

# Employee Relations

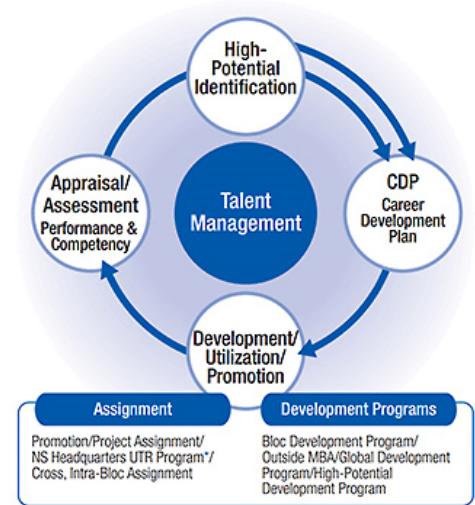
As a general trading company that has a diverse range of businesses around the world, ITOCHU believes that the human resources are its greatest management asset. Accordingly, ITOCHU will proactively advance efforts to develop and strengthen human resources as the management foundation supporting the 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 and Training 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 FY2008, 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 FY2011, 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 160 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.



Talent Management Process

\* We are assigning, promoting, and developing human resources on a global basis regardless of nationality, by implementing the ITOCHU Global Classification (IGC) in FY2010 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 (P109)

## Development Policy

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

Human resources supports the growth of the ITOCHU Group.

Human resource development at ITOCHU Corporation is centered on valuable job experience via on-the-job training (OJT). To augment this, we *help employees to cultivate the motivation and willingness to develop themselves through individual evaluations and feedback* and *provide them with skills and knowledge through training*. Further, we provide them with opportunities to develop based on the aptitude and career of employee, becoming professional human resources in the industry that play an active role in their respective business fields, and then to the global management human resources that play leading roles in businesses in the world.



Our philosophy is at the core of our human resource development.

We will fulfill our "Infinite Missions" by maintaining the spirit of "sampo yoshi" and "Committed to the Global Good."

## Training System

ITOCHU Corporation's training system consists of company-wide training structures and line 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.

For overseas blocks, we have established original training systems for each block based on the characteristics of the business and market and reflecting the required skills and specialties. We combine these schemes with the training system of ITOCHU Corporation to facilitate the development of professionals who can manage business on a global level.

Classification Target	Head Office Employees			Group Company Employees	National Staff	
	Essential	Elective	Select			
Officers	Training for Newly Appointed Officer			Training for Newly Appointed Officer		
Core Staff	General Manager Training for Newly Appointed General Manager Training for Newly Appointed Administrative Officer of Group Company	Overseas Dispatch P.T.R. (Practical Training Rotation) OJT (On-the-Job Training)	GEP Training	Strategic Management Training Subordinates Development Skills Training Basic Management Training	GEP Training P3 Training GLP Training	
	Section Manager Short-term Business School In Japan or Overseas Training for Newly Appointed Section Managers		Short-term Business School in Japan or Overseas GLP Training Next Generation Leader Forum GNP Training			
	Mid-Career Training for Newly Appointed Acting Section Manager	OJT Overseas Training Career Development Career Rotation Career Advancement		Career Support Vision English Lessons Chinese Lessons	Next Leaders Training OJT Professional Development Courses	GNP Training NS UTR Training
	Junior Employees 8th Year Training 4th Year Training Basic Courses New Employee Training	Junior Overseas Training-Multi OJT Trainers Training Basic Courses	Corporate Staff Skills Internship English training in Emerging Countries Intensive English Course		Junior Employee Brush-up Training New Employee Training	
Clerical Staff	Newly appointed GRADE B2 Training GRADE B1 Training 6th Year Training 3rd Year Training New Employee Training	OJT Trainers Training Basic Courses	Career Workshop for Clerical Staff Overseas Training for Clerical Staff	Senior Employee Training Junior Employee Training New Employee Training		
Prospective Employees	Training for Prospective Core Staff Training for Prospective Clerical Staff			Training Available to Employees of Group Company		

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 FY2014 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 FY2015, 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 an essential training program for junior staff. We continue to expand the lineup of training programs for employees of Group companies so that the employees of domestic Group companies will improve their skills and expand their network within the Group.



Global Development Program

Next, from the viewpoint of "overseas," we provide training in such forms as global development programs (GEP, GLP, GNP and GPP\*) and the dispatch of staff to business schools for short-term programs, 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 at headquarters in Japan, 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.

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): The purpose of this training is to understand ITOCHU's corporate philosophy, history, business outline and to help create network among participating members.
- \* Global Partnership Program (GPP): This training is for overseas group company employees. The purpose of this training is to understand ITOCHU's corporate philosophy, history, business outline, and to help createbuild a network amongof ITOCHU Group.

### Number of employees participated in major training programs

Name of Training program	FY2016	FY2017	FY2018
Administrative intern program	111	115	121
Global development program	126	128	134
Organization manager workshops	426	417	403
Dispatch of staff to business schools for short-term	41	51	39
Junior staff overseas training for Chinese and Junior staff overseas training for multi-language	52	52	61
Chinese lesson	390	469	614
Career vision support training (the total number of participants)	2,097	2,108	2,075

### Time and cost allotted for capability development training of employees

	FY2016	FY2017	FY2018
Total number of hours of training in the year (Unit: hours)	193,839	200,195	217,734

	FY2016	FY2017	FY2018
Average length of time spent on education and training/human resource development per regular employee* (Unit: hours)	45.3	46.72	50.81
Average amount of expenses for education and training/human resource development per regular employee (Unit: thousand yen)	266	359	334

- \* Calculation formula: Total number of hours of training in the year / Number of employees as of the end of each fiscal year

## Human Resources Synergies with CPG and CITIC

In January 2015, ITOCHU Corporation entered into a strategic business alliance including capital participation with Charoen Pokphand Group Company Limited ("CPG"), one of Asian leading conglomerates and CITIC Limited ("CITIC"), one of Chinese largest conglomerates. Later, in January 2016, the three companies signed a memorandum of understanding towards enhanced human resources synergies as a basis for creating business synergies between them and increasing corporate value in the medium to long term. The memorandum of understanding is aimed at constructing a strong, consolidated human resources network between the three companies—through initiatives such as short-to-long-term human resources dispatch and exchange, dispatch of employees to participate in existing training programs at each company, and the hosting of newly created combined training seminars—as the foundation that will underpin the strategic alliance.

In May 2016, the three companies held the first combined training seminar in Tokyo. In FY2018, they held the second seminar in Beijing, where CITIC is based.

ITOCHU head office section chief-level employees and employees with equivalent levels at CITIC and CPG are selected to participate in the seminar, which aims to create a strong human resources network as partners, with each participant working to gain sufficient mutual understanding of the management policies, values, history and main business operations, etc., of each company and holding thorough debating sessions with a view to the creation of business synergies. In FY2019, the combined training seminar is planned to be held in Bangkok, where CPG is based.

The three companies steadily implement the initiatives mentioned above — that is, the short-to-long-term human resource dispatch and exchange and the acceptance of employees to participate in existing training programs at each company.

In addition, given the execution of the strategic business alliance with capital participation with CPG and CITIC, we launched a project in FY2016 for developing 1,000 Chinese-speaking human resources, which is one-third of all career-track employees. We have thus made tremendous efforts toward proceeding thoroughly with establishing the foundation of the language. At the end of FY2018, the target number of 1,000 human resources was achieved. On April 13, 2018, the ITOCHU Assembly of 1,000 Chinese Speakers was held simultaneously at three venues in Tokyo, Osaka, and Shanghai. On the day of this event, Chinese-speaking employees gathered at the venues and celebrated the achievement together via a video conferencing system. It served as an opportunity to further promote our business expansion in China and Asia.



ITOCHU Assembly of 1,000 Chinese Speakers (Tokyo Headquarters), for which Chinese-speaking employees gathered

	July 2015	March 2016	March 2017	March 2018
Number of Certified Chinese Speakers	361	430	793	1,043

## ITOCHU Morning Activity Seminar

In September 2016, as a measure for promoting the morning-focused working system, we began to hold the ITOCHU Morning Activity Seminar during the early-morning hours to deepen the knowledge of our employees, develop their capabilities, and increase their vitality. In FY2018, the seminar was held on ten different occasions with 1,895 participants and the themes of the seminars were various such as "businesses in China," "performance improvement," "business efficiency improvement," "cash flows," "AI," "sleeping," etc.

Participants made comments such as, "I attended a beneficial lecture before work, which made me feel very positive" and "I think this initiative is exactly what ITOCHU is expected to do." We plan to continue holding the seminars on a regular basis.



ITOCHU Morning Activity Seminar



**Major seminars**

Date	Title	Lecturer
July 2017	Stress management taught by a brain scientist	Mr. Kenichiro Mogi, a brain scientist
February 2018	Thoughts and decisions in the AI era: How humans should co-exist with artificial intelligence	Mr. Yoshiharu Habu, a professional shogi player

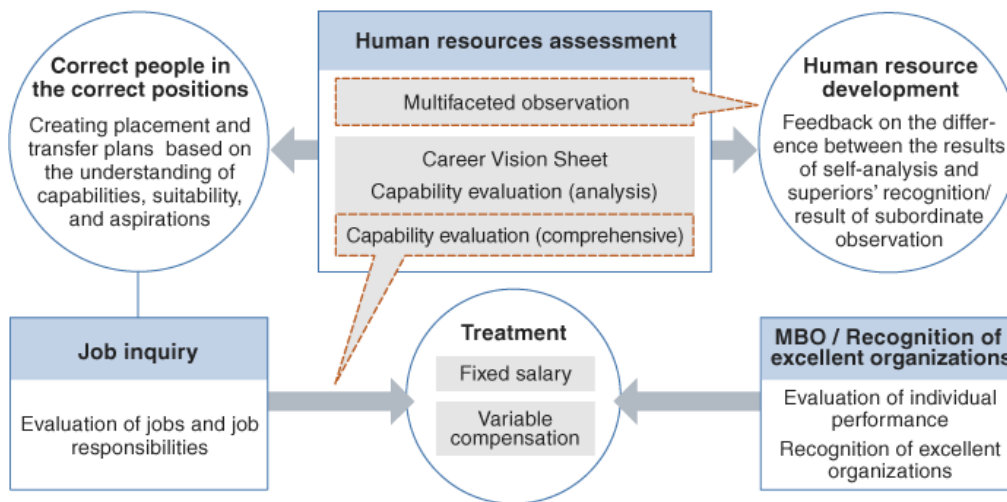
**Personnel Evaluation Systems**

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, multi-rater 180 assessment\* and other activities to communicate the importance of encouraging employee growth and development to supervisors.

\* Multi-rater 180 assessment: A system aimed at reviewing daily personnel administration and management activities, which are difficult for the head of an organization to notice, through feedback on the results of observations by the head of the organization and their subordinates, to improve their activities and capabilities as necessary

**Overall picture of the personnel evaluation systems**



# Creating Environments that Bring Out the Best in Employees

## Promotion of Working-Style Reforms

ITOCHU Corporation believes that employees are its greatest asset, and that the full exertion of each individual employee's capabilities will lead to an improvement in corporate value. Based on this belief, ITOCHU has pursued a range of initiatives to develop environments where all employees can utilize their respective characteristics and concentrate on work at ease. The morning-focused working style, which we introduced in October 2013 as a measure for working-style reforms, has greatly influenced the government and many companies. More than four years after its introduction, it continues to give the results steadily as the core element of the company's working-style reforms.

For Health and Productivity Management, which we began to work on in full scale in FY2017, we promote a range of measures for improving the health of employees, based primarily on the ITOCHU Health Charter (established in June 2016). These include the introduction of the "Health MyPage" apps, via which all employees can manage their health statuses, individual programs for employees who have a high potential risk of suffering from lifestyle-related diseases (distribution of wearable terminals for health and diet and exercise instructions by experts), and enhanced support for smoking cessation (grants of aid money to reimburse the full amount of medical costs involved in smoking cessation). In addition, we opened a new health-focused integrated dormitory for unmarried employees in April 2018.

As the leading company in "working-style reforms" and "Health and Productivity Management, ITOCHU will continue to implement a range of initiatives in a pioneering manner to establish an environment where employees find it worthwhile to work for the company.

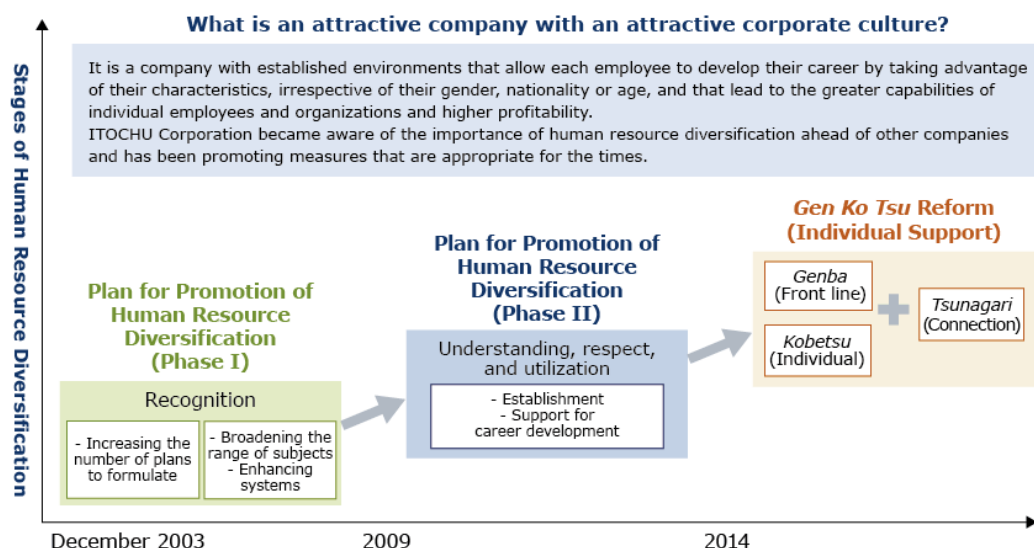
See P97 for details of the morning-focused working style.

See P99 for details of the Health and Productivity Management.

## 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



## ■ (1) 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. We have increased the number of female employees by promoting the Plan for Promotion of Human Resource Diversification. We have also expanded and upgraded systems far and above those required by law to help female employees succeed in both work and family life. 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 focus our efforts on creating role models of women with successful careers, developing an environment that enables women to work with a sense of job satisfaction, and fostering candidates for future management, mainly through training programs for nurturing career consciousness among young female career-track employees and various forums.

### The number of female managements and career-track employees

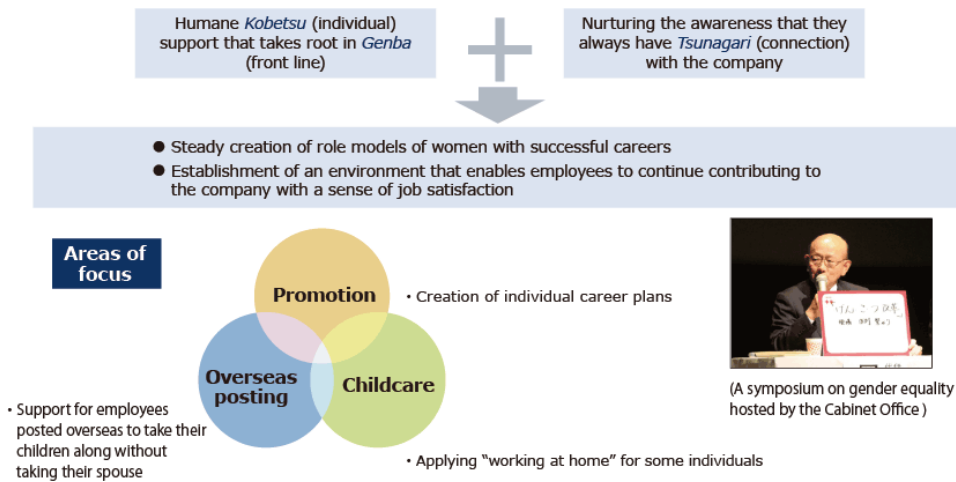
Year	April 2016	April 2017	April 2018	FY2021 Target
Female management	5.2%	5.9%	7.0%	Over 10.0%
Female management / All management	130/2,479	149/2,505	175/2,515	
Female career-track employee	8.8%	9.1%	9.5%	Over 10.0%
Female career-track employee / All career-track employee	307/3,490	323/3,531	337/3,539	

### 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"> <li>The employment of women is required by the equal opportunity law, which came into force in 1986.</li> </ul>	<ul style="list-style-type: none"> <li>Continuing to hire female career-track employees (several employees every year)</li> <li>Transfers from clerical positions</li> <li>Introduction of childcare support systems</li> </ul>
Increase in number and enhancement of systems (2004-2011) Company where female career-track employees enjoy working	<ul style="list-style-type: none"> <li>Formulation of the Plan for Promotion of Human Resource Diversification (December 2003)</li> <li>To promote women to executive positions proactively, it is important to first increase the number of women and utilize them widely in the company.</li> <li>Establishing an environment that allows women to achieve a good balance between work and childcare/nursing care to retain female employees.</li> </ul>	<ul style="list-style-type: none"> <li>Setting numerical targets</li> <li>Introduction of a mentor system</li> <li>Enhancement of childcare support systems</li> <li>Introduction of a system that permits a leave of absence in the event of the overseas transfer of a spouse</li> <li>Establishment of a childcare center for employees</li> <li>Holding various forums</li> </ul>
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"> <li>Systems have been established beyond the level required by law.</li> <li>The populous generations of female career-track workers have entered in their 30s, and their life events are expected to take place in earnest.</li> <li>Support is provided individually under the Gen Ko Tsu Reform to those who try hard to develop careers on their own.</li> </ul>	<ul style="list-style-type: none"> <li>Switch from job transfer/leave to a reemployment system</li> <li>Support for employees posted overseas (permission to take their children along without taking their spouse)</li> <li>Identification and nurturing of candidates for promotion</li> <li>Collecting opinions from the front lines at sectional meetings</li> <li>Support for endeavors to nurture career consciousness (various forums, etc.)</li> <li>Provision of guidance before maternity leave and holding a tripartite meeting before returning to work after childcare leave</li> <li>Interview before and after overseas assignment</li> <li>Introduction of a work-from-home system</li> <li>Strengthening the transfer of official duties system (application of the system to younger employees, arrangement of follow-up support to those who were transferred)</li> <li>Sending female career-track employees to external manager training</li> </ul>

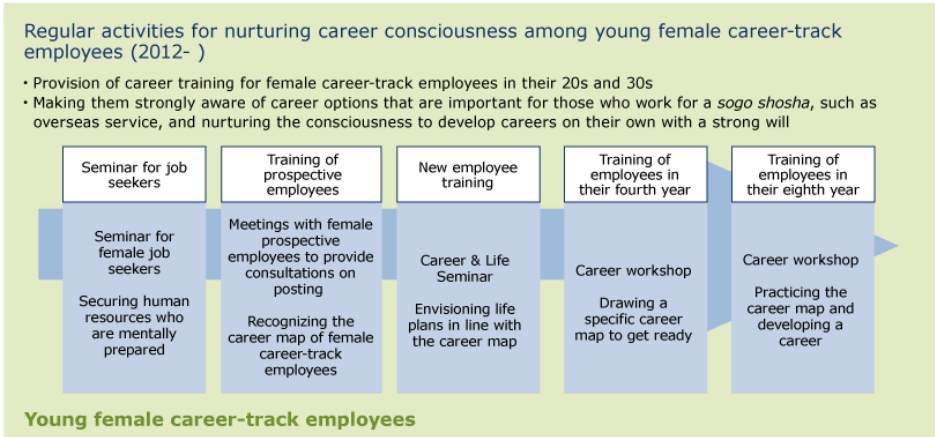


**Gen Ko Tsu Reform**



**Support for nurturing career consciousness among female career-track employees**

Implementing measures for female career-track employees with successful careers, young female career-track employees, and organizational managers, aiming to create an environment in which **female career-track employees themselves** nurture the future generations as role models and organizational managers are proactive in providing support for career development.



**Support for career development by clerical staff**

In FY2016, ITOCHU Corporation began to organize the Clerical Staff Career Workshop for clerical staff members in the highest job grade. This training is aimed at fostering the mentality of a role model for core clerical human resources and improving skills for demonstrating leadership in the workplace, by giving trainees companywide roles. Around 20 people from among subject employees of the overall company participate in this training. Over the one-year period of this training, participants carry out missions including giving suggestions about important companywide issues to the General Manager of Human Resources & General Affairs Division, mentoring clerical staff in their sixth year, participation in activities for recruiting clerical staff, and playing a role on the frontline.

**(2) Supporting the utilization of senior human resources**

ITOCHU Corporation has been proactive in supporting the employment of aged workers. In light of factors such as the declining birth rate and aging population in Japan 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 after they reach the mandatory retirement age. 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. We will make further efforts to develop environments in which aged employees can continue to work with even greater drive and enthusiasm.

### — (3) Creating harassment-free workplaces

ITOCHU Corporation aims to create workplaces where no employee suffers power harassment\* or sexual harassment (including disadvantageous treatment or harassment of employees who are sexual minorities) and where employees with time constraints (employees who are pregnant or engage in childcare or nursing care) can work without hesitation. We use in-house training programs for organizational heads to raise employees' awareness of the importance of preventing and tackling harassment and informing employees of related systems and communicating with them. We take thoroughgoing measures to create a workplace environment where discriminatory remarks related to sexual preference or gender identity and comments based on unconscious sexual discrimination will never be tolerated. We have also set up a consultation desk for employees. For employees who have time constraints due to childcare or nursing care, their superiors encourage them to balance work and childcare or nursing care by utilizing the related systems appropriately, and we inform employees of the importance of reviewing the contents of work, division of duties, and ways of working in the overall workplace.

\* An act of causing emotional distress or physical pain to a person who works in the same workplace or of worsening the workplace environment beyond the appropriate boundaries for work, based on one's superior position in the workplace in terms of job rank or interpersonal relationship.

## Supporting the Participation in Society by People with Disability

In 1987, ITOCHU Corporation established ITOCHU Uneedus Co., Ltd., the first special subsidiary in Yokohama in Kanagawa Prefecture for the purpose of giving people with disabilities, such as physical disabilities and intellectual disabilities, a desire to work and places where they find working worthwhile. This company handles cleaning, photography and printing services, mail services, laundry and cleaning services, and others under the motto of strict quality control and cordial service. In the cleaning division, people with disabilities and those without help each other perform all the cleaning-related processes. In November 2015, ITOCHU Uneedus Co., Ltd. was relocated to a new office building in Tsuzuki-ku, Yokohama that boasts a floor area that is 2.4 times wider than the old building and possesses the latest equipment. The purpose of this move was to provide a more comfortable work environment for staff members with various disabilities, as well as expand the business.

As of March 2018, the proportion of our workforce with disabilities is 2.04%. ITOCHU Uneedus Co., Ltd. celebrated its 30th anniversary in 2017. We will continue to actively help people with disabilities participate in society.

\* Related Data : Employment ratio of people with disabilities (P110)



Left: ITOCHU Uneedus Co., Ltd New office building (Tsuzuki-ku, Yokohama)

Right: Employees of the cleaning division at work  
<http://www.uneedus.co.jp/>

## A good balance between Work and Childcare/Nursing care

### — 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. Concerning childcare leave for male employees, which had been taken only by a few employees, we began to implement a campaign in FY2016 to encourage male employees to take childcare leave by involving their supervisors as well. As a result, 168 male employees took childcare leave during the three years until FY2018. Also, in FY2016, we carried out a trial of a work-from-home system for those who need to stay home due to childcare or nursing care. In FY2017, we officially introduced the work from home system, which is applied based on specific criteria to employees who have time constraints due to childcare, nursing care, or similar reasons and those who have difficulty commuting for reasons such as pregnancy, injury, or illness. In response to the growing social importance of being prepared for nursing care, we hold an annual nursing care seminar and introduced online services for providing nursing care information and consultations in FY2018.

**Support for Childcare**

		85 days after getting pregnant	6 weeks before childbirth	Childbirth	8 weeks after childbirth	2 years old	3 years old	School age	Graduation from elementary school
		Pregnancy (women only)			Childcare (both men and women)				
Support for Childcare	Extended leave	Pregnancy leave (20 days)			Maternity leave before childbirth (6 weeks)	Childcare leave (until the child turns two years old/ interruptible)			
	Working on chosen days					A system which allows employees to work on chosen days (1 year in total/ interruptible)			
	Leave	Miscarriage leave (5 days)			Maternity leave after childbirth (8 weeks)	Leave to nurse sick children (5 days per year in the case of only one child; Ten days per year in the case of two or more children)/Until graduation from elementary school)			
		Special parental leave (A total of 40 days until graduation from elementary school)							
	Shorter working hours, etc.	Shorter working hours during pregnancy (by 90 minutes per day)			Maternity leave before childbirth (6 weeks)	Family support leave (Included in leave as a reward for diligence)			
		Flexible time system				Shorter working hours for childcare (By 90 minutes per day/Until graduation from elementary school)			
		Limits on night work (10 p.m. - 5 a.m.)				Flexible time system			
	Limits on overtime work, etc.	Limits on overtime work			Maternity leave after childbirth (8 weeks)	Exemption from overtime work			
		Limits on overtime work				Limits on overtime work (to 24 hours per month/150 hours per year)			
	Other support	Guidance for returning to job			Social media for employees on maternity/childcare leave		Three-party meeting on return from childcare leave, follow-up meeting for those who have returned to work from childcare leave		
Handbook on childcare (edition for women, edition for men, edition for superiors)			Career support training						
Various services	Working at home (individual basis)								
	Discount system for babysitter dispatch services								
	Childcare consultations, etc./Telephone health consultations								
	Use of I-Kids, a childcare center for employees (0 - 3 years old) *Temporary childcare services are available until the child reaches school age.								

**Support for Nursing Care**

		Commencement of use of the system	2 years	3 years
Support for Nursing Care	Extended leave	Nursing care leave (2 years in total/interruptible)		
	Working on chosen days	A system that allows employees to work on chosen days (3 years in total/interruptible)		
	Leave	Leave for nursing care (10 days granted each year regardless of the number of family members in need of nursing care)		
		Special nursing care leave (30days for those with fewer than 8 service years, and with an upper limit in the accumulated number of days at 60days (half day off may be included) for those with 8 or more service years.)		
	Shorter working hours, etc.	Shorter working hours for nursing care (By ninety minutes per day for up to 5 years in total/Salary begins to be reduced accordingly in the 4th year/Interruptible)		
	Limits on overtime work, etc.	Exemption from overtime work		
		Limits on overtime work (to 24 hours per month/150 hours per year)		
		Exemption from night work (10 p.m. - 5 a.m.)		
	Other support	Nursing care seminars		
		Career support training provided for employees on extended leave		
Various services	Handbook on nursing care			
	Working at home (individual basis)			
	"Furusato Care Service" for employees posted abroad (care for their elderly relatives)			
	Subsidy for use of homemaker services			
	Support for use of nursing care services/Telephone health consultations			
	Nursing care wiiw concierge			

\* Related Data : Acquisition of leave according to child care or nursing care related systems (P110)

## – 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 Support

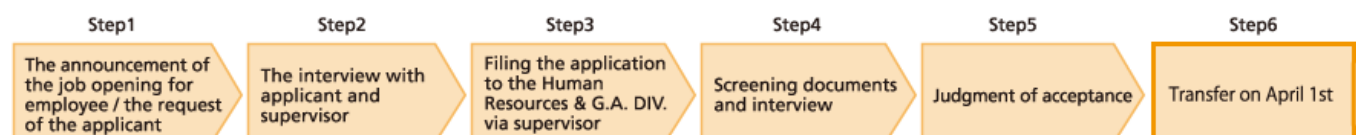
### – Career Counseling

The Career Counseling Center offers a wide range of counseling and support for diverse career stages, ranging from new recruits to organization managers. All of the counselors in the Career Counseling Center have obtained the national career consultant certification. They provide consultations by discussing an array of topics fit for the circumstances of each individual seeking a consultation, 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 has exceeded 500. The Career Counseling Center aims to provide ITOCHU employees with the opportunity to discover something new about their career development by allowing them to have discussions with a sense of security from the thoroughgoing measures for maintaining confidentiality taken at the Center.

### – Trial Implementation of the Challenge Career System

This system was implemented twice on a trial-basis, or in FY2017 and FY2018, for career-track employees (excluding organizational manager) working in Japan as a measure for increasing the mobility of human resources. Under this system, an employee checks the list of job openings announced on the internal intranet in advance and makes a request to their supervisor for a transfer to their desired position. Once approval is obtained from the supervisor, the employee is introduced to the desired transfer destination, and if the department accepts the employee, a transfer beyond the boundaries of Division Companies and administrative divisions is carried out. This system is aimed at increasing employees' motivation by providing the opportunities for career options and enhancing the organizing ability by fostering career awareness among them. Under this system, three employees were transferred in FY2017 and informal decisions to transfer two employees were made in FY2018. We will consider future measures based on the results of the trial implementation in two years.

#### Overall schedule



## Working Environment/Style

### — Dress-down Days

In June 2017, ITOCHU introduced "Dress-down Days" as a new method of work-style reform with the aim of creating an environment that allows each employee to demonstrate their capabilities further and work vibrantly.

Fridays are designated as "Dress-down Days," when employees are allowed to dress down to a level below the previous Casual Fridays, instead of wearing business suits uniformly, based on the premise that what they wear are "work clothes" that are suitable for business settings. Employees are also allowed to wear jeans and sneakers and are encouraged to wear outfits more freely to express the characteristics of ITOCHU. This program aims to develop employees' ability to think flexibly and create a workplace environment that facilitates the creation of new ideas by having employees think about how to dress down while being conscious of their relationships with customers or the people around them.



To raise employees' awareness of the program and spread it among them, the following key measures were implemented in FY2018. We will continue to plan programs that are appropriate for each season.

- A program under which around 10 employees have their own stylists to help them undergo a total makeover and experience new styles, with the cooperation of Isetan Shinjuku Store of Isetan Mitsukoshi Ltd., three times a year — that is in summer, autumn/ winter and spring.
- Internal events in which employees are recommended to wear a specific item — such as "Jeans Day" and "Sneaker Day" — and which involve a concurrently related event such as a sale with the cooperation of an ITOCHU Group company/associated company and a lecture on dressing given by a stylist.

### — Cooldown Rooms

In June 2012, ITOCHU Corporation introduced Cooldown Rooms, where summer heat is alleviated, on the first floor and first basement floor of the Tokyo Headquarters building. These rooms are aimed at keeping visitors comfortable in the building and providing employees with a comfortable working environment. As a measure for preventing global warming and saving electricity during summer, when power demand increases, ITOCHU ensures that the temperature setting of the air conditioners in the building is not lower than 28 degrees centigrade. However, the Cooldown Rooms have lower ceilings than other rooms for greater air-conditioning efficiency. Cool air of 15 degrees centigrade is supplied to the rooms to keep the temperature at 20 degrees centigrade or lower. The rooms thus cool down people who visit the building on hot summer days and employees who return from sales activities outside. In addition, in December 2016, we began to make effective use of the Cooldown Rooms in winter by raising the temperature setting to warm people up and established ITOCHU History, a section for history exhibitions, so that many people can experience the pioneering spirit of ITOCHU.

### — Shower Lounge and Shower Room

As a measure for creating a workplace environment that provides job satisfaction, ITOCHU introduced a shower lounge on the third floor and a shower room on the second basement floor of the Tokyo Headquarters building in the summer of 2016. Employees who returned from business trips by early morning flight would say that the airport shower rooms were crowded and that they had to use external facilities (such as gyms and saunas) on their way to work. In response to this feedback, ITOCHU established these facilities in the Headquarters building so that employees who have returned from business trips are able to start working in comfort.



The facilities are equipped with overhead showers, which warm up the body immediately, even in winter, and amenities (towels, hair driers, shampoo, and conditioner). A total of 660 employees have used these facilities in a period of about 21 months since they were opened. The employees greatly appreciate the facilities, stating that they make it possible to work in comfort.

In response to employee other requests, these facilities are now open for longer hours and are also available for employees who have exercised to improve their health. These facilities are also open to employees of affiliate companies.



## ■ The Hiyoshi Dormitory

In March 2018, ITOCHU Corporation established the Hiyoshi Dormitory (Kohoku-ku, Yokohama-shi, Kanagawa), a dormitory for unmarried employees with approx. 360 dwelling units, by integrating dormitories for unmarried male employees that were scattered in four locations in the Tokyo Metropolitan area. This dormitory was designed under the concept of "under the same roof," instead of being positioned as a mere welfare facility. The dormitory is therefore equipped with a range of common utilities, which are designed to serve as gathering places for residents and deepen their communications beyond the boundaries of their ages and divisions. These include a dining room with a shared kitchen, a multi-purpose meeting room, a large bathroom with a sauna, and communication spaces on each floor (space for studying and an open terrace).

From the viewpoint of initiatives such as Health and Productivity Management, the cafeteria in the dormitory provides dietary instructions by taking measures such as serving nutritionally balanced meals for breakfast and dinner. We also provide residents with exercise opportunities by tying up with a local fitness club. In addition, smoking is prohibited in the entire dormitory, including private rooms of residents, and is permitted only in designated areas. For those who wish to quit smoking, we provide a smoking cessation program using a smartphone application. These and other initiatives are taken to create an environment that encourages employees to reform their workstyles voluntarily and improve their health.

As part of business continuity plan (BCP) for disasters, this dormitory is designed to function as a secondary office for the Tokyo Head Office. It has the same internet environment as that of the office and power supply equipment that is ready to supply electricity. Food, water, emergency supplies and other items are also stocked in the dormitory.

## Major Awards and Certifications

ITOCHU Corporation's initiatives for creating environments that bring out the best in employees have earned high praise from various quarters.

In FY2018, ITOCHU Corporation received the Award for Excellence from the Minister of Health, Labour and Welfare in the "Family-friendly Companies" category, for "Excellent Equal Opportunity/Work and Family-Life Balance Companies." ITOCHU was also selected a "Best Practice Company" in a program in which the Tokyo Labor Bureau selects companies that are proactive in reducing prolonged work. In addition, ITOCHU received the Minister of Health, Labour and Welfare Prize in the 2017 Award for Companies Promoting Cancer Control in the Action Plan for Promotion of Cancer Control as a project commissioned by the Ministry of Health, Labour and Welfare. The award was granted in recognition of the Support Measure for Balancing Cancer Care and Work, which began in FY2018. We also won an award of excellence in the Tokyo Metropolitan Government award commending companies that implement excellent initiatives to help cancer patients balance cancer treatment and work.

		 <p>Oファミリー・フレンドリー企業部門 平成29年度</p>		
<p><b>Platinum Kurumin Authorization</b></p>	<p><b>New Diversity Management Selection 100</b></p>	<p><b>2017 award for Excellence from the Minister of Health, Labour and Welfare for "Excellent Equal Opportunity/Work and Family-Life Balance Companies" ("Family-friendly Companies" category)</b></p>	<p><b>Minister of Health, Labour and Welfare Prize in the Award for Companies Promoting Cancer Control in the Action Plan for Promotion of Cancer Control</b></p>	<p><b>Tokyo Metropolitan Government award commending companies that implement excellent initiatives to help cancer patients balance cancer treatment and work</b></p>
<p>Companies with excellent initiatives for providing employees with support at work as well as with childcare receive approval to display the Platinum Kurumin Authorization mark. (Received on 2016 / Ministry of Health, Labour and Welfare)</p>	<p>A project for selecting excellent companies that provide diverse human resources with opportunities and an environment for exercising their potential (Selected in March 2016/ Ministry of Economy, Trade and Industry)</p>	<p>A program recognizing companies that promote exemplary programs with an equal emphasis on work and childcare/ nursing care. (Selected in November 2017/ Ministry of Health, Labour and Welfare)</p>	<p>A project recognizing companies that are proactive in taking cancer control measures and which take comprehensive, advanced cancer control measures. (Selected in February 2018/ Ministry of Health, Labour and Welfare)</p>	<p>A program recognizing companies that implement excellent initiatives to help cancer patients balance cancer treatment and work. (Recognized in February 2018/ Tokyo Metropolitan Government)</p>

- Related Data : Figures concerning employees (P109)
  - Proportion of female career-track employee, manager, and executive officer (P109)
  - Number of hires by gender (P109)

# 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. This progressive approach has made an impact on not only the industrial world but also political and business establishments. It has grown into a big movement that is changing the way Japanese people work.

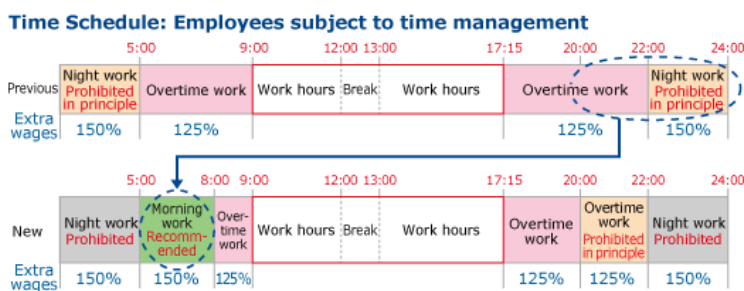
ITOCHU believes that this initiative will help individual employees to reform their approach to their own working styles and to advance well-balanced operational reforms. In this way, the Company will strive to achieve a work environment that further strengthens the effectiveness of operations, supports 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: 25%).
- \* 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

		Prior to introduction (FY2013)	First year after introduction (FY2014)	Five years after introduction (FY2018)
Leaving	8:00 p.m. or after	About 30%	About 7%	About 5%
	(10:00 p.m. or after (within 8:00 p.m. or after))	(About 10%)	(Nearly 0)	(Nearly 0)
Entering	8:00 a.m. or before	About 20%	About 34%	About 44%
Hours of overtime work per person		-	About ▲ 7%	About ▲ 11%
Electricity consumption (since introduction)		-	-	About ▲ 7%
Paid leave acquisition rate (since introduction)		-	-	About ▲ 11%

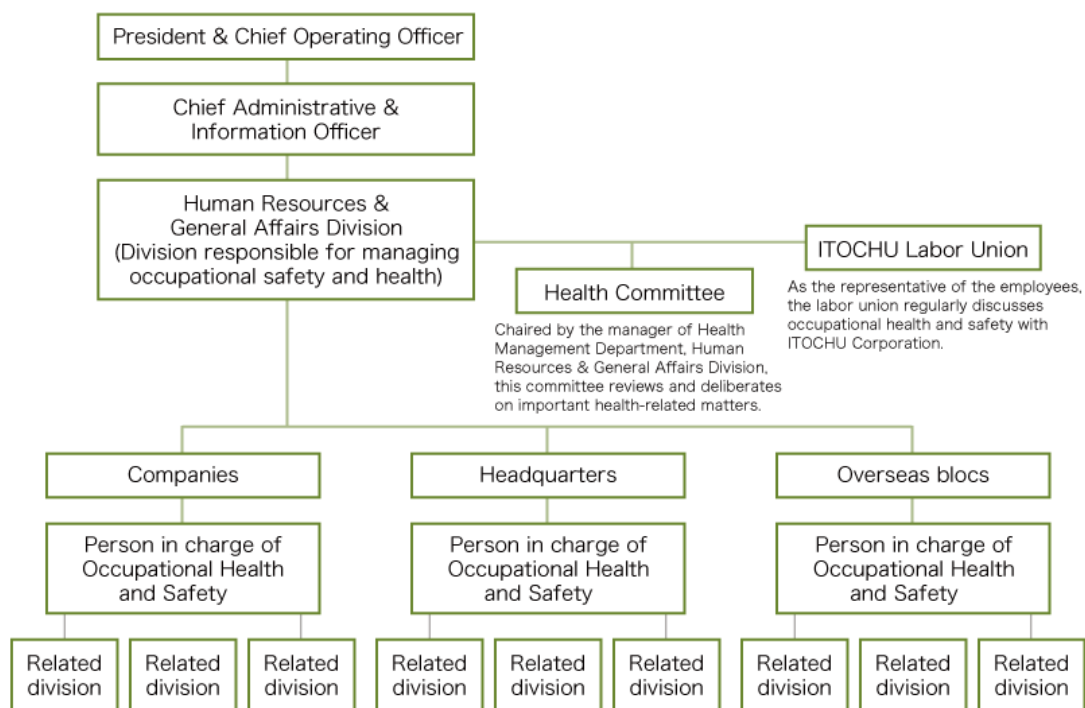
# Initiatives Aimed at Occupational Health and Safety and Health and Productivity Management that Support the Activity of Employees

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 placing President and COO at the top, not only for incidents, accidents, disasters and other emergencies, but also for health management.

In addition, in order to realize its mission, "Committed to the Global Good," ITOCHU Corporation also discusses occupational health and safety with ITOCHU Labor Union, to which approx. 80% of its employees belong (see "Labor Union and Employee Welfare (P103~106)"). Labor and management enter repeated and active discussions to build up a healthy relationship that enables both sides to recognize and share challenges currently surrounding the company and to study and implement improvement measures.

See P111 for the number of employees who received training on health and safety standards.

## Overview of Itochu Corporation's Occupational Health and Safety Management Organization



## 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, because 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 staff in charge of human resources and general affairs in each regional headquarters of eight 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.

We make it mandatory for employees to be assigned overseas to receive the vaccinations recommended by the national government for each region. Vaccination-related expenses are assumed by the company. Such employees receive vaccinations at the Health Administration Center of ITOCHU Corporation or at a nearby travel clinic.

With regard to safety initiatives in Japan, we implement countermeasures against large-scale disasters, such as earthquakes. These include the creation of a business continuity plan (BCP), the preparation of disaster supplies such as drinking water, food, and toilets, emergency drills, and training on responses to the safety confirmation service.

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

## Health and Productivity Management

Based on the idea that each individual employee can maximize outcomes, it is the cornerstone of strengthening human resources ability to fulfill the corporate message "I am ONE with Infinite Missions" together with the development of employees' capabilities, the company's policy for Health and Productivity Management was clarified in ITOCHU Health Charter (established in June 2016). With this ITOCHU Health Charter as the core policy, we have implemented diverse initiatives in our efforts to enhance health and productivity. The Health Administration Center at ITOCHU's Tokyo Headquarters, which also serves as a clinic, has more than 20 specialist physicians on staff, as well as an X-ray technician and a pharmacist. For more than 30 years, we have been operating a system, as it were a "health concierge without borders." In this system, health maintenance professionals provide individualized healthcare guidance to employees all over the world adapted to their individual conditions by cooperating closely with physicians who specialize in individual lifestyle-related diseases. We thus encourage improved productivity and health at ITOCHU Corporation through the health management of each employee.

In terms of specific services, in addition to the above specialized disease management, we offer 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, and examinations (VDT examination, adult-onset disease examinations). We also offer medical counseling and provide information. In FY2017, the rate of employees working in Japan who received regular medical checkups was nearly 100%.

In addition, in April 2017, we introduced the "Health MyPage" apps, which allow medical checkup results to be viewed and permit the centralized management of lifestyle habit data, such as number of steps, weight, body fat percentage, and calorie intake via PC and smartphone in our efforts to raise the health awareness of each employee. For young employees who have a high potential risk of suffering from lifestyle-related diseases, we have introduced individual programs under which we distribute wearable terminals for health to collect data on exercise and sleeping and manage data on diet as well, and enable them to receive diet and exercise instructions online every day from a health coach and national registered dietitian. Over 240 employees have used these programs and made achievements.

Our Health Insurance Union operates two domestic recreation centers, and also cooperates with the Health Administration Center to fully support the smoking cessation treatment expenses, etc.



## Initiatives for Employees Living with Cancer

In accordance with the ITOCHU Health Charter that was established in June 2016, we began to promote support measure for balancing cancer care and work in August 2017.

It is said that, at present, one out of every two Japanese develop cancer in their lifetimes. Every year, 850,000 individuals are diagnosed with cancer, with working-age adults accounting for 30% of them. Typically, cancer needs intensive treatment for a certain period of time, with a careful, long-term follow-up. At ITOCHU, there are some employees who are receiving treatment for cancer while continuing to work, and some who have regrettably passed away from cancer. We have determined that providing a work environment where employees continue to work without fear about cancer or yielding to it leads to positive work on the part of employees and the activation of the organization. Consequently, we have decided to introduce this measure from the following three points of view.

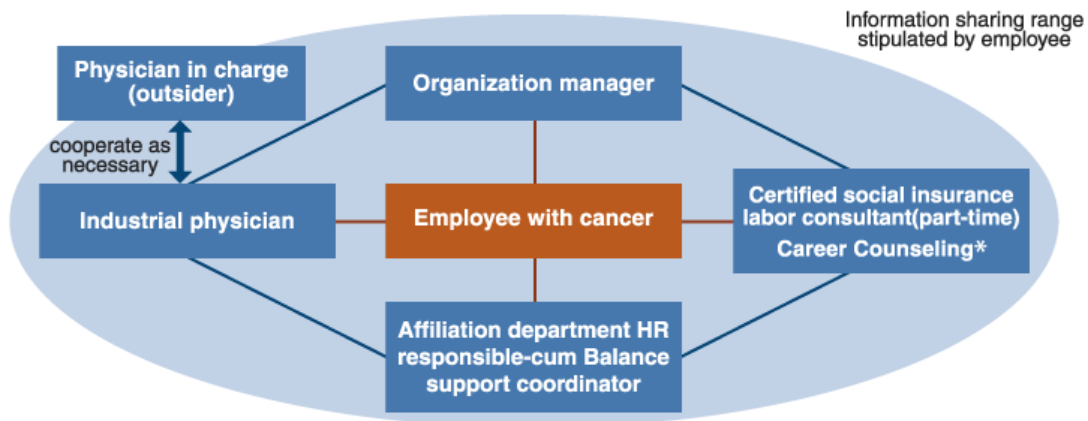
- Establishment of an environment where employees can receive consultation and share information without concern
- Enhancement of a system under which the entire organization provides support for the prevention, early detection, and treatment of cancer
- Establishment of internal systems and programs which permit employees to continue working and playing active roles while receiving treatment

ITOCHU has to date had in place a support system for long-term illness, including an enhanced health management system, subsidies for high-cost medical care, and a flexible work/leave system. In addition to this, we have decided to promote the following new initiative as a support measure for balancing cancer care and work from the three perspectives of prevention, treatment, and symbiosis.

- Cooperation with National Cancer Center
  - Prevention: Add "Cancer Special Medical Examination" which supervised by cancer specialist as an item of regular medical checkup, to improve the early detection rate.
  - Treatment: Where the result of screening is positive, detailed examination at the National Cancer Center is arranged. If cancer is detected, cooperation with a specialist physician from the National Cancer Center is arranged immediately to start state-of-the-art treatment.
- Establishment of a system for providing support measure for balancing cancer care and work (See the figure below.)
  - A coordinator for balancing cancer care and work is assigned to establish a system and climate in which the head of the organization and other employees can help the employee with cancer to balance cancer care and work. After the initial report is received, a plan to support balancing cancer care and work is formulated by following handling procedure that is appropriate for the pathology.
  - Creation of a handbook for supporting balancing cancer care and work and establishment of a leave system for providing the support.
- Enhancing financial support for receiving advanced cancer care
  - The company purchases a blanket policy to provide financial support for receiving advanced medical treatment which is not covered by insurance at all.
- Enhancement of scholarship support for children and job search for them
  - Increasing the amount of scholarship paid to bereaved children for receiving graduate school education at the highest, by approx. two to three times than before.
  - Where a bereaved child or spouse desires to work for the ITOCHU Group, a job is searched from within the Group.

By promoting this measure, ITOCHU aims to achieve a workplace in which all employees, regardless of whether they are suffering from diseases or not, can continue working to the fullest potential, without concern and without restraint, while maintaining motivation and finding their work worthwhile. At the same time, we aim to become a company that is challenging but that does work worth doing, and a company that is the strongest and best in Japan.

## Support system for balancing cancer and work in ITOCHU Corporation



\* Consultation window for career by qualified counselor

## 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 Union, we have set up the "Health & Mind Online" health consultation website where employees can seek consultations over the website or telephone. The revised Industrial Safety and Health Act came into force on December 1, 2015, employers are required to conduct stress checks to workers once a year. With the Health Administration Center playing the leading role, ITOCHU Corporation introduced stress checks on a trial basis in October 2015, one year in advance, and began to implement stress checks on a full-scale basis in FY2017.

## Working Hours Management

We focus our efforts on reducing the total number of working hours, not to mention observing legislation including the 36 Agreement. To achieve more effective working style, ITOCHU Corporation introduced a morning-focused working system in October 2013, ahead of other companies. Under this initiative, we 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. As a result, the total number of working hours has been decreasing year by year. We believe that this initiative will not only enable the maintenance and improvement of our employees' health, but that it will 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.

The above initiatives were highly regarded by the Development Bank of Japan (DBJ), and ITOCHU Corporation obtained the highest rank in the DBJ's Health Management Rating System in FY2016 for the first time as a sogo shosha. ITOCHU Corporation was also selected as a Health and Productivity Stock 2016 and 2017 in the health and productivity management program jointly carried out by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange in the two consecutive.

We succeeded in these areas because we have positioned "working style reforms" and "Health and Productivity Management") as important management strategies, introducing a morning-focused working system ahead of other companies, and promoting aggressive health enhancement measures throughout the entire company by cooperating with industrial physicians and the Health Insurance Union.

## Application of the Initiatives to Group Companies

Because we promote consolidated management, our initiatives for occupational health and safety and safety management cover not only employees of ITOCHU Corporation (including contract employees) but also those of ITOCHU Group companies.

Specifically, initiatives also taken at Group companies are stress checks, safety initiatives in Japan, provision of overseas security information, collaborations with overseas security companies and medical service companies, and seminars provided before overseas assignments. The morning-focused working system has also been increasingly introduced at Group companies, and the overall ITOCHU Group is striving to reduce the total number of working hours and promote health enhancement among employees. In addition, workshops for obtaining knowledge and expertise on personnel and labor and human resources and labor management assessments are conducted regularly to strengthen the labor management of the overall ITOCHU Group.

### ■ <Contents of support for Group companies on personnel and labor that were provided in FY2018>

#### 1. Workshops for labor management case studies

These workshops are held in the form of case studies by picking up potential labor management cases including ones on mental health problems and working hours management. Participants thus learn how to handle those problems and acquire specialized knowledge.

In FY2018, 45 employees from 27 companies participated in these workshops.

#### 2. Workshops for labor management case studies (special edition)

In these workshops, lectures are given to explain key points which are likely to cause troubles in human resource and labor management and countermeasures against those troubles. In FY2018, the workshop was held under the theme of "the rules concerning conversion of limited-term employees to indefinite-term employees," and 93 employees from 61 companies participated in it.

#### 3. ITOCHU Group Human Resources and General Affairs Liaison Council

This council is aimed at allowing people in charge of human resources and general affairs from Group companies to exchange information and strengthen their relationships. Their activities include checking the latest trends related to human resources and general affairs, sharing information about measures and responses of ITOCHU Corporation, and updating themselves about contents of revisions to laws. A total of 121 employees from 73 companies participate in this council.

#### 4. Human resources and labor management assessments

These are "health assessments" aimed at checking whether rules, systems, and management related to the overall personnel and labor affairs, such as labor contracts, internal rules, occupational health and safety, and time management, are operated in appropriate manners or not. Assessments of 12 companies were made in FY2018.

# Labor Union and Employee Welfare

## Dialogue Meetings with the President

ITOCHU Corporation is proactive about offering employees opportunities for two-way discussions with the president. In FY2017, the president visited 6 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 local employees of each country when he visits one of our overseas bloc areas. In FY2018, the president held meetings at our business locations in the UK, Italy, France, South Korea, Indonesia, Singapore, and the United States. In these discussions, the president shared directly with employees, the company's management policies and his passion for their realization, while employees in turn could express their opinions to the president and ask questions directly. The meetings therefore provided 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

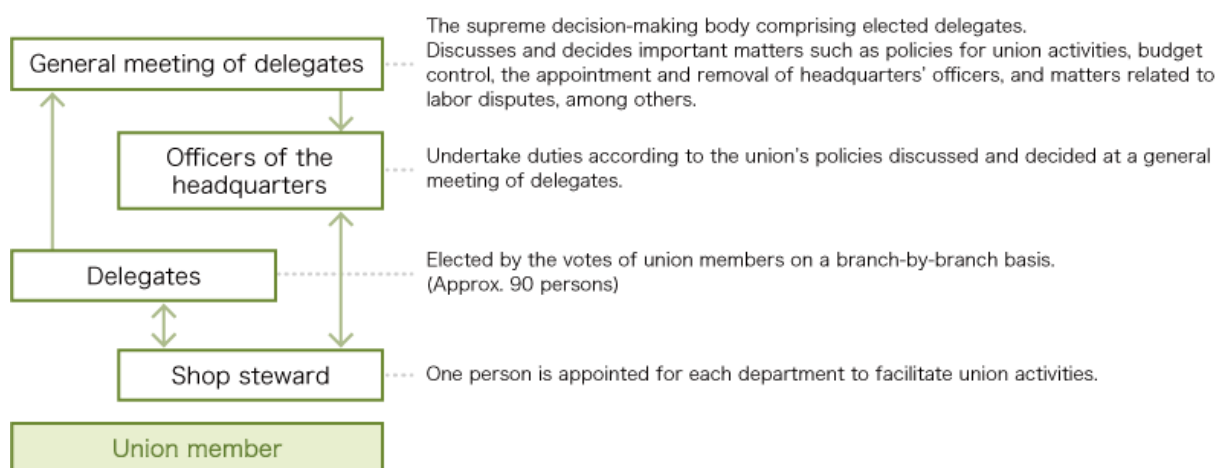
At ITOCHU Corporation, a wide range of issues are discussed with the ITOCHU Labor Union in order to realize our corporate mission, "Committed to the Global Good." In FY2018, we held five meetings, including management meetings with the President and similar meetings with Division Companies and the Administrative 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 surrounding the company and to study and implement improvement measures.

### Organization of the ITOCHU Labor Union

#### Objective of the Labor Union

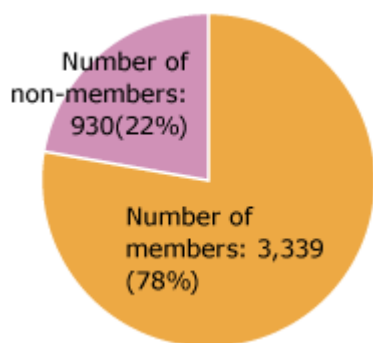
The objective of the Labor Union is to improve labor conditions and other economic concerns of its members. The Labor Union carries out all required operations to fulfill this objective. (Article 3, Rules of the ITOCHU Labor Union)

- Headquarters: General meeting of delegates/Officers of the headquarters (Secretariat: Liaison for labor-management negotiations that consists of the president and secretary general)
- Branch: Seven branches (Tokyo, Osaka, Nagoya, Hokkaido, Tohoku, Hokuriku and Kyushu)



The company is prohibited from the following:

1. Providing disadvantageous treatment to a worker because the worker is a union member or on similar grounds  
Example: Discharging or transferring a worker because the worker went on strike as a union member or on similar grounds
2. Refusing to bargain collectively without justifiable cause  
Example: Refusing to go to the bargaining table or having an unauthorized person attend a collective bargaining session as a person in charge
3. Interfering with or providing financial assistance for the organization or operation of a labor union  
Example: Interfering with or interrupting the union's events or supporting operational expenses for the union
4. Providing disadvantageous treatment, such as dismissal, to a worker in response to an allegation made by the worker to the Labor Relations Commission  
Example: Providing treatment, such as dismissal or wage reduction, to a worker in response to an allegation made by the worker to the Labor Relations Commission or a similar action by the worker



Ratio of ITOCHU Labor Union members as of April 1, 2018

### Initiatives with the ITOCHU Labor Union in FY2018

April 2017 to March 2018 (every month)	Health Committee
June 2017	Settlement of accountings meeting
August 2017	CFO management meeting
October 2017	Energy & Chemicals Company management meeting
December 2017	Machinery Company management meeting
August and December 2017 and January 2018	Labor-management committee regarding time management
March 2018	Management meeting with the President

### Activities by the Headquarters of the Labor Union in FY2018

April and May 2017	General Meeting of Delegates
June 2017	Meeting attended by three top-ranking officers from each branch
September 2017	General Meeting of Delegates
October 2017	Sports Day
November 2017	Lecture meeting held by inviting a prominent person
February 2018	General Meeting of Delegates
March 2017	Meeting attended by three top-ranking officers from each branch
March 2018	Labor Union event at Tokyo Disneyland
March 2018	Exchange of views with members of other companies





**Shion Shinohara**  
President,  
ITOCHU Labor Union

## Comments from the ITOCHU Labor Union President

The ITOCHU Labor Union works under the following Philosophy, Vision, and Action Guidelines.

1. **Philosophy:** Under the philosophy "Moving on Together - To work actively together with enthusiasm and motivation," we create a work environment that allows employees with various characteristics, values and environmental conditions to be motivated, to actively and enthusiastically work together and to achieve the strongest individual performance.
2. **Vision:** We aim to achieve a "virtuous circle of corporate management " by improving labor conditions and the economic status of members. The "virtuous circle of corporate management " means a positive circle of: improved work environment → active participation of employees → improved business performance of the company → improved treatment → improved morale → improved work environment, and so on.
3. **Action Guidelines:** The overall union (members, worksite committee members, liaison officers, delegates, branch officers and headquarters' officers) make concerted efforts in activities, with the three key concepts of "Stay ahead," "Speak up," and "Be reliable."
  - Stay ahead: Always work on something new by thinking one step ahead. Think and move forward together.
  - Be assertive: Each member should be assertive with leadership.
  - Speak up: Each member should speak up on his/her own initiative.

We will go one step further when engaging in activities, and having negotiations with and making proposals to the company, aiming for treatment and a work environment which is appropriate for a leading trading company.

## 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.

### — 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. We continued to take steps to make the cafeteria more attractive for employees. These include the introduction of menus created under the supervision of Kagawa Nutrition University\*, which are offered under the name of "Wellness Cafeteria," for helping employees improve their health. They also include the revision of menus and a change in the room layout, which were done in response to requests from employees. As a result, nearly 1,600 people use the employee cafeteria every day.

The special cafeteria, which can also be used for eating meals with customers, is opened as a pub at night. It helps boost internal communication and communication with external people by regularly holding a Happy Hour, during which alcoholic beverages are offered for free or at bargain prices. In 2017, the menus were fully revised and the cafeteria underwent a major renovation. It therefore contributes to the interaction of employees over meals.

\*Kagawa Nutrition University is a pioneering force in nutrition education. The menu it helped create focuses on daily specials offering healthy dishes that fulfill different conditions, such as an energy value of around 600 kcal, sodium chloride equivalent of 3 g or less, and a vegetable serving of 140 g or more.

## ■ "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 800 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.


# Sustainability Action Plan for Human Resources and General Affairs





After the Materiality is identified, we reflect it in sustainability action plans in each business area as specific measures for contributing to the solution of social issues.

We promote sustainability by defining the Commitment, which shows how we achieve medium- and long-term growth and provide value to society, and specific approach and performance indicators for achieving the Commitment.

## — Cultivate a motivating workplace environment

Risks	Opportunities
<ul style="list-style-type: none"> <li>Decline in labor productivity, loss of excellent human resources, missed business opportunities, increase in health-related expenses, and other events that would result from failure to take appropriate measures, and others.</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of labor productivity and health and motivation, securing of excellent human resources, enhanced capability of responding to changes and business opportunities, and other events that will result from the creation of a workplace that provides job satisfaction, and others.</li> </ul>

SDGs Targets	Issues to address	Co	Business area	Commitment	Specific approach	Performance indicators (Non-consolidated)
	Improving operating efficiency and addressing the issue of long-working hours through work style reform	Headquarters	Human Resources Affairs	We will promote a well-balanced working style and reduce the total number of working hours, aiming to improve employee engagement.	<p><b>&lt;ITOCHU Corporation&gt;</b></p> <ul style="list-style-type: none"> <li>Promote the morning focused working system.</li> <li>Conduct regular monitoring of employees' work situations.</li> <li>Promote work automation with IT tools, including the robotic process automation (RPA), as well as mobile work.</li> <li>Promote projects for improving the operating efficiency at each organization.</li> </ul> <p><b>&lt;ITOCHU Group&gt;</b></p> <ul style="list-style-type: none"> <li>Efficient way of working, appropriate working hours management, and educational and awareness-raising activities at the ITOCHU Group.</li> </ul>	<ul style="list-style-type: none"> <li>FY2021: Reduce the annual average overtime hours by at least 10% compared to the period prior to the introduction of the morning-focused working system.</li> <li>FY2021: Percentage of employees who leave the office building at 20:00 or later at 5% or fewer.</li> <li>FY2021: Paid leave acquisition rate at 70% or higher.</li> <li>Rate of positive responses to the "employee engagement" item in the engagement survey: 70% or higher.</li> </ul>
	Improving the health of employees	Headquarters	Human Resources Affairs	We will improve the health of employees to create an environment that will enable individual employees to better demonstrate their capabilities. We will build a system that helps employees with cancer or long-term illness to create a balance between treatment and work, thereby fostering a culture of mutual support.	<ul style="list-style-type: none"> <li>Keep the percentage of employees who receive regular medical checkups at 100%.</li> <li>Establish well-equipped in-house clinics and a system for supporting each employee in receiving personalized medical care.</li> <li>Promote measures for helping employees create a balance between cancer treatment and work.</li> <li>Offer healthy dishes in the employee cafeteria.</li> <li>Promote the program for supporting smoking cessation treatment expenses.</li> <li>Utilize Re: Body, a health management website for employees, and continue to provide special programs for employees at risk for lifestyle-related diseases.</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of employees who receive regular medical checkups: 100%.</li> <li>FY2021: Improve health indicators (such as BMI) compared to FY2017 values.</li> <li>FY2021: Percentage of employees who leave work due to cancer or long-term illness at 0%.</li> <li>FY2021: Rate of employees found to have a high level of stress in the stress check at 5% or lower.</li> </ul>

SDGs Targets	Issues to address	Co	Business area	Commitment	Specific approach	Performance indicators (Non-consolidated)
	Sustainable development of employees' capabilities	Headquarters	Human Resources Affairs	We will develop training programs on a global basis that respond to the changing times and business needs. We will also utilize training programs to continuously produce excellent human resources.	<ul style="list-style-type: none"> <li>● Continue to develop and provide training programs at all jobs levels.</li> <li>● Continue and enhance overseas deployment of interns and language trainees.</li> <li>● Offer diverse career path options and experience in diverse works through regular rotation.</li> <li>● Foster career awareness among employees by enhancing personnel assessment, career vision training, career counselling systems and other programs/systems.</li> </ul>	<ul style="list-style-type: none"> <li>● FY2021: Annual E&amp;D expenses exceeding one billion yen.</li> <li>● Rate of positive responses to the "education and training" item in the engagement survey: 60% or higher.</li> <li>● FY2021: Percentage of career-track employees who acquire business-level English skills in their first eight years at the company at 100%.</li> <li>● FY2021: Percentage of career-track employees who are deployed overseas in their first eight years at the company at 80% or higher.</li> </ul>
  	Creating an environment that allows diverse human resources to exercise their potential	Headquarters	Human Resources Affairs	We will prohibit all types of discrimination, including those based on age, gender and nationality, and respect human rights. We will create an environment that will permit the active participation of employees whose work hours are limited due to childcare, nursing care, diseases or similar circumstances.	<ul style="list-style-type: none"> <li>● Continue fair and equitable recruitment and promotion.</li> <li>● Create a work climate of mutual respect and support.</li> <li>● Reasonable accommodations concerning the work environment of people with disabilities.</li> <li>● Respond to LGBT considerations and provide employee training on LGBT.</li> <li>● Enhance on-site day-care centers and nursing care support services.</li> <li>● Enhance individual support for employees provided in accordance with their life stage and career.</li> <li>● Promote flexible ways of working by making use of mobile work.</li> <li>● Support the active participation of senior human resources over 65 years old.</li> </ul>	<ul style="list-style-type: none"> <li>● FY2021: Percentage of female career-track employees among all career-track employees: 10%.</li> <li>● FY2021: Percentage of female career-track employees among employees in leadership positions at 10%.</li> <li>● FY2021: Proportion of our workforce with disabilities at 2.3%.</li> </ul>

## Employee Data

### Figures concerning employees★ (As of March 31)

	Non-consolidated						Consolidated
	Total employees	Male	Female	Average age of employees	Average number of years of service	Average annual salary (JPY)	Number of employees
2016	4,279	3,259	1,020	42	16.7	13,829,954	105,800
2017	4,285	3,269	1,016	42	16.9	13,838,699	95,944
2018	4,285	3,284	1,001	42	17.3	14,609,151	102,086

### Number of employees by operating segments★ (As of March 31, 2018)

(Unit: persons)

	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	General Products & Realty	ICT & Financial Business	Others, Adjustments & Eliminations	Total
Non-consolidated	412	441	198	335	422	272	179	990	3,249
Consolidated	9,879	13,603	530	12,785	30,105	17,058	15,421	2,705	102,086

### Number of overseas bloc employees by region★ (As of March 31, 2018)

(Unit: persons)

North America	Latin America	Europe	Africa	Middle East	East Asia	Asia & Oceania	CIS	Total
128	141	217	53	134	635	629	81	2,018

Employees registered at overseas trading subsidiaries, branches and offices

### Number of hires by gender★

(Unit: persons)

	New-graduates			Mid-career			Total
	Male	Female	Total	Male	Female	Total	
FY2017	124	29	153	6	6	12	165
FY2018	121	29	150	7	5	12	162
FY2019*	103	35	138				

\* The figures as of April 1st, 2018

### Proportion of female career-track employee, manager, and executive officer★ (As of April 1)

(Unit: persons)

	Career-track employee			Manager			Executive Officer		
	Total	Female	Proportion of Female	Total	Female	Proportion of Female	Total	Female	Proportion of Female
2016	3,490	307	8.8%	2,479	130	5.2%	43	1	2.3%
2017	3,531	323	9.1%	2,505	149	5.9%	44	2	4.5%
2018	3,539	337	9.5%	2,515	175	7.0%	45	2	4.4%

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

(Unit: persons)

		FY2016			FY2017			FY2018		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Child care	Childcare Leave	59	71	130	55	71	126	57	76	133
	Leave to nurse sick children	47	115	162	65	118	183	65	123	188
	Shorter working hours for child care	0	73	73	0	76	76	0	79	79
	Special parental leave	5	34	39	13	33	46	12	36	48
	Return rate for employees after taking childcare leave*	97%			82%			97%		
Nursing care	Nursing care leave	0	0	0	2	0	2	1	0	1
	Special nursing care leave	0	1	1	2	3	5	2	4	6
	Leave for nursing care	9	24	33	14	26	40	17	36	53
	Shorter working hours for nursing care	0	3	3	0	5	5	0	10	10
Family support leave		109	88	197	122	102	224	122	108	230

\* The return rate for employees after taking childcare leave is the ratio of the number of employees enrolled at the end of March 2018 to the number of employees who returned from childcare leave for FY2017.

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

	Employment ratio of people with disabilities	Legally stipulated ratio
2016	2.14%	2.00%
2017	2.31%	2.00%
2018	2.04%	2.00%



**Occupational health and safety★ (Employees of ITOCHU Corporation\*1)**

(Unit: persons)

	FY2016		FY2017		FY2018	
	Full-time employees	Part-time employees	Full-time employees	Part-time employees	Full-time employees	Part-time employees
Number of sufferers from occupational accidents (of which the number of sufferers commuting Accidents)*2	8(5)	1(1)	5(4)	1(1)	7(5)	1(1)
Number of Fatalities	0	0	0	0	0	0
OIFR*3	0	0	0	0	0	0
Number of sufferers of Lost time incident(LTI)*4	2	0	0	0	0	0
LTIFR*5	0	0	0	0	0	0

\*1 Subject employees: Full-time employees...Career-track employees, clerical employees, employees in special positions  
Part-time employees...Contract employees

\*2 Number of people suffering from labor injuries: Total value of the number of sufferers of lost-time accidents and lost occupational accidents caused by labor and the number of sufferers of commuting injuries.

\*3 OIFR: The incidence rate of lost-time accidents corresponding to diseases and diseases per million hours (calculated as the number of people suffering from LTI caused by illness ÷ total working hours multiplied by one million hours)

\*4 Lost time incident (LTI) is a situation in which a work-related injury or illness causes the victim to be absent from work on the following day. (Labor accident)

\*5 LTIFR: Injury occurrence rate with labor loss per million hours (calculated as the number of sufferers in LTI ÷ total working hours×1 million hours)

**Total number of participants in training on health and safety standards★ (Employees of ITOCHU Corporation)**

	FY2016	FY2017	FY2018
Compulsory training*1	2,824	2,744	3,410
Non-compulsory training*2	14	48	61

\*1 Training for new recruits (career-track employees and clerical employees), organization manager workshops, training prior to overseas assignments and training prior to JOT/JOT-M, Evacuation drills at Tokyo headquarters.

\*2 Career vision training (such as mindfulness classes and Mental health management)

**Turnover rate★ (Employees of ITOCHU Corporation\*)**

	FY2016	FY2017	FY2018
Voluntary turnover rate	1.1%	1.2%	1.6%

\* Subject employees: career-track employees, clerical employees and employees in special positions  
The retirement rate is calculated by the following method.  
Number of employees who voluntarily retired ÷ Number of employees at the end of each fiscal year

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

- The figures are for non-consolidated unless otherwise indicated as consolidated.
- The number of oversea bloc employees by region is the total of employees registered at overseas trading subsidiaries, branches and offices.
- 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.