



CSR Report 2015



ITOCHU Corporation

Editing Policy

ITOCHU Corporation's Perspectives on CSR

ITOCHU Corporation believes 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.

HIGHLIGHT

The following two initiatives, which are related to the four major CSR agenda items for ITOCHU's sustainable business activities, are presented in this report as highlighted features.

- 1 Water and Environmental Public Infrastructure Projects**
This section introduces the water and environment related projects which ITOCHU Corporation views business opportunities in sustainable Resource utilization.
- 2 Supply chain Highlight**
This section reports on ITOCHU's supply chain, the seventh report in the series covers ITOCHU's supply chain for banana, a fruit the main product of Dole, which is an ITOCHU Group company. It shows the supply chain from the production site to storefront.

From the cover

In June 2014, ITOCHU Corporation announced its Corporate Message, "I am One with Infinite Missions." The Corporate Message is an expression that comes to mind when pondering the corporate philosophy of "Committed to the Global Good." It is also a phrase that enables ITOCHU Corporation to "give its word" to society, with the aim to ensure that there is a shared value between society and ITOCHU employees.



Statement

Mistake me not for just any ordinary person. I am one with countless missions.
My workplace is the entire world. I engage in business across borders, touching people's lives and creating new lifestyles.
Through my business, I bring about a brighter tomorrow for all around me. I dedicate myself to our common future, mindful of my responsibility to promote the prosperity of all earthly beings.
In the end, I believe this leads to my own betterment.
I am Itochu, with infinite missions around the world.

About the design

Ms. Shoko Kanazawa, Calligraphy artist expresses our thoughts of corporate message in calligraphy. She has been attracting people with powerful work and widens her appeal across borders and regions which she had a speech as a representative of Japan on the day to Down's syndrome (20th March 2015) at U.N. Headquarters and so on, although she has a disability of Down's syndrome.

Disclosure of CSR-related Information

To make information on ITOCHU's CSR initiatives widely accessible, information is disclosed through the following media.

Corporate Website CSR Pages

Information is disclosed regarding ITOCHU Corporation's CSR activities in a format that provides detailed coverage across a wide range of themes. Moreover, information on activities conducted during the current year is disseminated on a timely basis.

www.itochu.co.jp/en/csr/



CSR Report

Wide-ranging information covered in detail on the website CSR pages is published in PDF format as an annual CSR report. The reports provide an ongoing perspective of ITOCHU's CSR activities.

www.itochu.co.jp/en/csr/report/



Annual Report

Aimed at investors and other stakeholders, we provide particularly important reporting on ITOCHU's CSR activities, along with information such as management results and future growth strategies, in a comprehensive manner from a perspective based on the characteristics of the business activities of a sogo shosha.

www.itochu.co.jp/en/ir/



Referenced guidelines

Sustainability Reporting Guidelines (G4) issued by Global Reporting Initiative (GRI)
Environmental Reporting Guidelines (2012 version) issued by the Ministry of the Environment of Japan
ISO 26000 (Guidance on social responsibility)

A side-by-side comparison of GRI guidelines and the UN Global Compact can be found at: <http://www.itochu.co.jp/en/csr/report/gri/>

* This report conforms with the GRI Sustainability Reporting Guidelines.

Reporting period

This report principally covers actual data for the fiscal year beginning on April 1, 2014, and ended on March 31, 2015 (FY2015). However, some of the most recent information on our activities and initiatives are also included.

Publication information

Publication: September 2015
Next publication (scheduled): September 2016
Previous publication: September 2014

Reporting boundary

This report covers ITOCHU Corporation (9 domestic offices and 112 overseas offices) and its major group companies.

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President's Commitment



M. Okafuji

Masahiro Okafuji
President and
Chief Executive Officer

Enabling sustainable growth by continuing to provide the abundance that results from our business activities

Infinite Missions that We Must Accomplish

In 2014, ITOCHU Corporation formulated the Corporate Message, “I am One with Infinite Missions.” Ever since the foundation of ITOCHU by the founder Chubei Itoh, we have worked under the spirit of *sampo yoshi* (good for the seller, good for the buyer, and good for society), the management philosophy of Ohmi merchants. We have constantly put this philosophy into practice in our business activities. Responding to demands from ever-changing society and providing the abundance that results from our business activities, rather than pursuing only our own profits, is the mission we must accomplish, and it is essential for the survival of the company. The Corporate Message is an easy-to-understand expression of this concept, and of the capabilities of individuals as our greatest management resources. It is also the text of our promise to society for announcing the role of ITOCHU to broader society based on the corporate philosophy of “Committed to the Global Good.” Since it may be difficult to understand what *sogo shosha* is actually doing, in FY 2015, we used various media including TV commercials to ensure that the Corporate Message would spread and become firmly established both inside and outside the company. In part to demonstrate our consistent embodiment of this approach in international society, ITOCHU has participated in the United Nations Global Compact since 2009.

Path for sustainable growth

Having announced our new Medium-Term Management Plan, ITOCHU Corporation has now entered a new growth stage. As we expand our revenue base in China and Asia through business and capital alliances with CITIC and CP, the impact of the expansion on society will be diversified and the range of risks will increase. Our value chains, which have grown in scope and complexity, always present the potential risk that the ITOCHU Group could indirectly become the cause of problems with the environment or human rights. To avoid this risk, which could cause damage to our corporate value, we have established a system for the multilateral monitoring of the risk. It is also important for us not only to manage risk but also to resolve social issues through business activities, by making use of the management foundation that we have developed as *sogo shosha*. We believe that these preparations for risk and the creation of opportunities will allow us to gain the unwavering trust of society and customers, and will lead to the development of our businesses. It is not difficult to maximize profit with an eye solely on your terms of office. If you do this, however, you will leave a heavy burden on future generations and the global environment. When I worked at the Textile Company where we created series of new business models based on brands, I was not preoccupied with short-term profits. Instead, I believed that it was important to create a system that would enable us to continue to grow sustainably in the long term. At present, I still believe that it is our mission to resolve social issues by carrying out sustainable business activities in pursuit of the abundance that results from our business activities, because we are a *sogo shosha* that is engaged in diverse businesses all over the world.

Maximizing the strengths of individuals

Our greatest management resources are “human resources.” Many individual employees support the ITOCHU Group's stable, ongoing growth. I believe that, no matter how much we strive to expand our operational scale, or to expand our business fields around the world, each of our employees must continue to act as a merchant with a rigorous focus on the customer's viewpoint and the front lines. ITOCHU has a long tradition of making the most of individual strengths and characteristics in an open and active corporate culture, and we are often described as mercenary band. We will continue to seek strong individuals, and powerfully advance measures for maximizing their capabilities.

Continuing to take on challenges boldly, with an eye on the next stage

We have continued to enjoy development for more than 150 years because we have inherited the spirit of *sampo yoshi* and positioned shared values with society as the foundation of our business activities. If a company becomes overconfident, however, it quickly falls into a decline, just like falling down a slope. It is therefore necessary for all our employees to remain conscious of themselves as challengers and ensure compliance, including strong determination to prevent corruption, not to mention observing laws and regulations.

Now that ITOCHU Corporation has entered a new growth stage, we will try to open up a path for sustainable growth by fulfilling infinite missions, aiming to pursue business activities that are best for the seller, the buyer, and society. We will continue to take on challenges boldly, with an eye on the next stage.

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 how significant its impact on society is.

We 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. We also believe that our mission is to fulfill our Corporate Social Responsibility as a global enterprise, always working from the viewpoint of whether we are contributing to the countries of the world and to society.

ITOCHU Group Corporate Message

ITOCHU founder Chubei Itoh first launched a wholesale linen business in 1858. For more than 150 years since, ITOCHU has passed down the spirit of sampo yoshi (good for the buyer, seller and society), a management philosophy embraced by Ohmi merchants that is the source of its CSR thinking today.

After considering ways to demonstrate its commitment to society as an international corporation and to put this commitment into practice, in 1992 ITOCHU formulated "Committed to the Global Good" as a corporate philosophy. The conceptual framework for this philosophy was reorganized in 2009. In order for all employees to properly understand the responsibility that the ITOCHU Group is charged with fulfilling for society and to make this philosophy an integral part of actions everyday, its core element, "Committed to the Global Good," was set as the ITOCHU Mission for the entire ITOCHU Group. Accompanying this is a new set of five values, called the ITOCHU Values, considered vital for enabling each employee to fulfill their role in realizing the ITOCHU Mission. To embed the ITOCHU Values, ITOCHU has formulated "5 self-tests" that employees can refer to in order to determine that the five values are present in their actions.

In June 2014, we formulated our corporate message, "I am One with Infinite Missions," which clarifies our corporate philosophy of "Committed to the Global Good" and is a promise to society that we will fulfill our responsibilities.

The Corporate Message incorporates our promise to society, that we will continue to provide the abundance that results from business activities, and it also incorporates diverse aspects "typical to ITOCHU," such as the rich personalities of our employees, our free spirited corporate culture, and "individual capabilities." In this way, the Corporate Message expresses the values that must be shared by all employees as we take on further challenges.






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 the 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?

Sampo Yoshi and ITOCHU CSR

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. 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 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.



"Itoh Itomise"
thread and yarn
store at the time
of its opening in
1893

Our Founder Chubei Itoh and *Sampo Yoshi*

ITOCHU traces its origins back to 1858, the year in which Chubei Itoh set out from Toyosato Village in Shiga Prefecture on a journey to Nagasaki as a traveling linen merchant.

Chubei Itoh grounded his business in the spirit of *sampo yoshi*, a management philosophy embraced by merchants in the feudal province of Ohmi, where he was born. In adherence with their *sampo yoshi* philosophy, as well as being good for the seller and the buyer, Ohmi merchants contributed to the economies of the regions they visited. In the shogunate era, Ohmi merchants came into existence and their economic activities were permitted because they were regarded as being good for society. This can be said to be the roots of today's idea of CSR, which calls on companies to balance their business activities with the interests of a variety of stakeholders. That spirit is evident in Chubei Itoh's personal motto, "Trade is a compassionate business. It is noble when it accords with the spirit of Buddha by profiting those who sell and those who buy and supplying the needs of society."



Our founder
Chubei Itoh
(1842-1903)



Ohmi merchants
(courtesy of
Museum of Ohmi
Merchant)

The Roots of a Management Philosophy Passed Down for 150 Years

Our founder Chubei Itoh established a "store law" in 1872. Also, he adopted a meeting system. The store law was a set of house rules covering what in modern parlance we would call management philosophy, a human resources system, and employment regulations, which subsequently became the foundation of ITOCHU Corporation's management philosophy. Emphasizing communication with employees, Chubei Itoh chaired meetings himself. Moreover, he incorporated a series of what were at the time groundbreaking management systems, including the codification of "sharing of profit by three parties" (*) and Western bookkeeping methods. Those initiatives built the foundations of mutual trust between the store owner and employees. Since that era, we have based our corporate management on CSR.



A daifukucho
ledger from the
time of ITOCHU's
founding

* Sharing of profit by three parties: In a predominately feudal era, this was an extremely progressive philosophy of sharing profits with employees. The store's net profit was divided among three parties: the store owner, the store's reserve fund, and store employees.

150 Years of History and CSR

In 2008, ITOCHU Corporation marked its 150th anniversary. Why has ITOCHU continued to develop? Because ITOCHU has over 150 years put into practice the spirit of *sampo yoshi*, a management philosophy trumpeted by Ohmi merchants that is the source of its CSR thinking today. At the same time, as the business environment has changed with the times, ITOCHU has built a corporate culture that anticipates change and turns it into opportunities.

Since its foundation, ITOCHU Corporation has consistently thrived despite the turmoil it has faced in different eras, including two world wars and periods of economic volatility. Launched as a trading company mainly handling textiles, ITOCHU Corporation has fulfilled the role of a trading company that has responsively changed according to the demands of each generation while significantly changing its product and business portfolios-expanding its sphere of influence to include areas from upstream raw materials through to downstream consumer sales. As it has grown, ITOCHU Corporation has evolved into a general trading company and from there into a globally integrated corporation.

We are convinced that our history has continued for 150 years because we have surely upheld and passed on the spirit of *sampo yoshi* while remaining an essential component of society by responding to changes in its expectations in different eras.



The headquarters with modern amenities built in 1915

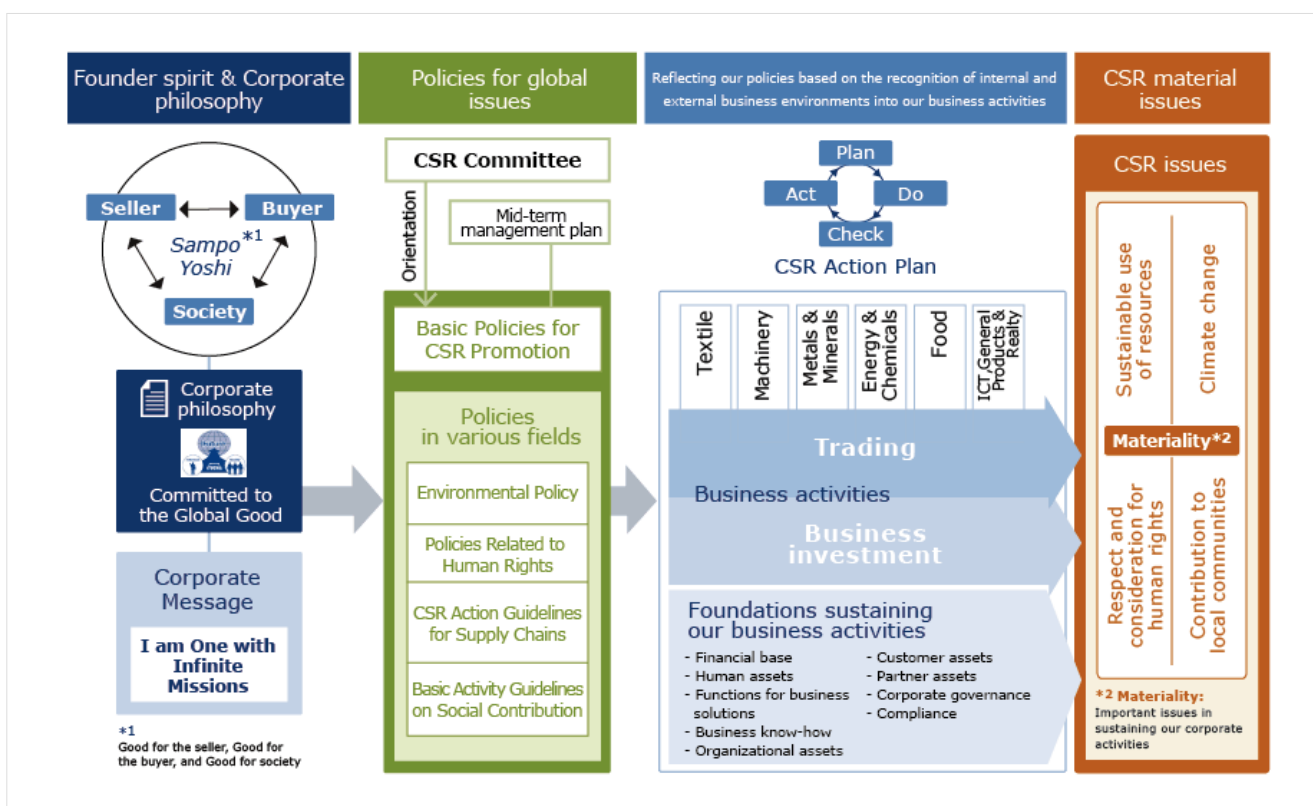
Basic Policy on CSR and Promotion System

CSR Promotion at ITOCHU Corporation

For more than 150 years since its founding in 1858, ITOCHU Corporation has carried on the spirit of sampo Yoshi (Good for the seller, Good for the buyer, Good for society), which was termed the management philosophy of merchants in the province of Ohmi. We at ITOCHU Corporation, in accordance with the ITOCHU Mission “Committed to the Global Good,” believe that fulfilling our social responsibility through our business activities is important.

The Corporate Message is an expression that comes to mind when pondering the corporate philosophy of “Committed to the Global Good.”

We have defined the orientation for our promotion of CSR based on changes in the internal and external environments according to our Basic Policies for CSR Promotion. Under these policies, we promote CSR in an organized, systematic manner. Each organizational unit also prepares CSR action plans grounded in the basic policies. These action plans are linked to the resolution of major CSR issues through the business activities of trading and business investment.



CSR promotion flow

CSR Promotion System

At ITOCHU Corporation, the CSR Promotion & Global Environment Department within our Corporate Communications Division plans and drafts policies and initiatives for companywide CSR promotion. Individual organizational units in Japan and other countries promote CSR in accordance with decisions made by the CAO, the Chief Officer for CSR. The formulation of policies and important matters are discussed and determined by the CSR Committee, which is one of our key internal committees. In addition, our main CSR promotion activities are reported to the Board of Directors on a regular basis. We also hold regular dialogues with internal and external stakeholders to understand what is expected and requested of ITOCHU by society, and reflect these aspects in our CSR promotion.

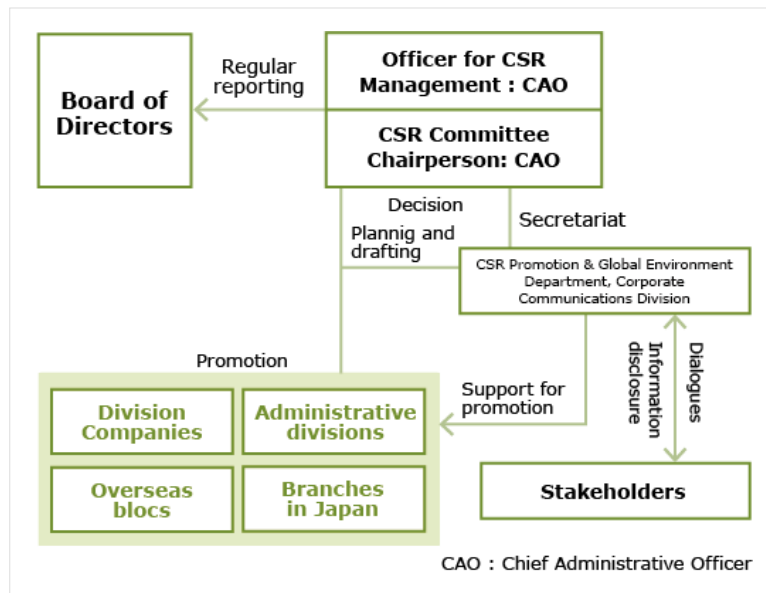


Diagram of CSR promotion system

CSR Committee meetings held in FY2015

Members	Chairperson: CAO, Members: General Manager of Human Resources & General Affairs Division, General Manager of Corporate Communications Division, Corporate Auditors, General Manager of Planning & Coordinating Department of each Division Company
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Main Resolutions

1st meeting	Policies on the procurement of wood, wood products, papermaking materials, paper products and notification of CSR Action Guidelines for Supply Chains to new suppliers
2nd meeting	Environment management review and revision of the Basic Policies for CSR Promotion

Basic Policies for CSR Promotion

Basic policies for CSR promotion "Brand-new Deal 2017"

1. Strengthening communications with stakeholders and the disclosure of CSR information
2. Promoting businesses that help solve material issues
3. Strengthening supply chain and business investment management to lead to sustainable use of natural resources with respect for human rights and consideration for the environment
4. Promoting education and edification on CSR and environmental conservation
5. Involving in and contributing to development of local and global communities

Alongside the drafting of its management plan, ITOCHU formulates basic policies for CSR promotion, with the aim of globally promoting CSR with direct linkages to the management plan.

"Basic policies for CSR promotion" during the period of "Brand-new Deal 2017", which covers fiscal 2016 to fiscal 2018, are as follows.

1. Strengthening communications with stakeholders and the disclosure of CSR information

ITOCHU will work to understand the needs of stakeholders through more intensive communications with them, and will take advantage of and reflect those needs in its businesses and operations. We will also aim to deepen our understanding of stakeholders by disclosing more information.

2. Promoting businesses that help solve material issues

A sustainable society is essential for ensuring the continuity of businesses. In order to ensure the continuation of one's businesses, a company must do what it can for society through its businesses to help solve social issues such as climate change and human rights abuses. ITOCHU selects material issues that are linked to the sustainable growth of both the company and society, and aims to help resolve those issues through its businesses.

3. Strengthening supply chain and business investment management to lead to sustainable use of natural resources with respect for human rights and consideration for the environment

ITOCHU's business is closely related to the consumption of all of natural resources (water, air, forest, food, minerals, fossil fuels, and so on). On each front-line, it is essential to grasp the utilization status of natural resources in supply chains of the products we handle, and to reflect them into the long-term business strategy. Simultaneously, it is also important to prevent problems from arising in areas such as human rights, labor and the environment in individual supply chain. Both actions are directly linked to sustainability of our business. We conduct sustainable value chain by asking suppliers and companies which we invest to understand and practice ITOCHU's thought.

4. Promoting education and edification on CSR and environmental conservation

The expression of CSR rests in the hands of each individual employee. This is why it is critical that all employees correctly understand the kind of CSR that the ITOCHU Group should engage in. In a bid to have a CSR mindset take root among all employees, ITOCHU conducts education on CSR and environmental conservation through a wide range of training and other programs, and all organizations set meetings to conduct lively discussions about CSR action plans.

5. Involving in and contributing to development of local and global communities

ITOCHU is a member of the local communities where it has a business base. At the same time, it is a member of the global community. Accordingly, ITOCHU aims to actively participate in society as a member of the local community and the global community and contribute to development at both levels. ITOCHU aims to grasp the social issues local to the areas where we operate, and contribute to the medium- to long-term development of the region through its business as well as social contribution activities.

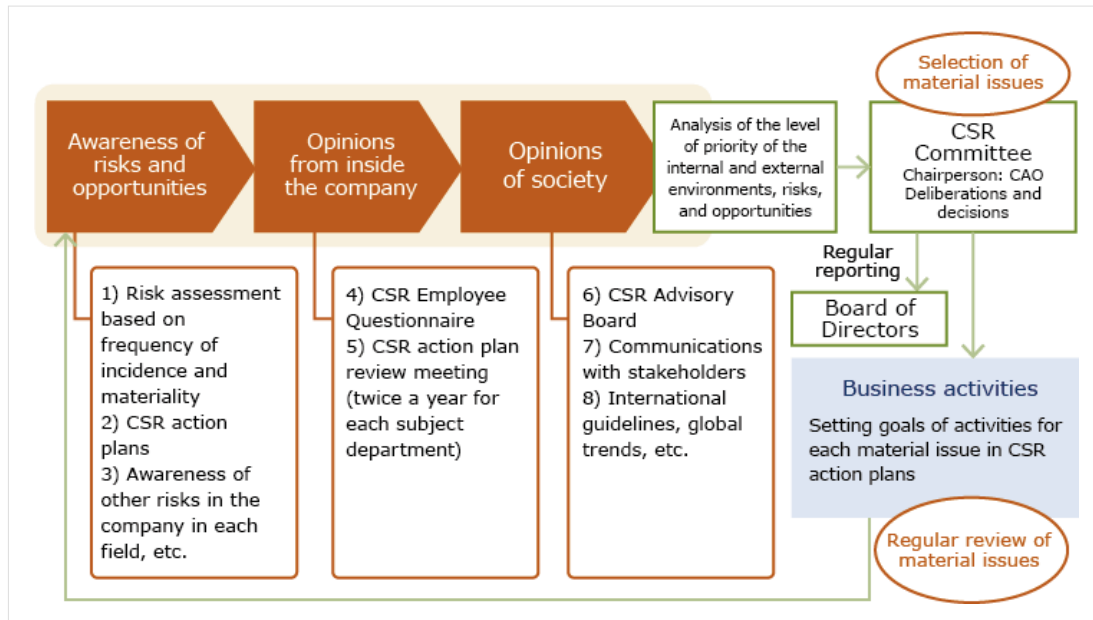
| CSR Promotion through the CSR Action Plans

ITOCHU Corporation develops business in a wide range of fields through its six Division Companies. In order to steadily promote CSR through its business activities in trading and business investment, each Division Company formulates CSR action plans setting forth key CSR tasks in its fields, and then promotes CSR in accordance with the PDCA cycle system. For example, review meetings are held twice a year for each subject department.

In order to make the foundation supporting our business activities even more solid, our headquarters administrative divisions, domestic branches and offices, overseas sites, and other organizational units also formulate CSR action plans in line with the respective businesses and functions.

| CSR Material Issues and the Process of Selecting Them

In 2013, ITOCHU Corporation had the CSR Committee determine the CSR material issues (materiality) by identifying risks and opportunities in each of its business fields, taking account of its business strategy, international developments, and opinions from inside and outside the company, and analyzing the level of priority of each one. Specific measures for resolving those material issues are translated into the CSR action plans of each organizational unit, examined and supplemented continuously, and reviewed by the CSR Committee on a regular basis. In addition, the contents of CSR Committee meetings are reported to the Board of Directors by the CAO. In these ways, we align the material issues with management policies with long term perspective, and work to resolve them through out business activities.



Process of selecting material issues (materiality)

1. Climate change

Climate change is an issue capable of affecting all sorts of business activities. We are going to assist the resolution of this issue through measures in each of two aspects: adaptation to risks such as natural disasters induced by climate change, and mitigation of impact by solutions-oriented business in areas such as reduction of greenhouse gas emissions from, and use of renewable energy in, our business activities.

2. Sustainable use of resources

The wide-ranging business activities of ITOCHU Corporation depend on diverse resources from the natural world and their circulation. Amid increasing apprehensions about resource depletion, we have positioned resource conservation as a major task to be approached from both the risk and opportunity aspects in all phases, from development to utilization, with consideration for sustainability.

3. Respect and consideration for human rights

As our business physically broadens and becomes more complex, the influence of our business activities is widening in scope. With an awareness of this situation, we consider it vital to view our business activities as a value chain, ascertain who can possibly be impacted, and thereby make full provisions for respect and consideration for the human rights of the people involved.

4. Contribution to local communities

While developing business in various regions around the world, we take actions on issues and needs faced by host societies in both our business activities and social contribution initiatives. By so doing, we hope to assist the advancement of those societies and cultivate the development of new markets that will lead to growth for us.

In accordance with our operating strategy and with international guidelines, such as the Global Reporting Initiative 4.0 and the IIRC Framework, we will continue working to verify and enhance our initiatives to resolve these important issues, and, from a long-term perspective, we will strive to advance CSR through our business activities.

* For further information about specific initiatives, please see the Highlight (P26~34)

Awareness of Risks and Opportunities

ITOCHU Corporation operates businesses in a wide range of fields. Accordingly, we regularly review the industry-specific risks faced in each business field from the viewpoints of both internal factors and the external environment. Specifically, we identify the CSR risks in each business field and assess them by analyzing the frequency of incidence and materiality. By taking these assessments into account, we formulate countermeasures that lead to the prevention of the incidence of the risks and the reduction of their impact. We translate them into CSR action plans and review them continuously.

Opinions from Inside and Outside the Company

ITOCHU Corporation places emphasis on communications with various stakeholders as it selects the material issues. Opinions and suggestions from outside the company that are received via our website are referred to by the relevant departments. In addition, we also hold dialogs with our stakeholders. For major initiatives, please see Stakeholder Relations (P13), Penetration of CSR at ITOCHU (P19~21), and CSR Advisory Board 2014 (P14).

In promoting CSR, we also refer to the following international guidelines, principles, etc.

United Nations Global Compact (ITOCHU participates in this)

United Nations Universal Declaration of Human Rights

United Nations Guiding Principles on Business and Human Rights

United Nations Declaration on the Rights of Indigenous Peoples

United Nations Basic Principles on the Use of Force and Firearms by Law Enforcement Officials

United Nations Millennium Development Goals

ISO26000

GRI Guidelines

IIRC (International Integrated Reporting Framework)

Charter of Corporate Behavior by KEIDANREN

Shosha's Corporate Code of Conduct and Supply Chain

CSR Action Guidelines by the Japan Foreign Trade Council, Inc.

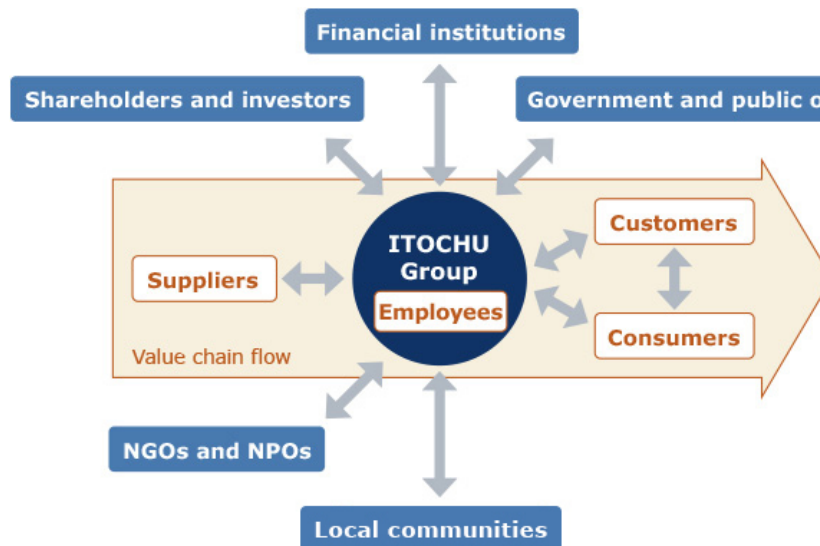
Carbon Disclosure Project (CDP)

OECD Guidelines for Multinational Enterprises

Stakeholder Relations

Stakeholders of the ITOCHU Group

In our diverse range of corporate activities conducted worldwide, we place strong emphasis on dialogue with the many stakeholders that surround ITOCHU. By engaging in dialogue with our stakeholders in the manner described below, we provide them with information about the activities of the ITOCHU Group, and identify their expectations and concerns regarding ITOCHU. We will continue to promote our CSR activities by reflecting measures for addressing issues within our business activities, with the aim being to improve our corporate activities.



Stakeholders	Main methods of dialogue
Clients and business partners	Provision of information through the Annual Report and official website Notification of CSR action guidelines Quality control and fact-finding investigations about the status of CSR at suppliers Contact for inquiries
Shareholders, investors, and financial institutions	General meeting of shareholders Investors meeting on business results Provision of information through the Annual Report and official website Response to investigations and ratings performed by socially responsible investors Debt IR
Local communities	Social contribution activities and volunteer activities Stakeholder dialogue Dialogue with residents of areas around project sites Regular communication with NGOs and NPOs
Employees	Provision of information via the intranet and in-house magazines Communication via training sessions and seminars Provision of career counseling Establishment of a 24-hour employee consultation desk system Implementation of employee awareness surveys Labor-management meetings (including management meetings and settlement of accountings meetings) General employee meetings at each company

CSR Advisory Board 2014

ITOCHU Corporation management and outside stakeholders held a CSR Advisory Board meeting at the Tokyo Head Office on February 27 to discuss CSR issues.

The meeting was held under the theme of "Business and Human Rights: Engaging with Local Communities" amid a backdrop of business diversification and enlargement having a greater impact on local communities and the overall value chain.

Active discussion occurred, with shareholders and leading specialists from various NGOs and academic fields giving frank opinions of their concerns and expectations, such as, "We would like ITOCHU to develop a greater self-awareness as a global corporate leader. It should be more actively rather than passively involved in local community issues and strive for a corporate image of growing together with communities."

The opinions and input that the advisors provided will be reflected in future CSR promotion efforts and, through dissemination of information, lead to enhancing understanding among stakeholders about ITOCHU's business activities.

Date	February 27, 2015
Topic	Business and Human Rights: Engaging with Local Communities Panelists
CSR Advisory Board members	<ul style="list-style-type: none"> ▪ Ms. Mariko Kawaguchi Senior Researcher, Daiwa Institute of Research Holdings Ltd. ▪ Mr. Hideki Wakabayashi Executive Director, AMNESTY INTERNATIONAL JAPAN ▪ Dr. Katsuhiko Harada Professor, Meiji Gakuin University
ITOCHU members	<ul style="list-style-type: none"> ▪ Tadayuki Seki Executive Advisory Officer, Executive Vice President, CFO & CAO ▪ Ichiro Tsuge Executive Officer, Chief Operating Officer, Forest Products & General Merchandise Division ▪ Hisao Yakushiji General Manager, Planning & Administration Department, Machinery Company ▪ Masazumi Nishikage General Manager, Planning & Administration Department, Food Company ▪ Hiroya Ono Manager, CSR Promotion & Global Environment Department (moderator)



Respect for Human Rights

Policy on Respect for Human Rights

The ITOCHU Mission "Committed to the Global Good" stands at the heart of the ITOCHU Group's corporate philosophy. The "Global good" refers not only to improved living standards, but also a general sense of well-being. ITOCHU, as a company with diverse operations worldwide, respect human rights and individuality, and is committed to the global good of society and individuals alike.

Accompanying this corporate philosophy, the ITOCHU Values consist of five values important for fulfilling the ITOCHU Mission "Committed to the Global Good." One of those values is "Diversity," under which the Group holds the human rights and individuality of every person as important.

Based on this policy, ITOCHU supports the Universal Declaration of Human Rights adopted by the United Nations in 1948 as a common standard of achievement for all people and all nations. Furthermore, ITOCHU participated in the United Nations Global Compact in 2009 which is derived from this Declaration and other international standards.

We apply the concepts of the United Nations Guiding Principles on Business and Human Rights, which were adopted in June 2011, to our risk management and other activities. We also take steps to raise awareness of these principles among our employees.

Guided by this approach, we clearly prohibit the violation of human rights and sexual harassment in our employment regulations, and have outlined punitive measures to be taken against those who engage in such conduct.

Excerpt from the ITOCHU Group Philosophy and Code of Conduct Booklet

Respecting human rights and individuality

We value the rights and individuality of each person. We show respect and are attentive to others regardless of gender, race, religion, or position. We don't discuss matters that cause discomfort; we don't discriminate or harass; we respect basic labor rights and eliminate forced labor and child labor.

Excerpt from the United Nations Global Compact

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Business should make sure that they are not complicit in human rights abuses.

- Related Page: [The United Nations Global Compact \(P18\)](#)

Respect for Human Rights in Business Activities

ITOCHU Corporation engages in business activities all over the world and conducts its business while respecting people's human rights in each of the regions in which it operates.

■ Respecting the Rights of Indigenous People

As part of its commitment to respecting human rights, when conducting business activities in regions that are home to indigenous populations, ITOCHU will recognize the unique cultures and histories of such peoples and endeavor to respect and consider their human rights in accordance with the laws of the country or region concerned as well as international agreements such as the United Nations Declaration on the Rights of Indigenous Peoples and Convention No. 169 of the International Labour Organization (ILO). Further, when considering investing in new business projects, ITOCHU will enforce prior checks on how such projects might impact the rights of indigenous people.

■ Approach to Engaging the Services of Security Firms

In December 1979, the United Nations adopted the Code of Conduct for Law Enforcement Officials to compel member states to thoroughly enforce and promote appropriate roles for law enforcement officials such as police officers and the military, and to facilitate the respect and safeguarding of people's dignity in the execution of said officials' duties. For its part, ITOCHU Corporation supports the Basic Principles on the Use of Force and Firearms by Law Enforcement Officials in which the United Nations established basic principles governing the use of firearms by law enforcement officials based on the above Code of Conduct, and will engage in the selection of security firms in accordance with such principles.

| Human Rights in Our Supply Chain and Business Investment

Consideration for human rights and labor practice in our supply chain and business investment is an important CSR issue for ITOCHU Corporation with business activities in various regions around the world. We regularly make checks to see that our suppliers and investment subjects are properly managing things in this respect.

- Related Page: CSR in Our Supply Chain and Business Investment (P58~64)

■ Approach to Conflict Minerals Issues

Some of the minerals produced in the Democratic Republic of the Congo and neighboring countries where conflicts are taking place can potentially provide sources of funding to armed groups which engage in inhumane acts, foment conflict or bring about human rights violations. The Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted in the United States in July 2010, required that U.S. listed companies disclose information such as their use of "conflict minerals*" produced in the Democratic Republic of the Congo and neighboring countries in their products.

While ITOCHU Corporation is not bound by the reporting requirements of the United States' Securities Exchange Act, to fulfill its social responsibility in procurement activities, ITOCHU Corporation will coordinate with its business partners in keeping with the spirit of this legislation and promote initiatives to ensure that it does not help armed grounds that engage in human rights violations.

* "Conflict Minerals" as defined by the law refer to tantalum, tin, gold, tungsten and other minerals specified by the U.S. Secretary of State.

■ Dialogue on business and human rights

The CSR Advisory Board for FY2015 was held under the theme of "Business and human rights : Relationships with local communities."

- Related Page: CSR Advisory Board 2014 (P14)

| Raising Awareness Internally of Respect for Human Rights

■ Raising awareness through internal training programs

We work to extensively embed understanding of the relationship between business activities and human rights through in-house training programs. In the training program for new recruits, they are instructed to acquire the proper mindset for respecting human rights that they should have as members of the ITOCHU family. In in-house training for organization heads, sexual harassment and power harassment issues are discussed, and a thorough understanding of human rights is fostered. Also, training conducted prior to overseas assignments includes the topic of consideration for human rights in the supply chain. In this way, we are working to raise awareness in each region. In FY2015, 439 people participated in human rights training.

Number of employees who participated in human rights training programs

	Number of employees who participated
Training for New Recruits	134 people
Training for newly-appointed managers	63 people
Training prior to overseas assignments	242 people

■ Employee Enlightenment about "Business and Human Rights"

As a general trading company that operates around the world and plays an important role in supply chains, we are implementing educational activities about "business and human rights" in each region. The objective of these activities is to keep up with the latest developments relating to business and human rights, and to incorporate this knowledge into our business.

In FY2015, we implemented a program of e-learning on the subject of "business and human rights" for all ITOCHU employees worldwide in order to provide them with CSR-related knowledge they should have at least. The program took up the United Nations Guiding Principles on Business and Human Rights as well as cases involving the corporate responsibility to respect human rights. The program was directed to a total of 6,738 non-consolidated and overseas bloc employees, and was completed by 6,505, or 96.5 percent, of them.

■ Establishment of a 24-Hour Employee Consultation Desk System

■ Employee Consultation Desk and Hotline

ITOCHU has set up an employee consultation desk to allow employees to discuss problems they may be individually confronting. A "HR Help Guide Book" has also been posted to the ITOCHU intranet, and efforts to broadly raise employee awareness of the consultation desk are made as part of a structure that allows employees to consult on issues of concern. An external Hotline System staffed by independent counselors has also been established.

■ Career Counseling Center

ITOCHU was one of the first Japanese companies to establish its own Career Counseling Center, where employees can consult regarding not only their individual careers, but on workplace culture, interaction with colleagues, remuneration, harassment, and other issues. Consultations can take place via phone, fax, email, post, or other means, and are dealt with by expert office staff.



The "HR Help Guide Book" posted on the intranet

■ Raising Awareness Through Various Publications

In an effort to avoid violations of human rights in the workplace, ITOCHU strives to raise awareness of human rights through a variety of publications distributed to all employees.

- ITOCHU's basic stance regarding respect for human rights is conveyed in a booklet explaining the ITOCHU Group's corporate philosophy and code of conduct to all employees.
- The Compliance Handbook has pages on respect for human rights, as well as power and sexual harassment, giving concrete examples of such conduct in an effort to avoid any violations of human rights in the workplace.
- A pocket-sized card on proper workplace etiquette details rules on the strict prohibition of any forms of harassment.

■ Fair and Honest Recruitment

At ITOCHU, recruitment decisions are based solely on an individual's abilities and merits, for fair and honest recruitment practices without regard for age, sex, or nationality. In FY2015, we provided human rights education through a guest lecturer from the Tokyo Metropolitan Human Rights Promotion Center. We reflect the contents of this lecture in our training of interviewers. A watchdog system for ensuring fair and honest recruitment is also in place, and employees are selected and notified to serve as watchdogs and to promote awareness of human rights.

The United Nations Global Compact

ITOCHU's Participation in the United Nations Global Compact

In April 2009, ITOCHU Corporation joined the United Nations Global Compact, a global initiative to achieve sustainable growth of the international Community. In the compliance of the Global Compact's ten principles in the areas of human rights, labour, environment and anti-corruption, ITOCHU is striving to fulfill its corporate mission of "Committed to the Global Good."



The Ten Principles of the United Nations Global Compact

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

Contribution to Activities of the Global Compact Network Japan

ITOCHU Corporation actively engages in activities as a Board Member of the Global Compact Network Japan (GCNJ), the local network of United Nations Global Compact in Japan.

The GCNJ organizes the Working Groups by issues related CSR where member companies are able to learn from other companies' best practices and academic experts and to have discussions and exchange opinions regarding CSR initiatives.

In FY2015, ITOCHU took part in following Working Groups.

- the Expansion Committee to enlarge the Network Japan (Playing a co-chair for enlarging the Network Japan and raising the level of its activities)
- the Committee of Human Rights Due Diligence
- the Committee of Human Rights Education
- the Committee of Environmental Management
- the Committee of Supply Chains
- the Committee of Disaster Risk Reduction

Penetration of CSR at ITOCHU

CSR Confirmation Test and Employee Questionnaire

Each year, we conduct the on-line CSR Confirmation Test and Employee Questionnaire Survey with all ITOCHU employees around the world, in order to promote the in-house penetration of CSR awareness and study the awareness of employees.

More specifically, once a year, our in-house magazine ITOCHU Monthly, which is published in the three languages of Japanese, English, and Chinese, puts out a special CSR issue. This issue presents the minimum requisite CSR-related knowledge and information which every employee should know. The implementation of the confirmation test on-line helps to heighten understanding of CSR among all employees.



In FY2015, ITOCHU Monthly ran an article that was titled "Supply Chain Management and CSR" as new CSR-related knowledge. The Confirmation Test presented questions from examples introduced in the article. Non-consolidated employees were requested to take a confirmation test on Waste Management and Public Cleansing Act. Among 6,704 non-consolidated and overseas bloc employees who were covered by the survey and test, a total of 6,621, or 98.7 percent, answered.

The Employee Questionnaire Survey on CSR, which surveys awareness on the topic, asks employees what CSR issues they think ITOCHU ought to tackle each year. For FY2015, against the backdrop of the growing awareness of solutions to global issues and the increased number of overseas investment projects, we see that the top-ranking CSR issue is "Contributing to the development of local communities." Given the result of the questionnaire, we held a seminar entitled "Business Activities from the Standpoint of Solving Global Issues" in February 2015.

■ Response rate of the CSR employee questionnaire and confirmation test 2014

	Questionnaire for employees of ITOCHU Corporation	Questionnaire for employees of overseas blocs	Total
Number of employees	4,869	1,835	6,704
Number of respondents	4,869	1,752	6,621
Response rate	100.0%	95.5%	98.7%

<Questionnaire Results Excerpt> Top 3 CSR Issues ITOCHU Corporation should address

1	Contribution to the development of local communities	46.5%
2	Ensuring the safety of products and services	45.3%
3	Respect and consideration for human rights	41.3%

CSR Seminars

We regularly organize internal CSR seminars to incorporate the views and opinions on various CSR issues from outside experts. Since FY2014, we have been holding the seminars under the title of the "CSR and Global Environment Seminar" on themes selected for their importance in the pursuit of business activities by ITOCHU employees. In addition, beginning in FY2015, we hold "CSR Seminars for Specific Fields" by inviting specialists in each field to provide our employees with a thorough overview of the CSR risks of each field and region. Through these seminars, we will conduct educational activities that provide a detailed look at the industry trends we face.

■ CSR and Global Environment Seminar on "Business from the Perspective of Solving Global Issues"

On February 6, ITOCHU held a CSR and Global Environment Seminar on "Business from the Perspective of Solving Global Issues" at the Tokyo Head Office with 234 people in attendance. The seminar was also broadcast via video conferencing to the Osaka Head Office and ITOCHU Taiwan Corporation.

For the keynote lecture, Public Affairs Specialist Toshiya Nishigori from the United Nations Development Programme (UNDP) gave a talk on the sustainable development goals (SDGs) the UN is developing, with examples of how they are interrelated with ITOCHU's business domains. He also provided anecdotes on the initiatives of various leading companies from around the world. A panel discussion moderated by Senior Researcher Mariko Kawaguchi of Daiwa Institute of Research Holdings Ltd. followed.

The discussion shed light on Panasonic Corporation's business activities using solar lanterns to help regions outside the reach of power grids develop and sustainable procurement of raw material for coffee by ITOCHU's Sugar, Confectionary Materials, Coffee & Dairy Products Department. There was a lively exchange of viewpoints, particularly on the significance and difficulty of contributing to society through business activities. Feedback from seminar participants included how sogo shosha have an obligation to use technology and ideas to contribute to society, and that the seminar taught the importance of collaboration inside and outside ITOCHU. We will continue to enhance our educational activities to better realize ITOCHU Corporation's basic approach to CSR of "contributing to society through business activities."

■ CSR Seminars for Specific Fields for FY2015

Field/Region	Theme
Forest Products & General Merchandise	Latest Trends in Wood Procurement with an Aim towards Forest Preservation (For further information, please see P63)
Ho Chi Minh Office	Sustainable Management for Supply Chain (For further information, please see P60)
Textile Company	Risks in Procurement in the Textile Industry and the Prevention of the Risks (For further information, please see P38)



Seminar at the Ho Chi Minh Office

- A workshop held to enable Group companies to learn the Ten Principles of the United Nations Global Compact

ITOCHU Corporation began holding the Group Liaison Conference on Corporate Communications in 2006. The purpose of this conference is to improve the practical skills of people from Group companies who are in charge of corporate communications and CSR. Aimed at promoting effective corporate communications and CSR activities and at managing risks throughout the ITOCHU Group, the conference is held under one of three themes in rotation: responding to the press, planning and production, and CSR and social contribution activities.

At the 17th conference, which was held in the first half of fiscal 2014, KPMG Japan was invited to provide external lecturers, and the Dilemma Game, whose developers include the United Nations Global Compact (hereinafter, "GC") and KPMG, was played in the form of a workshop. Through this game, the participants experienced how the five groups of stakeholders evaluate the way a company handles dilemma issues it faces in each one of the fields of the Environment, Human Rights, Labour, and Anti-Corruption, as specified by the United Nations GC. The conference was attended by 80 people from 52 companies, and enabled them to learn the importance of relationships with stakeholders, etc. in addition to the Ten Principles of the United Nations GC.



Dialogue — CSR Initiatives Required for a General Trading Company

ITOCHU is working to strengthen disclosure of CSR information and to clearly explain its corporate value. Our management philosophy underlies all that we do, and our mission is to fulfill that philosophy.

With the growth of ESG investment, non-financial information is playing an increasingly important role in investment decision-making, and corporations are being judged by the extent to which they disclose their CSR information in an easy-to-understand manner.

Mr. Masaru Arai, Chairman of the Japan Sustainable Investment Forum (JSIF), is well versed in sustainable investment. As such, we asked him for his impressions of and his expectations to the CSR activities of ITOCHU, which has inherited the philosophy of *Sampo Yoshi*.



Concepts incorporated in “I am One with Infinite Missions”

Kobayashi : I think that the work actually performed by general trading companies is not understood by the public. Concern about the influence of business activities on society and about the social responsibilities of corporations is growing, and in this environment we have thought a great deal about how we can foster an understanding among stakeholders about what it is that we do and what our responsibilities are. In that regard, we have formulated our “I am One with Infinite Missions” Corporate Message to clarify and directly express our corporate philosophy of “Committed to the Global Good.”

We also polled our employees internally, and the response was that they could “strongly empathize” with the message.

Arai : The businesses of a general trading company certainly extend over a broad range of industries, and as such it is not easy for investors to comprehensively evaluate the total value of the company. However, general trading companies play an extremely significant role when we think of their product chain and supply chain.

ITOCHU has inherited the *sampo yoshi* spirit, and this management philosophy clearly expresses the relationship between companies and society that is the core concept of ESG investing and responsible investing. ITOCHU's Corporate Message demonstrates that the Company is carefully considering its roles and responsibilities in today's global society, and I believe it is important to convey your message.

Listening to external feedback, working to resolve material issues

Kobayashi : At ITOCHU, we review our Basic Policies for CSR Promotion when we formulate a medium-term management plan. In that process, initiatives that are especially important have been identified as CSR material issues—climate change, sustainable use of resources, respect and consideration for human rights, and contribution to local communities—and we are working to contribute to the resolution of these issues through our business activities. In particular, climate change is a social problem on a global scale, and accordingly ITOCHU is working in such areas as renewable energy, including geothermal and wind power.

Arai : These four material issues are all highly important, and it is crucial that the Company specifies what is important in the context of its business activities. When employees understand those issues and strive to address them in their daily work, it becomes the most effective means of promoting the Company's CSR. The Intergovernmental Panel on Climate Change (IPCC) indicated last November that the probability of human influence on climate change is extremely likely. Climate change is an issue that affects everyone and everything. It cannot be avoided. I would like to see ITOCHU address this issue through its business activities.

Kobayashi : After we identify CSR material issues, we periodically hold our CSR Advisory Board meeting, which is composed of outside experts. We confirm that we are not complacent about the direction of our CSR and that we are meeting the needs of society.

Arai : I hope that ITOCHU continues on with these activities. Outside opinions are not always easy for a company to accept, but the active exchange of opinions with outside experts enables companies to check opinions that might be more one-sided if the process is solely internal.



CSR Advisory Board

Importance of human resources for a general trading company



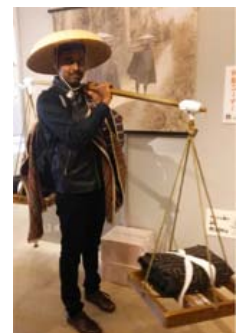
Kobayashi : In simple terms, "human resources" are the only true resource that trading companies have. Success or failure depends on how these resources are utilized. We don't assign missions to our employees. Thus, we want to employ those who can find their own missions, make judgments on their own and create win-win relationships with customers. Accordingly, we focus on determining whether an individual has the ability to earn a business partner's trust, and whether the individual finds that to be a joy and uses it as strength in earning trust from other business partners. Possessing such ability will enable one to succeed in any part of the world, since one-to-one communication becomes the key in any business field.

Arai : ITOCHU's corporate philosophy and Corporate Message are very clear, and I believe those help greatly in human resources development. Business activities include times when things are going well and times when they are not, and even times when a company's existence is in danger. What becomes important at such times are missions and visions of the company. Further, it is imperative that employees understand these messages.

Kobayashi : ITOCHU engages in business activities all over the world, and we think it is important to penetrate the corporate philosophy into national staff in each country. Each year nearly 200 national staff are invited to Tokyo HQ in order to participate in a range of training programs. In addition to the study of leadership and management strategy, the training programs also include a visit to the house of the founder Chubei Itoh in Shiga Prefecture. This is a valuable opportunity for national staff to understand origin of ITOCHU and its spirit as management policy, in other words the *sampo yoshi*.

Arai : One of the great things about ITOCHU is the focus it places on nurturing the development of highly professional people on a global scale and in each field of business. I think you could perhaps say that ITOCHU is one of the most progressive companies in terms of human resource development.

Kobayashi : Even from the perspective of consolidated management, how to manage our Group companies is an extremely important issue. Instead of simply expanding trade, there is a growing need to foster the development of human resources who will be able to properly run, manage and lead these Group companies. That's why we have implemented unique training systems since last year to ensure that our sales representatives develop into human resources who also possess management skills. Our administrative intern program is one such example. We created a new simulation program that provides experience with every aspect of our year-long accounting work in the period of several weeks. It was very well received as a system that is able to develop sales personnel with an accounting and finance-oriented mindset without having to undergo departmental transfers.



Learning the management philosophy of Ohmi Merchant at the Ohmi Merchant Museum

Working to implement highly transparent information disclosure and to respond to feedback from investors

Arai : The amount of global sustainable investments is now 2,500 trillion yen, five times the size of the Japanese stock market. Of particular note is the significant growth in recent years of ESG investments (an investment approach that takes into consideration environmental, social and governance influences). ESG investments grew 2.1 fold* in just two years from 2012 to 2014. Although this trend hasn't spread throughout Japan over the past decade, with the introduction of the Japanese version of the Stewardship Code last year and corporate governance code this year, the information investors and other stakeholders are demanding from companies has undergone a rapid shift. While investors have traditionally focused on financial information to evaluate companies, there is a notable trend towards also evaluating non-financial information, such as a company's environmental and social initiatives and governance systems, in a balanced fashion and incorporating those factors into the investment process.



* Reference : Global Sustainable Investment Review 2014

Engagement, or what is often referred to as constructive dialogue with stakeholders, is essential. However, it is practically impossible for institutional investors to conduct dialogue with all investee companies, and they judge on the basis of information disclosed by the companies. Integrated reports that clearly show links between CSR initiatives and actual business activities in addition to financial results are extremely useful to investors. It is also required to disclose how companies regard ESG-related issues and how they propose to tackle those issues. For a trading company to be properly assessed by investors, it is extremely important to disclose the company's own value as well as information on future opportunities and risks. ESG investors make investments over a long period of time, therefore, they contribute to the formation of a stable shareholder base for companies. I hope ITOCHU continues to implement proactive information disclosure as a global leader.

Kobayashi : As a matter of fact, we just reviewed about the separation of financial information and CSR information in the previous report. In this report, CSR issues and initiatives that are directly linked to operating activities and have a high degree of influence on ITOCHU are described in the pages for each division company. In these ways, we worked to make the CSR information and our business activities relevant. The disclosure and strengthening of CSR information have also been added to the Basic Policies for CSR Promotion when we revised this time. I believe that engagement is being emphasized among investors, so we will continue working to address that issue by implementing highly transparent disclosure.

The *sampo yoshi* spirit may be a rather old-fashioned expression, but as "one merchant" explained, our mission is to fulfill our responsibilities to society as a whole and not just our own company or customers. We will continue to increase corporate value by helping to resolve social issues through our business activities.



Mr. Masaru Arai

Chairman, JSIF (Japan Sustainable Investment Forum)
Director, PRI Association Board (UN Principles for Responsible Investment)

Joined Daiwa Securities. After working in Saudi Arabia, as CEO of Daiwa ANZ International, and in other positions, joined Daiwa Asset Management in January 1992. After serving as Director and Senior Executive Officer, and advisor, retired in 2012. Member, Advisory Committee, Criteria Sub-committee (only member from Asia), FTSE ESG Advisory Committee since 2005; Chairman, Japan Sustainable Investment Forum, since March 2012. CEO, Corporate Value Research Institute, since May 2014. Elected to the PRI Association Board in June 2015.



Continuous Initiatives for Sustainable Resource Utilization

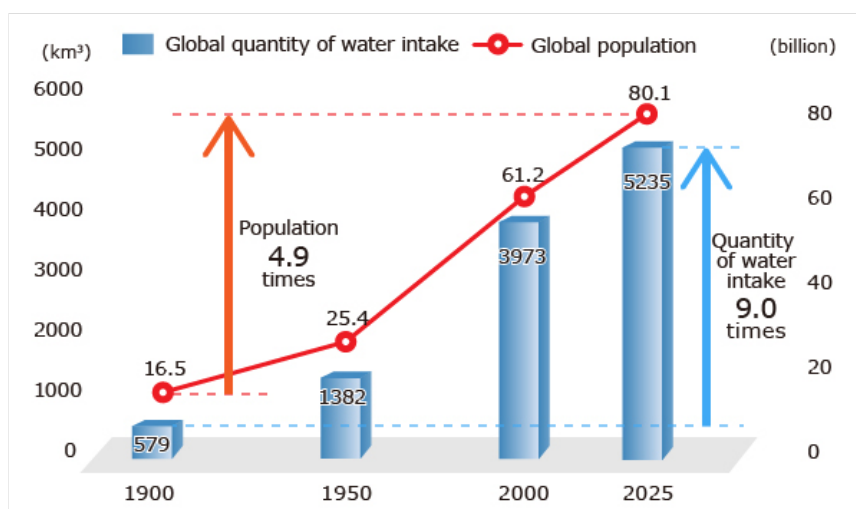
Demand for water continues to rise in response to the growing global population and the rise of emerging countries. Yet accessible freshwater resources constitute only about 0.01% of Earth's total water resources. Adopting sustainable resource utilization as a key CSR issue, ITOCHU Corporation has for many years focused on public infrastructure, from development and construction, to asset management and operation alongside our customers (national/local government and enterprises). Here we will introduce the water and environment related projects which ITOCHU Corporation has particularly focused on.

Risks and Opportunities in the Water Business

Due to factors such as the rapid growth in the global population, economic development and the advance of industrialization primarily in emerging countries, and global warming, worldwide water demand has increased dramatically. According to the United Nations Development Program (UNDP), an estimated one billion people will face water shortages by 2050. While the global water market was worth approximately 60 trillion yen in 2005, with such rising water demand the market value is expected to reach around 111 trillion yen by 2025. Taking into account these circumstances, ITOCHU Corporation views the water business as a promising market. At present, ITOCHU Corporation is pursuing water businesses in three major fields; (1) water supply and sewerage concession businesses, (2) seawater desalination projects, and (3) EPC* and the production and sale of reverse osmosis elements (RO membranes) for seawater desalination.

* EPC: Engineering, Procurement and Construction

Changes in Global Population and Global Quantity of Water Intake



Source: Ministry of Economy, Trade and Industry Study Group on the Global Development of Water Business (2010)

Water Supply and Sewerage Concession Businesses

In 2012, ITOCHU Corporation acquired the equivalent of a 20% stake in Bristol Water Group from a Canadian infrastructure investment firm, Capstone Infrastructure Corporation. With a history spanning more than 160 years, Bristol Water Group provides water supply services to the city of Bristol and the surrounding vicinity in the southwest of the United Kingdom. SUEZ environnement, which maintains a 30% interest in Bristol Water, is a major water company based in France with a history of over 150 years, and running projects in 70 countries and supplying water to approximately 92 million people worldwide.

The UK water utility sector was fully privatized in 1989. Since then, significant improvements in the level of service had been achieved and the UK model is now recognized worldwide as a role model for successful privatization of the public sector. This investment marks the first Japanese investment in a water utility company in the UK providing a comprehensive water supply service to approximately 1.2 million inhabitants, including water resource management, water treatment, supply, distribution, and billing service.

Following involvement in the water utility sector in the UK, ITOCHU Corporation acquired 33.4% of the shares of Canaragua Concesiones S.A., which provides water supply and sewerage services in the Canary Islands in Spain, from SUEZ environnement Group. Canaragua Concesiones S.A. enjoys a leading share in the Canary Islands' privatized water supply and sewerage market, providing services to a total of 1.3 million residents based on concession agreements with local governments.

With its engagement in these projects, ITOCHU Corporation plans to acquire and accumulate expertise in water utility projects so as to contribute to developing sustainable water businesses in the future.

Comments from an ITOCHU Employee Seconded at Bristol Water

Over a two-year period from January 2013 to January 2015, I resided in Bristol, England, being involved in water supply business as a member of Bristol Water. During that period, I was involved in a range of activities - capital planning, accounting and finance as well as the areas closer to operation and maintenance.

While working with the employees of Bristol Water, I was impressed by their strong sense of responsibility to contribute to the region through supplying water. The whole company works together to serve to the community and people in the region, taking in mind of daily lives and health, not only when a disruption occurs in their service but also in day-to-day business activities. During my stay there, I had many opportunities to sense their pride as a water supplier.

Having returned to Japan, I am now working on water and environment projects from Tokyo. I hope to pursue further businesses in the field by combining the experience and knowledge I obtained in Bristol, together with the variety of functions of ITOCHU such as project management know-how, credit capability and technology provision.



Yu Tanaka

Water &
Environment Project
Section No. 2,
Plant Project
Department

Seawater Desalination Project

In 2009, ITOCHU Corporation participated in the Victorian Government's seawater desalination project through a 30-year contract with AquaSure, along with its partners including SUEZ environnement, major Australian general contractor Thiess Pty. Ltd., and major Australian investment bank Macquarie Bank. The Victorian Desalination Project is a reverse osmosis desalination project with a daily capacity of approximately 400,000 tons. The project, completed in 2012, includes the construction of seawater desalination facilities, seawater intake facilities, a water pipeline and power transmission line, and supports the stable water supply in the state for generations to come.

Australia has suffered serious water shortages in the past, and it is regarded as a national issue to tackle water shortages. The facility is able to meet approximately 30% of the water demands of Melbourne, with a population of around 4.4 million, making it a project that contributes a rainfall independent water source to the city and connected regional areas.

Due to the global increased demand for water, the market for seawater desalination is expected to be tripled by 2025 compared to that in 2007. With this in mind, ITOCHU Corporation will promote its engagement into water businesses such as seawater desalination in the regions with severe water shortages.



Seawater Desalination Plant Restoration / Expansion and Sale / Manufacture of RO Membranes

In Saudi Arabia, a large proportion of water for domestic use relies on seawater desalination plants, and the country's seawater desalination capacity is the largest in the world. On the other hand, a large number of facilities are wearing out, making rehabilitation work a pressing issue. ITOCHU Corporation has been delivering a large number of desalination plants in Saudi Arabia since the 1970s. In 2003, ITOCHU together with Sasakura, a holder of unique seawater desalination technologies, established Arabian Company and Sasakura for Water & Power (hereinafter "APS"), a joint venture with local capital in Saudi Arabia. Since then, APS has provided a wide range of services as a total solution provider in the field of seawater desalination plants, such as the construction of seawater desalination plants based on Sasakura's equipment and technologies, and the maintenance of existing plants including their restoration and the supply of components for upkeep. More recently in September 2014, APS was awarded by the Saline Water Conversion Corporation (hereinafter "SWCC") a rehabilitation project of the Al Jubail Phase 2 C4 MSF Seawater Desalination Plant, followed by an expansion project for existing seawater desalination units under Shoaiba Phase 2 in January 2015. ITOCHU Corporation will continuously seek projects to tackle the need to rehabilitate aging facilities in the country, as well as smaller-sized projects for regional areas.

On another front, ITOCHU Corporation is promoting operations to manufacture and sell RO membranes for seawater desalination through Arabian Japanese Membrane Company (hereinafter "AJMC"), which was established with local capital along with Toyobo in March 2010. In the future, by manufacturing RO membranes whose demand is expected to increase among Middle East and Persian Gulf nations amid the growing demand for water due to rapid economic development and population growth, AJMC will strive to further expand its sales.

Risks and Opportunities in the Environment Business

According to the OECD Environmental Outlook to 2050, worldwide greenhouse gas emissions will increase around 50% from 2010 to 2050, and more destructive climate changes may occur. ITOCHU Corporation has been involved in various renewable energy projects as businesses that contribute to the mitigation of climate change and reduced CO₂ emissions. Here, we introduce the waste management projects ITOCHU has pursued since 2011.

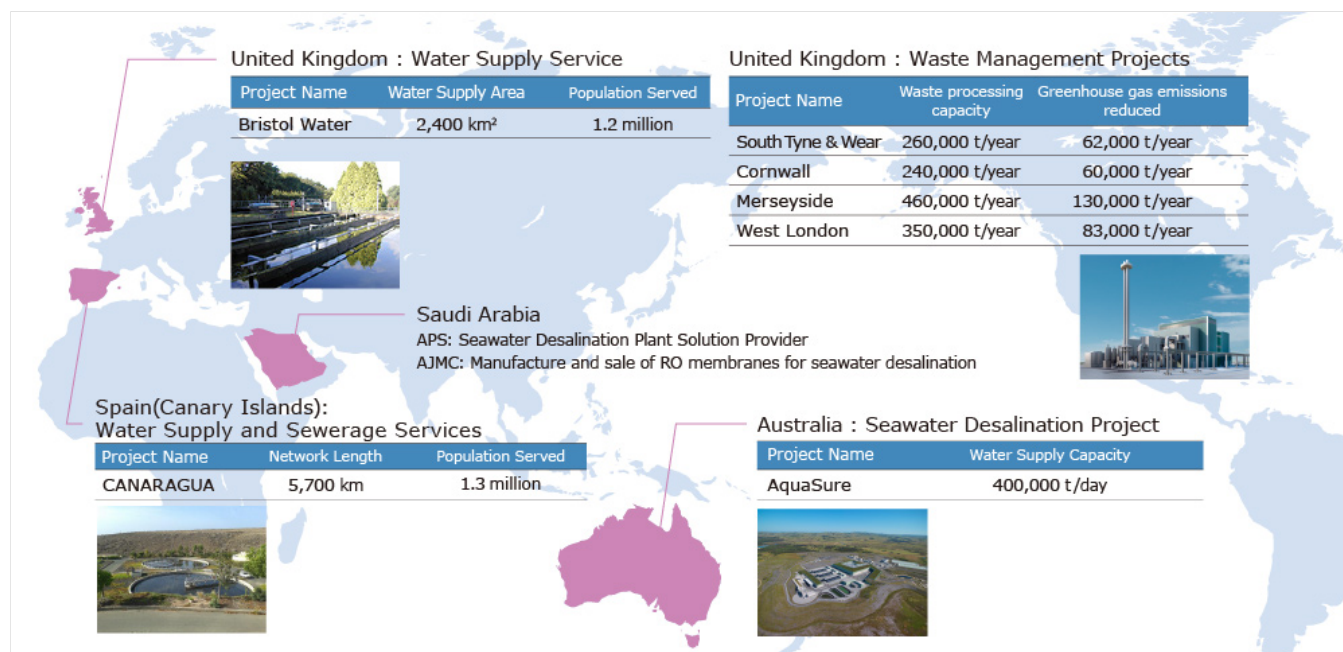
Waste Management Projects

Since 2011, ITOCHU Corporation in conjunction with SUEZ environnement Group has signed waste management PFI agreements and undertaken construction for four projects in the United Kingdom.

In these projects, wastes are treated through incineration, whilst they were traditionally landfilled directly. As a result of the four projects, the total volume of landfill waste will be reduced by 1.31 million tons a year and greenhouse gases will be reduced by 335,000 tons a year. Moreover, the heat produced through incineration process generates electricity of equivalent to the power consumption of 165,000 homes. This clean power generation, without using fossil fuels, inhibits the emission of methane, which has a significant impact on global warming.

ITOCHU Corporation has been involved in the construction of seawater desalination plants since the 1970s. In the intervening time, ITOCHU has worked on water and environment businesses in a way that takes into account the issues and characteristics of each area around the world. Leveraging off these expertise, its international fund procurement competence and connections with many partners around the world, ITOCHU will continue to tackle these challenges to help find solutions to the water and environment issues facing the world.

Global map of our investments in water and waste management sectors



Comments from a Business Partner

We are at the dawn of the resource revolution. In a world facing high demographic growth, runaway urbanisation and the shortage of natural resources, securing, optimising and renewing resources is essential to our future.

SUEZ environnement supplies drinking water to 92 million people, delivers wastewater treatment services to 65 million, collects waste produced by almost 50 million, recovers 14 million tons of waste each year and produces 5,138 GWh of local and renewable energy. With 80,990 employees, our company, which is present on all five continents, is a key player in circular economy and sustainable management of resources. SUEZ environnement generated total revenues of €14.3 billion in 2014.

Our employees are united in providing our customers (local authorities, industry and consumers) with concrete solutions to address these new resources management challenges. To that end, SUEZ environnement works in partnership with industrial companies such as ITOCHU Corporation to develop breakthrough innovations for the whole water and waste cycle.

In recent years, SUEZ environnement has been cooperating with ITOCHU Corporation on water businesses including Bristol Water in the UK, Canaragua Concesiones in Spain and Victoria Desalination Project in Australia, as well as waste management projects in the UK. During our cooperation, we benefited from ITOCHU's financing competence, industrial knowledge and worldwide network, which enabled us to jointly deliver advanced technologies and services that meet our customers' current and future challenges.

Furthermore, ITOCHU's approach of "Commitment to the Global Good" is fully in line with SUEZ environnement's long-term sustainable development policy based on the "3Cs", namely Circular, Concrete and Collaborative.

Through expanding water- and environment-related projects worldwide, we are sure that our joint endeavors will help provide solutions to environmental issues in the world.



Bruno HERVET

SUEZ environnement
 Executive Vice President
 Smart & Sustainable Cities

- SUEZ environnement "Sustainable Development"
<http://www.suez-environnement.com/sustainable-development/>



Overview

In this Supply Chain Highlight, we provide an overview of the supply chain of each product we handle. This fiscal year, we are focusing on the banana, a fruit that is familiar to all of you and the mainstay product of Dole, which is an ITOCHU Group company.

For our bananas, many people are involved in the process, which takes nearly two years from growing seedlings to putting on display in stores and delivering to customers. This time, we visited Mindanao in the Philippines, where around 90% of the bananas consumed in Japan are produced.

We will report on how the bananas that are familiar to us are grown and transported, what considerations are given to employee and the environment in the process, and other matters.

Farm : Tawantawan Farm in Calinan

Visited : 2 March 2015



About the Dole business

Bananas are displayed in fresh produce sections all over the world. They enjoy enduring popularity due to their high nutritional value and stable price. In Japan, bananas have ranked first among fresh fruits in terms of consumption amount since 2004. Of the total import volume of bananas, which exceeds one million tons per year, the volume of bananas produced in the Philippines accounts for more than 90%. The largest market share of around 30% is held by Dole Food Company Inc. of the United States. In April 2013, ITOCHU Corporation acquired the fruit and vegetable business in Asia and the global processed foods business held by Dole Food Company Inc., which is the largest fruit and vegetable company in the world.

From the division to the rearing of seedlings

The banana is not a tree, but a type of herbaceous plant.

The banana is a plant which grows up to ten meters tall. Because of its size, people often call it a "banana tree." To be accurate, however, the banana is a type of herbaceous plant. The varieties of bananas we usually eat are seedless, and their seedlings are created by means of division. Dole takes pups (growth points) from outstanding banana canes selected from a number of fields and grows them in the clean environment of its dedicated facility, thereby growing healthy seedlings. Within about ten months, more than 1,000 plantable seedlings are created from a single pup.

* A nursery facility in Panabo



Growth point of a pup



Division of incubated tissues



Grown in flasks for seven months



Each individual seedling is planted in its own pot and grown for two months.

Planting, growing and harvesting

200 bananas in a single bunch!

On the farm, banana seedlings are planted manually, one by one. They thrive in the sunlight and the stems, which have about 200 bananas each, keep growing until they are harvested about one year later. (The number of bananas and the growing period differ according to the variety, altitude and other factors.) During the growing period, farmers cover the bananas with bags to protect them from harmful insects and place cushioning materials into each individual bunch to prevent scratches. These and other care tasks are all undertaken manually. At the time of harvest, new bulbs emerge around the base. Several generations of bananas are harvested in this way.



Bags for preventing diseases, harmful insects, and damage from birds, and for heat retention



Adhesive tape for catching bugs



Sheets for preventing scratches



Stems



The buds at the tips are cut off to concentrate the nutrients in the fruits. In this process, only one fruit is left at the tip. This one banana is sacrificed for the other approx. 200 bananas if a bacterial infection occurs at the cut.



After harvest, the pups are left for a while, rather than being cut off immediately. The nutrients stored in the pups are absorbed by new bulbs which emerge around them, and are used for the growth of the next generation.

Environmental considerations

In order to prevent environmental risks such as non-point source pollution into waterways, Dole manages and inspects the use of chemicals, has obtained ISO 14001 environmental certification for all the farms managed by the headquarters and the company, excluding some new farms for which applications for certification are currently being made, and has the farms checked periodically by third parties. In 2008, Dole commenced employee volunteer activities involving the planting of local natural trees. By 2014, a total of one million trees had been planted in areas around farms in different regions by thousands of employees and other volunteers.

Consideration for employee

Approximately 9,000 employees work at farms in the Philippines directly operated by Dole. The number of people in managerial (salaried) positions associated with banana production is about 1150 (the gender breakdown is approximately 70% male and 30% female). A large number of employees, irrespective of gender and age, enjoy working on banana production, recognizing it as the core local industry. While giving full consideration to human rights and labor is an important task, Dole takes employee safety and health into consideration by, for example, making it mandatory to wear protective gear while working. The company also complies with ILO standards and has obtained certification under SA8000, an international standard for work environment assessment. It undergoes regular third-party audits.



Ms. Marianne

Dole Philippines
Inc. Human
Resources Director

As part of its efforts to continue providing better products, Dole is committed to training its employees and encouraging the people on the front lines to make suggestions. In its training system, which is called the Dole University Master Training Plan, Dole provides 31 programs including those on the philosophy of the company, skills for specific operations, and management skills. Workers, site supervisors and managers receive training in programs that are appropriate for their duties. In the Dole Kaizen Program, suggestions for improvements are made regularly by small teams consisting mainly of farm workers. This has resulted in many good suggestions that have led to improvements in overall work efficiency, including the development of work tools and a system for controlling the temperature to minimize raw material waste.

Washing, sorting and packing

Ensuring traceability to the area of production

Harvested bananas are washed and sorted at a packing plant adjacent to each farm. They are then cut in accordance with the sales standards, packed, and boxed. In this process, a number called a Box Code is stamped on each box. This number enables the identification of the farm where the bananas were harvested, the facility where they were boxed, and the time and date when they were boxed, for example. This ensures the traceability of the bananas, which makes it possible to trace them back to the area of production immediately in the event of a quality problem or the like at the sales destination.



Pickup, shipment and departure from the port

More than 100 million bananas are imported to Japan every month.



Boxed bananas are shipped from ports in Davao and transported to Japan. The voyage takes around five days. Bananas from the Philippines are shipped to Japan twice a week. Each ship transports 170,000 to 180,000 cases of Dole bananas. Because each case contains around 80 bananas, each ship transports approximately 14 million bananas, and 115 million bananas are imported to Japan every month. This means that the number of bananas imported to Japan by Dole every month is nearly as large as the population of the country.

Force-ripening and shipment

Bananas are still green when they arrive in Japan.

Bananas are still green and inedible when they arrive in Japan. They are force-ripened (ripened until they become edible) in a temperature-controlled room called a *muro* for five to seven days by carefully controlling the level of ethylene gas, which triggers ripening, as well as the temperature, humidity, carbon dioxide concentration, and other conditions. This is how the green bananas are ripened into the yellow, soft, sweet bananas that are familiar to you.



From the storefront to your table

Responding to consumer needs

The bananas are inspected, stored, sorted and delivered using the latest distribution system, which is linked to the ordering systems of retailers throughout the country, before they are displayed in stores all over Japan and delivered to your home. In response to Japanese consumers' demand for a high level of taste and quality, we produce bananas that are grown at high altitudes and that have a high sugar content. In addition, we often undertake human interactions between the production areas and consumption areas in our efforts to produce bananas that are appropriate for the markets.



Harmonious coexistence with local communities

We employ a large number of people on farms and in factories, and promote business activities with many people, including those from local governments and companies. A harmonious coexistence with the local communities is therefore an extremely important factor for us. In the areas around our farms, we have engaged in activities such as the provision of tanks for water for domestic use and the provision of chairs and educational materials including textbooks to around 50 elementary schools.



An elementary school to which we donated educational materials



By 2014, we donated 173 water tanks (each tank benefits about 60 households) of this type to local residents.

Summary

By following the supply chain of bananas, you will find that bananas undergo many processes before they are delivered to consumers, and many people are involved in these processes. In other words, bananas need careful management with respect to food safety, environmental conservation, occupational health, human rights and other factors.

Dole aims to maximize the economic performance and efficiency of the supply chain to maintain its market competitiveness in terms of price and quality, and strives to develop high value-added products through market research. At the same time, the company takes safety, environmental conservation, and human rights into careful consideration. I give the company high marks for this high degree of awareness of its corporate social responsibility. I was most impressed by the fact that local employees find their jobs worthwhile, and that many female managers are demonstrating their capabilities. While the creation of employment is an important mission of a company, it is also important for a company to provide a motivating work environment, rather than simply employing people. I look forward to the further strengthening of such efforts by Dole.

* Professor Takaoka studied at graduate school at the University of Tokyo under the supervision of Professor Motoshige Ito. She completed a doctoral program at the school and obtained a doctorate. She held positions including assistant professor at Osaka City University before she was appointed to her current position in 2009. Her areas of specialization include consumer behavior and distribution systems.



Presenter :
Mika Takaoka*

Professor, College
of Business, Rikkyo
University

CSR at the Textile Company

Growth Strategies for the Medium and Long Terms of this Division Company

Our scope of business spans all lifestyle categories as a customer-oriented marketing company, and we have developed our business around a value chain that covers the entire textile industry, from raw materials / fabrics to garment manufacturing, brands, and industrial materials, demonstrating group-wide strengths.

In Japan, we are continuously improving our high-value-added manufacturing in order to meet consumers' needs. In the retail and life & healthcare areas, we are also focusing on expanding our business domain, as well as enhancing our asset portfolio.

We are also augmenting our asset portfolio overseas, as we endeavor to reinforce our operations in growth markets, including China, other parts of Asia, and emerging countries where consumption is slated to expand. One initiative involves joint business

with CITIC and CP Group. Further tariff liberalization should lead to more opportunities for us to respond to global consumers' needs as we begin to address the pan-Asia market. We will further reinforce manufacturing in the most suitable areas, remaining cognizant of customs benefits, and expand our value chain from materials procurement to sewing throughout China and the rest of Asia. Meanwhile, we will respect human rights and labor customs, protect the environment, and maintain harmony with communities.

As the Company which plays a key role in the consumer-related sector, making the most of superiority as the leading company in the textile business, we will steadily work on initiatives to strengthen our existing businesses and expand synergies within the ITOCHU Group as well as accelerate accumulating superior assets and replace others. These efforts will enable us to firm up the Textile Company's earnings platform.



Shuichu Koseki
President, Textile Company

CSR at this Division Company

- A marketing company that adopts a social perspective

The Textile Company places a high priority on further improving the safety of its products and services as well as customer satisfaction. It is promoting sustainable manufacturing that takes full account of labor customs in the supply chain and the environment in its global setup for production at the most suitable sites worldwide, which supports the manufacturing at the heart of the Textile Company.





CSR Challenges for Sustainable Growth



Major Issues	Business	Reason for Importance from a Strategic Perspective
Supply chain management (labor management)	Overseas Apparel Production Business	As we expand production at the most suitable sites worldwide, which supports the manufacturing at the heart of the Textile Company, including manufacturing bases in China and other parts of Asia, we must take full account of labor customs in the supply chain and the environment. A lack of care in such areas could result in reputational damage and legal sanctions which could significantly affect business continuity.

CSR Action Plans

- Key points of our FY2016 action plans

We will pursue further advancement in supply chain management through employee education as well as group-wide implementation of monitoring surveys to overseas manufacturing factories. We will also continue to promote socially and environmentally friendly businesses.

Div./Dept.	CSR Issues/ Societal Issues	FY2015 action plans	Status*1	FY2015 results	FY2016 action plans	CSR Material Issues*2	Basic Policies for CSR Promotion*3
Apparel Division 1	Promotion of environmental conservation-oriented business	Propose businesses that using earth-friendly fabrics such as recycled PET fibers.		Promotion of a business using recycled fibers for uniforms is underway. Business talks have been conducted with around a dozen companies, and contracts were finalized with five of them during the period. Three agreements were reached for uniform initiatives to use recycled PET fabrics and T-shirts made of organic cotton, and to incorporate mechanisms to collect and recycle.	Propose uniforms that use environmentally-friendly and ethical materials such as recycled PET fibers and organic cotton as well as recycling-oriented businesses.	climate change	2.
Apparel Division 2	BOP business	Plant 2,500 ton of Pre Organic Cotton and increase dissemination overseas with a focus on America. Conduct field survey of Pre Organic Cotton based on the findings of Hosei University Associate Professor Yoshida's two-year study.		We continued to stimulate demand for Pre Organic Cotton through new branding. We worked to enhance recognition through participation in things such as side events to the UN General Assembly. We worked with new partners to improve quality and achieved results in social initiatives and higher quality.	Expand sales channels as a more general form of cotton and run promotions that will be linked to organic cotton. Steadily the breadth of products such as polyester/cotton blends.	communities	2.
Brand Marketing Division 1	Consideration of social issues, promotion of environmental conservation business	In addition to equipping bags with self-lighting LEDs that generate power from vibrations, work to achieve widespread adoption of the LEDs by promoting their incorporation into shoes and other related goods. In addition, continue with the development of new products with good generating and storage efficiency by making improvements to the device.		Although we held talks with a major sports manufacturer as a new customer, the talks are still at an early stage. Continued use in business bags has been finalized. While there were talks regarding incorporation in the school bag products of a major sports manufacturer, trials sales were carried out with the lights fitted to the school bags of a department store's private brand, but due to poor sales, the plans were abandoned.	In addition to equipping bags with self-lighting LEDs that generate power from vibrations, work to achieve widespread adoption of the LEDs by promoting their incorporation into shoes and other related goods. In addition to existing customer ACE, develop new customers.	climate changes, resources	2.
Brand Marketing Division 2	Stake holder engagement	Continue support of Borneo Conservation Trust through Hunting World Japan. (Activities to preserve 1.6 hectares of land as Hunting World Kyosei no Mori and Borneo elephant rescue efforts)		In 2014, domestic and internal sales of approximately 300 million yen (on a retail basis) were generated. 1% of sales were diverted to support Borneo Conservation Trust.	Continue support of Borneo Conservation Trust through Hunting World Japan. (Activities to preserve 1.6 hectares of land as Hunting World Kyosei no Mori and Borneo elephant rescue efforts)	resources	2.

All Divisions	Supply chain management	Visit suppliers and conduct surveys to enhance supply chain management. Select 20 suppliers from the sales sections of ITOCHU itself and a total of 3 Group companies which conduct survey of their suppliers, and seek to resolve social issues.	 After reconsidering the content of questions asked during the surveys and other aspects, work is underway to conduct surveys in FY2016. Environmental audits at the plants of two Group companies (one in Japan and one overseas) were conducted.	Conduct CSR checks of suppliers, share the issues facing the textile industry and seek solutions to social issues.	human rights	3.
	Conduct employee education and raise awareness through participation in seminars and training on CSR and environmental conservation.	Endeavor to educate employees, deepen their awareness and prevent various risks by actively taking part in Headquarters-organized seminars, training and industry lectures.	 Employees took part in the following seminars and other events. Environment and Social Risk Response Seminar (July 17, 12 people) Waste Disposal Act Seminar (September 4, 42 people) CSR and Global Environment Seminar (February 6, 34 people) Procurement Risks and Preventative Measures in the Textile Industry (February 16-17, 39 people)	Endeavor to educate employees, deepen their awareness and prevent various risks by actively taking part in Headquarters-organized seminars, training and industry lectures.	climate change	4.

*1  :Achieved  :Nearly achieved  :Unachieved

*2 For further information about CSR Material Issues, please see P10~11.

*3 For further information about Basic Policies for CSR Promotion, please see P9~10.

Major CSR Initiatives

- Pre Organic Cotton Program

In cooperation with KURKUU K.K., ITOCHU is conducting a Pre Organic Cotton(POC) Program to support the transition of cotton farmers in India to organic cultivation. The program aims to stop the vicious circle of environmental damage, health hazards, and economic burdens on farmers caused by pesticides and chemical fertilizers. In 2014, farmers from 989 households joined the Pre Organic Cotton Program, bringing the cumulative total to 2,360 households engaging in pesticide-free cultivation under the program since it was started in 2008. With initiatives undertaken with apparel and bedding manufacturers starting to gather momentum, although the quantity of transition period cotton (POC) handled in 2014 held at 1,000 tons, the program has encouraged rising demand for the organic cotton, which has been recognized as a form of organic cotton with complete traceability. In 2012, the POC program was approved as an initiative of the Business Call to Action (BCtA), an endeavor led by the United Nations Development Programme (UNDP), as a business model that achieves both commercial success and sustainable development. In the time since, we have seen a growing recognition among companies tackling development issues through the UNDP.



Cotton harvesting on one of our farms in India



In FY2015, as a result of establishing processes to remove the contamination that is mixed with raw cotton during the handpicking process with the aim of making additional quality improvements, we managed to deliver higher quality products and contribute to the creation of employment in the region. Supported by the understanding and compassion of various companies, groups and consumers moving forward, we will strive to further expand the Pre Organic Cotton Program and continue to handle greater quantities of organic cotton produced as a result.

■ Hunting World's Activities to Support Borneo

Hunting World is a luxury brand handled by ITOCHU Corporation. Since its creation in 1965, its logo has depicted a tuskless baby elephant. Besides symbolizing freedom and rebirth, this logo likewise anticipated the issue of protection of endangered species, and underscores the love and respect for nature felt by the brand's founder. To realize its dream of coexistence with nature, Hunting World Japan Co., Ltd., which sells the brand in Japan, has been supporting activities for conservation of biodiversity by the NPO Borneo Conservation Trust (BCT) since 2008. The company designs and sells charity goods, and donates 1% of the proceeds from these sales to BCT. By so doing, it is defraying part of the cost for purchase of land for the green corridors and rescue of Borneo elephants which have strayed into plantations. In addition, the fall of 2011 saw the birth of Hunting World Kyosei no Mori (Symbiotic Forest of Hunting World) based on independent purchase of four acres of land within the Green Corridor Plan* zone, using the financial aid provided up to that year. Furthermore, BCT Japan, which is supporting BCT, helped out with the funding needed for establishment of the Borneo Elephant Sanctuary, the first facility in the Wildlife Rescue Center project, which began in September 2013.

* Green Corridor Plan: A initiative for conservation of biodiversity by such activities as buying back land separating forest preserves and protected forests, to make a corridor for movement between them by wild animals.



Charity bag by Hunting World



Panoramic view of the rescue center

■ Supply chain management system aimed at sustainable manufacturing

Our optimal global location sourcing system, which is at the roots of the Textile Company, also takes into account labor practices and the environment in the supply chain to promote sustainable manufacturing. We think it is important to gain the understanding and cooperation of suppliers with regard to our procurement policies, and to that end we pursue initiatives with suppliers that are consistent with ITOCHU Corporation's CSR Action Guidelines for Supply Chains. We also conduct ongoing monitoring surveys of Japanese and overseas production plants, including those of Group companies. In FY2015, we conducted field surveys of the Mikuni Plant, which is the main domestic dyeing and finishing plant under the control of Sankei Co., Ltd., as well as two sites run by FUKUSEN CO., LTD. and UNIMAX SAIGON CO., LTD., a uniform production base in Vietnam. In FY2015 we also invited outside lecturers to hold seminars in the Tokyo and Osaka head offices and the Ho Chi Minh office on the theme of "Procurement Risks and Preventative Measures in the Textile Industry" as part of our commitment to achieving more advanced supply chain management.



Seminar conducted by an outside lecturer at the Ho Chi Minh office

CSR at the Machinery Company

Growth Strategies for the Medium and Long Terms of this Division Company

In IPP, water supply, environmental, energy, and other infrastructure businesses, we will strive to promote a balance between the accumulation of superior assets in industrialized countries and highly profitable development projects in developing countries. We will endeavor to expand trade in line with improvements in the external environment, such as foreign exchange in fields of conventional strength, including marine, aerospace, automobile, construction machinery, and industrial machinery. We will also strive to generate stable earnings through stringently selected investments in peripheral sectors. Furthermore, we will promote the construction of a medical device value chain to meet anticipated future growth in medical devices businesses, aiming to further enhance business investment and trade in Japan and other parts of Asia.

We will maximize earnings from existing investments, promoting the accumulation of superior assets and asset replacement, and conducting trade in related and ancillary fields.

In promoting infrastructure projects in emerging countries, we will give due consideration to environmental protection and local communities to ensure projects proceed smoothly. The world faces such issues as climate change, waste management, and water resource securement; the Machinery Company views these as promising medium- to long-term business opportunities. As such, we are taking part in renewable energy-related businesses involving wind and geothermal power, as well as waste management projects. We are also involved actively in seawater desalination and other water-related projects.

Furthermore, based on our strategic business and capital alliance agreement with the CITIC/CP Group, we are considering joint investment and trade expansion that will leverage that group's characteristics, particularly in the ASEAN region and China.



Takao Shiomi
President, Machinery Company

CSR at this Division Company

- Enriching future generations in local communities through social infrastructure projects

The Machinery Company aims to facilitate development in local communities, enriching lives through social infrastructure projects. We are also committed to environmental businesses, which aim to pass on a better global environment to future generations, and aspire to develop healthy societies through our healthcare businesses.

CSR Challenges for Sustainable Growth

Major Issues	Business	Reason for Importance from a Strategic Perspective
Environmental preservation and considering for local communities	Infrastructure-related Projects	In infrastructure-related businesses, environmental preservation in development regions, harmony with local communities, and consideration for safety, health, and human rights are of paramount importance. Neglect in any of these areas could cause projects to fall foul of country regulations and result in stoppages. Alternatively, projects may not proceed according to schedule, reputation risk may become manifest, and costs may rise further than expected.

CSR Action Plans

Key Points of the FY2016 Action Plan

In FY2016, we will consider the impact on the environment as we continue to actively develop our social infrastructure businesses, including renewable energy-related businesses such as wind and geothermal power, waste treatment and power generation businesses, water-related businesses such as seawater desalination and railway-related businesses. In addition, we will join with Japanese automakers to hold seminars on subjects such as accident reduction and fuel-efficient driving, contributing to society through improved CS and other initiatives related to safety and energy conservation.

Div./Dept.	CSR Issues/ Societal Issues	FY2015 action plans	Status*1	FY2015 results	FY2016 action plans	CSR Material Issues*2	Basic Policies for CSR Promotion*3
Plant Project, Marine & Aerospace Division	Conservation and development of water resources; supplying of safe, clean water	Work on desalination, water supply and sewage projects.		Currently taking part in a Melbourne seawater desalination project, a water supply project for Bristol Water, and a water supply and sewage project in the Canary Islands, Spain.	Contribute to the safe and stable operation of seawater desalination plants	resources, communities	2.
	Effective use of renewable energy	Promote geothermal power generation projects Supply clean electric power through wind power generation businesses		Construction underway for geothermal power generation project in Indonesia Wind power generation projects in Keenan and Shepherds Flat are both under stable operation.	Target plant construction at the stable operation of the geothermal power generation project Supply clean electricity through wind power generation projects	climate change, resources, communities	2.
	Maintain and improve public health	Advancement of EfW (Energy from Waste) project efforts.		Currently participating in four projects in the UK (South Tyne & Wear, Cornwall, West London and Merseyside).	Help reduce direct landfill waste and greenhouse gases through initiatives for waste incineration power generation projects	climate change, resources, communities	2.
Automobile Division	Better communication with stakeholders	Contribute to society through improved CS, safety and energy efficiency by holding seminars on ways to improve transportation efficiency, reducing accidents, fuel-efficient driving and other topics in conjunction with		Held an eco-driving training session and ITOCHU transportation strategy seminar in the Kyushu district, contributed to society through improved CS and other initiatives related to safety and energy conservation.	Improve CS by conducting training sessions on fuel-efficient and safe driving, and strengthen coordination with suppliers.	climate change resources	2.
Construction Machinery & Industrial Machinery Division	Support for measures against disaster	Continue to supply machinery and materials for measures against disaster to local governments, self-defense forces, police forces, fire stations and others, and raise awareness through means such as exhibitions.		Provided disaster machinery and materials for measures against disaster to local governments, hospitals, fire stations and others. Mr. Kobayashi delivered a speech on disaster prevention at the UN World Conference on Disaster Risk Reduction Public Forum. Took steps to raise awareness of the importance of disaster prevention.	—	communities	4.
	Continuation of environmental conservation-oriented businesses and contributions to local communities.	No plan for FY2015 since the division was established in FY2016			Begin mass production of drive units for electric power-assisted bicycles Begin introducing non-metallic wheelchairs to improve convenience for persons requiring care.	communities	3.

*1 🌱🌱🌱 :Achieved 🌱🌱 :Nearly achieved 🌱 :Unachieved

*2 For further information about CSR Material Issues, please see P10~11.

*3 For further information about Basic Policies for CSR Promotion, please see P9~10.

Major CSR Initiatives

■ Participation in geothermal power generation project in Indonesia

ITOCHU Corporation has concluded a 30-year Energy Sales Agreement to sell electric power to Indonesia's state-owned electricity company (PLN), in which ITOCHU will sell electricity generated by a geothermal power plant with an output of 320.8MW, to be constructed in the Sarulla region of North Sumatra, Indonesia. Finance Close was achieved in May 2014, with the first unit scheduled to commence operation in 2016. Geothermal power generation is a technology for generating electricity by extracting high-temperature, high-pressure steam and hot water from geothermal reservoirs deep underground. By returning the extracted underground water back into the ground in an appropriate way, geothermal energy can be semi-permanent, making it a source renewable energy with enormous promise worldwide. As only a small amount of CO₂ is emitted during power generation, geothermal has a minimal impact on the environment, and since it is not influenced by the weather, it poses the advantage of more stable year-round output compared with other forms of renewable energy. Indonesia boasts the world's geothermal resources, at 40% of the global total, and its government has positioned geothermal resources as a strategic power source. With this project, ITOCHU will contribute to the Indonesian government's policy of promoting geothermal energy. We will also continue to be active in the power generation business, developing renewable energy resources such as geothermal energy and wind power, with consideration to the environment and local communities.



Drilling site of geothermal well

■ Delivery of machinery for subway cars to municipal subway enterprise in Kiev, Ukraine

ITOCHU Corporation has delivered electrical items and brake systems to Kryukov, a leading manufacturer of railroad rolling stock in the Ukraine. The machinery will be installed in 95 subway cars mainly supplied by Japanese companies, including Mitsubishi Electric Corporation and Fuji Electric Co., Ltd., which will be operated by Kiev Metro, a municipal subway enterprise in Kiev. Kiev Metro owns a vast quantity of rolling stock that is about 40 to 50 years old, and was manufactured during the former Soviet era. An upgrade was needed urgently. With this project, existing rolling stock that uses direct current power will be replaced with that which uses alternating current with VVVF inverter control. Power consumption will be reduced by around 35% with the use of regenerative electric power. Adopting cutting-edge Japanese technology, ITOCHU will prolong the life of the rolling stock and help reduce power consumption along with CO₂ emissions.



Modernized metro train assembled with Japanese AC propulsion at Kryukovsky Railway Car Building Works

CSR at the Metals & Minerals Company

Growth Strategies for the Medium and Long Terms of this Division Company

The Metals & Minerals Company is working to secure cost-competitive equity interests in metals and mineral resources, which underpin the industrial framework, and make more efficient use of these interests to secure profits even in the face of fluctuating market prices. Furthermore, we are working to secure non-ferrous metals, rare metals, rare earth metals, and other resources for which stable procurement has been an issue. In the trade area, we will persevere on building a value chain centered on equity interests while also leveraging the comprehensive strengths of the ITOCHU Group to concentrate on adding value to our trade business.

We will cultivate superior projects and collaborate on the investment and trade fronts with CITIC and CP Group to promote well-balanced cooperation.

Taking the long-term perspective that is a Metals & Minerals Company hallmark, we will create a sustainable business structure. Based on voluntary standards for environmental management and biodiversity preservation, we will work in tandem with communities and promote safe labor environments. At the same time, we will actively undertake activities in the solar power and environmental businesses, as well as recycling and other businesses that contribute to society.



Eiichi Yonekura
President, Metals & Minerals Company

CSR at this Division Company

- Sustainable development and stable supply of metals & mineral resources

As it promotes the sustainable use of metals & mineral resources for their stable supply, ITOCHU is working with business partners to tighten arrangements for concerning the environment, harmony with communities, and a safe labor environment on development sites. We are also committed to effective use of resources, pursuit of renewable energy projects, and the building of recycling-oriented societies.

CSR Challenges for Sustainable Growth

Major Issues	Business	Reason for Importance from a Strategic Perspective
Consideration for human rights and local communities	Development of metals and mineral resource	When developing metals and mineral resources, maintaining harmony with local communities and ensuring a labor environment that gives due consideration to health and safety are paramount. Neglecting these factors could lead to operational stoppages that would result in lost earnings opportunities and escalating costs due to legal sanctions.
Consideration for the environment and ecological preservation	Development of metals and mineral resources	Many locales that have abundant mineral resources are also blessed with biodiversity. We must manage our environmental impact and respect global calls to protect biodiversity. A lack of care in such areas could result in interrupted development and other constraints.

CSR Action Plans

- Key points of our FY2016 action plans

As a global company, we will promote environmental management both domestically and at overseas Group companies. As well as promoting the concerns for safety, the environment, and local communities with partners when we engage in the development and exploration of mineral resources, we will take on the challenge of businesses that are friendly to the global environment, such as solar businesses and other initiatives aimed at the sustainable utilization of resources. We will also continue to promote CSR education and training based on the social issues facing the industry.

Div./Dept.	CSR Issues/ Societal Issues	FY2015 action plans	Status*1	FY2015 results	FY2016 action plans	CSR Material Issues*2	Basic Policies for CSR Promotion*3
Metals & Mineral Resources Division	Strengthening and improvement of safety and security in resource development projects.	Share the thorough implementation of safety management during ore mining and exploration with JV partners.		Full implementation of safety management was confirmed at JV partners at quarterly JV meetings.	Share the thorough implementation of safety management during ore mining and exploration with JV partners.	resources, human rights, communities	2. 3. 4.
	Appropriate treatment of wastes, and prevention of ozone destruction	Expand the penetration of electronic manifests (electronic industrial waste management) to Group companies and client companies. Maintain the system for the proper disposal of greenhouse gases (fluorocarbons) and improve the monitoring system.		Two companies newly introduced electronic manifests. A database on fluorocarbon recovery and destruction was established and shared with stakeholders.	Expand the penetration of electronic manifests (electronic industrial waste management) to Group companies and client companies. Maintain the system for the proper disposal of greenhouse gases (fluorocarbons) and improve the monitoring system.	resources	2.
Coal, Nuclear & Solar Division	Strengthening and improvement of safety and security in resource development projects.	Share the thorough implementation of safety management during coal mining and exploration with JV partners		Comprehensive implementation of safety management was confirmed among JV partners at quarterly JV meetings.	Share the thorough implementation of safety management during coal mining and exploration with JV partners	resources, human rights, communities	2. 3. 4.
	Exploring environment-friendly energies and providing a stable supply of them	Contribute to the prevention of global warming through solar business inside and outside Japan.		Operated joint ventures with other companies to steadily expand sales of solar panels. Contributed to reduced greenhouse gases through a domestic large-scale solar power generation project.	Contribute to measures against climate change through domestic and overseas solar power projects and bio-fuel trading.	climate change communities	1. 4.
All Divisions	Further strengthening supply chain management and advancing CSR initiatives at a group-wide level	Continue to examine and check supply chains and conduct enlightenment activities for business partners. Raise awareness of CSR among domestic and overseas Group companies.		Accompanied industry groups to receive audits of our interests and cooperated in a CSR response. Conducted appropriate activities to raise awareness among domestic and overseas Group companies.	Continue to examine and check supply chains and conduct enlightenment activities for business partners. Raise awareness of CSR among domestic and overseas Group companies.	climate change, resources, human rights, communities	1. 2. 3. 4.
	Thorough safety in resource development, production and mining operations	Continued operation of EHS guidelines		Took steps to raise awareness after compiling and detailing case examples.	Continue promotion	climate change, resources, human rights, communities	3. 4.

*1 🌱🌱🌱 :Achieved 🌱🌱 :Nearly achieved 🌱 :Unachieved

*2 For further information about CSR Material Issues, please see P10~11.

*3 For further information about Basic Policies for CSR Promotion, please see P9~10.

Major CSR Initiatives

■ Operation of environment, health, and labor safety (EHS) guidelines (mining business)

The Metals & Minerals Company has established and operates its own environment, health and labor safety (EHS) guidelines (for the mining business). The aim of the guidelines is to avoid or mitigate environmental, health and labor safety risks. These risks include environmental pollution due to metal, coal and uranium resource exploration, development and production activities, and health issues or accidents suffered by those involved with business activities. The guidelines also seek to preserve biodiversity as well as fully understand and give the utmost consideration to local communities.

Operation of the guidelines mainly targets projects the company is considering investing in, and will be expanded to existing projects as necessary. We will continue to ensure that the guidelines remain compliant with international standards, and will ensure they are distributed to all members of the organization together with specific case examples as part of activities to raise awareness.

■ Construction of a large-scale solar power plant in Oita

In August 2014, we began constructing a large-scale solar power plant on a 460,000 m² site owned by Mitsui Engineering & Shipbuilding Co., Ltd. ("Mitsui Shipbuilding," hereafter) in Oita, Oita Prefecture. The Project is being run through an operating company jointly established by ITOCHU Corporation (50% share), Kyudenko Corporation (30%) and Mitsui Shipbuilding (20%). For us, it represents the first domestic large-scale solar project in which we have had a central development role. Operation is scheduled to start in March 2016 and the generated electricity will be sold to Kyudenko Corporation for a period of twenty years. The plant will generate 52,500,110 kilowatt hours a year, enough to cover the annual electricity needs of around 9,300 homes, and is expected to reduce CO₂ emissions by the equivalent of about 32,000 tons. Tapping the expertise it has developed through solar power generating projects overseas and aggressively pursuing renewable energy projects in Japan and overseas moving forward, ITOCHU will play a role in building a green society geared to environmental challenges such as climate change.



Steady progress of construction at the Oita Large-Scale Solar power plant

■ Laying the groundwork for stable supply with the Jimblebar Iron Ore Mine project

In 2013, ITOCHU acquired 8% of shares in BHP Iron Ore Jimblebar ("BHP Jimblebar," hereafter), a part of the iron ore mining business of resource giant BHP Billiton (based in Australia and the UK, "BHP Billiton," hereafter), which is developing the Jimblebar Iron Ore Mine. Located in Western Australia, the Jimblebar Iron Ore Mine holds rich deposits and is a large-scale iron mine where highly cost competitive high-grade ore is produced through open-cut mining. The mine has completed its expansion to an annual capacity of 45 million tons and is operating at a steady pace. ITOCHU already operates three iron ore mines in Western Australia together with BHP Billiton, and uses the rail and port facilities of these existing projects to ship the iron ore mined from the Jimblebar mine. Moving forward, ITOCHU will make further improvements in operating efficiency to build a stronger revenue base.



Jimblebar Iron Ore Mine Source: BHP Billiton

CSR at the Energy & Chemicals Company

Growth Strategies for the Medium and Long Terms of this Division Company

With regard to trading in the energy area, we will continue to expand the traditional flow of business—importing and wholesaling products to countries in Asia. Meanwhile, we will take advantage of the opportunity presented by growing unconventional crude oil and gas production in North America to encourage the new flow of energy trade from North America to Asia.

In the oil and gas exploration and production, we plan to leverage our expertise and experience in working with superior partners to enlarge existing projects while curtailing risk, and to expand our business through participation in producing assets. In development of our projects, we recognize that factors such as consideration for the environment, harmony with local communities, and safe working environments are essential to business continuity. Accordingly, we and our partners have adopted measures appropriate to these considerations.

In the chemicals area, we will expand our business field in organic chemicals, plastics, and inorganic chemicals by utilizing our global trading capabilities. We will aim to advance projects in upstream areas to secure competitive raw materials, whilst taking steps to bolster our supply chains, especially in the retail area including pharmaceuticals, plastics processing, and electronic materials. With regard to the handling of chemical products, we will ensure compliance with chemical-related laws in any jurisdiction by through training and strengthening control across the supply chain, from raw materials until our products reach the hands of the purchaser.

Furthermore, we plan to create synergies with the CITIC/CP Group in line with our strategic business and capital alliance.



Yuji Fukuda
President, Energy &
Chemicals Company

CSR at this Division Company

- Pursuit of stable supply of diversifying energy resources and materials

The Energy & Chemicals Company aspires for the stable supply of energy and materials at the foundation of modern living, and is tightening measures for concerning for the environment, harmony with communities, and safety in product handling throughout its wide-ranging value chains for oil, gas, and chemicals. The company is also committed to the building of an enriched society through the development of diverse energy resources and the environment preservation business.






CSR Challenges for Sustainable Growth

Major Issues	Business	Reason for Importance from a Strategic Perspective
Consideration for human rights and local communities	Energy Development	In energy development, any neglect in ensuring harmony with local communities and working environments that give due consideration to health and safety could lead to operational stoppages, causing lost revenue opportunities and increased costs related to legal sanctions.
Management of dangerous or hazardous substances	Chemicals products	Any deficiencies in managing dangerous or hazardous substances in accordance with related laws and regulations could lead to legal sanctions and the manifestation of reputational risk, ultimately causing operations to be stopped or handling volumes reduced. Accordingly, such deficiencies could have implications for both revenues and costs.

CSR Action Plans

- Key points of our FY2015 action plans

While working for the stable acquisition and supply of energy resources by conventional development of oil fields, ITOCHU is simultaneously mounting a Group-wide approach to new businesses that are gentle to the global environment, as exemplified by projects related to lithium-ion batteries, which have good prospects for demand expansion as a form of clean energy. Meanwhile, we continue to implement programs of education and training in laws, regulations, and safety related to energy and chemicals.

Div./Dept.	CSR Issues/ Societal Issues	FY2015 action plans	Status*1	FY2015 results	FY2016 action plans	CSR Material Issues*2	Basic Policies for CSR Promotion*3
Energy Division	Further enhance employee training to prevent accidents, achieve environmental measures.	Periodic tanker training and notification of all personnel about safety management		Outside experts on tanker operations were brought in to conduct training sessions. Training was provided in areas including tanker-related safety management and how to respond to accidents.	Implement tanker training (twice) and notification of all personnel about safety management	climate change, resources, communities	2. 4.
	Strengthen the supply chain with a focus on the environment and local communities	Contribute to environmental conservation by stepping up efforts to encourage operators and partners through operation meetings and HSE (Health, Safety and Environment) meetings.		Took part in project meetings and encouraged HSE management and environmental conservation appropriate to each project.	Help protect the environment by increasing efforts to encourage operators and partners through operation meetings and HSE (Health, Safety and Environment) meetings.	resources, human rights, communities	3.
	Contribution to local society	Contribution to local communities of the project sites in aspects including education and cultural activities, and maintenance/strengthening of good relations		Offered scholarships through the Qatar Foundation and made donations to Azerbaijan for orphanages and displaced children.	Contribution to local communities of the project sites in aspects including education and cultural activities, and maintenance/strengthening of good relations	communities	5.
Chemicals Division	Management of hazardous and harmful chemical substances	Hold training sessions offering comprehensive information on laws and regulations concerning chemicals, such as the revised Chemical Substance Control Act, and the handling of Chinese laws and regulations covering dangerous chemicals. Facilitate information sharing with overseas branches. Confirm relevant laws and regulations before starting to offer new products, and take action to meet performance obligations.		Held training sessions on chemical industry laws. To confirm the relevant laws and regulations before starting to offer new products, in addition to developing a legal database, careful checks were made with consultants and authorities to ensure that laws and regulations were met without omission.	Provide exhaustive information about laws and regulations relevant to chemicals (including study sessions) and confirmed the relevant laws and regulations before starting to offer new products. Share information on GHS response in each country, including China, Taiwan and South Korea, and facilitated sharing of information about these countries within the Group.	company (Safe and reliable logistics)	3.
	Procure safe and reliable products	Expanded and heightened business related to use of lithium-ion batteries.		Developed domestic residential and commercial stationary storage batteries. Launched sale of commercial products. Reached agreement to invest in new energy-saving business utilizing storage systems in North America.	In addition to the existing lithium-ion batteries related business, contribute to the development of sustainable infrastructure through the new ESS energy-saving business in North America.	climate change, resources	2.

- *1 🌱🌱🌱 :Achieved 🌱🌱 :Nearly achieved 🌱 :Unachieved
- *2 For further information about CSR Material Issues, please see P10~11.
- *3 For further information about Basic Policies for CSR Promotion, please see P9~10.

Major CSR Initiatives

Initiatives in the Development of U.K. North Sea Oil Fields Aimed at Secure Stable Resources

For new cluster of oil fields (Western Isles Development Project, "WIDP") discovered at a block owned (23.08% ownership ratio) by CIECO Exploration and Production (UK) Limited (100% owned subsidiary of ITOCHU Corporation) in U.K. North Sea, ITOCHU Corporation decided to make a joint investment with block operator Dana Petroleum (E&P) Limited. Subsequently, the development plan was approved by the British government in December 2012. Since 1993, ITOCHU has engaged in oil development projects in the North Sea, including the additional acquisition of Alba Oilfield interests in 2005, and strived to secure a stable supply of resources. ITOCHU has taken part in the WIDP since exploratory drilling was carried out in 1996, and the project has now transitioned to the development phase. When this cluster of oil fields enters production, ITOCHU's share of oil and gas interests is expected to increase to approximately 10,000 barrels / day (during peak production). Utilizing the technical and commercial expertise developed in the North Sea, ITOCHU aims to transition the WIDP into production and further expand its operations.

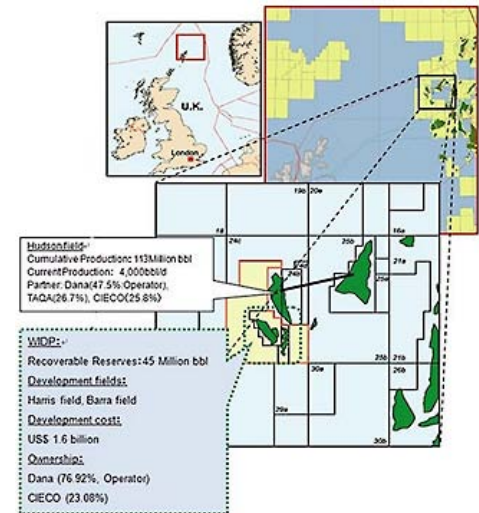


Diagram showing the WIDP Mining Block

Initiatives aimed at Storage Battery Businesses

From handling key battery components (cathode and anode materials) to the sale of storage battery systems downstream, ITOCHU is working to build a value chain that leverages its group network and creates new value. ITOCHU is positioning its lithium-ion battery operations as an eco-friendly business.

Working in conjunction with the U.S. electric power investment firm K-Road DG ("K-Road"), ITOCHU has accepted a private placement in Green Charge Networks ("GCN"), a U.S. firm running an energy management service business that employs a stationary lithium-ion battery system ("storage battery system"). With this move, in addition to the U.S. market ITOCHU will begin to offer storage battery systems in other markets, including Japan. GCN has developed proprietary software that enables optimized remote control and monitoring of its storage battery system and slashes electricity bills for customers by lowering their maximum demand for electric power (peak power). ITOCHU is looking to build its presence in this area. With its investment in GCN, ITOCHU will help create an efficient and clean distributed energy society by achieving sophisticated peak power reductions on the consumer side and by operating stationary storage batteries with intelligent functions under optimum conditions.



Green Charge Energy Storage

Starting December 2014, ITOCHU commenced sales of the Enepowebo S household lithium-ion storage system ("Enepowebo S," hereafter), jointly planned and commercialized by ITOCHU with NF Corporation through ITOCHU ENEX Co., Ltd., which maintains strong sales channels to regular households. The portable type previously offered was launched for industrial use in 2013. The latest household storage system works with existing solar power generating systems and fuel cells (Ene-Farm). By enabling the effective use of energy through the sale of surplus electricity from solar power generation and the daytime use of storage batteries charged with cheaper nighttime power, ITOCHU will help stabilize Japan's electricity supply and protect against power outages.



Lithium-ion Storage System "Enepowebo S"

■ Reducing the environmental footprint with the introduction of side shrink packaging

As an initiative to reduce its environmental footprint, ITOCHU PLASTICS INC. ("CIPS" hereafter) has supported the introduction of "side shrink film" at all stores operated by FamilyMart Co., Ltd. and its domestic area franchise company locations (collectively, "FamilyMart"), with the exception of Hokkaido FamilyMart. Side shrink film is a style of packaging in which the plastic film around a package for a boxed lunch, sushi or noodle product only covers the area where the container and lid meet.

FamilyMart began tests of side shrink packaging in February 2014 and in September 2014 was the first major convenience store chain to fully introduce it and expanded its use to nationwide stores (except Hokkaido) in FY2015. The switch to side shrink packaging from full shrink packaging, where an entire container is covered with cling film, has made packages easier to open, improved the visibility of contents and offered advanced blocking properties. The new packaging will also play a major role in reducing the burden on the environment by decreasing waste, cutting the amount of plastic materials used in packaging (by about 70% per meal, which translates to around 380 tons a year) and lowering CO₂ emissions (by at least 1,300 tons a year).

CIPS has positioned "Committed to the Global Good through the Plastic Business" as one of its basic principles. Through support for the introduction of shrink film and other endeavors, CIPS promotes corporate activities that balance a better global environment with economic growth and strives to preserve the environment, helping to realize a sustainable society.



Bento Box with Side Shrink Packaging

CSR at the Food Company

Growth Strategies for the Medium and Long Terms of this Division Company

Although the Food Company is seeing some sales increases in Japan thanks to a partial economic recovery, the market is shrinking due to the country's falling birthrate and aging population, consumers remaining keenly focused on lower prices, and the rising cost of foodstuffs as a result of yen depreciation. Given these factors, we do not view the outlook with optimism. On the other hand, business opportunities are increasing overseas, as growing populations and rising levels of income in Asian and other emerging countries drive demand higher. Against this backdrop, and in line with the Companywide policy of "reinforcing our financial position," the Food Company will work to further improve the quality and efficiency of its assets through asset replacement. We will also continue building a value chain that is high-value-added in Japan, China, and other parts of Asia, as well as throughout the world, concentrating specifically on the Dole operations and joint business development with the CITIC/CP Group.

Simultaneously, we will endeavor to ensure a stable supply of food resources, thereby addressing food issues that affect all of humankind. Recognizing that ensuring food safety and security is its topmost objective, the Food Company will work with investees and partners to further enhance its management system.



Koji Takayanagi
President, Food Company

CSR at this Division Company

- Construction of value chains for food safety and security

Developing diverse food-related business on a global scale, the Food Company has made rigorous provisions for assurance of food safety and security as well as concern for the environment. It endeavors to deliver healthy and rewarding lifestyles to all people through value chains with high value-added levels encompassing all processes, from stable supply and food resources to their processing, manufacture, wholesaling, and retailing.





CSR Challenges for Sustainable Growth

Major Issues	Business	Reason for Importance from a Strategic Perspective
Food safety management	Overall business	As an entity that handles food, food safety management is a leading priority for the Food Company. Even more than affecting ongoing performance, any food safety issue due to neglect in this area could endanger our continued existence.
Securing food resources	Raw materials business	Demand for food is expected to continue rising as the world's population increases, but supply risks exist, as arable land is affected by large-scale droughts and overfishing threatens seafood resources. For that reason, ensuring the stable procurement of agricultural and fishery resources, as well as securing new supplies, is essential to our business sustainability.

CSR Action Plans

- Key points of our FY2016 action plans

We will continue advancing initiatives that meet a variety of societal needs, such as ensuring the stable supply of food resources, protecting the environment, strengthening convenience store functions as social and lifestyle infrastructure, developing healthier foods and improving inspection systems to ensure food safety.

Div./Dept.	CSR Issues/ Societal Issues	FY2015 action plans	Status*1	FY2015 results	FY2016 action plans	CSR Material Issues*2	Basic Policies for CSR Promotion*3
Provisions Division	Ensure a stable supply of safe and reliable raw materials	Promotion of business in food resource procurement and establishment of stable supply (expansion of sites for supply of materials in North America, South America, Australia, etc.).		CGB continued expanding operations with the purchase of collection bases and a strengthening of distribution functions, etc. Operation of an export terminal on the west coast of North America has stabilized. We also invested in Brazilian oil seek and wheat inland collection companies, securing raw material supply facilities in South America in addition to those in North America.	Promote business in food resource procurement and establish a stable supply (expansion of sites for supply of materials in North America, South America, Australia, etc.)	climate change, resources, communities	3.
Fresh Food & Food Business Solutions Division	Improve and strengthen the management system for production bases inside and outside Japan	Strive for measures that improve the accuracy and effectiveness of plant audits (Introduce training for plant auditors and partial audits by experts). Promotion of the reinforcement and establishment of the framework for food safety audits in the Company.		Implemented plant audits in accordance with annual plan. Coordinated with Food Safety Compliance Office to conducted training.	Have the Agricultural Production Department support the following CSR activities undertaken by Dole. 1) Activities to plant trees, conduct river improvements and preserve scenery in production regions 2) Activities to donate learning materials, facilities and school lunches to local schools 3) Provision of water supply facilities to regional communities and healthcare support	company (Food safety and security)	4.
Food Products Marketing & Distribution Division	Provided a food environment in response to the aging society and to changes in the household structure.	Development of euglena products, containing 59 types of nutrients, through collaboration with Euglena Co., Ltd., whose management philosophy is to make both people and the earth healthy. Development of products emphasizing health for the elderly using the services of vegetable culinary expert Izumi Shoji.		Continued to sell euglena-related products at a total of 16,000 stores across FamilyMart and the UNI Group and released five new products in the second half of the year. Regularly took part in the Healthy Eating program committee run by the Ministry of Health, Labour and Welfare, and conducted study sessions for retailers.	Development of products using euglena ingredients as a sustainable food resource, expanded sales and awareness-raising activities Coordinate with famima Retail Service Co., Ltd. to select waste disposal operators and implement the introduction of a food recycling loop at stores that apply.	company (Food safety and security)	2.
All Divisions	Improve the level of food safety and compliance management	Verify compliance with food safety management manual/compliance Support food safety management for Chinese business partners Support compliance management related to the Dole project		Conducted food safety and compliance audits of business divisions. In January 2015 a China Food Safety Management Team was established in ICN. Experts in plant audits are working as trainers to give local human resources the ability to perform unannounced and impromptu plant inspections. In December a plant audit was conducted at the Dole site in Thailand.	Conduct audits to confirm the state of compliance with the Food Safety Management Manual and compliance program at each division in ITOCHU Corporation. Visit each Group company and conduct audits with the aim of improving the state of food safety and compliance management. Seek to further improve the food and hygiene management level of China suppliers through support of the China Food Safety Management Team.	company (Food safety and security)	1.

*1 🍀🍀🍀 :Achieved 🍀🍀 :Nearly achieved 🍀 :Unachieved

*2 For further information about CSR Material Issues, please see P10~11.

*3 For further information about Basic Policies for CSR Promotion, please see P9~10.

Major CSR Initiatives

- Improvement and promotion of procurement networks for stable acquisition and supply of food resources

The rapid expansion of the demand for grains and food products is expected worldwide, accompanying the rise in population and income levels in various regions. At the same time, there are rising preferences for safe and secure food among consumers not only in Japan but also in other Asian countries. Increasing importance is consequently being attached to the assurance of quality and safety, and establishment of systems for traceability.

The Food Company continues to secure raw material supply bases on a global scale, with collection businesses in North and South America, coffee in South and Central America and dairy products in Oceania. In this way, we will make significant contributions to stable supply for customers in Asian markets, including Japan and China, and to food safety and security. With regard to crop collection businesses in particular, in FY2015 we acquired 50% of the shares in the Brazilian crop collection company NATURALLE AGRO MERCANTIL LTDA. ("Naturalle," hereafter). Naturalle holds a strong position in the Brazilian crop collection business, including the trading of products such as seeds, pesticides and fertilizer. Harnessing ITOCHU's distribution and sales network, we aim in a few years' time to be collecting a million tons of soy bean. With the aim of building and strengthening a global value chain, in addition to our existing crop collection centers in North America, we will upgrade and expand our supply bases in South America in an effort to achieve an even more stable supply of food to Japan and Asian countries. Meanwhile, as ITOCHU has agreed to a capital and business tie-up with the Charoen Pokphand Group, one of the largest conglomerates in Thailand, for its part the Food Company plans to proceed with joint ventures in fields such as food and fertilizer.



Capital participation in a crop collection company in Brazil

- Initiatives to develop foods for healthier lifestyles

ITOCHU Corporation is committed to developing value-added foods which satisfy consumers who are increasingly health-conscious. In FY2014, in conjunction with Circle K Sunkus and FamilyMart, we developed and released a series of bread products with calcium equivalent to a bottle of milk using Japan's first calcium-fortified raw ingredients specifically designed for bread making. The products achieved certification under the "Extend your Healthy Life Span! Smart Life Project" initiative run by the Ministry of Health, Labour and Welfare, and new products in the series are being continually released. Since 2008 we have also been engaged in a capital and business tie-up with Euglena Co., Ltd. The company is involved in the mass cultivation and R&D into euglena, a type of algae attracting attention for its rich nutrients, and we are considering expansion of the business on multiple fronts.



Soymilk Drink with Added Euglena

Euglena & Yoghurt, a product the company has already developed using the euglena algae, has been released as a jointly planned product from four companies, namely UNY, Circle K Sunkus, FamilyMart and ITOCHU Corporation. In another development, home meal replacement products jointly developed by ITOCHU Corporation and a vegetable culinary expert under exclusive contract were released at FamilyMart stores across Japan in February 2014. In this way, we have been proceeding with the development of various products designed to promote healthy lifestyles in Japan and abroad.

■ Ensuring food safety through regular auditing of overseas suppliers

Against a backdrop of increasingly diverse dietary lifestyles, the globalization of food distribution and increased awareness of health, consumers are taking an even greater interest in the safety and security of food. Meanwhile, incidents and problems have been occurring that threaten the safety and security of food, such as the BSE problem, violations of residue standards with pesticides and other substances and the distribution of foods using additives untested for safety. In FY2003, ITOCHU Corporation set up the Food Safety and Compliance Management Office and has since taken broad measures to ensure safety in the trading of food. Since FY2012, as part of these measures, ITOCHU has been regularly visiting and auditing food processing plants of overseas suppliers for imported food.



A food audit underway

ITOCHU determines the subjects and frequency of audits in correspondence with various factors, including the management setup in the host country, product characteristics and sanitation risks in processing steps. Our employees, local staff and/or Group company employees make on-site visits to carry out audits based on our own Plant Audit Check Sheet. These audits confirm the 25 items related to food protection in addition to the 100 items related to food safety. Proposals for improvement are made as necessary. In FY2015, we conducted a total of 166 on-site audits for a total of 145 suppliers. In addition to these measures, in January 2015 we set up the China Food Safety Management Team in Beijing to bolster safety management on foods imported from China. In addition to having several Chinese staff dedicated to conducting regular audits, we conduct unannounced and impromptu inspections to cultivate communications with factories and facilitate ongoing improvements. We also dispatch dedicated Japanese staff who are highly experienced at factory audits (senior environmental examiners registered with CEAR*) to China each month to provide training. Through these efforts, we aim to create a management structure comparable to the one we have in operation in Japan.

* Japan Environmental Management Association for Industry Center of Environmental Auditors Registration

CSR at the ICT, General Products & Realty Company

Growth Strategies for the Medium and Long Terms of this Division Company

As the ICT, General Products & Realty Company is involved in a broad range of areas, we are adding and augmenting specialist strengths in each division and sector to establish a solid industry position. For instance, in the ICT sector, our business ranges from systems-related construction to mobile phone distribution. In the construction business, through collaboration with Japan's largest residential J-REIT, we have the ability to develop and supply excellent housing, and in the finance business, we have retail financing expertise developed through years of domestic and overseas experience.



Tomofumi Yoshida
President, ICT, General Products & Realty Company

To expand earnings, we will adopt a holistically cooperative approach that transcends boundaries between fields. Specifically, we are introducing Internet services to rental housing developed in our construction business, providing marine and domestic transport for manufacturers of housing products, and supporting Group companies in the logistics and insurance sectors with insurance coverage. By fostering synergy in such ways, we expect to continue enhancing services and providing added value to customers. This approach allows us to pursue multiple layers of profits and create "new and true value" to support affluent lifestyles. We will also promote collaboration with the CITIC/CP Group.

At the same time, we will develop business in a way that embraces societal and environmental problems as opportunities: providing customers and consumers with IT support for energy management systems that address their environmental management needs, offering environmentally considerate condominiums, and exporting blast furnace slag as a cement alternative, among others. In Forest Products & General Merchandise, we recognize ensuring stable supplies of forest resources and harmony with local communities as key business creation issues. An example of our efforts in this regard is our sustainable management of forest resources through CENIBRA of Brazil.

CSR at this Division Company

- Contribution to concerns for the environment and creation of enriched communities

Developing businesses in diverse domains, the ICT, General Products & Realty Company has adopted the mission of contribution to establishment of safe and rewarding lifestyles. It provides products and solutions that are closely intertwined with people's lives and adapted to societal needs. We also pursue the stable procurement and efficient use of forest resources in sustainable ways and are working to build a more recycling-oriented society.





CSR Tasks towards Sustainable Growth



Major Issues	Business	Reason for Importance from a Strategic Perspective
Sustainable forest management	Forest Products & General Merchandise-related business	Natural forests around the world continue to be decreased at high rate due to unsustainable forest management such as large-scale clear-cutting. To continue the sustainable use of limited forest resources, in the areas of logs and lumber, building products and materials, pulp and paper, and wood chips, sustainable forest management and the handling of certified forestry products is essential to developing business from a long-term perspective.

CSR Action Plans

Key points of our FY2015 action plans

Our development of environment-friendly business may be exemplified by transactions for lumber from certified forests linked to sustainable resource use, energy management solution business utilizing IT, and development of environment-friendly condominiums. In the fields of construction and finance, we will contribute to the revitalization of local communities in Japan and other countries.

Div./Dept.	CSR Issues/ Societal Issues	FY2015 action plans	Status*1	FY2015 results	FY2016 action plans	CSR Material Issues*2	Basic Policies for CSR Promotion*3
Forest Products & General Merchandise Division	Enhance the traceability of raw materials/ protect natural forest/ensure the observance of labor laws and regulations	Update survey items and survey recipient data; carry out traceability surveys and ensure to follow labor laws and regulations.		Conducted questionnaires and on-site surveys of suppliers from the viewpoint of ISO only in FY2015, following a review of the contents of the questionnaire for supplier surveys. Held a seminar on raw material traceability in July with a guest speaker from outside the company. Developed the Policy on Procurement of Wood, Wood Products, Paper Manufacturing Materials, and Paper Products in December.	Conduct new questionnaires on CSR and on-site surveys to review traceability and the status of compliance with laws and regulations on the protection of natural forests as well as those on labor, and provide education for personnel with specific duties as an opportunity to learn about issues.	resources, human rights	1.
	Handle internationally certified forest products as well as health-safe products	Maintain and increase the ratios of FSC-certified materials handled (pulp: 80%, wood chips: 50%) by continuing to request that non-certified suppliers acquire certification.		Visited non-certified suppliers and requested them to acquire certification. Target levels of certification acquisition rates were maintained during the period under review.	Maintain and increase the ratios of internationally certified materials handled (pulp: 80%, wood chips: 50%) by continuing to request that non-certified suppliers acquire certification.	resources	3.
ICT Division	Provide products and services for realizing a reliable, safe and prosperous society	Enhance green tech solutions utilizing IT to increase the number of customers.		Introduced new products that are likely to yield economic effects for smaller facilities as well. Acquired new customers and emphasized the need for emergency demand response and the importance of continuous energy management.	Increase the number of customers of green tech solutions (EMS) and expand the smart IT infrastructure business with a focus on the Smart Street Lighting Service.	climate change, resources	2.
	Creating businesses based on the 3R philosophy	Discuss and enact various measures to promote penetration of the MOTTAINAI philosophy		Used timber from forest thinning and eco-friendly products as a replacement operator under the <i>Mokuzai Riyuu Points</i> (the Wood Use Points Program) and the <i>Fukkou Shien Jutaku</i> Eco Points (Housing Eco Point Program to Support the Reconstruction from the Great East Japan Earthquake). Promoted the MOTTAINAI philosophy through events (flea markets, eco events, etc.) and PR activities (Facebook, blogs, and paper ads).	Encourage the use of eco-friendly houses through the government's new <i>Sho Ene Jutaku Eco Points</i> (Eco-Point Program for Energy-Saving Houses). Discuss and enact measures to promote the MOTTAINAI philosophy.	climate change, resources, communities	2.

Construction, Realty & Financial Business Division	Care extensively for the environment	Actively promote eco-friendly homes in condominiums and elsewhere		In the CREVIA Toyoda-Tamadaira no Mori RESIDENCE, a condominium developed by ITOCHU Property Management, a community was formed by holding a sapling planting event for purchase contractors in the communal area.	Actively promote projects that contribute to the environment and local communities in condominiums and elsewhere.	climate change, resources, communities	1. 2.
	Participate in local and international communities and contribute to their development	Seek to newly uncover and develop businesses in the fields of construction and finance through enhanced communication with local partners in Asia and around the world.		Continued with promotions to attract Japanese companies to the Industrial Park in Karawang International Industrial City in Indonesia, which we have invested in and operate. Aided the development of Indonesia's local communities as well as the overseas expansion of Japanese companies.	Seek to identify and develop new businesses as we expand the construction business in Asia through enhanced communication with local partners in Asia and around the world.	communities	1. 5.
Financial and Insurance Business Division	Contribution to the local community	No plan for FY2015 since the division was established in FY2016			Contribute to the activation of local economy by utilizing financial function, together with the local partners.	communities	5.

*1  :Achieved  :Nearly achieved  :Unachieved

*2 For further information about CSR Material Issues, please see P10~11.

*3 For further information about Basic Policies for CSR Promotion, please see P9~10.

Major CSR Initiatives

Sustainable forest management of CENIBRA in Brazil

ITOCHU's Group company CENIBRA in Brazil has consistently engaged in everything from forest management to pulp production. In 2005, CENIBRA obtained forest certification from the Forest Stewardship Council (FSC) as well as CoC certification (certification for management of processing and distribution processes).

Of the roughly 250,000 hectares of land the company owns (equivalent to the area of Kanagawa Prefecture), about 130,000 hectares are used to plant trees and produce pulp, while the other approximately 100,000 hectares are preserved as permanently protected forest or legally protected forest, maintaining the ecosystem.

Protective breeding activities for endangered species of bird are also underway at Macedonia Farm in a protected zone of natural forest. Scarce wild birds such as the pheasant family bird, mutum are protected and bred at the farm and later released into the wild.

For plantation logging, we minimize manual tasks and promote the introduction of machines in our efforts to improve worker safety and reduce the physical burden. We have also developed an infrastructure for thermal insulated transport to provide warm lunches to those who work in distant mountain forests. We therefore manage the business in consideration of the labor environment as well.

Further, we also engage in activities to ensure a harmonious coexistence with the local communities surrounding the forests of CENIBRA, such as the leasing of farmland and the provision of instruction on farming techniques to local farm families, and support for the management of a bakery run by a local women's organization.



One of CENIBRA's vast plantations



The rare mutum at Macedonia Farm

■ Initiatives for sustainable forest procurement

In FY2015, ITOCHU Corporation formulated a Policy on Procurement of Wood, Wood Products, Paper Manufacturing Materials and Paper Products(P55) to conserve natural forests and to continue the sustainable use of forest resources.

In addition, under an environmental management system based on ISO 14001, employees engaged in businesses handling forest resources with a high environmental impact, receive education for personnel with specific duties every year. In FY2015, we held a CSR Seminar for a Specific Field under the theme of "Latest Trends of Forest-Friendly Wood Procurement" with a guest lecturer from outside the company. About 70 people participated in the seminar and gained an overview of the latest global movements, including the current facts about deforestation, issues with supply chains, activities of NGOs, and measures taken by other companies. The seminar gave the participants an opportunity to review the roles to be fulfilled by a trading company.

■ Export of Blast-Furnace Slag, a Cement Alternative, to More Than Ten Countries

Blast-furnace slag, a by-product of iron and steel, is mixed with cement for use as a cement alternative. It is an eco-friendly product, which enables reduced energy use and CO2 emissions in its production process by around 40%* as compared to producing concrete from cement only, in addition to saving natural resources such as cement raw materials and limestone. Iron and steel manufacturers produce high-quality iron and steel with blast furnaces in Japan, and a certain volume of blast-furnace slag is generated in the process.

Over ten years ago, ITOCHU started to export blast-furnace slag because it was impossible to consume all of the slag in the domestic construction market. We have now expanded our export destinations to more than ten countries in Latin America, Asia and other regions, and we boast the largest trade volume among trading companies. By exerting our functions as a trading company, we also contribute to the effective use of resources on a global scale.

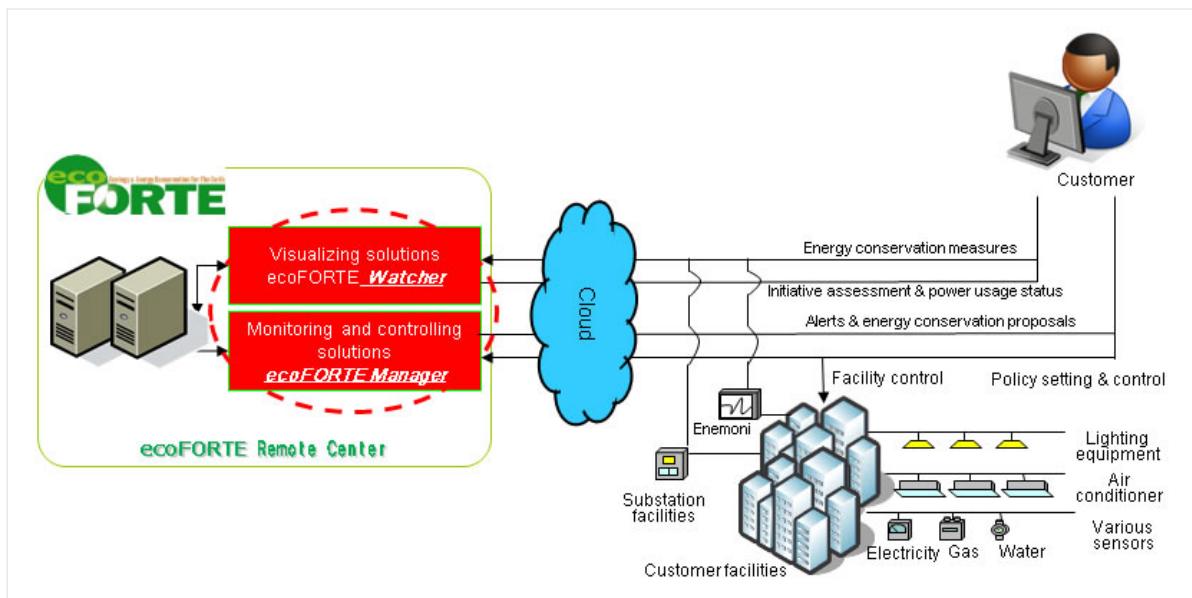


A structure constructed using blast-furnace slag

* Estimated by assuming a ratio of cement to blast-furnace slag of 55 to 45.

■ Energy management business with IT

ITOCHU Corporation is developing businesses in energy management and smart infrastructures utilizing IT, under the ecoFORTE brand and in collaboration with partners inside and outside of Japan. Given the issue of intermittent rises in power charges in recent years, reducing power consumption has been an urgent task for the corporate sector. ecoFORTE's capabilities extend from tracking energy use and discovering issues to executing solutions with automatic control. As such, it provides a mechanism for reducing energy use even without any specialized knowledge. Recently, we made ecoFORTE easier to introduce even in small and midsize commercial facilities, which have found it hard to do thus far, by offering more compact, low-priced systems. We are going to continue contributing to the reduction of CO2 emissions and preservation of the environment on a global scale by supporting the efficient utilization of finite energy resources.



Outline of ecoFORTE

■ Karawang International Industrial City, Aiming for Harmonious Coexistence with Neighboring Communities

ITOCHU Corporation operates the Industrial Park in Karawang International Industrial City (KIIC), which is located in Karawang Regency, West Java, Indonesia, jointly with a local partner. More than 140 companies operate factories on a vast site of more than 1,300 ha. For years, we have undertaken a range of CSR activities in health care, agriculture, environment, education and other areas, to achieve prosperous coexistence with local communities and residents. KIIC's own activities include support for six neighboring villages in their establishment of community baby health centers (ten centers have already been established) and the provision of medical equipment to midwives from those villages. As joint activities with tenants, KIIC donates saplings to local municipalities and plants trees on World Environment Day every year. In the industrial park Telaga Desa Agro Enviro Education Park, it has also established a facility for research, training, education and other activities related to agriculture, environmental conservation and other areas. At this facility, experts provide agricultural instruction to local farmers, and more than 10,000 saplings for tree planting are grown every year. In addition, as a secretariat for the CSR activities of tenants, we supply baby food for babies in the neighboring villages every month, grant scholarships to junior and senior high school students, provide aid in the event of flooding and support pest control and other activities proactively.

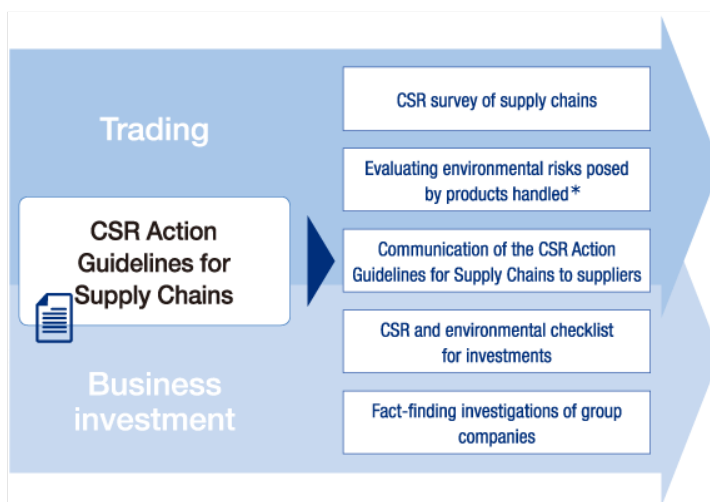


Scholarship award ceremony in the 2014 school year

CSR in Our Supply Chain and Business Investment

Engaged in trading and business investment on a worldwide basis, ITOCHU Corporation also takes full consideration for human rights, labor, and the environment etc., through CSR management that is commensurate with respective business activities for its supply chain and business investment.

Through such consideration, the Company is determined to build a sustainable value chain and link this to a heightening of the competitiveness and corporate value of the ITOCHU Group.



* Please refer to P70

Supply Chain Management

Basic stance on supply chain management

Trading firms are engaged in the trading of all sorts of articles, from resources to intermediate materials and finished products, around the world. In light of the increasing complexity of their supply chains, their business requires risk management concerning human rights, labor and the environment not only in processes under their direct control but also in areas such as procurement of raw materials, production sites, intermediate distribution, and the regions of consumption. We at ITOCHU Corporation pay particular attention to management on the site of suppliers which occupy a fairly high share of our purchasing, and view our consideration and sense of responsibility for these areas as matters of great importance to be addressed with a high priority.

ITOCHU Corporation has set out its CSR Action Guidelines for Supply Chains, and implements the following surveys and reviews. Through these activities, it is striving to prevent the occurrence of any problems. When problems are detected, it aims for improvement in the concerned areas through communication with suppliers.

ITOCHU Corporation's CSR Action Guidelines for Supply Chains

1. Suppliers shall respect the human rights of its employees, and shall not treat employees in an inhumane manner including verbal abuse and physical punishment.
2. Suppliers shall not engage in 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 and bargain collectively to promote smooth negotiation between labor and management.
6. Suppliers shall ensure that employees' working hours, holidays, and use of leave of absence are properly managed so as to comply with statutory standards.
7. Suppliers shall strive to provide employees with a safe and healthy work environment.
8. 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.
9. Suppliers shall observe all related laws and international rules, and ensure fair transactions and prevent corruption.
10. Suppliers shall disclose information regarding the above items in a timely and appropriate manner.

Communication of the CSR Action Guidelines for Supply Chains to suppliers

We believe it is important to win the understanding and cooperation of all our suppliers for our procurement-related policies. In keeping with this belief, in fiscal 2014, we again made notice of the ITOCHU Corporation's CSR Action Guidelines for Supply Chains to the approximately 4,000 suppliers with whom we have continuing transactions. In January 2015, we established a rule to make notice of the guidelines to any new supplier before we start transactions. We are thus endeavoring to deepen communication with them on our CSR-related policies.

Response to non-compliant supplier

When a case that does not comply with the intent of guidelines has been confirmed, ITOCHU will request the relevant supplier to take remedial action, and will provide support and guidance as needed. If a remedy is deemed difficult despite ITOCHU making continuous requests for remedial action, ITOCHU will reexamine its dealings with the supplier concerned.

CSR Survey of Supply Chains

In order to check the status of our various suppliers, ITOCHU conducts survey with a method suited to the characteristics of the goods of each Division Company, along with mandatory questions on the ten items in our "CSR Action Guidelines for Supply Chains."

■ Supplier CSR Checklist

Each of the Division Companies and relevant Group companies of ITOCHU selects significant suppliers and creates a survey plan based on such parameters as high-risk countries, products handled, transaction amounts, etc.. Sales representatives or locally assigned ITOCHU employees of each Division Company visit the suppliers and survey by providing interviews or questionnaires. From FY2009 to FY2014, we conducted surveys using the Supplier CSR Checklist based on ten items covering human rights, labor, environmental issues and the prevention of corruption. We then added further items specific to each field. 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 the protection of intellectual property for Textile Company.

In FY2016, we will revise the Supplier CSR Checklist and begin operating a check system. This system will enable sales representatives and locally assigned ITOCHU employees to undertake more specific checks of the actual status of significant suppliers' management of environmental issues, human rights, labor practices, prevention of corruption and other matters. It will also help them provide suppliers with advice on improvements. In addition, we will also create a guidebook on communications with suppliers, and use it to inform employees how to communicate with suppliers. Moving forward, we will continue to conduct surveys and communicate with suppliers to raise employee awareness and enhance supplier understanding and implementation.

■ CSR Surveys in fiscal 2014

In fiscal 2014, ITOCHU surveyed 380 companies, including 25 suppliers of overseas offices and 89 suppliers of 12 Group companies. No serious problems requiring immediate response were found in the survey results. Even when surveys have revealed problems that are cause for apprehension, we confirm the initiatives for prompt improvement or countermeasures taken by the supplier. We are going to continue to engage in communication with suppliers to seek their understanding of our thinking. Local employees in charge of the surveys commented, "Through these annual surveys, supply chain management is steadily advancing."

Surveys conducted in FY2014	Subject countries	Number of companies visited for on-site surveys	Survey items
Textile Company	- High-risk countries - Countries with specific transaction amounts - Countries where specific products are handled	26	Labor safety, labor management, human rights, environmental issues, prevention of corruption, customer correspondence, intellectual property, traceability
Machinery Company		13	Labor safety, labor management, human rights, environmental issues, prevention of corruption
Metals & Minerals Company		12	Labor safety, labor management, human rights, environmental issues, prevention of corruption, consideration for local residents
Energy & Chemicals Company		62	Labor safety, labor management, human rights, environmental issues, prevention of corruption, consideration for local residents
Food Company		118	Labor safety, labor management, human rights, environmental issues, prevention of corruption, quality control
ICT, General Products & Realty Company		149	Labor safety, labor management, human rights, environmental issues, prevention of corruption, traceability, customer correspondence, consideration for local residents
Total		380	

For our significant suppliers, personnel from the CSR Promotion & Global Environment Department of our Corporate Communications Division make visits to undertake on-site surveys together with external experts as necessary. In FY2015, we conducted a survey of UNIMAX SAIGON CO., LTD., a subsidiary in Vietnam that manufactures uniforms for women. The survey was conducted on labor safety, labor management, human rights and environmental aspects by applying the EICC audit standards, the ILO standards and the standards of major global apparel brands.

On-site report: a fact-finding survey at a sewing plant in Vietnam



On February 4, 2015, ITOCHU conducted an on-site survey of UNIMAX SAIGON CO., LTD., a member and supplier of the ITOCHU Group, together with an external expert. At its plant, which is located in an export processing zone slightly less than 30 minutes drive from the city center of Ho Chi Minh City, 456 company employees manufacture uniforms for women in a single shift. The survey was conducted before the Vietnamese New Year, so the plant had received more orders than usual and was struggling to meet the delivery dates.

In the morning, they interviewed the president, the plant manager and the general manager of the Personnel and General Affairs Division and checked documents. In the afternoon, they checked the production lines in the plant, the cafeteria, the first-aid center, the outdoor waste yard and other areas. The external expert said that the documents were relatively well organized at the plant, as a plant affiliated with a Japanese company. The expert also gave some advice from the viewpoint of meeting global standards on labor management. The local personnel immediately formulated countermeasures, which has resulted in the further improvement of employee performance. They continue to work on improvements with the aim of establishing a production system with a superior balance between quality control and production efficiency.

■ Regular on-site surveys of food processing plants

Since FY2012, the Food Company has regularly visited and surveyed the food processing plants of overseas suppliers for imported food, under the initiative of the Food Safety and Compliance Management Office. For further information on the ensuring food safety through regular auditing of overseas suppliers, please see P52.

■ Fact-finding investigations of Group companies

To prevent environmental pollution and related problems among the ITOCHU Group companies, personnel from the CSR Promotion & Global Environment Department have been making on-site visits for the purpose of survey work from the third party stand point, together with external experts.

- Related Page: Precautionary Approach to Environmental Risks (P70)

Surveys conducted in FY2015	Subject region	Number of companies visited for on-site surveys	Survey items
Food hygiene audits by the Food Company*1 (suppliers from which products are imported directly)	Overseas	145	Food hygiene, food defense
Fact-finding investigations of Group companies conducted as on-site fact-finding surveys of suppliers as well	Overseas	3	Soil pollution, water and air discharge control, waste disposal, labor safety, labor management, human rights
	Japan	8	Soil pollution, water and air discharge control, waste disposal, labor safety, quality control

*1 Of those overseas suppliers, 55 were also the subjects of CSR surveys of supply chains.

Business Investment Management

The business activities at companies in which we invest must take account of and address their possible influence on the global environment and society at large. For this reason, we endeavor to understand the potential CSR risks and to prevent the actualization of CSR risks at the Group companies. We assess their activities by using a checklist and doing on-site visits, and take the requisite measures in response to the assessment results. We do these assessments as part of our environmental management system and try to improve their management level.

Evaluating CSR Risks of New Investment Projects

In approaching prospective new business investment projects, the proposing unit is required to make an advance assessment using our CSR and environmental checklist for investments. Specifically, an assessment is made of items such as whether there are the policies and setups at the investment subject set in place as viewed from the standpoint of CSR and the environment and whether there is the possibility of significant adverse environmental impact, legal or regulatory violations, and the risk of litigation by concerned parties. The checklist consists of 33 items, including the seven core subjects in ISO 26000*, the international CSR guideline. (*Organizational Governance, Human Rights, Labor Practices, The Environment, Fair Operating Practices, Consumer Issues, Community Involvement and Development) The proposing unit also takes consideration of the opinions deriving from assessment based on risk analysis by the related administrative division. If any causes for apprehension are identified, a request is made for an advance due diligence study by an external specialized institution in the case of projects requiring an expert perspective. The actual project will commence only after this study confirms the absence of any problems.

Fact-finding Investigations of Group Companies

To prevent environmental pollution and related problems among the ITOCHU Group companies, ITOCHU(the CSR Promotion & Global Environment Department of our Corporate Communications Division)has been making on-site visits for the purpose of survey work continuously since 2001. In fiscal 2015, such visits were made to a total of 11 companies, some involving the participation of external experts, with consideration of the level of environmental and social risks at each company. By the end of March 2015, such surveys had been completed at a total of 260 establishments.

The survey work consists of interviews with management, a survey of facilities such as factories and warehouses as well as drainage into rivers, checks of compliance with environmental laws and regulations, occupational safety, human rights, and communication with local communities. Based on the findings, the survey work team points out problems, indicates measures for prevention, and confirms the status as regards correction.

On-site report: a fact-finding environmental survey at ISLA



On March 9, 2015, ITOCHU visited the Canlubang Plant, one of the nine bases/filling stations of ISLA Petroleum & Gas Corporation that sells LPG in the Philippines. Drawing upon the knowledge of an external specialist familiar with local laws and regulations, we conducted a detailed check of the status of risk management and compliance with laws related to the environment, such as those for the management of wastewater, waste, and chemicals. We confirmed that the company properly manages those matters. The company complies appropriately with the advice that was given concerning the method for storing

chemicals, the organization of documents, and other matters. It also seeks to apply these measures to other bases including filling stations to improve their level of management.

Product-by-Product Approaches to CSR Procurement

At ITOCHU Corporation, we handle a broad range of products all over the world. Recognizing the impact of each product on the society surrounding it and on the global environment, we have established individual procurement policies and measures for products with large impacts and reflect them in our daily business activities.

Policy on Procurement of Wood, Wood Products, Paper Manufacturing Materials, and Paper Products

■ Objective and Background

In order to fulfill its corporate social responsibility, ITOCHU Corporation (hereafter, "ITOCHU") has established the CSR Action Guidelines for Supply Chains and engages in business activities aimed at achieving a sustainable society. However, natural forests around the world continue to be decreased at high rate. One of the primary drivers of deforestation is unsustainable forest management for production such as large-scale clear-cutting. In response, ITOCHU has established the following procurement policy to conserve natural forests and to continue the sustainable use of forest resources.

■ Scope of Application

This policy covers wood and paper products that ITOCHU and its consolidated subsidiaries procure in Japan and overseas. Specifically, it covers raw wood, wood products, paper manufacturing materials such as wood chips and pulp, and paper products (hereafter, "Forest products").

■ Basic Policy

ITOCHU and its consolidated subsidiaries which handle Forest products will work to ensure the traceability of Forest products and procurement based on the following policies.

1. Support expansion of reliable forest management certification systems and give priority to Forest products with reliable certifications.
2. Production and manufacture of Forest products shall not impose an excessive environmental burden on High Conservation Value Forest.
3. Forest products and their materials shall have been produced (or logged) through appropriate procedures by following the laws and regulations of the area where the raw material is produced.
4. Forest products shall not be procured from any suppliers who contribute to serious environmental or social problems, such as the destruction of High Conservation Value Forest.

■ Implementation and Operation

ITOCHU and its consolidated subsidiaries which handle Forest products will strive to implement the above basic policy in a phased manner in consideration of the characteristics of each country and region. In implementing the policy, we will review this policy regularly and cooperate with customers, specialists, and stakeholders, including NGOs, while also considering the provision of support for the shift to production systems which will help improve sustainability of production areas.

■ Information Disclosure and External Communication

To ensure transparency, we will disclose the progress of our initiatives through the CSR Report and promote society's understanding of the sustainable use of forest resources through appropriate communication with customers.

| Approach to Conflict Minerals Issues

Some of the minerals produced in the Democratic Republic of the Congo and neighboring countries where conflicts are taking place can potentially provide sources of funding to armed groups which engage in inhumane acts, foment conflict or bring about human rights violations. The Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted in the United States in July 2010, required that U.S. listed companies disclose information such as their use of "conflict minerals*" produced in the Democratic Republic of the Congo and neighboring countries in their products.

While ITOCHU Corporation is not bound by the reporting requirements of the United States' Securities Exchange Act, to fulfill its social responsibility in procurement activities, ITOCHU Corporation will coordinate with its business partners in keeping with the spirit of this legislation and promote initiatives to ensure that it does not help armed grounds that engage in human rights violations.

* "Conflict Minerals" as defined by the law refer to tantalum, tin, gold, tungsten and other minerals specified by the U.S. Secretary of State.

| Activities for Sustainable Procurement of Palm Oil

To ensure that sustainable procurement can be carried out consistently in consideration of human rights and environmental conservation, ITOCHU Corporation makes notice of its CSR Action Guidelines for Supply Chains to its suppliers and undertakes regular communications with them on CSR procurement through fact-finding surveys and other activities. We recognize that the procurement of palm oil in particular requires consideration for environmental issues, labor safety, human rights, and relationships with local communities, so we became a member of the Roundtable on Sustainable Palm Oil (RSPO) in 2006. We participate regularly in its meetings to promote the transparency of our supply chains and trade with suppliers who improve traceability. In this way, we strengthen our system for the sustainable procurement of palm oil.

Our Initiatives for the Environment

As a general trading company, ITOCHU provides various products and services and invests in businesses inside and outside of Japan, and positions global environmental problems as one of the top priority issues in management. In order to contribute to the realization of a sustainable society, ITOCHU is promoting environmental conservation activities.

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 the ITOCHU Group 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 issues 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 "Actively addressing the better global environment" based on The ITOCHU Group Corporate 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 & 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."

Environmental Management

ITOCHU Corporation has formulated an Environmental Policy covering the entire ITOCHU Group. ITOCHU 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 investment, in order to prevent environmental risk. We believe it is important to contribute to sustainable development as a corporation by implementing both the offense of promoting environment conserving businesses and the defense of taking a precautionary approach to environmental risks.

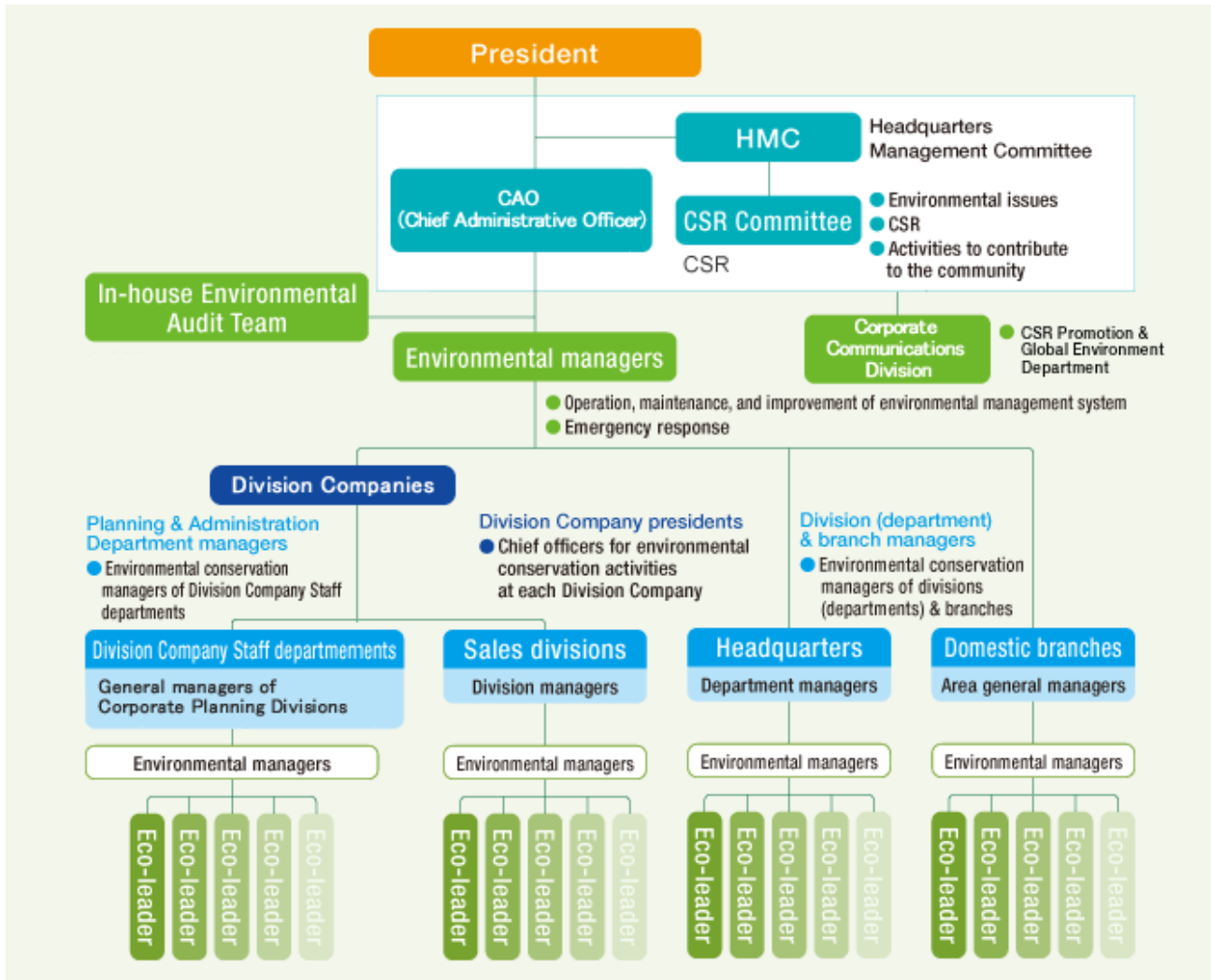
Environmental Management System

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, take precautionary approaches to environmental risks and promote environment conserving businesses. Specifically, the system controls and manages targets through a yearly PDCA (plan-do-check-act) cycle of setting targets for preventing environmental risk and promoting environment conserving businesses; evaluating and analyzing progress; and acting to achieve our targets.



ITOCHU Corporation’s Environmental Management Organization

Our president has the ultimate responsibility for ITOCHU Corporation's environmental management organization. The president appoints a CAO who has complete authority for the environmental management system. Concrete management work is carried out by the CSR Committee, established to review environmental policies and perform annual reviews of corporate-wide activities. The CSR Promotion & Global Environment Department of the Corporate Communications Division serves as the CSR Committee's secretariat. Environmental managers, assigned to each division that is subject to environmental audits (61 total in fiscal 2016), and assisted by eco-leaders (281 total as of April 1, 2015), are responsible for promoting environmental conservation in their respective divisions.



Internal Environmental Audits

Internal environmental audits based on ISO 14001 are conducted every year, and in fiscal 2015, they were carried out in all 59 departments (including in seven departments utilizing a self-check format). Findings from the audits, conducted over roughly six months, are instrumental in taking precautionary approach on the environmental risks. Audit teams are comprised of members of the CSR Promotion & Global Environment Department and employees qualified to serve as In-house environmental auditors (351 registered individuals), and carried out their work with an emphasis on auditing legal compliance.

Results of External Inspections

Each year, ITOCHU is inspected by the Japan Audit and Certification Organization for Environment and Quality (JACO) in connection to ISO 14001 certification. The fiscal 2015 inspection was to retain certification. The outcome of the inspection was an overall "improvement" grade and continued certification, based on an acknowledgement of ongoing system improvement efforts by ITOCHU.

Environmental Management Targets and Results

With respect to environmental management, ITOCHU establishes environmental objectives to be tackled in the medium-term, and then sets specific targets and conducts performance reviews based on those targets each fiscal year.

Item	Fiscal 2015 Environmental Targets	Review	Fiscal 2015 Implementation Details
Prevention of Environmental Pollution/ Observance of Laws and Regulations	When investing, perform environmental risk assessments in advance and ensure thorough corporate wide utilization of the CSR and Environmental Checklist for Investments. Strengthen the awareness of risk management through the entire supply chain through Environmental Risk Assessments by Product and ensure thorough corporate-wide utilization.	○	For all investment projects, we performed environmental risk assessments in advance through the CSR and Environmental Checklist for Investments. We assessed the environmental risk of new products and conducted reviews of the assessment details for existing products.
	Promote initiatives to improve management levels by confirming environmental management systems, legal compliance and the state of environmental performance through internal auditing.	○	We conduct internal audits in 59 departments (including seven departments utilizing a self-check format), confirmed the operation of environmental management systems, legal compliance and the state of environmental performance management, and provided advice.
	Select Group companies and conduct on-site surveys of their environmental management status.	○	We conducted onsite surveys and provided advice to 11 Group companies, including three overseas companies, to improve environmental management on site.
Promotion of Environmental Conservation Activities	Expand the scope of monitoring to information such as the energy emissions of overseas Group companies, as well as major domestic and overseas subsidiaries.	○	We collected and disclosed information from 15 overseas branches (including local subsidiaries), 66 domestic operating companies and 36 overseas operating companies.
	Set and review targets based on the CSR Action Plan. (Promote at least one target at each company and branch)	○	We planned, executed and reviewed the respective environmental conservation activities of all company divisions and branches.
Harmonious Coexistence with Society	Conduct environmental education for elementary and junior high school students.	○	We held summer vacation environmental classes (August 6, 43 participants), ran a World Environmental Photo Exhibition at Aoyama Art Square (August, 1,591 visitors) and operated the ITOCHU Pavilion Eco Shop at Kidzania Tokyo (experienced by approximately 30,000 participants a year).
	Coordinate with regional companies and local governments on environmental conservation activities (Promote at least once such initiative at each branch)	○	We conduct events, volunteer activities and other initiatives in coordination with local companies and governments on a per-branch basis.
Promotion of Educational Activities	Conduct and promote learning through seminars, tours, basic environmental education and education for personnel with specific duties for employees of ITOCHU Corporation and Group companies.	○	We provided basic environmental education (May to June, 3,930 participants) and education for personnel with specific duties (May to January, 450 participants). The CSR and global environment seminar titled "Applying Worldwide Problem-Solving Perspectives to Business" was held on February 6, with 234 people attending.
	Conduct training sessions and promote learning regarding Waste Management and Public Cleansing Law and Soil Contamination Countermeasures Act for employees of ITOCHU Corporation and Group companies.	○	We held a Waste Management and Public Cleansing Law Seminar (September 11, 413 participants) and Environmental and Social Risk Response Seminar (including the Soil Contamination Countermeasures Act) (July 17, 252 participants).

* ○: Implemented △: Partially ×: Not yet implemented

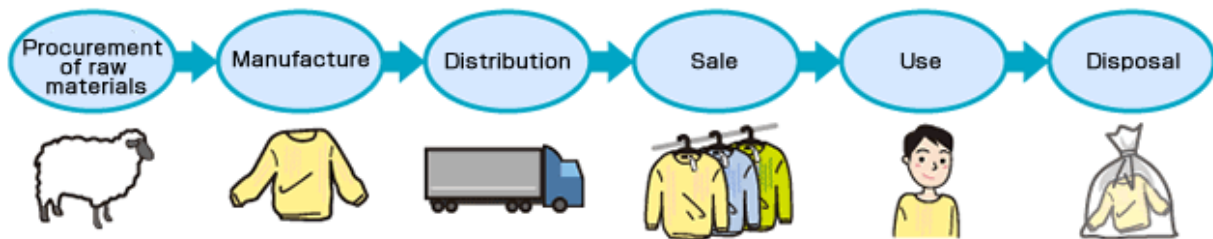
Precautionary Approach to Environmental Risks

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

Evaluating Environmental Risks Posed by Products Handled

We handle a wide and diverse range of products on a global scale. We thus carry out our own original environmental impact evaluations on all the products based on our belief that it is vital to evaluate the impact of these products to the global environment, the state of our compliance with environmental laws and regulations, and their relationship with stakeholders. We use a so-called LCA (*)-based analysis method at all stage of product life cycle from procurement of raw materials, production, and use, through disposal of products. If the evaluation shows that the impact on the global environment by particular products exceeds predetermined benchmarks, then we create manuals and the concrete procedures to manage transactions of these products.

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



Fact-finding Investigations of Group Companies

We analyze about 200 of our 342 Group companies (as of March 31, 2015) with relatively higher levels of impact on the global environment, and conduct investigations of about 10 to 20 of them per year. Over the 14 years to the end of March 2015, we did on-site investigation at 260 worksites. The evaluation is made using 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.



Fact-finding Investigations at a natural rubber processing plant in Indonesia

Evaluating the Environmental Risks of New Investment Projects

ITOCHU Corporation and its subsidiaries in Japan employ a CSR and environmental checklist for investments to evaluate in advance the market, social and environmental impact of business investment projects entered via M&A in Japan and overseas. We revised this checklist to reflect the seven core subjects (Organizational Governance, Human Rights, Labor Practices, The Environment, Fair Operating Practices, Consumer Issues, Community Involvement and Development) of ISO 26000, and we began to utilize the new checklist in fiscal 2014. When specialist insight is needed, ITOCHU calls on specialized external bodies to render an advance inspection of the project. Action on the project then moves forward once inspection results and the presence of no major problems are confirmed.

Internal and External Inquiries and Our Response

In the year ended March 31, 2015, we received a total of 64-inquiries from outside the Company, which were broken down as follows: environmental groups (10), industry (18), government and industry groups (13), and media and research firms (11), requirement of ISO14001 certification from customers (16). There were no environment-related incidents, problems, lawsuits against the Company. Meanwhile, the number of inquiries from within the Company and ITOCHU Group companies was as follows: 79 inquiries regarding Japan's Waste Management and Public Cleaning Law, and 15 inquiries regarding business investments.

Promotion of Environment Conserving Businesses

ITOCHU Corporation is committed to solving environmental issues through its businesses. As a framework for promoting these businesses, each division formulates a CSR Action Plan and promotes initiatives according to the PDCA cycle. ITOCHU also recognizes climate change and sustainable resource utilization as material issues and focuses on finding solutions to these challenges.

Renewable Energy

Details of Initiative	Name of Business Operator/Investment Project	Country	Generating Capacity / Size	Greenhouse Gas Reduction Figures
Wind Power Generation Business	CPV Keenan II Wind Power Generation Project	USA	152MW	Approx. 410,000 tons / year
	Shepherds Flat Wind Power Generation Business	USA	845MW	1,480,000tons / year
Biodiesel Manufacturing Business	Biodiesel manufacturing project in Nebraska, USA run by Flint Hills Resources, Benefuel and others	USA	About 50 million gallon/year	Approx. 500,000~750,000 tons / year
Waste Management Projects	ST&W Waste Management Project / SITA South Tyne & Wear Holdings Limited	England	Incineration treatment of 260,000 tons / year of general waste Scale of power generation: Equivalent power consumption of 31,000 homes	Estimated 62,000 tons / year
	Cornwall Waste Management Project / SITA Cornwall Holdings Limited	England	Incineration treatment of 240,000 tons / year of general waste Scale of power generation: Equivalent power consumption of 21,000 homes	Estimated 60,000 tons / year
	Merseyside Waste Management Project / SITA Merseyside Holdings Limited	England	Incineration treatment of 460,000 tons / year of general waste Scale of power generation: Equivalent power consumption of 63,000 homes	Estimated 130,000 tons / year
	West London Waste Management Project / SITA West London Holdings Limited	England	Incineration treatment of 350,000 tons / year of general waste Scale of power generation: Equivalent power consumption of 50,000 homes	Estimated 83,000 tons / year
Geothermal Power Generation	Sarulla Operations Ltd	Indonesia	320MW	About 1,000,000 tons/year
Photovoltaic Power Generation	Scatec Solar AS	South Africa	190MW	About 315,000 tons/year
	Oita Hiyoshibaru photovoltaic power plant large-scale solar power plant	Japan	44.8MW	32,000 tons/year
	Shin-Okayama photovoltaic power plant large-scale solar power plant	Japan	37MW	26,000 tons/year
	Saijo Komatsu photovoltaic power plant	Japan	26.2MW	18,000 tons/year
Production of aviation biofuel from municipal solid waste	Solena Fuels Corporation	USA	N/A	N/A

ITOCHU Corporation is working for the solution of social issues through investment in power generation assets that are anticipated to experience growth as necessary means of energy supply from now on and that make effective use of renewable energy such as geothermal power and wind power.



Shepherds Flat wind power plant

■ Related Page: Water and Environmental Public Infrastructure Projects (P26~29)

Water-Related Businesses

Country	Details of Initiative
Concession project on water supply and sewerage systems	In 2012, ITOCHU invested in the UK-based Bristol Water Group. This made us the first Japanese company to participate in the UK water sector. Bristol Water Group is providing full drinking water services from water resource management to water treatment, water supply and distribution, billing service, and customer service to 1.2 million customers in UK. In 2014, ITOCHU invested in CANARAGUA CONCESIONES S.A., which manages concessions of upstream and downstream water, sewerage network and the integral water cycle in the autonomous of the Canary Islands. This made us the first Japanese company to participate in the Spanish water sector. CANARAGUA CONCESIONES S.A. is currently providing services to an extended total of approximately 1.3 million inhabitants in the Islands.
Seawater Desalination	ITOCHU invested and participated in a seawater desalination project in Victoria, Australia. With the ability to meet around 30% of the water demand in Melbourne, population 4.4 million, this project supports the stable supply of water to the city from 2012.
Supply of seawater desalination plants and manufacture & sales osmosis membranes	ITOCHU began delivering large numbers of seawater desalination plants in Saudi Arabia from the 1970s. In the 2000s, ITOCHU and Sasakura established the joint venture company ACWA Power Sasakura ("APS") with local capital in the country. We also expanded into rehabilitation projects for seawater desalination plants with APS. In August 2010, the joint venture company Arabian Japanese Membrane Company, LLC, which manufactures and sells reverse osmosis membrane elements for seawater desalination, was established with Toyobo and local capital.

About 97.5% of the earth's water consists of sea water. Water available for use by human beings accounts for only 0.01% of the total. Meanwhile, the demand for water worldwide is steadily increasing due to economic development driven by the newly emerging countries, population growth, and changes in precipitation patterns caused by climate change. ITOCHU Corporation has positioned water-related business as a priority field, and is globally developing business in areas such as sea water desalination, water treatment, and concession projects (newly undertaken beginning in 2014), with a view to assisting solution of water problems around the world.



ITOCHU invests in a UK water utility company called Bristol Water

- Related Page: Water and Environmental Public Infrastructure Projects (P26~29)

Tree Plantation

Name of Business Operator/Tree Plantation	Country	Project Size
CENIBRA (Celulose Nipo-Brasileira S.A.)	Brazil	132,000ha
ANCHILE	Chile	27,000ha
Southland Plantation Forest Co.	New Zealand	10,000ha
South East Fibre Exports	Australia	5,000ha
Acacia Afforestation Asia	Vietnam	2,000ha
South Wood Export Ltd.	New Zealand	1,000ha

Other Environmental Businesses

Project Name	Details of Initiative
Lithium-ion Batteries	<p>From the handling of primary battery materials (cathode material and anode material) to sales of storage battery systems in the downstream, ITOCHU seeks to build a value chain and create new value by taking advantage of the Group's network, and focuses its energies on eco-friendly businesses involving lithium-ion batteries.</p> <p>Activities in FY2015 include the launch of sales of lithium-ion storage battery systems for household use and investment in U.S. company Green Charge Networks, which operates an energy management service business that makes use of stationary lithium ion storage battery systems.</p>

- Related Page: Initiatives aimed at Storage Battery Businesses (P47)

Approaches to Conservation of Biodiversity

While the business activities of companies are heavily reliant on the supply of the natural bounty produced by biodiversity (ecosystem services), they are also a great burden on the ecosystem. To achieve sustainability for our planet and society, ITOCHU have stipulated consideration for biodiversity as part of our Activity Guidelines under the ITOCHU Group Environmental Policy. Through our business activities and social contribution activities, we will strive to protect biodiversity and ensure the sustainable use of resources.

Concern for Biodiversity in Business Activities

Concern for Biodiversity in Wood Procurement

Natural forests around the world continue to be decreased at high rate. One of the primary drivers of deforestation is unsustainable forest management for production such as large-scale clear-cutting. In response, ITOCHU has established the procurement policy to conserve natural forests and to continue the sustainable use of forest resources.

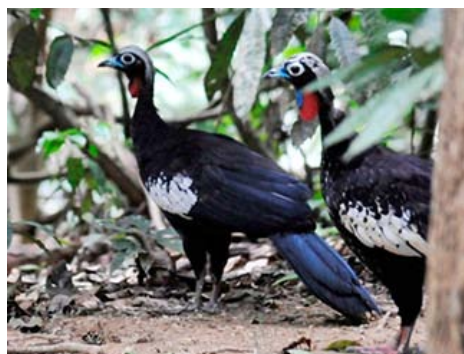
- Related Page: Policy on Procurement of Wood, Wood Products, Paper Manufacturing Materials, and Paper Products (P63)

Concern for biodiversity in pulp production projects

ITOCHU's Group company CENIBRA in Brazil has consistently engaged in everything from forest management to pulp production. In 2005, CENIBRA obtained forest certification from the Forest Stewardship Council (FSC) as well as CoC certification (certification for management of processing and distribution processes). For further information, please see Major CSR Initiatives at the General Products & Realty Company (P55).



One of CENIBRA's vast plantations



The rare mutum at Macedonia Farm

Activities for Conservation of Biodiversity

Even apart from its business activities, the ITOCHU Group is working to conserve biodiversity through social contribution initiatives.

Activities for Revival of Tropical Forest and Conservation of the Ecosystem on the Island of Borneo

The island of Borneo is largely covered with tropical forests spanning the countries of Malaysia, Indonesia, and Brunei. In area, it is about twice as large as Japan and the third-largest island in the world. It is known as a treasure-trove of biodiversity. However, it is also in the process of development, and some tropical forest areas have been damaged to the point that their ecosystems cannot be conserved on the strength of nature's own powers of revival alone. The ITOCHU Group is supporting activities since 2009 for revival of forests in the district of North Ulu Segama in the Malaysian state of Sabah, in the northeastern part of the island. The World Wide Fund for Nature (WWF), the globally active organization for protection of nature, is engaged in activities for forest revival in an area of about 2,400 hectares, in coordination with the Sabah Forestry Department. The ITOCHU Group is supporting revival over a portion measuring 967 hectares larger than any other zone of forest revival supported by an ordinary private enterprise. The afforestation was completed in 2014, and maintenance operation is still continuing. The district is also a habitat for the orangutan, an endangered species. The revival will help to protect not only the orangutan but also many other species living there.

- Related Page: Social Contribution Activities "Environmental Conservation" (P93)



Tree-planting by tour participants



The orangutan, an endangered species

■ Hunting World's Activities to Support Borneo

Hunting World is a luxury brand handled by ITOCHU Corporation. Since its creation in 1965, its logo has depicted a tuskless baby elephant. Besides symbolizing freedom and rebirth, this logo likewise anticipated the issue of protection of endangered species, and underscores the love and respect for nature felt by the brand's founder. To realize his dream of coexistence with nature, Hunting World Japan Co., Ltd., which sells the brand in Japan, has been supporting activities for conservation of biodiversity by the NPO Borneo Conservation Trust (BCT) since 2008. For further information, please see Major CSR Initiatives at the Textile Company (P38).



The Borneo elephant, an endangered species Support is also provided for efforts including construction of facilities for temporary protection and treatment of the elephants before returning them to the forest, as well as for taming them.

■ Support for Tree-planting Activities in Kenya

In April 2012, ITOCHU Corporation opened Eco Shop, an environmental pavilion giving children actual experience of eco activities, in KidZania Tokyo, a facility devoted to vocational experience for children. For each child visiting, the pavilion donates an amount equivalent to the cost of one seedling to the Green Belt Movement, a tree-planting program in Kenya. By the end of March 2015, about 90,000 children had visited to participate in the activities at the pavilion, and the pavilion had therefore donated an amount sufficient for purchase of about 90,000 seedlings to Kenya. Besides tree planting, the funds are used in Kenya for various other purposes, including facilities for storage of rainwater to permit the continuation of forest revival and the holding of workshops for local residents to educate them about ecological approaches to sound utilization of forest resources.



Donation to the Green Belt Movement of an amount equivalent to the cost of one seedling for the tree-planting program for each child visitor



Tree-planting activities in Kenya (photo courtesy of the Mainichi Newspapers)

Environmental Education and Awareness

We are committed to improving the environmental awareness of the entire ITOCHU Group. To encourage environmental conservation efforts among our employees we offer 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 Group employees.

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 and Training Sessions (fiscal 2015 results)

Content		Timing	Target	Participant
Environmental Managers Conference		23th April 2014 (Tokyo) 24th April 2014 (Osaka)	Employees and Group Company Employees	128
General Education		From May to July 2014 58 times in total	Employees and Group Company Employees	3930
Education of staff in specific operations		From May 2014 to February 2015 41 times in total	Employees and Group Company Employees	450
Seminar on Soil Contamination Countermeasures Law		17th July 2014 (Tokyo/Osaka/Taiwan)	Employees and Group Company Employees	252
The Waste Management and Public Cleansing Law	Seminar	11th September 2014 (Tokyo/Osaka) ※Group company 1 time	Employees and Group Company Employees	413
	e-learning	October~December 2014	Employees	4869
the Act on the Rational Use of Energy Seminar		15th·22th·25th July 2014 (Tokyo) 28th July 2014 (Osaka)	Employees and Group Company Employees	129
CSR Seminar for the specific departments and ITOCHU group companies		at any time	Employees and Group Company Employees	98

■ Related Page: CSR and Global Environment Seminar and CSR related seminars (P19~20)

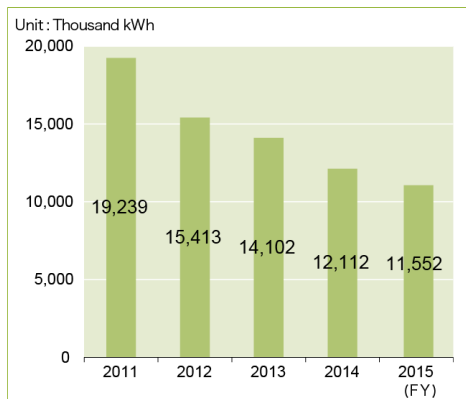
Environmental Performance Data

ITOCHU Corporation strives to achieve environmental conservation not only through business activities, but also through office activities, such as cutting back electricity consumption and the promotion of the recycling of waste, in which all its employees can easily participate. In addition, it has gradually expanded the scope of the collection of environmental performance data on Group companies in Japan and overseas, and overseas offices to understand the actual environmental situation and improve its environmental conservation activities in the future.

Environmental Performance

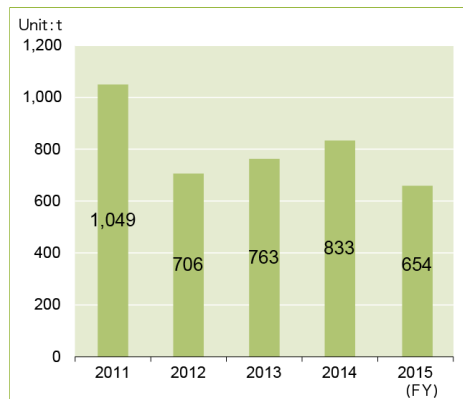
Environmental Performance Data at the offices

Electricity Consumption ★



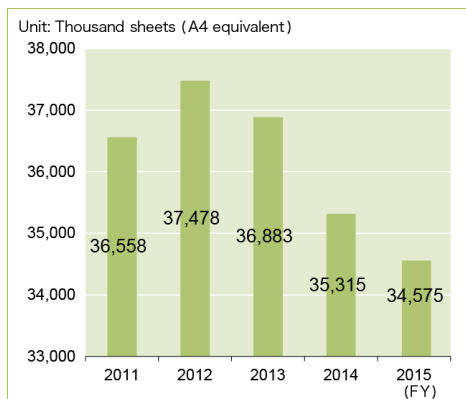
Scope: Tokyo headquarters, Osaka headquarters, Branches in Japan, Other branches and business facilities in Japan

Waste Volume ★



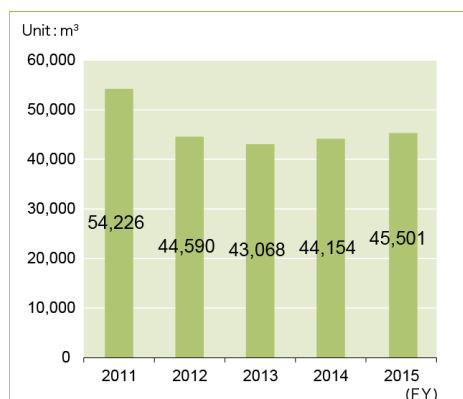
Scope: Tokyo headquarters

Paper Consumption



Scope: Tokyo headquarters

Water Consumption ★



Scope: Tokyo headquarters

- Please look at the tables below for the data of group companies in Japan, overseas offices and group companies.

Independent Assurance Report (P143): The following data marked with ★ are assured by KPMG AZSA Sustainability Co., Ltd, an external assurance provider based on the international standard ISAE 3000 & ISAE 3410.

- ★ : Total value of electricity consumption and CO₂ emissions for the Tokyo headquarters, the Osaka headquarters and branches in Japan, domestic branches and other business facilities, Group companies in Japan, overseas offices and overseas Group companies, along with data of CO₂ emissions attributed to distribution, waste volume, recycling rate and water consumption and wastewater discharge for the Tokyo headquarters.

■ Target Setting

ITOCHU Corporation has established targets for electricity consumption, reduced generation of waste volume, the promotion of recycling, and reduced paper and water consumption. ITOCHU's target figures are presented in the following table. ITOCHU has announced a goal of reducing specific energy consumption at ITOCHU Corporation itself and its consolidated subsidiaries by an average of at least one percent per year and is striving to reduce greenhouse gas emissions.

	Single Year Target	Target for the Year Ended March 2021	FY2015 Results
Electricity Consumption of Tokyo and Osaka Headquarters, Branches in Japan and Other branches and business facilities in Japan	Reduction of at least 1% annually	Reduction of 30% compared with FY2011 levels	Reduction of 5% compared with FY2013 levels
Tokyo Headquarters Waste Volume	10% reduction compared with FY2011 levels	20% reduction compared with FY2011 levels	38% reduction compared with FY2011 levels
Tokyo Headquarters Recycling Rate	90%	90%	95%
Tokyo Headquarters Paper Consumption	3% reduction compared with FY2011 levels	3% reduction compared with FY2011 levels	5% reduction compared with FY2011 levels
Tokyo Headquarters Water Consumption (City Water)	10% reduction compared with FY2011 levels	15% reduction compared with FY2011 levels	16% reduction compared with FY2011 levels

■ Scope of the Data

○:in scope of aggregation

	Electricity consumption	CO2 emissions from business facilities	Waste volume	Paper consumption	Water consumption and wastewater discharge
Tokyo headquarters	○	○	○	○	○
Osaka headquarters	○	○	-	-	-
Branches in Japan *1	○	○	-	-	-
Other branches and business facilities in Japan *2	○	○	-	-	-
Group companies in Japan *3	○	○	○	-	○
Overseas offices *4	○	○	○	-	○
Overseas group companies *5	○	○	○	-	○

*1 The branches in Japan cover all 5 domestic branches of ITOCHU Corporation.

*2 Business facilities cover business facilities ITOCHU Corporation owns or rents, excluding the facilities for dwelling. The number of offices: FY2012: 14 offices, FY2013: 13 offices, FY2014: 12 offices, FY2015: 12 offices

*3 The Group companies in Japan cover consolidated subsidiaries in which ITOCHU has directly invested (as of May 1, 2015). The number of companies: FY2012: 62 companies, FY2013: 69 companies, FY2014: 72 companies, FY2015: 73 companies

*4 The overseas offices cover main offices. The number of offices: FY2012: 10 offices, FY2013: 14 offices, FY2014: 16 offices, FY2015: 16 offices

*5 The overseas group companies cover consolidated subsidiaries in which ITOCHU has directly invested (as of May 1, 2015). The number of companies: FY2013: 40 companies, FY2014: 48 companies, FY2015: 49 companies

■ Electricity Consumption

The table below shows electricity consumption and CO₂ emissions from business facilities from FY 2012 to FY2015. ITOCHU installed inverters for the ventilation systems and LED desk stands, and introduced other energy-saving facilities, while all employees took the initiative of turning off lights and office equipment when not in use. In addition, a morning-focused working system was launched on October 1, 2013 for trial basis and officially introduced on May 1, 2014 for full-time employees at the headquarters and branch offices in Japan beginning in October 2013, and this has also led to the reduction in our electricity consumption.

Unit: Thousand kWh

	FY2012	FY2013	FY2014	FY2015
Tokyo headquarters	10,418	9,914	9,391	9,297
Osaka headquarters	1,119	505	473	455
Branches in Japan	472	446	422	415
Other branches and business facilities in Japan	3,404	3,237	1,826	1,385
Total of domestic bases of ITOCHU corporation ★	15,413	14,102	12,112	11,552
Group companies in Japan	484,393	494,173	515,258	512,236
Overseas offices	987	2,720	3,586	3,463
Overseas group companies		106,393	156,804	156,593
Grand total of ITOCHU Group ★	500,793	617,388	687,760	683,844

- For the Tokyo headquarters, data has been calculated in accordance with the Tokyo Metropolitan Ordinance on Environmental Preservation. For the Osaka headquarters, branches in Japan, other branches and business facilities in Japan and group companies in Japan, data has been calculated in accordance with the Act on the Rational Use of Energy.
- We have amended the past FY data of group companies in Japan and overseas group companies, since we revised the boundaries.

■ CO₂ Emissions from Business Facilities

Unit: t-CO₂

	FY2012	FY2013	FY2014	FY2015
Tokyo headquarters	5,778	5,492	5,202	5,133
Osaka headquarters	413	227	243	238
Branches in Japan	255	270	278	272
Other branches and business facilities in Japan	1,160	1,494	964	741
Total of domestic bases of ITOCHU corporation ★	7,606	7,483	6,687	6,383
Group companies in Japan	288,248	287,138	372,734	365,987
Overseas offices	691	1,596	1,979	1,939
Overseas group companies		59,489	125,157	121,372
Grand total of ITOCHU Group ★	296,544	355,706	506,557	495,681

- For the Tokyo headquarters, data has been calculated in accordance with the Tokyo Metropolitan Ordinance on Environmental Preservation. For the Osaka headquarters, domestic branches and offices, other business facilities and Group companies in Japan, data has been calculated in accordance with the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures.
- For overseas offices and overseas group companies, the figures are calculated using the CO₂ conversion factors for each countries (average 2010-2012) found in the International Energy Agency (IEA)'s statistics.
- We have revised the data for FY2014 since we started to calculate CO₂ emissions including use of fuel and steam from FY 2015.
- We have amended the past FY data of group companies in Japan and overseas group companies, since we revised the boundaries.
- For the grand total of ITOCHU Group, CO₂ emission of Scope 1 is 80,703 t-CO₂ and CO₂ emission of Scope 2 is 414,978 t-CO₂.

Waste Volume

The table below shows the waste volume generated in Tokyo headquarters building, group companies in Japan, overseas offices and overseas group companies from FY2012 to FY2015. We have been promoting waste segregation. We, at the Tokyo headquarters, are striving to reduce their waste generation with a target of achieving a 10% reduction of waste generated compared with FY2011 levels. Through initiatives such as 2-in-1 and double-sided printing, ITOCHU has been able to reduce waste volume, and in FY2015 the Tokyo headquarters building received a Minato Ward Waste Reducing Business Operator Commendation.

		FY2012	FY2013	FY2014	FY2015
Tokyo headquarters building ★	Waste volume (Unit: t)	706	763	833	654
	Recycling rate (Unit: %)	89	88	94	95
Group companies in Japan*	Waste volume (Unit: t)	26,425	29,098	23,012	22,602
Overseas offices	Waste volume (Unit: t)	5	5	26	7
Overseas group companies	Waste volume (Unit: t)		127,821	142,425	626,673

- The waste volume of Tokyo headquarters includes waste sold as valuable resources.
- We have amended the past FY data of group companies in Japan and Overseas group companies, since we revised the boundaries.

Paper Consumption

The table below shows the paper consumption in Tokyo headquarters building from FY2012 to FY2015. We, at the Tokyo headquarters, have been promoting the reduction of paper consumption, with a target of reducing paper consumption by 3% compared with FY2011 levels, by means such as encouraging paperless activities and stopping the unnecessary use of paper.

Unit: Thousand sheets (A4 equivalent)

	FY2012	FY2013	FY2014	FY2015
Copy paper consumption	37,478	36,883	35,315	34,575

Water Consumption and Wastewater Discharge

The table below shows the water consumption, gray water production and wastewater discharge in Tokyo headquarters and water discharge in group companies, overseas offices and overseas group companies from FY2012 to FY2015. We, at the Tokyo headquarters, have been promoting efforts to reduce water consumption, with a target of reducing water consumption by 10% compared with FY2011 levels, through the recycling of used water for toilet flushing.

Unit:m³

	FY2012	FY2013	FY2014	FY2015
City water usage by the Tokyo headquarters ★	44,590	43,068	44,154	45,501
Gray water production by the Tokyo headquarters ★	37,222	37,212	36,431	36,658
Wastewater discharge by the Tokyo headquarters ★	46,095	46,593	60,837 (*1)	64,329 (*1)
Wastewater discharge by group companies in Japan *2	1,133,135	1,033,557	1,046,936	1,087,799
Wastewater discharge by overseas offices *2	4,583	15,524	18,884	9,679
Wastewater discharge by Overseas group companies *2		3,207,113	3,485,908	5,330,603

*1 We changed the calculation method of wastewater discharge for Tokyo headquarters in fiscal 2014.

*2 Calculation assumes the same volume as water consumption when wastewater discharge has not been ascertained.

- We have amended the past FY data of group companies in Japan and overseas group companies, since we revised the boundaries.

Environmental conservation at the Tokyo Headquarters Building

- Solar power generation

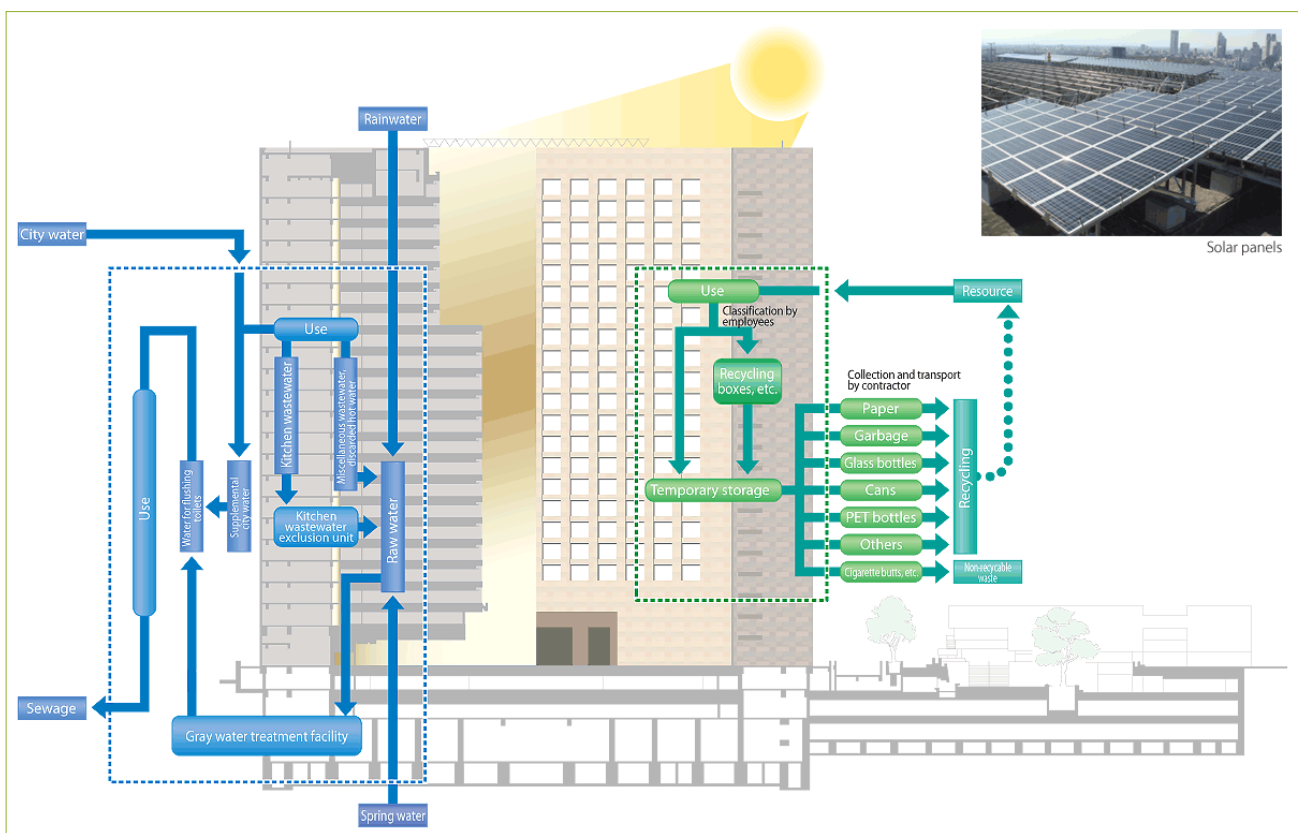
We installed solar panels on the roofs of our TOKYO headquarters and the adjacent CI Plaza. It has started to generate electricity since March 2010. The capacity of generation for solar panels is total 100kW which is equivalent to panels on prevailing 30 detached houses (approximately 3.0kW per detached houses). We make use of all clean energy generated with these solar panels in our TOKYO headquarters and it regards as electric energy (Maximum power generation at moment) covered 3.5 floors lighting.

- Effective Use of Water Resources

Since the treatment facilities for recovered water (gray water, rainwater and spring water) were installed when the Tokyo headquarters was built in 1980, recovered water have been effectively utilized to flush the toilets.

The change on amount of securing gray water may be caused by the rainfall every year so that city water usage tends to increase when the rainfall is a little.

Therefore, we take care of saving water to install the devise for economize hand washing water and flushing in toilets.



- Tokyo Metropolitan Government Program to prevent Global Warming

ITOCHU Corporation submitted the Greenhouse Gas Emission Reduction Plan for FY2011 to 2015 to the Tokyo Metropolitan Government, in accordance with their Ordinance on Environmental Preservation. In the plan, we committed to reduce CO2 emissions in the Tokyo headquarters by 6%, compared to the benchmark (the average of annual CO2 emissions from FY2003 to 2005). Emissions in FY2014 came to 5,202 tons CO2, down 39% from the benchmark. (Data for FY2015 will be reported to Tokyo Metropolitan Government in November 2015 after they are complied.)

Those below submitted to Tokyo Metropolitan Government are available in Japanese.

- Greenhouse Gas Emission Reduction Plan for FY2011 to 2015 (Submitted in November 2011) (Japanese Only)
- Greenhouse Gas Emission Reduction Plan for FY2011 to 2015 (Submitted in November 2012) (Japanese Only)
- Greenhouse Gas Emission Reduction Plan for FY2011 to 2015 (Submitted in November 2013) (Japanese Only)
- Greenhouse Gas Emission Reduction Plan for FY2011 to 2015 (Submitted in November 2014) (Japanese Only)

* The plan submitted to Tokyo Metropolitan Government for greenhouse gas emission reduction includes not only the Tokyo headquarters, but also the adjacent commercial facility, "CI PLAZA".

Participation in “Fun to Share”

ITOCHU Corporation is participating in “Fun to Share,” the campaign aimed at building a low-carbon society to alleviate climate change, led by the Japanese Ministry of the Environment. In keeping with this participation, it is striving to hold down use of air-conditioning in summer and heating in winter, and to turn power off when not needed. It is also promoting other activities of environmental conservation that can readily be performed by all employees in their workplaces, such as rigorous sorting of refuse in the office and extensive recycling.



Environmental Accounting

Environmental Conservation Costs

The environmental conservation costs for all of ITOCHU Corporation's domestic branches in FY2015 are as follows.

(Unit: 1,000 yen)

Classification	Amount
Costs inside business areas	846,148
Up/downstream costs	51,938
Management activity costs	137,175
Research and development costs	980
Social activity costs	8,708
Costs to address environmental damage	9,133
Total	1,054,082

Summarized based on the Environmental Accounting Guidelines – 2005 Edition from the Ministry of the Environment.

Scope of Calculation: All domestic branches

Target period: April 1, 2014 to March 31, 2015

Environmental Conservation / Economic Effects

The environmental conservation effects and economic effects of ITOCHU Corporation's paper and electricity usage and waste emissions for fiscal 2015 are as follows.

	Environmental Conservation Effects	Economic Effects (Unit:1,000JPY)
Paper Usage	740,000sheets	1,113
Electricity Usage	560,000kWh	11,205
Waste Emissions	309t	1,545
Water Usage	-4,840m ³	-1,744

Environmental conservation and economic effects are calculated by subtracting actual values for the current fiscal year from those for the previous fiscal year.

Scope of Calculation: Paper and Water Usage – Tokyo Headquarters building, Electricity Usage, Waste Emissions- All of domestic branches.

Monitoring the State of Environmental Liabilities

With respect to environmental risks, particularly asbestos, PCB and soil contamination, associated with tangible fixed assets of ITOCHU Corporation itself and its Group companies including land and buildings, ITOCHU not only complies with legal requirements but also conducts monitoring on a voluntary basis and seeks to respond in a way that is conducive to the switch determination and judgment of management policies.

In fiscal 2016, ITOCHU will continue to promote the sharing of related information through various training (P76) such as training sessions on the Soil Contamination Countermeasures Act.

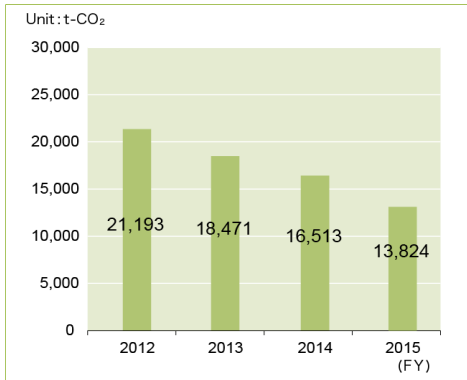
Initiatives toward Environmental Distribution

ITOCHU Corporation is working on green distribution that will reduce the burden on the environment in order to comply with the Act on the Rational Use of Energy.

Carbon Dioxide Emissions Associated with Distribution

The following graph shows the carbon dioxide emissions generated in connection to energy usage through transportation carried out by ITOCHU Corporation.

Change in CO2 Emissions Attributed to Distribution ★



★ Data assured by KPMG AZSA Sustainability Co., Ltd, an external assurance provider based on the international standard ISAE 3000 & ISAE 3410. Independent Assurance Report (P143)

Environmental Energy-Saving Measures

Environmental Energy-saving measures are set forth in the following measures and policies in effect across the company.

In addition to these, each division company formulates specific measures.

Selection of Modes of Transportation	Promoting utilization of rail and sea transportation
Actions to Improve Transportation Efficiency	Use of partial and consolidated cargo services Selection of appropriate vehicle models and larger vehicles Transportation route ingenuity Improved loading ratios
Coordination between freight carriers and recipients	Review of transportation plans, frequency, etc.

Specific Measures

(1) Selection of Modes of Transportation

- Examine and analyze the circumstances of long-haul truck-based transportation and consider changing modes of transportation, starting with businesses able to transition to rail and domestic vessel-based transportation, which place a comparatively lighter burden on the environment.

(2) Actions to Improve Transportation Efficiency

- Examine the circumstances of transportation and consider actions such as appropriate vehicle model and transportation route selection. Further, try to improve loading efficiency and reduce specific energy consumption.

(3) Coordination between Freight Carriers and Recipients

- ITOCHU’s internal judgment criteria on the use of distribution companies requires it to check the status of a company’s environmental distribution initiatives and recommends the usage of accredited companies.
- To achieve measures (1) and (2) above, ITOCHU will endeavor to build cooperative frameworks with distribution companies as well as partner suppliers and other parties.

Social Contribution Activities

Viewing issues from a global perspective, we always remain aware of the role to play as a good corporate citizen, see that our activities are at harmony with both local communities and the international community, and contribute to the rise of societies offering a higher quality of life.

Following our corporate mission "Committed to the global good," we have identified five areas of focus in our basic activity guidelines.

Basic Activity Guidelines on Social Contribution

1. Action on Global Humanitarian Issues



⇒Learn about related activities P91~92.

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. Environmental Conservation



⇒Learn about related activities P93.

ITOCHU Corporation shall vigorously pursue activities of environmental conservation and contribute to sustainable social advancement.

3. Community Contribution



⇒Learn about related activities P94~99.

As a good corporate citizen, ITOCHU Corporation shall construct favorable relationships, and harmonize its business, with local communities.

4. Growth of Future Generations



⇒Learn about related activities P100~103.

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. Support for Volunteer Work by our Employees



⇒Learn about related activities P104~105.




ITOCHU Corporation shall provide positive support for the social contribution activities of each and every one of its employees.

Social Contribution Activities Action Plans

ITOCHU Corporation promotes social contribution activities based on the five priority areas that make up the Basic Activity Guidelines on Social Contribution. Each year CSR action plans are formulated for each of the activities in light of how they relate to ITOCHU's businesses to promote social contribution activities based on a PDCA cycle.

Basic Activity Guidelines on Social Contribution

1. Action on Global Humanitarian Issues 2. Environmental Conservation 3. Community Contribution 4. Growth of Future Generations 5. Support for Volunteer Work by our Employees

CSR Issues/Societal Issues	FY2015 action plans	Status*	FY2015 results	FY2016 action plans	Basic Activity Guidelines on Social Contribution 1.~5.
Implementation and follow-up on social contribution programs aimed at environmental conservation	Follow-up on Borneo forest restoration activities		We confirmed that the planting of trees (967 hectare) underway since 2009 was completed without incident in July 2014. Moving forward, there are plans to continue with maintenance and management efforts until 2016.	Support for maintenance and management of the region where trees were planted as part of the Borneo forest restoration program, and consideration of new projects	2
Facility management and awareness-raising activities aimed at cultivating future generations and regional contributions	(1) Support of ITOCHU Medical Plaza (2) Planning and operation of ITOCHU Aoyama Art Square (3) Running of Eco Shop Pavilion at Kidzania Tokyo		(1) Opened October 2. ITOCHU is providing support in terms of funding and information. (2) As a way to help solve the various social issues we face, 14 exhibitions based on the theme of "social contribution through art" were planned and implemented in conjunction with exhibitors. Visitor numbers surpassed the previous year, with visitors since the opening exceeding 80,000 people. (3) Eco goods including personal chopsticks, recycled soap and pre-organic cotton purses were changed regularly. The pavilion was experienced by more than 30,000 visitors for the year, marking an increase over the previous year.	(1) Support of ITOCHU Medical Plaza (2) Planning and operation of ITOCHU Aoyama Art Square (3) Running of Eco Shop Pavilion at Kidzania Tokyo	3.4
Promotion of domestic and overseas social contribution programs aimed at solving humanitarian issues around the world	(1) Continued support to disaster affected areas (2) Promotion of a mobile learning center project in India		(1) In addition to dispatching volunteers to disaster-hit regions and providing donation support through the ITOCHU Children's Dreams Fund, as a result of active internal and external PR efforts to support the sale of the Takata no Yume brand of rice launched by Rikuzen-Takata in Iwate Prefecture, an area affected by the earthquake disaster, ITOCHU received the Food Action Nippon Award 2014 in the sales promotion and consumer promotion category. With 24 farmers engaged in production and a harvest of 260 tons, yield has increased over the previous year and contributed to agricultural development. (2) The mobile learning center project in India has been implemented since June, with 686 children aged between 3 and 14 years old arriving to receive opportunities to read and write. The scope of support expanded such as by eight national staff of the Mumbai Branch of ITOCHU India taking part in local volunteer activities on Children's Day on November 14.	(1) Continued support to disaster affected areas (2) Continue promoting the mobile project in India	1.5

*  :Achieved  :Nearly achieved  :Unachieved

Social Contribution Activities: Great East Japan Earthquake Reconstruction Support

The Great East Japan Earthquake that struck in March 2011 wrought severe damage across eastern Japan. ITOCHU Corporation will take a long-term view as it continues to provide support for recovery efforts.

ITOCHU Children's Dream Fund

The ITOCHU Children's Dream Fund is part of the disaster support activities that ITOCHU Corporation has been conducting since March 2013. It is aimed at providing aid to the children in the areas afflicted by the Great East Japan Earthquake. In fiscal 2015, the following support was provided through the ITOCHU Children's Dream Fund. We will continue to support the children's dreams in various ways going forward.

■ Supporting Youth Baseball by Holding the ITOCHU Children's Dreams Cup

To support the efforts of children in Rikuzentakata City, which was devastated by the disaster, the ITOCHU Children's Dreams Cup youth baseball tournament involving all seven youth sports groups in the city was held twice, in spring and autumn, through the ITOCHU Children's Dreams Fund.

The spring and autumn tournaments, held April 12-13 and September 27-28 respectively, both took place on the grounds of Rikuzentakata Otomo Elementary School, with ITOCHU Group employees also taking part in the events as volunteers. At the autumn tournament in particular, current and former members of the ITOCHU Mutual Society Baseball Club played friendly games and deepened exchanges with the children.



■ ITOCHU Kodomo no Yume English Summer Camp in Rikuzentakata held as the Fourth Phase of ITOCHU Children's Dreams Fund

Over two days on August 1 and August 2, 2014, the "ITOCHU Kodomo no Yume English Summer Camp in Rikuzentakata" was held as the fourth phase of the ITOCHU Children's Dreams Fund.

The sports camp was targeted towards fifth year elementary school students through to third year junior high school students living in Rikuzentakata (through general applications) and used the SCOA (Sports Camp of America) program that runs English sports camps. Thirteen university student athletes from the United States visited Japan and guided the children in a range of sports including soccer, baseball, Frisbee and basketball as English camp counsellors.

Through the universal language of sports and activities often seen at American summer camps such as camp fires, the children had the great opportunity to come into contact with a different culture.



■ TMSO (Tokyo Metropolitan Symphony Orchestra) × ITOCHU Class Concert held as the Fifth Phase of ITOCHU Children's Dreams Fund

As the fifth phase of the ITOCHU Children's Dreams Fund, string quartet concerts by TMSO were held four times on January 27 and January 28, 2015. The concerts, which aim to give children the chance to enjoy genuine music up close, were held for elementary and junior high school students who are continuing their studies in Iwaki after evacuating the towns of Naraha and Hirono, which lie within a 30-kilometer radius of the Fukushima Dai-ichi Nuclear Power Plant.

As Naraha-kita Elementary School, Naraha-minami Elementary School and Naraha Junior High School are designated as Evaluation Directive Lift Prepared Areas, performances were held in the gymnasium of the temporary school buildings on the grounds of Iwaki Meisei University in Chuodai-iino, Iwaki, with classroom-based concerts held at Hirono Elementary School and Hirono Junior High School in Hirono.



ITOCHU *Takata no Yume* Project

ITOCHU Corporation supports sales of the *Takata no Yume* (Takata's dream) brand of rice launched by Rikuzentakata City in 2012 through its food material sales company ITOCHU Food Sales and Marketing Co., Ltd. The city of Rikuzentakata in Iwate Prefecture, which suffered enormous tsunami damage, is striving to establish *Takata no Yume* as a local brand of rice to ensure regional competitiveness and symbolize the revitalization of its agriculture. Under the project, volunteer employees from the ITOCHU Group engage in exchanges with local farmers in the production process. We provided ongoing support in FY2015 from planting in May to the harvest in October. Utilizing the platforms and expertise of the ITOCHU Group, we support the disaster-affected region through the project by providing assistance from production through to sales to ensure the success of *Takata no Yume*.



■ Running the 3.11 Tabete-Oen-Shiyo [Let's Support by Eating]! Takata no Yume Project in Aoyama

On March 11, 2015, the "3.11 Tabete-Oen-Shiyo! Takata no Yume Project in Aoyama" campaign to support Takata no Yume took place throughout the Aoyama district. Takata no Yume rice was provided to 21 participating restaurants in the Aoyama area that supported the cause and each restaurant added menu items using Takata no Yume rice in their lunchtime rice and bread dishes. By allowing more customers to enjoy Takata no Yume rice, the event supported the disaster-affected region and gave the participating stores and customers a way to come together to support Rikuzentakata.



Activities to Support Disaster-Affected Areas through the ITOCHU Foundation

Activities with the ITOCHU Foundation in Tohoku for Sending Picture Books to Southeast Asia

Shanti Volunteer Association engages in activities of sending Japanese picture books to children in Southeast Asia, by affixing labels showing text translated into local languages on the picture books. Every week, employee volunteers of ITOCHU affix the labels on the picture books together with the ITOCHU Foundation by using a dedicated kit purchased from Shanti Volunteer Association. An initiative was taken to expand these activities to children in areas affected by the Great East Japan Earthquake. In FY2015, a total of around 200 people took part in these activities with the support of local residents promoting children's book reading locally across nine locations, including the Kaki-no-ki (Persimmon Tree) Library in Shirakawa, Fukushima Prefecture in September, and Sakari Elementary School in Ofunato, Iwate Prefecture in October.



The 100 Children's Books Grant Conducted with Shareholders

In fiscal 2015, a total of 5,184 shareholders agreed to receive shareholder information electronically. The money saved through the electronic distribution of the information and an equivalent amount of money donated by ITOCHU Corporation was sent to the following ten schools in areas significantly damaged by the Great East Japan Earthquake via the ITOCHU Foundation. Specifically, new sets of books were donated via local book stores



Fiscal 2015 recipients

Iwate Prefecture	Ikawa Elementary School (Ofunato City), Akasaki Elementary School (Ofunato City), Takekoma Elementary School (Rikuzentakata City)
Miyagi Prefecture	Urato No. 2 Junior High School (Shiogama City), Shogennishi Elementary School (Sendai City), Nachigaoka Elementary School (Natori City)
Fukushima Prefecture	Ueda Elementary School (Iwaki City), Katsurao Elementary School (Katsurao Town), Dai-ichi Elementary School (Sukagawa City), Noda Elementary School (Fukushima City)

Other Activities to Support Recovery Efforts

Support for Panel Exhibition for Earthquake Reconstruction Assistance Activities Held at the United Nations Headquarters in New York

From July 8 to 11, a panel exhibition entitled "Resilience for Tomorrow – Invitation to WCDRR in Sendai," which was hosted by the government of Japan, was held at the United Nations Headquarters in New York. The panels were exhibited by Rikuzentakata City, Sendai City, the International Research Institute of Disaster Science of Tohoku University, and Japan International Cooperation Agency (JICA), for the purpose of showing the international society damages from the Great East Japan Earthquake and reconstruction efforts that have been made since the disaster. For this event, ITOCHU donated 1,173,486 yen via Aid TAKATA, an NPO that serves as a liaison council for supporting the Rikuzentakata City. The amount includes 586,743 yen collected from employees in March during in-house fundraising activities to commemorate the third anniversary of the Great East Japan Earthquake. The company matched the amount from employees and donated the total of 1,173,486 yen.



■ Sponsorship of Come Visit! Tokyo 2014

As part of its efforts to support disaster affected areas, ITOCHU Corporation supported the Come Visit! Tokyo 2014 project run by NPO BLUE FOR TOHOKU (Representative: Mari Kogiso) on Monday, August 18, 2014. Come Visit! Tokyo) is a project to invite the children living in orphanages in Fukushima to Tokyo and give them memories of summer holidays spent with smiles. ITOCHU Corporation supported the cause, procured tickets to KidZania and presented sets of children's books selected by the ITOCHU Foundation to the facilities of all participants. Approximately 60 children visited the KidZania vocational experience facility in the morning and took part in a mini sports day held at Toyosu Park in the afternoon. The children enjoyed foot races and tug-of-war games together with the volunteers.



■ Charity Auction to Support Disaster-affected Areas Held at ITOCHU AOYAMA ART SQUARE

From March 5, 2015 to March 24, 2015, a Japanese-Mongolian Calligraphy Exhibition aimed at cultural exchange with Mongolia entitled "Ties between the Empire of the Blue Sky and Empire of the Sun" was held at ITOCHU AOYAMA ART SQUARE. Eighty-nine works of calligraphy by politicians who have rendered service to exchanges between the two countries, calligraphers and others were put on display, and with the exhibition coinciding with the fourth anniversary of the Great East Japan Earthquake on March 11, some of the works were sold in a charity auction to benefit efforts to support reconstruction of the disaster-affected areas. Seventeen of the 30 works generously donated for auction were sold, and the total proceeds of 778,500 yen were donated to six groups associated with reconstruction support in the areas affected by the disaster, with a focus on Fukushima.



Social Contribution Activities: Action on Global Humanitarian Issues

Providing Aid to Areas Affected by Major Natural Disasters

For humanitarian reasons, we donate money and provide supplies for emergency relief for those affected by natural disasters both in Japan and overseas.

We collaborated with local branch offices and related organizations to provide the following aid.

Recent examples

Nepal Earthquake (Apr. 2015)	¥2,000,000
Torrential rainfall in Hiroshima (Aug. 2014)	¥5,000,000
China: earthquake in Yunnan (Aug. 2014)	300,000 RMB (Approx. ¥5,130,000)
Philippines: Typhoon Haiyan (Nov. 2013)	¥15,563,616
China: earthquake in Szechuan (Apr. 2013)	¥5,025,000

Support Activities for the World Food Programme (WFP)

With the hope of alleviating hunger and poverty worldwide, we have been serving as a council member of the Japan Association for the WFP, a nonprofit organization that focuses on building support in Japan for the World Food Programme (WFP) and its hunger relief operations.

In May 2015, 372 employees of ITOCHU Corporation and ITOCHU Group companies participated in End Hunger: Walk the World, held in Yokohama. This is an annual event to raise money and awareness for the WFP's efforts to fight child hunger and malnutrition. At its Tokyo Headquarters as well, ITOCHU regularly engages in activities such as fundraising and holding panel exhibitions for introducing the WFP's activities.



Participated in End Hunger:
Walk the World

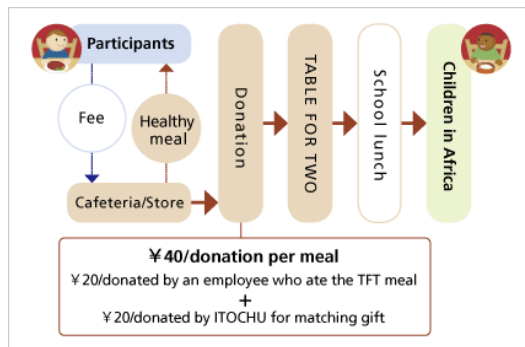
TABLE FOR TWO (TFT) Fighting to Fix the Food Supply Imbalance between Developing and Developed Countries

Our TABLE FOR TWO (TFT) is a social contribution program based on the concept of people in developed countries sharing a meal with those in developing nations beyond the restrictions of time and space so as to simultaneously work toward solving the problems of hunger faced by developing nations and obesity and lifestyle-related diseases faced by industrialized countries.

TFT was established in Japan in October 2007, and in April 2008 in the corporate cafeterias in Tokyo, Osaka, and Nagoya ITOCHU introduced the TFT program at full-scale ahead of other companies.

For each healthy TFT meal purchased by employees, a donation of 20 yen is automatically made. ITOCHU has introduced a matching gift program under which it donates an additional 20 yen per TFT meal purchased by its employees. This means that a total of 40 yen per meal is donated to the Japan Association for the World Food Programme and used to provide school lunches for children in developing nations.

The cafeteria at the Tokyo head office has been serving TFT lunch specials daily since its renewal in May 2013. In November 2014, we launched “World Food Day ITOCHU Campaign: What we can do” to coincide with World Food Day on October 16, and independent initiatives such as the development of time-limited menu items and publicity for TFT through video are implemented. In FY2014, 28,725 TFT meals were purchased, which led to a donation of 574,500 yen. In recognition of these activities, ITOCHU was commended as a platinum supporter of the program in May 2015.



The certificate of recognition as a platinum supporter

Guidelines for TABLE FOR TWO meal

1. Meal with calories of approximately 730kcal (between 680 to 800kcal)
2. Nutritionally well-balanced meal
3. Meal with a generous amount of vegetables

Supporting Orphans Suffering from AIDS in Thailand to Coincide with World AIDS Day

December 1 is World AIDS Day. The day was established by WHO in 1988 with the aim of preventing the spread of AIDS on a global scale and eliminating discrimination and prejudices against AIDS sufferers. To coincide with the day, over a fourteen-day period ITOCHU Aoyama Art Square ran “Story of Ban Rom Sai,” a charity art exhibition for a children's home in Northern Thailand that supports orphans suffering from AIDS. An internal sales session for original Ban Rom Sai goods (fabric items, stationery, etc.) was also run in the basement level of the Tokyo head office. The warm appeal of the handmade goods produced by children at the home, HIV sufferers and the women of mountain tribes proved popular, and the proceeds of sales went to fund the activities of Ban Rom Sai.



The internal sales session

Social Contribution Activities: Environmental Conservation

Activities to Restore the Tropical Rainforests and Conserve Borneo's Ecosystem

In 2008 ITOCHU celebrated the 150th anniversary of the company's foundation. To commemorate the anniversary, the Company decided to implement a social contribution program. A questionnaire conducted to determine what type of program to conduct found forest conservation to be the theme employees desired most strongly.

Since FY2010, under this program, ITOCHU has been engaged in activities to restore the tropical rainforests and conserve the ecosystem in Borneo by collaborating with World Wide Fund (WWF) for Nature Japan.

In northeast Borneo, at North Ulu Segama in the state of Sabah in Malaysia, where ITOCHU supports an area for rainforest regeneration, the international conservation organization WWF is collaborating on reforestation with the Forestry Department of the State Government of Sabah. The ITOCHU Group has supported the regeneration of 967

hectares in the area – one of the largest forest regeneration programs to be carried out by a private enterprise. Since the land is also a habitat for orangutans, an endangered species, ITOCHU named the program "ITOCHU Group Forest for Orangutans" and worked together with Group companies to promote it.

Volunteer employees including ITOCHU Group employees visited the site regularly over a four-year period to take part in reforestation efforts (including tree planting and cutting grass), observe wild animals and conduct other activities.



Planting of tree saplings

Support for Manila Hemp Plantation Rehabilitation Project

To commemorate the 100th anniversary of the establishment of our Manila branch in 1912, in June 2012 we signed a project agreement with the Fiber Industry Development Authority of the Department of Agriculture and the St. Ann's Family Service Cooperative, a local agricultural cooperative. Based on the agreement, ITOCHU donated ¥2 million, the amount needed to plant and grow 90 hectares of Manila hemp (about 144,000 plants). As of March 2015, 63 hectares had been planted, representing 70% completion, with full completion scheduled for July 2015. In addition, the project is expected to absorb approximately 18 tons of CO₂ a year.



Support for tree-planting activities in Kenya through exhibition at the KidZania Tokyo Eco Shop

Since April 2012, ITOCHU Corporation has operated Eco Shop, an environmental pavilion giving children actual experience of eco activities, in KidZania Tokyo, a facility devoted to vocational experience for children. For each child visiting, the pavilion donates an amount equivalent to the cost of one seedling to the Green Belt Movement, a tree-planting program in Kenya. By the end of March 2015, about 90,000 children had visited to participate in the activities at the pavilion, and the pavilion had therefore donated an amount sufficient for purchase of about 90,000 seedlings to Kenya. Besides tree planting, the funds are used in Kenya for various other purposes, including facilities for storage of rainwater to permit the continuation of forest revival and the holding of workshops for local residents to educate them about ecological approaches to sound utilization of forest resources. In March 2015, the Eco Shop pavilion celebrated its third anniversary. As part of the celebration, 20 children and parents randomly selected from among previous Eco Shop visitors were invited to take part in a tree planting event held at Umi-no-Mori (Sea Forest) in Tokyo.



Donation to the Green Belt Movement of an amount equivalent to the cost of one seedling for the tree-planting program for each child visitor



Tree-planting activities in Kenya (photo courtesy of the Mainichi Newspapers)



Tree planting event at Umi-no-Mori (Sea Forest) in Tokyo

Social Contribution Activities: Community Contribution

Establishment of ITOCHU Medical Plaza for Contributing to Development of Kobe Medical Industrial City

In October 2014, ITOCHU Medical Plaza, a facility aimed at conducting international medical exchange, opened in Kobe Medical Industrial City, one of the largest medical clusters in Japan. ITOCHU Corporation has donated 500 million yen for construction to the Foundation for Kobe International Medical Alliance, which is the primary operator of the facility. There is great expectation locally and internationally for the development of the center for human resource development, including education and technical training of overseas physicians and healthcare practitioners mainly from Southeast Asia, projects for accepting trainees from overseas, and a variety of research projects such as joint development of medical equipment with universities and other institutions.



ITOCHU Medical Plaza

Local Hub of CSR Activities: ITOCHU AOYAMA ART SQUARE

In October 2012, we opened ITOCHU AOYAMA ART SQUARE in the CI Plaza next to ITOCHU's Tokyo Headquarters. We established the facility as a base for our CSR activities aimed at contributing to the development of future generations, making local contributions through art, and contributing to art and cultural promotion, both in Japan and abroad. In Aoyama, an area that thrives with a variety of cultures, we showcase artwork that reflects fresh perceptions and present exhibitions that serve as a bridge for international exchange. In FY2015, the following 14 exhibitions were held, and as of March 2015, ITOCHU AOYAMA ART SQUARE had welcomed over 81,000 visitors since opening.

ITOCHU will continue to address a range of social issues through art and regularly present exhibitions to contribute to creation of the culture of life in local communities.

Period	Exhibition	Issues	Summary
April 7, 2014 - April 29, 2014	The Andy Warhol Inspired Exhibition	Community Cooperation	The works of domestic and overseas artists inspired by the revolutionary artist Andy Warhol in the 1960s and 1970s were put on display. A free shuttle bus was operated in coordination with the Andy Warhol Exhibition "15 Minutes Eternal" at the Mori Art Museum.
May 3, 2014 - May 31, 2014	Bicycle Expo 2014 In Aoyama	Community Contribution	In observance of Bicycle Month in May, rare bicycles from various countries were put on display, with special attention given to one bicycle with special significance to bicycle lovers. The exhibition was coordinated with a local sports event as a means to revitalize Aoyama as a "bicycle-friendly town."
June 6, 2014 - July 7, 2014	Exhibition of Edokiriko by 16 Young Artists	Development of the future generation	Held for the second time since its first showing in 2013, the exhibition seeks to pass down traditional crafts and develop future generations of artisans. Adopting "blue" as the theme, each of the artisans express their own visions of "blue" through Edokiriko and their techniques.
July 11, 2014 - July 31, 2014	Homecoming Exhibition of Opa! Uma Alegre Revelação	International exchange	A homecoming exhibition for the exhibition held at the Instituto Tomie Ohtake in San Paulo, Brazil from January to March which drew reactions in Japan and Brazil.
August 6 2014 - August 26, 2014	International Environment Photo Exhibition	Environmental Conservation	A photo exhibition specially planned for the summer holidays by the International Environment Photographers Association to bring 110 works of highly environmentally-conscious photographers together.
September 8, 2014 - September 23, 2014	LUPIN THE THIRD COSTUME EXHIBITION: fashion designer YUIMA NAKAZATO	Development of the future generation	A exhibition of costumes designed by designer Yuima Nakazato, costume designer for the movie Lupin The Third, with the aim of developing future generations in the fashion industry.

Period	Exhibition	Issues	Summary
October 1, 2014 - October 7, 2014	Yuko Sumino Words Exhibition	Social independence of the disabled people	An exhibition of books containing the heartwarming words of Yuko Sumino, a Kansai-based calligrapher with Down syndrome, as a means to support the social independence of disabled people.
October 13, 2014 - November 3, 2014	Studio COOCA World Exhibition	Social independence of the disabled people	A comprehensive exhibition from artists with a variety of disabilities who belong to the Studio COOCA [Atelier] welfare facility in Hiratsuka City, under the theme of Fashion x Art Brut (art from disabled people) helping support the independence of people with disabilities.
November 13, 2014 - November 25, 2014	Children's Books Power Exhibition	Development of the future generation	An exhibition under the common principle of "books for all children" to mark the 40th anniversary of JBBY, which has continued international exchange activities through children's books, and the ITOCHU Foundation, which has been involved in activities to promote book reading among children.
December 1, 2014 - December 14, 2014	Under the Tree Charity Exhibition: The Story of Ban Rom Sai	Humanitarian Issues	An art exhibition for the Ban Rom Sai, the NGO supporting HIV-positive children in Thailand (Chiang Mai) to coincide with World AIDS Day on December 1.
December 19, 2014 - January 18, 2015	Celebrating 2015 with art: The tons of sheep! Exhibition	Development of the future generation	A major exhibition with more than a hundred young, up and coming artists under 35 years of age depicting sheep, the Chinese Zodiac sign for 2015.
January 26, 2015 - February 22, 2015	Kotaro Isobe Japanese Painting Exhibition: Biotop - place where living creatures dwell	Environmental Conservation/ Development of the future generation	An exhibition of Japanese-style paintings from Kotaro Isobe, using the classical techniques of Japanese style painting to present sensitive expressions with a motif of the small animals and plants gathered at a "Biotop."
February 24, 2015 - March 2, 2015	Hakuho Photo Exhibition to Commemorate All-time Winning Makuuchi Wrestler	International exchange	Japan-Mongolia Cultural Exchange Exhibition Part 1: A commemorative photo exhibition celebrating Mongolian-born Yokozuna wrestler Hakuho achieving his 33rd tournament win, the most in history, at the New Year's tournament in January.
March 5, 2015 - March 24, 2015	Japanese-Mongolian Calligraphy Exhibition "Ties between the Empire of the Blue Sky and the Empire of the Sun"	International exchange	Japan-Mongolia Cultural Exchange Exhibition Part 2: The Japanese portion of a calligraphy exhibition held in 2014 in Mongolia to commemorate the 40th anniversary of a cultural exchange agreement forged between the two countries. The works of Japanese and Mongolian politicians and calligraphers were displayed.



Opening Ceremony



Prime Minister Abe visited the Japanese-Mongolian Calligraphy Exhibition



Designer Junko Koshino and President Okafuji



Exhibition of Edokiriko

Community Contribution through ITOCHU Lobby Concert

On July 23, 2014, the 23rd ITOCHU Lobby Concert performed by the New York Symphonic Ensemble (NYSE) was held on the first floor lobby of ITOCHU's Tokyo head office, with some 800 guests in attendance including customers as well as former and current employees.

Each year Keiko Takeshita interviews Chairman Kobayashi during the event. In addition, as part of efforts aimed at the development of future generations and making local contributions, in the second part of the concert 35 members of the brass band of Kokugakuin High School, which is located in the vicinity of the head office, performed together with the ensemble, and around 100 parents, guardians and local high school students were invited. The high school students make full use of their two days of advance rehearsals with conductor Mamoru Takahara, and the sight of the students playing their hearts out among a professional orchestra brought a wave of excitement to the venue after the performance.

In FY2016 we plan to move the venue to Suntory Hall and hold the 1st ITOCHU Summer Concert as an event which is more open to the local community.



The talk show between Keiko Takeshita and Chairman Kobayashi



Kokugakuin High School brass band performed together with NYSE

Development of a project "Mobile Learning Center" in India with Save the Children Japan

Together with Save the Children Japan, ITOCHU has run a project "Mobile Learning Center" in the M-East district of Mumbai, India, in hopes to reach out to about 1,000 children who do not attend school because they are living on the street or engaged in child labor. To support this project, ITOCHU committed 20 million yen between 2013 and 2014. These funds were used to wrap the bus that operates as the mobile library; equip it with benches, blackboard, and bookshelves; and employ two persons (an education facilitator (*1) and counselor), which mimics the learning environment of an ordinary school classroom. The objective of the project is to serve as a bridge that will lead to children attending mainstream schooling by providing learning opportunities that incorporate audio and video-based teaching materials and are enjoyable for the participating children. Over a one-year period, 686 children had the opportunity to learn through the mobile learning center, 86 of whom were able to return to formal schooling.

The employees of ITOCHU's Mumbai branch also support the project as volunteers. To coincide with India's Children's Day on November 14, they invited 45 children who do not attend school because they are living on the street or engaged in child labor and held a picture drawing event as a means to engage in exchanges with local children.

*1 Education Facilitator plays a role like a teacher at MLC. The facilitator will encourage children's active participation in learning activities.



Employee volunteers of Mumbai Branch



With targeted children in the bus of Mobile Learning Center

Support the “House for Youth” in Philippines of NGO “Kokkyo naki Kodomotachi(KnK)”

In December 2009, ITOCHU provided support for renovation of the House for Youth, a home that helps young people become independent, located on the outskirts of Manila. Support was provided via Kokkyo naki Kodomotachi (KnK: meaning “children without borders”), an authorized Japanese NPO that supports street children, children who are victims of major disasters, and other children in developing countries. House for Youth was again renovated in 2012 into a job training facility that helps children achieve independence. In November 2013, the underground floor and the roof of the house were renovated, enabling the facility to provide more job training courses, which allows more young people to acquire practical skills. The facility currently provides a wide range of support to approximately 1,000 young people every year.

The employees of ITOCHU's Philippines branch also support the project as volunteers. On December 6, 2014, they visited the homes of youth to join them in celebrating Christmas, and had fun playing games and basketball together with the children.



The renovated basement room of sewing machines



Vocational training of making handicrafts



Celebrating Christmas in 2014 together with the children

Local Contribution Activities at Overseas Offices

ITOCHU Corporation maintains 113 overseas offices in 64 countries around the world (as of April 1, 2015). In addition to making local contributions through our business activities in each region, as a member of these local communities we consider local issues and how ITOCHU can contribute in its own way, and undertake local contribution activities in each region.

The following is an excerpt of the activities we conducted in FY2015.

United States

Employees Joined a Charity Run in New York

Employees of ITOCHU International Inc. actively volunteer in local contribution activities. In June 2014, over 50 employees ran or walked the 3.5-mile J.P. Morgan Corporate Challenge in Central Park. The participation fees are donated to the Central Park Conservancy, which restores, manages and enhances one of New York's most important assets, Central Park.



Brazil

Participation in Charity Bazaar in Sao Paulo

The volunteers of ITOCHU Brasil S.A. raised a fund for Ikoi-No-Sono, founded by Japanese immigrant in 1958, a facility for elderly people with special needs, by selling Gyoza at the Charity Bazaar. The total of R\$11,371 in Brazilian Real were donated to the entity, including the sales from Gyoza, donation from employees of ITOCHU Brasil S.A., and donation from the company.



United Kingdom

Donation to the UK-Japan Music Society to Promote Cultural Exchange between Japan and UK

ITOCHU Europe PLC has been a long-standing sponsor of the UK-Japan Music Society's Christmas Concert “Handel's Messiah” in conjunction with the Japanese Embassy, aiming to promote cultural exchange between Japan and the United Kingdom through music.



Ghana

Donation to an Elementary School Library and Reading Picture Books to Children

At the Accra office, we are deepening our relationship with local people in the cocoa growing villages through the trade of cocoa beans, raw material for chocolate. In FY2015, the manager of Accra office donated 150 picture books from her personal collection to their elementary school, and took the opportunity to read some books to around 70 children.



Pakistan

Karachi Office Employees Mix with Sick Children During a Hospital Visit

Employees of the Karachi office visited a hospital where thalassemia patients, particularly children, are treated free of charge. They spent time with the children and cheered them up by chatting with them, and also participated in a blood donation drive. Thalassemia is a common genetic blood disorder in the Mediterranean region.



Australia

Participation in Clean Up Australia Day

The first Sunday of March each year is designated as Clean Up Australia Day. ITOCHU Australia Ltd. employee volunteers participate each year alongside the Japanese Society of Sydney. In 2015, the cleanup took place on March 1, and volunteers cleaned up at Lane Cove National Park, an area in the northern part of Sydney.



China

Visit to School for Children of Migrant Workers and Donation of Educational Equipment

In April 2014, about 50 staff from ITOCHU (CHINA) HOLDING CO., LTD. (Beijing) including Mr. Koseki, the CEO for East Asia Bloc, as well as their family members, went to visit YUCAI, a school for the children of workers who have migrated to find jobs, located in the Huairou district of Beijing for the purpose of education-aid. We spent time with the pupils and donated PCs and sporting equipment to them.



Singapore

Environmental Clean-up at the Botanical "Gardens by the Bay"

In July 2014, employee volunteers from ITOCHU Singapore Pte Ltd and ITOCHU Plastics Pte., Ltd. conducted an environmental clean-up activity in Singapore's largest botanical garden, which was opened in 2012, with the goal of increasing Singapore's appeal as a garden city.



Azerbaijan

Support Classical Music Festival for Islamic Youth

CIECO Azerbaijan sponsored the Third International Festival of Young Performers (Under 20) of Classical Music among the Islamic World Countries, organized by the Kainat Youth Center in April 2014, by purchasing air tickets to Baku for participants from Kyrgyzstan.



Local Contribution Activities at Domestic Locations

Tokyo Head Office

ITOCHU employees take part in community cleanup activities around our Tokyo Headquarters. As members of the local community, they clean up the street and distribute items for raising awareness by cooperating with the local residents' association and staff of other companies in the area.



Osaka Head Office

FY2015 marked the sixth year of activities carried out in conjunction with the Amanosato Zukuri no Kai (Amanosato revitalization group) in Katsuragi-cho, Ito-gun, Wakayama Prefecture. The program involves companies and the residents of rural areas utilizing local resources while engaging in safe and secure rice farming, promoting local production for local consumption, and taking part in collaborative efforts to preserve the local landscape. Young employees of the Textile Company engage in the spring planting and autumn harvest each year as part of their training. In 2014, planting took place on May 24 and the harvest on September 27. Around 80 employees and their families took part, deepening exchanges with about 50 members of the Amanosato Zukuri no Kai.



Chubu Branch

The Chubu Branch supported the "Nagoya Issei Cleanup Campaign 2014" promoted by Nagoya City and conducted cleaning activities around the Nagoya ITOCHU Building on June 11, 2014. Thirty-four members of the Chubu Branch and affiliates took part on the day, including then branch manager Mr. Sugimoto. In addition, ITOCHU Corporation was listed as a company participating in the campaign in the outline of activities carried out on the day posted on the Nagoya City website.



Kyushu Branch

The Kyushu Branch has taken part in the "Happy Toys Project," a movement to gift stuffed toys run by mail-order company Felissimo, since 2011. A different theme is decided on each year. Then the patterns are purchased and old clothes and cuttings are used to create the toys over a period of three months. The gifts not only sent throughout Japan but around the world, lighting up the faces of delighted children with stuffed toys filled with love.



Chugoku & Shikoku Branch

The Chugoku & Shikoku Branch actively participates in regional contribution activities including Hiroshima Ekiden Race cleanup volunteer activities, Zero Waste Clean Walk, Flower Festival cleanup volunteer activities, Clean Ota River and Peace Memorial Service assistance volunteer activities. The branch has also supported cultural events and concerts and made donations to projects commemorating the 70th anniversary of the atomic bombing. In addition, branch employees have made voluntary donations to orphanages, among other activities.



Hokuriku Branch

On October 26, 2014, the Hokuriku Branch took part in the 23rd Hohoemi Sports Festa Kanazawa, a sports event held for people with disabilities. Fourteen members from the ITOCHU Group participated as volunteers assisting with the running of events and overall operation, and took the opportunity to deepen exchanges with everyone taking part.



Social Contribution Activities: Growth of Future Generations

ITOCHU Foundation

ITOCHU has promoted social contribution activities aiming for the sound development of young people since setting up the ITOCHU Foundation (which became a public interest incorporated foundation in 2012) in 1974.

The foundation engages in activities for contributing to the healthy growth of children, such as two current major projects: subsidizing development of children's literature collections (including subsidies for library development at schools and supplementary schools for Japanese nationals overseas), and promoting development of an e-book library.

In November 2014, to celebrate the 40th anniversary of the ITOCHU Foundation, we worked with the Japanese Boards on Books for Young People (JBBY) to hold a Power of Children's Books Exhibition at the ITOCHU AOYAMA ART SQUARE and display Multimedia Daisy books as part of a project to promote the widespread use of electronic books. The initiative received a favorable reception. During the exhibition period, Her Imperial Majesty the Empress of Japan also visited and offered gracious words of encouragement.

The Multimedia Daisy Library is a project to digitize and distribute children's books for children who have difficulty reading regular books due to a variety of impairments. To date, 182 books have been digitized and donated to a total of 3,305 locations.



Display of Multimedia Daisy books as part of the Power of Children's Books Exhibition

■ Subsidizing the Development of Children's Literature Collections (FY2015)

	Number of Subsidies
Children's book purchase subsidies	47 (of which, 3 overseas)
Reading support and purchase cost subsidies for children in hospital facilities	8
100 Children's Books Subsidies	22 (of which, 3 overseas)
Overseas Japanese school and supplementary school book subsidies	5
Award for distinguished service to children's literature collections	2
Support for areas affected by the Great East Japan Earthquake	10
Total	94 (of which, 11 overseas)

■ Promotion of E-book Libraries

	FY2015	Total*
Number of titles produced	55 titles	182 titles
Recipients	909 locations	3305 locations

*Total since FY2012

Running of Eco Shop Pavilion in KidZania Tokyo

Since April 2012, ITOCHU has run its Eco Shop environmental pavilion in KidZania Tokyo, a facility for children to experience diverse types of work.

ITOCHU operates the Eco Shop by utilizing the expertise in environmental education it has developed through the MOTTAINAI Campaign, a global environmental effort in which ITOCHU participates. To allow children to experience environmental activities, the pavilion provides visitors with opportunities to create original products such as Eco-Bag for Shopping, and My Chopsticks to Carry Along and recycled soap, all using eco-friendly materials. In August 2014, Out of KidZania – Work Experience with ITOCHU on its brand business, a special program for allowing children to experience work of a trading company on site at the Tokyo head office, was held over two days. In this program, the children came up with new ideas of brand businesses utilizing the Shunsoku brand handled by ITOCHU Corporation, and even gave presentations. The sock designs the elementary school students actually came up with were later commercialized and sold at major nationwide retailers. In this way, the children were offered work experience in a unique way that was only possible at ITOCHU Corporation.

At KidZania Tokyo, a popular venue for children, we will continue to provide them with opportunities to enjoy learning environmental preservation from a global perspective, offer a range of events for children, and help develop young people who will be leaders of sustainable society.



Children making soap from recycled materials



Children taking part in the Out of KidZania program deliver presentations on a new product

Accepting Chinese university students for homestays

Since its inception, ITOCHU Corporation has supported the “Visit Japanese Enterprises and Feel Japan” program organized by the Japanese Chamber of Commerce and Industry in China to give Chinese university students the opportunity to learn more about Japan.

The program aims to promote friendship between Japan and China by having university students from China visit Japan twice a year and engage in citizen-based exchanges. In FY2015, the 14th in May and 15th in November, iterations of the program were run, with two employees (14th) and four employees (15th) from the ITOCHU Group accepting Chinese university students as hosts and enjoying citizen-based exchanges with their families.



Commemorative photo at the farewell party

Supporting the development of university student social entrepreneurs through Nikkei GSR

ITOCHU Corporation has supported the Nikkei GSR (Global Social Responsibility) Student Idea Contest since it was first held, one of the programs at the Nikkei GSR Study Meeting organized by the Japan Center for Economic Research. In the contest, participating schools match two companies and compete to produce business plans designed to tackle social issues on a global scale through business.

At the 5th contest held in 2014, the team from Keio University supported by ITOCHU Corporation won the Uniqueness Prize for its “Project to Eliminate the Dual Downsides of Nutrition in Thailand.”



Presentation by Keio University Team

Supporting school for Brazilians in Japan

Children attending school for Brazilians in Japan face a variety of problems, among them a lack of Japanese language proficiency, financially challenged facilities, insufficient learning materials and the large number who do not attend school at all. The current situation means that despite living in Japan, these children have little exposure to Japanese culture and the Japanese language.

In July 2014, ITOCHU Corporation donated sets of 100 Japanese language books for children selected by the ITOCHU Foundation along with specially-made bookshelves to 10 schools under the jurisdiction of the consulate-general in Tokyo, with a presentation ceremony held on July 18, 2014. To mark the occasion, 25 students and children from a school for Brazilians in Japan located in Oizumi, Ora District, Gunma Prefecture were accepted to take part in a workplace visit of the Tokyo head office. In conjunction with the Homecoming Exhibition of Opa! Uma Alegre Revelação held at ITOCHU AOYAMA ART SQUARE, "Snail Art" workshops by fashion designer Junko Koshino and contemporary artist Go Yayanagi were conducted. In addition, efforts were made to deepen the understanding of ITOCHU's ties with Brazil by listening to explanations about trading company work from employees with links to Brazil.



Lecture on trading companies work



At presentation ceremony

Holding summer school program on the environment

ITOCHU Corporation has been holding summer school program on the environment focused on elementary school students in Tokyo since 1992.

In FY2015, we worked with the Gakken Science Creation Institute to hold a science experiment shows by the "Edison of Gakken," institute head Hirofumi Yumoto, as well as a workshop to "create a power generating helicopters." Forty-three elementary school students took part.

After the program, we held a talk show titled "Let's think about the environment: what we can do to protect wildlife" that was jointly planned with the World Environment Photo Exhibition at ITOCHU AOYAMA ART SQUARE. Ms. Tsuji from the WWF Japan PR Office spoke at the event and gave the children the opportunity to learn about the world's endangered species such as the orangutan and panda.



Children making helicopters with absorbing interests



The talk show by WWF Japan

Accepting elementary and junior and senior high school students for company visits

In concert with the teaching guidelines of the Ministry of Education, Culture, Sports, Science and Technology incorporating company visits into curriculum, ITOCHU Corporation has accepted company visits by elementary and junior and senior high school students to support “students understanding social roles and occupational lifestyles, and encouraging independence as a full-fledged member of society.”

In FY2015, we accepted visits from seven schools in total, including the nearby Aoyama Elementary School and Shiga Prefectural Hachiman Commercial Senior High School, the old school of Chubei Itoh II. The Tohoku branch office also accepted visits from Sendai Shirayuri Gakuen High School and provided comprehensive learning regarding the environment.



Aoyama Elementary School's extracurricular class “observing the neighborhood from a high place”



Workshop for Hachiman Commercial High School

Social Contribution Activities: Support for Volunteer Work by our Employees

ITOCHU strives to heighten employees' awareness of volunteer activities. In one such effort we have introduced a system that lets employees take up to three days of annual volunteer leave and volunteer programs in which they can participate on holidays or during lunch breaks.

Employee volunteers supporting recovery from the Great East Japan Earthquake

Volunteer efforts to support recovery that were begun immediately following the earthquake were continued during FY2015, with 74 volunteers from the ITOCHU Group taking part. The activities performed have shifted from removing rubble immediately after the earthquake to directly supporting the recovery of those affected by the disaster. Specifically, volunteers have engaged in rice planting, harvesting, land-clearing work, cutting of firewood, support for the holding of local events, improvement of meeting places for residents in affected areas, and conducting tournaments of youth baseball clubs. Recovery of the areas affected by the disaster are still expected to take some time, and moving forward we will continue with volunteer activities appropriate to circumstances in the region.



Activities to Restore the Tropical Rainforests and Conserve Borneo's Ecosystem

Since 2009, ITOCHU has been engaged in activities to restore the tropical rainforests and conserve the ecosystem in Borneo by collaborating with World Wide Fund for Nature Japan. We organize employee volunteer tours every year and visit Borneo regularly with employees working for ITOCHU Group companies, national staff working overseas, and others. A total of 59 ITOCHU employees had helped plant trees at the program sites in the four tours made by the end of 2012.



Examples of Other Volunteer Programs in which Employees can Participate

Support for Child Chemo House through installation of vending machines

To support operation of the Child Chemo House, the Japan's first specialized childhood cancer treatment facility, we have installed beverage vending machines specially designed for Chemo House in our Headquarters in Tokyo and Osaka. We donate an amount equaling 6%-10% of sales from all beverage vending machines installed in the buildings to Child Chemo House. In FY2015, we donated a total of 2,528,736 yen from total sales of 421,456 bottles.



■ Blood drive by the Japan Red Cross Society (Tokyo Head Office) Held in January and July

Twice a year, a blood drive by the Japan Red Cross Society is held in the Tokyo head office. Today, precious donated blood is not only used during surgeries but also widely utilized in the treatment of illnesses such as leukemia, making blood donations even more important. While there are cases where people are unable to give blood due to their physical condition on the day, an overseas stay or local regulations, each time many employees including those from Group companies head to the venue to do their part.

For FY2015, blood drives were held on July 16, 2014 and January 27, 2015, with 102 employees (out of 134 applicants) and 113 employees (out of 147 applicants) giving blood respectively.

■ ITOCHU Baseball Class (Tokyo Headquarters)

As part of nurturing young people, thinking that we want to give disabled children the opportunity to challenge themselves in a variety of activities, and that we would like to help create opportunities for them to explore their own potential, we have sponsored the classes since 2007.

The instructor Kazuya Yano, former pitcher for the Yakult Swallows, covered a lot of ground, from sportsmanship, basic movements and other fundamentals that are difficult to master by practicing at home, to catching fly balls and practicing pitching. Employees belonging to the ITOCHU Corporation's mutual society baseball club take part in the classes as volunteer instructors.

In FY2015, 27 children and 48 ITOCHU Group volunteer employees took part. Expressing a common sentiment, the guardian of one child said, "I was able to see my child excited in a way I don't see at home or at school." The event is very popular and the number of volunteers is increasing year by year.



■ Campaign to Deliver Picture Books (Headquarters in Tokyo and Osaka, Nagoya Branch, Kanazawa Branch)

Participants in this campaign affix labels bearing text translated into local languages on corresponding pages of Japanese picture books and send the books to children in Southeast Asian countries as gifts.

A room on the fifth floor of the Tokyo Headquarters is offered for these activities during lunchtime every Thursday.



■ Selling Bread from the Swan Bakery

The Swan Bakery was established by the Yamato Welfare Foundation with the aim of encouraging employment for people with disabilities at reasonable wages. Since May 2008, we sell bread from the Swan Bakery every Wednesday in the employee cafeteria at the Tokyo head office. The endeavor has met with a favorable reception. Many employees make a point of purchasing the products, and the members of the bakery are "grateful that so many people buy our products each time."



■ Nature Observation Sessions organized by the Fureai Network

Employees and their families take part in nature observation sessions throughout the year, including nature observation at Shinjuku Gyoen National Garden in Early April, observation of cicada molting in early August and a nature observation tour in Yokosawairi in early October.



■ Book reading by Fureai Network's Reading Aloud Group (held on second Saturday of each month)

Current and retired employees of the ITOCHU Group visit elderly residents of a nursing home in Shibuya ward once a month as volunteers and interact with them by reading books aloud, singing together, and engaging in other activities. As the activities have been continued for more than a decade, a certificate of gratitude was received.



Employee Relations

As a general trading company that has a diverse range of businesses around the world, ITOCHU believes that its human resources are its greatest management asset. Accordingly, ITOCHU will proactively advance efforts to develop and strengthen human resources as the management foundation supporting the growth of its business activities. We will continue to pursue human resources initiatives, such as cultivating industry professionals and creating systems in which diverse human resources can flourish globally.

Human Resource Development Supporting the “Seeking of New Opportunities”

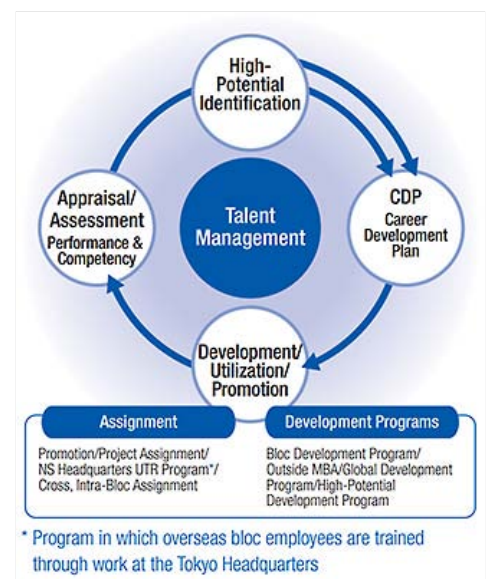
Ongoing Promotion of Global Human Resources Strategy

Human resources are what support the stable, ongoing growth of ITOCHU Corporation.

Since fiscal 2008, ITOCHU has been promoting a global human resources strategy in order to maximize the value of human resources and optimize the talent development of the Group on a global basis. Specifically, in fiscal 2011, we established leadership standards for managers and developed a global human resources database of organization managers*. We also created a Talent Management Process for recruiting, fostering, utilizing and promoting talented personnel who will play key roles in the expansion of revenues and profits overseas, by cooperating with each Division Company and the overseas blocs. In addition, the ITOCHU Mission and Values, which we have passed down since our establishment more than 150 years ago, are reflected in our recruitment standards and in our evaluation and human resources development programs. This enables us to hire and develop human resources around the world who are suited to ITOCHU's values.

* We are assigning, promoting, and developing human resources on a global basis regardless of nationality, by implementing the ITOCHU Global Classification (IGC) in fiscal 2010 as a common measure of job level / level of responsibility for all jobs and positions worldwide.

■ Related Data: Number of overseas bloc employees by region (P120)



Talent Management Process

Development Policy

Human resources are what support the stable, ongoing growth of ITOCHU Corporation. Our human resource development activities are available to employees throughout the Group, both domestically and in overseas blocs. Based on each employee's work experience and abilities, we strive to help them develop into professionals who play an active role in their business field and to provide them with the skills necessary to manage business on a global level.

Through individual evaluations and feedback, centered on valuable job experience via on-the-job training (OJT), we help to cultivate the motivation and willingness of employees to increase their career opportunities within the Group. To further support employees' self-development, we not only provide skills and knowledge through training but also actively support career development. We will continue to invest substantially in our human resources, while at the same time promoting human resources development which is proactively led by the front-lines.



Basic Structure of Human Resource Development

Training System

ITOCHU Corporation's training system consists of company-wide training structures and independent training structures for each Division Company and administrative divisions, which are designed in light of industry characteristics, specialties, and other elements. We provide opportunities for human resources at all job levels to develop a wide range of capabilities. This includes not only Headquarters employees but also locally hired overseas staff and Group company employees.

In addition to the above, we have established a training system for each overseas bloc based on the characteristics of the business and market and reflecting the required skills and specialties. We focus our efforts on developing management-level employees through training schemes including a Bloc Leadership Workshop in the ASEAN and Southwest Asian Bloc and workshops in other overseas blocs including North America, Europe, and East Asia. We combine these schemes with the training system of ITOCHU Corporation to develop professionals who can manage business on a global level.

Target	Classification	Head Office Employees			Group Company Employees	National Staff
		Essential	Elective	Select		
Career-track Employee	Officer	Training for Newly Appointed Officer			Training for Newly Appointed Officer	
	General Manager	Training for Newly Appointed General Manager				GEP Training
		Training for Newly Appointed Administrative Officer of Group Company	Workshop for Organizational Managers			Organizational Change and Business Execution
	Section Manager	Short-term Business School in Japan or Overseas			Leading Subordinates	GLP Training
	Mid-Career	Training for Newly Appointed Section Managers		Coaching	Management Essentials	
Junior Employee	Mid-Career	Training for Newly Appointed Acting Section Manager				GNP Training
		8th Year Training				
	4th Year Training					NS UTR Training
Clerical Staff	Junior Employee	Junior Overseas Training-Multi				
		8th Year Training				
		4th Year Training				
		New Employee Training				
Prospective Employee	Clerical Staff	Training for Newly Appointed Grade B2 Employee				
		Training for Newly Appointed Grade B1 Employee				
		5th Year Training for Clerical Staff				
		3rd Year Training for Clerical Staff				
		New Employee Training				
		Career Vision Support Training				
		Business Professional Courses				
		Pre-Dispatch Training				
		Cross-Cultural Management Training				
		Mid-career-Hires Training				
		OJT Trainer Training				
		Short-term Business School in Japan or Overseas				
		Next Generation Leader Forum				
		Junior Staff Internship (Adminl Dept.)				
		Junior Overseas Training				
		Intensive English Lesson				
		Support-Oriented Leader Training				
		Training of Clerical and Expert Staff for Capability Development				
		New Employee Training				
		Bask Course				
		OJT Trainer Training				
		Bask Course				
		Training for Prospective Employee				

- GEP: Global Executive Program
- GLP: Global Leadership Program
- GNP: Global Network Program
- NS UTR: National Staff U-turn Rotation Training
- GPP: Global Partnership Program for Subsidiary Staff

Key Points of Human Resources Development

As the key points of our human resources development, we focus on consolidation, overseas and front-line capabilities.

First, from the viewpoint of "consolidation," in fiscal 2014 we built a structure for developing human resources who can play key roles in the business management of Group companies. Specifically, we introduced programs aimed at allowing employees to obtain further basic knowledge of business management and risk management methods. One example is an administrative intern program focused on enabling employees to acquire experience working in in-house administrative units, such as the Audit Division and the Legal Division, for a certain period of time. In fiscal 2015, we also introduced a training program to enable accounting operations to be learned efficiently in a short period of time through hands-on exercises (as accounting interns) as an essential training program for junior staff.



Global Development Program

Next, from the viewpoint of “overseas,” we provide training in such forms as global development programs (GEP, GLP, GNP and GPP*), dispatch of staff to business schools for short-term programs, and workshops for organizational managers, with a view to nurturing the growth of global management human resources. In addition, in order to develop English language skills and an international perspective among junior staff, we instituted a program for short-term dispatch overseas in 1999, ahead of other companies in our industry. At present, we are developing candidates for future growth into specialists in each market by dispatching our junior staff, in short term, to China and other emerging markets, for training in Chinese and other languages. Above all, given the execution of a strategic cooperation agreement with capital participation with CITIC Limited (CITIC), China's largest conglomerate, and Charoen Pokphand Group Company Limited (CP), one of Asia's leading conglomerates, we are accelerating measures for strengthening the development of human resources who can pursue the maximization of synergies in a wide range of business domains with a focus on the markets of China and other Asian countries. These measures include language skills improvement and human resources exchanges.

From the viewpoint of “front-line capabilities,” we provide diverse object-oriented training such as training to support career visions and independent training based on the human resources strategy of each Division Company and the headquarters administrative divisions, in order to produce professionals with diverse outlooks on value.

- * Global Executive Program (GEP): This core part of the global talent development program provides training to cultivate global executives.
- * Global Leadership Program (GLP): The purpose of this training is to cultivate organization managers who can be active in global business.
- * Global Network Program (GNP): Through training held at Headquarters, this program enables locally hired overseas staff to learn firsthand about the ITOCHU Group's global operations and build up a network with other participants.
- * Global Partnership Program (GPP): This Program introduces the history and outline of ITOCHU, and communicates and nurtures corporate message to subsidiary staffs. It also helps create network among ITOCHU group members.

Number of employees participated in major training programs

Name of Training program	FY2013	FY2014	FY2015
Administrative intern program	-	5	94
Global development program	102	135	135
Organization manager workshops	372	325	437
Dispatch of staff to business schools for short-term	44	50	39
Overseas dispatch of junior staff	41	37	5
Junior staff overseas training for Chinese and Junior staff overseas training for multi-language	54	25	47
Career vision support training (the total number of participants)	2,037	2,025	1,893

Comments from the Participants



Trainee(TEWOO-ITC Global Training Co., Ltd.) (Tianjin)
Takayoshi Okayasu
First from the left

Junior staff overseas training for multi-language (Chinese)

I studied the Chinese language at Tianjin University in Tianjin, China for a period of six months from September 2014. I studied Chinese in Tokyo before I went to China. In my early days in China, I tried to communicate with the local people by saying “Hello” in Chinese. However, I couldn't interact with them at all because I couldn't understand what they said. Nonetheless, I became capable of communicating with them as I learned more Chinese through classes at the language school and during my daily life in China. In addition to the language, I was able to learn ways of thinking and living that are completely different from those of Japanese people. I did this by discussing the differences between the countries in terms of job-hunting endeavors and culture, as well as discussing dreams for the future, with students and working members of society in China and those from other foreign countries whom I met during my stay in Tianjin.

I had never lived overseas before. After I joined ITOCHU Corporation, the company gave me the opportunity to live and work overseas and learn about a foreign country's culture firsthand while I was still young. I am very grateful to ITOCHU Corporation. Currently, I work as an overseas intern on a joint venture between a Chinese company and ITOCHU Corporation, making full use of what I learned during my time in Tianjin.



Mr. Ben LIEW
(ITOCHU
Singapore Pte Ltd)
Front row, second
from left

Global Development Program(GNP)

The GNP is a well-structured 5-day program for us. I feel that I am closer to the understanding of ITOCHU Values and Mission, Divisions and their businesses, and our new Corporate Message. As a HR staff, it is my duty to share my understandings with our National Staff so that we can all work towards the same direction full of synergy.

Thank you.

| Personnel Evaluation Systems

Personnel evaluation systems are positioned as the foundation of a personnel system that helps employees realize their full potential with enthusiasm and drive. One of these systems is the management by objectives (MBO) structure, which functions as the driver of management strategy by dividing objectives among individual employees based on the company-wide management plan and verifying their execution. We have also established a human resources assessment system that takes a comprehensive look at the skills, expertise, past careers, aspirations and suitability of individual employees and utilizes this information for placement and transfer plans.

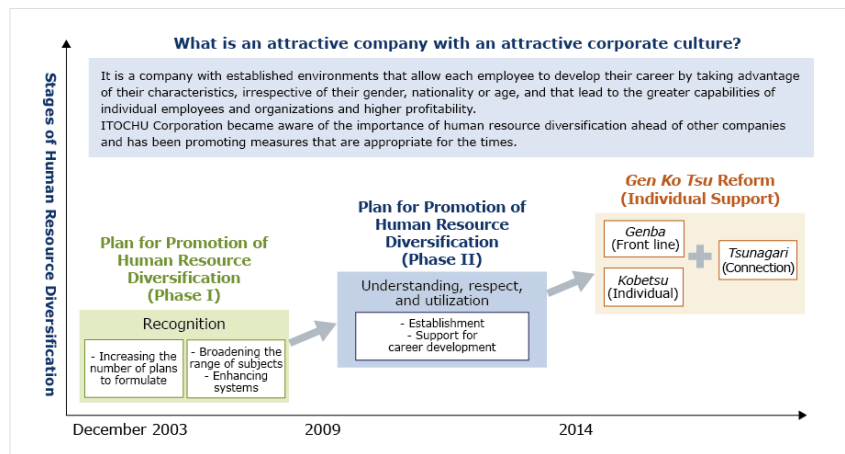
We regard fair and equitable evaluations by supervisors and feedback through interviews with subordinates as critically important to ensure proper functioning of these personnel evaluation systems. We make use of evaluator training and other activities to communicate the importance of encouraging employee growth and development to supervisors.

Creating Environments That Bring Out the Best in Employees

Supporting the Activity of Diverse Human Resources

Amid intensifying global economy, we at ITOCHU Corporation believe that diversity as an organization is indispensable for accurate response to diversifying needs in the global market as well as continuous creation of new business and additional value. Based on this belief, we formulated the Plan for Promotion of Human Resource Diversification in December 2003 and set about efforts to increase the number of diverse personnel and support their acclimation and activity. We are committed to continued efforts to prepare environments enabling each and every employee to exercise his or her unique talents to the fullest, and to strengthen our power on both the individual and organizational levels. By so doing, we are going to make ITOCHU an attractive company with attractive corporate culture.

ITOCHU Corporation's measures for human resource diversification



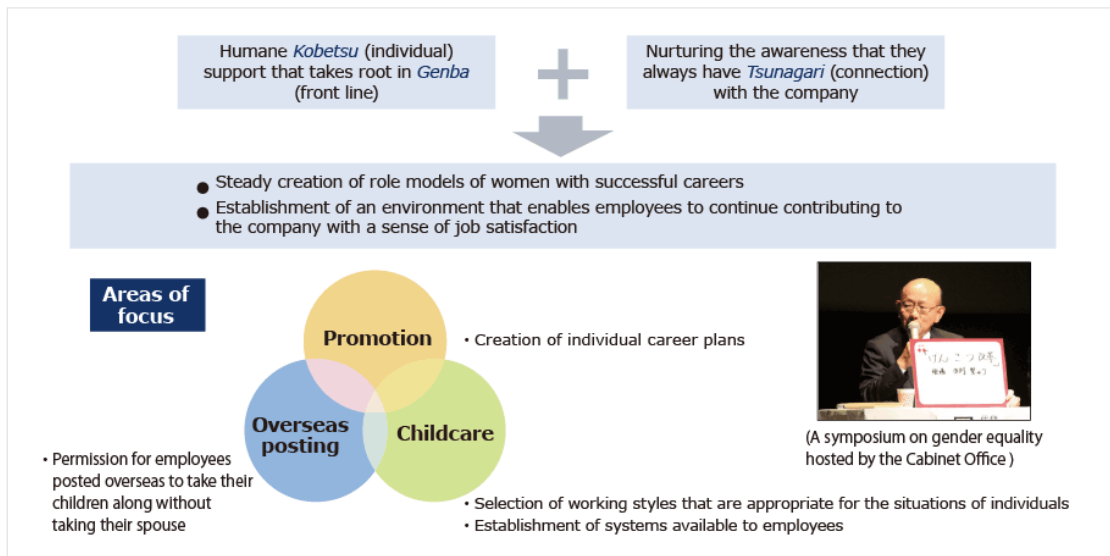
Supporting the career development of female employees

Among its measures for human resource diversification, ITOCHU Corporation focuses primarily on supporting the career development of women. To date, we have actively promoted measures to support the career development of female employees to reflect the advancement of women in Japanese society, and established various schemes to this effect. Female employees account for approximately 24% of ITOCHU Corporation's employees. We started hiring female career-track employees in 1989, and as of the end of fiscal 2015, women constituted about 9% of all career-track employees. At present, we are implementing a *Gen Ko Tsu Reform* (*Gen* for *genba*, or "front line," *ko* for *kobetsu*, or "individual," and *tsu* for *tsunagari*, or "connection"). Under this reform, we promote individual support measures based on the life stages and careers of individual employees. At the same time, we strive to create role models of women with successful careers and develop an environment that enables women to work with a sense of job satisfaction, through training programs for nurturing career consciousness among young female career-track employees and various forums.

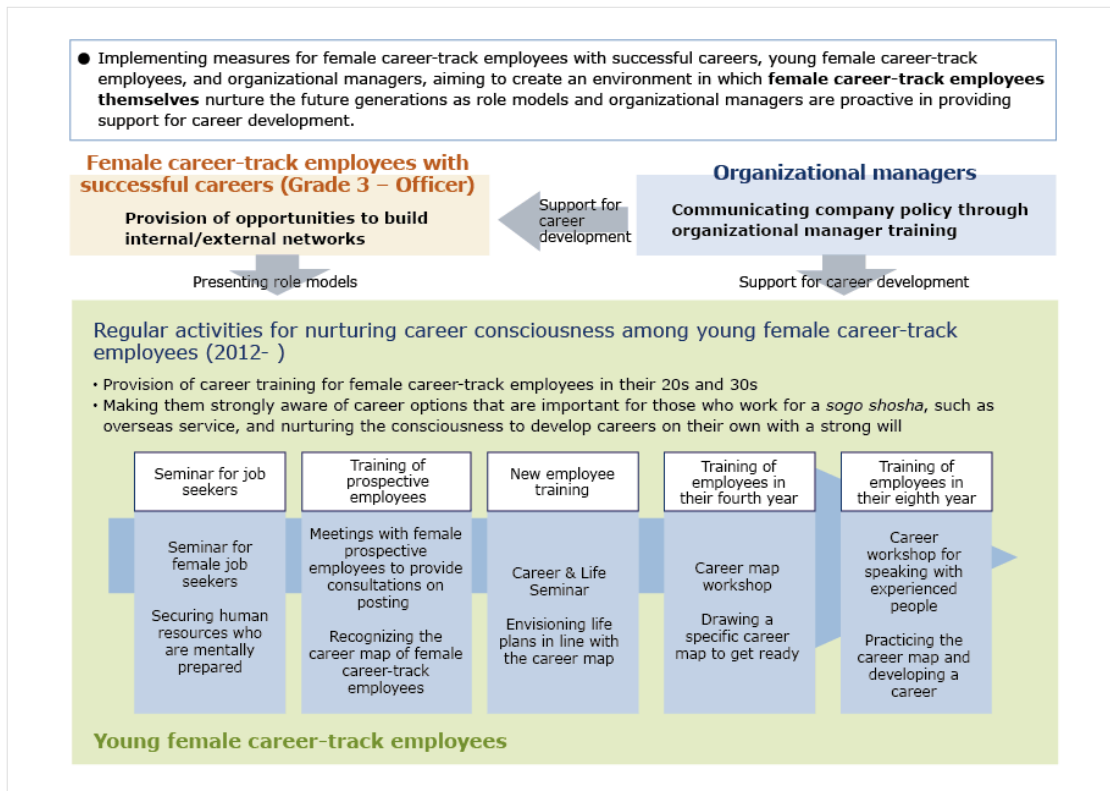
Measures for supporting female career-track employees

Stage	Perceived environments and tasks	Specific measures
Early period (1989-2003) Legal requirement	<ul style="list-style-type: none"> The employment of women is required by the equal opportunity law, which came into force in 1986. 	<ul style="list-style-type: none"> Continuing to hire female career-track employees (several employees every year) Transfers from clerical positions Introduction of childcare support systems
Increase in number and enhancement of systems (2004-2011) Company where female career-track employees enjoy working	<ul style="list-style-type: none"> To promote women to executive positions proactively, it is important to first increase the number of women and utilize them widely in the company. Establishing an environment that allows women to achieve a good balance between work and childcare/nursing care to retain female employees. Formulation of the Plan for Promotion of Human Resource Diversification (December 2013) 	<ul style="list-style-type: none"> Setting numerical targets Introduction of a mentor system Enhancement of childcare support systems Introduction of a system that permits a leave of absence in the event of the overseas transfer of a spouse Establishment of a childcare center for employees Holding various forums
Promotion of individual support (2012-) Company that enables female career-track employees to work with a sense of job satisfaction	<ul style="list-style-type: none"> Systems have been established beyond the level required by law. The populous generations of female career-track workers have entered in their 30s, and their life events are expected to take place in earnest. Support is provided individually under the Gen Ko Tsu Reform to those who try hard to develop careers on their own. 	<ul style="list-style-type: none"> Switch from job transfer/leave to a reemployment system Support for employees posted overseas (permission to take their children along without taking their spouse) Identification and nurturing of candidates for promotion Collecting opinions from the front lines at sectional meetings Support for endeavors to nurture career consciousness (various forums, etc.)

Gen Ko Tsu Reform



Support for nurturing career consciousness among female career-track employees



<Forums>

We hold various forums for presenting diverse role models and developing networks.



Women's Executive Forum by female executive officers (ITOCHU Corporation; Calbee, Inc.; and Tokio Marine & Nichido Fire Insurance Co., Ltd.)



Networking seminar by five companies from different industries (ITOCHU Corporation; Nomura Holdings, Inc.; Shiseido Co., Ltd.; Nissan Motor Co., Ltd.; and All Nippon Airways Co., Ltd.)



A networking event with a company in the same area of Aoyama (ITOCHU Corporation and Oracle Corporation Japan)

Comment by Executive Officer Chino



Mitsuru Claire Chino, Executive Officer General Counsel, Legal Division

ITOCHU Corporation is “everywhere,” both in terms of its diverse industry and jurisdictional coverage. Our people are the back-bone of the company's success. We believe that diversity is a matter of business strategy. With this in mind, we will continue our aggressive investment in diverse human capital.

- **Related Data:**
 - Figures concerning employees (P120)
 - Proportion of female career-track employee, manager, and executive officer (P120)
 - Number of hires by gender (P120)

Supporting the Utilization of Senior Human Resources

ITOCHU Corporation is supporting the employment of aged workers even more actively than before. In light of factors such as the declining Japanese birth rate and aging population and support for the utilization of diverse human resources, we have introduced an employment extension system as a new option in addition to mandatory retirement at the age of sixty. This provides an environment in which willing employees can continue to play an active role so that their wealth of knowledge and experience can be utilized. In addition, we give seminars on life planning and other topics to those who have reached the age of fifty-eight, thereby providing them with support in terms of work styles and financial planning following the employment extension. In the future, we will make further efforts to develop environments in which aged employees can continue to work with even greater drive and enthusiasm.

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 (Law for the Employment Promotion of the Disabled) in order to create work opportunities for those with disability. As of March 2015, the proportion of our workforce with disabilities is 2.33%, which exceeds the legally stipulated ratio of 2%. We will continue to actively support the participation in society by people with disabilities.

- Related Data: Employment ratio of people with disabilities (P121)

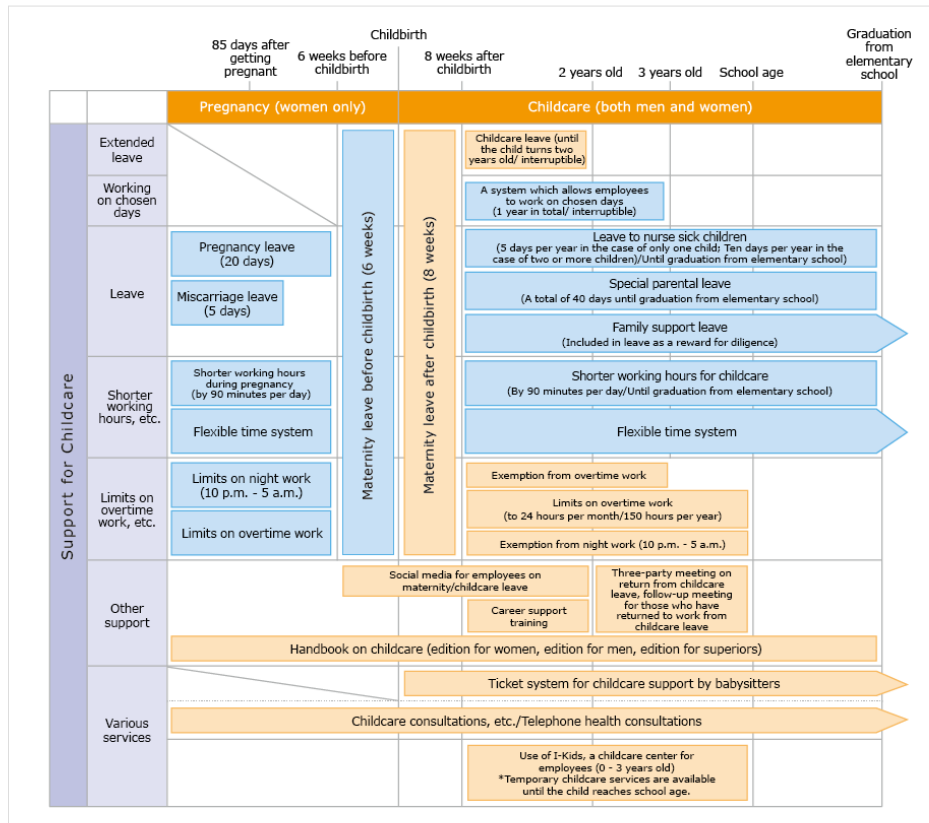
Initiatives for Work-Life Balance

ITOCHU Corporation regards people as its greatest asset and has pursued a range of initiatives to develop environments that allow all employees to enjoy peace of mind and concentrate on their work by taking advantage of the characteristics of each. Initiatives for work-life balance are included in such measures, and are implemented in the belief that it is important for employees to work in a well-balanced manner by working very hard when they need to and refreshing themselves fully when they need to, thereby further improving work quality and efficiency. To this end, ITOCHU has enhanced and expanded a number of systems, promoted greater understanding of systems among employees themselves and their colleagues, and promoted the development of environments that bring out the best in employees. In addition, ITOCHU believes that the promotion of a morning-focused working style, which commenced in October 2013, will contribute further to enabling employees to work in a well-balanced manner.

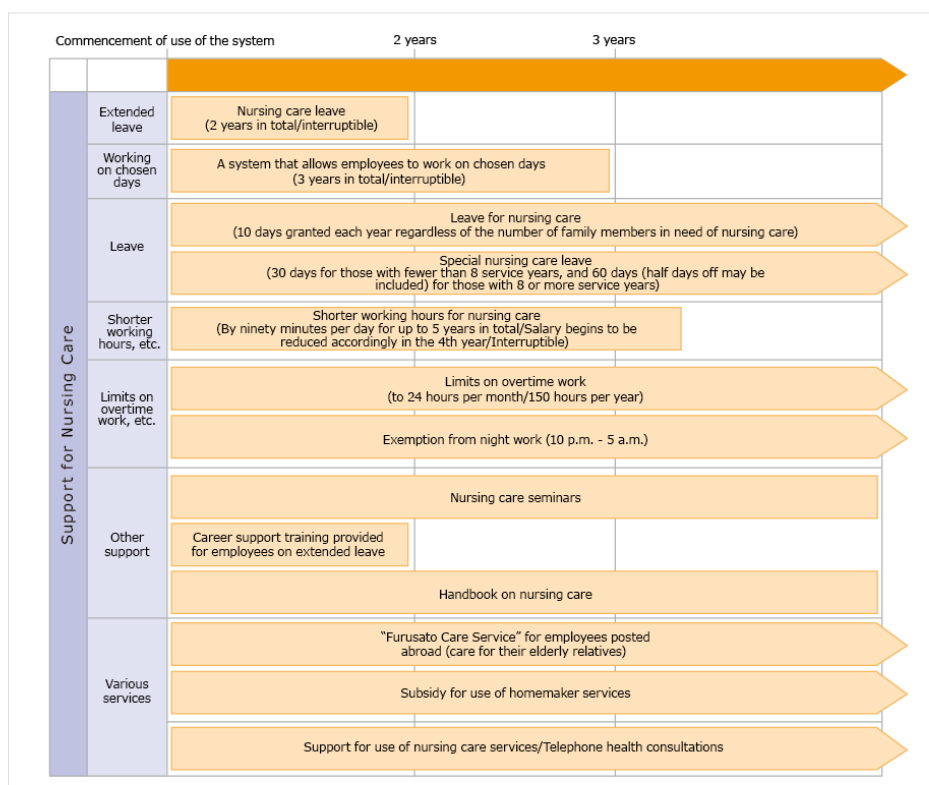
Systems for Providing Support for Work as well as Employees' Childcare and Nursing Care

During the course of their working lives, most employees inevitably pass through life stages that require them to render childcare and nursing care. To enable them to continue working with peace of mind and demonstrate their fullest potential, ITOCHU has expanded and upgraded systems to help that are far and above those required by law. These systems are available to both male and female employees, and provide support for them to succeed in their work as well as child and / or nursing care duties.

Support for Childcare



Support for Nursing Care





ITOCHU Corporation received approval from the Ministry of Health, Labour and Welfare to display the Kurumin certification mark (on two consecutive occasions in 2011 and 2014) in recognition of its initiatives for childcare support.

ITOCHU Kids Day for Visiting Dad and Mom at Work

Since 2014, we regularly invite elementary school boys and girls to ITOCHU Kids Day—an initiative where the sons and daughters of employees can visit their dads and moms at work. They visit their parents in the office and practice exchanging name cards with people at work, using their own cards printed especially for Kids Day. They also hold a mock conference in the Board of Directors conference room, and enjoy lunch in the employee cafeteria as virtual ITOCHU employees. Kids Day is very favorably received among the parents, who are grateful to see their children develop an interest in their parents' jobs at ITOCHU and have reported that their children said they wanted to work for ITOCHU in the future. The company also considers such measures for strengthening family ties and the understanding of ITOCHU to be very significant, and plans to continue holding ITOCHU Kids Day in the future.

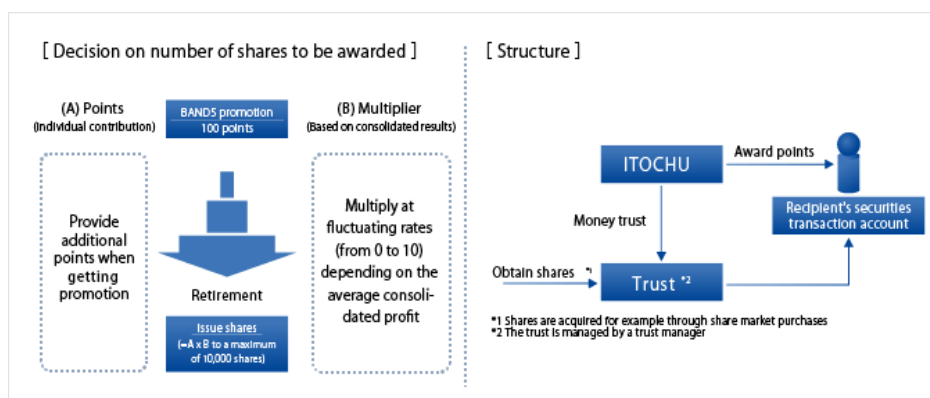


Career Counseling

The Career Counseling Center offers a wide range of counseling and support for diverse career stages, ranging from new recruits to organization managers. Staffed by employees, the majority of whom are certified as career counselors, the department touches on an array of topics fit for the circumstances of each individual, including relationships with supervisors, junior staff and peers, approaches to work and considerations about one's own future. A system is in place for all young employees to receive career counseling when they reach certain milestones in their ITOCHU careers, as part of their training. Counseling is also available to mid-career employees as well as middle-aged employees looking to continue working. The number of visits to the Career Counseling Center to undergo counseling exceeds 500 per year. The Career Counseling Center aims to provide ITOCHU employees— through them and their organizations— with the opportunity to develop their careers, as well as a safety net.

“Managers of the Future” Reward System

This system is a trust-type employee incentive plan based on the U.S. Employee Stock Ownership Plan (ESOP). We have established “Managers of the Future” reward system, in order to enhance medium and long-term contribution, by raising awareness of employees to encourage them to participate in the corporate management. This system positions ITOCHU employees at the rank of Section Head or above, who will be the key people responsible for future growth as candidates for “Managers of the Future.” They are provided awarded points, whose number increases as they are promoted to higher job levels. At the time of the retirement of such employees, the accumulated share points are multiplied by a multiplier linked to the company's consolidated results of each employee's tenure after the first award of the share points. We believe this system will enhance corporate value and be able to share our growth and success with our shareholders and stockholders.



Initiatives Aimed at Occupational Health and Safety that Support the Activity of Employees

For ITOCHU Corporation, employees are assets, and ensuring the health and safety of employee workplaces is one of the vital responsibilities a company must fulfill so that its employees can reach their full potential. To ensure that ITOCHU Corporation employees stationed around the world and their families can enjoy a meaningful assignment 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.

Employee Security Management

ITOCHU Corporation maintains global business operations with roughly 800 rotational staffs stationed overseas, and sends a total of ten thousand staffs on overseas business travel from Headquarters in Japan each year. In terms of overseas security management, based on the belief that a close communication between the overseas location and Japan is important, the specialist who are in charge of overseas safety have assigned security management to some staffs in each regional headquarters of nine blocs worldwide. Information concerning politics, economics, public safety and other factors is periodically collected and disseminated internally, at the safety measures meeting, public security seminars, etc. We have also established a system to cover regions where information is more difficult to obtain through contracts with international security consultant firms. We provide seminars regarding safety and medical practices to our employees and their family, before and after dispatch to overseas. To prepare for emergencies such as diseases or injuries, including preventative measures for infectious diseases in the dispatched area, we collaborate with a special medical service company and developed complete support systems for preventative and post-incident measures, such as providing advice in case of sickness and injuries, including emergency transportation.

With regard to safety initiatives in Japan, we implement countermeasures against large-scale disasters that are likely to occur in this country, such as earthquakes. These include the creation of a disaster manual, the preparation of disaster supplies such as drinking water, food, and toilets, emergency drills, and training on responses to the safety confirmation service. Group companies have also formulated various countermeasures on an individual basis.

We encourage our employees and their family to prepare for large-scale disasters every day, such as securing means of communicating with their families, ensuring that they have walking shoes available, and checking the route for walking home.

Employee Health Management

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 that allows employees to receive counseling on their health at any time. For example, the Health Administration Center at ITOCHU's Tokyo Headquarters, which also serves as a clinic, has 20 specialist physicians on staff, as well as an X-ray technician and a pharmacist. These health maintenance professionals, who each act as a "health concierge," care for every aspect of health for each employee, providing them with the support needed to manage their own health.

In terms of specific services, in addition to general medicine (internal medicine, orthopedics, dental), medical checkups (regular medical checkups, half-day complete medical checkups, medical checkups for employees traveling overseas and those returning temporarily or permanently), various vaccinations, examinations (VDT examination, adult-onset disease examinations), we also offer medical counseling and provide information. Web services such as the Health Support System (HSS), which allows individuals to view their medical checkup history, are also available. As well as the operating four recreation facilities through our health insurance society, we run quit smoking and other health campaigns.

Mental Health

Where mental health is concerned, we have established a stress management room in-house, and offer counseling given by a clinical psychologist. Employees can also seek counseling from a company physician as well as seeing a psychiatrist in-house. Through our health insurance society, we have set up the "Health & Mind Online" health consultation website where employees can seek consultations over the web.

The above initiatives were highly evaluated by the Development Bank of Japan (DBJ), and ITOCHU Corporation obtained a rank in the DBJ's Health Management Rating System in May 2015 for the first time as a *sogo shosha*. It is the world's first financing menu to introduce a specialized method of health management rating, with which companies with excellent initiatives for employees' health are evaluated and selected and financing conditions are set in accordance with the results of the evaluations. ITOCHU Corporation achieved the highest rank in the system, which is given to companies with "particular excellence in measures for promoting the good health of employees."

Working Hours Management

To achieve more effective working style, ITOCHU Corporation has introduced a morning-focused working system. This initiative is aimed at practicing an effective working style to reduce the total number of working hours. Specifically, the Company reviewed the work style that assumes overtime work and shifted from a night-focused style to morning-focused work centered on the basic hours of 9 a.m. to 5:15 p.m. We believe that this initiative would not only further strengthen the effectiveness of operations and maintain and improve its employees' health, but also help female employees demonstrate their abilities and help employees achieve a good balance between work and family life. We are pursuing a well-balanced reform of work awareness and style among all employees, in order to discharge our corporate mission of "Committed to the Global Good" by always viewing things from the customer's perspective.

See here for more details

- Related Page: Morning-Focused Working System (P117)

Introduction of Morning-Focused Working System

Taking Steps to Achieve a More-Effective Working Style

On May 1, 2014, ITOCHU officially introduced a morning-focused working system to achieve a more-effective working style. With a focus on managing employee health and promoting effective operations, ITOCHU has long sought to reduce overtime work. To that end, we decided that it was necessary to implement decisive reforms by reevaluating the traditional working style, which is based on the assumption that employees will work overtime. Our progressive approach is getting attention from political and business establishments. A written request in "Innovative Changes in Summer Living Style" announced on April 25, 2015 requests government workers and corporations to implement morning-focused working system.

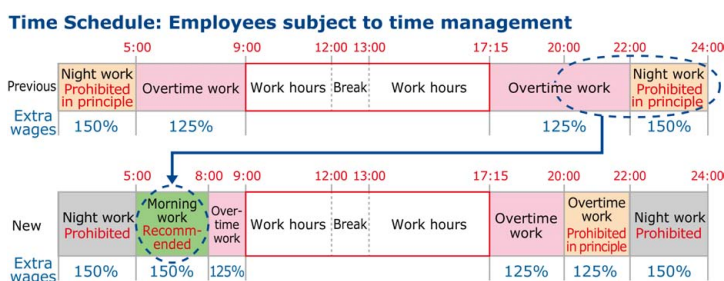
ITOCHU believes that this initiative will help individual employees to reform their approach to their own working styles and to advance well-balanced operational reforms. In this way, the Company will strive to achieve a work environment that further strengthens the effectiveness of operations, supports the maintenance and improvement of employees' health, and helps diverse employees, including female employees, to make full use of their capabilities.

Outline and Effects of Initiatives during Trial Period

Outline of Initiatives (Continued after official introduction)

- Night work (10 p.m.-5 a.m.) is prohibited. Work after 8 p.m.-10 p.m. is, in principle, prohibited, though it is permitted upon prior application when such work needs to be performed due to unavoidable reasons.
- As an incentive for employees who work early in the morning (5 a.m.-8 a.m.), extra wages are provided at the same rate paid for night work (employees subject to time management: 150%; employees not subject to time management: 125%).
 - * When an employee starts working at 7:50 a.m. or before, the extra wage rate is applied not only for 5 a.m.-8 a.m. but also for 8 a.m.-9 a.m.
- From the perspective of managing employees' health, the Company provides light meals to employees who begin work before 8 a.m.

Diagram of Morning-Focused Working System



Providing light meals to employees

Effects of Initiatives (Comparison with same period in the previous fiscal year)

Entering and Leaving Office (Percentage of employees who entered/left the office)

		Prior to introduction	Trial period
Leaving	8:00 p.m. or after	About 30%	About 7%
	(10:00 p.m. or after (within 8:00 p.m. or after))	(About 10%)	(Nearly 0*)
Entering	8:00 a.m. or before	About 20%	About 34%

* Includes employees who applied in advance or on-the-spot

Hours of Overtime Work per Person (Monthly average)★

	FY2013	FY2014	FY2015
Employees in career-track positions	49 hours 6 minutes	46 hours 46 minutes	46 hours 2 minutes
Employees in clerical positions	28 hours 49 minutes	26 hours 13 minutes	26 hours 44 minutes

* Overtime is calculated based on exceedance of our working hours (7 hours 15 minutes), instead of statutory working hours (8 hours).

★ Data assured by KPMG AZSA Sustainability Co., Ltd, an external assurance provider based on the international standard ISAE 3000. Independent Assurance Report (P143)

Electricity Consumption (Tokyo Headquarters)

About 6% reduction compare to same period, previous year

Communications with Employees

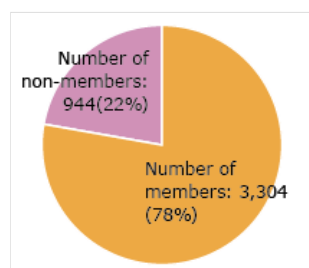
Dialogue Meetings with the President

ITOCHU Corporation is proactive about offering employees opportunities for two-way discussions with the president. In fiscal 2015, the president visited 4 domestic branches, which usually have limited opportunities for direct communication with the president, and held dialogue meetings. Along with these domestic meetings, the president also has dialogue meetings with our staff on overseas assignment, as well as overseas bloc employees when he visits one of our overseas bloc areas. In fiscal 2015, the president held meetings at our business locations in Thailand, the United Kingdom, the United States and Italy. In these discussions, the president shares directly with employees, the company's management policies and his passion for their realization, while employees in turn can express their opinions to the president and ask questions. The meetings therefore provide extremely valuable opportunities for deepening two-way communication. Every meeting is held in a very spirited atmosphere, and touches on everything from management policies to more personal topics.



Dialogue with the Labor Union

At ITOCHU Corporation, a wide range of issues are discussed with the ITOCHU Labor Union in order to realize our corporate mission, "Committed to the Global Good." In fiscal 2015, we held five meetings, including management meetings with the President and similar meetings with Division Companies and the Administrative Headquarters. Labor and management enter repeated and active discussions to build up a healthy relationship that enables both sides to recognize and share challenges currently facing them and to study and implement improvement measures.



Ratio of ITOCHU Labor Union members as of April 1, 2015

Initiatives with the ITOCHU Labor Union in fiscal 2015

June 2014	Settlement of accountings meeting
September 2014	Energy & Chemicals Company management meeting
October 2014	Machinery Company management meeting
January 2015	Food Company management meeting
March 2015	Management meeting with the President

Comments from the ITOCHU Labor Union President



Noriko Imamura
President,
ITOCHU Labor Union

The ITOCHU Labor Union is involved in a host of measures designed to realize working environments that allow one of the Company's key stakeholder groups, its employees, to be more enthusiastic and motivated, and bring their individual abilities to the fore. Based on input gathered from a wide array of frontline operations, we hope to encourage communication between the Company and employees through active dialogue with the Company at management meetings, and ultimately to contribute to CSR activities.

Improving the Infrastructure for Employee Communication

ITOCHU Corporation works to revitalize communication between employees and provide opportunities for exchange through a range of welfare facilities and schemes. Revitalized communication helps to foster a sense of belonging and motivation to work in individual employees and also helps to invigorate the organization as a whole.

- Dormitories for Single Employees

More than 300 junior career-track employees spread across four buildings for males and two buildings for females make use of company dormitories. The dormitories allow employees to interact with junior and senior employees joined the company at different times or who belong to different departments, and also leads to more lively communication among fellow junior employees.

- Employee Cafeteria

The employee cafeteria at the Tokyo Head Office underwent large-scale renovations in May 2013 and was transformed into a space that is brighter and a more comfortable meeting place than before. Each day around 1,500 employees make use of the employee cafeteria, which helps promote exchanges between fellow employees during meal times.

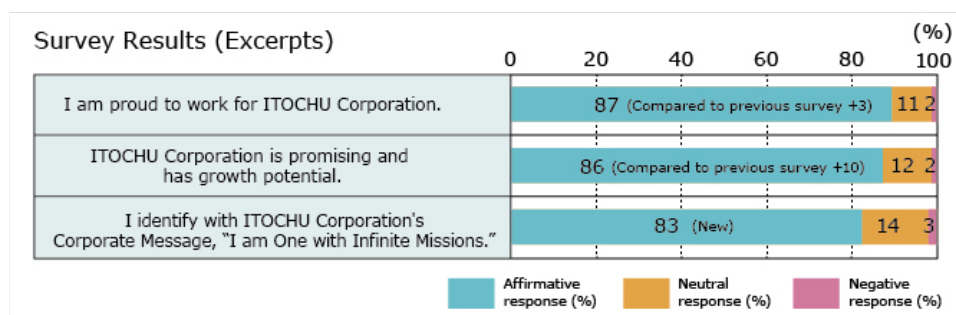
- "SOGO-KAI" Associations

"SOGO-KAI" associations are organizations in which fellow employees assemble and enjoy the same sports or cultural activities. More than forty such associations are active within the company and boast more than 700 employee members. The associations are not limited to current employees of ITOCHU Corporation. Many former employees and Group company employees also take part. Through sports and cultural activities, these associations promote exchanges and communication across different generations and organizations.

Enactment of Engagement Survey for Employees

ITOCHU Corporation regularly surveys the level of engagement present among employees with the goal of assessing motivation, satisfaction and engagement (the degree to which employees with a strong desire to contribute to ITOCHU can capitalize on their own abilities optimally at their own initiative), and utilizing survey results in a range of measures designed to improve employee engagement and corporate value.

In the survey conducted in fiscal 2015, the results exceeded those of the previous survey (conducted in fiscal 2011) in all categories, and the positive answers were 20 points higher than the average of Japanese companies that conducted the survey (about 50 large companies). Above all, the level of engagement remained high, which has allowed us to conclude that many employees are proud of working for ITOCHU Corporation and engage in work with strong motivation to contribute to the company and with the aim of achieving better-than-expected results on a voluntary basis.



Basic Data

Figures concerning employees ★ (As of the end of March 31, 2015)

	Non-consolidated						Consolidated
	Total employees	Male	Female	Average age of employees	Average number of years of service	Average annual salary (JPY)	Number of employees
2013	4,219	3,162	1,057	41	15.8	13,893,019	83,768
2014	4,235	3,200	1,035	41	16.1	13,835,551	104,310
2015	4,262	3,232	1,030	42	16.3	13,950,975	110,487

Number of employees by operating segments ★ (As of the end of March 31, 2015) (Unit: persons)

	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	ICT, General Products & Realty	Others, Adjustments & Eliminations	Total
Non-consolidated	418	453	220	335	397	417	1,043	3,283
Consolidated	20,532	12,523	540	11,701	30,241	31,459	3,491	110,487

Number of overseas bloc employees by region ★ (As of the end of March 31, 2015) (Unit: persons)

North America	Latin America	Europe	Africa	Middle East	Oceania	East Asia	ASEAN & South West Asia	CIS	Total
144	166	197	41	150	33	727	589	84	2,131

Employees working in overseas branches and offices

Number of hires by gender ★ (Unit: persons)

	New-graduates			Mid-career			Total
	Male	Female	Total	Male	Female	Total	
FY2014	99	25	124	8	2	10	134
FY2015	107	28	135	5	1	6	141
FY2016*	116	24	140				140

*The figures as of April 1st, 2015

Proportion of female career-track employee, manager, and executive officer ★ (As of April 1, 2015) (Unit: persons)

	Career-track employee			Manager			Executive Officer		
	Total	Female	Proportion of Female	Total	Female	Proportion of Female	Total	Female	Proportion of Female
2013	3,339	302	9.0%	2,359	86	3.6%	43	1	2.3%
2014	3,401	301	8.9%	2,401	97	4.0%	43	1	2.3%
2015	3,444	304	8.8%	2,438	111	4.6%	44	1	2.3%

*Number has been dated back to 2013, due to the definition change of the manager

Acquisition of leave according to child care or nursing care related systems ★

(Unit: persons)

		FY2013			FY2014			FY2015		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Child care	Childcare Leave	0	43	43	3	51	54	1	60	61
	Leave to nurse sick children	58	76	134	43	91	134	51	94	145
	Shorter working hours for child care	0	64	64	0	61	61	0	66	66
	Special parental leave	6	29	35	5	31	36	5	34	39
	Return rate for employees after taking childcare leave	100%			91%			92%		
Nursing care	Nursing care leave	0	1	1	0	1	1	0	0	0
	Special nursing care leave	4	8	12	1	5	6	1	2	3
	Leave for nursing care	6	12	18	14	19	33	9	22	31
	Shorter working hours for nursing care	0	2	2	0	3	3	0	3	3
Family support leave		248	206	454	104	84	188	118	79	197

Employment ratio of people with disabilities ★ (As of March 1)

	Employment ratio of people with disabilities	Legally stipulated ratio
2013	1.95%	1.80%
2014	2.16%	2.00%
2015	2.33%	2.00%

★ Data assured by KPMG AZSA Sustainability Co., Ltd, an external assurance provider based on the international standard ISAE 3000.

Related Page: Independent Assurance Report (P143)

* The figures are for non-consolidated unless otherwise indicated as consolidated.

* The number of overseas employees by region is the total of employees hired locally by each overseas subsidiary.

* The figures of employment ratio of people with disabilities are the combined total of ITOCHU Corporation and the certified special-purpose subsidiary, ITOCHU Uneedus Co.,Ltd.

Corporate Governance and Internal Control

ITOCHU operates its business to establish the long-term preservation and enhancement of its corporate value by building fair and positive relationships with its stakeholders in accordance with the ITOCHU Group corporate philosophy and Code of Conduct. To ensure its appropriate and efficient business operations, ITOCHU is increasing the transparency of its decision-making process and constructing a corporate governance system that incorporates proper monitoring and supervisory functions. ITOCHU values the spirit of the Tokyo Stock Exchange (TSE)'s Corporate Governance Code, and the Company is in the process of actively complying with the code.

ITOCHU is a company with the Board of Directors and corporate auditors (the Board of Corporate Auditors).

Comprising 13 directors (including 2 outside directors) as of June 19, 2015, the Board of Directors makes decisions on important management matters and supervises business management.

ITOCHU enhances the monitoring and supervisory functions and secures transparency in decision-making through the monitoring of management by five corporate auditors, including three outside corporate auditors. In addition to the corporate governance system based on management supervision by corporate auditors, ITOCHU has appointed two highly independent outside directors since June 2011, with the objective of strengthening and enhancing the effectiveness of management supervision and the transparency of decision-making by the Board of Directors. Moreover, in May 2015 the Company established the Nomination Committee and the Governance and Remuneration Committee, which are advisory committees to the Board of Directors. The membership of these committees includes outside directors and outside corporate auditors. In addition to the Board of Directors, which includes outside directors, and the advisory

committees, which include outside officers, the corporate governance system is also based on the Board of Corporate Auditors, of which a majority of members are outside corporate auditors. The Company believes that this system is consistent with a "corporate governance system that increases the transparency of decision-making and appropriately incorporates the monitoring and supervision functions."

To strengthen the decision-making and supervisory functions and to increase the efficiency of business execution of the Board of Directors, ITOCHU has adopted an Executive Officer System, and in addition, with the objective of contributing to decision-making related to appropriate, flexible business execution by the CEO and the Board of Directors, the Company has established the Headquarters Management Committee (HMC) and various internal committees. To assist the CEO, the HMC discusses companywide management policies and important issues, and the various internal committees investigate and discuss management issues in their respective fields. Certain internal committees include outside experts as members, and the Company has prepared and utilizes a framework for receiving outside opinions.

Steps Taken to Strengthen Corporate Governance

1997	Introduced the Division Company System	To accelerate decision making, increase efficiency of business management, and clarify responsibilities
1999	Introduced Executive Officer System	To strengthen decision-making and supervisory functions of the Board of Directors
2007	Shortened the terms of office of directors and executive officers to one year	To clarify management responsibility during terms of office
2011	Introduced an Outside Directors System	To increase the effectiveness of the supervision of management and improve the transparency of decision making
2015	Responded to the TSE's Corporate Governance Code	Established the Nomination Committee and the Governance and Remuneration Committee, etc.

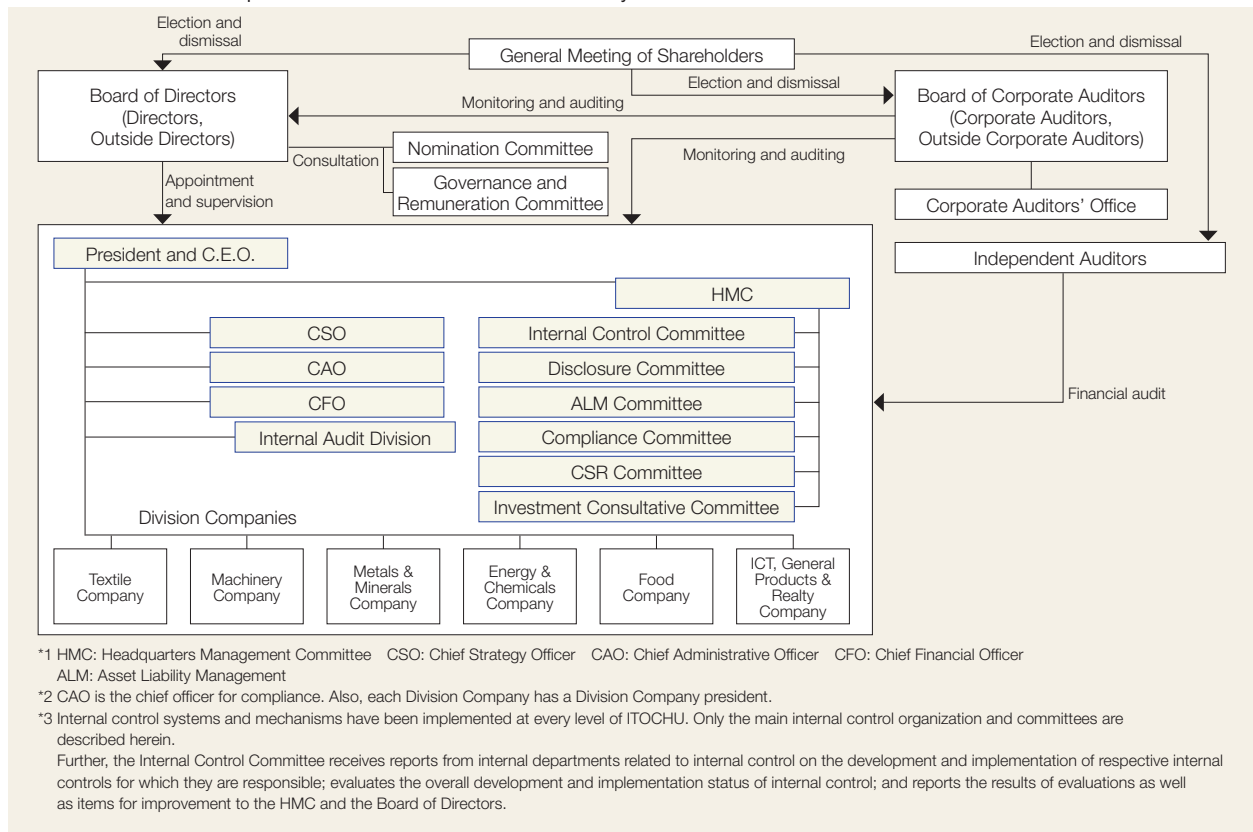
Compliance with the Corporate Governance Code

As of June 2015, the status of ITOCHU's compliance with the TSE's Corporate Governance Code was as follows.

- The Company established the Nomination Committee and the Governance and Remuneration Committee as advisory committees to the Board of Directors (See page 77, "Overview of ITOCHU's Corporate Governance and Internal Control System").
- We have commenced consideration of such matters as policy on holding listed shares for purposes other than pure investment and standards for the exercise of voting rights thereon (see page 78).
- In regard to judgments regarding the independence of outside directors and outside corporate auditors, the Company has commenced consideration of its own original criteria, in response to the Corporate Governance Code (see page 78).
- ITOCHU has formulated Basic IR Policy (see page 80).

Corporate Governance System	
Type of system	Company with the Board of Directors and corporate auditors (the Board of Corporate Auditors)
Number of directors	13
Of which, number of outside directors	2
Number of corporate auditors	5
Of which, number of outside corporate auditors	3
Term of office for directors	1 year (the same for outside directors)
Adoption of an Executive Officer System	Yes
Organization to support CEO decision-making	Headquarters Management Committee (HMC) deliberates on companywide management policy and important issues
Advisory committees to the Board of Directors	Governance and Remuneration Committee, Nomination Committee
Corporate Officer Compensation System (See page 81)	(1) Monthly compensation Monthly compensation determined by the contribution to ITOCHU of each director according to a base amount set by position (2) Performance-linked bonuses Total payment amount determined on the basis of consolidated net income attributable to ITOCHU Note: Outside directors paid monthly compensation only
Independent external auditor	Deloitte Touche Tohmatsu LLC

Overview of ITOCHU's Corporate Governance and Internal Control System



Advisory Committees to the Board of Directors

Name	Function
Nomination Committee	Deliberates on proposed appointments of executive officers, directors, and corporate auditors
Governance and Remuneration Committee	Deliberates on proposals related to the compensation system for executive officers and directors and to other governance-related matters

Principal Internal Committees

Name	Objectives	Name	Objectives
Internal Control Committee	Deliberates on issues related to the development of internal control systems	Compliance Committee	Deliberates on issues related to compliance
Disclosure Committee	Deliberates on issues related to business activity disclosure and on issues related to the development and operation of internal control systems in the area of financial reporting	CSR Committee	Deliberates on issues related to corporate social responsibility, environmental problems, and social contribution initiatives
ALM Committee	Deliberates on issues related to risk management systems and balance sheet management	Investment Consultative Committee	Deliberates on issues related to investment and financing

Composition of the Nomination Committee and the Governance and Remuneration Committee

Name	Title	Nomination Committee	Governance and Remuneration Committee
Eizo Kobayashi	Chairman	○	○ (Chair)
Masahiro Okafuji	President & Chief Executive Officer	○ (Chair)	○
Hitoshi Okamoto	Director		○
Fumihiko Kobayashi	Director	○	
Ichiro Fujisaki	Outside Director		○
Chikara Kawakita	Outside Director	○	
Yoshio Akamatsu	Corporate Auditor		○
Harutoshi Okita	Corporate Auditor	○	
Shingo Majima	Outside Corporate Auditor		○
Harufumi Mochizuki	Outside Corporate Auditor	○	○
Kentaro Uryu	Outside Corporate Auditor	○	

(7 members) (7 members)

Policies on Holding Listed Shares for Purposes Other than Pure Investment and Standards for the Exercise of Voting Rights

ITOCHU has implemented a stricter policy in regard to the selection of listed shares held for purposes other than pure investment (such as “cross-shareholding”). We apply rigorous investment standards with consideration for such factors as trade benefits, and also conduct periodic reviews from the perspectives of both investment efficiency and strategic holding significance. Moreover, in accordance with a policy approved by the Board of Directors, in consideration of our investment objectives and holding policies we will ensure that we exercise the voting rights on such listed shares and will not delegate the exercise of our voting rights to others. The holding policies and standards for the exercise of voting rights for such listed shares are currently under further consideration, and the Company plans to disclose detailed information in the Corporate Governance Report to be issued by the end of this year.

Details of Criteria and Policies Related to Independence from ITOCHU for the Appointment of Outside Directors and Outside Corporate Auditors

In the appointment of outside directors and outside corporate auditors, ITOCHU emphasizes ensuring their independence, with reference to the conditions for “independent directors / independent corporate auditors” as determined by the TSE. Following the formulation of TSE’s Corporate Governance Code, ITOCHU has commenced discussions to establish specific criteria regarding the independence of the Company’s outside directors and outside corporate auditors, and the Company plans to disclose this information in the Corporate Governance Report to be issued by the end of this year.

The Company’s current two outside directors and three outside corporate auditors all meet the conditions for “independent directors / independent corporate auditors” as determined by the TSE, and all are registered at the TSE as independent directors or independent corporate auditors.

Reason for Appointment as Outside Directors

Name	Reason for appointment
Ichiro Fujisaki appointed in June 2013	Mr. Fujisaki is appointed as an outside director in the anticipation that he will use his high level of insight and knowledge on the international situation, economy and cultures, and other matters, nurtured through his many years of experience as a diplomat and also monitor and supervise the corporate management of ITOCHU from an independent perspective. According to the criteria for the independence of directors/auditors, Mr. Fujisaki qualifies as an independent director. Also, there are no material interests between him and ITOCHU. Accordingly, ITOCHU believes that he is unlikely to have conflicts of interest with general investors, and he has been designated as an independent director.
Chikara Kawakita appointed in June 2013	Mr. Kawakita is appointed as an outside director in the anticipation that he will use his high level of insight and knowledge on public finance, financial transaction and tax affairs, and other matters, nurtured through his many years of experience at the Ministry of Finance and National Tax Agency and also monitor and supervise the corporate management of ITOCHU from an independent perspective. According to the criteria for the independence of directors/auditors, Mr. Kawakita qualifies as an independent director. Also, there are no material interests between him and ITOCHU. Accordingly, ITOCHU believes that he is unlikely to have conflicts of interest with general investors, and he has been designated as an independent director.

Reason for Appointment as Outside Corporate Auditors

Name	Reason for appointment
Shingo Majima appointed in June 2013	Mr. Majima is appointed as an outside corporate auditor in the anticipation that he will monitor management and provide auditing from an independent perspective by utilizing his wealth of experience and expertise on finance and accounting as a certified public accountant and university professor. According to the criteria for the independence of directors/auditors, Mr. Majima qualifies as an independent corporate auditor. Also, there are no material interests between him and ITOCHU. Accordingly, ITOCHU believes that he is unlikely to have conflicts of interest with general investors, and he has been designated as an independent corporate auditor.
Harufumi Mochizuki appointed in June 2014	Mr. Mochizuki is appointed as an outside corporate auditor in the anticipation that he will monitor management and provide auditing from an independent perspective by utilizing his wealth of experience and expertise in economics and industrial policy nurtured through his service at the Ministry of Economy, Trade and Industry (formerly, the Ministry of International Trade and Industry) and other governmental agencies of Japan. According to the criteria for the independence of directors/auditors, Mr. Mochizuki qualifies as an independent corporate auditor. Also, there are no material interests between him and ITOCHU. Accordingly, ITOCHU believes that he is unlikely to have conflicts of interest with general investors, and he has been designated as an independent corporate auditor.
Kentaro Uryu appointed in June 2015	Mr. Uryu is appointed as an outside corporate auditor in the anticipation that he will monitor management and provide auditing from an independent perspective by utilizing his wealth of experience and expertise as a lawyer in the field of corporate legal practice and international business law. According to the criteria for the independence of directors/auditors, Mr. Uryu qualifies as an independent corporate auditor. Also, there are no material interests between him and ITOCHU. Accordingly, ITOCHU believes that he is unlikely to have conflicts of interest with general investors, and he has been designated as an independent corporate auditor.

Messages from Outside Directors

Evaluation of the Decision-Making Process

ITOCHU's outside directors receive materials and briefings about investments and other projects prior to meetings of the Board of Directors. On those occasions, we ask any questions that we have, request additional materials if necessary, and carefully examine the issues. At Board meetings, explanations are provided about the deliberations that have previously been held at the HMC, such as what points were discussed and if any conditions were added. This provides useful information, and I believe it to be a good practice. It is clear that discussions at the HMC are held from a wide variety of viewpoints and deliberations are conducted carefully. After listening to these explanations, we consider whether or not the conclusion and the project are reasonable and if the Company can obtain the approval of outside parties when the decision is explained. I request further explanations if necessary, and I offer my opinion.

ITOCHU has recently decided to establish advisory committees to the Board in response to the Corporate Governance Code. This new system involving the Board committees is expected to foster deeper relationships between the Company and the directors and corporate auditors, including outside officers. In this way, the new system should further enhance the fairness and impartiality of important matters on corporate governance such as nomination and remuneration. As an outside officer, I have a strong sense of my responsibility to do my utmost.



Ichiro Fujisaki

Apr. 1969 Joined Ministry of Foreign Affairs
Worked in the Embassy of Japan in Indonesia, Permanent Delegation of Japan to the OECD, Budget Bureau, Ministry of Finance

Aug. 1987 Counselor, Embassy of Japan in the UK

Feb. 1991 Director, Overseas Establishments Division, Minister's Secretariat, Ministry of Foreign Affairs

Mar. 1992 Director, Financial Affairs Division, Minister's Secretariat, Ministry of Foreign Affairs

Feb. 1994 Deputy Director-General, Asian Affairs Bureau, Ministry of Foreign Affairs

Jul. 1995 Minister, Embassy of Japan in the United States of America (Political Affairs)

Aug. 1999 Director-General, North American Affairs Bureau, Ministry of Foreign Affairs

Sep. 2002 Deputy Minister for Foreign Affairs (Economic Affairs), Ministry of Foreign Affairs

Jan. 2005 Ambassador Extraordinary and Plenipotentiary, Permanent representative of Japan to the International Organizations in Geneva

Apr. 2008 Ambassador Extraordinary and Plenipotentiary to the United States of America

Nov. 2012 Retired from Ministry of Foreign Affairs

Jan. 2013 Distinguished Professor, Chairman of International Strategies, Sophia University (current position)

Jun. 2013 Outside Director, ITOCHU Corporation

Jun. 2014 Outside Director, NIPPON STEEL & SUMITOMO METAL CORPORATION (current position)



Chikara Kawakita

Apr. 1977 Joined Ministry of Finance

Jul. 2001 Director, Income Tax and Property Tax Policy Division, Tax Bureau, Ministry of Finance

Jul. 2002 Director, Policy Planning and Research Division, Minister's Secretariat, Ministry of Finance

Jul. 2004 Director, Management and Co-ordination Division, Minister's Secretariat, Ministry of Finance

Jul. 2005 Regional Commissioner, Osaka Regional Taxation Bureau, National Tax Agency

Jul. 2007 Deputy Director-General, Tax Bureau, Ministry of Finance

Jul. 2008 Deputy Vice Minister for Policy Planning and Co-ordination, Minister's Secretariat, Ministry of Finance

Jul. 2009 Director-General, Financial Bureau, Ministry of Finance

Jul. 2010 Commissioner, National Tax Agency

Aug. 2012 Retired from Ministry of Finance

Oct. 2012 Professor, Graduate School of Law, Hitotsubashi University

Jun. 2013 Outside Director, ITOCHU Corporation

Oct. 2014 Vice President, General Insurance Rating Organization of Japan (current position)

Evaluation of Corporate Governance and Risk Management

ITOCHU conducts a wide range of business with many partners in regions around the world. Accordingly, to complete its missions ITOCHU must maintain superior corporate governance and share the Company's management policies, philosophy, and high ethical standards with all employees.

The Company has recently established the Nomination Committee and the Governance and Remuneration Committee, which are advisory committees to the Board of Directors. The establishment of these committees will be one means of fostering better management, and I would like to see them utilized to further increase the effectiveness of corporate governance.

Moreover, dialogue with shareholders is the foundation of better corporate governance. The Company is devoting resources to investor relations, as shown by the high evaluations it receives each year for its annual report. I believe the Company has done an excellent job in this area.

In risk management, considering the uncertain and fluid economic environment, the Company is working to establish a multi-step system of checks.


Under the new medium-term management plan, the basic policies are to strengthen our financial position and build a solid earnings base. In investments, the Company will strive to generate synergies through strategic collaboration and take steps to build a framework for management, including the use of the scrap-and-build method. I believe that these investment policies will contribute to risk management through the reevaluation of existing investments and the rigorous screening of new investments.

The next three years will be a period for the challenges that we announced in the plan. I look forward to seeing the Company achieve results that meet the expectations of shareholders.

Internal Control System

On April 19, 2006, ITOCHU's Board of Directors established the Basic Policy regarding the Internal Control System, which was most recently partially revised as of May 1, 2015.

ITOCHU intends to revise and improve the internal control system tirelessly in order to build a system that is even more appropriate and efficient. The following highlights two noteworthy initiatives under this policy.

For ITOCHU's Basic Policy regarding the Internal Control System, please see:
 http://www.itochu.co.jp/en/about/governance_compliance/control/policy/

Initiatives to Further Enhance the Reliability of Financial Reporting

We have established an internal system in order to further enhance the reliability of our consolidated financial reporting. The designing and implementing of internal control are periodically assessed to keep making appropriate improvements. Specifically, a Chief Responsible for Internal Control has been appointed in each organization to design and implement internal control. The Internal Audit Division evaluates the effectiveness of internal control and provides

feedback to each organization to ensure the continuous improvement. Overall management of these initiatives is conducted by the Internal Audit Division, and important matters are determined through deliberations in the Disclosure Committee chaired by the CFO. In this way, we are working to reinforce the companywide internal control system.

Strengthening Risk Management on a Group Basis, Including Subsidiaries

ITOCHU has established internal committees and responsible departments in order to address the various risks associated with the Group's business operations, such as market risk, credit risk, country risk, and investment risk. At the same time, on a Group basis ITOCHU has developed the risk management systems and methods to manage various risks individually and on a companywide basis. Those include a range of management regulations, investment criteria, risk exposure limits, and transaction limits, as well as reporting and monitoring systems. Moreover, ITOCHU regularly reviews the effectiveness of its risk management systems. As part of such efforts, the ALM Committee protects the ITOCHU Group's assets through deliberations on Group balance sheet management as well as analysis and management of risk.

Compliance

Integrity is one of the ITOCHU Values that are a part of ITOCHU's corporate philosophy. We have established systems and environments that enable each individual employee to study and strictly observe the rules that are related to corporate activities, such as laws and international rules, and to conduct their activities from a highly ethical viewpoint, including the prevention of corruption.

ITOCHU has established a system under which the Compliance Department plans and formulates overall policies and measures, and people in charge of compliance have been assigned to each ITOCHU organizational unit, to

overseas trading subsidiaries, and to principal Group companies in Japan and overseas. When cases related to compliance are discovered, reports are made to the director in charge of compliance (CAO), and when ultimately critical cases are discovered, they are reported to the Board of Directors. With regard to the status of system installment and operation, we carry out Monitor & Review surveys once a year. In addition, for important companies, such as overseas trading subsidiaries and companies subject to compliance management, we implement on-site guidance with the objective of ascertaining actual front-line compliance conditions and identifying risks. Furthermore, based on trends in former incidences of compliance violations and the findings of the Monitor & Review surveys, we are formulating individual compliance reinforcement measures tailored to each organization, and these measures are steadily being implemented. In addition, we are implementing employee training with the objective of raising compliance awareness and preventing the occurrence of any cases. Each year, on-site compliance training is provided for all ITOCHU officers and employees, and for employees of Group companies that requested training. This training uses actual incidences of compliance violations as teaching materials. In fiscal 2015, compliance training was provided to a total of 4,800 people at 70 companies and all 38 bases in overseas blocs. Furthermore, in order to protect whistleblowers ITOCHU has formulated regulations on the Internal Information Reporting System (Hotlines) and instructed the installment of hotlines at Group companies as well. In addition, this system is supporting the prompt discovery and rectification of any incidents of corruption, including mechanisms for the proper disposal of cases. When a compliance violation case has been confirmed, we take steps to determine the cause and take rectification measures, such as training of the people involved and related parties. In addition, any officers and employees that participated are treated in a strict and fair manner.

Basic IR Policy

Viewing explanations of corporate and business management information to such stakeholders as shareholders and other investors as an important corporate governance task, we strive for timely and appropriate disclosure.

In addition, in May 2015 ITOCHU formulated its Basic IR Policy in accordance with the ITOCHU Group corporate philosophy and Code of Conduct and TSE's Corporate Governance Code. The purposes of the policy are to conduct fair disclosure based on applicable laws and regulations, to promote the enhancement of corporate value from a long-term point of view through dialogue with shareholders and investors, and to establish fair and good relations with diverse stakeholders. The key points of the policy are as follows.

- Operation of the Disclosure Committee, chaired by the CFO
- Clarification of authority to determine timely disclosure, role of the Investor Relations Department, disclosure processes
- Formulation of basic policy for disclosure and dialogue with shareholders and investors (1. Complying with related laws and regulations, 2. Transparency, 3. Timeliness, 4. Fairness, 5. Continuity, and 6. Confidentiality)
- Stipulation in the policy that the CFO has the primary responsibility for dialogue, and senior management and directors will strive to engage in dialogue
- Stipulation in the policy that the CFO will regularly report to the Board of Directors the views of shareholders and investors
- Stipulation in the policy that we will seek a well-balanced shareholder ownership structure that would be thought of as ideal for continuously increasing shareholder value

For further information about Basic IR Policy, please see:

<http://www.itochu.co.jp/en/ir/policy/>

Meetings of the Board of Directors and Corporate Officer Compensation

Results in fiscal 2015 under the corporate governance system explained on the previous pages include the following.

Meetings of Management Bodies in Fiscal 2015

	FY2013	FY2014	FY2015
Board of Directors	18 times	16 times	20 times
Outside director attendance at Board of Directors' meetings	97%	96%	95%
Outside corporate auditor attendance at Board of Directors' meetings	94%	96%	93%
Board of Corporate Auditors	15 times	14 times	14 times
Outside corporate auditor attendance at Board of Corporate Auditors' meetings	96%	100%	94%

Major Decisions at the Board of Directors' Meetings Held in Fiscal 2015

- (1) **January 20, 2015** Three-company strategic business alliance and capital participation agreement with CITIC Limited, China's largest conglomerate, and Charoen Pokphand Group Company Limited, one of the major leading conglomerates in Asia
- (2) **July 24, 2014** Conclusion of a strategic business alliance with the Charoen Pokphand Group, issuance of new shares in a third-party allotment, and acquisition of C.P. Pokphand Co. Ltd. shares
- (3) **July 24, 2014** Decision on matters related to share buyback program
- (4) **March 3, 2015** Basic policies of new medium-term management plan

Actual Corporate Officer Compensation for Fiscal 2015

Type	Number of people	Amount paid (Millions of Yen)	Details	Maximum compensation paid
Directors (Outside directors)	13 (2)	1,507 (24)	(1) Monthly compensation ¥837 million (2) Bonuses ¥670 million Please refer to "Method of Calculating Planned Corporate Officer Compensation for Fiscal 2016" below	(1) ¥1.2 billion per year as total monthly compensation (including ¥50 million per year as a portion to the outside directors) (2) ¥1.0 billion per year as total bonuses paid to all directors (excluding outside directors) (Both (1) and (2) were resolved at the General Meeting of Shareholders on June 24, 2011)
Corporate auditors (Outside corporate auditors)	5 (3)	122 (33)	(1) Only monthly compensation	(1) ¥13 million per month (Resolved at the General Meeting of Shareholders on June 29, 2005)
Total (Outside directors and corporate auditors)	18 (5)	1,629 (57)		

* The retirement benefits system for directors and corporate auditors was abolished on the date of the 81st Ordinary General Meeting of Shareholders held on June 29, 2005, and it was resolved that directors and corporate auditors retaining their positions after the conclusion of the said General Meeting of Shareholders shall be presented with retirement benefits on the date of their retirement for the period up to the time the retirement benefits system was abolished.

The compensation paid to all directors of ITOCHU (excluding outside directors) consists of (i) monthly compensation and (ii) performance-linked bonuses. The total amount of (i) monthly compensation is determined by the contribution to ITOCHU of each director based on the base amount set by its position, whereas the total amount of (ii) performance-linked bonuses is determined based on consolidated net income attributable to ITOCHU. Only monthly compensation is paid to the outside directors and bonuses are not paid thereto.

Method of Calculating Planned Corporate Officer Compensation for Fiscal 2016

In accordance with confirmed results for fiscal 2016, directors' bonuses for fiscal 2016 will be determined according to the calculation method below and paid after the completion of the 92nd Ordinary General Meeting of Shareholders.

Total Amount Paid to all Directors

Total amount paid to all directors = (Consolidated net income attributable to the Company for the fiscal year ending March 31, 2016 (maximum of ¥1.0 billion) - ¥100.0 billion) x 0.35% x Sum of position points for all the eligible directors ÷ 55.

The total amount paid to all directors shall be the lesser of the following.

(i) 0.35% of the amount after deducting ¥100.0 billion from consolidated net income attributable to the Company for the fiscal year ending March 31, 2016 [such amount as provided in the 92nd Annual Securities Report (*yuka shoken hokokusho*); if the amount is less than ¥100.0 billion, it shall be treated as zero for the above calculation purposes], which shall be adjusted with due regard to the increase / decrease in the number of eligible directors and the change in position and other factors, or (ii) ¥1.0 billion.

Amount Paid to an Individual Director

Amount paid to an individual director = Total amount paid to all directors x Assigned position points / Sum of position points for all the eligible directors

The individual amount paid to each director is the proportion of the total amount paid, calculated in accordance with the above formula, corresponding to the following points assigned to each rank. (Amounts less than ¥1,000 are rounded down to the nearest ¥1,000.) However, the limits on the individual amounts paid are as shown below.

	Chairman President & Chief Executive Officer	Executive Vice President	Senior Managing Executive Officer	Managing Executive Officer
Points	10	5	4	3
Limits on individual amounts paid	¥181.8 million	¥90.9 million	¥72.7 million	¥54.5 million

Compliance

ITOCHU Group's Compliance System

The ITOCHU Group is developing a system for compliance by having the Compliance Department of the Legal Division plan and suggest policies and measures to encourage compliance throughout the entire Group and appointing compliance officers in each organization within ITOCHU Corporation, overseas subsidiaries and major Group companies worldwide (including consolidated subsidiaries and some equity method associated companies; hereafter, the “companies subject to compliance management”). Incidences of compliance violations revealed in each organization within the Headquarters, overseas subsidiaries or companies subject to compliance management are reported to the Chief Officer for Compliance (CAO) and the Corporate Auditors, while incidences of serious compliance violations are reported to the Board of Directors as appropriate.

The ITOCHU Group Compliance Program details the compliance system of the ITOCHU Group so that each organization within ITOCHU Corporation, its overseas subsidiaries, and companies subject to compliance management can ensure compliance by taking into account business characteristics, operational formats and local laws.

Across the Group, we conduct Monitor & Review surveys once a year to check the status of compliance systems and operations of each organization. In addition, as for key organizations such as overseas subsidiaries and companies subject to compliance management, we are implementing activities with a focus on system operation, including on-site guidance with the objective of ascertaining actual front-line compliance conditions and identifying risks. Furthermore, based on trends in former incidences of compliance violations and the findings of the Monitor & Review surveys, we are formulating individual compliance reinforcement measures tailored to each Division Company, and these measures are steadily being implemented.

- Internal Information Reporting System(Hotlines)

ITOCHU Corporation has formulated regulations on the Internal Information Reporting System (Hotlines) and instructed the installment of hotlines at companies subject to compliance management as well. In addition to protecting whistleblowers through these arrangements, we have defined mechanisms for proper disposal of cases. This initiative is reinforcing compliance management by supporting the prompt discovery and rectification of any incidents of corruption, including bribery.

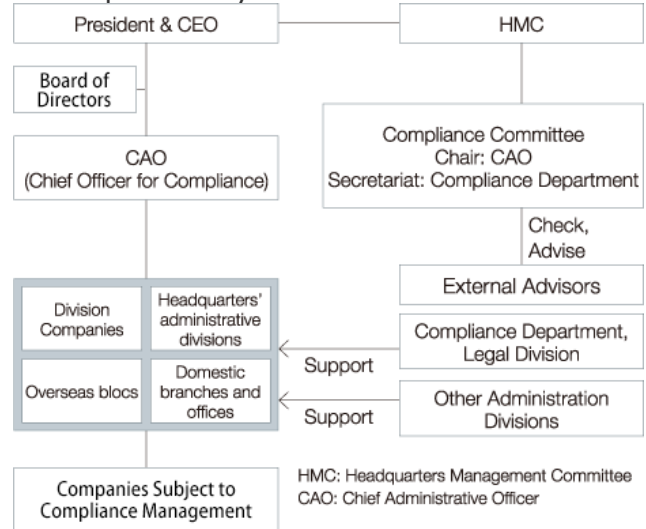
ITOCHU Corporation has established multiple whistleblowing contacts (including external whistleblowing contacts that utilize specialized company and external lawyers). It prohibits the unfavorable treatment of whistleblowers, such as retaliation, and allows whistleblowers to provide information anonymously.

Implementation of Compliance Training

- On-Site Compliance Training

We periodically conducted On-Site Compliance Training for all officers and employees of ITOCHU Corporation. This training, which was intended to raise compliance awareness and prevent the occurrence of any cases, used actual incidences of compliance violations as teaching materials. In addition, Group companies implemented their own compliance training programs for officers and employees as appropriate for their operational formats. On-site training was also provided by the Headquarters for officers and employees of Group companies that requested it for a total of 4,800 people from 70 companies in FY2015. Training was also provided to all 38 overseas blocs in FY2015. We also distribute the Compliance Handbook to all employees. This handbook provides advice on compliance for each potential work setting (in Q&A format) and advises what actions to take in order to prevent corruption. We also conduct separate programs of finely-tuned education and training for each employee layer that are based on actual cases, including training for new recruits, manager training, training for Group company officers and training prior to overseas assignments.

- Compliance System



■ Compliance Awareness Survey

The ITOCHU Group implements a Compliance Awareness Survey every two years with all Group employees. The survey ascertains the status in regards to penetration of compliance among the employees, and assists the implementation of specific initiatives. In fiscal 2014, we conducted the survey of about 30,000 Group employees, and received response from 27,598 of them (retrieval rate of 90.7%). The results of the analysis of the findings are presented as feedback to each organization and reflected in efforts to improve the compliance system. We are planning to implement Compliance Awareness Survey in FY2016.

| Bolstering Measures to Fight Corruption

In the ITOCHU Mission and Values, as the corporate philosophy of the ITOCHU Group, we have specified Integrity as one of the Values, under which we declare that each one of us in the ITOCHU Group "will never obstruct competition through illicit means nor develop inappropriate relationships, such as those with public officials, for our own interests."

The U.S. Foreign Corrupt Practices Act (U.S. FCPA) and the U.K. Bribery Act 2010 evidence the global trend toward the tightening of legislation against bribery. In keeping with this trend, ITOCHU Corporation has thus far determined and strictly operates the Regulation Concerning the Prohibition of Giving Illicit Profit and three related guidelines (regarding public officers, agents and consultants, and foreign public officers) to prohibit all employees from giving any improper advantage to Japanese or foreign civil servants or people in an equivalent position. The Regulation Concerning the Prohibition of Giving Illicit Profit includes facility payments, or payments of small amounts of money that are aimed solely at facilitating ordinary administrative services, among the improper advantages it prohibits. It also prohibits commercial bribery, which falls under an improper advantage given to business partners in the private sector. In addition to banning bribery, our internal rules prohibit officers and employees from receiving improper advantages from business partners in the private sector, deeming such acts to be a mix of business with personal affairs (conflicts of interest, etc.).

The guidelines regarding public officers and foreign public officers include guides for decisions and judgments on business entertainment and gift-giving to public officers and foreign public officers, under which we review cases on an individual basis. The guidelines regarding agents and consultants include guides for decisions and judgments on new appointments and renewals of contracts with agents and consultants who are to be involved in our international trades (overseas public work projects or procurement projects of public organizations), which are likely to serve as mediators in bribery. We review individual cases based on these guidelines. In contracts where there is a risk of bribery, including ones with agents and consultants, we include an article prohibiting bribery, thereby prohibiting improper payments (bribery or the provision of improper advantages) and clearly state that the contracts may be cancelled immediately if the provisions of the article are violated.

In the training provided to officers, employees and others, we strive to raise awareness and instill the Regulation Concerning the Prohibition of Giving Illicit Profit and three related guidelines. We make certain that the regulation and guidelines are reflected in their daily management work to prevent corruption, including the provision of improper advantages. We also provide training specializing in bribery for organizations where the risk of bribery is particularly high. We also manage our political contributions, charities, and sponsorship activities by referring to internal rules to ensure that they do not constitute corruption, and by following our internally specified routes of application for the approval of donations and sponsorship to ensure that such activities are socially just and meet ethical standards.

The annual Monitor & Review surveys, which are mentioned in the ITOCHU Group's Compliance System above, include a check on business entertainment and gift-giving to public officers and foreign public officers and on the appointments and renewals of contracts with agents and consultants by organizations within ITOCHU Corporation, overseas subsidiaries, and companies subject to compliance management. Where necessary, we hold a dialogue on the status with the compliance officer of each organization.

| Measures to Fight Collusive Bidding and Cartels

In recent years, there have been many reports of suspected cartel activities in markets around the world. In response, to prevent involvement in any illicit transactions, we regularly revise our Anti-Monopoly Law Manual and the document "A Must-Read! 51 Q&A about the Anti-Monopoly Law", which facilitates referral. Through various Monitor & Review surveys and education and training programs as well, we are making sure all employees are aware of requirements.

Measures for Intellectual Property

To completely prevent infringements on intellectual property rights held by other parties in businesses related to such rights, as well as in the ordinary course of business, ITOCHU implements measures to call attention to the issue by holding seminars for employees and by establishing internal rules, regulations and manuals that conform to related laws and regulations. We also define and properly apply internal rules for employees' inventions and work and rules for application, renewal, etc. of rights to properly manage and handle intellectual property rights that constitute property of the companies.

Basic Policy on Product Safety

ITOCHU Corporation has prepared a product safety manual for each internal company to assure safety. The manuals are based on its policy of observing obligations stipulated by laws related to the safety of the products it handles, and providing safe and secure products to its customers. We are going to continue with efforts to assure provision of safe and secure products through in-house education, institution of ad-hoc units assigned to product safety, establishment of information relay routes, and response in the event of product accidents, while revising arrangements in these aspects as necessary.

Measures for Comprehensive Import and Export Control

To prevent the proliferation of weapons of mass destruction and conventional weapons, Japan maintains strict trade-security under the Foreign Exchange and Foreign Trade Act. To observe such laws and regulations, we have implemented our own internal trade-security control program. Further, to ensure that we do not take part in business transactions that threaten international peace and security, not only do we meticulously comply with existing government laws and regulations, but we are voluntarily taking extra measures to ensure that our stakeholders and corporate reputation are adequately safeguarded through our implementation of a comprehensive global security risk management program.

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.

Accordingly ITOCHU recognizes that, as a responsible member of society and the global business community, we need to manage carefully the potential risks associated with business operations in certain locations. In response to the growing field of corporate governance termed global security risk, ITOCHU has developed and implemented corporate policies, procedures, and internal reporting structures to ensure that we perform rigorous, security-minded due diligence with respect to projects and transactions in which security issues are implicated.

In addition, to properly conduct customs procedures for import and export, including import (payment of customs duty) declaration, we conduct internal customs examination (monitoring), provide training for clearing and customs valuation control, and take a host of other measures under the internal control/management provisions and regulations, thereby ensuring full compliance with customs procedures, etc. These measures have led to the director-general of Yokohama Customs certifying ITOCHU as an Authorized Economic Operator (AEO) (both Authorized Exporter and Authorized Importer), a title given to operators with outstanding compliance systems and security control.

Basic Policy and Efforts against Antisocial Forces

ITOCHU has set out basic policy to tackle antisocial forces and groups that threaten the order and safety of civic society, stipulating three basic principles plus one - Don't fear, Don't pay, Don't use, and Don't associate - in its stance against antisocial forces and 10-point guideline as a manual to disseminate this information among all employees. We have also established a special department with overall responsibility for countermeasures in relation to antisocial forces within the Human Resources & General Affairs Division. In addition, we are improving systems and promoting enlightenment education in hopes of preventing unintentional entry into transactional relationships with anti-social forces and groups.

| Insider Trading Regulations

ITOCHU Corporation has an internal rule regarding the restriction of insider trading, and formulated the "guideline regarding reporting and management of insider information" in April 2014 in conjunction with the revision of the rule. The above guideline stipulates, for example, recommended handling in case of acknowledging the insider information of entity which ITOCHU has capital or contractual relationship, and we are taking action to assure that all employees know about them.

| Perspectives on Information Management

ITOCHU Corporation has formulated IT Security Management Policy for all executives and employees. The objective of these rules is to provide proper management of information required for business activities by setting forth a code of conduct on information handling and assuring a high level of information security. More specifically, we have determined rules and standards on personal information management, document management, and IT security, and are striving to prevent the leakage of personal information and other confidential information.

- Monitor & Review Surveys on Personal Information Management

The ITOCHU Group regularly conducts Monitor & Review surveys of ITOCHU Corporation and companies subject to compliance management under the auspices of the Corporate Planning & Administration Division and the Legal Division. In the eighth survey, which was conducted in FY2015, a briefing was held on site in each division or department, and explanations were provided on the Act on the Protection of Personal Information, recent cases of personal information leaks, and our response to the amendment to the guidelines on personal information by the Ministry of Economy, Trade and Industry (as of December 12, 2014).

| Response to Violations

If an act in violation of the above policies or rules, including policies and rules designed to prevent corruption, should be confirmed, we take corrective action, including an investigation into the cause and education and training of those involved in the act, as well as related individuals. At ITOCHU Corporation, we consider disciplinary action against officers and employees who have been involved in any violation of laws, including bribery, with the aim of imposing harsh penalties when deemed appropriate as a result of internal investigations.

Evaluation by Society

Selected for Social Responsibility Investment (SRI) Indices

Dow Jones Sustainability World Index (DJSI World)

DJSI is a family of global socially responsible investment (SRI) indices and ITOCHU is included in both the world-famous DJSI World and Asia Pacific index for fiscal 2014 successively from fiscal 2013.

The Dow Jones Sustainability World Index is a global stock index developed jointly by Dow Jones & Company in the U.S. and RobecoSAM in Switzerland. It evaluates the corporate in terms of their social, environmental, and economic performance for composing DJSI.

In the year of 2014, 319 companies (including 21 Japanese companies) were included in DJSI World among 3,395 targeted companies around the world, which was selection of the top 10-15% of the corporations among 59 Industry Sectors.



RobecoSAM Sustainability Award

At the RobecoSAM Sustainability Awards 2015, where RobecoSAM awards prominent companies conducting sustainable efforts in each industrial sector, ITOCHU Corporation won Silver Class in the Trading Companies & Distributors sector. (Last year, we won Bronze Class.)

We were also chosen as an Industry Mover, which is awarded to the company in each sector with the greatest improvement in their scores. (As of January, 2015)



Mr. Daniel Wild (Head of sustainability research & development, Member of the executive committee) coming from RobecoSAM handed over a trophy for Silver Class to CSR Promotion & Global Environment Dept. Manager Ono. At Palace Hotel on 21st, May, 2015.

Morningstar Socially Responsible Investment Index (MS-SRI)

The Morningstar Socially Responsible Investment Index (MS-SRI) is the first socially responsible investment index in Japan. Morningstar Japan K.K. conducts questionnaire and screening quantitative data for approximately 4,000 listed companies in Japan and the MS-SRI is comprised of 150 leading socially responsible companies including ITOCHU Corporation. (as of July, 2015)



Evaluation by Stakeholders

2015	Feb. 26	The 18 th Environmental Communication Awards for Excellence in Environmental Reporting
	Feb. 19	ITOCHU Receives Top Prize in Firm of Integrity Award for 2015
	Feb. 3	Second Prize in the Nikkei Annual Report Awards 2014
2014	Nov. 27	Excellent Prize in the 2nd WICI Japan Integrated Report Awards (for the second consecutive year)
	Nov. 17	Best Excellence HR Award 2014 for Corporates' Human Resource Divisions presented by Japanese HR Divisions and supported by Ministry of Health, Labor and Welfare.
	Nov. 14	ITOCHU Announces that Takata no Yume Project Received Food Action Nippon Award 2014 in Sales and Consumer Promotion Category
	Aug. 7	ITOCHU AOYAMA ART SQUARE Designated for "This is MECENAT 2014" by Kigyo Mécénat Kyogikai (KMK: Association for Corporate Support of the Arts)
	Jun. 17	Innovative In-House Team of the Year for Asian Legal Business (ALB) Japan Law Awards 2014
	Feb. 10	ITOCHU Wins the Grand Prize in the Nikkei Annual Report Awards 2013

The Comparative Table with GRI Guidelines and UN Global Compact Principles

The following is the comparative table of our CSR initiatives with Sustainability Reporting Guidelines (G4) issued by Global Reporting Initiative (GRI) and with the ten principles of the United Nations Global Compact.

GC Principles	Item	Indicator	Full Report	WEB
Strategy and Analysis				
	G4-1	Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	3-4	President's Commitment Message from the President Annual Report > President's Message
	G4-2	Description of key impacts, risks, and opportunities.	3-4 8-12 26-29 70 35-38 39-41 42-44 45-48 49-52 53-57	President's Commitment Basic Policy on CSR and Promotion System Water and Environmental Public Infrastructure Projects Precautionary Approach to Environmental Risks CSR at the Textile Company CSR at the Machinery Company CSR at the Metals & Minerals Company CSR at the Energy & Chemicals Company CSR at the Food Company CSR at the ICT, General Products & Realty Company
Organizational Profile				
	G4-3	Name of the organization.	144	Corporate Profile
	G4-4	Primary brands, products, and/or services.	35-57	CSR and Our Business
	G4-5	Location of organization's headquarters.	144	Corporate Profile
	G4-6	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	144	About ITOCHU
	G4-7	Nature of ownership and legal form.	144	Corporate Profile
	G4-8	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	35-57 144	CSR Action Plans Corporate Profile
	G4-9	Scale of the organization, including: <ul style="list-style-type: none"> ▪ Total number of employees ▪ Total number of operations ▪ Net sales (for private sector organizations) or net revenues (for public sector organizations) ▪ Total capitalization broken down in terms of debt and equity (for private sector organizations) ▪ Quantity of products or services provided 	35-61 144	Our Business Corporate Profile Consolidated Financial Statements
	G4-10	Total workforce by employment type, employment contract, and region.	120-121	Employee Relations (Basic Data)
	G4-11	Percentage of employees covered by collective bargaining agreements.	118-119	Communications with Employees
	G4-12	Describe the organization's supply chain.	58-61	Annual Report > Operating Segment > Business Portfolio Supply Chain Management
	G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including: <ul style="list-style-type: none"> ▪ Changes in the location of, or changes in, operations, including facility openings, closings, and expansions ▪ Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations) ▪ Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination 	–	–

Commitments to External Initiatives				
	G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	8-12 70 58-61 122-131	Basic Policy on CSR and Promotion System Precautionary Approach to Environmental Risks Supply Chain Management Corporate Governance / Compliance
	G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	18 15-17	The United Nations Global Compact Respect for Human Rights
	G4-16	Memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: <ul style="list-style-type: none"> ▪ Holds a position on the governance body ▪ Participates in projects or committees ▪ Provides substantive funding beyond routine membership dues ▪ Views membership as strategic 	18	The United Nations Global Compact
Identified Material Aspects and Boundaries				
	G4-17	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	–	About ITOCHU
	G4-18	Process for defining the report content and the Aspect Boundaries including the organization which has implemented the Reporting Principles for Defining Report Content.	8-12	Basic Policy on CSR and Promotion System
	G4-19	All the material Aspects identified in the process for defining report content.	8-12	Basic Policy on CSR and Promotion System
	G4-20	For each material Aspect, report the Aspect Boundary within the organization, as follows: <ul style="list-style-type: none"> ▪ Whether the Aspect is material within the organization ▪ If the Aspect is not material for all entities within the organization ▪ Specific limitation regarding the Aspect Boundary within the organization 	8-12	Basic Policy on CSR and Promotion System
	G4-21	For each material Aspect, report the Aspect Boundary outside the organization, as follows: <ul style="list-style-type: none"> ▪ Report whether the Aspect is material outside of the organization ▪ If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified ▪ Report any specific limitation regarding the Aspect Boundary outside the organization 	8-12	Basic Policy on CSR and Promotion System
	G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements.	–	–
	G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	–	–
Stakeholder Engagement				
	G4-24	List of stakeholder groups engaged by the organization.	13	Stakeholder Relations
	G4-25	Basis for identification and selection of stakeholders with whom to engage.	13	Stakeholder Relations
	G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	58-64 35-57 106-121 85-105	CSR in Our Supply Chain and Business Investment CSR and Our Business Employee Relations Social Contribution Activities Investor Relations
	G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	58-64 35-57 106-121 85-105	CSR in Our Supply Chain and Business Investment CSR and Our Business Employee Relations Social Contribution Activities Investor Relations
Report Profile				
	G4-28	Reporting period (e.g., fiscal/calendar year) for information provided.	–	–

	G4-29	Date of most recent previous report.	-	-
	G4-30	Reporting cycle (annual, biennial, etc.)	-	-
	G4-31	Contact point for questions regarding the report or its contents.	-	-
GRI Content Index				
	G4-32	Table identifying the location of the Standard Disclosures in the report.	134-142	Comparative Table with GRI Guidelines
Assurance				
	G4-33	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the organization and the assurance provider and whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	117, 120-121 77-80 84-85 143	Employee Relations (Introduction of Morning-Focused Working System, Basic Data) Environmental Performance Data Initiatives toward Environmental Distribution Independent Assurance Report  (742KB)
Governance				
Governance Structure and Composition				
	G4-34	Governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	122-127	Corporate Governance
	G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	122-127 128-131 67-69 8-12	Corporate Governance/Internal Control System Compliance Environmental Management Basic Policy on CSR and Promotion System
	G4-36	Explanation of whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	122-127 128-131 67-69	Corporate Governance/Internal Control System Compliance Environmental Management
	G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	122-127 118-119	Corporate Governance/Internal Control System Communications with Employees
	G4-38	Composition of the highest governance body and its committees.	122-127	Corporate Governance Directors and Executive Officers
	G4-39	Explanation of whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	-	Corporate Governance Report  (265KB)
	G4-40	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	122-127	Corporate Governance
	G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed.	122-127	Corporate Governance Corporate Governance Report  (265KB)
Highest Governance Body's Role in Setting Purpose, Values, and Strategy				
	G4-42	Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	3-4 35-57 8-12 35-38 39-41 42-44 45-48 49-52 53-57	President's Commitment CSR Action Plans Basic Policy on CSR and Promotion System CSR at the Textile Company CSR at the Machinery Company CSR at the Metals & Minerals Company CSR at the Energy & Chemicals Company CSR at the Food Company CSR at the ICT, General Products & Realty Company
Highest Governance Body's Competencies and Performance Evaluation				
	G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	106-109 128-131	Human Resource Development Supporting the "Seeking of New Opportunities" Compliance

	G4-44	Processes and actions taken in response for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics.	-	Corporate Governance Report PDF (265KB)
Highest Governance Body's Role in Risk Management				
	G4-45	Highest governance body's role in the identification and management of economic, environmental and social and explanation of whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	122-127 70 8-12	Corporate Governance/Internal Control System Precautionary Approach to Environmental Risks Basic Policy on CSR and Promotion System
	G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	122-127 70 128-131 8-12	Corporate Governance/Internal Control System Precautionary Approach to Environmental Risks Compliance Basic Policy on CSR and Promotion System
	G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	122-127 70 128-131 8-12	Corporate Governance/Internal Control System Precautionary Approach to Environmental Risks Compliance Basic Policy on CSR and Promotion System
Highest Governance Body's Role in Sustainability Reporting				
	G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	8-12	Basic Policy on CSR and Promotion System
Highest Governance Body's Role in Evaluating Economic, Environmental and Social Performance				
	G4-49	Process for communicating critical concerns to the highest governance body.	15-17 122-127 128-131 118-119	Respect for Human Rights Corporate Governance Compliance Communications with Employees
	G4-50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	128-131	Compliance
Remuneration and Incentives				
	G4-51	Remuneration policies for the highest governance body and senior executives and explanation of how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	-	Corporate Governance Report PDF (265KB)
	G4-52	Process for determining remuneration and explanation of whether remuneration consultants are involved in determining remuneration and whether they are independent of management.	-	Corporate Governance Report PDF (265KB)
	G4-53	Explanation of how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	122-127 118-119	Corporate Governance Communications with Employees Fiscal 2015 in Review Corporate Governance Report PDF (265KB)
	G4-54	Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	-	-
	G4-55	Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	-	-
Ethics and Integrity				
	G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	6	ITOCHU Mission Sampo Yoshi and ITOCHU CSR
	G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	15-17 128-131	Respect for Human Rights Compliance

	G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	15-17 128-131	Respect for Human Rights Compliance
Disclosures on Management Approach				
	G4-DMA	Reason and impacts that aspect is material and way of organization management.	8-12 35-57	Basic Policy on CSR and Promotion System CSR and Our Business
Economic Performance				
Aspect: Economic Performance				
	G4-EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	120-121 91-92	Employee Relations (Basic Data) Social Contribution Activities (Action on Global Humanitarian Issues) Financial Report P2-3,12,39,42 (Japanese only)
	G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	71-73 26-29	Promotion of Environment Conserving Businesses Water and Environmental Public Infrastructure Projects Annual Report (p38,39) Financial Report P23 (Japanese only)
	G4-EC3	Coverage of the organization's defined benefit plan obligations.	-	Financial Report P110-112 (Japanese only)
	G4-EC4	Significant financial assistance received from government.	-	-
Aspect: Market Presence				
1	G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	-	-
6	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation.	-	-
Aspect: Indirect Economic Impacts				
	G4-EC7	Development and impact of infrastructure investments and services supported.	35-57 85-105	CSR and Our Business Social Contribution Activities
	G4-EC8	Significant indirect economic impacts, including the extent of impacts.	37 26-29	Pre Organic Cotton Program Water and Environmental Public Infrastructure Projects
Aspect: Procurement Practices				
	G4-EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	-	-
Environmental				
Aspect: Materials				
8	G4-EN1	Materials used by weight or volume.	-	-
8,9	G4-EN2	Percentage of materials used that are recycled input materials.	-	-
Aspect: Energy				
8	G4-EN3	Energy consumption within the organization.	77-82	Environmental Performance Data
8	G4-EN4	Energy consumption outside of the organization.	-	-
8	G4-EN5	Energy intensity including the types of energy.	-	-
9	G4-EN6	Reduction of energy consumption including the basis for calculating consumption and types of energy.	77-82 117	Environmental Performance Data Introduction of Morning-Focused Working System
8,9	G4-EN7	Reductions in energy requirements of products and services including the basis for calculating consumption and standards.	71-73	Promotion of Environment Conserving Businesses
Aspect: Water				
8	G4-EN8	Total water withdrawal by source.	77-82	Environmental Performance Data
8	G4-EN9	Water sources significantly affected by withdrawal of water.	-	-
8,9	G4-EN10	Percentage and total volume of water recycled and reused.	77-82	Environmental Performance Data
Aspect: Biodiversity				
8	G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	74-75 93	Approaches to Conservation of Biodiversity Activities to Restore the Tropical Rainforests and Conserve Borneo's Ecosystem

8	G4-EN12	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	74-75 93	Approaches to Conservation of Biodiversity Activities to Restore the Tropical Rainforests and Conserve Borneo's Ecosystem
8	G4-EN13	Habitats protected or restored.	74-75 93	Approaches to Conservation of Biodiversity Activities to Restore the Tropical Rainforests and Conserve Borneo's Ecosystem
8	G4-EN14	Total number of iucn red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	-	-
Aspect: Emissions				
8	G4-EN15	Direct greenhouse gas (GHG) emissions.	77-82	Environmental Performance Data
8	G4-EN16	Energy indirect greenhouse gas (GHG) emissions.	77-82	Environmental Performance Data
8	G4-EN17	Other indirect greenhouse gas (GHG) emissions.	84	Initiatives toward Environmental Distribution
8	G4-EN18	Greenhouse gas (GHG) emissions intensity.	-	-
7,8,9	G4-EN19	Reduction of greenhouse gas (GHG) emissions.	77-82	Environmental Performance Data
8	G4-EN20	Emissions of ozone-depleting substances (ODS).	-	-
8	G4-EN21	NOx, SOx, and other significant air emissions.	-	-
Aspect: Effluents and Waste				
8	G4-EN22	Total water discharge by quality and destination.	77-82	Environmental Performance Data
8	G4-EN23	Total weight of waste by type and disposal method.	77-82	Environmental Performance Data
8	G4-EN24	Total number and volume of significant spills.	70	Precautionary Approach to Environmental Risks
8	G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the basel convention ² annex I , II , III , and VIII , and percentage of transported waste shipped internationally.	-	-
8	G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff.	-	-
Aspect: Products and Services				
7,8,9	G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	35-38 39-41 42-44 45-48 49-52 53-57 71-73	CSR at the Textile Company CSR at the Machinery Company CSR at the Metals & Minerals Company CSR at the Energy & Chemicals Company CSR at the Food Company CSR at the ICT,General Products & Realty Company Promotion of Environment Conserving Businesses
8,9	G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category.	-	-
Aspect: Compliance				
8	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	70	Precautionary Approach to Environmental Risks
Aspect: Transport				
8	G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.	84	Initiatives toward Environmental Distribution
Aspect: Overall				
7,8,9	G4-EN31	Total environmental protection expenditures and investments by type.	83	Environmental Accounting
Aspect: Supplier Environmental Assessment				
7,8	G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	70	Precautionary Approach to Environmental Risks
8	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	70	Precautionary Approach to Environmental Risks

Aspect: Environmental Grievance Mechanisms				
7,8	G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	70	Precautionary Approach to Environmental Risks
Social				
Sub-Category: Labor Practices and Decent Work				
Aspect: Employment				
6	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	-	-
	G4-LA2	Benefits provided to full-time employees that are not provided to temporary or parttime employees, by significant locations of operation.	110-114	Creating Environments That Bring Out the Best in Employees Careers (welfare) (Japanese only)
	G4-LA3	Return to work and retention rates after parental leave, by gender.	120-121	Employee Relations (Basic Data)
Aspect: Labor/Management Relations				
3	G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	-	-
Aspect: Occupational Health and Safety				
1	G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	-	-
1	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	-	-
1	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.	115-116	Initiatives Aimed at Occupational Health and Safety that Support the Activity of Employees
1	G4-LA8	Health and safety topics covered in formal agreements with trade unions.	-	-
Aspect: Training and Education				
	G4-LA9	Average hours of training per year per employee by gender, and by employee category.	-	-
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	106-109 110-114	Human Resource Development Supporting the "Seeking of New Opportunities" Creating Environments That Bring Out the Best in Employees
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	-	-
Aspect: Diversity and Equal Opportunity				
1,6	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	120-121 110-114	Employee Relations (Basic Data) Creating Environments That Bring Out the Best in Employees
Aspect: Equal Remuneration for Women and Men				
1,6	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	-	-
Aspect: Supplier Assessment for Labor Practices				
3,4,5,6	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria.	59-61	CSR Survey of Supply Chains
3,4,5,6	G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	59-61	CSR Survey of Supply Chains
Aspect: Labor Practices Grievance Mechanisms				
3,4,5,6	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	-	-
Sub-Category: Human rights				
Aspect: Investment				
1,2,3,4,5,6	G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	59-61	CSR Survey of Supply Chains

1,2,3,4,5,6	G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	15-17	Respect for Human Rights
Aspect: Non-discrimination				
1,2,6	G4-HR3	Total number of incidents of discrimination and corrective actions taken.	-	-
Aspect: Freedom of Association and Collective Bargaining				
1,2,3	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	58-64	CSR in Our Supply Chain and Business Investment
Aspect: Child Labor				
1,2,5	G4-HR5	Operations and suppliers identified as having significant risk for incidents of childlabor, and measures taken to contribute to the effective abolition of child labor.	58-64	CSR in Our Supply Chain and Business Investment
Aspect: Forced and Compulsory Labor				
1,2,4	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	58-64	CSR in Our Supply Chain and Business Investment
Aspect: Security Practices				
1,2	G4-HR7	Percentage of security personnel trained in the organization's human rights.	15-17	Respect for Human Rights
Aspect: Indigenous Rights				
1,2	G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.	-	-
Aspect: Assessment				
	G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	59-61	CSR Survey of Supply Chains
Aspect: Supplier Human Rights Assessment				
1,2,3,4,5,6	G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	59-61	CSR Survey of Supply Chains
1,2	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	58-64	CSR in Our Supply Chain and Business Investment
Aspect: Human Rights Grievance Mechanisms				
	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	-	-
Sub-Category: Society				
Aspect: Local Communities				
	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	37 70 35-57	Pre Organic Cotton Program Precautionary Approach to Environmental Risks CSR Action Plans
	G4-SO2	Operations with significant actual and potential negative impacts on local communities.	-	-
Aspect: Anti-corruption				
10	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	128-131	Compliance
10	G4-SO4	Communication and training on anti-corruption policies and procedures.	128-131	Compliance
10	G4-SO5	Confirmed incidents of corruption and actions taken.	128-131	Compliance
Aspect: Public Policy				
10	G4-SO6	Total value of political contributions by country and recipient/beneficiary.	-	-
Aspect: Anti-competitive Behavior				
	G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	-	-

Aspect: Compliance				
	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	128-131	Compliance
Aspect: Supplier Assessment for Impacts on Society				
	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	59-61	CSR Survey of Supply Chains
	G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	58-61	CSR in Our Supply Chain and Business Investment
Aspect: Grievance Mechanisms for Impacts on Society				
	G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	70	Precautionary Approach to Environmental Risks
Sub-Category: product responsibility				
Aspect: Customer Health and Safety				
1	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	58-61 49-52 42-44	Supply Chain Management CSR at the Food Company CSR at the Metals & Minerals Company
1	G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	-	-
Aspect: Product and Service Labeling				
8	G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	-	-
8	G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcome.	-	-
	G4-PR5	Results of surveys measuring customer satisfaction.	-	-
Aspect: Marketing Communications				
	G4-PR6	Sale of banned or disputed products.	-	-
	G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	-	-
Aspect: Customer Privacy				
1	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	-	-
Aspect: Compliance				
1	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	-	-



Independent Assurance Report

To the President and CEO of ITOCHU Corporation

We were engaged by ITOCHU Corporation (the “Company”) to undertake a limited assurance engagement of the environmental and social performance indicators marked with a star ★ included in its CSR Report 2015 (the “Report”) for the period from April 1, 2014 to March 31, 2015, except for the 'Number of hire by gender' and the 'Proportion of female career-track employee, manager, and executive officer', whose figures as of April 1, 2015 are the subject of this assurance engagement (the “Indicators”).

The Company’s Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the “Company’s reporting criteria”), as described in the Report, which are derived, among others, from the Sustainability Reporting Guidelines version (G4) of the Global Reporting Initiative and Environmental Reporting Guidelines of Japan’s Ministry of the Environment.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with ‘International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information’, ‘ISAE 3410, Assurance Engagements on Greenhouse Gas Statements’, issued by the International Auditing and Assurance Standards Board, and the ‘Practical Guidelines for the Assurance of Sustainability Information’ of the Japanese Association of Assurance Organizations for Sustainability Information. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing with the Company’s responsible personnel to obtain an understanding of its policy for the preparation of the Report and reviewing the Company’s reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical reviews of the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company’s reporting criteria, and also recalculating the Indicators.
- Visiting to ITOCHU Sugar Co., Ltd’s factory selected on the basis of a risk analysis.
- Evaluating the overall statement in which the Indicators are expressed.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company’s reporting criteria as described in the Report.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustainability Co., Ltd.

KPMG AZSA Sustainability Co., Ltd.

Tokyo, Japan

September 14, 2015

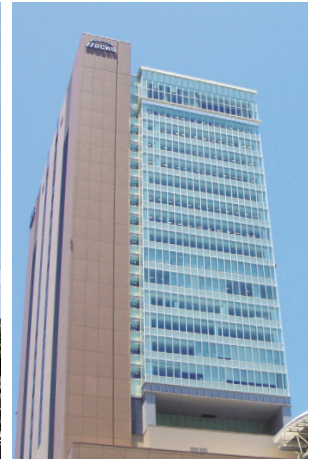
Corporate Profile

Company 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, Umeda 3-chome, Kita-ku, Osaka 530-8448, Japan
President & CEO	Masahiro Okafuji
Common Stock	¥202,241 million
Number of offices	Domestic offices 9 Overseas offices 112
Number of employees*	Consolidated 110,487 Non-consolidated 4,262 (As of March 31, 2015)

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



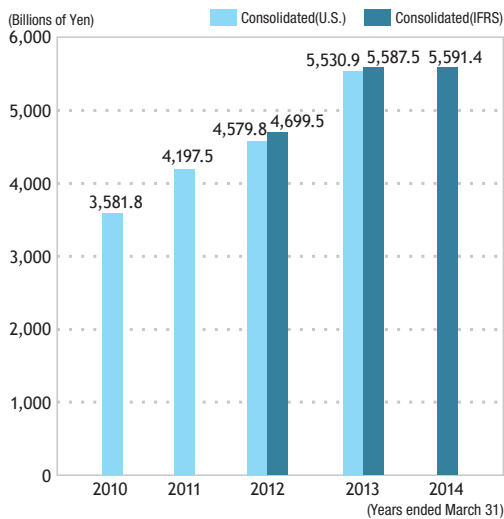
Tokyo Headquarters



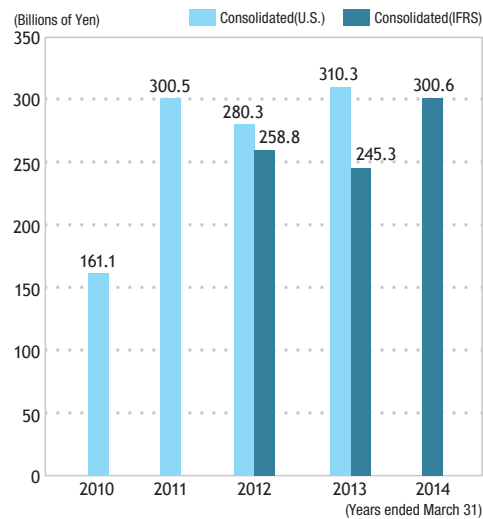
Osaka Headquarters
(North Gate Building)

Financial Overview

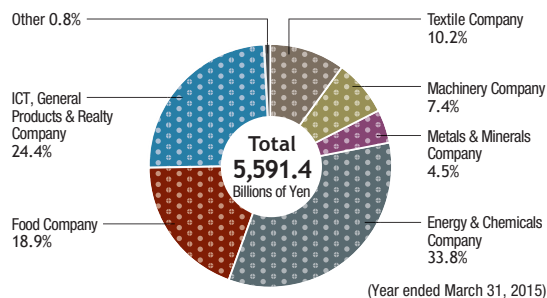
Revenue



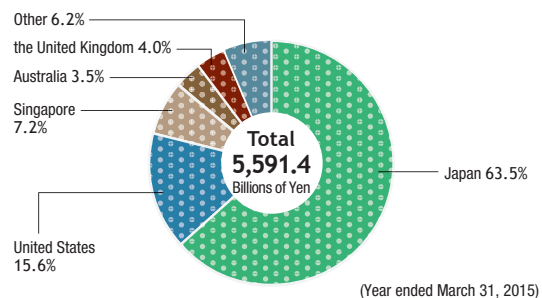
Net Income / Profit Attributable to ITOCHU



Revenue by Division Company (Consolidated·IFRS)



Revenue by Region (Consolidated·IFRS)



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