

Adapting flexibly and constantly to changes in industrial structure has formed ITOCHU into a general trading company with a corporate format without parallel in the world. By taking full advantage of the comprehensive capabilities of that format, which spans a broad spectrum of business areas and global business initiatives, including trade, investment, general management, finance, logistics, and risk management, we will win out in new competitive environments.

Developing local brand businesses in China with Shanshan Group Co., Ltd.



The Yastreb drilling rig of the Sakhalin-1 Project in Russia

An offshore platform in the Central Azeri Oil Field in Azerbaijan



Ting Hsin Group in China and Taiwan



Mt. Newman JV Iron Ore Mines in Western Australia



See page 20

Seawater desalination PPP project in Australia



## Global Reach

### —Global Networks Beyond National Borders

With 136 bases in 80 countries, ITOCHU's field of business is "the world." As we enter an era of borderless mega-competition, we will capitalize on networks with global reach and our outstanding capabilities in information gathering and analysis to open up new vistas. Currently, we are aiming to expand earnings from overseas businesses even further by becoming a truly global enterprise.

Domestic bases	15
Overseas bases	136
Overseas trading subsidiaries	73

As of March 31, 2010

An export grain terminal (EGT) on the west coast of the United States



Products of PrimeSource Building Products, Inc. in the United States



An example of solar power generation facilities installed by SolarNet, LLC in the United States



See page 28

Celulose Nipo-Brasileira S.A. in Brazil



NAMISA Iron Ore Mines in Brazil



See page 24

Newlands Coal Mine in Australia



## Wide-Ranging of Business Areas

### —Beyond Business Categories

ITOCHU's seven Division Companies and Headquarters are involved in an extremely broad array of industries. ITOCHU sets no boundaries for its business areas. ITOCHU's business areas are wherever there are business opportunities. Our current initiatives in new growing business areas include solar power generation and life & healthcare-related businesses. In addition, ITOCHU possesses a business portfolio well-balanced among the Consumer-Related Sector, the Natural Resource / Energy-Related Sector, and Other Sectors.

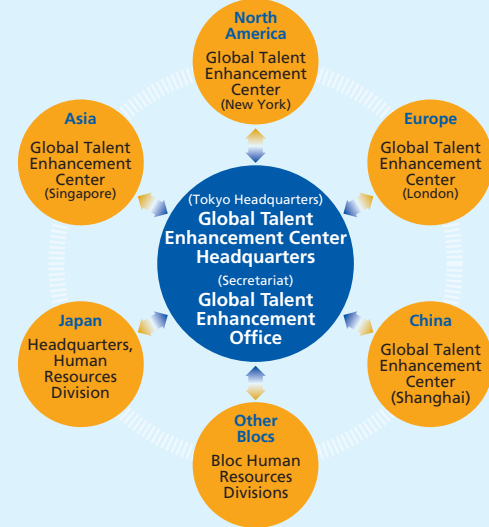
- Textile Company
- Machinery Company
- ICT, Aerospace & Electronics Company
- Energy, Metals & Minerals Company
- Chemicals, Forest Products & General Merchandise Company
- Food Company
- Finance, Realty, Insurance & Logistics Services Company

# Human Resources

## —Personnel Are the Source of Competitive Advantage

Personnel are the greatest management resource of ITOCHU as a general trading company. Each employee supports our competitive strength through their strong commitment and appetite for challenges. Accordingly, ITOCHU is advancing a global human resources strategy in order to reinforce a corporate system for all employees to fully realize their ability regardless of nationality, race, gender, or age group. In four cities around the world, Global Talent Enhancement Centers (GTECs) lead efforts to hire and foster global human resources that will shoulder ITOCHU's future.

### Structure to Promote Global Human Resources Strategy



# Risk Management

## —Ever More Sophisticated

Throughout our history, we have upgraded risk management to reflect risks that have become larger and more diverse as our business model has developed from main-stay trade to a mixed operational format comprising investment and trade. The concept of "Risk Capital Management (RCM)" entails managing the entire business portfolio of ITOCHU, using "Risk Assets," the statistically

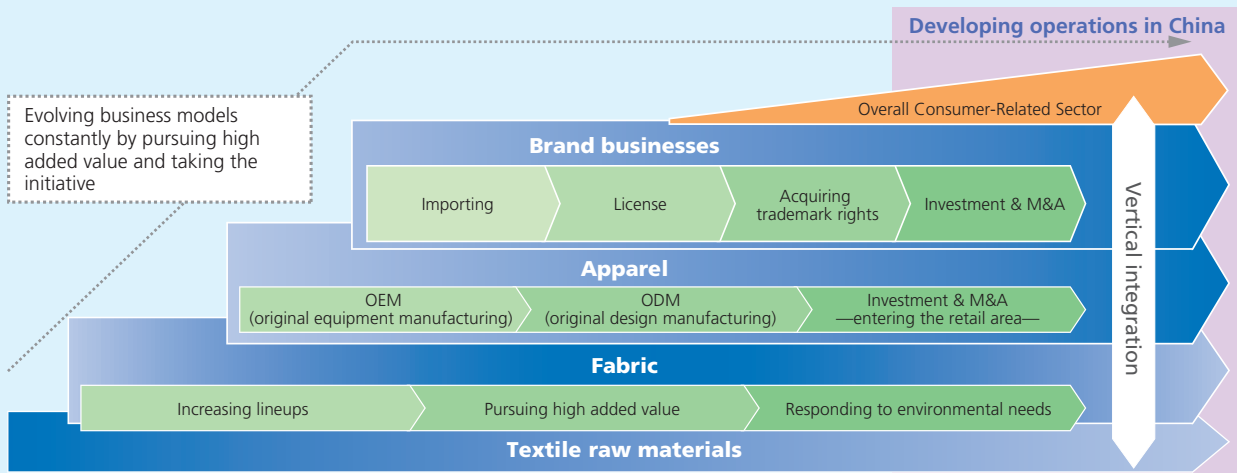
calculated maximum loss that we could incur in the future, and "Risk Return Index (RRI)," the rate of return attainable from these risk assets. Currently, ITOCHU's focus is on further evolving risk management by realizing Enterprise Risk Management (ERM), which enables integrated and comprehensive risk control throughout ITOCHU.

# Foresight and Flexibility

## —The Key to Creating High Added Value and Taking Initiative

We have always created new business models ahead of the times by being extremely alert to signs of change. For example, we have evolved the business model of our textile operations dynamically and thereby multiplied our business lines. Anticipating the shift of the Japanese textile market to the downstream business area, we sought to strengthen our operations in the retail area. In

brand businesses, ITOCHU's strategies progressed from acquiring import and marketing rights for famous overseas brands to acquiring trademark rights and investing directly in companies as a way of stabilizing long-term trade rights. That foresight and flexibility has built ITOCHU's leading position among general trading companies.



# Value Chain

## —Coordinating Overall Trade Flows

As a general trading company, ITOCHU is involved in trading transactions, or trade flows from raw material supply through manufacturing and processing to the sale of finished products to consumers. In these trade flows, we take advantage of our worldwide networks to provide business partners with information as well as all-round integrated solutions that cover logistics, finance, insurance, and IT infrastructure. Also, by investing in companies we have built relationships with through trade or in important companies as our partners, we reinforce value chains. And, acting as a trade

coordinator, we encompass all of the trade flows in initiating product development plans with these companies and in matching seeds and needs. These initiatives further enhance overall trade flows, add value to entire value chains, and strengthen their competitiveness. ITOCHU then benefits from this added value through increases in trading revenues as well as dividend income and profits from the companies invested in. We build these value-adding combinations of trade and value chains throughout a variety of business areas at home and abroad.

### An Example from the Food Business Area

