

As of July 1, 2010

■ Directors

President & Chief Executive Officer

Masahiro Okafuji

1974 Joined ITOCHU Corporation
2009 Executive Vice President
2010 President & Chief Executive Officer



Chairman

Eizo Kobayashi

1972 Joined ITOCHU Corporation
2004 President & Chief Executive Officer
2010 Chairman



Vice Chairman

Kouhei Watanabe

Executive Advisory Officer for Corporate Administration
1971 Joined ITOCHU Corporation
2006 Executive Vice President
2010 Vice Chairman



Director

Toshihito Tamba

Executive Vice President (LINEs)
1972 Joined ITOCHU Corporation
2008 Executive Vice President
2010 Executive Vice President



Director

Yoichi Kobayashi

President, Energy, Metals & Minerals Company
1973 Joined ITOCHU Corporation
2008 Senior Managing Director
2010 Senior Managing Executive Officer



Director

Yoshio Akamatsu

Chief Officer for Human Resources, General Affairs, Legal; Chief Compliance Officer
1974 Joined ITOCHU Corporation
2005 Managing Executive Officer
2010 Senior Managing Executive Officer



Director

Yoshihisa Aoki

President, Food Company
1974 Joined ITOCHU Corporation
2009 Managing Director
2010 Senior Managing Executive Officer



Director

Tadayuki Seki

Chief Officer for Finance, Accounting, Risk Management; Chief Financial Officer
1973 Joined ITOCHU Corporation
2009 Managing Director
2010 Senior Managing Executive Officer



Director

Hiroo Inoue

President, ICT, Aerospace & Electronics Company
1975 Joined ITOCHU Corporation
2008 Managing Director
2010 Managing Executive Officer



Director

Kenji Okada

President, Finance, Realty, Insurance & Logistics Services Company
1974 Joined ITOCHU Corporation
2008 Managing Director
2010 Managing Executive Officer



Director

Koji Takayanagi

Chief Corporate Planning Officer; Chief Information Officer
1975 Joined ITOCHU Corporation
2008 Managing Director
2010 Managing Executive Officer



Director

Satoshi Kikuchi

President, Chemicals, Forest Products & General Merchandise Company
1976 Joined ITOCHU Corporation
2008 Managing Director
2010 Managing Executive Officer



Director

Toru Matsushima

President, Machinery Company
1979 Joined ITOCHU Corporation
2009 Managing Executive Officer
2010 Managing Executive Officer



Director

Hitoshi Okamoto

President, Textile Company
1980 Joined ITOCHU Corporation
2008 Executive Officer
2010 Managing Executive Officer

■ Executive Officers

■ President & Chief Executive Officer

Masahiro Okafuji

■ Executive Vice President

Toshihito Tamba

Executive Vice President (LINEs)

■ Senior Managing Executive Officers

Yoichi Kobayashi

President, Energy, Metals & Minerals Company

Yoshio Akamatsu

Chief Officer for Human Resources, General Affairs, Legal; Chief Compliance Officer

Nobuo Kuwayama

Chief Officer for Kansai District Operation
1971 Joined ITOCHU Corporation
2010 Senior Managing Executive Officer

Yoshihisa Aoki

President, Food Company

Tadayuki Seki

Chief Officer for Finance, Accounting, Risk Management; Chief Financial Officer

■ Managing Executive Officers

Hiroo Inoue

President, ICT, Aerospace & Electronics Company

Yoshihisa Suzuki

President & C.E.O., ITOCHU International Inc.
1979 Joined ITOCHU Corporation
2006 Managing Executive Officer

Kazutoshi Maeda

Deputy Chief Officer for Human Resources, General Affairs, Legal
1974 Joined ITOCHU Corporation
2007 Managing Executive Officer

Tatsuo Fujino

C.E.O. for Oceania;
Managing Director & C.E.O., ITOCHU Australia Ltd.
2006 Joined ITOCHU Corporation
2007 Managing Executive Officer

Kenji Okada

President, Finance, Realty, Insurance & Logistics Services Company

Koji Takayanagi

Chief Corporate Planning Officer;
Chief Information Officer

Toru Nomura

Chief Executive for Asia;
President & C.E.O., ITOCHU Singapore Pte Ltd.;
General Manager, ITOCHU Corporation Singapore Branch
1976 Joined ITOCHU Corporation
2008 Managing Executive Officer
2009 Managing Director
2010 Managing Executive Officer

Satoshi Kikuchi

President, Chemicals, Forest Products & General Merchandise Company

Takeshi Kumekawa

Chief Executive for European Operation;
C.E.O., ITOCHU Europe PLC
1974 Joined ITOCHU Corporation
2009 Managing Executive Officer

Yoshiharu Matsumoto

General Manager for Nagoya Area
1975 Joined ITOCHU Corporation
2009 Managing Executive Officer

Shintaro Ishimaru

Executive Vice President, Finance, Realty, Insurance & Logistics Services Company
2006 Joined ITOCHU Corporation
2009 Managing Executive Officer

Toru Matsushima

President, Machinery Company

Yuji Fukuda

Executive Vice President, Chemicals, Forest Products & General Merchandise Company;
Chief Operating Officer, Chemicals Division
1979 Joined ITOCHU Corporation
2009 Managing Executive Officer

Kimio Kitamura

General Manager, General Accounting Control Division
1975 Joined ITOCHU Corporation
2010 Managing Executive Officer

Shuichi Koseki

Executive Vice President, ITOCHU China Bloc;
Managing Director, ITOCHU Shanghai Ltd.;
Group Director, China Business Development Group;
General Manager, ITOCHU Shanghai Ltd. Wuhan Branch
1979 Joined ITOCHU Corporation
2010 Managing Executive Officer

Ichiro Nakamura

Executive Vice President, Energy, Metals & Minerals Company;
Chief Operating Officer, Metals & Minerals Division
1979 Joined ITOCHU Corporation
2010 Managing Executive Officer

Tomofumi Yoshida

Chief Operating Officer, Forest Products & General Merchandise Division
1979 Joined ITOCHU Corporation
2010 Managing Executive Officer

Junichi Sasaki

President & C.E.O., ITOCHU China Bloc;
Chairman, ITOCHU (China) Holding Co., Ltd.;
Chairman, ITOCHU Shanghai Ltd.;
Chairman, ITOCHU HONG KONG Ltd.;
Chairman, BIC
1979 Joined ITOCHU Corporation
2010 Managing Executive Officer

Hitoshi Okamoto

President, Textile Company

■ Executive Officers

Kazuhiko Matsumi

General Manager, Legal Division
1975 Joined ITOCHU Corporation
2008 Executive Officer

Hiroo Sato

Chief Operating Officer, Provisions Division
1979 Joined ITOCHU Corporation
2008 Executive Officer

Masataka Yukiya

Chief Operating Officer, Financial and Insurance Services Division
1979 Joined ITOCHU Corporation
2008 Executive Officer

Masahiro Imai

Chief Operating Officer, Plant Project & Marine Division
1980 Joined ITOCHU Corporation
2008 Executive Officer

Nobuyuki Kasagawa

Chief Operating Officer, Aerospace & Industrial Systems Division
1981 Joined ITOCHU Corporation
2008 Executive Officer

Nobuyuki Kizukuri

Chief Operating Officer, Construction & Realty Division
1976 Joined ITOCHU Corporation
2009 Executive Officer

Takahiro Susaki

Chief Operating Officer, ICT & Media Division
1979 Joined ITOCHU Corporation
2009 Executive Officer

Masanobu Takagi

Chief Operating Officer, Energy Division
1979 Joined ITOCHU Corporation
2009 Executive Officer

Yukihiro Miyake

General Manager, Affiliate Administration Division
1980 Joined ITOCHU Corporation
2009 Executive Officer

Yutaka Washizu

C.E.O. for Latin America;
President of ITOCHU Brasil S.A.
1980 Joined ITOCHU Corporation
2009 Executive Officer

Toshio Obayashi

General Manager, Human Resources Division
1981 Joined ITOCHU Corporation
2009 Executive Officer

Eiichi Yonekura

General Manager, Corporate Planning & Administration Division
1981 Joined ITOCHU Corporation
2009 Executive Officer

Shuichi Hoshi

Chief Operating Officer, Food Products Marketing & Distribution Division
1979 Joined ITOCHU Corporation
2010 Executive Officer

Hiroaki Tamamaki

Chief Operating Officer, Textile Material & Fabric Division
1980 Joined ITOCHU Corporation
2010 Executive Officer

Fumihiko Kobayashi

General Manager, General Affairs Division
1980 Joined ITOCHU Corporation
2010 Executive Officer

Isamu Nakayama

Vice President, Food Company
1981 Joined ITOCHU Corporation
2010 Executive Officer

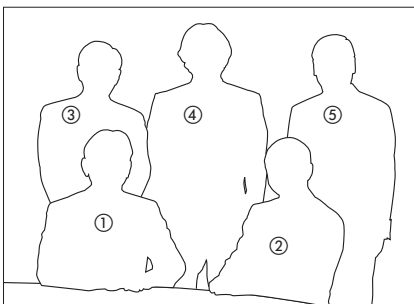
Masanori Toyoshima

CEO for the Middle East;
Chairman of ITOCHU Middle East F.Z.E.
1981 Joined ITOCHU Corporation
2010 Executive Officer

Kazutaka Yoshida

Chief Operating Officer, Automobile & Construction Machinery Division
1981 Joined ITOCHU Corporation
2010 Executive Officer

Auditors



- ① Masahito Tominaga
- ② Shozo Yoneya
- ③ Haruo Sakaguchi
- ④ Ryozo Hayashi
- ⑤ Keiji Torii

Corporate Auditors

Masahito Tominaga

1971 Joined ITOCHU Corporation
2005 Executive Officer
2007 Standing Corporate Auditor

Shozo Yoneya

1974 Joined ITOCHU Corporation
2005 Executive Officer
2008 Standing Corporate Auditor

Outside Corporate Auditors

Haruo Sakaguchi

1989–1990
Vice Chairman, Japan Federation of Bar Association;
Chairman, Osaka Bar Association
2001–2006
Chairman, Osaka Public Bid Monitoring Committee
2003 Corporate Auditor, ITOCHU Corporation

Ryozo Hayashi

2004–
Senior Adviser, NTT DATA Institute of Management Consulting, Inc.
2005–
Professor, Graduate School of Public Policy, University of Tokyo
2009 Corporate Auditor, ITOCHU Corporation

Keiji Torii

2004–2005
Deputy President & CIO, Mizuho Financial Group, Inc.
2005–2009
Deputy President, Mizuho Information & Research Institute, Inc.
2009 Corporate Auditor, ITOCHU Corporation

ITOCHU operates its business in accordance with the ITOCHU Group Corporate Philosophy and Code of Conduct. Our fundamental policy is to work toward the long-term preservation and enhancement of our corporate value by building fair and favorable relationships with our stakeholders. To execute our business activities in an appropriate and efficient manner in accordance with our fundamental policy, we are increasing the transparency of our decision-making process and constructing a corporate governance system that incorporates appropriate monitoring and supervisory functions.

Features of ITOCHU's Corporate Governance System

ITOCHU is "a company with corporate auditors," in which corporate auditors including outside corporate auditors, supervise business management independently and objectively. Although ITOCHU does not appoint outside directors, it ensures that corporate auditors adequately perform supervisory functions by continuously strengthening its corporate governance system in order to heighten the effectiveness of auditing. Also, aiming to further raise the quality of corporate governance by incorporating objective and unrestrained third-party opinions, ITOCHU has established the Advisory Board.

Comprising 14 directors as of July 1, 2010, the Board of Directors makes decisions on important management matters and supervises each director's business management.

ITOCHU has adopted an Executive Officer System in order to separate the decision-making and supervisory

functions of the Board of Directors from its implementation of business management.

One feature of ITOCHU's corporate governance system is the HMC (Headquarters Management Committee), a supporting body of the CEO, where company-wide management policy and important issues are discussed and decided.

In addition, management issues in individual areas of responsibility are discussed and screened by various internal committees in order to support the decision making of the CEO and the Board of Directors. Moreover, ITOCHU is developing and implementing a system for incorporating third-party opinions in which outside experts become members of some internal committees.

The table below details steps ITOCHU has taken to strengthen corporate governance.

Steps Taken to Strengthen Corporate Governance		
1997	Introduced the Division Company System	To accelerate decision making / increase efficiency of business management
1999	Introduced Executive Officer System	To strengthen decision-making and supervisory functions of the Board of Directors
2000	Established the Advisory Board	To improve quality of business management by incorporating objective / specialized third-party opinions
2007	Shortened the terms of office of directors and executive officers to one year	To clarify management responsibility during terms of office

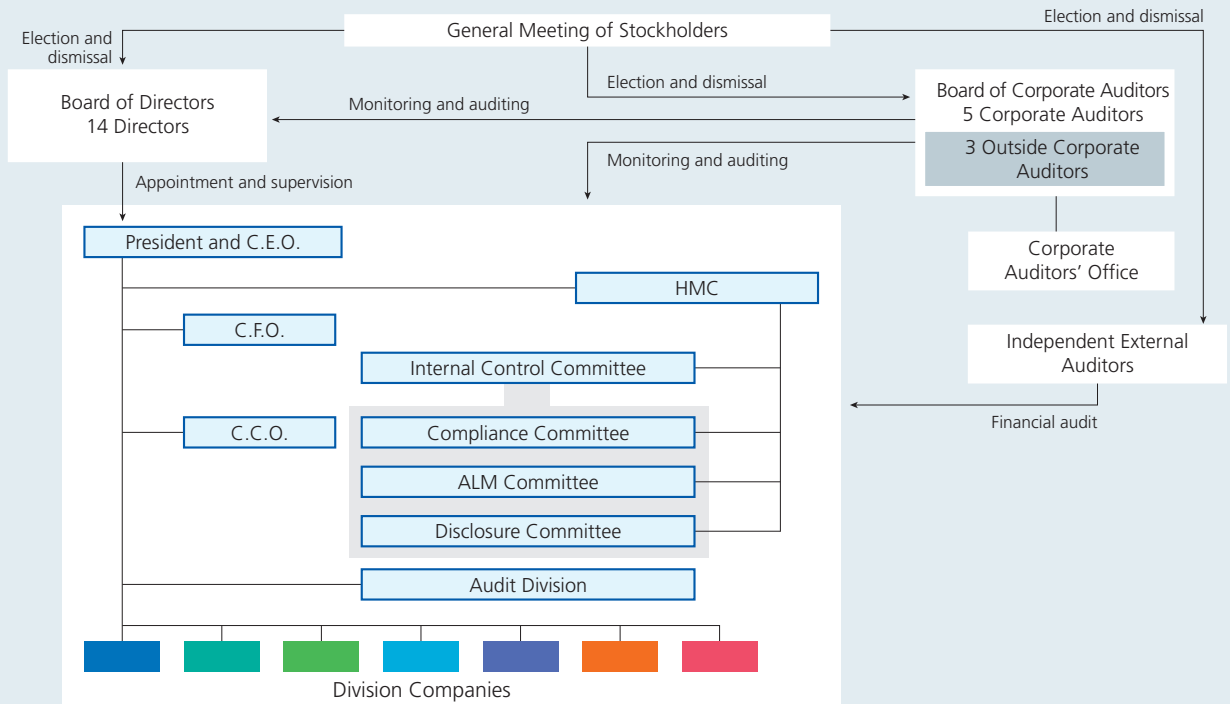
Systems to Ensure Effectiveness of Supervisory Functions

ITOCHU appoints five corporate auditors, of whom three are outside corporate auditors. Standing corporate auditors strengthen audit functions by regularly attending meetings of the Board of Directors and other in-house meetings and working in cooperation with ITOCHU's independent external auditors and other audit bodies inside and outside ITOCHU. ITOCHU's Audit Division is responsible for internal

audits. Aiming to facilitate exchanges of information and close collaboration, members of this division meet regularly with corporate auditors to discuss such matters as internal audit planning. In addition, the Corporate Auditors' Office, reporting directly to the Board of Corporate Auditors, supports corporate auditors.

Relationship of Outside Corporate Auditors with ITOCHU		
Name	Concurrent Position	Reason for Appointment
Haruo Sakaguchi	Lawyer	Although ITOCHU had concluded a legal adviser agreement with Mr. Sakaguchi before he was appointed as a corporate auditor of ITOCHU, there are currently no material interests between ITOCHU and him. He provides auditing from an independent perspective by utilizing the understanding of ITOCHU's business that he gained during the term of the above legal adviser agreement and his many years of experience and knowledge in the judicial world.
Ryozo Hayashi	Professor, Graduate School of Public Policy, The University of Tokyo	There are no material interests between ITOCHU and Mr. Hayashi before or after his appointment as a corporate auditor. He provides auditing from an independent perspective by utilizing his wealth of experience at the Ministry of Economy, Trade and Industry, and his long-term perspective and broad vision as a university professor.
Keiji Torii		Before being appointed a corporate auditor of ITOCHU, Mr. Torii had served as an executive of a major financial institution that has dealings with ITOCHU, but he had retired from his position at the financial institution before being appointed as a corporate auditor of ITOCHU, and there are no material interests between ITOCHU and him. He provides auditing from an independent perspective by utilizing his many years of experience and insight as an executive of a major financial institution.

ITOCHU's Current Corporate Governance System



Notes: 1 Each Division Company has a Division Company President.

2 Internal control systems and mechanisms have been implemented at every level of ITOCHU.

Only the main internal control organization and committees are described herein.

Further, the Internal Control Committee receives reports from internal departments related to internal control, the Compliance Committee, the ALM Committee, and the Disclosure Committee on the development and operation of respective internal controls for which they are responsible; evaluates and confirms the overall development status of internal control; and reports items for improvement to the HMC and Board of Directors.

Principal Internal Committees

Name	Objectives
Internal Control Committee	<ul style="list-style-type: none"> • Deliberates progress in development of overall internal control
Disclosure Committee	<ul style="list-style-type: none"> • Deliberates disclosure-related issues and internal control of financial statements
ALM Committee	<ul style="list-style-type: none"> • Deliberates risk management and related systems and balance sheet management
Corporate Officer Compensation Consultative Committee	<ul style="list-style-type: none"> • Deliberates compensation of corporate officers and their compensation after retirement
Compliance Committee	<ul style="list-style-type: none"> • Deliberates compliance-related issues
CSR Committee	<ul style="list-style-type: none"> • Deliberates issues related to corporate social responsibility, environment, and social contribution initiatives

Internal Control

On April 19, 2006, ITOCHU's Board of Directors established the Basic Policy regarding the Internal Control System and made a commitment to continuously improve internal control systems.

(For ITOCHU's Basic Policy regarding the Internal Control System, please see: <http://www.itochu.co.jp/en/about/governance/policy/>)

The following highlights some noteworthy initiatives under the Basic Policy regarding the Internal Control System.

Initiatives to Further Heighten the Reliability of Financial Statements

In order to further heighten the reliability of its consolidated financial statements, ITOCHU has designated the Disclosure Committee as a steering committee and is building internal control systems in adherence with the internal control reporting system.

Further, ITOCHU has established the Internal Control Audit Section, tasked with evaluating whether ITOCHU is designing and operating internal control systems appropriately. That section provides its evaluation results to related divisions, which use them as guidelines to design and operate internal control systems even more appropriately. In this way, as a response to the internal control reporting system, ITOCHU has built a PDCA cycle that is strengthening internal control.

Strengthening Risk Management

ITOCHU has established internal committees and responsible departments in order to address the various risks associated with its business operations, such as market risk, credit

risk, country risk, and investment risk. At the same time, ITOCHU has developed the risk management systems and methods to manage company-wide and specific risks. Those include a range of management regulations, investment criteria, risk exposure limits, and transaction limits, as well as reporting and monitoring systems. Moreover, ITOCHU regularly reviews the effectiveness of its risk management systems. As part of such efforts, the ALM Committee protects the ITOCHU Group's assets through deliberations on balance sheet management as well as analysis and management of risk.

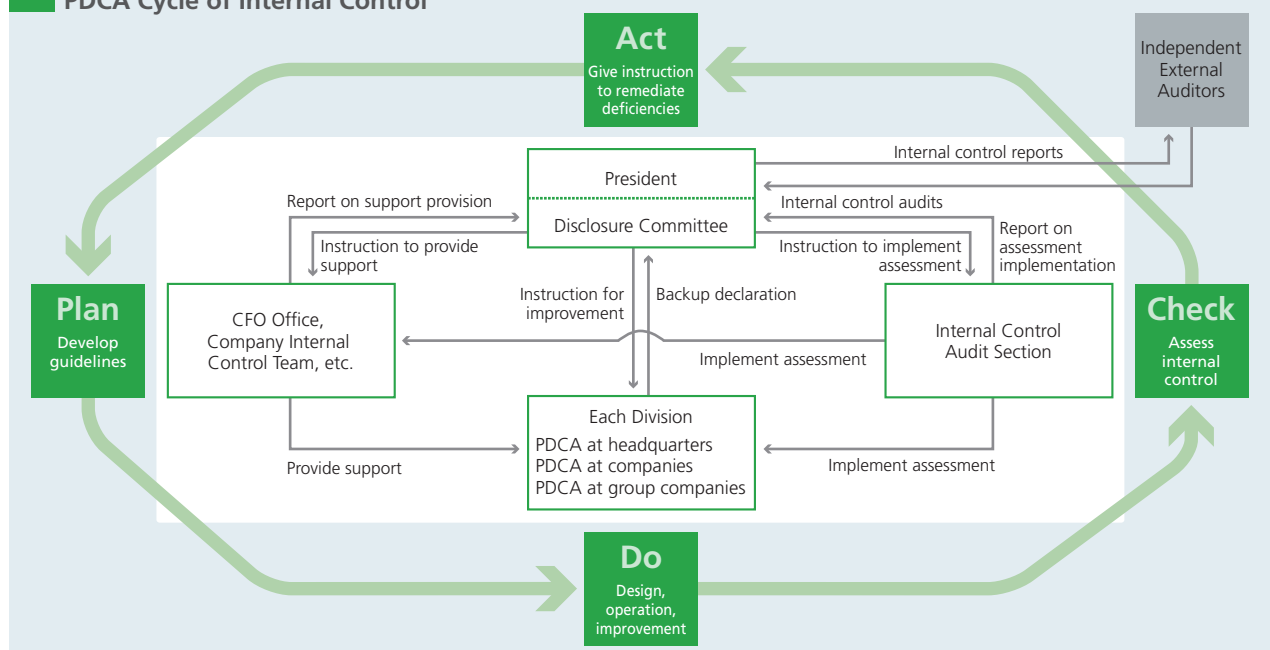
Advancement of Operational Improvement Project in Light of Internal Control Requirements

Aiming to increase overall operational efficiency, ITOCHU is reforming and optimizing operations through the ITOCHU DNA Project—Designing New Age—, which is strengthening workforce capabilities.

Under the project, we began by “visualizing” all operational processes. Then, we considered a range of solutions to the tasks that this initial phase brought to light and established company-wide standard operations reflecting internal control requirements. Currently, in order to improve operational efficiency and strengthen risk management, each Division Company is steadily incorporating processes optimally suited to its operations.

Looking ahead, we will design and develop systems to support those operational processes while considering the development of organizations to control and support those operational processes.

PDCA Cycle of Internal Control





Accountability to Stakeholders

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

For each release of quarterly financial results, we provide explanations from senior management through financial results presentations and videos on our web site. Further, senior executives visit overseas investors to explain business management information directly to them. In fiscal 2010, senior executives held direct dialogues with investors in major cities in Europe, the United States, and Asia. Also, for individual investors ITOCHU holds presentations in major

cities in Japan. In addition, ITOCHU publishes annual reports and other reports in English and Japanese as a means of communicating ITOCHU's policies and progress in relation to business management to shareholders and investors unable to attend presentations and a range of other stakeholders. Furthermore, from the standpoint of fairness, ITOCHU's web site provides disclosure documents in both English and Japanese.

In order to facilitate appropriate and highly transparent disclosure, senior executives receive any feedback from shareholders and investors attending presentations.

Comments from Corporate Auditor



Ryoza Hayashi
Corporate Auditor

My major activities at the Ministry of Economy, Trade and Industry as well as at the University of Tokyo were focused on corporate governance and corporate social responsibility. Based on my experiences, I intend to contribute to the enhancement of management performance by introducing an outside perspective and by focusing on enhancing the corporate governance system.

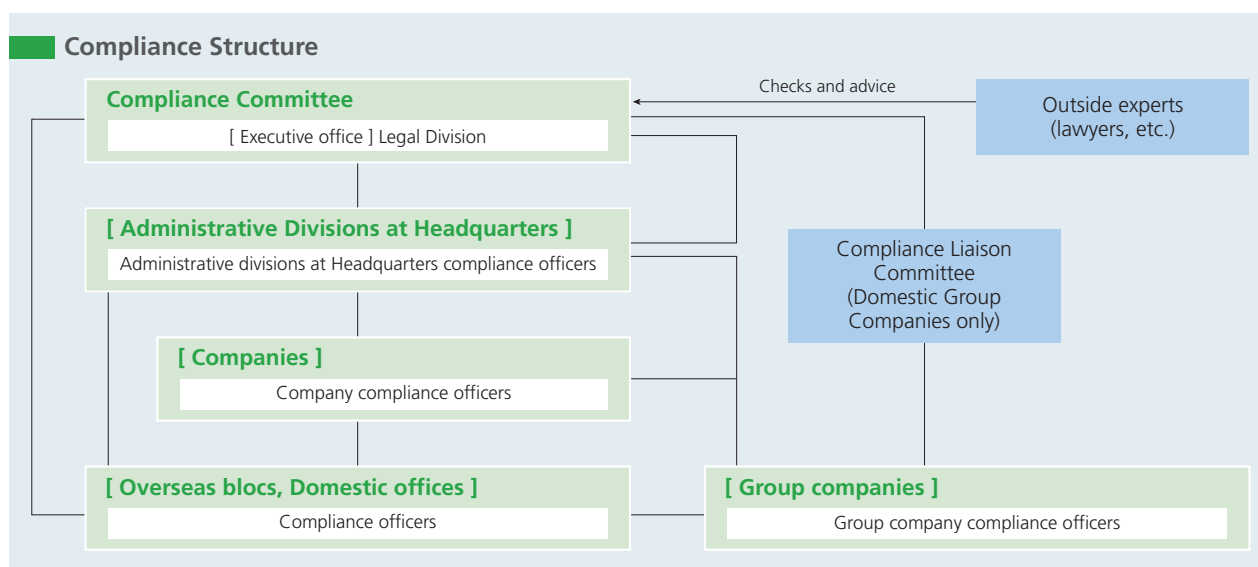
The current business environment surrounding major global companies, such as ITOCHU, is unprecedentedly difficult. The opportunities and risks that such companies face change swiftly and drastically. In such a business environment, management is required to show both strong leadership to pursue the business opportunities and an effective corporate governance system that limits risks. In particular, ITOCHU, as one of the largest trading companies engaged in diversified businesses around the world, has not only to perform a wide range of operations skillfully but also to maintain a balance between the realization of short-term business performance and the maintenance of sustainable long-term value creation. As a corporate auditor, I will monitor management performance and advise management with a view to developing a strong and well-balanced management system, which is an imperative to coping with these challenges. In developing such a system, I will keep reminding myself of the interests of ITOCHU shareholders as well as the interests of a wide range of other stakeholders.

Compliance is of paramount value as a foundation of the ITOCHU Group. Aiming to reinforce our “Integrity,” which is stated as one of the ITOCHU Values, we are stepping up our compliance with laws, and statutory and other regulations to further expand and upgrade our compliance system.

The ITOCHU Group’s Compliance System

The ITOCHU Group deploys compliance officers not only in ITOCHU Corporation but in each Group company in Japan and overseas. These key figures are responsible for building frameworks to enhance compliance, responding to individual cases, and implementing other initiatives based on directives and support from Division Companies, with consideration for the respective characteristics, conditions, and local laws in the regions and markets in which they conduct business. In addition, the status of ITOCHU Corporation and each Group company is checked to enhance and upgrade compliance advancement systems through biannual company-wide monitor & review surveys and other measures. During fiscal 2010, ITOCHU conducted a compliance awareness survey of all Group corporate officers and employees to ascertain the degree to which compliance has

been assimilated by them and to foster free discussions at all workplaces with a view to raising the consciousness of both executives and employees. Based on the results of this compliance awareness survey, trends in former incidences of compliance violations, and the findings of monitor & review surveys, we are formulating and executing individual compliance reinforcement measures tailored to each Division Company. Moreover, during the fiscal year we implemented meticulous education and training programs geared to employees in different tiers with the objective of preventing misconduct and irregularities. In the future, we will escalate promotion of these policies and measures, and focus on compliance reinforcement with an emphasis on overseas operations and Group companies.



Initiatives for Comprehensive Import, Export, and Logistics Control

ITOCHU is continuously bolstering its import, export, and logistics control to ensure the safe, reliable, and efficient execution of trade and logistics—the cornerstone of a general trading company’s operations. Specifically, in addition to abidance with laws and statutory regulations pertaining to the Foreign Exchange and Foreign Trade Act, we have formulated and are enforcing internal regulations for comprehensive security and trade control that facilitate management of global security risks. Furthermore, we are

boosting control and upgrading education and training through effective utilization of information technology tools for correct import and export procedures, including customs declarations.

Moreover, integrated management of logistics contractors throughout all Division Companies ensures monitoring of logistics contracts and optimal, appropriate, and streamlined logistics operations company-wide.

As a company conducting diverse operations across a broad array of sectors and in many different regions, ITOCHU maintains clear cognizance of the significant impact its business activities have on the global environment and the global society. We will continue to contribute to the building of a sustainable society through our business activities and remain *Committed to the Global Good* going forward.

Basic CSR Philosophy

ITOCHU fully recognizes that a corporate enterprise is a part of society and that failing to coexist with society as a good corporate citizen and live up to the expectations of society through business activities undermines ITOCHU's sustainability. This approach is integrally linked to the *sampo yoshi* management philosophy of being a good for the seller, the buyer, and society, as advocated by the merchants in Ohmi, on which ITOCHU's founder, Chubei Itoh, based his business operations.

ITOCHU also recognizes that its mission as a truly global enterprise is to accommodate diverse values, to meet the

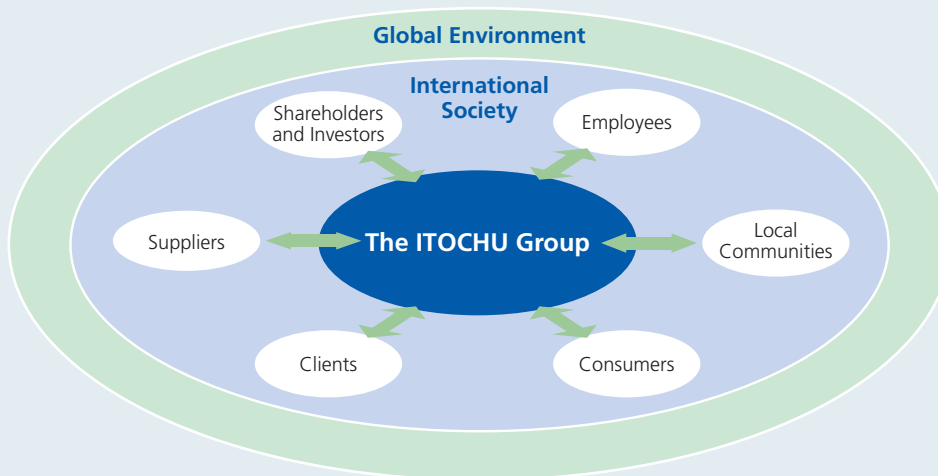
expectations of society, and to remain deemed necessary by society.

Giving importance to meeting its corporate social responsibilities through business activities systematically, ITOCHU incorporates CSR initiatives into management plans, and each division advances such initiatives through PDCA management cycles. In addition, to reflect stakeholder opinions in business management, we will continue the dialogue between experts and management and create other opportunities for dialogue with a broad range of stakeholders.

CSR Approaches through Dialogue with Our Stakeholders

In each and every one of our wide range of corporate activities, we always take care to avoid arbitrary logic and judgments. For this reason, in our approaches to CSR as well, we engage in dialogue with our stakeholders based on the premise that judgments in society are by definition correct.

Major Stakeholders of the ITOCHU Group



Besides those noted above, our major stakeholders include many other parties, such as NGOs and NPOs, financial institutions, government ministries and agencies, mass media, and the coming generations.

CSR Reports

Please refer to ITOCHU's CSR reports for specific information about CSR initiatives and case studies, including ITOCHU's engagement with employees, society, and the environment.



ITOCHU's current medium-term management plan, *Frontier[®] 2010*, cites its global human resources strategy as one of the Group's key initiatives. We have long emphasized maintaining a diversified workforce and are now stepping up reinforcement of human resources from a global perspective and aggressively promoting support for each member of our varied workforce to realize their full potential.

■ Full-Blown Development of Our Global Human Resources Strategy

We are promoting our human resources strategy from a worldwide perspective to fully optimize the value of the human resources that form our global Groupwide base. In addition, we respect the diverse values and individuality of our employees, regardless of nationality, age, gender, and other factors, and are building an environment that will raise morale and motivation, while enabling employees to realize their full potential and encouraging them to rise to new challenges.



Aggressively implementing training programs geared toward developing global operations

■ Steps to Promote Human Resource Diversification

ITOCHU formulated the Promotion Plan on Human Resource Diversification 2013 (Japan) to spearhead the diversification of its employees in Japan from April 2009 through March 2014. We are currently implementing this plan as a specific measure focused on establishing and supporting a diversified workforce. As part of this drive, we inaugurated the Gaienmae Forum from fiscal 2010 to serve as a showcase of role models for employees juggling the dual responsibilities of work and childcare and as a reference for their future career formation.



The Gaienmae Forum offers an opportunity for people to obtain tips and build up a network of personal connections that will assist with their future career formation.

■ Childcare and Nursing Support Initiatives

In order to realize an environment in which its employees can concentrate on their work with peace of mind, and to retain and support a diversified workforce, ITOCHU is expanding its childcare and nursing support systems. During fiscal 2010, in response to the evolving social problem in the Tokyo metropolitan area of lengthening waiting lists for nursery school places, we opened the I-Kids day-care center for the children of employees, located near our Tokyo Headquarters. Further, ITOCHU's Maternity Support Leave and Family Support Leave—systems that were introduced to ensure adequate support for employees juggling the dual responsibilities of work and childcare—have both been utilized by steadily increasing numbers of employees.



I-Kids day-care center for the children of employees



■ Employee Meeting

The Employee Meeting is freely open to all employees and serves as a forum for direct dialogue between the President & CEO and employees. The President & CEO uses these meetings as valuable opportunities to explain management policies and the determination of the President & CEO to realize management goals directly to employees, while employees can address their opinions and questions straight to the President & CEO.



Employee Meeting

ITOCHU recognizes the role it has to fulfill as a good corporate citizen from a global perspective, while working in harmony with regional and international communities and contributing to the realization of a more affluent society. Currently, led by our Social Contribution Programs to Commemorate the 150th Anniversary of ITOCHU's Foundation, we are focusing our social contribution activities on five areas: global humanitarian issues, environmental conservation, community contribution, development of the future generation, and support for volunteer activities by our employees.

Examples of Activities in Fiscal 2010

■ Activities to Restore the Tropical Rainforests and Conserve Borneo's Ecosystem (Social Contribution Programs to Commemorate the 150th Anniversary of ITOCHU's Foundation)

ITOCHU and its Group companies are donating ¥250 million to the World Wide Fund for Nature Japan (WWF Japan) over five years, commencing in fiscal 2010 to support the WWF's endeavors in Borneo to implement the "Heart of Borneo" project for restoration and conservation of the tropical rainforests. In November 2009, we organized the First Borneo Tree-Planting Tour, with 16 participants, including members from an overseas office and a Group company.



First Borneo Tree-Planting Tour

■ ITOCHU Scholarship Fund (Social Contribution Programs to Commemorate the 150th Anniversary of ITOCHU's Foundation)

This new scholarship fund was established to help overseas students studying in Japan to concentrate on their studies, to contribute to the growth of Japan and their home countries, and to bolster ties between them in the future. The project targets some 50 third- and fourth-year overseas students studying in Japanese universities, providing ¥1.5 million to each scholar annually (total of ¥3.0 million provided per scholar for two years). Scholars attend orientation sessions about ITOCHU's business activities and volunteer programs organized by ITOCHU.



Social gathering for ITOCHU scholars

■ ITOCHU Foundation Activities

The ITOCHU Foundation was founded in 1974 to promote the sound development of young people. Its primary activities include supporting children's libraries and organizing camps. Our work to help volunteers establish libraries for children involved the provision of 95 grants during fiscal 2010, in Japan and overseas. These grants were channeled to encourage reading among children, including those suffering from long-term illnesses.



Promoting the sound development of the young people who will lead the future generation. Participants develop a greater degree of personal maturity, vitality, and independence by taking part in outdoor activities.

■ NGO KnK Support Activities

Kokyo naki Kodomotachi (KnK, Children without Borders) is an NGO dedicated to activities to support street children in developing nations, victims of major natural disasters, and other kids in need. In December 2009, KnK reopened a self-support facility, called House for Youth in the suburbs of Manila, the Philippines, aided by ITOCHU sponsorship. In the future, approximately 1,000 children a year should benefit from assistance offered by this facility.



Providing a wide-range of educational opportunities, centered on House for Youth, to young people living in slums

ITOCHU conducts its business activities with perpetual consideration for global environmental conservation. We established the Global Environment Department in 1990 as a specialist body dealing with environmental issues and formulated and promulgated “the ITOCHU Environmental Policy” through internal and external channels in 1997.

Environmental Policy

The following two revisions were made to the ITOCHU Environmental Policy in May 2010.

(1) This policy has been renamed the “ITOCHU Group Environmental Policy” to clarify that ITOCHU tackles environmental issues as the ITOCHU Group.

(2) “Conserve ecosystems,” cited in the Activity Guidelines of the current ITOCHU Environmental Policy, has been expanded to “conserve ecosystems and biodiversity” to facilitate a more explicit statement of our consideration for biodiversity.

The ITOCHU Group Environmental Policy

1. Basic Philosophy

Global warming and other environmental issues are affecting the future of mankind. As a global enterprise, ITOCHU Group is positioning these issues as one of the most important management policies. ITOCHU Group contributes to the realization of a sustainable society by promoting “Actively addressing the better global environment” based on the ITOCHU Group Corporate Code of Conduct, in order to

(1) Prevention of environmental pollution

In all business activities, duly consider the need to conserve ecosystems and biodiversity, as well as local and global environments, and strive to prevent the occurrence of any environmental pollution.

(2) Observance of laws and regulations

Observe all domestic and foreign laws and regulations related to environmental conservation, along with other requirements to which we have subscribed.

(3) Promotion of environmental conservation activities

Besides promoting activities for conservation of energy and resources as well as reduction and recycling of waste as needed to establish the recycling-oriented society, endeavor to develop and supply products and services that help to conserve the environment.

(4) Harmonious coexistence with society

As a good corporate citizen, aspiring for the prosperity of succeeding generations and positive contribution

achieve the goals of the ITOCHU Group Corporate Philosophy, *Committed to the Global Good*.

2. Activity Guidelines

In keeping with the basic philosophy presented above, the ITOCHU Group pursues a continual improvement of its environmental management system and defines the following guidelines concerning activities of environmental conservation.

to society in general, support local communities for environmental education and assist in basic research pertaining to conservation of the global environment.

(5) Promotion of educational activities

Educate both our own employees and those of Group companies in order to raise their awareness of environmental conservation and improve the quality and effectiveness of associated activities.

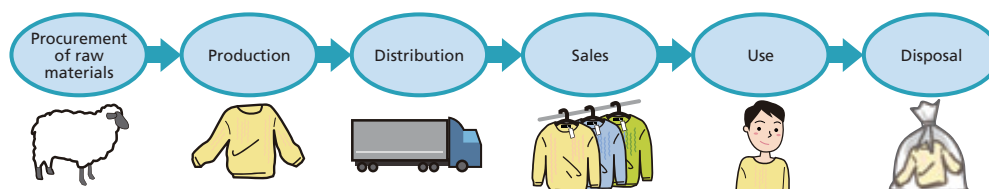
May 2010

Masahiro Okafuji President & Chief Executive Officer

Evaluation of the Environmental Impact of Products and New Investments

We believe that assessing each product’s effect on the global environment is critical because of the volume and range of products in which ITOCHU trades globally. Accordingly, we carry out original environmental impact evaluations based on Life Cycle Assessment* analysis. If the results of these evaluations reveal environmental impacts exceeding predetermined benchmarks, we formulate regulations or prepare procedural manuals to manage transactions of

these products. Specifically, we approach the handling of marine and forest resources by consulting directly with overseas suppliers and encouraging them to ensure compliance with international regulations and conventions and consideration for ecosystems. In a separate initiative, we have introduced a system that checks and assesses in advance the potential effects of our investments in new business projects on the natural and regional environments.



* Life Cycle Assessment (LCA): A method that evaluates the environmental impact of products at all stages of their life cycles, from procurement of materials, production, distribution, sales, and use through disposal and recycling or reuse

Environmental Risk Management by Group Companies

As an integral part of the ITOCHU Group’s environmental management drive, representatives of ITOCHU’s Global Environment Department have visited approximately 20 Group companies each year since fiscal 2002 to check on their environmental management status. We hold hearings with Group companies on the situation regarding compliance with environmental laws and regulations applicable to

Group companies, waste management, energy use, environmental education, and other relevant facets. Furthermore, we conduct practical reviews of factories, warehouses, and other facilities, pointing out issues or indicating preventative approach, and if necessary providing guidance with the aim of reinforcing measures to prevent environmental risks.