To Our Shareholders, Investors, and Other Stakeholders

President & Chief Executive Officer

Masahiro Okafuji

ITOCHU has Earned Record-high Profits and Entered a New Growth Stage. Now, We Will Demonstrate Our True Strengths.

In fiscal 2012, ITOCHU made strong headway with its most important basic policy—strengthening our front-line capabilities—and we achieved significant progress. Moving forward, we will steadily accumulate superior assets centered on the non-resource sector, our key strength. Our basic management approach will be to establish management structure with a low center of gravity that can generate earnings in any management environment, by improvement of our cost structure. We will make robust provisions for an uncertain management environment based on this approach. We will rigorously implement the principles of "Earn, Cut, Prevent," and thereby further strengthen our front-line capabilities. In this way, we will establish a solid earnings platform for our new growth stage.

A Year after Preparation for Strengthening Our Front-Line Capabilities

From the second half of the 1990s, ITOCHU focused on improving its financial soundness, and we substantially strengthened our balance sheet. On the other hand, I believe that we ended up being hindered by strict rules and were not able to sufficiently accumulate superior assets that could expand our earnings platform. When I became President & CEO in April 2010, I announced that we would proactively seek new opportunities. Accordingly, we decided to treat fiscal 2012 as a year for making a major shift in our focus to proactively seeking new opportunities. In preparation, we positioned fiscal 2011 as a period for reinforcing our foothold for those efforts in fiscal 2012.

To prepare for our approach of proactively seeking new opportunities, we made our highest priority "strengthening our front-line capabilities." Traditionally, ITOCHU was a company with exceptionally strong front-line capabilities. ITOCHU discovered new business opportunities when employees on the front lines were alert to indications of customer needs, and created businesses. However, the need to improve our balance sheet led to conservative management. In response, we decisively implemented a range of internal reforms to unlock our traditional strengths, which had seemingly disappeared. For example, we reduced internal meetings and the amount of materials prepared for meetings, transitioned to personnel and compensation systems that enabled all employees to work with high levels of motivation, and reorganized the headquarters administrative organizations to facilitate the implementation of management with a focus on the front lines. We also revised investment criteria and risk management methods that were originally intended to improve financial soundness but had become excessively conservative, so that they better reflect actual conditions. In addition, we took bold steps to liquidate inefficient assets, as I will explain in more detail in a subsequent section.

In this way, we implemented all of the initiatives that were necessary to establish an environment in which we could strengthen our front-line capabilities. From fiscal 2012, we started the *"Brand-new Deal 2012,"* our medium-term management plan. This plan incorporates our commitment to establishing an entirely new ITOCHU Corporation.

Record-high Profits Resulted from Rigorous Implementation of "Earn, Cut, Prevent"

When we announced *"Brand-new Deal 2012,"* I expressed the conviction that plans should be achieved, and that it is even better to exceed them. In fiscal 2012, we were able to accomplish this.

Net income attributable to ITOCHU was up by ¥139.4 billion year-on-year, to ¥300.5 billion, a substantial increase over our initial plan of ¥240.0 billion. This is also a significant increase over the previous record-high level of net income—¥217.3 billion—which was set in fiscal 2008. Moreover, we also established a new record in non-consolidated net income, which reached ¥131.0 billion, compared with the previous record of ¥93.4 billion, which was set in fiscal 2007.

In the past few years, growth in our profits has been led by our natural resource / energy-related businesses, as was also the case for other general trading companies. On the other hand, in fiscal 2012 all of our segments recorded year-on-year growth in profits. I believe that we have now established a well-balanced earnings structure. In particular, in the consumer-related sector, where we have built a leading position, our investments in China and other initiatives have clearly begun to contribute to earnings. Record-high profits were recorded by the Textile Company, the Food Company, and the Forest Products & General Merchandise Division. Moreover, we recorded the highest level of net income in the consumer-related sector among all general trading companies in Japan. The ICT & Machinery Company, which moved rapidly to strengthen its earning power, also registered a substantial improvement in its performance.

This was not simply a case of a favorable operating environment in fiscal 2012. We faced a number of changes in our business environment, including the influence of the Great East Japan Earthquake, slumping global economy, declines in commodity prices in the second half of the fiscal year, the appreciation of the yen, and the influence of a revised corporate tax rate. We recognized a number of non-recurring losses, such as impairment losses stemming from falling stock prices. The fact that we were able to achieve record-high income despite this type of environment demonstrates the steady progress that we have made in boosting our earning power as a whole, and it has reinforced our confidence. The fact that we were able to overcome unexpected challenges is the result of management structure with a low center of gravity in line with the "Cut" principle, the avoidance of losses in line with the "Prevent" principle, and a proactive approach to dealing with change.

In accordance with the "Cut" principle, we took steps to improve our cost structure, and nothing was off-limits for those initiatives, including ITOCHU Corporation and affiliates. Due to such factors as declining commodity prices, the ratio of SG&A expenses to gross trading profit remained at the previous year's level. However, excluding the Energy, Metals & Minerals Company, where gross trading profit is heavily influenced by commodity prices, we recorded steady improvement from the previous year.

I believe that "Prevent" is both the most important principle and the most difficult to implement. Under the policy "Don't carry pending issues over to the next fiscal year," in fiscal 2011 we accelerated the disposal of inefficient assets. In addition, in fiscal 2012 we continued to carefully examine profitability and to rigorously implement risk management. For unprofitable affiliates, we moved ahead with decisions to improve or withdraw. Record-high results were registered for both the total profits of Group companies reporting profits and the net income attributable to ITOCHU from Group companies. In addition, the share of Group companies reporting profits exceeded 80% for the first time, reaching 81.7% for the year. These gains are the results of the integrated series of initiatives that we have implemented.

I believe that our steady implementation of the three indispensable principles in expanding profits—"Earn, Cut, Prevent"—enabled us to overcome an adverse operating environment and record significant improvement in results in fiscal 2012.

Progress in Acquisition of Superior Assets Lead to Increase of Planned Investment to ¥1 Trillion

Under *"Brand-new Deal 2012,"* we are following a policy of expanding scale of earnings and assets. Accordingly, we originally planned total new investments over the two-year plan of ¥800 billion on a gross basis, substantially exceeding the ¥560 billion that was invested under the previous plan—Frontier[e] 2010—which covered fiscal 2010 and 2011. Actually, in fiscal 2012, just the first year of the current plan, we invested about ¥620 billion on a gross basis. In consideration of the solid progress that we have made, we have decided to increase our two-year investment amount to ¥1 trillion.

In fiscal 2012, we scrutinized potential investment projects from a variety of perspectives, including their degree of risk reduction, profitability, and potential for immediate earnings, and selected a number of superior projects with favorable terms.

By sector, we invested about ¥380 billion in the natural resource / energy-related sector, which accounted for the largest share of our investment. Currently, natural resource development in the natural resource / energy-related sector is increasingly difficult, and prices for equity interests are rising. In this setting, it is not easy to find projects with limited risk and high profitability.

Nonetheless, as a general rule we will avoid investments with long-term return of, say, 10 to 20 years and substantial risk. By considering investments in projects that are already in operation, it will be possible to minimize our risks. In making investments, our basic approach is to consider long-term changes in interest rates and exchange rates, secure terms that are as favorable as possible, and further increase profitability. One example of this approach is our investment in Colombia mining operations and related infrastructure owned by Drummond Company, Inc. We invested about ¥131.1 billion in this project, which will provide a new source of supply for thermal coal. This is the largest investment in newly acquired coal projects among Japanese companies. Already in production, it is a superior project from which we can expect a return commensurate with the amount of the investment over the medium to long term. Also, in shale gas and shale oil, unconventional resources that are the focus of growing attention, we invested in Samson Investment Company, one of the largest private oil and gas exploration and production companies in the United States. This project, which is in production, will increase our unconventional natural resource equity interests and expand our domestic trade in the United States. Furthermore, we also expect the project to result in exports of LNG to Asia in the near future. In these ways, we expect the project to expand our business.

In the consumer-related sector, we acquired all of the shares of the Kwik-Fit Group, which operates an independent retail tyre chain business in Europe, centered on the United Kingdom. By integrating the distribution and retail functions of Stapleton's (Tyre Services) Ltd., our existing tyre business, and Kwik-Fit, we substantially strengthened our European tyre business. In China, we concluded a capital tie-up agreement with the Shandong Ruyi Science & Technology Group, one of China's leading corporate groups in the area of textiles. Looking ahead, we will move forward with Shandong Ruyi in a broad range of areas, including the development of global operations in the areas of upstream textile materials / fabrics, as well as the strengthening of domestic sales in China through the development of brand businesses.

In the machinery-related sector, in the past we have steadily accumulated superior assets in North America, and now we have taken steps to strengthen our long-term stable earnings platform in other regions, such as Asia and Europe. For example, we decided to participate in a new coal-fired independent power producer (IPP) project in Indonesia that will be the largest in Asia. In addition, in fiscal 2013 we became the first Japanese company to invest in a water utility in the United Kingdom.

Reforms to Optimize Employee and Organizational Strengths

In April 2011, we reorganized the Division Companies for the first time in 11 years, and on April 1, 2012, we implemented further revisions to the Division Company system. The previous five Division Companies have been reorganized into six Division Companies. Specifically, the ICT & Machinery Company, Energy, Metals & Minerals Company, and Chemicals, Forest Products & General Merchandise Company have become the Machinery Company, Metals & Minerals Company, Energy & Chemicals Company, and ICT, General Products & Realty Company.

Looking at the scale of profits, under the previous system there were large differences among Division Companies. Investment amounts also differed substantially, leading to substantial differences in the nature of risk management and management decision-making. This series of revisions was undertaken with the objective of facilitating more precise management by evening out the scale of earnings and the size of organizations. In implementing this reorganization, we focused on the generation of synergies and considered the relationships among industries.

There is also another aspect to this reorganization. In certain Division Companies, administering affiliates became a central concern, resulting in a structure that could not contribute directly to the creation of new businesses. I believe that it is the mission of top executives to create an environment that makes the most of the strengths of each individual employee, and under the recent organizational reforms, we will strive to invigorate ITOCHU Corporation as a whole and to further improve our results by reallocating personnel to workplaces where there are opportunities to "Earn."

This process required two years, under management strategy, but we were able to establish the optimal organizational system that had been our objective from the beginning.

Fiscal 2013: A Year that Tests Our True Strength in a New Growth Stage

In fiscal 2012, we demonstrated the traditional strengths of ITOCHU Corporation. In net income attributable to ITOCHU, we became the third general trading company to achieve the major benchmark of ¥300 billion, and for the first time in nine years we returned to our former position in the top three. ITOCHU has entered a new growth stage, and moving forward, we must work to sustain and increase the current level of earnings. Fiscal 2013, the final year of *"Brand-new Deal 2012,"* will be a year that tests our true strength.

The fiscal problems in Europe, which began in Greece, have grown increasingly serious. The U.S. economy also shows signs of continued sluggishness, and it remains difficult to predict the future course of economic conditions in China and other emerging countries. Moreover, the persistent appreciation of the yen is another cause for concern. In fiscal 2013, we will take a conservative approach to this uncertainty in the management environment, and our plans call for net income attributable to ITOCHU of ¥280 billion, a decline from fiscal 2012.

Market conditions are sluggish in the natural resource / energy-related sector, which is not expected to drive high growth in earnings. However, other companies also face the same conditions, and for ITOCHU, which has strengths in the non-resource sector, these conditions might actually be an opportunity to further raise our standing among general trading companies.

Demonstrating True Strength: Earning Power in the Non-resource Sector

In fiscal 2012, the natural resource / energy-related sector accounted for 48% of net income, while the non-resource sector contributed the remaining 52%. Our plan for fiscal 2013 calls for a further increase in the percentage of net income from the non-resource sector. In other words, we have a well-balanced earnings structure, with more than 50% of net income coming from the non-resource sector. In particular, we are proud to have built a leading position in each business in the consumer-related sector. In the textile business, for example, the domestic market is contracting. Nonetheless, we have established an unrivaled position by focusing on value added in the brand business and other businesses. In the food business, in accordance with the Strategic Integrated System (SIS) strategy*, we view industry reorganization as a favorable business opportunity, and have further bolstered our position in the industry. In the consumer-related sector in China, we have established a dominant position as a result of many years of strategic initiatives.

The difference in the scale of earnings among leading general trading companies is primarily due to differences in the scope of businesses in the natural resource / energy-related sector. The general trading companies affiliated with Japan's former *Zaibatsu* industrial groups benefited from a favorable trend—the natural resource boom—and increased their earnings in the natural resource / energy business. During this period, however, ITOCHU worked to further reinforce its strengths by diligently planting seeds in the consumer-related sector.

Moreover, it is possible to increase earnings in the natural resource / energy-related sector by investing in a limited number of large-scale projects. In contrast, after an investment is made in the consumer-related sector, it is necessary to spend considerable time on business development activities, such as building value chains. In other words, the earnings platforms cannot be built overnight.

Moving forward, market conditions in the natural resource / energy-related sector are expected to be sluggish, and I believe that we will have the opportunity to demonstrate our earning power—our "true strength"—in the non-resource sector, where we have tenaciously been implementing strategic initiatives from early on.

* A strategy for supply chain optimization through vertical integration, from upstream procurement of food resources to mid-stream product processing and marketing and distribution and through to downstream retail businesses.

Investment Policy: Moving More Quickly to the Front Lines to Capture "Targets"

As I mentioned, we have increased our two-year investment amount to ¥1 trillion, but we will not force through investments simply in order to reach this planned level. In consideration of the uncertain management environment, we will invest in projects after assessing more carefully whether they are actually in accord with the "Earn" principle.

I frequently refer to general trading companies as "hunters." To get food, hunters always have to go hunting, no matter how bad the weather is. We are currently in a difficult environment that is different from the situation in previous years, when there was an abundance of potential hunting "targets." Now, there is no need for headquarters to put strict conditions on what "targets" are suitable before we go hunting. Rather, we need to spend more time on the front lines, to capture more potential "targets," and to select those that can be "profitable." In other words, we need to select truly superior projects. Those are the projects that the headquarters administrative organizations need to focus on. Clearly, the role of the headquarters administrative organizations will become increasingly important as we move forward.

As our investment increases, our policy will be to further strengthen the "Prevent" principle. We have already dealt with pending issues, and believe that we do not have any assets that could result in a major impairment loss. However, insofar as we continue business, we will not be able to avoid the emergence of new problem assets in the future. We must use special care not only when making investment decisions but also when examining contract details and monitoring our assets after an investment is made. We will move quickly to liquidate or replace any problem assets before losses grow.

Focus on Investment in the Non-resource Sector

In the first year of the plan, we made some large-scale investments in the natural resource / energy-related sector, but in fiscal 2013 we will curb new investment in that sector and work steadily to generate earnings from projects that are already under way. On the other hand, we will invest aggressively in the non-resource sector, such as the consumer-related sector.

In recent years, ITOCHU, which as mentioned has pronounced strengths in the consumer-related sector, has successfully obtained a number of superior consumer-related projects. The METSA FIBRE Oy project is a good example. In April 2012, ITOCHU and the Finland-based METSA GROUP agreed that ITOCHU would acquire shares in METSA FIBRE Oy, one of the world's leading softwood pulp producers. We already have a global sales network, which is centered on hardwood pulp from CENIBRA, of Brazil. Actual results for fiscal 2012 also show that ITOCHU handled 2.15 million tons of pulp during the year, the largest volume among the world's major pulp traders. The METSA FIBRE Oy project will solidify ITOCHU's No.1 global position in pulp trading. In this way, existing strengths can, in turn, generate additional strengths. We will draw on this virtuous cycle as we work to accumulate superior assets.

The machinery-related sector offers contact with a wide range of industries and the potential of significant business growth, as seen with the infrastructure business and the electric power business. Accordingly, we will continue to position the machinery-related sector as a key focus area, and will invest aggressively in IPP projects in North America and Asia, water and environment projects, and other projects.

Shareholder Returns: Annual Dividends More Than 2.4 Times Previous Year's Level Due to Higher Earnings

In the past, our policy for shareholder returns was to improve our financial position by reinforcing our competitive power and increasing stockholders' equity by retained earnings, and we set our basic policy regarding dividend payments as consistent and stable distribution of returns to shareholders. However, under *"Brand-new Deal 2012,"* we have established a clear policy that we will decide the dividend amount in accordance with net income attributable to ITOCHU. Specifically, our annual dividend targets are a dividend payout ratio of 20% on net income attributable to ITOCHU up to ¥200 billion and a dividend payout ratio of 30% on the portion of net income attributable to ITOCHU exceeding ¥200 billion.

For fiscal 2012, our interim dividend was ¥16.5 per share and our year-end dividend was ¥27.5 per share. Consequently, our annual dividend was ¥44 per share, which is more than 2.4 times the previous year's dividend, or an increase of ¥26 per share, and a dividend payout ratio was 23.1%.

For fiscal 2013, we are planning an annual dividend of ¥40 per share in accordance with our dividend policy and profit plan. We will endeavor to meet the expectations of shareholders by increasing earnings.

Making a Wide-ranging Contribution to Society through Knowledge and Technology, Financial Resources, and Awareness

The well-known entrepreneur Konosuke Matsushita developed the "Tap Water Philosophy*," which says that the mission of a company is to raise people's standard of living by providing goods as inexpensively and abundantly as tap water. I completely agree with this philosophy. A company contributes to society through its businesses.

In modern Japan, there is some concern about the idea of supplying material goods in large quantities, but I believe it is generally accepted that companies can help society to resolve difficult issues by using the know-how they have cultivated through their daily business activities. Following the Great East Japan Earthquake, many people were suddenly faced with shortages of material goods. Large numbers of companies provided support to those who were affected by the disaster. Giving donations and sending volunteers are not the only ways companies can provide support. They can also use the specialized skills and technologies that they have cultivated through their businesses to provide support activities exactly where they are needed.

There are many countries where the Tap Water Philosophy could be useful. I think we need to look overseas and strive to make wide-ranging contributions to society through our businesses. On the other hand, financial resources are needed to make those contributions. Also, it goes without saying that the morals and awareness of each executive and employee are important. Through three elements—knowledge and technology in specialized areas, financial resources, and awareness—ITOCHU will endeavor to contribute to society, and to that end, we must maintain a continual focus on self improvement.

* Tap Water Philosophy: The management philosophy of Konosuke Matsushita, the founder of Matsushita Electric Manufacturing Works (now Panasonic Corporation). The philosophy says that the mission of business people is to overcome poverty, and to do that they should endeavor to increase wealth by producing large quantities of goods. The philosophy derives from the idea that no one blames a passerby for drinking tap water because the water is abundant and inexpensive, and that the mission of business people is to supply goods that are abundant and inexpensive, like water from a tap, and in that way to build prosperity.

“*Sampo yoshi*” and the Corporate Philosophy of “Committed to the Global Good”

Ever since Chubei Itoh I originally founded ITOCHU, we have followed the Ohmi merchant philosophy of “*sampo yoshi*” (Good for the seller, Good for the buyer, and Good for society), and continually apply it in our daily business activities. Businesses that simply pursue their own returns and ignore returns for society will not last. If returns are generated for both customers and a company, and people become more affluent and comfortable, leading to the realization of a sustainable society, then the company will enjoy stable returns as a natural result. The ITOCHU Group corporate philosophy of “Committed to the Global Good” expresses this “*sampo yoshi*” spirit on a large scale.

Currently, we are in an age when the good quality of “earnings” is being required. I believe that it requires our employees around the world to reevaluate what their work means for society and to utilize ITOCHU’s technologies and financial resources to address the growing array of social issues. We must create an environment in which each employee can create such vision. Further, we need to link that vision to the opening up of new markets, and to use the resulting superior products and services as new profit drivers as we grow and expand. I believe that is how we need to approach the corporate philosophy of “Committed to the Global Good.” As one facet of the implementation of this corporate philosophy, ITOCHU has participated in the United Nations Global Compact since 2009. (Please refer to CSR for ITOCHU Corporation on pages 72–73.)

As we conduct our daily business activities, we will always keep uppermost in our minds the spirit of “*sampo yoshi*” and the corporate philosophy of “Committed to the Global Good.”

Strengthening Governance with Outside Viewpoints

Since fiscal 2012, two outside directors have been appointed to the Board of Directors. Outside directors have very important roles. In particular, they can offer dissenting opinions from different perspectives, without being constrained by in-house considerations, and can function as a brake on management decision-making.

In Japan, some people think that outside directors need to be deeply versed in the details of their company’s businesses. However, I believe that it is not absolutely necessary for our outside directors to have an extensive knowledge of the details of the business of a general trading company. Rather, it is extremely useful to hear opinions from differing viewpoints, opinions that we would never hear from a company insider.

The appointment of outside directors has greatly stimulated our directors, who prepare for meetings with the knowledge that our outside directors will be present at those meetings and participating in the discussions.

In Closing

ITOCHU has successfully overcome a variety of changes in its operating environment. That success was possible because we were quick to focus on growth areas and seek out our foothold in markets where we can “Earn.” To promptly grasp growth potential, it is important to keep close to the customer. This makes it possible to more accurately forecast demand, which in turn makes it possible to advance into new businesses while limiting risk. What is important is to continually enhance the “sensitivity” needed to perceive change. If we can do that, then I believe that we will be able to continue opening up new growth markets, even in the current difficult business environment.

It is on the front lines that the necessary sensitivity is refined. And it is also on the front lines that the environment is cultivated where we establish new businesses, taking into account the problems faced by society and expectations toward us. Through internal reforms, we have steadily strengthened our front-line capabilities, but to create a solid earnings platform it will be necessary to strengthen them even further. In fact, the implementation of reforms to strengthen front-line capabilities is a task that is never completed.

ITOCHU has entered a new growth stage, and we will now strive to achieve dramatic growth. Accordingly, we have positioned fiscal 2013 as a year for laying a solid foundation for future growth. The true strengths that we have accumulated will become apparent. It is my principle to always be faithful to my words, and as we move forward I will strive to meet the expectations of all of our stakeholders.

Brand-new Deal 2012

Earn, Cut, Prevent

Basic Policies:

Strengthen Our Front-line Capabilities
Proactively Seek New Opportunities
Expand Our Scale of Operations

Management's View on Fiscal 2013

While maintaining our Basic Management Policies in fiscal 2013, we intend to actively strengthen our earnings platform by seeking out promising business opportunities that emerge in today's uncertain economic environment. Before embarking on any investment, however, we will assess its feasibility more rigorously than in the past. We will also pay close attention to the economic environment and strive to maintain lean management.

Review of Fiscal 2012

Quantitative Review

- Net income hit a record high of ¥300.5 billion
- Total new investment reached ¥620 billion
- Replacement of assets amounted to ¥(110) billion, resulting in net investment of ¥510 billion
- ¥1,363.8 billion as stockholders' equity with NET DER at 1.5, maintaining solid financial position

Major Investments in Key Sectors

- China: Shandong Ruyi Science & Technology Group, CITIC International Assets Management
- Machinery-related: Wind project in USA, coal-fired IPP project in central Java
- Natural Resources: Colombian coal (Drummond), Brazilian iron ore (additional interest in NAMISA), Shale oil & gas (Samson Investment Company)

Strengthening of Management Foundation

- Change the organization into 6 Division Companies and 16 Divisions
- Nominate 2 outside directors to enhance corporate governance
- Utilize actual case studies for companywide compliance training

Quantitative Plan in Fiscal 2013

Billions of Yen	Fiscal 2012 Result	Fiscal 2013 Plan	VS Fiscal 2012
Gross trading profit	1,030.4	1,040.0	+9.6
Equity in earnings of associated companies	102.7	130.0	+27.3
Net income attributable to ITOCHU	300.5	280.0	(20.5)

Billions of Yen	Fiscal 2012 Result	Fiscal 2013 Plan	VS Fiscal 2012
Total assets	6,507.3	7,000.0	+492.7
Net interest-bearing debt	2,014.9	2,300.0	+285.1
Total ITOCHU stockholders' equity	1,363.8	1,550.0	+186.2
NET DER	1.5 times	1.5 times	—

Investment Policy

- Increase the total investment amount for fiscal 2012-2013 to ¥1 trillion
- Prudently assess final investment decisions
- Continue recycling non-strategic assets
- Maintain appropriate asset mix among 4 sectors

Billions of Yen	*Brand-new Deal 2012*	Revised Plan (Fiscal 2012-2013)	Fiscal 2012 Result
Natural Resource / Energy-related	350 – 450	500 – 600	380
Consumer-related	100 – 200	150 – 250	130
Machinery-related	100 – 200	100 – 200	70
Chemicals, Real Estate, and others	50 – 150	50 – 150	40
Total	800	1,000	620

Initiatives by Key Sector

China: Aggressively Expand Business

- **Strengthen relationship with strong local partners**
  - Such as Shanshan Group, Shandong Ruyi Science & Technology, Ting Hsin Holding, COFCO, CITIC, etc.
  - Maintain cash-oriented operation & investment
- **Promote China business development companywide**
- **Enhance China business human resources in China and Japan**

Machinery-related: Strengthen Earnings Platform

- **Prudently accumulate assets with stable earnings,** including IPP in North America & Asia, infrastructure business related to water & environment, etc.
- **Bolster activities in growing markets**
  - Introduce to Asia business models proven in Japan
  - Build partnerships with leading local companies
  - Fully capitalize on ITOCHU Group's business resources

Natural Resources: Enhance Investment Returns

- **Oil and Gas**
  - New investments targeting a two-fold increase of equity share
  - Secure return from Samson Investment
- **Iron Ore / Coal**
  - Further expand projects in Australia and Brazil
  - Focus on profitability of coal project in Colombia
- **Uranium / Non-ferrous Metals / Biomass Fuel**