

Message from Chief Administrative & Information Officer



We will achieve sustainable growth as a reinvented merchant, through further evolution of the *sampo yoshi* approach that has been passed down for 160 years

— The *sampo yoshi* approach that has carved a 160-year history

—We will pursue the highest level of productivity in the sector through the adoption of a Human Resources Strategy as a management policy.

ITOCHU is a company, which for 160 years, ever since its founding by founder Chubei Itoh, an Ohmi merchant, has developed business while carrying on the spirit of *sampo yoshi*. In addition to this, a Human Resources Strategy to ensure that individuals perform at their full potential is essential, and this idea is also encapsulated in the corporate message "I am one with infinite missions." In recent years, with a small group of capable talent, ITOCHU has been involved in cutthroat competition with other companies, and the importance of the Human Resources Strategy has, therefore, increased still further.

ITOCHU's pioneering workstyle reforms, such as the morning-focused working system, have had a significant impact on Japanese society, including the government. The focus of these reforms is the "pursuit of productivity." We moved beyond streamlining operations to freeing up time by eliminating waste for customer service and devised a strategic package of measures to increase employee motivation, develop skills, support active participation by diverse human resources, and improve health. For example, the aim of the Support Measure for Balancing Cancer Care and Work introduced in FY2018 in accordance with ITOCHU Health Charter is to achieve a work environment in which every employee fighting cancer can continue working without concern while maintaining motivation and challenging work, thus ensuring that individuals and organizations perform at their full potential. The health of individual employees underpins a company and enables employees to do good work and business and achieve good returns and this is again in the interests of all stakeholders. At the same time, I believe that, through our employees' fulfilment of "infinite missions" via our main business, we will be able to fulfil our responsibilities for achievement of the UN Sustainable Development Goals (SDG's).

Under the new Medium-Term Management Plan "Brand-new Deal 2020," we will pursue the highest level of productivity in the industry by implementing various measures that only ITOCHU can implement and promoting "reinvented workstyle reforms" based on the plan's basic policies of "Smart Management" and "No. 1 Health Management Company."

— Reinvented sustainability

—We will help solve social issues through our main business, grounded in the *sampo yoshi* spirit.

"Itinerant trading" is business that only Ohmi merchants could do, consisting of going to lands far away from the Ohmi region and negotiating with only a sample of cloth and delivering the goods afterwards. The *sampo yoshi* spirit developed by the Ohmi merchants as they gained the confidence and trust of sellers, buyers and the regions they traded with is also still alive today as a management philosophy that values not only the company's own profit but also business partners, employees, shareholders and various other stakeholders. To demonstrate our intent to honor this approach to the international society, since 2009 we have participated in the UN Global Compact. In April 2018, we formulated a Basic Policy on Promotion of Sustainability as a direction for initiatives based on the ESG perspective and the *sampo yoshi* spirit.

ITOCHU's groupwide sustainability promotion measures are planned by the Sustainability Promotion Department and decided by the Chief Administrative & Information Officer as Chief Officers, before being implemented by each organization in Japan and overseas. The formulation of policies and important matters are discussed and determined by the Sustainability Committee, which is an important internal committee. In addition to the role of chairing the committee, the Sustainability Committee Chairperson attends board meetings, and the HMC and Investment Consultative Committee, and the status of major activities to promote sustainability are reported to board meetings in the form of regular reports and, through this and other measures, impacts on the environment and society are also taken into consideration in the decision-making process. By regularly seeking dialogue with stakeholders inside and outside the company, including the Advisory Board, we grasp society's expectations and demands of us and use these in the promotion of sustainability. We also recently appointed an ESG officer to each company and function and put in place a framework for contributing to the realization of a sustainable society through our main business.

— Revision of Material Issues

Since ITOCHU identified material issues based on CSR for the first time in 2013, the company has regularly reviewed the issues in light of trends in international society and expectations of its stakeholders. We took the launch of the latest Medium-Term Management Plan as an opportunity to identify seven new material issues, taking into consideration the adoption of SDGs, the entry into force of the Paris Agreement and the ESG perspective. Each company will formulate targets and performance indicators corresponding to issues, further strengthen initiatives through their business, and conduct business activities based on an awareness of contributing to the SDGs. We would then like us to translate this into sustainable growth through a reinvented *sampo yoshi* approach, which is our aim under the Brand-new Deal 2020.

Fumihiko Kobayashi

Member of the Board

Senior Managing Executive Officer

Chief Administrative & Information Officer