

ITOCHU is stepping up its pace in taking on challenges and innovative changes and endeavors to further strengthen earning power. Fostering an open and active corporate culture that encourages individuals to maximize their skills, we are strengthening workforce capabilities as we strive to become an enterprise that is highly attractive to all stakeholders.

Masahiro Okafuji

President & Chief Executive Officer



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- April 1974
Joined ITOCHU Corporation
- April 1997
General Manager, Apparel Department 3
- April 2002
Chief Operating Officer,
Brand Marketing Division
- June 2002
Executive Officer
- April 2004
Managing Executive Officer,
President, Textile Company
- June 2004
Managing Director
- April 2006
Senior Managing Director
- April 2009
Executive Vice President
- April 2010
Appointed to current position

Earn, Cut, and Protect to Reach Targets

My name is Masahiro Okafuji, and I was appointed President and Chief Executive Officer in April 2010. Mindful of ITOCHU's *Committed to the global good* Mission, I am determined to pursue business management that continuously increases corporate value.

Looking at the global economy, in the first half of the fiscal year ended March 31, 2010, the worldwide economic recession that began in the preceding fiscal year continued to affect business conditions. However, the impact of respective countries' large-scale economic stimulus measures and easing of monetary policies generated a shift toward a phase of gradual recovery in the second half. Slumping market conditions—such as lackluster market prices for raw materials and energy, particularly in the first half—and a downturn in the real economy affected ITOCHU's business results. Consequently, we recorded year-on-year decreases of 13% in gross trading profit, to ¥924.4 billion, and 23% in net income attributable to ITOCHU, to ¥128.2 billion.

We made progress in our medium-term management plan, Frontier[®] 2010 (from fiscal 2010 to fiscal 2011). In the year under review, the first year of this plan, we made a number of new strategic investments as we consolidated foundations in the growing markets with our sights set on a full-fledged rebound following the global recession. Specifically, we completed our investment in TING HSIN (CAYMAN ISLANDS) HOLDING CORP., and took measures to ensure early returns on Brazil's Nacional Minérios S.A. (NAMISA). In L-I-N-E-s, we have steadily developed future sources of earnings in the Environment & New Energy and Life & Healthcare business areas. Meanwhile, by increasing stockholders' equity and controlling interest-bearing debt, we have achieved a net debt-to-equity ratio (NET DER) of 1.6 times, surpassing our initial target and reinforcing our financial base. As for fiscal 2011, the final year of Frontier[®] 2010, we aim to achieve gross trading profit of ¥1,080 billion and net income attributable to ITOCHU of ¥160 billion. To realize these targets, we are making thoroughgoing efforts in line with three new management principles: earn (boost earnings), cut (reduce expenses), and protect (avoid losses).

Strengthening Workforce Capabilities

The simultaneous worldwide recession has drastically changed the business environment. We are in the midst of turbulent change, which cannot be predicted based on past experience. To win out in the global market, clearly we must adapt our methods to suit changing times rather than simply extending past efforts. Accordingly, we will redouble efforts to take on challenges and innovative changes and strengthen our earning power. Further, to enable those efforts, we will strengthen workforce capabilities by regaining the open and active corporate culture that is our tradition. ITOCHU is sure to become even stronger by fully realizing the capabilities of individuals, its inherent strength.

I have inherited a tradition that my predecessors have built over more than 150 years. ITOCHU will make a concerted effort to continue this tradition into the future. I would like to ask all our stakeholders for their continued understanding and support.

July 2010