Researcher of the Japan Agency for Marine-Earth Science and Technology. They gave lectures on global warming to total 270 participants in Tokyo and Osaka .

Office environmental activities

ITOCHU Corporation is a participant in the national "Challenge 25 Campaign"*1 to mitigate global warming. This campaign includes such initiatives as adjusting the air conditioning temperatures during the summer and winter, turning off lights when they are not needed, and setting computers to a "hibernation" mode when away from the desk for extended periods. It also encourages the separation of trash inside the office and promotes recycling. As a result, all employees act to protect the environment starting with the little things around them every day.

In terms of facilities, when we built our Tokyo headquarters in November 1980, we installed treatment facilities for recycled water to make effective use of water. The facilities can convert rain-water, spring water, and used water from office hot-water dispensers, and hand washing basins in toilet into gray water for flushing toilets. In December 2009, we installed solar panels on the roofs of our Tokyo headquarters and the adjacent CI Plaza (see page 34). This project was selected as the "Solar Environmental Value Purchase Program for fiscal 2009*2" under a public offer by the Japanese Ministry of the Environment. Please see below for details about our office environmental activities.

 Office environmental activities
http://www.itochu.co.jp/en/csr/environment/office_activities/

*1 The name was changed in January 2010 from "Team Minus 6%" to "Challenge 25 Campaign."

*2 A program to provide support for the installation of an industrial solar power generation system in which the majority of generated power is self consumed, on the condition that the Green Electric Power Certificate for five years after installation is delivered to the Ministry of the Environment, to offset the Ministry's CO₂ emissions generated by its office work. The program aims to encourage the installation of solar power generation and also addresses the Ministry of the Environment's own environmental concerns about its office operations.

Third Party Opinion

Takeshi Mizuguchi

Professor, Faculty of Economics,
Takasaki City University of Economics



In his Top Commitment, the President Masahiro Okafuji states, “We should shift our CSR approach away from being hidebound by rules and regulations to the next phase of liberal, open-minded actions and decisions based on our own good judgment.” I was suddenly reminded of the quote by Confucius, “I could follow what my heart desired, without transgressing what was right.” Achieving CSR through the results of acting freely by one’s own judgment may be the ideal form of CSR. While it is important for any companies that their employees to be grounded in the company’s CSR philosophy, I think that it is particularly important for a type of business like a general trading company, because it deals in a huge range of products and services, which are relevant to every issue of society’s sustainability. Centralized control from the headquarters can in no way succeed without the considered and appropriate action by everyone at the worksite. Ideas and innovation at the worksite, and the passion of the people who actually put them into practice, are also key to making contributions through the company’s business in such areas as mitigating global warming and resource recycling.

In this sense, I think that it is appropriate to promote CSR by creating action plans for each Division Company. The examples of key initiatives by each Division Company highlighted in this report are also encouraging. This kind of reporting style, however, also always raises concerns that the big picture is not visible, or that only favorable information has been highlighted. This is because we are used to understanding corporate activities through comprehensive figures like net sales and profits. But there are no comprehensive figures that express CSR. There is probably no other way than to earn trust by continually showcasing initiatives one by one.

On the other hand, however, it is also important to maintain an all-inclusive perspective. I have the

impression that not all of your activities are linked to specific topics like mitigation of global warming or preserving ecosystems, but rather that the majority of your operations are routine business transactions, but this perspective means confirming that your activities overall at least do not violate the sustainability of society. I can rate highly the supplier CSR surveys by each Division Company described in this report, as a first step toward this all-inclusive perspective. I suggest that moving forward, you further expand your perspective, draw a line that you will not cross (for example, you will not destroy ecosystems or be involved in unethical weapons), and assess all businesses of each Division Company. As the President Okafuji states, businesses that violate good sense will not last long.

The problem is where to draw this line. What is really hard is to make an ultimate decision when there is a potential conflict of interest between business and society. This is when the value standard of “integrity” is truly tested. I think that holding CSR workshops at each Division Company is an effective way to share these issues and become aware of them. Experiencing nature first-hand, like reforestation tours to the rainforest restoration project in Borneo, is also valuable. In addition to your company reforestation tour, I believe that many people at your company also have contact with a wide range of outside NGOs and NPOs. Getting more people in your company as models of varied viewpoints and values will be the key to realizing the ideal of CSR through liberal and open-minded action.

■ Response to third party opinion

ITOCHU Corporation does a great variety of businesses around the world. We believe that each employee must carry out CSR through our main businesses, and we have long been committed to advancing CSR based on our CSR action plans. In order to raise profits in an increasingly complex international community, and be able to make a contribution to the realization of a sustainable society, every employee involved with our business activities must have correct values so that they act with freedom and open minds, and exercise their full potential.

Meanwhile, it is my understanding that the opinion pointed out that the very variety of our businesses makes it all the more vital to continually assess our many corporate activities that impact society, including both positive and negative aspects, and conduct multi-faceted reviews with a holistic view of the business as a whole. I will promote the development of human

resources with an awareness of CSR, enabling each employee to continually review and make correct decisions regarding the businesses assigned to him or her, in accordance with the demands of society, diverse values, and our compliance programs.

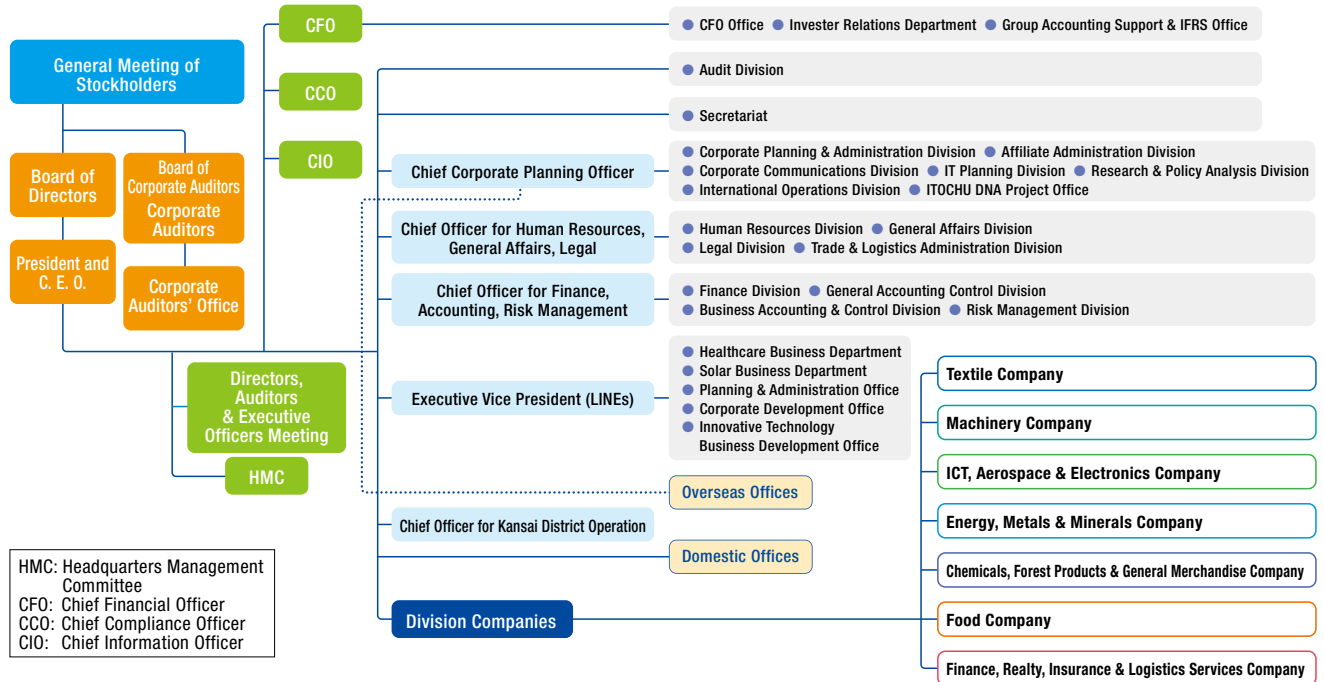
I remain committed to making ITOCHU Corporation into a company that continues to be trusted and needed by society, fulfilling the ITOCHU Mission of “Committed to the Global Good.”

Yoshio Akamatsu

Chairman, CSR Committee
Senior Managing Executive Officer

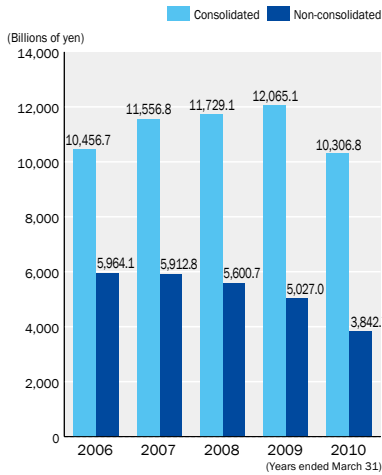


Organizational Structure (as of April 1, 2010)

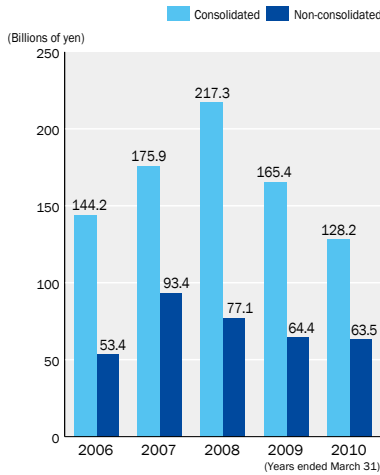


Financial Overview

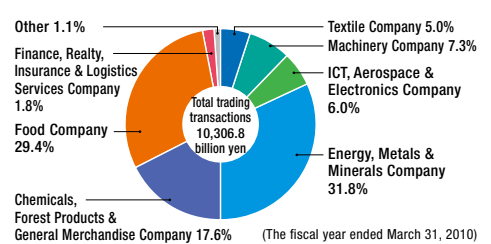
Total trading transactions



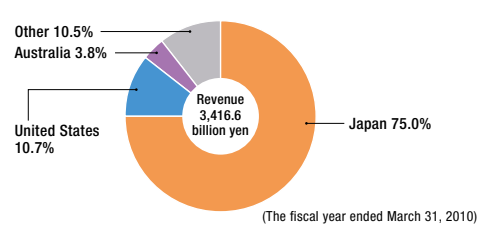
Net income (loss)



Total trading transactions by Division Company (consolidated)



Revenue by region (consolidated)



Notes:

- The financial data of ITOCHU Corporation are presented in accordance with U.S. GAAP.
- "Total trading transactions (consolidated)" is presented in accordance with Japanese accounting practice, and consists of sales with respect to transactions in which the companies act as principal and the total amount of transactions in which the companies act as an agent.
- "Revenue by region (consolidated)" is attributed to countries based on the locations of the assets.

CSR Report 2010 Editing Taskforce

- | | | | |
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| | | | Hiroko Nakayama |



The photo on the front cover shows the solar panels installed on the roof of our Tokyo headquarters building in fiscal 2009. The back cover depicts our roots, with a photo from our founding and hemp cloth, the first product carried by our company. ITOCHU Corporation continues to take on new challenges, while respecting its merchant roots.

ITOCHU Corporation

5-1, Kita-Aoyama 2-chome, Minato-ku, Tokyo 107-8077, Japan

Tel: +81-3-3497-4064 Fax: +81-3-3497-7919

E-mail: csr@itochu.co.jp

<http://www.itochu.co.jp>

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