



ITOCHU Corporation

Brand-new Deal 2014

Annual Report 2013

For the Year ended March 31, 2013

Index of key words that are of interest to readers. Please use it for quick access to necessary information.

Business Development Model

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The process by which ITOCHU develops and expands businesses is explained through examples.

Management Message

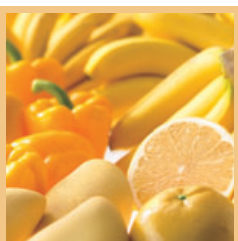
page **8**



President & CEO Masahiro Okafuji explains in his own words the results achieved under the previous medium-term management plan; the concepts incorporated in "Brand-new Deal 2014," the new medium-term management plan; and his thoughts regarding social responsibility.

Strengths

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The food business and the textile business are introduced as examples of ITOCHU's strengths, which will be the key to becoming the No. 1 trading company in the non-resource sector, the goal under the new medium-term management plan. In addition, ITOCHU's strategic direction is explained in detail through the example of the acquisition of the Asian fresh produce business and the worldwide packaged foods business of Dole Food Company, Inc.

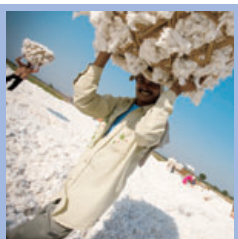
Numbers

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This section consolidates operating data, such as key management indicators for the past 10 years, results by operating segment for the past 5 years. Also, the section introduces reference information, such as major factors behind changes of net income (loss) attributable to ITOCHU for the past 10 years, the trend in equity interests in the natural resource / energy-related sector, and net income (loss) from major Group companies.

Corporate Social Responsibility

page **77**



This section describes ITOCHU's CSR policies and provides examples of its CSR activities, according to the seven core subjects of the ISO 26000 framework, the international standard for social responsibility. Examples of businesses that help solve social issues are introduced, and an overview of the supply chain for a product is provided in a third-party reporting format.

Corporate Governance

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Corporate governance activities are explained and directors, corporate auditors, and executive officers are introduced. From Annual Report 2013, there are messages from the newly appointed outside directors, and the investment decision-making process is presented as an example of risk management.

Editing Policy

Annual Report 2013 includes both financial information, such as management results and growth strategies, and social / environmental information, so that our shareholders, investors, and a wide range of other readers can deepen their understanding of ITOCHU with an integrated presentation of information of special importance. The website on the right provides more-comprehensive information. For further financial information, please refer to the separate "Financial Section."

Results & Strategy

page **16**

Brand-new Deal 2014

This section covers ITOCHU's transition to a new growth stage under the previous medium-term management plan and provides information to foster a deeper understanding of "Brand-new Deal 2014," the new medium-term management plan, such as the background to the plan, ITOCHU's approach to business investment as an important means of advancing its strategies, and its financial strategy.

Operating Segments

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This section uses tables and charts to explain each operating segment's business portfolio, overview of results, growth strategies and business environment as the background of the strategies, and CSR basic policies and action plans.

Operational Structure

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Organizational structure, global network, and major subsidiaries and associated companies are described.

▶ Investor Relations website
<http://www.itochu.co.jp/en/ir/>

▶ CSR website
<http://www.itochu.co.jp/en/csr/>

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Tireless Business Development

As its business environment has undergone numerous changes, ITOCHU has leveraged its mobility to flexibly change its business portfolio, focusing on the areas that have the highest growth potential. As a result of that flexibility, our business models extend over an extremely diverse range of industrial areas and geographic regions, and it is difficult to classify them in a simple manner. The value chain, which is focused on optimizing the supply chain through vertical integration extending from upstream to downstream, is simply one of our business models.

ITOCHU sets its sights on areas in which it can leverage its distinctive strengths and then works to accumulate business know-how and establish market positions in those areas. Starting from those areas, we create a chain of new businesses with a view to further increasing earnings.

1 Leveraging Our Distinctive Strengths

Advancing into areas where we can leverage our distinctive strengths

2 Establishing Market Positions

3 Pursuing Multifaceted Business Expansion



1

Leveraging Our Distinctive Strengths

Advancing into areas where we can leverage our distinctive strengths

When we consider advancing into new businesses and markets, we narrow down the possibilities by focusing on whether or not we can leverage our distinctive strengths. The reasons are that we can expect to generate synergies with existing businesses and that we can control risk by ourselves.

ITOCHU's Distinctive Strengths

Securing Natural Resources and Raw Materials

Aiming to secure natural resources and raw materials and provide a stable supply to purchasers, we are developing upstream natural resources and raw material supply sources around the world.

Linking Purchasers with Producers

Trade, which links purchasers and sellers, is the starting point of a general trading company. ITOCHU builds sales channels for various goods around the world, thereby contributing to competitive procurement by purchasers as well as to expansion of sales opportunities for producers.

Providing Value Added that Meets Consumer Needs

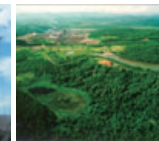
ITOCHU's high level of competitiveness is demonstrated through provision of value added that accurately meets consumer needs and the continual advancement of business models.

Providing Solutions

The foundation of our comprehensive capabilities comprises finance and insurance capabilities closely linked to business, the provision of efficient logistics solutions, and IT capabilities that facilitate the analysis and strategic utilization of information.



Coal projects in Australia



CENIBRA (pulp manufacturer)



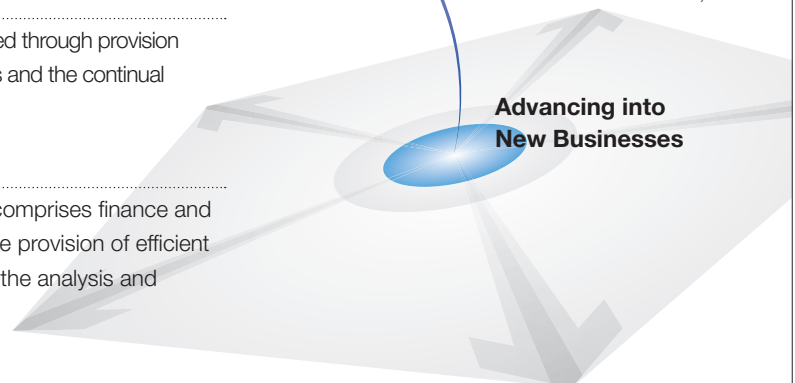
Chemical product trade



Exports of automobiles



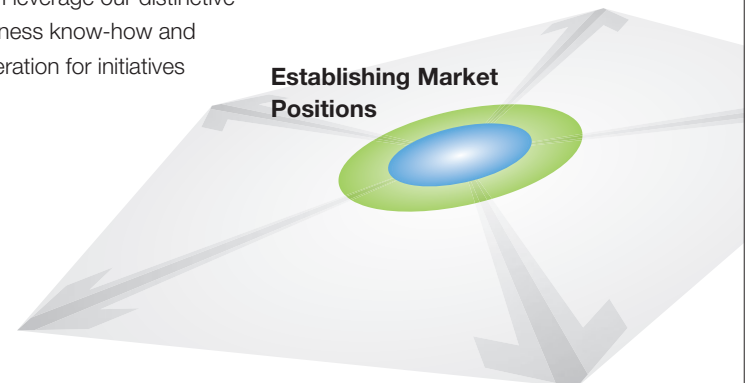
Stapleton's (Tyre Services) Ltd. (tyre distribution and retail business)



2

Establishing Market Positions

After entering the areas in which we can leverage our distinctive strengths, we strive to accumulate business know-how and establish market positions, with consideration for initiatives targeting the next business or market.



3 Pursuing Multifaceted Business Expansion

Starting from the areas which we have advanced into, as we leverage the business know-how that we have accumulated and the market positions that we have established, from the following five major points of view, we create a chain of new businesses with a view to further increasing earnings.



Drummond Company's mining operations in Colombia

Expanding and Diversifying Sources of Supply

We are working to achieve geographic diversification of supply bases and expansion of supply volume in energy, metal, and mineral resources, food resources, and other areas. For example, in the coal business, where our initiatives had been centered on Australia, we have secured new sources of supply and diversified our regional portfolio through the investment in the Colombian mining operations of Drummond Company.

Our Focus in Developing Businesses

Partnerships with Leading Companies

When we pursue new businesses and markets, or implement multifaceted business expansion, we place importance on building partnerships with companies that have a strong presence and knowledge in each area. By building complementary relationships based on each others' capabilities and strengths, we conduct business development activities while increasing the probability of success.

Key Means in Developing Businesses

Business Investment

Business investment is an important means in developing businesses. In making investment decisions, we look not only at profits from businesses in which we invest but also at whether or not we can expand trade, which is one of our distinctive strengths.

Based on our strategic goals, we choose the optimal format, such as establishing a subsidiary ourselves, investing to strengthen partnerships, and participating in management with the objective of increasing the corporate value of the companies in which we have invested.

▶ For further information, please refer to page 24, ITOCHU's Approach to Business Investment.



Brunei methanol production project



Toyo Advanced Technologies Co., Ltd.

Participating in Production Activities

By advancing into upstream projects, we secure competitive resources, thereby strengthening trade and diversifying sources of earnings. For example, in the chemicals business, we have advanced into the methanol production project in Brunei, based on trade development. In the automobile-related business, we have a cooperative relationship with Mazda Motor Corporation in automobile exports, and against that backdrop we acquired shares in Toyo Advanced Technologies Co., Ltd., thereby advancing into the manufacturing of machine tools and automobile parts.



Ting Hsin Group



Dole businesses

Expanding the Range of Success Models

We extend models of success to other products and regions. In food, through the SIS strategy* we are extending the success model from Japan to China and Asia, and have established partnerships with leading local companies, such as the Ting Hsin Group. Also, by combining the Asian fresh produce business and the worldwide packaged foods business acquired from Dole Food Company, Inc. with the business foundation and brand business success know-how that we have developed, we are working to develop our food operations in local markets around the world.

* 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

Pursuing Multifaceted Business Expansion from Five Points of View



METSA FIBRE Oy

Pursuing Economies of Scale

By expanding our scale of operations through mergers and other means, we not only increase the efficiency of our operations but also achieve higher value added in services and products as a result of complementary capabilities. In this way, we are working to further increase competitiveness. In the pulp business, we have acquired shares in METSA FIBRE Oy, a softwood pulp producer based in Finland. In conjunction with CENIBRA, of Brazil, a manufacturer of hardwood pulp, this investment has solidified our position as a leading pulp trader in terms of both quality and quantity.



Kwik-Fit Group

Obtaining Points of Contact with Consumers

Leveraging the upstream and midstream positions that we have established, we expand our earning opportunities to areas that are closer to consumers. In the U.K. tyre business, leveraging the position built by Stapleton's, the No. 1 tyre distributor in the U.K., we acquired the Kwik-Fit Group. In this way, we have made a full-scale advance into the downstream tyre retail business.

Examples of Business Development

Food Distribution and Marketing Business

Distinctive Strengths

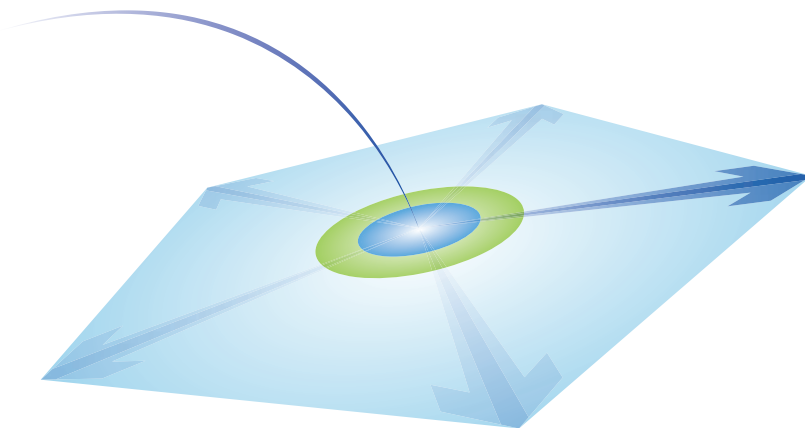
- Providing Value Added that Meets Consumer Needs
- Providing Solutions



NIPPON ACCESS Distribution Center

Boosting Competitiveness and Increasing Efficiency through a Merger

In the food distribution and marketing business, the ITOCHU Group included several companies that were providing high-value-added solutions in their individual areas. NIPPON ACCESS, INC., had a distribution network that could handle all temperature ranges, the former ITOCHU Fresh Corporation Inc. had strengths in the three main groups of fresh food products, the former Family Corporation Inc. handled distribution for FamilyMart Co., Ltd., and the former Universal Food Co., Ltd., was a wholesaler in the food service / catering industry. In 2011, the four companies implemented a merger in stages, centered on NIPPON ACCESS, creating one of the largest operational scales in the industry. In this way, we built a system that can offer integrated handling of not only processed foods in all temperature ranges—ambient, frozen, and chilled—but also the three main groups of fresh food products—marine products, livestock products, and agricultural products. In addition, we increased value added in services through integration of distribution and sales channels, and boosted efficiency by integrating functions, such as information systems and administration. In this way, we strengthened earning power.



Multifaceted Business Expansion

- Pursuing Economies of Scale



Inside NIPPON ACCESS Distribution Center

Human Resources: The Foundation for the Functioning of the Business Development Model

It is human resources who are the driving force behind the functioning of ITOCHU's business development model and the source of our competitiveness. Targeting sustainable business development, we are stepping up our hiring and development of talented human resources. We also encourage our human resources with high levels of expertise to fully demonstrate their capabilities. Thus, we make a system for rapid decision-making operate effectively.

Employing Highly Creative People and Cultivating Advanced Levels of Expertise in Each Area

ITOCHU employs people who inspire mutual trust, have the mettle to take on challenges, and have the creativity to generate new value from their own ideas, without regard to gender or nationality.

We are also working to develop industry professionals who have high levels of expertise in each area to continue the tireless development of new businesses in an environment characterized by business diversification and increasing levels of difficulty. ITOCHU believes that it is learning from the experience of success and failure on the front lines that develops industry professionals. In accordance with that

Brand Business

Distinctive Strength

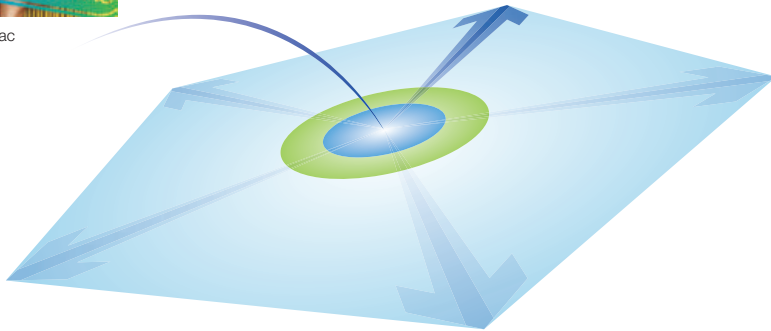
- Providing Value Added that Meets Consumer Needs



LeSportsac

Brand-oriented Business Expansion

In the brand business area, we have been able to establish a leading position in the industry by continuously advancing our business models and pursuing value-added propositions to meet our customers' changing demands. We are expanding our business area by utilizing the expertise and know-how that we have developed over the ages. In particular, we are now covering the entire area of lifestyle categories, not limited to just fashion brands. Examples include our investment in DEAN & DELUCA, a premium gourmet store from New York, and our acquisition of the master licensing rights for Le Pain Quotidien, a premium bakery / restaurant from Belgium. Our expertise in the brand business will also be one of vital assets in dealing with our Dole brand strategy.



Multifaceted Business Expansion

- Expanding the Range of Success Models into Other Product Categories



DEAN & DELUCA

Multifaceted Business Expansion

- Expanding the Range of Success Models into Other Regions



- Shanshan Group Co., Ltd.
- Shandong Ruyi Science & Technology Group Co., Ltd.

Developing Businesses in China and the Rest of Asia

ITOCHU is expanding its brand business to overseas markets such as China and other countries in Asia by converting its expertise in the brand business area that it has developed in the domestic market for decades. As China has emerged as the second largest consumer market today, we are solidifying our business operations in the region by building strong partnerships with leading Chinese companies such as Shanshan Group Co., Ltd., and Shandong Ruyi Science & Technology Group Co., Ltd.



Le Pain Quotidien

belief, we are implementing a rigorous front-line approach and working to develop the people who will manage the ITOCHU Group in the future.

- ▶ For further information, please refer to page 87, Labor Practices.

Groups of Professionals Supporting Our Rapid Decision-Making System

ITOCHU uses the Division Company system, and the president of each Division Company has been given broad authority over matters including allocation of management resources such as funds and human resources. With the

assistance of the Division Company Management Committee (DMC), Division Company presidents make decisions within the limits of their authority. Furthermore, within each Division Company, authority is delegated to individual divisions and departments. In these ways, we have a system for rapid decision-making that can address changes in the business environment. This rapid decision-making system is made possible by our vast team of people with high levels of expertise, from planning and administration to legal affairs and risk management, accounting and taxation, fund-raising, and other administrative organizations at Headquarters and Division Companies, as well as the sales staff on the front lines around the world.

To Our Shareholders, Investors, and Other Stakeholders



M. Okafuji

President & Chief Executive Officer

Masahiro Okafuji

ITOCHU has now demonstrated its true strength, and we will continue working to capture and fortify a position as the No. 1 trading company in the non-resource sector.

In fiscal 2013, ITOCHU demonstrated its true strength—its earning power in the non-resource sector. As a result, we achieved our initial targets and reaffirmed our position among the top three general trading companies. Under our new medium-term management plan, “Brand-new Deal 2014,” we will reinforce our position as the No. 1 trading company in the non-resource sector so that we can continue to cement our position as a member of the top three.

“Brand-new Deal 2012”: Turning Words into Accomplishments

At the beginning of fiscal 2013, I said that ITOCHU would turn its words into accomplishments, and I talked about demonstrating the “true strength” that we have accumulated. I am pleased to report the results as I promised.

In the first year after I became President & CEO in April 2010, we implemented a variety of internal reforms to “strengthen our front-line capabilities,” such as reducing the frequency of in-house meetings and the volume of materials used in these meetings, enhancing the personnel and compensation systems, and reorganizing the administrative organizations. We took steps to lay the foundation for “proactively seeking new opportunities” and “expanding our scale of operations,” and then launched “Brand-new Deal 2012” (fiscal 2012 to fiscal 2013).

In fiscal 2012, the first year of the plan, we substantially surpassed ITOCHU’s previous record for profits, setting a new record high with net income attributable to ITOCHU of ¥300.5 billion. In fiscal 2013, the second year of the plan, we continued to aim for a high level of net income of ¥280.0 billion, even though we anticipated a year-on-year decline in profit, primarily due to concerns about declines in the prices of metals and mineral resources. Subsequently, we confronted some adverse circumstances, such as the recording of an impairment loss on oil and gas exploration and

production-related operations in the United States due to sluggish natural gas prices and other factors. Nonetheless, we achieved our initial plan, with net income attributable to ITOCHU of ¥280.3 billion.

In the resource sector, we recorded profits of ¥75.5 billion. At this level, the resource sector remains a major pillar of ITOCHU’s profit structure. However, we were unable to avoid a major year-on-year decline of ¥73.8 billion. Our efforts to cover this decline and achieve our plan were supported by our “true strength” and the companywide commitment to the concepts of “Earn, Cut, Prevent.”

Fiscal 2013

Net income attributable to ITOCHU

Initial plan **Results**
 ¥280.0 billion → ¥280.3 billion

Cash dividends per share

Initial plan **Results**
 ¥40.00 → ¥40.00

Demonstrating Our True Strength that Shows Our True Value

Our earning power in the non-resource sector is our “true strength.” Through various preparations during the period of “Brand-new Deal 2012,” we were able to further enhance this strength, which led to strong results in fiscal 2013. In the non-resource sector, overall, we were able to generate a year-on-year increase of ¥31.7 billion in net income attributable to ITOCHU, to achieve record-high profits of ¥191.3 billion. In this way, we were able to cover the decline in the resource sector.

Record-high profits were recorded in all of our consumer-related segments—Textile, Food, and ICT, General Products & Realty. As a result, in the consumer-related sector we achieved the highest net income attributable to the company’s shareholders of any general trading company for the second year in a row. The Machinery Company successfully implemented substantial asset replacement and posted record-high profits as well. I believe that these results

demonstrate how we have made steady progress in strengthening and enhancing our ability to “Earn.”

Also worthy of mention is that our rigorous implementation of “Cut” and “Prevent” supported our achievement of the plan. To “Cut,” we made unflagging efforts to improve our cost structure, and rigorously implemented lean management. To “Prevent,” which involves preventing losses, we took steps to exit from investments with limited strategic importance and unprofitable affiliates. As a result, the share of Group companies reporting profits in fiscal 2013 was a record high at 84.6%. Despite these successes, there were areas in which we did not achieve our plan and carried over tasks into the new medium-term management plan. For example, gross trading profit declined due to the fall in commodity prices, and we did not reach our target of a 10% reduction from fiscal 2011 in the ratio of SG&A expenses to gross trading profit.

Enhancing Our Strengths, Improving Our Weak Points in the Non-Resource Sector

Under “Brand-new Deal 2012,” in accordance with a basic policy of “proactively seeking new opportunities,” we invested approximately ¥970.0 billion on a gross basis, substantially exceeding approximately ¥560.0 billion that was invested under the previous plan. In this way, we made investments that contributed to the expansion of our earnings platform. In fiscal 2012, about 60% of our investment was allocated to large-scale projects in the resource sector. Consequently, the share of total assets accounted for by the resource sector increased from approximately 20% at the beginning of the plan to approximately 30%, and in fiscal 2013 the non-resource sector accounted for about 70% of our investment. As a result, during “Brand-new Deal 2012,” our total investments in both the resource and non-resource sectors were approximately ¥485.0 billion each on a gross basis. In this way, we were able to establish a well-balanced

portfolio, with a non-resource:resource ratio of 7:3 in both total assets and net income attributable to ITOCHU.

In the consumer-related sector, we invested in superior projects while leveraging a favorable cycle in which our presence and results make it easier for us to capture opportunities for new projects. In fiscal 2012, we acquired the Kwik-Fit Group, the largest independent retail tyre chain business in the United Kingdom. The foundation for this acquisition was the success of Stapleton’s (Tyre Services) Ltd., which reinforced its position as the largest tyre distributor in the United Kingdom through the introduction of distinctive management methods, such as increasing added value in service operations. The acquisition of the Kwik-Fit Group helped us to establish a dominant position in the U.K. tyre industry and to further strengthen our value chain, which now extends from natural rubber processing through to tyre distribution and retail operations. Our equity investment in Shandong Ruyi Science & Technology Group Co., Ltd., a major textile-related corporate group in China, was aimed at strengthening our downstream operations. This investment was made possible in part by ITOCHU’s No. 1 position in the brand business. The same is true for METSA FIBRE Oy, one of the world’s leading softwood pulp makers. Based in Finland, METSA FIBRE became an equity-method affiliate in fiscal 2013. This project was made possible by our position as a leading pulp trader. We handle 2.15 million tons of pulp a year (fiscal 2012) and have a sales network stretching around the world, centered on hardwood pulp from CENIBRA, of Brazil.

In fiscal 2011, we revised our investment criteria so that the hurdle rate reflects the characteristics of each business, rather than being the same for all projects. Consequently, we



broadened our range of investment options. In April 2012, we implemented organizational reforms to facilitate more precise management and flexible asset replacement. The results of these initiatives were especially notable in Machinery. We not only accumulated superior assets but also expanded our platform for stable earnings in new business areas. For example, our investment in Toyo Advanced Technologies

Co., Ltd., marked the first time that ITOCHU had acquired a majority stake in a manufacturer of machine tools and automobile parts. Also, our investment in Bristol Water, of the United Kingdom, marked ITOCHU's entry into the comprehensive water supply business, extending from water resource management to water treatment, water supply and distribution, and fee collection.

Resource Sector: Maintaining a Calm Discipline

When I became President & CEO in April 2010, I felt a sense of unease about the natural resource boom that was under way at that time. In general, the amount of investment required for resource projects had climbed to several hundred billion yen. At that level, an investment of ¥10 billion to ¥20 billion, which would be considered large in the textile business, no longer seemed to be a "huge amount." In the non-resource sector as well, it might be difficult not to be optimistic when making decisions on projects and managing their profits. Also, with commodity prices exerting a significant influence on companywide profits, there was cause for concern that we would not be able to execute basic management activities, such as steadily implementing cost cuts. Accordingly, I rigorously emphasized an approach of concentrating on strong areas and maintaining a calm discipline without arbitrarily launching initiatives, even in the midst of a boom.

In fiscal 2012, with support from strong demand in emerging countries, commodity prices remained at high

levels, including record-high prices for iron ore. In this setting, we focused our investment principally on iron ore and coal, where we have considerable strengths. In addition, with an emphasis on immediately generating profits and reducing development risk, we updated our project selection criteria, so that we focus on projects that are already in production. We have implemented this approach in a number of projects, such as Colombian coal mining operations and related infrastructure, in which we invested about ¥131.1 billion, as well as follow-on investment and the acquisition of additional equity interests in iron ore projects in Western Australia and Brazil. In fiscal 2013, commodity prices plummeted. In this market environment, our decision to focus our investments on areas of strength paid off. Although we did not achieve expected levels of profit, we were able to generate a certain level of profit without being exposed to the risk of substantial losses that would have followed a freeze on development projects. I believe that maintaining a calm discipline led us to make the correct decisions.

Developing Strengths Appropriate for a Member of the Top Three

ITOCHU has earned a spot among the top three general trading companies in Japan for two consecutive years. However, decline begins the instant one becomes careless. Without being content with the current situation, we must continually take steps to solidify our position. Standing shoulder to shoulder with the leading general trading companies that belong to Japan's *Zaibatsu* industrial groups and holding our position as one of the top three will require constant effort. Of course, we have no intention of acting haphazardly in an attempt to narrow the gap with our competitors. We will calmly analyze our strengths and weaknesses and steadily move forward.

With strong ties to basic industry, the trading companies affiliated with Japan's leading *Zaibatsu* industrial groups made large investments during the natural resource boom. Therefore, ITOCHU's operations in its natural resource / energy businesses are substantially different from those of these competitors. We must also recognize that there are differences in corporate constitutions as well, including the capacity to absorb risk. On the other hand, as I mentioned above, in the consumer-related sector, ITOCHU is the No. 1

trading company in net income attributable to the company's shareholders. Moreover, we lead the industry not just in a specific area but in a variety of areas, such as Textile and Food.

Looking at future economic trends, commodity prices are expected to be firm over the medium to long term, with support from strong demand stemming from economic growth in emerging countries. However, for the time being the market is expected to remain uncertain. On the other hand, consumer-related businesses will record steady growth as long as the population increases. In particular, ASEAN nations are expected to record economic growth led by domestic demand, and China is forecast to continue stable growth over the medium to long term, led by consumer spending. These economic trends are favorable for ITOCHU, which has strengths in the consumer-related sector. In the resource sector, profits can be increased with a small number of large-scale investments. In contrast, in the consumer-related sector, many years and steady efforts are necessary to build a business foundation. These efforts include building relationships with customers, deepening relationships with partners, and establishing value chains. ITOCHU's core businesses in China are



consumer-related businesses, in which steady demand can be expected once the support of customers is earned. Our strengths in this sector are not something that can be easily duplicated by others. Solidifying our position as the leader in

the non-resource sector, centered on the consumer-related sector, will be an essential step for ITOCHU to stand shoulder to shoulder with the leading general trading companies that belong to Japan's *Zaibatsu* industrial groups.

“Brand-new Deal 2014” – Aiming to be the No. 1 Trading Company in the Non-Resource Sector

Under “Brand-new Deal 2014,” our new medium-term management plan, the ideas I have described here have been expressed in a simple phrase: “Aiming to be the No. 1 trading company in the non-resource sector.” Our goal is specific, not abstract, and also within reach through hard effort, not set off in the distant future. With everyone at ITOCHU working toward the same clear-cut objective, I believe we can achieve it. Our basic policies are to “boost profitability,” “pursue balanced growth,” and “maintain financial discipline and lean management.”

The plan covers a two-year period. However, there is uncertainty about the future of the management environment, and consequently the quantitative plan covers only one year, fiscal 2014. The quantitative plan calls for net income attributable to ITOCHU of ¥290.0 billion, an increase of ¥9.7 billion from fiscal 2013. We are committed to achieving this target.

We will take steps to reinforce our consumer-related businesses as our earnings platform. Specifically, in the

Textile, Food, and Forest Products & General Merchandise segments, we will further strengthen our industry-leading positions, and in the ICT, Insurance & Logistics segment and the Construction, Realty & Financial Business segment we will strive to bolster our operations. Furthermore, we will work to boost earnings in the Machinery and Chemicals segments. Through these initiatives, in fiscal 2014 we will aim for profits of ¥208.5 billion in the non-resource sector, an increase of ¥17.2 billion from fiscal 2013.

One key point will be boosting earnings in Machinery, where there is a gap between ITOCHU and other general trading companies in terms of the scale of earnings. Without moving faster than necessary, and without arbitrarily launching initiatives in all directions, we will focus our resources on our areas of strength. In this way, we will steadily build a platform for stable earnings. First, I would like to achieve the plan's goal of ¥37.0 billion.

Investment Policy: Reinforcing Our Strength

In consideration of the investment results under the previous medium-term management plan and of short-term foreign exchange rates, we set the upper limit for investment on a gross basis at ¥1 trillion over a two-year period. The cumulative investment on a net basis over the two-year period has been set at ¥800.0 billion, and our policy will be to push

ahead with asset replacement through rigorous monitoring. To aim for disciplined growth while maintaining financial soundness, new investment will be targeted at strictly selected superior projects.

To be the No. 1 trading company in the non-resource sector, our policy will be to allocate two-thirds of gross

investment to the non-resource sector and to invest in superior projects without slackening our efforts. In April 2013, we acquired the Asian fresh produce business and the worldwide packaged foods business of Dole Food Company, Inc., the world's largest producer and marketer of fresh fruits and vegetables.

In the resource sector, we believe that it will become even more difficult to acquire projects, and accordingly we will focus on expansion of existing projects and take a cautious approach to new investments. At the end of March 2013, in our total assets the non-resource:resource ratio was 7:3, and we will maintain a well-balanced portfolio by setting the non-resource:resource ratio in investment at 2:1.

Boost Profitability by Reaping Benefits from Large-Scale Investments

An important theme of the new medium-term management plan is to “boost profitability,” which will be centered on reaping benefits from investments that were implemented under the previous medium-term management plan. The large-scale investments implemented under the previous plan include projects from which we are not earning the expected return. However, certain of those investments, especially in the non-resource sector, were made at a time when the yen was stronger than it is now, and they have become extremely valuable assets. Also, by leveraging our knowledge and business foundation, we will be able

to improve the profits from these projects in the future. For example, the Kwik-Fit Group, which has suffered from the influence of sluggish business conditions in Europe, is showing signs of a turnaround in profits as a result of the rigorous re-implementation of retailing basics, such as carefully customized services. Moreover, METSA FIBRE, which has been adversely influenced by slack conditions in the market for pulp, can leverage ITOCHU's strong sales network to implement a variety of measures to improve profits. In the resource sector, we will proactively make proposals while deepening our alliances with equity partners.

Balance to Achieve Sustainable Growth

Our focus on pursuing balanced growth will apply not only to the resource and non-resource sectors but also to domestic and overseas operations and to profits from trade and affiliates.

The idea that focused investment in the resource sector is highly profitable is based on a short-term viewpoint. From a longer-term perspective, I cannot state with certainty that the principles of selection and concentration are best. I believe it is necessary to build an optimally balanced portfolio in line with the management environment at that point in time.

This applies to the balance between Japan and overseas. The idea that Japan's economy is mature so overseas markets are best does not always lead to success. Many of the overseas regions from which substantial growth is expected pose obstacles, such as legal and other risks and poor business infrastructure. Those types of obstacles are not issues in Japan, a market in which ITOCHU has considerable knowledge and therefore risks are low. Japan also has

many promising businesses that are internationally competitive. In consideration of the depreciation of the yen, we will increase our allocation of resources to the domestic market.

In recent years, investment has played an increasingly important role in the business of general trading companies, but that investment has been limited to “buying land.” In fact, it is only by plowing barren land, planting seeds, and creating abundant fields that rich crops can be harvested. I believe that the distinctive strengths of general trading companies entail adding value by building a pipeline to customers, gathering information, and generating trade after an investment is made. Refining the key points of business activities also develops human resources. A business model that consists of making an investment and then leaving the business up to others cannot be expected to generate long-term success. Our concept is to strengthen trade once again by acting in accordance with our basic approach of investing only in projects that have prospects for trade.

Working to Increase ROA by Adding Value

We will take steps to strengthen business in the non-resource sector, domestic business, and trade. These areas are generally considered not to have a comparatively high return on assets (ROA). However, we will work to increase profitability and raise ROA overall by adding value in these businesses. I would like to leverage my experience to achieve this goal. The Textile Company has a comparatively

high ROA, at 6.8% in fiscal 2013. This is because the Textile Company added value through branding and shifted its business foundation from upstream and midstream to downstream areas, where profitability is higher. I would like to apply this approach in other areas as well. A good example is our acquisition of the Asian fresh produce business and the worldwide packaged foods business of Dole Food Company.

I would like to emphasize the brand strategy aspect of this business. The Dole brand is loved around the world. By leveraging this brand and adding value, we will substantially expand our business opportunities. For example, if we link new products, such as Japan's high-quality fruits and health foods, to the Dole brand, we will be able to expand our

sales channels to Asia and other markets around the world. Our key strength will be the know-how that we have cultivated in the brand business. This is a business in which ITOCHU, with its strong track record, can fully utilize its distinctive strength.

Increasing Corporate Value through Growth in Profits

Stakeholders have a wide range of opinions about corporate value. For example, the stock price is of great concern to shareholders. I consider increasing the enterprise value of ITOCHU to be my personal obligation, and every day I work to conduct my management duties with an awareness of our stock price, which is an evaluation of management by our shareholders and investors. Moving forward, we will aggressively disclose information in order to receive a fair evaluation.

I also value transparency in regard to our dividends. Since the previous medium-term management plan, we have established a clear dividend policy that is linked to net income attributable to ITOCHU. Specifically, our annual

dividend targets are a dividend payout ratio of approximately 20% on net income attributable to ITOCHU up to ¥200 billion and a dividend payout ratio of approximately 30% on the portion of net income attributable to ITOCHU exceeding ¥200 billion. For fiscal 2013, we paid an annual dividend of ¥40 per share, comprising interim and year-end per share dividends of ¥20 each. The dividend payout ratio was 22.6%. Under "Brand-new Deal 2014," we will maintain the same dividend policy. For fiscal 2014, ITOCHU plans to pay a full-year dividend of ¥42 per share.

We will strive to achieve growth in profits and to meet the expectations of stakeholders in both enterprise value and dividends.

Expanding Corporate Value by Creating Solutions for Social Issues

Looking at corporate value from a broader perspective, in the future, corporate management will need to share viewpoints and values with society. In particular, as a general trading company, we will be expected to contribute to the resolution of social issues by seamlessly linking our products and services, accumulated know-how, and markets on a global scale. For ITOCHU, contributing to the resolution of social issues through its core business will become a

strength that helps us to succeed in global competition in the long term. ITOCHU founder Chubei Itoh and other Ohmi merchants embraced the management philosophy of *sampo yoshi* (Good for the seller, Good for the buyer, and Good for society). Today, more than 150 years after its foundation, ITOCHU remains true to the spirit of *sampo yoshi* and is fulfilling its corporate philosophy of "Committed to the Global Good" as it conducts its business activities in front-line



business settings around the world. In part to demonstrate our steady implementation of this corporate philosophy in international society, ITOCHU has participated in the United Nations Global Compact since 2009.

We are implementing initiatives targeting the resolution of social issues through our core business activities. These include the Pre Organic Cotton Program, which supports cotton farmers in India during the transition period to organic cultivation. This program, which was implemented by the Textile Company, was approved as an initiative of Business Call to Action (BCtA) in fiscal 2013. BCtA, a global initiative hosted at the United Nations Development Programme

(UNDP), promotes businesses aimed at achieving both commercial success and sustainable development. (For further information, see page 80.) To further broaden these types of initiatives, we will strive to build an environment that supports them. This environment will foster rigorous implementation of a front-line approach, encourage sales staff and other employees to employ wide-ranging means of addressing problems, foster cooperation among employees, customers, industry, and society to approach issues from a broader perspective, and encourage everyone to do their utmost to generate solution-focused action.

Developing Industry Experts and Supporting the Active Use of Diverse Human Resources

A general trading company's people are its greatest management resource, and they are an important management platform that supports its growth. The human resources who support our business activities should strive not to be generalists but to be industry professionals with advanced expertise in specific areas. For example, even if sales staff have experience and knowledge in a wide range of areas, with this superficial knowledge they cannot do business on an equal footing with customers who have decades of experience in specific areas. In other words, without a "trunk" there are no "branches." Human resources who accumulate experience in a single organizational unit and learn the keys to success for business activities in that area are essential for general trading companies, which currently face business

conditions that are becoming more difficult each year. If employees become experts in the business of a single industry, I believe that they will also be able to apply that expertise in other areas as well. That is why I want ITOCHU to nurture human resources who have that kind of depth.

Also, ITOCHU has supported the use of diverse human resources, and under the new medium-term management plan, one of its human resource policies is to "support the further development of female role models in their career track." In fiscal 2014, ITOCHU became the first general trading company to appoint a female executive officer. By providing meticulous career support for diverse human resources, we will continue to support and promote additional role models and to nurture female employees who will serve as leaders.

In Closing

When I became President & CEO, I announced that we would "proactively seek new opportunities." I also made clear that we would aim to join the ranks of the top three general trading companies. As the new President & CEO, I was frankly concerned with how far the employees would follow me.

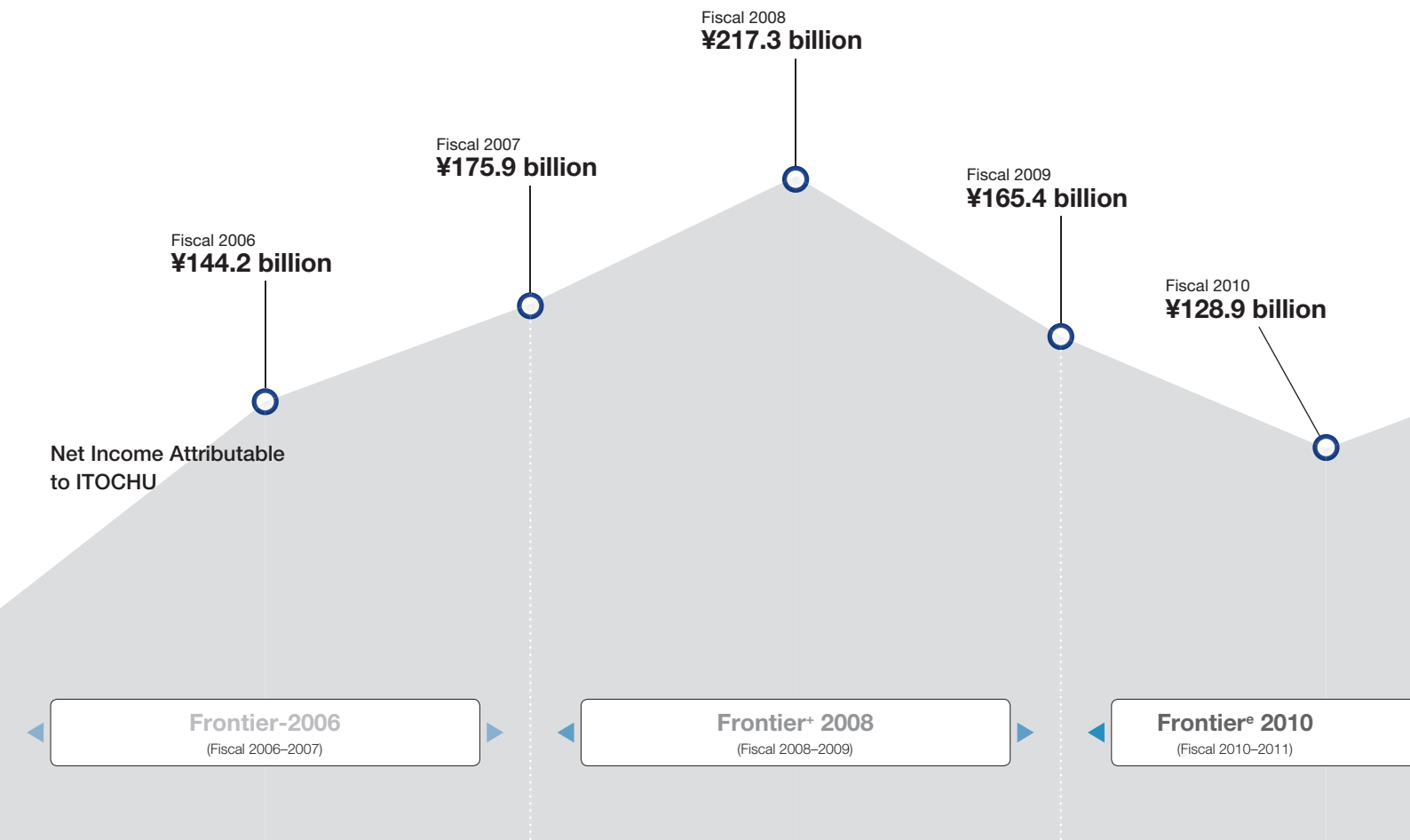
In the three years since, I have seen the latent power of ITOCHU in our sales staff, which have wholeheartedly embraced the idea of "strengthening our front-line capabilities." This front-line approach has also been adopted throughout the administrative organizations, which have taken steps to demonstrate their capabilities to increase the corporate value of ITOCHU. These steps have included working together with the sales staff to approach customers and secure business for ITOCHU. I am convinced that this concentration of

individual capabilities, which is the source of our competitiveness, has guided ITOCHU to a new growth stage.

Now, we will focus on making steady progress toward the achievement of our objective. The path to becoming the No. 1 trading company in the non-resource sector will certainly not be an easy one, and there is no shortcut to creating a sustainable business in accordance with a sense of values that is shared with society. The only path to success entails constant reforms to "strengthen our front-line capabilities" and a rigorous approach to the fundamentals of management, including the implementation of lean management. To cultivate within ITOCHU a corporate culture that emphasizes seeing all things through to completion, I will take the lead in advancing "Brand-new Deal 2014" and ensure that ITOCHU continues to turn its words into accomplishments.

OUR GROWTH

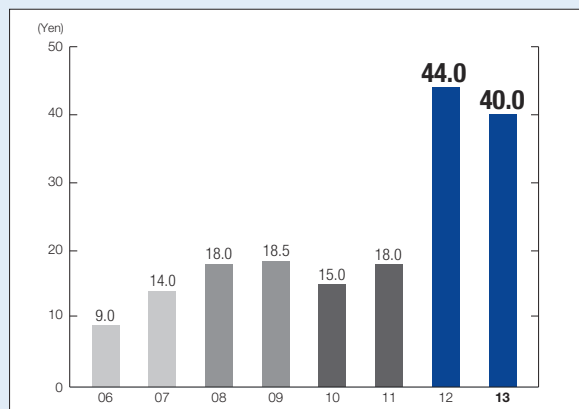
ITOCHU's Growth Track



ITOCHU: Moving to a New Growth Stage

Transparent Shareholder Returns

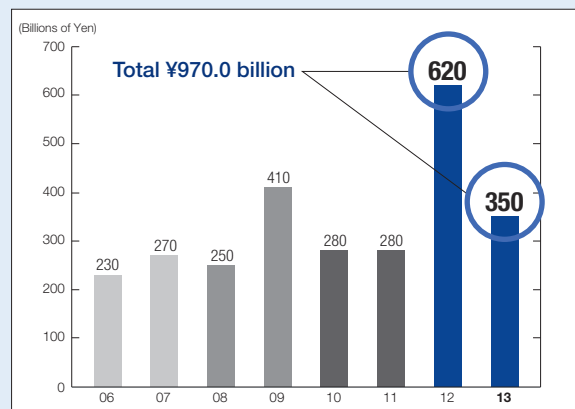
From "Brand-new Deal 2012," we have revised our dividend policy, which is now linked to net income attributable to ITOCHU, and increased the transparency of shareholder returns. In addition, we increased dividends by a substantial margin due to growth in our earnings.



Years ended March 31
* Per share amount

Investment of Nearly ¥1 Trillion over Two Years

We implemented a record high level of investment of ¥970.0 billion on a gross basis in superior projects and expanded our scale of operations.



Years ended March 31

STAGES

Record-high Profits
Fiscal 2012
¥300.5 billion

Fiscal 2013
¥280.3 billion

Fiscal 2011
¥161.1 billion

New Growth Stage

Brand-new Deal 2012

(Fiscal 2012–2013)

Earn, Cut, Prevent

Through internal reforms to “strengthen front-line capabilities,” we reinforced our foothold. On that foundation, we have made a shift in our focus to “proactively seeking new opportunities” for “expanding our scale of operations.”



For further information, please refer to the inside pages for the results of “Brand-new Deal 2012.”

New Medium-Term Management Plan Brand-new Deal 2014

(Fiscal 2014–2015)

Aiming to be the No. 1 trading company in the non-resource sector

In accordance with the basic policies to boost profitability, pursue balanced growth, and maintain financial discipline and lean management, we will maintain our No. 1 position in the consumer-related sector, boost earnings in the basic industry-related sector, such as in Machinery and Chemicals, and solidify our position as the No. 1 trading company in the non-resource sector.

Fiscal 2014 (plan)

Net Income Attributable to ITOCHU

¥290.0 billion

NET DER

1.4 times

Stockholders' Equity

¥1,900.0 billion

Cash Dividends per Share

¥42

Fiscal 2014–2015 (plan)

Investment Plan

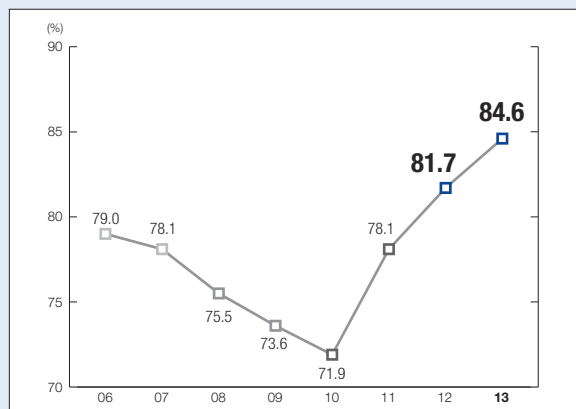
Gross: **Upper limit of ¥1 trillion**

Net: **¥800.0 billion**

For detailed information about the new medium-term management plan, please refer to pages 22 to 23.

Strengthening Our Ability to “Earn” (share of Group companies reporting profits*)

We accelerated our efforts to improve the earning power of unprofitable affiliates or to withdraw from them. As a result, the share of Group companies reporting profits set a record high of more than 80%.



Years ended March 31

* The number of Group companies reporting profits as a percentage of the number of companies included in consolidation

STAGES

Record-high Profits

Fiscal 2012

¥300.5 billion

Fiscal 2013

¥280.3 billion

Fiscal 2011

¥161.1 billion

New Growth Stage

Brand-new Deal 2012

(Fiscal 2012–2013)

Earn, Cut, Prevent

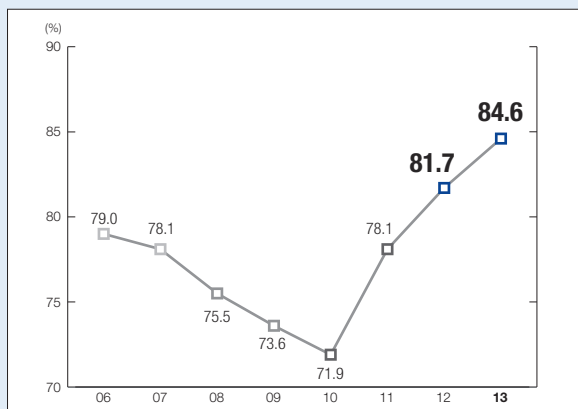
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For further information, please refer to the inside pages for the results of “Brand-new Deal 2012.”

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Brand-new Deal 2012

Earn, Cut, Prevent

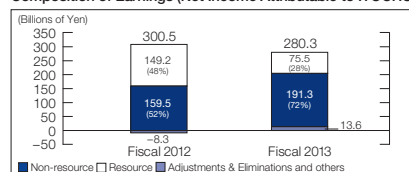
Basic Policies:
Strengthen Our Front-line Capabilities
Proactively Seek New Opportunities
Expand Our Scale of Operations

Quantitative Review

Billions of Yen	Fiscal 2012		Fiscal 2013	
	Plan	Result	Plan	Result
Net income attributable to ITOCHU	240.0	300.5	280.0	280.3
Total assets	6,400.0	6,507.3	7,000.0	7,117.4
Net interest-bearing debt	2,200.0	2,014.9	2,300.0	2,185.6
Stockholders' equity	1,350.0	1,363.8	1,550.0	1,765.4
NET DER	1.6 times	1.5 times	1.5 times	1.2 times

- In fiscal 2012, we achieved net income attributable to ITOCHU of ¥300.5 billion, a record-high level.
- In fiscal 2013, although we recognized a significant impairment loss on resource-related investment, we did achieve our planned target through higher performance in the non-resource sector, which is one of our strengths.
- We expanded our scale of operations through aggressive investment while maintaining financial discipline. (NET DER: 1.2 times)

Composition of Earnings (Net Income Attributable to ITOCHU)



(Note 1) % composition is calculated with the total for the operating segments, before Adjustments & Eliminations and others.
 (Note 2) The steel products business is included in the non-resource sector.

Investment Review

- The amount of gross investment under “Brand-new Deal 2012” was increased from the initial planned level of ¥800.0 billion to ¥1 trillion at the beginning of fiscal 2013.
- Over two years, we implemented ¥970.0 billion in investment, thereby realizing our basic policy of “expanding our scale of operations.”
- The ratio of non-resource to resource investment was 1:1.

Billions of Yen	Brand-new Deal 2012 Revised Plan	Gross Investment Amount			
		Two-year Total		Fiscal 2012	Fiscal 2013
		(¥)	(%)		
Natural Resource / Energy-related Sector	500.0 – 600.0	485.0	(50%)	380.0	105.0
Consumer-related Sector	150.0 – 250.0	265.0	(27%)	130.0	135.0
Machinery-related Sector	100.0 – 200.0	150.0	(15%)	70.0	80.0
Chemicals, Real Estate, and others Sector	50.0 – 150.0	70.0	(7%)	40.0	30.0
Total	1,000.0	970.0	(100%)	620.0	350.0

Major Investments

Billions of Yen	Fiscal 2012	Fiscal 2013	Result (2-year period)	Revised Plan (2-year period)
Natural Resource / Energy-related Sector	<ul style="list-style-type: none"> ■ Drummond Colombia Coal ■ Additional Investment in Brazil Japan Iron Ore Corporation (NAMISA) ■ Maules Creek ■ South Africa Platreef Project ■ IMEA expansion ■ Samson Investment Company ■ ACG expansion, others 	<ul style="list-style-type: none"> ■ IMEA expansion ■ ACG expansion, others 	485.0	500.0 – 600.0
	380.0	105.0		
Consumer-related Sector	<ul style="list-style-type: none"> ■ Shandong Ruyi Science & Technology Group ■ Kwik-Fit, others 	<ul style="list-style-type: none"> ■ Teraoka Seisakusho Co., Ltd. ■ HYLIFE ■ METSA FIBRE, others 	265.0	150.0 – 250.0
	130.0	135.0		
Machinery-related Sector	<ul style="list-style-type: none"> ■ Shepherds Flat Wind Project ■ Century Tokyo Leasing Corporation ■ Desalination project in Victoria, Australia, others 	<ul style="list-style-type: none"> ■ Toyo Advanced Technologies Co., Ltd. ■ U.K.'s Bristol Water ■ Desalination project in Victoria, Australia ■ Shepherds Flat Wind Project ■ CSC Automated, CSC ESI, others 	150.0	100.0 – 200.0
	70.0	80.0		
Chemicals, Real Estate, and others Sector	<ul style="list-style-type: none"> ■ CIAM (CITIC International Assets Management) ■ Commercial Real Estate Fund (Overseas), others 	<ul style="list-style-type: none"> ■ Agromate ■ Toda Kogyo Corp. ■ UAF (United Asia Finance) capital increase, others 	70.0	50.0 – 150.0
	40.0	30.0		
Gross Amount	620.0	350.0	970.0	1,000.0
Net Amount	510.0	220.0	730.0	
Exit Amount	(110.0)	(130.0)	(240.0)	

THE BACKGRO

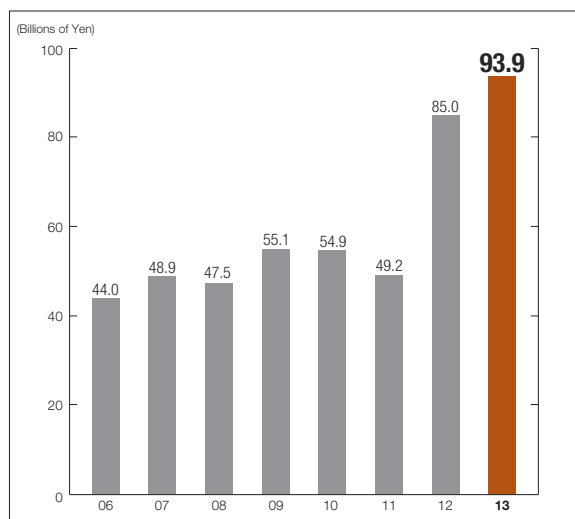
Background to New Medium-Term Management Plan

Strength 1 Leading Position in the Consumer-related Sector

In the consumer-related sector, which comprises Textile, Food, and ICT, General Products & Realty, we have the largest earnings scale in the industry, and our leading position in this sector is one of our strengths. In addition, we are also focusing on boosting earnings in Machinery and Chemicals, thereby expanding the scale of our earnings in the non-resource sector, which is made up of the consumer-related sector plus the basic industry-related sector including Machinery and Chemicals. Consequently, we have achieved a well-balanced portfolio between the non-resource and resource sectors.

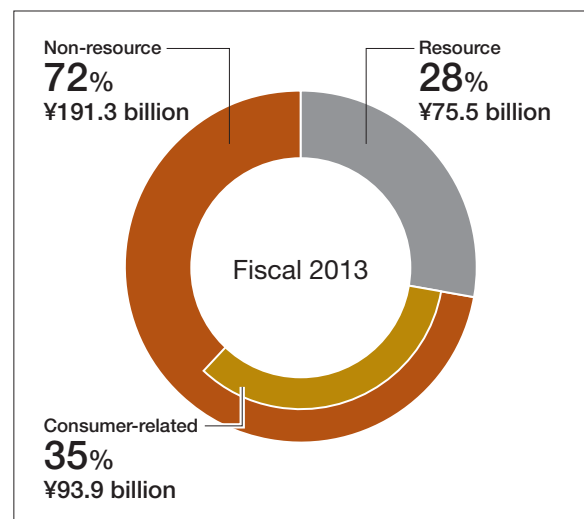
▶ For further information, please refer to page 28, Special Feature “Aiming to be the No. 1 trading company in the non-resource sector.”

Net Income Attributable to ITOCHU in the Consumer-related Sector



Years ended March 31

Composition of Earnings (Net income attributable to ITOCHU)



(Note 1) % composition is calculated with the total for the operating segments, before Adjustments & Eliminations and others.

(Note 2) The steel products business is included in the non-resource sector.

Business Opportunity

Toward an Environment in Which We Can Expect to Achieve Stable Growth in the Consumer-related Sector

We believe that ASEAN countries will continue to record solid expansion in domestic demand and that China will transition from high levels of growth led by exports and public investment to stable growth led by consumer spending. In industrially developed countries, the United States is in a recovery phase, and in Japan, large-scale monetary and fiscal measures to boost the economy are expected to have a positive effect on consumer spending, although careful attention will be necessary following the increase in the consumption tax rate. On the other hand, commodity prices, which have a significant effect on our earnings, are expected to be firm over the medium to long term, with growth in demand supported by economic growth in emerging countries. In the short term, however, the future course of the business environment is expected to remain highly uncertain.

UND

Strength 2 Bolstered Financial Base

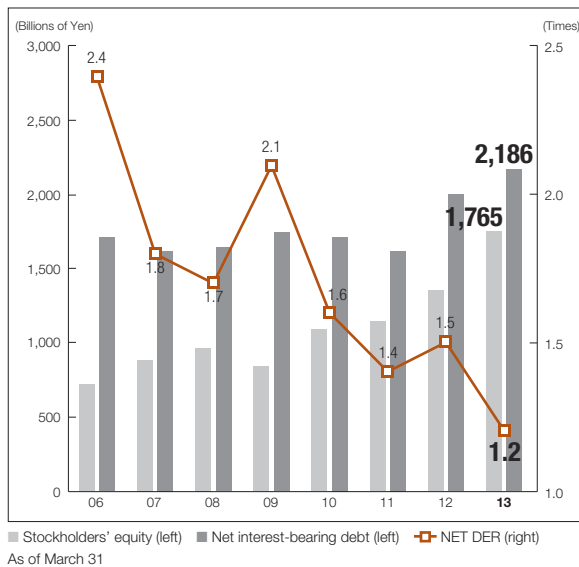
Sound Financial Position

Positioning NET DER as an important indicator for financial soundness, we have strengthened our financial position by reducing interest-bearing debt and by increasing stockholders' equity through the accumulation of profits. Under "Brand-new Deal 2012," we implemented a record-high level of investment, but maintained a sound financial position, with a NET DER of 1.2 times at the end of March 2013.

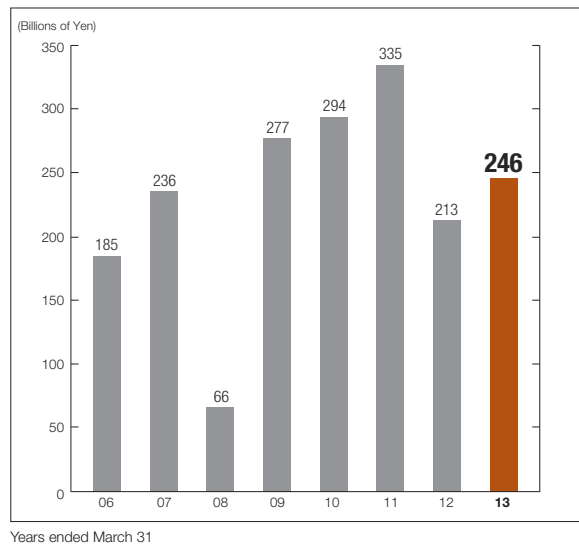
Generating Stable Cash Flows

In addition to accumulating profits, we have taken steps to generate cash flows from operating activities, such as rigorously managing the collection of cash from customers and heightening the dividend payout ratios of associated companies. As a result, we have the capability to achieve the stable generation of cash flows from operating activities of more than ¥200.0 billion.

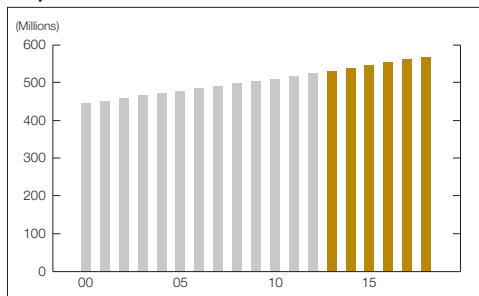
Stockholders' Equity / Net Interest-bearing Debt / NET DER



Cash Flows from Operating Activities



Population Forecast for ASEAN-5*



* Indonesia, Malaysia, the Philippines, Thailand, and Vietnam
Source: International Monetary Fund, World Economic Outlook Database, April 2013

To Seize **Business Opportunity** by Leveraging **Strengths**

Brand-new Deal 2014



Fiscal 2014–2015 Medium-Term Management Plan

ITOCHU, on the Move

Brand-new Deal 2014

—Aiming to be the No. 1 Trading Company in the Non-Resource Sector

Brand-new Deal 2014 Basic Policies

→ Boost Profitability

- Reap benefits from large-scale investments
- Increase profitability of existing business
- Aggressively take on promising new projects

→ Pursue Balanced Growth

- Maintain balance between non-resource and resource sectors
- Reinvigorate domestic and trading businesses

→ Maintain Financial Discipline and Lean Management

- Sustain a sound NET DER
- Place priority on operating cash flow
- Reduce stock holdings in non-affiliate companies
- Further improve ratio of SG&A expenses to gross trading profit

Fiscal 2014 Quantitative Plan

Billions of Yen	Fiscal 2013 Result	Fiscal 2014 Plan
Gross trading profit	915.9	1,000.0
Operating income	244.2	280.0
Equity in earnings of associated companies	85.9	120.0
Net income attributable to ITOCHU	280.3	290.0

- Due to continued growth in profits in the non-resource sector, the plan calls for Net income attributable to ITOCHU of ¥290.0 billion in Fiscal 2014, an increase of ¥9.7 billion year on year.

Billions of Yen	Fiscal 2013 Result	Fiscal 2014 Plan
Total assets	7,117.4	7,500.0
Net interest-bearing debt	2,185.6	2,650.0
Total ITOCHU stockholders' equity	1,765.4	1,900.0
NET DER	1.2 times	1.4 times

- The plan calls for NET DER of around 1.4 times.
- For consolidated stockholders' equity, taking into accounts the accumulation of profits and the payment of dividends, the plan calls for ¥1.9 trillion, an increase of ¥130 billion over March 31, 2013.

Assumptions	Fiscal 2013 Result	Fiscal 2014 Plan	(Reference) Sensitivities on net income attributable to ITOCHU against forecast
Exchange rate (¥/US\$)	82	90	¥-2.0 billion (¥1 appreciation against US\$)
Interest rate (%) Yen TIBOR	0.32	0.30	¥-5.0 billion (1% increase)

Change in Investment Classification

Brand-new Deal 2012		Brand-new Deal 2014	
Consumer-related	➔	Non-resource	Consumer-related ■ Textile ■ Food ■ ICT, General Products & Realty
Machinery-related			Basic Industry-related ■ Machinery ■ Chemicals ■ Petroleum Products ■ Steel Products
Chemicals, Real Estate, and others		Resource	Resource-related ■ Metal and Mineral Resources ■ Energy Resources
Natural Resource / Energy-related			

Investment Policies

Over two years, the plan calls for investment of ¥800 billion on a net basis, and the maximum amount on a gross basis will be ¥1 trillion.

- Aim for disciplined growth while maintaining financial soundness.
- Strictly select profitable projects and facilitate investment exits through more rigorous monitoring.

Ratio of non-resource to resource investment will be 2:1.

- We will emphasize the expansion of our earnings platform in the non-resource sector, which is one of our strengths, and in which comparatively stable profits are expected, and the ratio of non-resource to resource investment will be 2:1.

Goals by Key Sector

Non-resource	Consumer-related	<ul style="list-style-type: none"> ■ Maintain No. 1 industry position ■ Increase profits while maintaining a balance between trade and affiliate operations ■ Reinvigorate domestic business
	Basic Industry-related	<ul style="list-style-type: none"> ■ Bolster machinery and chemicals ■ Reinforce trading and expand existing operations ■ Lay groundwork for businesses in which we are aiming for the No. 1 position
Resource		<ul style="list-style-type: none"> ■ Increase earnings capacity by reducing costs and expanding operations in existing businesses ■ Strengthen relationships with partners ■ Increase asset efficiency by promoting asset replacement

Affiliate, Overseas, and Human Resource Policies

Affiliate Policies

- Strengthen monitoring of existing businesses
- Promote liquidation / consolidation of low-efficiency businesses
- Reinforce development of personnel who will manage operating companies

Overseas Policies

- Continue overseas development under leadership of Division Companies
- Cultivate strong partners in growth markets
- Increase number of personnel stationed overseas

Human Resource Policies

- Move ahead with reallocation of human resources, including from / to overseas offices and affiliate companies
- Bolster overseas trainee system to foster acquisition of second languages other than English
- Support the further development of female role models in their career track

Internal Control and Corporate Governance

Risk Management

- Strengthen consolidated risk management system and continue appropriate management of concentration risk

Internal Control and Compliance

- Enhance internal control in accordance with the business risks in each organization
- Continue to strengthen the overseas compliance system
- Establish system for effective, efficient investigation and monitoring of bribery and collusive bidding risks in Japan and overseas

Corporate Governance

- Maintain the current corporate governance system, which is based on the Board of Directors including outside directors and the Board of Corporate Auditors, half or more of whom are outside corporate auditors.

INVESTMENT

ITOCHU's Approach to Business Investment

■ Fundamental Approach and Decision-making Process

We advance into areas in which we can leverage our distinctive strengths, and starting from those areas we create a chain of new businesses with a view to further increasing earnings. In addition to strategic alliances, business investment is an important means of implementing these initiatives. Based on our strategic goals, we choose the optimal format from a range of methods and investment ratios, such as establishing a subsidiary ourselves, investing to strengthen partnerships, and participating in management or turning a company into a subsidiary with the objective of increasing the corporate value of the companies in which we have invested.

As a principle, we hold assets in which we have invested for a long period of time, and after making investments we fully utilize our own capabilities and work to maximize the corporate value of the companies that we have invested in

as well as Group earnings. We are expanding earnings in a multifaceted manner, such as earnings from trade, profits from businesses in which we have invested, and capital gains.

In making investments, decisions are made after the appropriateness of our investment is considered in light of our investment criteria. In line with the amount of the investment, we have established a screening process with multiple stages, such as DMC*¹ and HMC*² approval. After making investments, we implement annual reviews. When we decide to withdraw from investments due to such considerations as scale of earnings, investment efficiency, or strategic significance, we steadily exit from the investments.

*1 DMC: Division Company Management Committee

*2 HMC: Headquarters Management Committee

▶ For detailed information about the decision-making process, please refer to page 99, Examples of Risk Management.

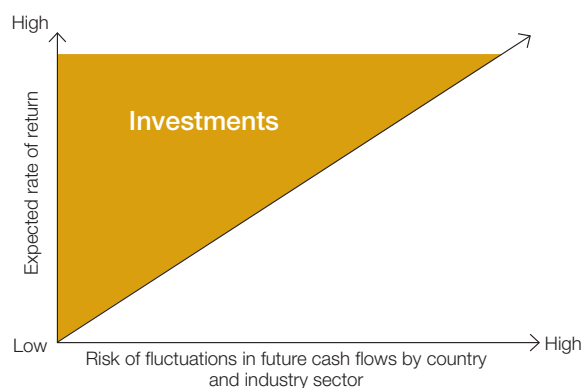
Investment Decisions

■ Investment Criteria

In making investment decisions, we calculate the net present value based on free cash flows, using a hurdle rate, by country and industry sector, based on a pre-determined cost of capital, and evaluate investment efficiency. Because we use a hurdle rate that reflects the risk of fluctuations in future cash flows, by country and industry sector, it is possible to make investment decisions in accordance with the characteristics of countries and industries, and we can choose from a broader range of superior projects. In addition to investment efficiency, investment criteria include cash inflows into ITOCHU Corporation and the scale of earnings.

Meanwhile, as we accumulate stockholders' equity, we need to manage our business portfolio with even greater consideration of ROE. Accordingly, we are managing our business portfolio to ensure that companywide ROE does not deteriorate.

Investment Criteria

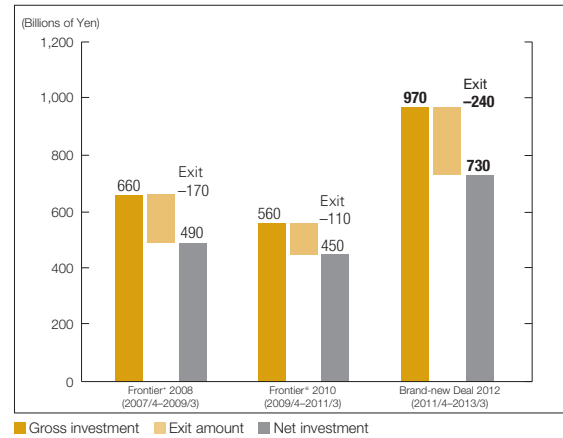


Asset Replacement

■ Continuous Asset Replacement

After making investments, we are continually exiting from low-efficiency assets that do not meet designated criteria for investment return even after a certain period of time has passed, or that have become less strategically significant. From fiscal 2008 to fiscal 2013, our gross investment was ¥2,190.0 billion and our net investment was ¥1,670.0 billion. This illustrates that we have exited from assets worth ¥520.0 billion while investing in growth areas.

Continuous Asset Replacement

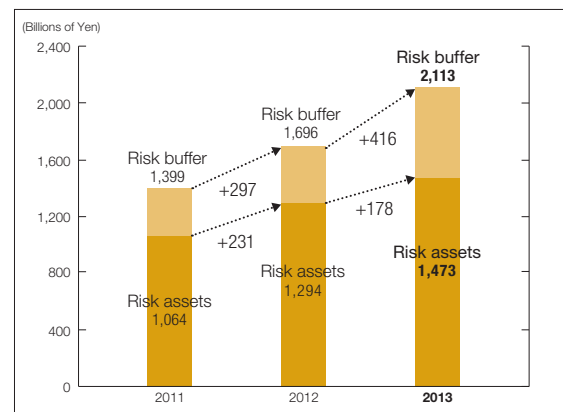


Risk Management

■ Managing Investment Risk Based on Risk Assets

We have introduced and are utilizing risk capital management. We calculate “risk assets” based on the maximum amount of the possible future losses from all assets on the balance sheet, including investments, as well as for all off-balance-sheet transactions. Our basic policy is to control risk assets within the limits of the risk buffer (consolidated stockholders’ equity + noncontrolling interest). The amount of risk assets at the end of March 2013 stood at 70% of the risk buffer.

Risk Assets at the End of March 2013



As of March 31

■ Maintaining Financial Soundness

We are working to maintain financial soundness through continuous asset replacement and risk capital management. During the period covered by “Brand-new Deal 2014,” which sets an upper limit of ¥1 trillion for investment on a gross basis, we will maintain a sound NET DER and redouble our focus on cash flows from operating activities.

In addition, we will aim to achieve a credit rating of “A flat” from U.S.-based credit rating agencies following Japanese credit rating agencies*.

* Ratings of ITOCHU's long-term debt as of March 31, 2013 are Japan Credit Rating Agency (JCR): AA-, Rating and Investment Information (R&I): A, Moody's Investors Service: Baa1, and Standard & Poor's (S&P): A-.

CFO / CSO / CAO

■ Message from the Chief Financial Officer (CFO)



Tadayuki Seki

CFO

Under our previous medium-term management plan, “Brand-new Deal 2012,” we proactively sought new opportunities, making a record-high level of investment. Meanwhile, we implemented asset replacement by selling off investments delivering insufficient returns and strove to expand stockholders’ equity by accumulating net income attributable to ITOCHU. As a result, as of March 31, 2013, our net debt-to-equity ratio (NET DER) was 1.2 times and risk assets were at 70% of the risk buffer. Thus our indicators of financial stability remained at a sound level even as we expanded our scale of operations.

The new medium-term management plan, “Brand-new Deal 2014,” calls for us to continue making new investments, which will increase total assets and interest-bearing debt, but we will maintain sound financial stability indicators. As our asset portfolio is not overly weighted toward the resource sector, which is characterized by high earnings volatility, I do not believe that we need to keep NET DER below 1.0 times. Given our current asset portfolio, we aim to maintain this ratio at 1.0–1.5 times. We will also control our risk assets to within our risk buffer. Furthermore, we will redouble our focus on cash flows from operating activities. Collecting cash by boosting profits on existing investments and raising the efficiency of working capital should increase our ability to generate operating cash flows. In addition, we will reduce our stock

holdings in non-affiliate companies and promote asset replacement through more rigorous monitoring. These moves should enable us to maintain or increase asset efficiency while improving cash flows from investing activities.

We are at the point where augmenting profitability and steadily improving our financial position should lead to further raising our credit rating. Achieving an “A flat” credit rating from U.S. credit rating agencies following Japanese ones will increase the diversity and flexibility in funding which supports growth strategy.

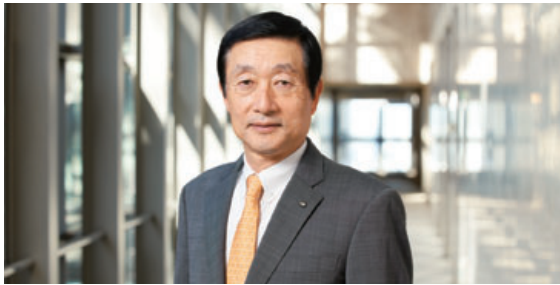
As for expanding stockholders’ equity, we aim to further consider higher return on equity (ROE) and to maintain high capital efficiency.

To strengthen our risk management structure, we establish appropriate risk management systems at each of our Group companies and share more extensively on a Groupwide basis our basic beliefs on the processes for managing key categories of risk. Meanwhile, we respond appropriately to the various risks we face. With regard to concentrated risks, we establish individual asset limits for particular areas of business, set country-specific exposure limits that take into account multiple factors such as each country’s political and economic conditions, and regularly monitor the risks. Thus, we prevent excessive concentration of risk. As to the risk of interest rate rises, we use a management method that employs loss-cut limits on interest rate fluctuations, and fix our interest rates if necessary.

In preparation for the introduction of International Financial Reporting Standards (IFRS), we have already been implementing full-fledged initiatives with a full-time organization that will spearhead our efforts in this regard.

I believe that maintaining financial discipline through the measures outlined above will support our sustainable growth and lead to increased earnings.

■ Message from the Chief Strategy Officer (CSO)



Koji Takayanagi

CSO

Implementing the basic policies in “Brand-new Deal 2012”—“strengthen our front-line capabilities,” “proactively seek new opportunities,” and “expand our scale of operations”—led to record-high profits in fiscal 2012, and we also reached the targets outlined in our initial plan in fiscal 2013, despite a difficult business environment. Over this two-year period, we invested approximately ¥970.0 billion, our highest level to date, and steadily accumulated superior assets. We also implemented organizational reforms that evened out the scale of earnings and the size of organizations. These organizational reforms are enabling us to pursue more precise management throughout our organization.

Our new medium-term management plan, “Brand-new Deal 2014,” calls for us to boost earnings by steadily reaping the benefits of the large-scale investments we made under the previous medium-term management plan. We will also aim for balanced growth between domestic and overseas operations and between earnings from affiliates and trade, by reinvigorating domestic and trading businesses, as well as between the resource and non-resource sectors. We have set our gross investment limit at ¥1 trillion (a net investment amount of ¥800 billion), and will strictly select projects, continuing to aggressively take on superior new projects.

In an effort to enhance and strengthen corporate governance, we began appointing outside directors in fiscal 2012. ITOCHU’s management benefits from the advice of outside people with diverse perspectives, which stimulates the Board of Directors and leads to more effective management supervision. We also place priority on the independence of outside directors, in keeping with our objective of ensuring the transparency of the Board of Directors’ decision making.

■ Message from the Chief Administrative Officer (CAO)

Nowadays, companies are called upon not only to achieve sustainable growth but also to contribute to the realization of more prosperous societies through sound business activities. In particular, ITOCHU conducts businesses on a global basis, and we fully recognize that we must contribute to global society by developing and conducting businesses that help solve social issues such as environmental conservation and respect for human rights.

Under our previous medium-term management plan, “Brand-new Deal 2012,” in fiscal 2013 we worked together with the Division Companies to move forward on projects. At the same time, we proactively undertook training initiatives involving environmental conservation and respect for human rights, as well as on-site compliance training. We received high third-party evaluations as a result; being selected as a corporation that excels in ESG (Environmental, Social, and Governance) by the Tokyo Stock Exchange Group, Inc. (currently known as Tokyo Stock Exchange, Inc.), and receiving the Key Firm of Integrity Award 2013 for Excellence from Integrex Inc., a socially responsible investment (SRI) screening organization that acts as the award body’s secretariat.

Our new medium-term management plan, “Brand-new Deal 2014,” calls for us to step up proactive Corporate Social Responsibility (CSR) in order to solve the issues



Toru Matsushima

CAO

that society faces through our businesses. We have added promoting the sustainable use of resources throughout the supply chain to our Basic Policies for CSR Promotion, and selected four CSR material issues to address through our businesses. In these ways, we are striving to live up to our corporate philosophy, “Committed to the Global Good,” from a long-term perspective.

In April 2013, we appointed a woman as an executive officer, becoming the first Japanese general trading company to do so. To strengthen our human resources capabilities, we will continue pursuing initiatives focused on the career of each individual employee as well as on diversity, including measures to encourage female employees to realize their full potential.



BRAND VALUE CHAIN



Steadily Reinforced Strengths

01: Added Value Creation by Advancing the SIS Strategy P30

02: Targeting the No. 1 Position in the Industry through Continuous Innovation of Business Models P33

Special Feature

Aiming to be the No. 1 the Non-Resource Sec

A Foundation of Steadily Reinforced Strengths

Our results in fiscal 2013 demonstrate the true value of our earning power in the non-resource sector, centered on the consumer-related sector.

In fiscal 2013, the European debt crisis deepened, economic growth in China and other emerging countries slowed, and earnings in the natural resource / energy-related sector declined significantly. In this environment, we could achieve initial plans in fiscal 2013, thanks mainly to the non-resource sector, in which net income attributable to ITOCHU increased 20% year on year, from ¥159.5 billion in fiscal 2012 to ¥191.3 billion in fiscal 2013, to set a new record high.

Within the non-resource sector, we are the No. 1 trading company in earnings from the consumer-related sector, which accounted for 35% of net income attributable to ITOCHU, ¥93.9 billion, in fiscal 2013. Under “Brand-new Deal 2014,” our new medium-term management plan, we are aiming to become the No. 1 trading company in the

VALUE × CHAIN BRAND

Accelerating the Transition to a Global Business Model Driven by Brands

Acquisition of Dole Food Company's Asian Fresh Produce Business and
Worldwide Packaged Foods Business P36

Trading Company in tor

non-resource sector. The key to achieving this goal will be our steadily reinforced strengths in the consumer-related sector. ITOCHU traces its origins to the textile business, and we have a history of expanding our business by building on consumer-related areas. On that basis, we have been taking a lead in the establishment of a business foundation and the accumulation of know-how. Also, when commodity prices were rising steeply in 2000s, we carefully planted seeds for future growth. Our current strengths are not something that can be reproduced overnight. Rather, they are the result of a steady process of reinforcement over an extended period of time.

This special feature provides detailed explanations of our strengths in the consumer-related sector, using the food and textile businesses as examples. In addition, we introduce a key initiative that represents the direction that we will take in the future as we strive to become the No. 1 trading company in the non-resource sector.

VALUE CHAIN

Steadily Reinforced Strengths 01: Added Value Creation by Advancing the SIS Strategy

One of Largest Value Chains in the Food Industry

Over the past 10 years, the Food Company has recorded growth averaging 14% a year in net income attributable to ITOCHU, and in fiscal 2013 set a new record high for earnings. With consumer spending in Japan remaining sluggish, the Food Company has achieved solid growth in its earnings, which now place it in the top ranks of Japanese general trading companies. The driving force behind this achievement has been the Strategic Integrated System (SIS) strategy.

The SIS strategy targets maximizing earnings through the establishment and reinforcement of the value chain that extends from upstream procurement of food resources to mid-stream product processing, and distribution and marketing and through to downstream retail businesses. This section explains the framework for expanding earnings through this value chain in accordance with three key words—trade, investment, and added value.

First, we make investments and build a value chain on the basis of our trade capabilities, which are among the largest in the industry and also a major pillar of our earnings in the food business. Starting with the 1998 investment in FamilyMart Co., Ltd., a major convenience store chain, we have steadily fortified our position. At the mid-stream level, in addition to strengthening our food manufacturing and product processing businesses, we also have a presence in the food distribution and marketing area through NIPPON ACCESS, INC., and ITOCHU-SHOKUHIN Co., Ltd., which are in the top ranks of the industry in terms of business scale and comprehensive capabilities. At the upstream level, we have established a grain export base in North America and are moving ahead with initiatives to secure food resources in Asia, Oceania, and other regions. By proactively opening stores in Japan and overseas, FamilyMart, discussed above, has built the No. 2 convenience store network in the world, centered on Japan and Asia. Next, we will explain added value in more detail.

ITOCHU's Capabilities in the Food Value Chain

Against a background of strong trade capabilities, we make investments and build a value chain.



Wholesale



Retail



FamilyMart: FamilyMart has built the No. 2 convenience store network in the world, centered on China and Asia. As the starting point of the SIS strategy, FamilyMart reflects consumer needs to the upstream level.



Food resources



Inland grain handling and logistics companies and export grain terminal of the United States: We have established a food resource supply base in one of the world's leading grain supply regions, and are providing a stable supply to meet demand in Japan as well as growing demand in Asia.

Raw materials / materials



Production



By leveraging capabilities and strengthening cooperative initiatives with affiliates and partners, we increase added value throughout the entire value chain.



NIPPON ACCESS: Through mergers, NIPPON ACCESS has realized one of the largest operational scales in the industry and has built a competitive business foundation for the integrated provision of the three main groups of fresh food products through a distribution network that can handle all temperature ranges.

Increasing Added Value in Businesses by Leveraging Capabilities

ITOCHU adds value to the businesses of the companies it invests in by drawing on the wide range of a general trading company's distinctive management resources and capabilities. These include raw material supply bases, sales channels, coordination capabilities, and management know-how. A representative example of our capabilities is the "optimization of raw material procurement" using our global procurement sources. For example, through stable procurement of high-quality raw materials from one of our overseas partners we contribute to the development of fried chicken, a major hit product for FamilyMart. Also, in private-brand confectionary, we took the lead in the establishment of a confectionary vendor dedicated to meeting the needs of FamilyMart, and that company is now handling product development.

We are supporting product development in a wide range of product areas, centered on fried chicken and other fast foods, rice balls, boxed lunches, sandwiches and other deli items, and private-brand products. This support includes not only raw material procurement but also the selection of manufacturers and product processors, as well as the procurement of containers and packaging materials. In this way, we reflect downstream consumer needs in upstream areas and provide support for the stable procurement of competitive raw materials. In addition, we support product development that addresses market needs in cooperation with wholesalers, manufacturers, and product processors, including Group companies. This framework embodies the true value of the SIS strategy.

NIPPON ACCESS handles almost all of the distribution of food products to FamilyMart stores, and consequently is responsible for the reflection of the consumer needs FamilyMart grasps back to the upstream level. ITOCHU turned NIPPON ACCESS into a subsidiary in 2006. Then we took the lead in promoting a merger among NIPPON ACCESS and three other food distribution and marketing companies in stages, resulting in one of the largest operational scales in the industry as mergers and capital / business alliances are accelerated in the retail and wholesale industries. In this initiative, we acted as a "coordinator," using our capabilities to bring together companies with diverse capabilities and assemble a business. The added value that results from this merger is not limited to increased operational efficiency

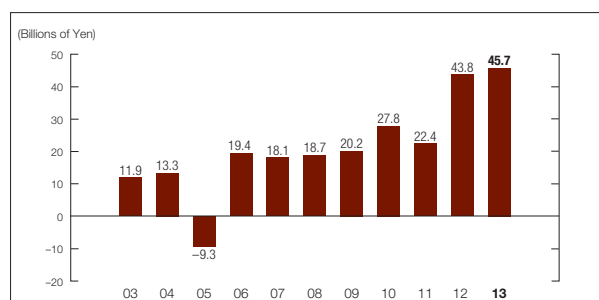
from expanded scale. NIPPON ACCESS has a distribution network that can handle all temperature ranges—ambient, frozen, and chilled. By taking advantage of the network, it can offer integrated provision of the three main groups of fresh food products—marine products, livestock products, and agricultural products, which was a specialty of the former ITOCHU Fresh Corporation Inc. Consequently, NIPPON ACCESS can offer higher value added services through consolidated product distribution.

By the geographical diversification of procurement sources, we can increase the stability of raw material supply to manufacturers. This is also an important source of added value for the upstream food resource procurement. In summer 2012, the most severe drought in approximately 60 years affected the Midwest of the United States, which is one of the world's top grain production belts. As a result, the grain production there fell significantly. Nonetheless, ITOCHU was able to continue the stable supply of feed grains and oilseeds and other grains to customers in the Asian markets including Japan and China. The reason was that our grain handling and logistics bases are dispersed across the Corn Belt, and through our affiliates we purchased such grains from farmers located across a vast area.

Continual Increases in Earnings through Vertical Integration and Lateral Development of Success Models

By fully leveraging our capabilities in the value chain, including the companies that we invest in, and strengthening cooperative initiatives with affiliates and partners, we increase added value throughout the entire value chain and promote trade within the Group. A good example of increasing added value in both directions in the value chain is the framework that the establishment of procurement sources for food resources leads to increased competitiveness in the retail area, as mentioned above. This framework also works in the other direction, where response to midstream and downstream needs lead to the expansion and diversification of food resources procurement sources. For ITOCHU, the strengthening of the value chain enables us to expand trade volumes and increase investment returns through growth in the earnings of affiliates. The Food Company's net income attributable to ITOCHU has increased 3.8 times, from ¥11.9 billion

Food Company's Net Income (Loss) Attributable to ITOCHU



Years ended March 31

Expanding Earnings through the SIS Strategy



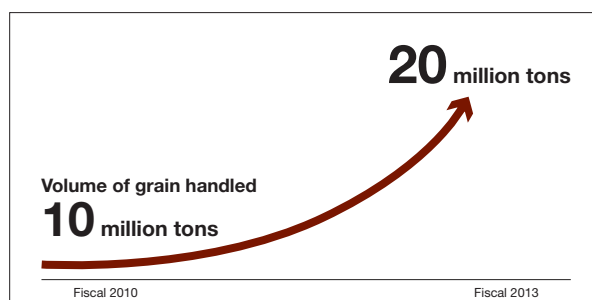
in fiscal 2003 to ¥45.7 billion in fiscal 2013. In addition, the amount of grain handled by the ITOCHU Group including its affiliates has risen from about 10 million tons in fiscal 2010 to about 20 million tons in fiscal 2013.

We are now advancing the global SIS strategy. Under this strategy, we are conducting lateral development of this domestic success model to Asia, centered on China, and to other markets around the world. We are steadily reinforcing our strengths in new markets as well. In China, we have taken a lead in deepening our relationships with partners, the key to overseas development by non-Chinese companies. For example, we have entered strategic alliances with many leading companies, such as TING HSIN (CAYMAN ISLANDS) HOLDING CORP., which is the holding company for a major food and distribution group. These relationships have been made possible by the business know-how and personal relationships that ITOCHU has cultivated in the Chinese market over more than 40 years. That know-how and those relationships are one of our major strengths.



Master Kong Chef's Table
(Ting Hsin Group)

Expanding Volume of Grain Handled by Expanding Supply Sources and Sales Channels



BRAND

Steadily Reinforced Strengths 02:

Targeting the No. 1 Position in the Industry through Continuous Innovation of Business Models

Pursuing Value Added Propositions for Customers—the Source of Our Competitiveness in the Textile Business

The textile business is the founding business of ITOCHU. Today, more than 150 years since its foundation, the textile business still makes a significant contribution to our earnings and plays a key role in the consumer-related sector.

In the 1970s, against a backdrop of voluntary restraints on exports to the United States, the appreciation of the yen, and the rise of textile industries in emerging countries, the structure of Japan's textile industry shifted from an export-oriented model to a domestic demand driven model. Under these circumstances, ITOCHU took a strong initiative in the brand business as we started importing men's fabrics under the YSL brand. Since then, ITOCHU has focused on making value-added propositions from customers' perspectives, and has consistently updated its business models to meet the changes of trends in the market. This approach is the source of our strength in the textile business. ITOCHU is the only general trading company that still maintains the textile business as an independent segment, and we have steadily held a leading position in the domestic textile industry.

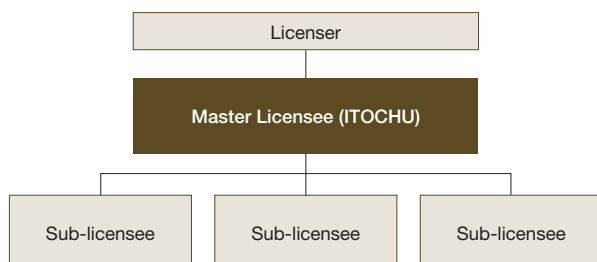
The brand business, arguably, is the source of our rapid growth for the Textile Company. ITOCHU has implemented aggressive measures to diversify its sources of earnings since the 1980s, when Japan entered an economic bubble and the market for luxury brands expanded. One such measure was our entry into the licensing business. We acquired master licensing rights and developed sub-licensing alliances with leading manufacturers of apparel, fashion

goods, and accessories. We expanded our brand portfolio by adding sports brands, brands targeted for general merchandise stores, and major import brands such as GIORGIO ARMANI. Through our experiences in the licensing business, branding has become our key value-added approach which allows us to take initiatives in the industry. Since 2000, we have upgraded our approach into the next level to create more sophisticated business models.

Leveraging Investment for More Sophisticated Business Models

For the past 10 years up to March 2013, the size of the domestic textile industry shrank. However, the Textile Company was able to perform annual growth at a rate of 12% over the same period, and the Textile Company's net income attributable to ITOCHU grew to approximately three times the figure 10 years ago. One source of the Textile Company's success was the acquisition of trademark rights and the implementation of direct investments in brand-holding companies. The purpose of these measures was to achieve long-term stability in commercial rights as ITOCHU was facing tremendous risks of losing its existing licensing rights when many overseas brand holders decided to establish independent operations in Japan and otherwise often requested changes in contract terms. Hence, we acquired numerous leading global brands, such as HUNTING WORLD, LeSportsac, and mila schön, acquired the trademark rights in Japan for CONVERSE, and invested in Paul Smith Group Holdings Limited.

Licensing Business Model



HUNTING WORLD



CONVERSE



LeSportsac



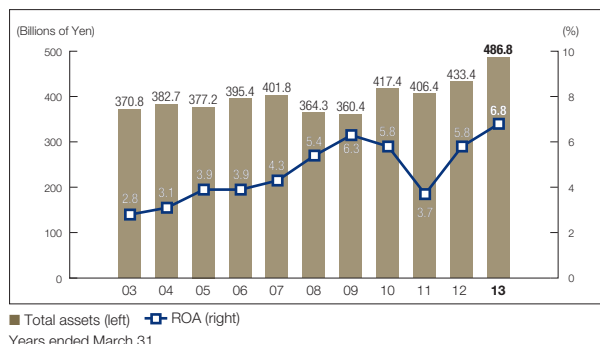
Paul Smith

While proactively making numerous investments, ITOCHU focused on maximizing returns by increasing brand values. One of our criteria in selecting brands was to focus solely on brands that had already earned high consumer awareness. Also, once we ensured we had an accurate grasp of the brand's positioning, we applied our comprehensive brand management processes for merchandising including sales channels, product development, and promotions. Thus, these processes allowed continuous increases in the brand's value.

Realigning Our Business Portfolio for Stronger Earnings

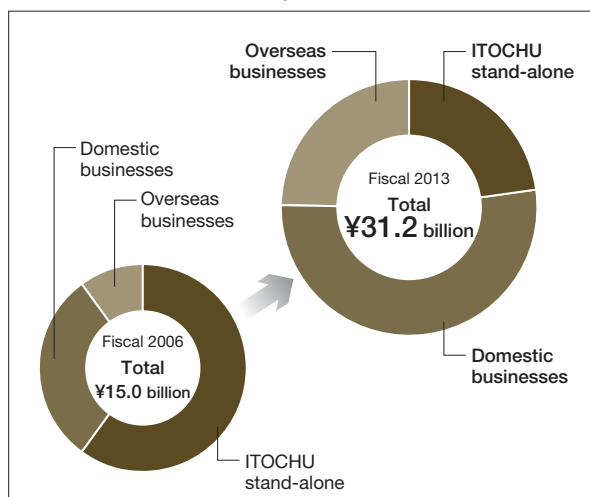
Over the past 10 years, the total assets of the Textile Company have been about ¥400.0 billion. On the other hand, ROA in fiscal 2013 marked a record-high 6.8%, compared with 2.8% in fiscal 2003. This improvement is mainly due to our decision to strategically shift our asset portfolio to downstream areas of the textile industry. Since 2000, we have made substantial progress in withdrawing from certain upstream and midstream assets such as spinning, weaving, and sewing plants as their roles gradually diminished. On the other hand, while aggressively investing in brands, we have also increased our equity positions in leading retail

Increasing Asset Efficiency through a Shift to Downstream Areas (Textile Company: Total Assets and ROA)



companies in the area of women's apparel, such as LEILIAN CO., LTD., and JAVA HOLDINGS CO., LTD. We have also invested in companies in the midstream market that we strongly believed could generate synergies with our investments in the downstream market. One of the examples is SANKEI CO., LTD., the largest garment materials company in Japan. The substantial improvement in asset efficiency that resulted from this shift toward downstream areas in our asset portfolio has been one of the major factors supporting our progress. Also, as a result of the investments in brands and domestic and overseas businesses, and of the proactive overseas business developments, we have shifted our earnings structure from ITOCHU stand-alone trade businesses to globally consolidated businesses and thus we have achieved high asset efficiency.

Shifting Earnings Structure from ITOCHU Stand-alone Trade Businesses to Globally Consolidated Businesses



Domestic businesses: Earnings of domestic subsidiaries / associated companies
Overseas businesses: Earnings of overseas subsidiaries / associated companies

Leveraging Our Strengths to Expand Our Business Domains

We have applied our downstream-oriented approach that we have developed in the fashion industry to a wider range of categories and, as a result, we have solidified our position as the industry leader in both business scope and earnings. Our current brand businesses are not limited to just fashion and apparel. Rather, we have expanded our business opportunities to the entire area of lifestyle categories, such as DEAN & DELUCA, a premium gourmet store from New York. In addition, we have taken advantage of our proven expertise and know-how to generate new opportunities abroad.



Le Pain Quotidien

In China, which has emerged as the second largest consumer market in the world, we are implementing initiatives in order to face changes in Chinese consumers' needs, which are undergoing a transition from quantity to quality. We have conducted a capital and business tie-up with Shanshan Group Co., Ltd., which is the parent company of the NINGBO SHANSHAN Group, a leader in apparel and brand retailing. We have also acquired shares in Shandong Ruyi Science & Technology Group Co., Ltd., a major textile-related corporate group. These partnerships were made possible by the relationships of trust that we have cultivated over many years, as well as the strong credentials that we have achieved in Japan.

Based on these partnerships, we have reinforced our foothold in the Chinese market.

We are also accelerating overseas brand



OUTDOOR PRODUCTS

development, especially targeting emerging countries with strong growth potential. In fiscal 2013, we acquired trademark rights for OUTDOOR PRODUCTS, the leading daypack brand from the United States, and secured the rights for 19 countries and regions in Asia, including Japan, as well as the Middle East and South America.

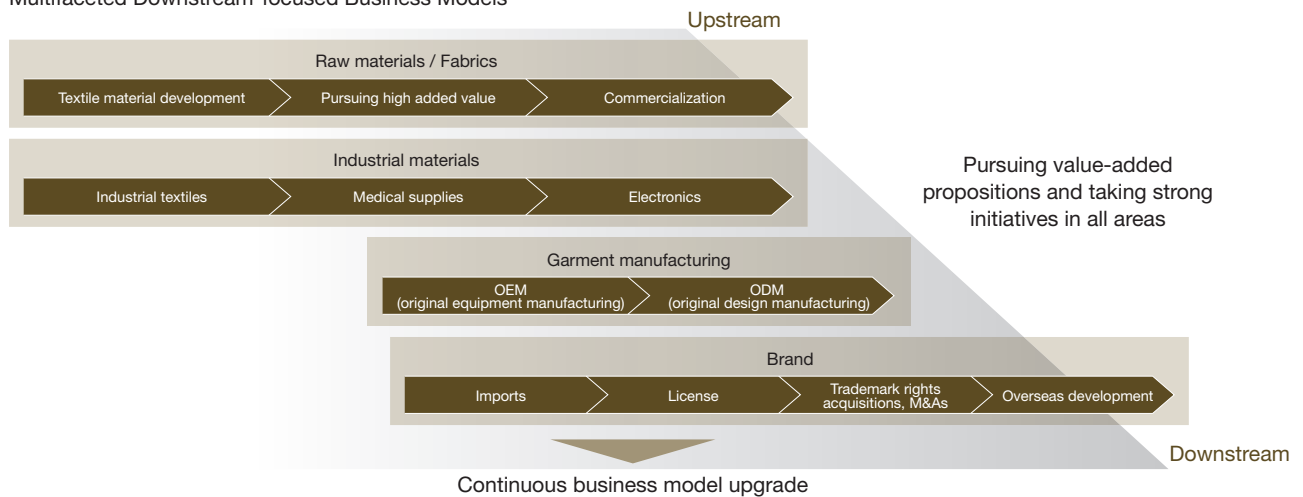
We are also further improving our production networks in Asia. In fiscal 2013, we acquired Bramhope Group Holdings Ltd., a major U.K.-based manufacturer and wholesaler of apparel products. The Bramhope Group is one of the top suppliers to Marks & Spencer in the United Kingdom. This acquisition holds strategic significance for ITOCHU.

Through this acquisition, we will be able to secure a new ASEAN-based production network with superior quality and cost competitiveness as well as establish a strong sales network in Europe.



Bramhope

Multifaceted Downstream-focused Business Models



Aiming to be the No. 1 Trading Company in the Non-Resource Sector

Under our new medium-term management plan, "Brand-new Deal 2014," our policy is to reinforce our earnings platform in the non-resource sector, in which we have strengths. The sector is resistant to economic fluctuations and can offer comparatively stable growth in earnings. In the consumer-related sector, which includes not only Textile and Food but also ICT, General Products & Realty, we will be able to capture consumer spending in China and ASEAN nations, where growth is expected, as well as new business opportunities in Japan. In the basic industry-related sector, we have taken steps to expand our platform for stable earnings. To that end, in Machinery we have acquired shares in Toyo Advanced Technologies Co., Ltd. We have also invested in the Bristol Water supply business in the United Kingdom and accumulated IPP assets. In addition, Marubeni-Itochu Steel Inc. and ITOCHU ENEX CO., LTD., have steadily boosted their

earning power and grown into leaders in their respective industries. In the future, we will continue aiming to be the No. 1 trading company in the non-resource sector. To that end, we will solidify our No. 1 position in the consumer-related sector and steadily boost our earnings in the basic industry-related sector. We took a major step toward those goals with our acquisition of the Asian fresh produce business and the worldwide packaged foods business of Dole Food Company, Inc., which is described in more detail in the following section. This initiative will enable us to fully demonstrate our strengths as the leader in the consumer-related sector through combining our management resources, such as the business foundation that we have established under the global SIS strategy described on the previous pages and the know-how that we have accumulated in the brand business.

Accelerating the Transition to a Global Business Model Driven by Brands

—Acquisition of Dole Food Company's Asian Fresh Produce Business and Worldwide Packaged Foods Business

The Dole Brand: Maintaining Strong Support around the World

Bananas can be found at every produce stand in the world. Their nutritional value and stable prices have earned bananas' strong and lasting popularity. Unlike other fruits, consumption of bananas in Japan is increasing, and since 2004 bananas have occupied the No. 1 spot in Japan in terms of consumption of fresh fruits*¹. Japan imports more than one million tons of bananas a year, with the Philippines accounting for more than 90% of that total*². Bananas from Dole Food Company, Inc., make up about 30% of Japan's imports of bananas from the Philippines. Moreover, the Dole brand accounts for more than half of Japan's pineapple imports, as well as about 70% of the celery and 80% of the Romaine lettuce that Japan imports from the United States. Even in Asia as a whole, Dole has the No. 1 sales share in bananas and pineapples.

In the packaged foods business, Dole has a wide variety of No. 1 sales products, especially in the North American

No. 1 Share in Asia as a Whole in Bananas and Pineapples

Country	Product	Market share (sales basis)
Japan	Bananas	31%
	Pineapples	53%
South Korea	Bananas	30%
	Pineapples	26%
China	Bananas	12%
	Pineapples	48%

Results for 2011

No. 1 Position in North America in Fresh Produce and Packaged Foods Markets

Product	North American market share (sales basis)
Canned pineapple	56%
Pineapple juice	57%
Fruit cups	49%
Fruit jars	54%

Results for 2011

market. In canned pineapple, pineapple juice, fruit cups, and fruit jars, Dole has market shares of around 50%. In April 2013, ITOCHU acquired the Asian fresh produce business and the worldwide packaged foods business of Dole Food Company, the world's largest producer and marketer of fresh fruits and vegetables.

*1 Source: Ministry of Internal Affairs and Communications, Family Income and Expenditure Survey

*2 Source: Ministry of Finance, Trade Statistics of Japan

Solid Foundation: A Relationship of Trust Cultivated for Nearly Half a Century

In May 2012, Dole Food Company released a strategic business review dealing with measures to further increase shareholder value. One of the options in the review was to find a partner, and ITOCHU was selected to fill that role. The fact is that Dole Food Company and ITOCHU have already had a deep business relationship for many years.

In the 1960s, Japan's imports of bananas were increasing after imports were liberalized in 1963. These bananas



came not only from Taiwan, which had previously been a source of imports, but also from Ecuador and other South American countries. Castle and Cooke, the predecessor of Dole Food Company, focused on the Philippines as a stable production base and began talks with ITOCHU as an importer and seller for the Japanese market. Subsequently, Dole Food Company pursued production technologies and produced high-quality bananas, and ITOCHU carved out new sales routes. Through this exceptional teamwork, the Dole brand expanded its share in the Japanese market. Bananas from the Philippines took the No. 1 spot in Japan in 1973*3, only seven years after Dole Food Company and ITOCHU began working together in this alliance. The two companies then developed a close cooperative relationship, with ITOCHU handling the entire volume of imports to Japan of fruits and vegetables from Asia. For nearly 50 years Dole Food Company and ITOCHU have worked together and nurtured their relationship of trust as they developed the Dole brand into one of the leading food brands in Japan. That relationship is the reason why Dole Food Company selected ITOCHU for the recent acquisition.

*3 Source: Ministry of Finance, Trade Statistics of Japan

Leveraging Valuable Management Resources to Generate Substantial Synergies

ITOCHU established a new wholly owned subsidiary, Dole International Holdings, Inc., which then acquired the businesses from Dole Food Company.

Dole Food Company had production bases in the two largest production centers of bananas and pineapples in Asia—the Philippines and Thailand. Asia is expected to be the largest center of consumption, and these two bases make it possible to meet growing demand as well as to hedge risk through the dispersion of production sites. This was one of the major strengths of the Dole Food Company's Asian fresh produce business and a clear advantage over other large fresh produce companies. On the other hand, the fresh produce business in other regions, centered on North America has important centers of production in Central and South America, and the synergies with ITOCHU's existing businesses are limited. Consequently, we decided to focus on the fresh produce business in Asia. However, we decided



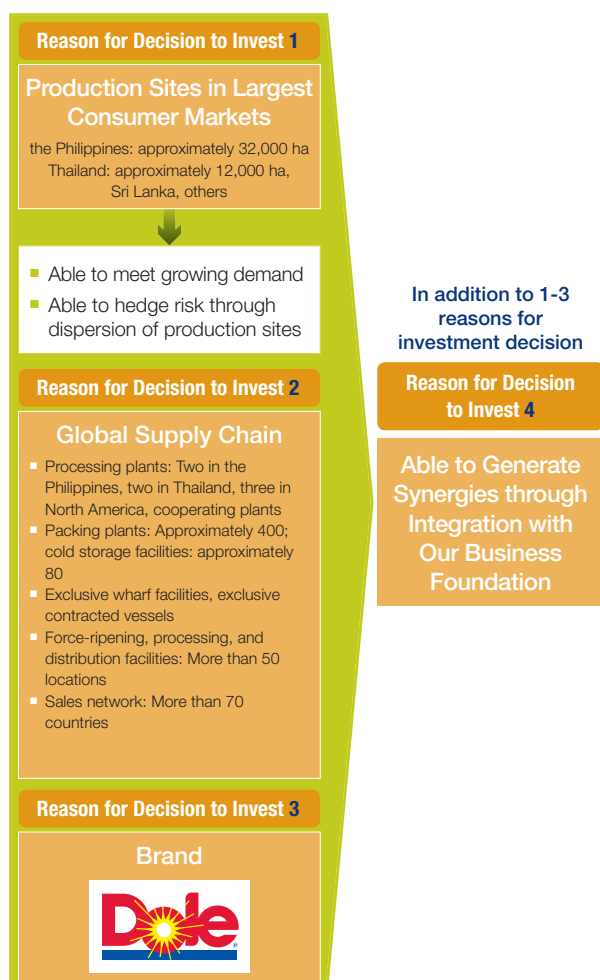
to enter the packaged foods business on a worldwide basis. We believe that we can further increase the high share in North America, the world's largest market, and that we can increase sales in regions outside North America through the use of our global supply chain.

Through this investment, ITOCHU has acquired a wide range of valuable management resources. We now have plantations mainly in the Philippines and Thailand, as well as 24 processing plants in operation, centered on directly operated plants—two in the Philippines, two in Thailand, and three in North America. In addition, we have about 400 packing plants and about 80 cold storage facilities. We also have exclusive wharf facilities and exclusive contracted vessels, as well as forced-ripening*, processing, and distribution facilities in more than 50 locations. Moreover, our sales network extends to more than 70 countries. More than anything else, however, the biggest management resource is the Dole brand, which is loved by people around the world.

In addition to this global supply chain and the Dole brand, about 34,000 employees who work with pride have been a major plus for the operation of this business since the acquisition.

After the investment, we are aiming to create substantial synergies and significantly increase corporate value of Dole International Holdings by combining these management resources with our business foundation.

* Processing to increase sweetness, soften the pulp, and ripen fruits to the point where they are ready to eat



Accelerating the Transition to a Global Business Model through the Generation of Synergies

Following the acquisition, ITOCHU will now be able to proactively advance strategic investments, including expanding agricultural land by leveraging our financial resources; implement joint procurement, such as of canning and packaging materials in conjunction with suppliers and affiliates in Japan and overseas; and integrate logistics operations. However, the most significant synergy that we are targeting is increasing sales of Dole products by the use of our logistics infrastructure and value chain. While Dole Food Company has reinforced its foothold in China and Asia—where growth in consumer spending is expected to lead to increased consumption of bananas and pineapples—we believe that there is still plenty of room to expand the share of the Dole brand through alliances with our partners, who have sales networks and are well versed in local dietary culture and business practices.

Through the SIS strategy, ITOCHU has deepened its market knowledge while extending its value chain from Japan to China and Asia. In markets such as China, Indonesia, the Philippines, and Thailand, ITOCHU has partnered with companies that have a substantial market presence and established business infrastructure, such as sales channels and logistics networks. Moreover, FamilyMart, which represents a point of direct contact with consumers, is working to expand its store network in China and Asia.

Moving forward, we will combine this business foundation with Dole-brand products. For example, in China consumers are increasingly focused on quality and concerned with food safety and security. In this setting, high-quality products with guaranteed security, such as Sweetio bananas, which have a high sugar content, are highly competitive. In addition to alliances with our partners, we will also work to expand our Dole business by establishing new logistics frameworks, such as distribution to mass retailers. In addition to China, we can expand sales of Dole-brand products throughout Asia by leveraging our abundant sales channels while making alliances with partners in each country and strengthening the Group's distribution capabilities. At the same time, we will also be able to make further progress in the local markets (retail / downstream) that we have advanced in each country.

The use of Dole Food Company's sales network in more than 70 countries will further expand those possibilities. The sales channels for the products that we handle will be extended to new regions and the SIS strategy immediately will be expanded to global markets. This represents a major step forward in the transition from our previous "import to meet domestic demand in Japan" business model, where products for Japan were procured overseas and then sold in Japan, to a truly global business model that targets local markets around the world.

Transition from the Previous “Import to Meet Domestic Demand” Business Model to a Truly Global Business Model that Targets Local Markets around the World



Immediately Advancing in the Global Market through Brand Power

Moving forward, ITOCHU will assemble strong teams of experts in fruits and vegetables, packaged foods, and brand businesses. These teams will advance the brand strategy to increase the corporate value of Dole International Holdings.

“We have built this company on quality, on quality, and on quality.” As expressed in the motto of founder James Dole, Dole Food Company followed a quality-first philosophy and implemented rigorous quality control from production to processing, distribution, and sales. This focus on quality was the key to the success of the Dole brand, which will be the driving force behind our acceleration of the transition to a global business model in the food business.

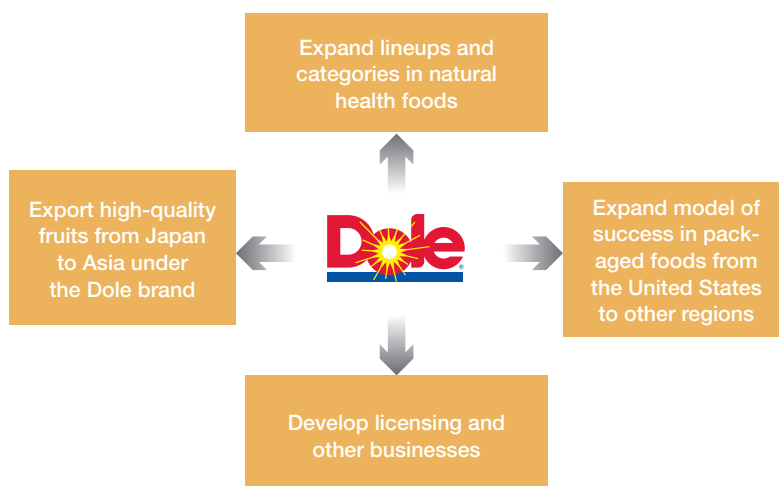
ITOCHU has been successful in the brand business, and much like Dole Food Company, ITOCHU has the know-how to build and advance a brand-based business model. We will strive to leverage global brand value and expand business

opportunities as we add value to products. The concept is “health and nutrition.”

From its origins in canned foods, the packaged foods business in North America has developed an extensive product lineup that includes fruit cups, juices, dried fruits, and frozen fruits. In addition, it has also created new food categories, such as Fruit Smoothie Shakers (fruit and yogurt kits) and Banana Dippers (frozen banana slices covered in chocolate). Consequently, the sales of North American packaged foods operations are now about three times the level of 10 years ago. We will extend this example of success to other regions. In addition, we will expand product lineups and categories that are aligned with the “health and nutrition” concept. For example, we will move beyond the current focus on pineapple-based products to offer vegetable- and fruit-based natural health foods targeted for breakfast, such as berry smoothies.

In the Asian fresh produce business, we will leverage the network that we have cultivated with agricultural producers

Brand Strategy Based on the Concept of “Health and Nutrition”



in Japan. We are now considering exporting high-quality fruits produced by farmers with advanced cultivation technologies under the Dole brand to Asia, where the brand is penetrating. For example, we can substantially expand our opportunities by adding guarantees of safety and security to such products as Japan's apples, persimmons, and peaches, for which there is strong and lasting demand among high income groups in Asia. Another possibility is the expansion of sales of Dole-branded vegetables in Japan. The Dole brand also has the potential to help support the invigoration of Japanese agriculture.

In advancing our strategy, the know-how that we have cultivated in the brand business will be a key strength. For example, in surveying and analyzing consumers' expectations for the Dole brand, which are the starting point of the brand strategy, we can draw on our know-how in such areas as brand positioning analysis. In the licensing business, our knowledge in the area of brand management, which entails integrated management of such elements as sales channel strategy, pricing strategy, and advertising strategy, will be a competitive edge.

In expanding product lineups, such as the lineup of natural health foods, we will draw on the technologies cultivated at the Dole Food Company's laboratories and on the networks of manufacturers in Japan, which have advanced technologies.

The two owners of the Dole brand—Dole Food Company and ITOCHU—will leverage their management resources and increase the value of the Dole brand around the world.

Deepening Relationships with Producing Regions and Reducing Weather Risk

With consideration for the distinctive characteristics of agribusiness, we will also focus on business sustainability. The relationship between Dole International Holdings and its workers, especially the workers at its production bases in the Philippines and Thailand, will have a major influence on business sustainability as well as on elements of competitiveness, such as productivity and quality. Heretofore, the Dole Food Company has not only created jobs but also taken other steps to support the development of the local communities where it operates, such as raising living standards and contributing to lifestyle stability through improvement of such social infrastructure as schools. The employees are proud to work at Dole Food Company. The tradition of commitment to "Dole" together with these communities is behind the fact that Dole Food Company has been continuing its business for nearly half a century. To respect such tradition, we have established a management system centered on the managers who have a thorough knowledge of the Dole Food Company.

From the viewpoint of business sustainability, we are also taking steps to handle weather risk. Over the long term, Philippine banana plantations face little risk from typhoons and provide stable production volume. However, in 2012 these plantations were damaged by a typhoon for the first time since operations were commenced there. We will take steps to reduce weather risk by dispersing production sites, including the expansion of banana production in Sri Lanka and the opening up of new production centers, such as through trial cultivation and consigned cultivation in Vietnam and Indonesia.



Dole's banana plantation



Dole's pineapple plantation

Aiming to be an Asia-based Leading Global Food Company

We are making steady progress in transitioning to a global business model through Dole International Holdings as its platform. We have already begun to consider alliances with various companies in Japan and overseas in addition to those with existing partners. We are already beginning to see the anticipated results in opening new sales channels, and have also been approached by producers in Japan interested in exports.

Moving forward, we will accelerate the implementation of initiatives to become the largest integrated agricultural product (fresh food and product processing) company in Asia and then an Asia-based leading global food company.



Numbers

42 Ten-year Highlights

46 Ten-year Summary

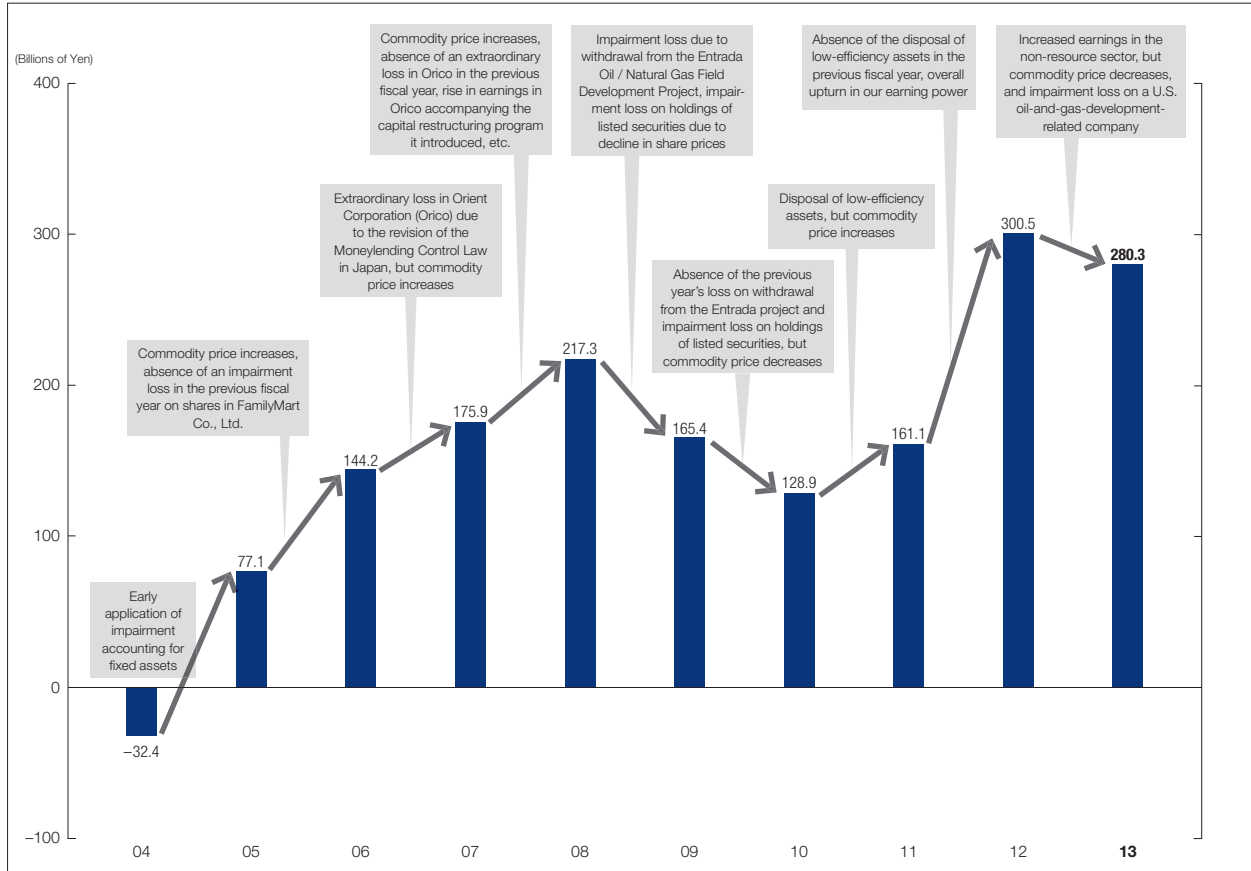
48 Highlights by Operating Segment (Five years)

50 Net Income (Loss) from Major Group Companies (Five years)

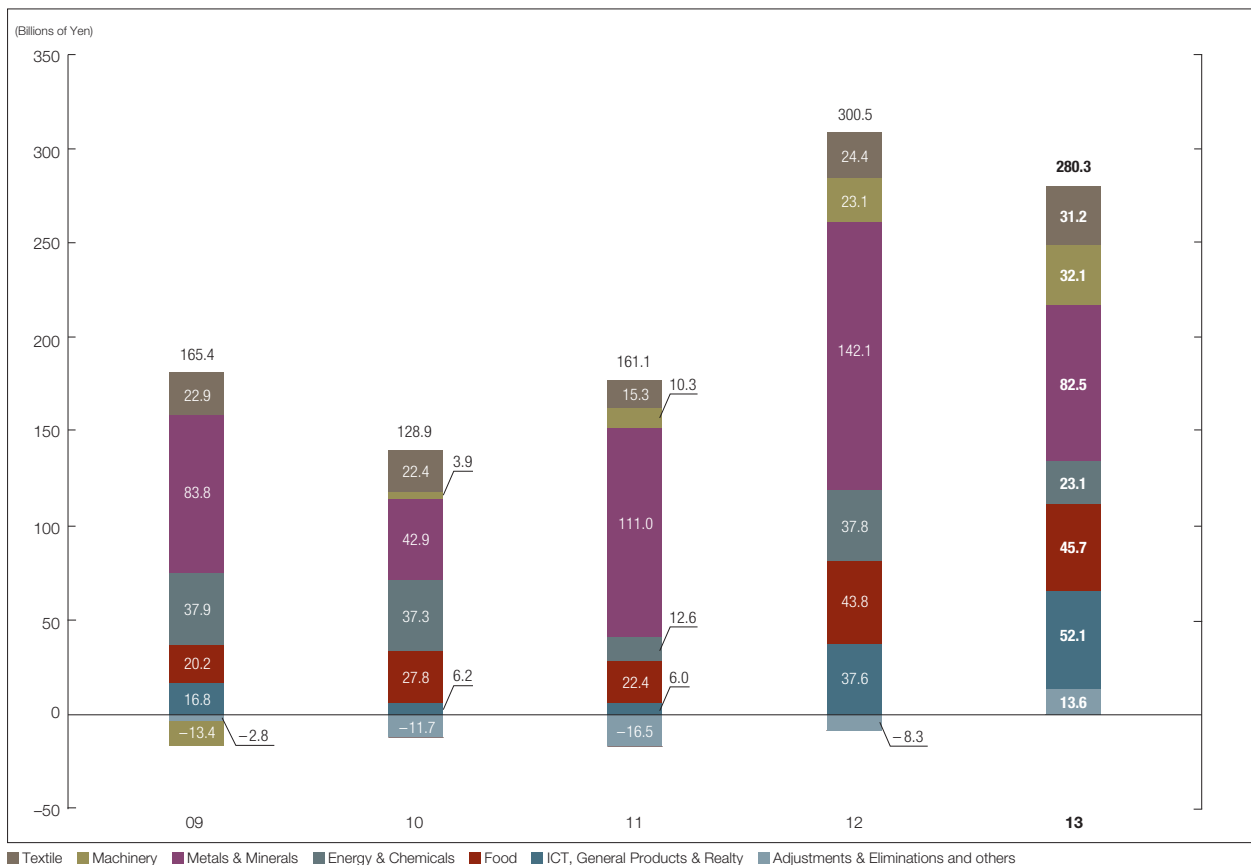
Ten-year Highlights

ITOCHU Corporation and Subsidiaries
Years ended March 31

Net Income (Loss) Attributable to ITOCHU

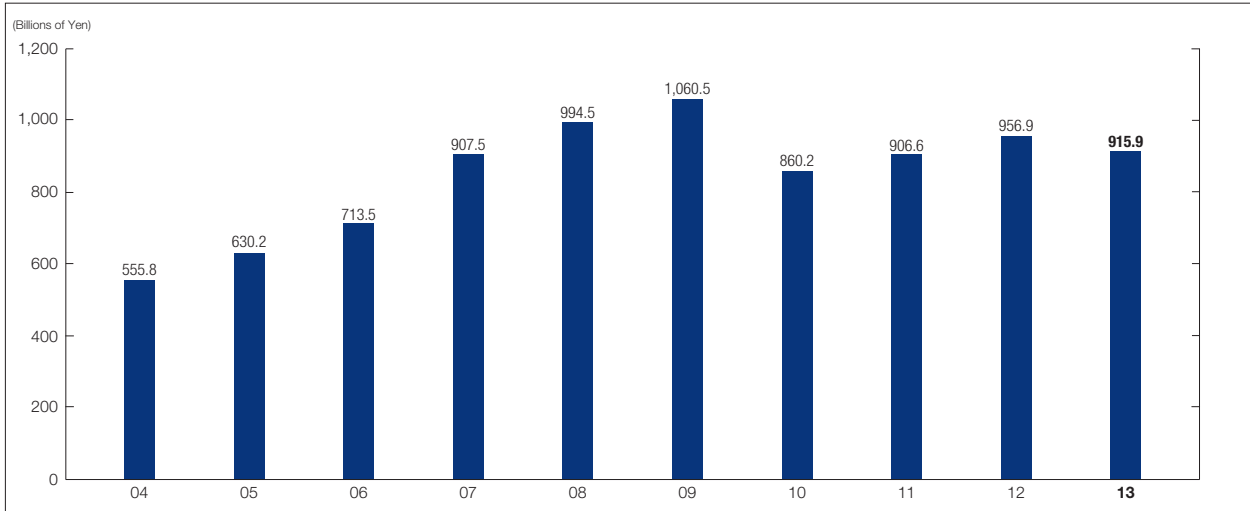


Net Income (Loss) Attributable to ITOCHU by Operating Segment

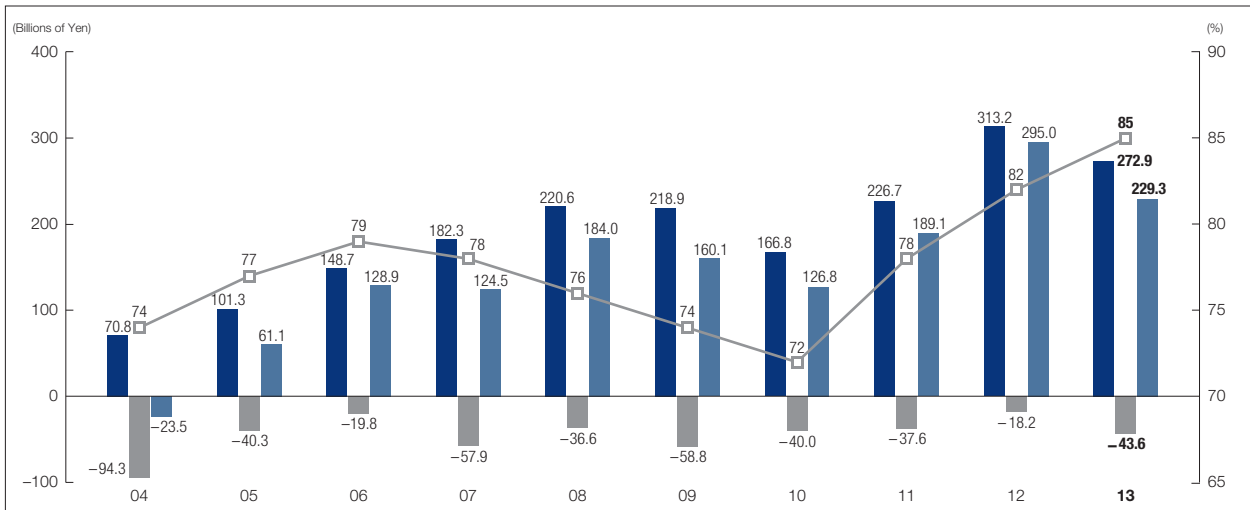


■ Textile ■ Machinery ■ Metals & Minerals ■ Energy & Chemicals ■ Food ■ ICT, General Products & Realty ■ Adjustments & Eliminations and others

Gross Trading Profit



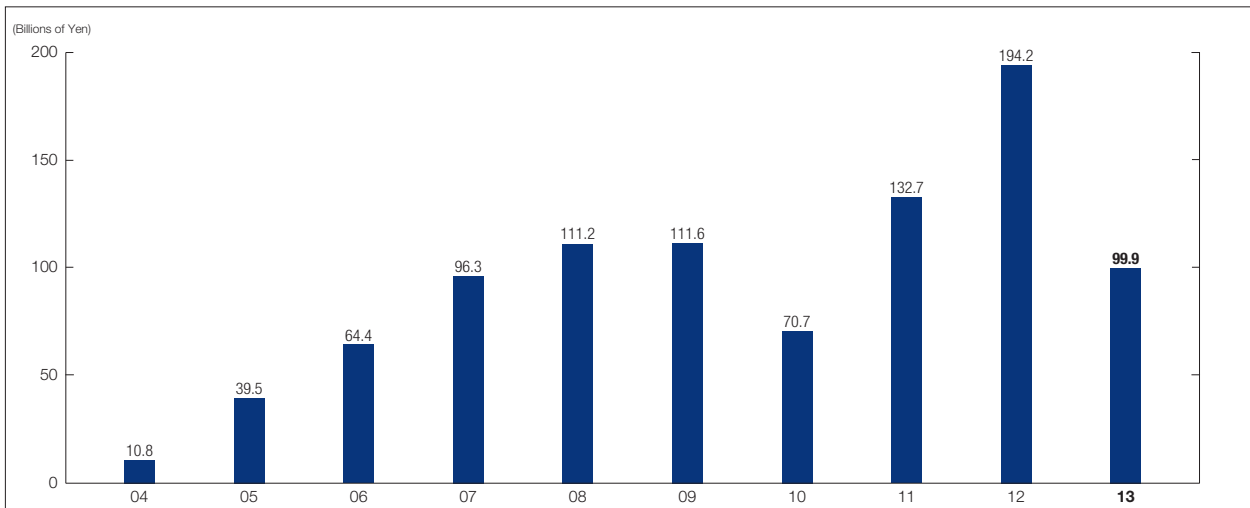
Net Income (Loss) from Subsidiaries and Equity-method Associated Companies



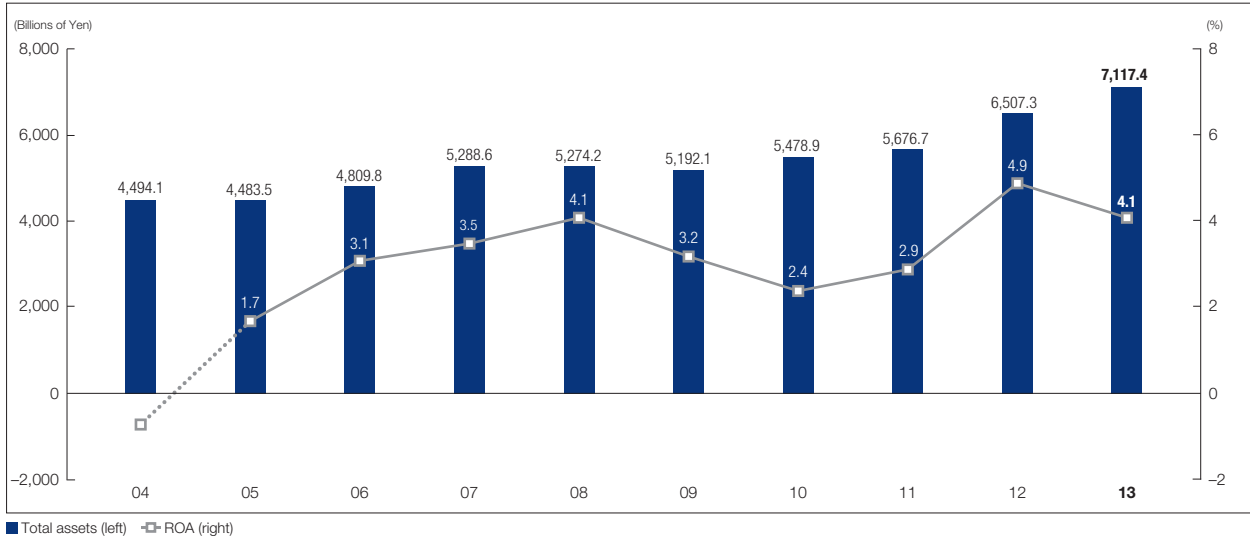
■ Companies reporting profits (left) ■ Companies reporting losses (left) ■ Net income (loss) from subsidiaries and equity-method associated companies (left)
 □ Share of Group companies reporting profits* (right)

* the number of Group companies reporting profits as a percentage of the number of companies included in consolidation

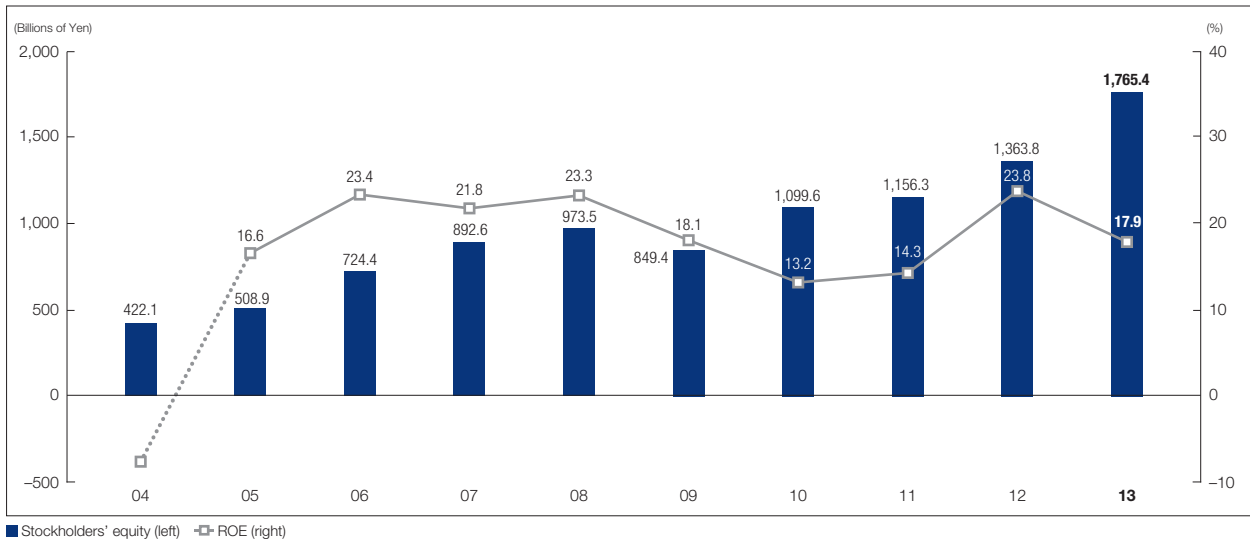
Earnings from Overseas Businesses



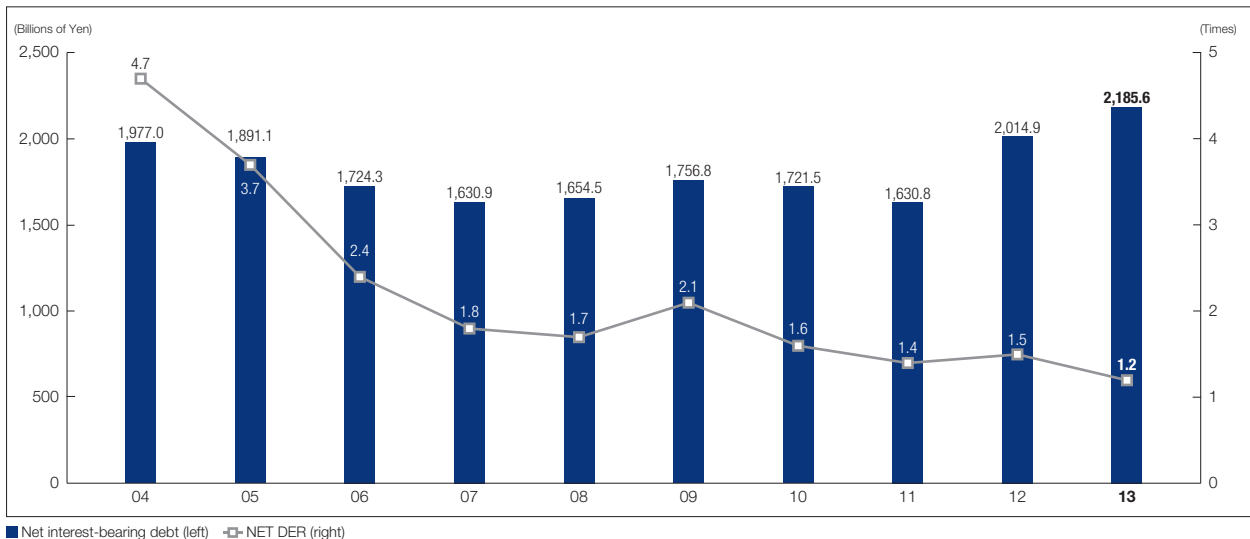
Total Assets / ROA



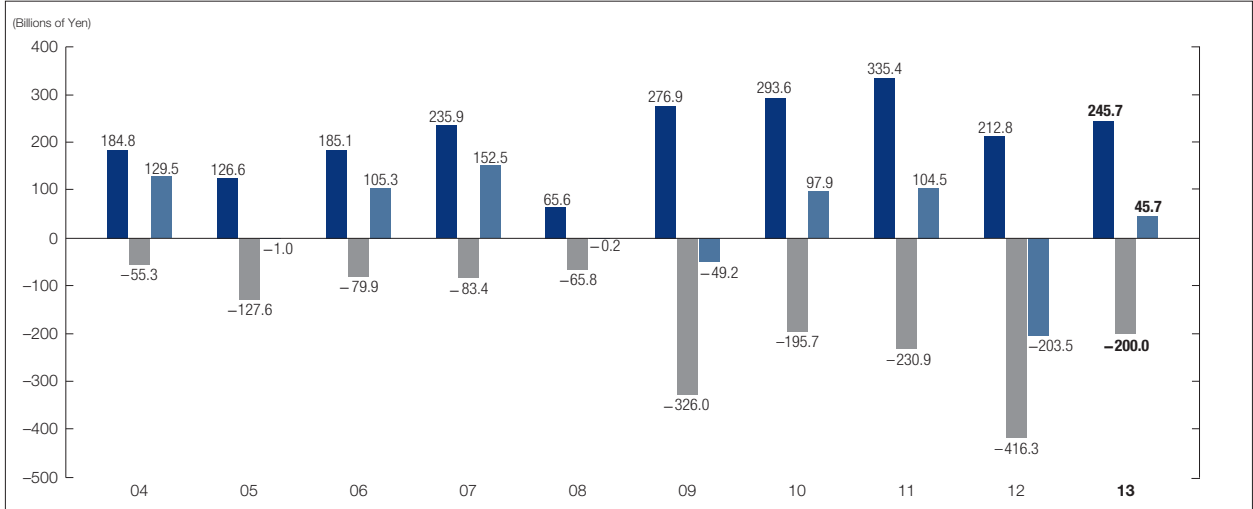
Stockholders' Equity / ROE



Net Interest-bearing Debt / NET DER

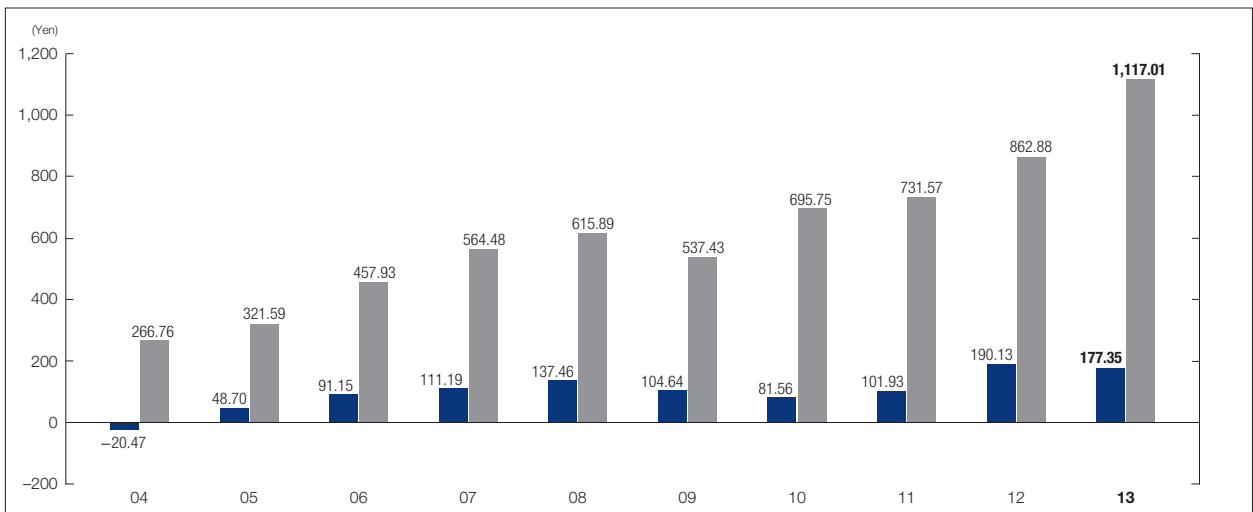


Cash Flows



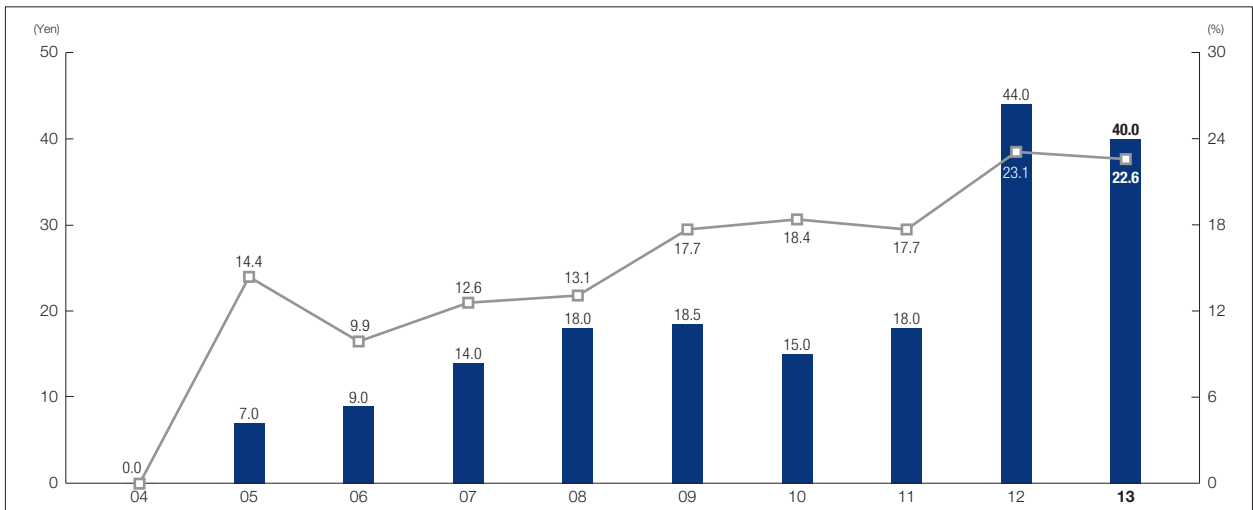
■ Cash flows from operating activities ■ Cash flows from investing activities ■ Free cash flows

Basic Net Income (Loss) Attributable to ITOCHU per Share / Stockholders' Equity per Share



■ Basic net income (loss) attributable to ITOCHU per share ■ Stockholders' equity per share

Cash Dividends per Share / Dividend Payout Ratio



■ Cash dividends per share (left) □ Dividend payout ratio (right)

Ten-year Summary

Years ended March 31

	Millions of Yen				
	2004	2005	2006	2007	2008
For the fiscal year:					
Revenue	¥1,738,636	¥1,990,627	¥2,217,393	¥2,646,037	¥2,859,853
Gross trading profit	555,784	630,150	713,546	907,511	994,547
Net financial income (expenses)* ¹	(14,215)	(6,878)	(7,816)	(7,555)	(7,709)
Net interest expenses* ²	(24,743)	(21,040)	(26,032)	(29,218)	(32,156)
Dividends received	10,528	14,162	18,216	21,663	24,447
Equity in earnings (losses) of associated companies	22,859	31,764	51,737	(20,069)	70,238
Net income (loss) attributable to ITOCHU	(32,378)	77,063	144,211	175,856	217,301
Comprehensive income (loss) attributable to ITOCHU	48	86,803	233,342	223,307	108,990
At fiscal year-end:					
Total assets	¥4,494,100	¥4,483,505	¥4,809,840	¥5,288,647	¥5,274,199
Stockholders' equity	422,091	508,893	724,377	892,553	973,545
Net interest-bearing debt* ³	1,977,048	1,891,086	1,724,314	1,630,928	1,654,532
Cash flows:					
Cash flows from operating activities	¥184,780	¥ 126,624	¥185,147	¥ 235,917	¥ 65,552
Cash flows from investing activities	(55,300)	(127,600)	(79,871)	(83,394)	(65,774)
Cash flows from financing activities	(79,695)	(125,342)	(85,193)	(100,920)	(81,294)
Cash and cash equivalents at end of year	579,565	452,934	477,707	532,856	446,311
(Reference)					
Total trading transactions* ⁴	¥9,509,374	¥9,562,614	¥10,456,727	¥11,556,787	¥11,729,082
Adjusted profit* ⁵	100,565	188,196	251,210	240,766	333,673
Yen (Unless otherwise specified)					
	2004	2005	2006	2007	2008
Per share*⁶:					
Basic net income (loss) attributable to ITOCHU	¥ (20.47)	¥ 48.70	¥ 91.15	¥111.19	¥137.46
Stockholders' equity	266.76	321.59	457.93	564.48	615.89
Cash dividends	—	7.0	9.0	14.0	18.0
Ratios:					
Gross trading profit ratio (%)	5.8	6.6	6.8	7.9	8.5
ROA (%)	—	1.7	3.1	3.5	4.1
ROE (%)	—	16.6	23.4	21.8	23.3
Ratio of stockholders' equity to total assets (%)	9.4	11.4	15.1	16.9	18.5
Net debt-to-equity ratio (NET DER) (times)	4.7	3.7	2.4	1.8	1.7
Interest coverage (times)	2.7	5.7	5.7	6.7	6.1
Number of subsidiaries and associates (at year-end)*⁷	645	656	651	651	626
Number of employees (at year-end, consolidated)	40,737	40,890	42,967	45,690	48,657

All figures are for fiscal years, which begin on April 1 of the years preceding and extend through March 31.

The Japanese yen amounts for the fiscal year ended March 31, 2013 have been translated into U.S. dollar amounts, solely for the convenience of the reader, at the rate of ¥94.05 = U.S.\$1, the official rate of The Bank of Tokyo-Mitsubishi UFJ, Ltd., as of March 31, 2013.

*1 Net financial income (expenses) = Net interest expenses + Dividends received

Calculation formula (Fiscal 2013: ¥ million): 20,572 = (14,054) + 34,626

*2 Net interest expenses = Interest income + Interest expense

Calculation formula (Fiscal 2013: ¥ million): (14,054) = 9,153 + (23,207)

*3 Net interest-bearing debt = Interest-bearing debt – Cash, cash equivalents and time deposits

Calculation formula (Fiscal 2013: ¥ million): 2,185,623 = 2,762,459 – 576,836

*4 "Total trading transactions" is presented in accordance with Japanese accounting practice and is not meant to present sales or revenue in accordance with U.S. GAAP.

*5 Adjusted profit = Gross trading profit + SG&A expenses + Net financial income (expenses) + Equity in earnings (losses) of associated companies

Calculation formula (Fiscal 2013: ¥ million): 351,023 = 915,879 + (671,319) + 20,572 + 85,891

Millions of Yen					Increase (Decrease)	Millions of U.S. Dollars
2009	2010	2011	2012	2013	2013/2012	2013
¥3,419,061	¥3,418,220	¥3,581,795	¥4,197,525	¥4,579,763	9.1	\$48,695
1,060,521	860,187	906,587	956,920	915,879	(4.3)	9,738
5,582	3,535	6,780	15,184	20,572	35.5	219
(29,457)	(25,365)	(16,722)	(12,819)	(14,054)	9.6	(149)
35,039	28,900	23,502	28,003	34,626	23.7	368
41,304	36,269	60,617	102,748	85,891	(16.4)	913
165,390	128,905	161,114	300,505	280,297	(6.7)	2,980
(92,334)	270,570	106,041	249,983	475,819	90.3	5,059
¥5,192,092	¥5,478,873	¥5,676,709	¥6,507,273	¥7,117,446	9.4	\$75,677
849,411	1,099,639	1,156,270	1,363,797	1,765,435	29.4	18,771
1,756,764	1,721,464	1,630,764	2,014,898	2,185,623	8.5	23,239
¥ 276,854	¥ 293,597	¥ 335,361	¥ 212,830	¥ 245,661	15.4	\$ 2,612
(326,033)	(195,698)	(230,866)	(416,315)	(199,990)	(52.0)	(2,126)
258,322	(256,568)	53,202	84,704	(11,323)	(113.4)	(120)
628,820	480,564	633,756	513,489	569,716	10.9	6,058
¥12,065,109	¥10,308,629	¥11,323,793	¥11,904,749	¥12,551,557	5.4	\$133,456
339,292	195,552	333,098	395,477	351,023	(11.2)	3,732
Yen (Unless otherwise specified)					Increase (Decrease)	U.S. Dollars
2009	2010	2011	2012	2013	2013/2012	2013
¥104.64	¥ 81.56	¥101.93	¥190.13	¥ 177.35	(6.7)	\$ 1.89
537.43	695.75	731.57	862.88	1,117.01	29.5	11.88
18.5	15.0	18.0	44.0	40.0	(9.1)	0.4
8.8	8.3	8.0	8.0	7.3		
3.2	2.4	2.9	4.9	4.1		
18.1	13.2	14.3	23.8	17.9		
16.4	20.1	20.4	21.0	24.8		
2.1	1.6	1.4	1.5	1.2		
7.2	5.3	10.7	13.5	12.4		
420	413	393	366	356		
55,431	62,379	62,635	70,639	77,513		

*6 "Basic net income (loss) attributable to ITOCHU per share" and "Stockholders' equity per share" are calculated by using the number of shares issued and outstanding.

*7 "Number of subsidiaries and associates" represents the number of subsidiaries and associates directly invested by ITOCHU Corporation or its overseas trading subsidiaries from the fiscal year ended March 31, 2009.

Certain subsidiaries changed their fiscal periods in the fiscal year ended March 31, 2012. The effect of these changes has been reflected in figures of certain items for the fiscal years ended March 31, 2011 and 2010.

As a result of the ITOCHU Group's integration of the food distribution and marketing business, the items in which distribution cost related to these operations has been included were changed from the beginning of the fiscal year ended March 31, 2012. The relevant amounts in the same period of the previous fiscal years ended March 31, 2011 and 2010 were reclassified based on this new classification.

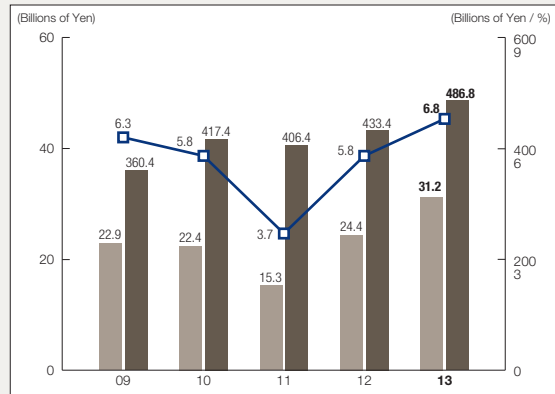
With respect to distribution cost related to the ITOCHU Group's food distribution and marketing business, ITOCHU has made a change in presentation in the financial statements related to the ITOCHU Group's portion of operational cost arising at the distribution centers of the ITOCHU Group's customers, such as mass merchandisers, and delivery costs from the distribution centers to the customers' stores since the beginning of fiscal 2013. The aforementioned distribution cost for the same period of the previous fiscal years ended March 31, 2012 and 2011 have been reclassified in the same manner.

Highlights by Operating Segment (Five years)

Years ended March 31

Textile Company

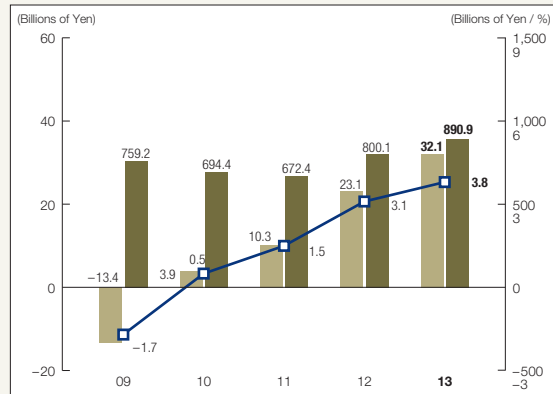
Net Income Attributable to ITOCHU / Total Assets / ROA



■ Net income attributable to ITOCHU (left)
■ Total assets (above right) — ROA (below right)

Machinery Company

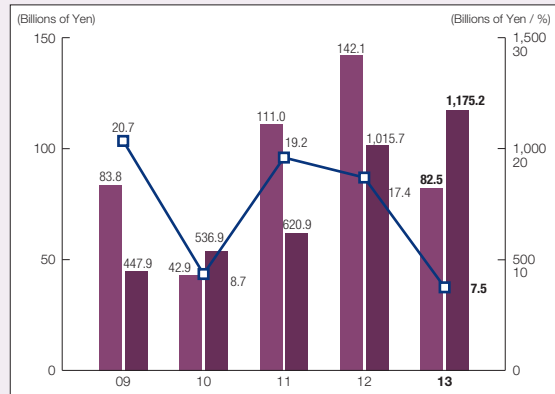
Net Income (Loss) Attributable to ITOCHU / Total Assets / ROA



■ Net income (loss) attributable to ITOCHU (left)
■ Total assets (above right) — ROA (below right)

Metals & Minerals Company

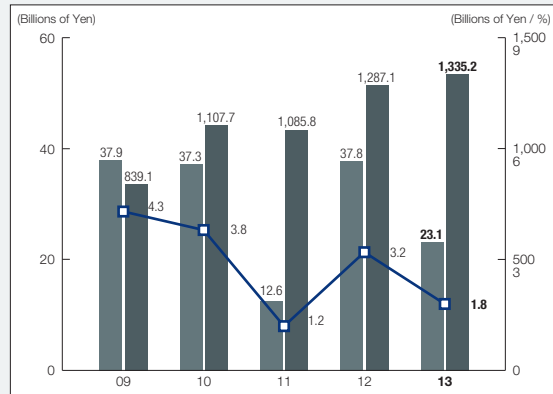
Net Income Attributable to ITOCHU / Total Assets / ROA



■ Net income attributable to ITOCHU (left)
■ Total assets (above right) — ROA (below right)

Energy & Chemicals Company

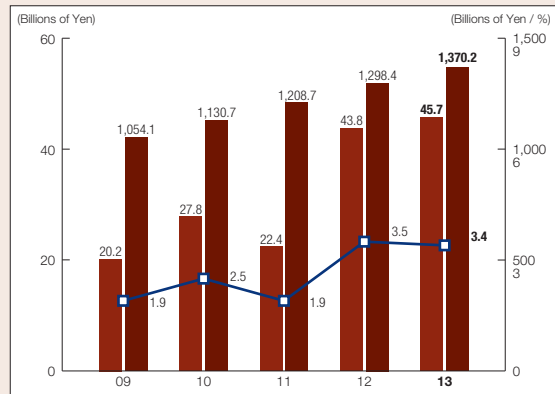
Net Income Attributable to ITOCHU / Total Assets / ROA



■ Net income attributable to ITOCHU (left)
■ Total assets (above right) — ROA (below right)

Food Company

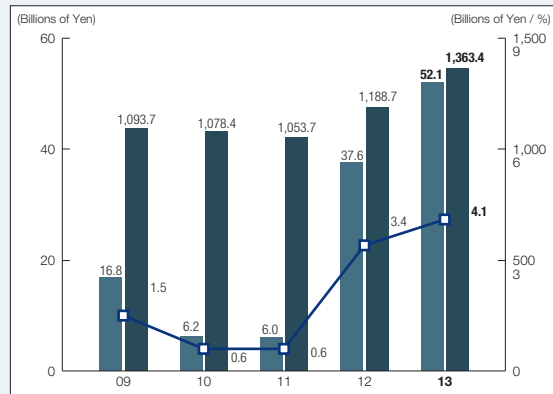
Net Income Attributable to ITOCHU / Total Assets / ROA



■ Net income attributable to ITOCHU (left)
■ Total assets (above right) — ROA (below right)

ICT, General Products & Realty Company

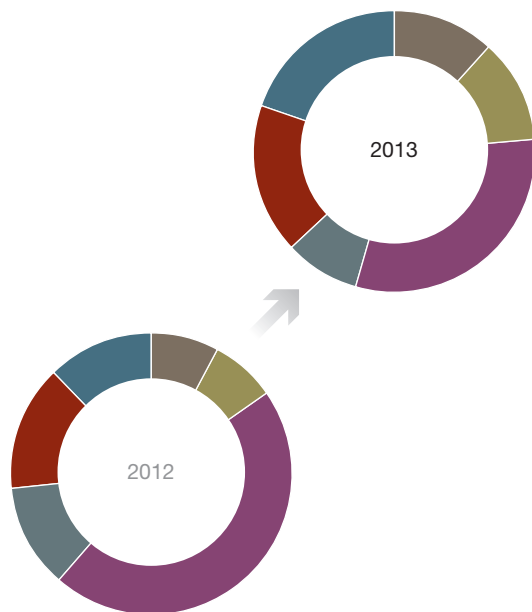
Net Income Attributable to ITOCHU / Total Assets / ROA



■ Net income attributable to ITOCHU (left)
■ Total assets (above right) — ROA (below right)

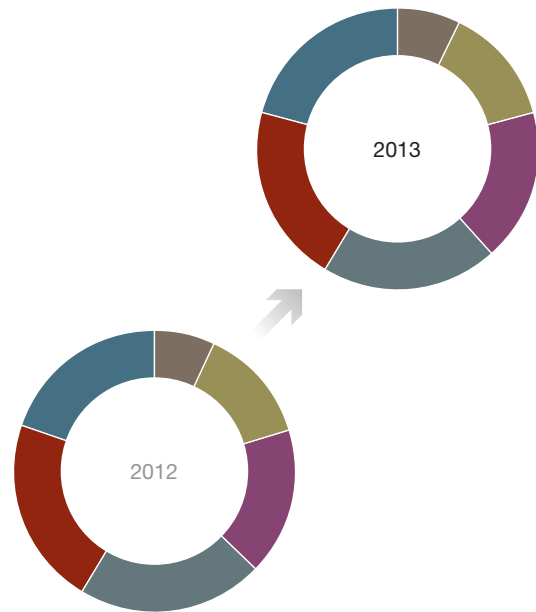
Composition of Operating Segments

Net Income Attributable to ITOCHU



	2012	2013
■ Textile Company	7.9%	11.7%
■ Machinery Company	7.5%	12.0%
■ Metals & Minerals Company	46.0%	30.9%
■ Energy & Chemicals Company	12.2%	8.7%
■ Food Company	14.2%	17.1%
■ ICT, General Products & Realty Company	12.2%	19.5%

Total Assets



	2012	2013
■ Textile Company	7.2%	7.4%
■ Machinery Company	13.3%	13.5%
■ Metals & Minerals Company	16.9%	17.7%
■ Energy & Chemicals Company	21.4%	20.2%
■ Food Company	21.6%	20.7%
■ ICT, General Products & Realty Company	19.7%	20.6%

* % composition is calculated with the total for the operating segments, before adjustments & eliminations and others.

ITOCHU's Equity Interests (Sales Result)

	2009	2010	2011	2012	2013
Oil and Gas (1,000 barrels per day*1)	42.0	39.0	35.0	33.0	58.0
Iron Ore (million tons)					
IMEA*2	9.7	9.7	10.5	12.4	13.4
Brazil Japan Iron Ore Corporation (NAMISA)	—	2.5	2.7	3.7	4.3
Coal (million tons)					
IMEA*2	7.1	8.0	8.0	6.8	7.0
ICA*3 (Drummond Company's Mining Operations in Colombia)	—	—	—	2.1	4.5

*1 Natural gas is converted to crude oil equivalent using 6,000 cubic feet = 1 barrel.

*2 ITOCHU Minerals & Energy of Australia Pty Ltd

*3 ITOCHU Coal Americas Inc.

Net Income (Loss) from Major Group Companies (Five years)

Years ended March 31

Billions of Yen

	2009	2010	2011	2012	2013
Textile Company					
ITOCHU Textile Prominent (ASIA) Ltd.*1	¥0.6	¥0.5	¥0.0	¥ 1.0	¥1.1
ITOCHU TEXTILE (CHINA) CO., LTD.	1.0	0.9	0.8	1.1	1.3
JOI'X CORPORATION	0.4	0.1	0.5	(0.3)	1.3
Machinery Company					
ITOCHU CONSTRUCTION MACHINERY CO., LTD.	¥0.4	¥0.5	¥0.6	¥0.6	¥0.9
ITOCHU MACHINE-TECHNOS CORPORATION	—	0.3	0.3	0.6	0.7
Century Tokyo Leasing Corporation	1.0	6.8	4.0	6.2	6.2
Century Medical, Inc.	0.5	0.6	0.8	0.9	1.0
Metals & Minerals Company					
ITOCHU Metals Corporation	¥ 1.4	¥ 0.8	¥ 1.2	¥ 1.2	¥ 1.3
ITOCHU Minerals & Energy of Australia Pty Ltd	71.2	34.1	80.1	89.3	50.3
Marubeni-Itochu Steel Inc.	14.8	2.7	6.8	12.9	12.8
Brazil Japan Iron Ore Corporation	0.0	4.0	12.9	36.8	10.4
ITOCHU Coal Americas Inc.	—	—	—	2.0	3.5
Energy & Chemicals Company					
ITOCHU Oil Exploration (Azerbaijan) Inc.	¥26.1	¥6.9	¥10.7	¥13.0	¥13.1
ITOCHU PETROLEUM CO., (SINGAPORE) PTE. LTD.	5.0	0.8	0.0	(0.2)	0.8
ITOCHU CHEMICAL FRONTIER Corporation	1.1	1.9	2.0	2.9	3.0
ITOCHU PLASTICS INC.	1.6	1.9	2.2	1.9	2.2
Food Company					
NIPPON ACCESS, INC.*2	¥3.7	¥4.5	¥ 6.5	¥8.6	¥10.8
ITOCHU-SHOKUJIN Co., Ltd.	0.7	1.7	1.8	2.3	1.9
FamilyMart Co., Ltd.	5.3	4.7	4.0	6.7	9.1
Fuji Oil Co., Ltd.	2.0	2.7	2.5	2.3	2.3
Prima Meat Packers, Ltd.	1.9	1.8	(1.4)	2.4	2.4
ICT, General Products & Realty Company					
ITOCHU Kenzai Corp.	¥(1.0)	¥0.2	¥0.0	¥1.8	¥1.5
ITOCHU Pulp & Paper Corp.	0.1	0.2	0.2	0.2	0.6
ITOCHU Techno-Solutions Corporation	6.9	6.8	6.3	7.5	8.9
ITC NETWORKS CORPORATION*3	1.6	1.6	1.4	1.5	4.2
ITOCHU LOGISTICS CORP.	0.1	2.0	0.7	1.3	1.2
ITOCHU Property Development, Ltd.	0.3	0.5	1.7	2.6	1.8

*1 The net income from ITOCHU Textile Prominent (ASIA) Ltd. includes net income of equity-method associated companies which were transferred from ITOCHU due to the business restructuring in the former Textile Material & Fabric Division. As a result, profit for the period of the fiscal years ended March 31, 2013 and 2012, includes these companies' profit.

*2 On March 1, 2011, NIPPON ACCESS, INC., merged with the former Family Corporation Inc. and made the former Universal Food Co., Ltd., a consolidated subsidiary. In addition, the company received a business transfer from the former ITOCHU Fresh Corporation Inc. on October 1, 2011. The net income attributable to ITOCHU of NIPPON ACCESS, INC., for the same period of the previous fiscal year ended March 31, 2011 shows the total of these 4 companies.

*3 On October 1, 2013, the name of ITC NETWORKS CORPORATION will be changed to CONEXIO Corporation.

Operating Segments

52 ■ Textile Company

56 ■ Machinery Company

60 ■ Metals & Minerals Company

64 ■ Energy & Chemicals Company

68 ■ Food Company

72 ■ ICT, General Products & Realty Company

76 Overseas Operations

Textile Company

Pursing value-added propositions for our customers is a reason for our competitiveness. We will continue to strengthen strategic alliances with leading partners and create new businesses.



President, Textile Company
Hitoshi Okamoto

Business Overview

Business Areas

Apparel Division 1

This division specializes in supplying a wide range of high-quality apparel products including men's wear, women's wear, and corporate uniforms. To fulfill various customers' needs, our services include material sourcing, designing, manufacturing, and logistics.



Apparel Division 2

This division handles business areas which marked the beginning of ITOCHU. With our worldwide network, we cover all sorts of businesses from textile materials, fabrics, shirts, underwear, working wear, and casual wear.



Brand Marketing Division 1

This division has developed a strong basis on "brand business" and now has become one of the contributors in developing today's brand industry in Japan. Marketing oriented is how we keep creating new business models. We do not only import brands from overseas, we also take initiatives in licensing arrangements, product manufacturing, mergers and acquisitions (M&As), and post-merger management. We have also consolidated into this division our marketing and production functions in the sports category, and have expanded the business.

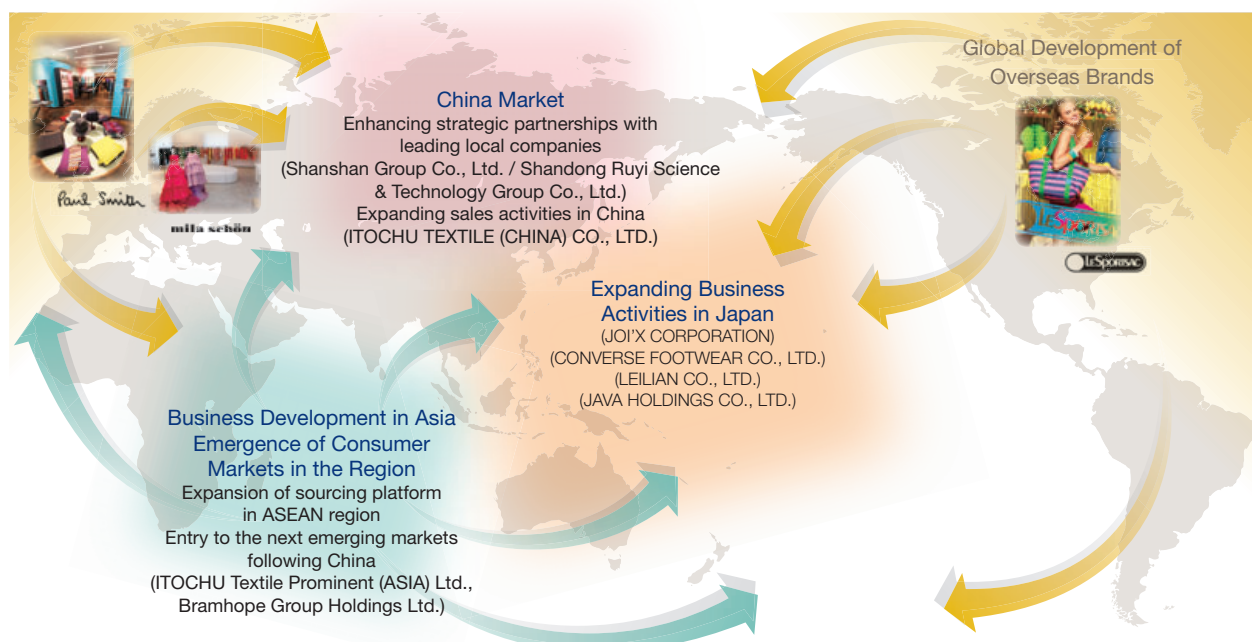


Brand Marketing Division 2

This division has expanded its brand business from apparel to the entire area of lifestyle categories. Also, the business has gone worldwide as we accelerate our business development in China and the rest of Asia. Another strength of the division is the industrial textiles business which we operate globally. We handle a wide range of products for materials used for automobiles, construction, civil engineering, and electronics as well as non-woven fabrics for paper diapers.



Business Portfolio



Message from the Division Company President

We will continue to grow with dedication to become a leading customer-oriented marketing company.

During the two-year period under our “Brand-new Deal 2012,” the domestic and overseas environment remained uncertain. Despite the tough situation, we were able to strive forward by strengthening our consolidated management strategy, such as strategic partnerships with leading companies in China and Europe, and increased earnings by existing subsidiaries. As a result, our profits marked record highs for two consecutive fiscal years.

Looking ahead, the Japanese economy is showing some signs of recovery and fueling expectations of a rise in general consumption. However, there are still concerns in the textile industry. The sudden yen depreciation could drive up costs of apparel manufacturing businesses. Additionally, we will also need to react flexibly to a possible rise in the consumption tax. In terms of overseas markets, we are eager to see economic recovery in North America,

and are expecting the rise of consumer markets in emerging countries especially in the ASEAN region and South America.

In fiscal 2014—the first year of “Brand-new Deal 2014”—the Textile Company will further strengthen its consolidated management approach by applying downstream strategies to the Group companies, and increasing overseas earnings by accelerating overseas development of the brand business. Furthermore, we will make an aggressive approach to accumulate superior assets that will enable us to expand our business portfolio both domestically and internationally.

Maintaining customer-oriented approach, we will work consistently to create new businesses and, as a marketing company, strive to strengthen our industry presence and maximize earnings.

RESULTS

Overview of Fiscal 2013

Business Results					Billions of Yen
Years ended March 31	09	10	11	12	13
Gross trading profit	¥102.6	¥102.7	¥128.3	¥127.6	¥128.9
Equity in earnings of associated companies	3.6	8.0	5.9	5.9	12.6
Net income attributable to ITOCHU	22.9	22.4	15.3	24.4	31.2

Gross trading profit increased by 1.0%, to ¥128.9 billion, due to increases generated from the acquisition of a European apparel manufacturing and wholesale-related company, and the increased apparel products transactions in Japan. As a result of the contribution of equity-method associated companies including new companies, net income attributable to ITOCHU grew by 28.2%, to ¥31.2 billion, again hitting a record high following the previous fiscal year.

As we focus highly on China and other parts of Asia, the Textile Company accelerated strategic alliances with leading partners both in Japan and overseas, especially in brand and retail areas.

We acquired 100% of the shares of Bramhope Group Holdings Ltd., a leading U.K.-based apparel manufacturer

and wholesaler. As a result, we have improved our sourcing network in the ASEAN region with its leading quality and price competitiveness, and we have gained a strong platform to expand sales to retailers in Europe as well.

In the brand business, we acquired trademark rights to various leading brands in Asia and other countries, such as Australia’s “SKINS,” and “OUTDOOR PRODUCTS” and “PENFIELD” from the United States. We also began full-fledged efforts to launch flagship stores in China offering “HUNTING WORLD,” a top-end U.S. luxury bag brand that ITOCHU holds worldwide marketing rights.

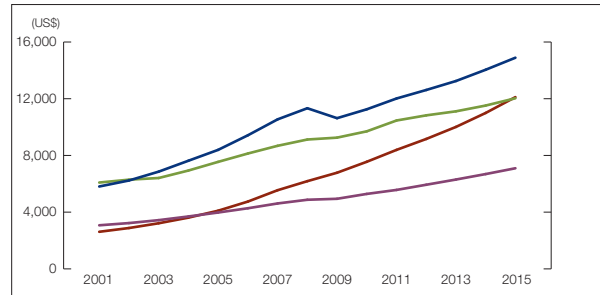
We successfully reinforced our “earnings engines” by accumulating superior assets. At the same time, we were able to increase asset efficiency by disposing low-efficiency assets.

MARKET

Medium- to Long-Term Business Environment

In recent years, the Japanese consumer market has continued to shrink due to sluggish business conditions, lower birth rates and an aging population, lower expenditures due to changes in lifestyles, and declining price levels. However, from the second half of fiscal 2013, yen depreciation and rising stock prices encouraged expectations of an economic recovery. Consumption resurged, particularly for high-end items, and consumption recovery is expected to ripple outward into general consumer-related businesses. Looking at overseas markets, China remains an attractive consumer market even though the country's economy may be showing a sign of slowdown after having sustained growth for many years. Furthermore, emerging countries such as ASEAN and the Middle East have shown strong economic growth and it has been driving up per-capita GDP and there is a growing middle class with increased purchasing power. We are anticipating consumption in these regions to grow over the medium to long term.

Per-Capita GDP in Key Emerging Market Regions
(Purchasing Power Parity Conversion)



Source: International Monetary Fund, World Economic Outlook Database, April 2013
* Indonesia, Malaysia, the Philippines, Thailand, and Vietnam

STRATEGY

Medium- to Long-Term Growth Strategies

Rapport and Reach

The Textile Company has inherited the original business of ITOCHU.

Our scope of business covers the entire area of lifestyle categories, and, as a customer-oriented marketing company, we have developed businesses that cover the entire textile industries, from raw materials / fabrics to garment manufacturing, brands, and industrial materials.

In Japan, with our expertise in developing brands, we are expanding further from fashion to the entire area of life-style categories. Furthermore, we are planning to strengthen life & healthcare businesses as well.

We will continue to promote brand businesses overseas in North America, Europe, and China. In addition, we will also accelerate brand development in emerging countries in the ASEAN region, the Middle East, and Latin America, where consumer markets are expected to expand. Furthermore, in Asia we will enhance our production capabilities to meet our customers' needs.

CSR at the Textile Company

A marketing company that adopts a social perspective

In its CSR activities, the Textile Company places a top priority on further improving the safety of its products and services as well as customer satisfaction. It also strives to promote society- and environment-friendly businesses and expand its CSR activities into our Group companies.

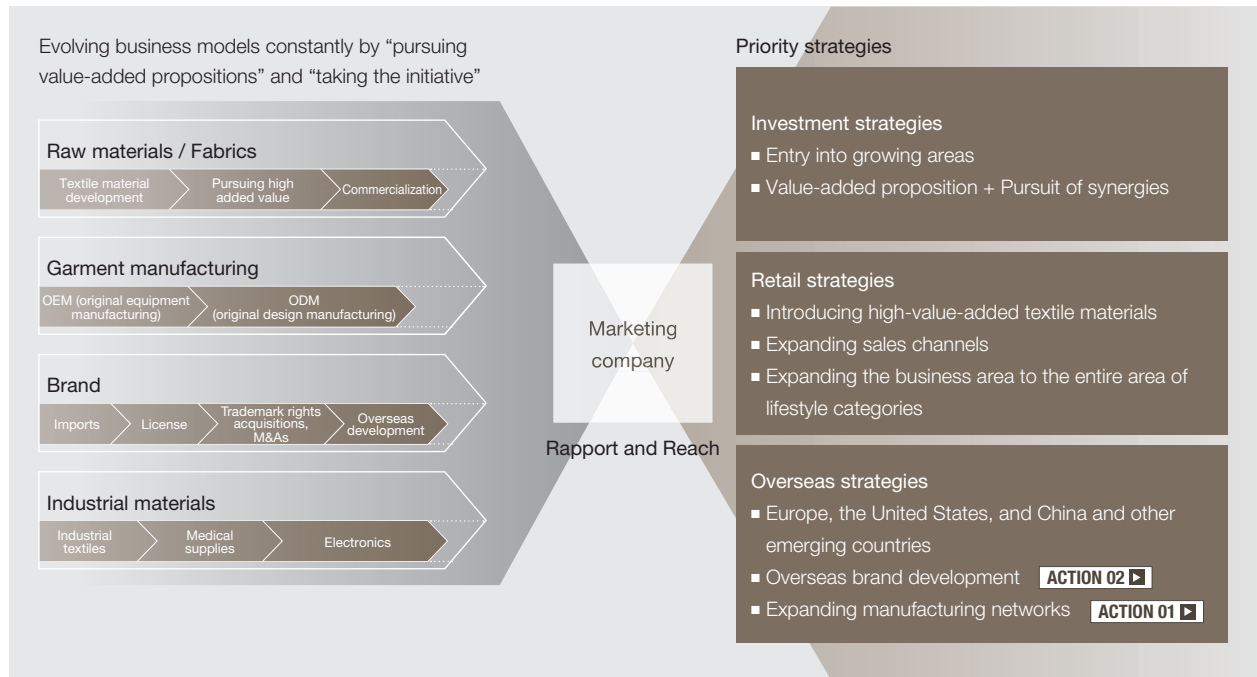
CSR Action Plans: Key points of our fiscal 2014 action plans

We will continue conducting monitoring surveys of overseas manufacturing plants belonging to Group companies, and will target further advancements in supply chain management through employee education. We will also continue to promote society- and environment-friendly businesses.

For the details of CSR activities at the Textile Company, please visit our website.

<http://www.itochu.co.jp/en/csr/activities/textile/>

Medium- to Long-Term Growth Strategies



ACTION

Initiatives to Implement Our Growth Strategies

ACTION 01 **ITOCHU Acquired U.K.-based Bramhope Group Holdings**

ITOCHU acquired 100% of the shares of a major U.K.-based manufacturer and wholesaler Bramhope Group Holdings Ltd. (BGH). Offering a wide range of products specializing in women’s underwear and men’s shirts, BGH is one of the top suppliers of apparel products to the top U.K. retailer Marks & Spencer PLC. The strength of BGH can be found in its sophisticated design office in the United Kingdom, and also lies in its extensive production network located in India, Sri Lanka, Cambodia, and other countries to stay price competitive. Its factories in each country have passed the Marks & Spencer’s strict quality control standards, which are highly regarded from the standpoint of social contributions for providing training and safe working conditions for its factory workers.

We are planning to boost our earnings by selling BGH’s products to leading European retailers. Furthermore, we intend to improve our manufacturing networks throughout Asia, which are to be jointly managed by ITOCHU Textile Prominent (ASIA) Ltd. and BGH.

BGH factory

ACTION 02 **Overseas Brand Development**

As consistent economic growth continues, rising consumer markets in emerging countries in Asia and the Middle East regions are prompting steady increases in demand for branded products. We are consistently acquiring fashion brand trademark rights and exclusive usage rights in these emerging countries, thereby accelerating our overseas strategy. In particular, we will gradually develop the Australian compression wear brand, “SKINS,” in six locations in Asia; “OUTDOOR PRODUCTS,” a U.S. casual bag brand, in 13 locations in Asia, four in the Middle East, and two in South America; and U.S. fashion outdoor brand “PENFIELD” in four locations in Asia. We have also expanded our business of “LeSportsac,” which we hold worldwide trademark and marketing rights on, in Brazil, Uruguay, and other South American countries. We will focus on expanding our consolidated earnings by continuously introducing brands in emerging countries for further growth.

“OUTDOOR PRODUCTS”

“PENFIELD”

Machinery Company

The Machinery Company will enhance its earnings platform through proactive investment and expansion of the trade business.



President, Machinery Company
Takao Shiomi

Business Overview

Business Areas

Plant Project, Marine & Aerospace Division

This division is involved in large-scale projects in such areas as oil, gas, petrochemicals, and electric power generation; projects in social and transportation infrastructure, such as railways, roads, bridges, and ports; aircraft and the aircraft equipment-related area; and all types of new ships, secondhand ships, and chartered ships.



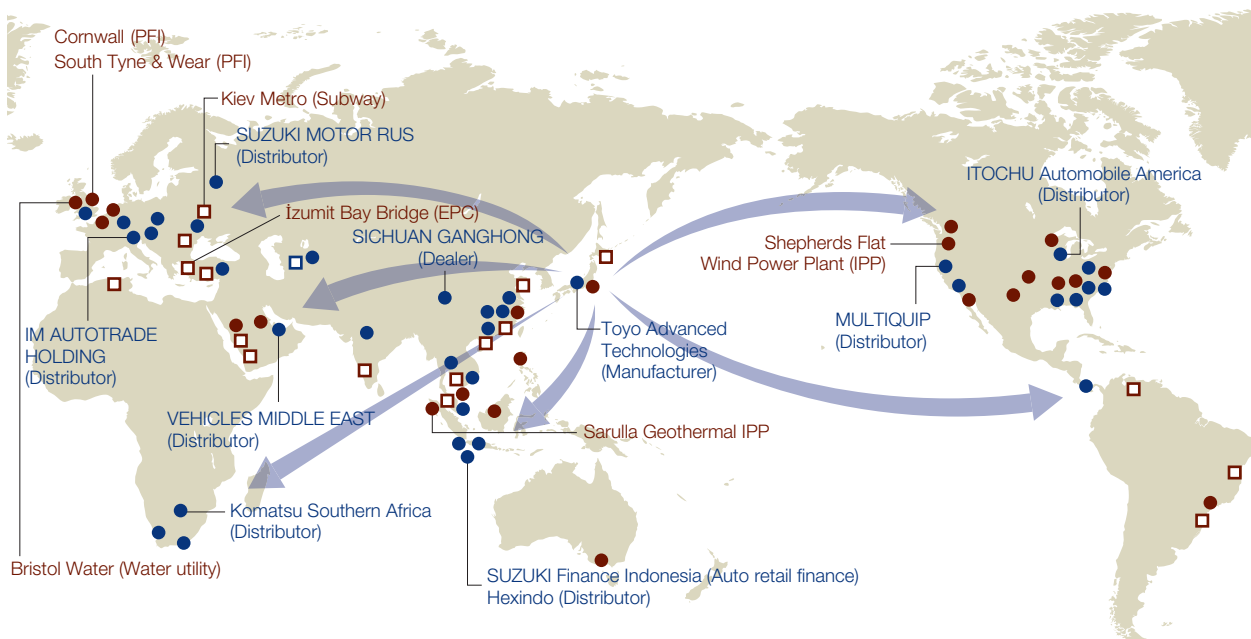
The division is also active in the water- and environment-related area, such as seawater desalination plants and energy-from-waste power generation, as well as in the renewable-energy area, including power generation from geothermal energy, wind power, and biomass.

Automobile, Construction Machinery & Industrial Systems Division

This division advances sales and business development for passenger cars, commercial vehicles, and construction machinery in domestic and international markets, as well as sales of electronic system equipment, industrial machinery, semiconductor equipment, and rechargeable battery-related equipment / products / various materials. In addition, the division is also active in the medical / health-related area, particularly in medical devices, medical supplies, and services for hospitals.



Business Portfolio



	Investment	Project
Plant Project, Marine & Aerospace	●	□
Automobile, Construction Machinery & Industrial Systems	●	□

➡ Automobile / construction machinery-related trade

Message from the Division Company President

We are aiming for a new stage of growth by proactively seeking new opportunities.

Twice during the period of “Brand-new Deal 2012,” the Machinery Company implemented strategic organizational reforms, preparing ourselves to proactively seek new opportunities. Partly for that reason, in fiscal 2013—the final year of “Brand-new Deal 2012”—we posted our highest level of earnings to date. As part of the non-resource sector, the Machinery Company plays an important role under the new medium-term management plan, “Brand-new Deal 2014.” Across our wide range of business areas including plant projects, marine, aerospace, automobiles, construction machinery, industrial machinery, and healthcare, we will conduct additional measures to appropriately reallocate management resources and further augment

our earning power, while working to consider environmental impacts. By business area, we are expanding our assets in independent power producer (IPP), water-related, and environment-related businesses; pursuing strategic involvement in overseas infrastructure businesses, centered in emerging countries; proactively developing our marine and aerospace businesses; boosting trade in the automobile, construction machinery, and industrial machinery businesses, which have broad value chains; and stepping up healthcare-related business in Japan and China. Through these initiatives, we aim to be a strong Division Company that contributes steadily to profit in the machinery-related segment, a part of the non-resource sector.

RESULTS

Overview of Fiscal 2013

Business Results					Billions of Yen
Years ended March 31	09	10	11	12	13
Gross trading profit	¥83.4	¥61.6	¥69.4	¥85.9	¥89.4
Equity in earnings of associated companies	2.4	12.9	9.8	12.5	13.4
Net income (loss) attributable to ITOCHU	(13.4)	3.9	10.3	23.1	32.1

The Machinery Company posted a 4.1% rise in gross trading profit, to ¥89.4 billion, chiefly due to the acquisition of an automobile-related company and an increase in ship transactions. Net income attributable to ITOCHU surged 38.8% year on year, to ¥32.1 billion, a historic high. This performance reflected a rise in earnings of IPP- and water supply-related companies, the recognition of gain on sales of investments, and the absence of impairment losses on investments recognized for the previous fiscal year.

The Machinery Company has expanded earnings through aggressive asset replacement and the accumulation of superior assets, as well as the further acceleration of the appropriate reallocation of management resources. In the water supply-related business, through capital participation

in the U.K.'s Bristol Water we are taking part in our first full-service business in this area, with upstream and downstream operations spanning water resource management, water treatment, water supply and distribution, and fee collection. In the IPP business, we acquired a stake in Belgium's T-Power combined cycle gas turbine power plant, making our first foray into the natural gas-fired thermal power generation business in Europe. In Japan, we acquired from Mazda Motor Corporation 70% of the shares in Toyo Advanced Technologies Co., Ltd. Through this majority investment in a manufacturer of machine tools and automobile parts—a first for ITOCHU—we reinforced our foothold for new business developments in the manufacturing sector.

MARKET

Medium- to Long-Term Business Environment

Infrastructure Industry

Demand for infrastructure investment and maintenance is expanding on a global basis, and this trend is expected to continue. In particular, there has been a substantial increase in infrastructure projects in emerging countries, which are recording rapid economic growth. Infrastructure-related business in industrialized countries is also drawing attention as a growth area, as policies focused on environmental conservation in countries around the world prompt increased demand for infrastructure that contributes to the establishment of a society that achieves harmony between people and the environment.

Aerospace Industry

The market for commercial passenger aircraft decelerated due to global economic stagnation in the aftermath of the Lehman shock. The market has since picked up, led by emerging economies and thanks to replacement demand for highly fuel-efficient aircraft. Furthermore, low-cost carriers (LCCs) are expanding their markets with low fares and new routes. Thus, the market for commercial passenger aircraft is expected to continue to grow.

Automobile Industry

Economic stagnation in Europe and decelerating economic activity in China made fiscal 2013 a difficult year for the automobile industry. In fiscal 2014, however, worldwide automobile demand is continuing to expand as the North American market recovers and markets in emerging countries expand, and this trend is set to continue. In this environment, we believe that the growth of our automobile-related business will be substantially influenced by our strategy for emerging markets, which are becoming the new demand leaders.

STRATEGY

Medium- to Long-Term Growth Strategies

We will continue to pursue IPP, water supply, environmental, and other social infrastructure businesses with consideration for environmental impact. We will also augment our earnings platform through the marine business, aircraft leasing, and retail finance of automobiles and construction machinery. At the same time, we will bolster and accelerate our operational initiatives in new growth business areas that will become primary sources of future earnings. We will strive to maximize our earnings from trade related / peripheral to acquired assets and investment. In healthcare, under the medical value chain concept we will further expand trade in domestic and overseas markets.

CSR at the Machinery Company

Assuming the role of providing prosperity to the next generation through environment-conserving businesses

With the aim of handing down a better global environment to the next generation, we promote environment-conserving businesses and strive to contribute to the realization of a sustainable, healthy society that is in harmony with the environment.

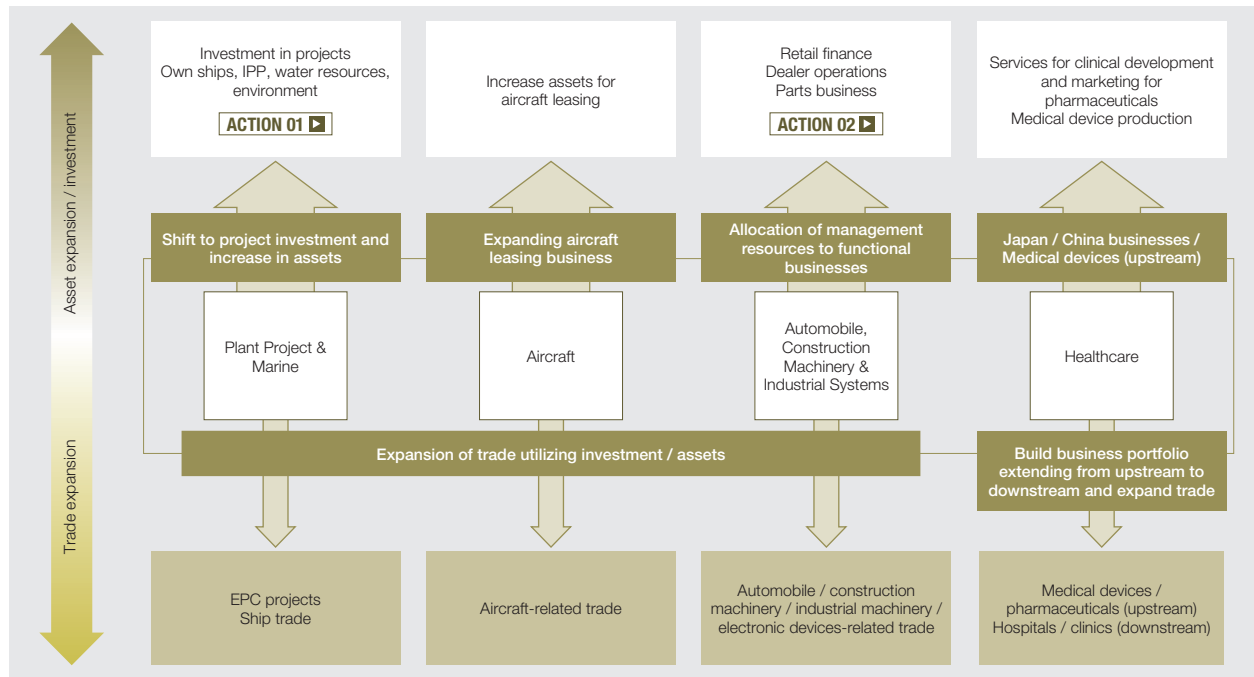
CSR Action Plans: Key points of our fiscal 2014 action plans

In fiscal 2014, we will continue our commitment to implementing management considering environmental and CSR issues. We will also aggressively work on businesses related to renewable energies including wind power and geothermal, participating in Energy from Waste projects as well as water-related projects including desalination. Furthermore, we will supply local governments and related organizations in Japan with equipment to prevent epidemics and protect against disasters, conduct awareness-raising activities and endeavor to help maintain a sense of well-being in society.

For the details of CSR activities at the Machinery Company, please visit our website.

<http://www.itochu.co.jp/en/csr/activities/machinery/>

Medium- to Long-Term Growth Strategies



ACTION

Initiatives to Implement Our Growth Strategies

ACTION 01 Capital Participation in the Bristol Water Supply Business in the United Kingdom

We attained the equivalent of a 20% share position in Bristol Water, which supplies water to the city of Bristol and the surrounding vicinity in the southwest United Kingdom, from Canadian infrastructure company Capstone Infrastructure Corporation, for £43.5 million (approximately ¥6.0 billion). This investment marks the first participation in a regulated water utility that offers full drinking services from water resource management to water treatment, water supply and distribution, and fee collection, and is the first Japanese investment in a water utility in the United Kingdom. Since privatization in 1989, service levels in the U.K. water supply have improved significantly, and the UK is recognized worldwide as a model for successful privatization of water utilities. We regard water as an important business sector. To supply high-quality water sustainably and economically, we bring various technologies and services available in Japan's water utility industry to Bristol Water. Simultaneously, we aim to build and accumulate know-how from this advanced U.K. water utility and apply that know-how in advancing water supply-related businesses in Asia and other regions.



Ultraviolet (UV) sterilizer

ACTION 02 Acquisition of Toyo Advanced Technologies

ITOCHU acquired 70% of shares in Toyo Advanced Technologies Co., Ltd., from Mazda Motor Corporation. We utilize our overseas networks to expand the sales of the machine tool business, one of the business domains of Toyo Advanced Technologies. In the automobile parts business, another key business domain, as an important components supplier to Mazda, the company provides products with even greater added value than before, and will further deepen the collaborative relationship between ITOCHU and Mazda. In addition to these activities, we are fully involved in the management of Toyo Advanced Technologies, with the aim of further increasing the corporate value and boosting profitability of the company.



Machine tool production department



Toyo Advanced Technologies' headquarters

Metals & Minerals Company

We contribute to the growth of the global economy through the stable supply of mineral resources and of steel and non-ferrous metal products to Japan and other countries.



President, Metals & Minerals Company
Ichiro Nakamura

Business Overview

Business Areas

Metals & Mineral Resources Division

This division operates a supply chain for metals and mineral resources that consists of operations of large-scale iron ore and alumina projects; the development of metal resources, such as base metals and rare metals; and trading in iron ore and non-ferrous metal products.



Coal, Nuclear & Solar Division

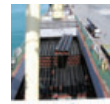
This division handles coking coal for steel mills, thermal coal, uranium, and biomass for power generation businesses and general industries. This division is also involved in the trading of greenhouse gas emission credits, and the photovoltaic power generation / solar thermal power generation businesses.



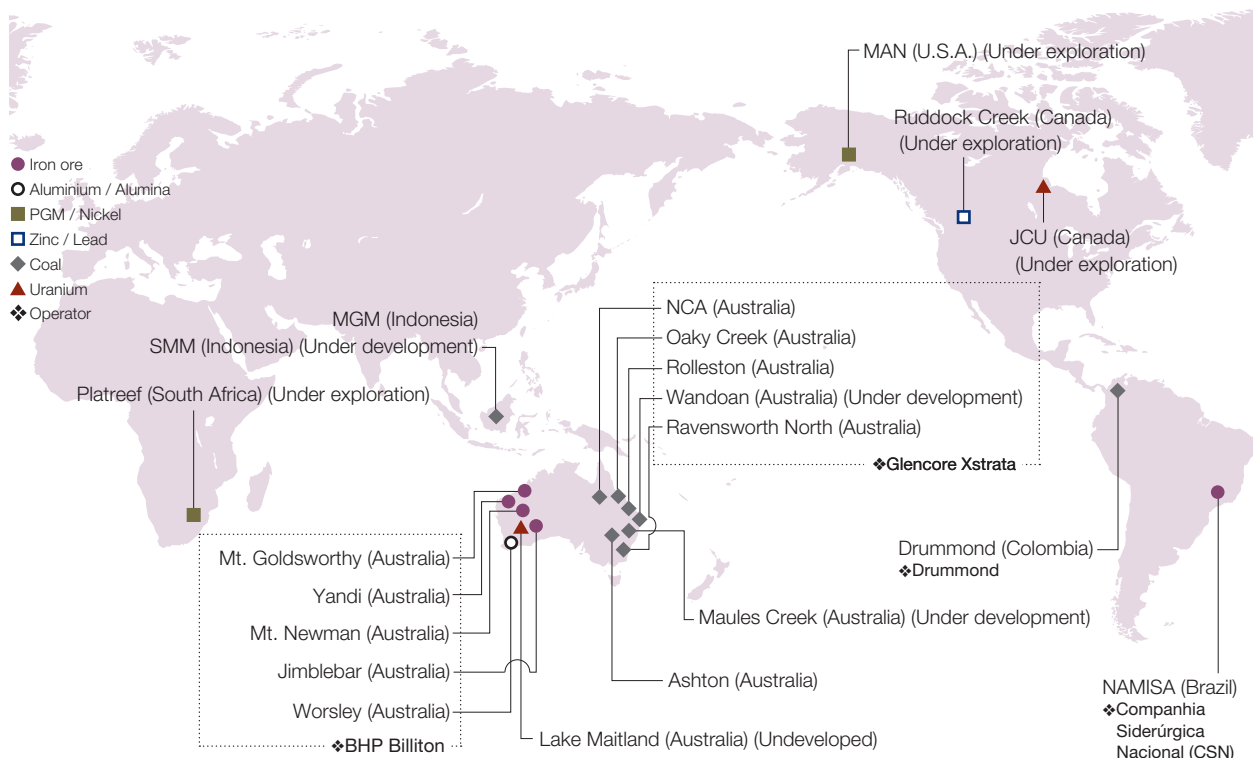
Steel Business Coordination Department

This department manages and supervises all operations related to Marubeni-Itochu Steel Inc., a steel trading company.

The department is working to develop synergies with Marubeni-Itochu Steel by leveraging the steel trading company's strong distribution network, which has more than 100 affiliates in Japan and overseas.



Business Portfolio



Message from the Division Company President

Through synergies between accumulated equity interests and trade, we will strive to continue to reinforce our earnings platform.

In fiscal 2013—the first fiscal year for the Metals & Minerals Company—falling prices for metals and mineral resources caused earnings to drop considerably. However, we invested in the expansion of our existing interests in iron ore and coal and pursued synergies with trading activities. As a result, we continued to bolster our earnings platform following the previous fiscal year.

We expect the outlook for our business environment to remain difficult to read for the foreseeable future, and there is a growing sense that prices of metals and mineral resources have peaked. However, with support from continued strong economic growth in emerging countries,

demand for metals and mineral resources is expected to remain firm in the medium to long term. To contribute to the stable procurement of metals and mineral resources for Japan and the rest of the world, we will take a long-term perspective and continue to steadily expand existing operations in “Brand-new Deal 2014.” We will rigorously assess new investments to select superior projects, and will reinforce our earnings platform.

Making full use of the distinctive capabilities of a general trading company, the Metals & Minerals Company will target the achievement of results that are highly evaluated on both the supply and consumption sides.

RESULTS

Overview of Fiscal 2013

Business Results					Billions of Yen
Years ended March 31	09	10	11	12	13
Gross trading profit	¥110.7	¥55.0	¥124.6	¥122.6	¥79.5
Equity in earnings of associated companies	20.2	9.2	29.4	44.3	42.1
Net income attributable to ITOCHU	83.8	42.9	111.0	142.1	82.5

Although iron ore and coal sales volume rose, price decreases led to a 35.2% decline in gross trading profit, to ¥79.5 billion. Net income attributable to ITOCHU fell 41.9%, to ¥82.5 billion, reflecting the absence of an extraordinary gain recognized in the acquisition of Brazil Japan Iron Ore Corporation (gain on bargain purchase and gain resulting from remeasuring its previously held equity interest) and the absence of an improvement in tax effect accompanying tax reform in Australia for the previous fiscal year.

The Metals & Minerals Company invested in existing interests focusing on reinforcing supply capacity. We also worked to enhance cooperation between development and trade, ensure stable supplies of metals and mineral

resources, and build and strengthen the value chain based on our equity interests. We continued to invest in additional facilities in line with an investment plan aimed to expand shipping capacity for the Western Australia iron ore operations following the previous fiscal year. Among our coal projects in Australia, production commenced at the Ravensworth North mine. In the solar power business, Scatec Solar AS, in which we have a 37.5% stake, began construction of a 75 MW photovoltaic power generation facility in South Africa on the first phase. Scatec Solar also concluded a power purchase agreement on a second phase, putting in place photovoltaic power generation initiatives totaling 190 MW.

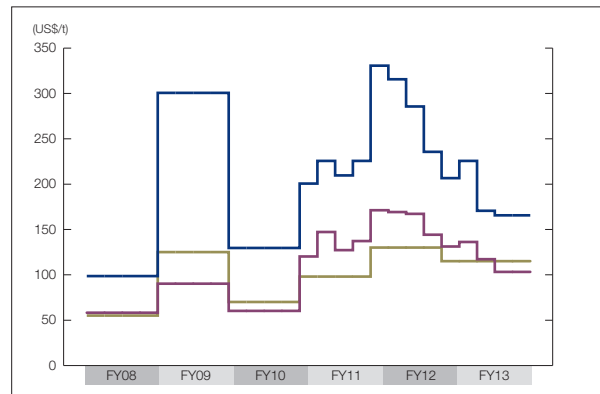
MARKET

Medium- to Long-Term Business Environment

Overall, prices of metals and mineral resources trended downward in fiscal 2013, mainly due to a short-term falloff in resource demand from China.

Over the medium to long term, demand for metals and mineral resources is forecast to remain robust, centered on emerging countries. However, in the short term, prices of metals and mineral resources are affected on the demand side by economic trends in China and Europe, and on the supply side by progress on new projects and planned expansions by suppliers. The prices are therefore affected by the change of the supply-demand balance.

Iron Ore / Coal Price



— Iron ore — Coking coal (hard coking coal) — Thermal coal

*1 Source: ITOCHU disclosure documents

*2 Figures through fiscal 2010 are benchmark prices for the Japanese market. Figures from fiscal 2011 onward are prices that ITOCHU considers to be general transaction prices based on market information.

STRATEGY

Medium- to Long-Term Growth Strategies

The Metals & Minerals Company is working to expand its equity interests in order to secure stable supplies of metals and mineral resources underpinning the industrial framework. In addition, we are working to build a value chain that starts from equity interests and to create added value in the trade business by leveraging the ITOCHU Group's comprehensive strengths. Furthermore, we are working to secure non-ferrous metals, rare metals, rare earth metals, and other natural resources that have become increasingly difficult to procure in recent years. In response to growing international concern with environmental problems, we are also actively involved in such areas as solar power; biomass fuels-related business; and the trading of greenhouse gas emission credits.

CSR at the Metals & Minerals Company

Promoting CSR through the development and stable supply of mineral resources

We promote CSR with the entire ITOCHU Group, while pursuing the following missions:

- 1) development and stable supply of mineral resources; and
- 2) initiatives for solar- and recycling-related businesses that are ecological to the earth.

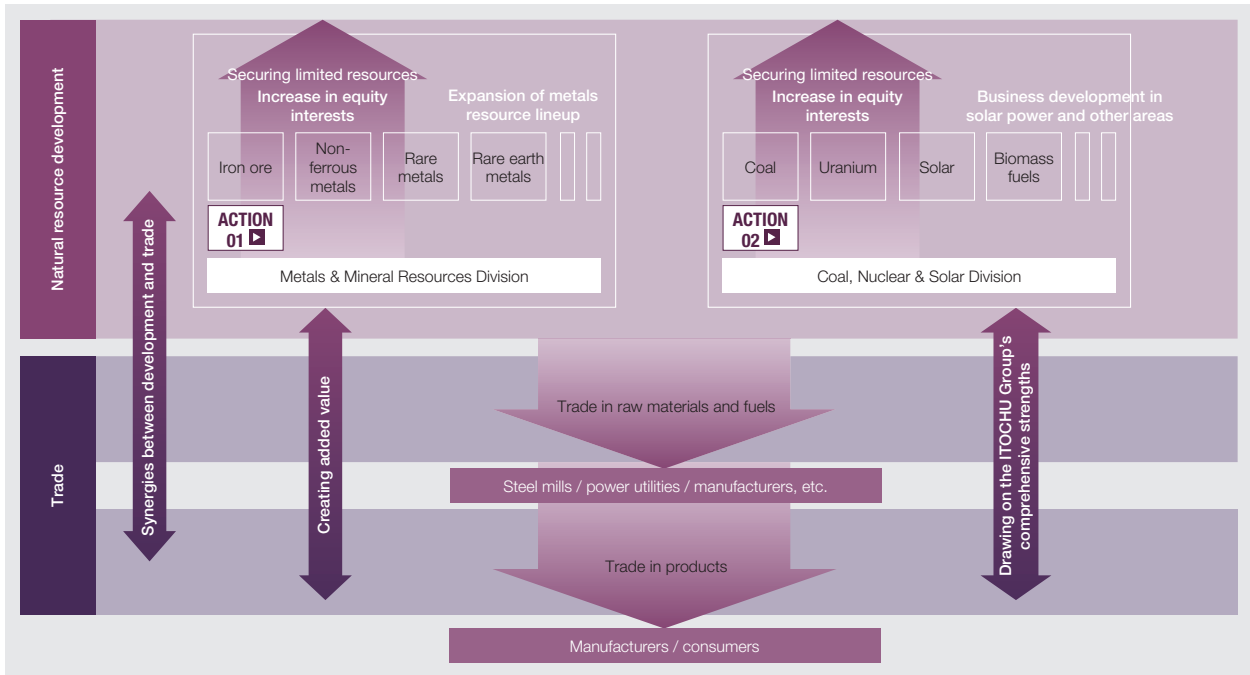
CSR Action Plans: Key points of our fiscal 2014 action plans

As a global company, we will promote environmental management both domestically and at overseas Group companies. As well as promoting the consideration of safety and environmental factors with partner companies when we engage in the development and exploration of mineral resources, we will take on the challenge of businesses that are friendly to the global environment, such as solar businesses and other initiatives aimed at the sustainable utilization of resources. We will also continue to promote CSR education and training based on the social issues facing the industry.

For the details of CSR activities at the Metals & Minerals Company, please visit our website.

<http://www.itochu.co.jp/en/csr/activities/metal/>

Medium- to Long-Term Growth Strategies



ACTION

Initiatives to Implement Our Growth Strategies

ACTION 01 Gradual Supply Capacity Expansion from Western Australia Iron Ore Operations

Through ITOCHU Minerals & Energy of Australia Pty Ltd (IMEA), we are gradually expanding the supply capacity through a rapid-growth project (RGP) of Western Australia iron ore operations, which are run as joint ventures with BHP Billiton (Australia and the United Kingdom)—one of the world's largest mining companies.

To meet increasing demand mainly from China and other emerging countries, for iron ore over the medium to long term, this plan calls for the expansion of production capacity at principal iron ore mines, as well as the expansion of rail transportation networks and ore loading facilities at Port Hedland.

As a result of these moves, we expect iron ore supply capacity from this project to reach 220 million tons per year by 2015.



Port Hedland (photo provided by BHP Billiton)

ACTION 02 Coal Development Projects in Australia and Indonesia

Through IMEA, we are cooperating with Switzerland-based Glencore Xstrata plc, one of the world's leading resource companies, and other companies on several coal development projects in Australia. In the state of New South Wales, production began in the summer of 2012 at the Ravensworth North mine, which is jointly owned through Cumnock Joint Venture. Production is gradually being increased toward a targeted supply capacity of 8 million tons per year. We hold exclusive marketing rights for Japan on coal produced at this mine, and are focusing on sales activities centered on the Japanese market.

Development is also proceeding steadily toward the start of production at a coal mine in the PT Suprabari Mapanindo (SMM) block, located centrally on the Indonesian island of Kalimantan (Borneo), and the Maules Creek coal mine in the Gunnedah Basin of New South Wales. Production from these two projects is scheduled to commence in 2013 and 2014, respectively, with expected annual production capacities of 2 million tons and approximately 10 million tons.



Ravensworth North mine

Energy & Chemicals Company

We will create new value through our value chain in the areas of petroleum, gas, and chemicals.



President, Energy & Chemicals Company
Yuji Fukuda

Business Overview

Business Areas

Energy Division No. 1

This division conducts trade and related operations across the overall energy-related products, including crude oil, petroleum products, LPG, natural gas, and LNG. In Japan, the division's operations are centered on ITOCHU ENEX CO., LTD., one of the largest petroleum wholesalers affiliated with a general trading company.



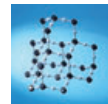
Energy Division No. 2

This division participates in oil and natural gas field development projects in such locations as North America, Azerbaijan, Sakhalin, and the U.K. North Sea, and takes part in new project exploration in regions throughout the world.

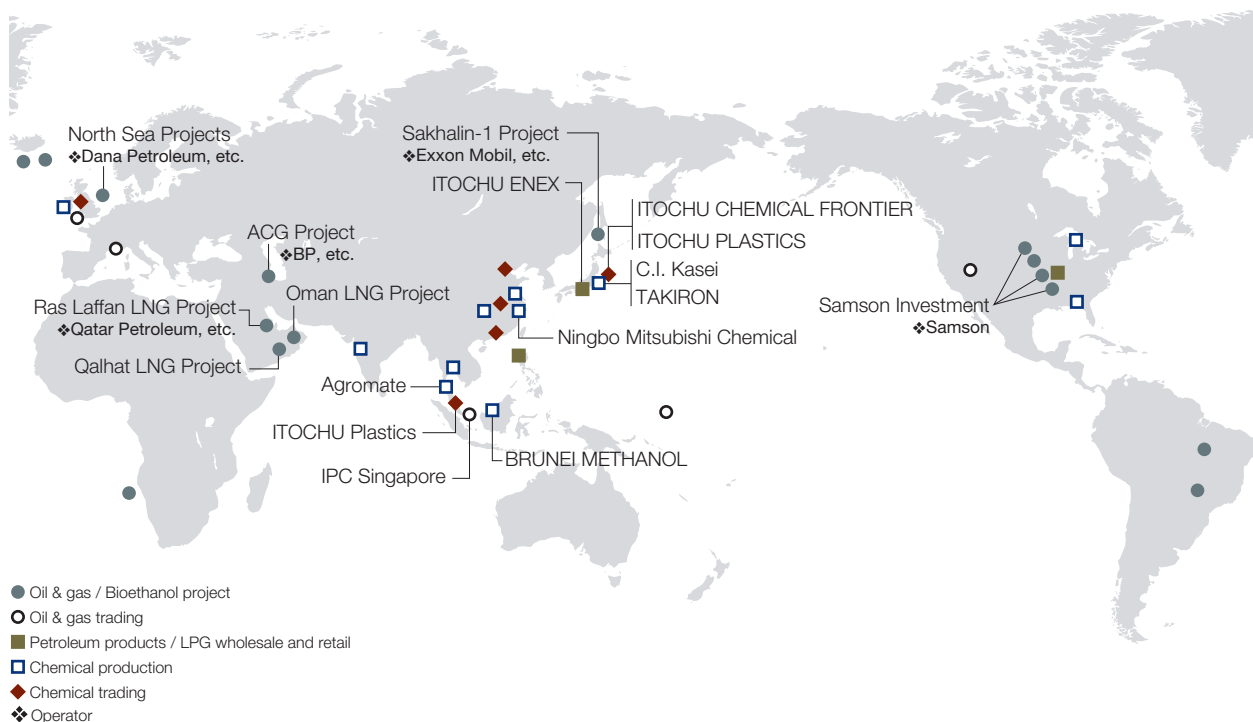


Chemicals Division

This division conducts trade in a wide range of products, such as basic chemicals, plastics, electronic materials, and pharmaceutical raw materials. In addition to trading, the division is investing in businesses to build a multifaceted portfolio that extends from upstream to downstream. Consequently, the division includes a large number of major Group companies, such as ITOCHU CHEMICAL FRONTIER Corporation, ITOCHU PLASTICS INC., and C.I. Kasei Co., Ltd.



Business Portfolio



Message from the Division Company President

We aim to increase earnings through synergy among divisions, and to establish a stable management foundation.

In fiscal 2013—the second year of “Brand-new Deal 2012”—in the energy area we decided to invest in an oil field development project in the U.K. North Sea. In the chemicals area, we acquired a stake in Agromate Holdings Sdn Bhd, one of the largest fertilizer distributors in Malaysia. In fiscal 2012, in the energy area we invested in Samson Investment Company of the United States, and in the chemicals area we formed a joint venture to manufacture and sell lithium-ion battery (LiB) materials. Through these projects, we accumulated superior assets in preparation for “Brand-new Deal 2014.”

“Brand-new Deal 2014” calls for us to concentrate on reaping the benefits from the large-scale projects. In addition, we aim to boost earnings by pursuing synergies in both the energy and chemicals areas and further

accumulating superior assets. At the same time, we are establishing a lean and stable management foundation by placing priority on cash flows and curtailing expenses.

ITOCHU will pursue management that seeks to maintain a balance between the resource and non-resource sectors. I believe the Energy & Chemicals Company, which operates in both of these sectors, will play an important role. We will execute the strategies we have drawn up in each area by making full use of the distinctive capabilities of a general trading company, such as securing energy resources for Japan and creating added value throughout the value chain in the petroleum, gas, and chemicals areas. Thus, we will contribute to the development of Japan, Asia, and the rest of the world.

RESULTS

Overview of Fiscal 2013

Business Results					Billions of Yen
Years ended March 31	09	10	11	12	13
Gross trading profit	¥159.9	¥146.4	¥151.1	¥155.6	¥165.0
Equity in earnings (losses) of associated companies	2.2	2.0	1.7	2.4	(28.3)
Net income attributable to ITOCHU	37.9	37.3	12.6	37.8	23.1

Gross trading profit rose by 6.1% year on year, to ¥165.0 billion. Although we faced sluggish market conditions for chemicals, profit was up in the energy area, as we acquired a Japanese energy-related business and trading in crude oil and petroleum products increased. Net income attributable to ITOCHU, however, dropped by 38.9%, to ¥23.1 billion. This decrease reflected an impairment loss on a U.S. oil-and-gas-development-related company, although we received higher dividends from oil-and-gas-related investments on Sakhalin and recognized gains on sales of investments.

In the energy area, we entered into an agreement to jointly develop newly discovered oil fields in a block we own in the U.K. North Sea in cooperation with the block's operator. In the chemicals area, we acquired a stake in Agromate Holdings, one of the largest fertilizer distributors in Malaysia. Through this purchase, we participated in the fertilizer resources area, where supplies are expected to tighten in the future. We also acquired additional shares in Kureha Battery Materials Japan Co., Ltd., which manufactures and sells materials for LiBs. We also commenced a capital / business partnership with Toda Kogyo Corp., which manufactures and sells electronic materials. Through these measures, we are laying the steppingstones in new growing areas.

MARKET

Medium- to Long-Term Business Environment

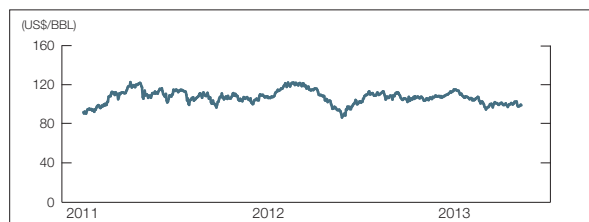
Energy Area

Crude oil prices remain high, due to limited surplus production capacity in oil-producing countries and geopolitical concerns in the Middle East and Africa. Although demand is trending downward in industrialized countries, global demand should continue to rise in line with growth in emerging countries in Asia, South America, and other regions. Therefore, we expect crude oil prices to remain firm going forward. North American gas prices remain low due to major increases in production of unconventional natural gas, but over the medium to long term we believe the prices will gradually rise. Meanwhile, increases in gas prices in Japan and Europe will be lower than in North America. Thus, we expect the gap between these prices to narrow.

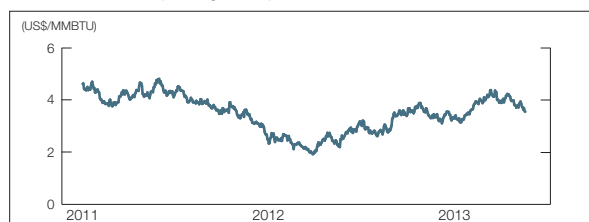
Chemicals Area

Although economic growth is slowing down in China—a major market for this division—we anticipate firm demand growth from the ASEAN region, as well as from North and Latin America. On the supply side, investors are planning new facilities and expansions at large-scale ethylene plants that use North American shale gas as feedstock, as well as at ethylene plants in the Middle East. Moving forward, we expect flows of trade of competitive chemicals from North America and the Middle East to Asia and Latin America.

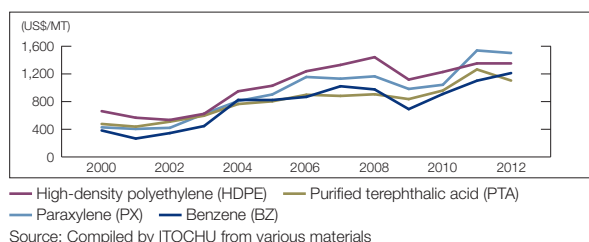
Brent Crude Oil Price



U.S. Gas Price (Henry Hub)



Market Conditions for Chemicals



STRATEGY

Medium- to Long-Term Growth Strategies

Energy Area

In development, we plan to expand existing projects and participate in promising new projects while minimizing risks, leveraging our expertise to expand our business in this area.

With regard to trading, we will continue to expand the traditional flow of business—importing and wholesaling products from the Middle East to countries in Asia. Meanwhile, we will take advantage of the opportunity presented by growing unconventional crude oil and gas production in North America to encourage the new flow of trade from North America to Asia. We will also work to expand our trading business by utilizing our natural gas interests in North America.

Chemicals Area

Based on worldwide trading operations in the areas of organic chemicals, plastics, and fertilizer and other inorganic chemicals, the division will advance projects in upstream areas to secure competitive raw materials. In addition, in downstream areas the division will take steps to expand its business and bolster its supply chains, especially in the retail including pharmaceuticals, plastics processing, and electronic materials areas.

CSR at the Energy & Chemicals Company

Promoting CSR through environmental preservation and the stable supply of high-quality products

Affording maximum consideration to the environment, we ensure safe and secure high-quality products, as well as their stable supply, and contribute to the realization of a sustainable society through the development of energy resources and infrastructure, the securing of upstream products and materials and the strengthening of downstream supply chains.

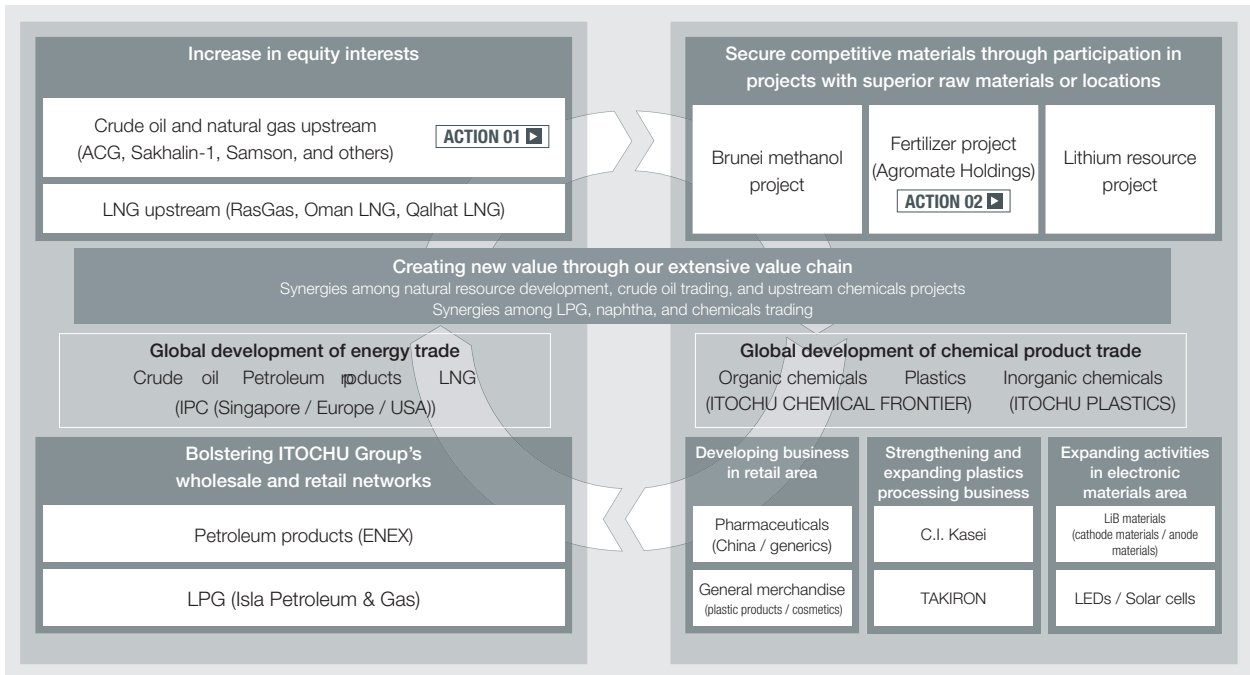
CSR Action Plans: Key points of our fiscal 2014 action plans

Our Group promotes businesses that are friendly to the global environment, such as bioethanol, renewable natural energy, DME, and lithium battery-related projects, as well as the stable securing and supply of energy resources through the development of conventional oil fields. We will also continue to provide education on related laws, regulations and safety tips to energy and chemical products.

For the details of CSR activities at the Energy & Chemicals Company, please visit our website.

<http://www.itochu.co.jp/en/csr/activities/chemical/>

Medium- to Long-Term Growth Strategies



ACTION

Initiatives to Implement Our Growth Strategies

ACTION 01 **Approval of Development of the Western Isles Development Project in the U.K. North Sea**

CIECO Exploration and Production (UK) Limited, a 100%-owned subsidiary of ITOCHU, which holds a 23.08% working interest in a block, has decided to jointly develop newly discovered oil fields in the block (Western Isles Development Project (“WIDP”)) with Dana Petroleum (E&P) Limited, the operator of the block. We received U.K. government approval of the development plan in December 2012.

Since becoming involved in the U.K. North Sea in 1993, we have been continuously engaged in the oil exploration and production business in the region, such as acquiring an interest in the Alba field in 2005 to secure a stable supply of resources. With regard to WIDP, we joined the exploration activity in 1996 to see WIDP to the development stage. Production is expected to commence in 2015, and we estimate that it will increase our oil and gas interests by approximately 10,000 barrels per day. We plan to apply the technological and commercial expertise we have accumulated in the U.K. North Sea to see WIDP transition to production and further expansion.




SEVAN (circular) floating oil development rig under construction

ACTION 02 **Acquisition of Shares in Malaysia’s Leading Fertilizer Distributor**

ITOCHU acquired shares of Agromate Holdings, one of the largest fertilizer distributors in Malaysia. Agromate has a total of nine distribution centers, seven in Malaysia and two in Indonesia. The company handles 1.3 million tons of fertilizer annually and is one of the largest fertilizer distributors in Malaysia as well as one of the largest in Asia. The company also owns a manufacturing company in the state of Sabah, Malaysia, which has a manufacturing capacity of 200,000 tons of nitrogen-phosphorous-potassium (NPK) compound fertilizers per year.

Asian demand for fertilizer is expected to expand, particularly in China and India. Over the medium to long term, supplies of fertilizer resources are expected to grow tighter, as demand for food rises in tandem with global population increases. Through its new investment in the fertilizer resources sector, we aim to work with Agromate to strengthen its sales structure centered on Asia, thereby contributing to stable food supplies.

Product image



Agromate’s plant

Food Company

We will accelerate the implementation of the global SIS (Strategic Integrated System (vertical integration from upstream area to downstream area)) strategy and aim to be a Japan and Asia-based leading global food company.



President, Food Company
Yoshihisa Aoki

Business Overview

Business Areas

Provisions Division

This division secures raw material procurement locations, which play a key role of the global SIS strategy*. In addition, the division provides a wide range of raw materials, such as grains, fats and oils, sugar, coffee beans, and dairy products, principally to Japan and other Asian countries. The division will strive to make a significant contribution to the establishment of a global value chain through the provision of stable supplies and food safety and security for markets.



* SIS Strategy: 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.

Fresh Food Division

Centered on the three main fresh food products (marine products, livestock products, and agricultural products), this division is building integrated operations on a global scale, from production regions—product processing—sales. Through the Dole business acquisition, in addition to our domestic-demand-style business model, we will expand our global business model, centered on Asian markets.



Food Products Marketing & Distribution Division

This division includes leading domestic comprehensive food distributors ITOCHU-SHOKUJIN Co., Ltd., and NIPPON ACCESS, INC. Through alliances with FamilyMart Co., Ltd., UNY Co., Ltd., and IZUMIYA Co., Ltd., the division conducts product development and works to build efficient food distribution networks, with customer needs as the starting point. The division covers a wide range of channels, from retail to food service and ready-to-eat, and is also promoting the food distribution business in China and Asia.

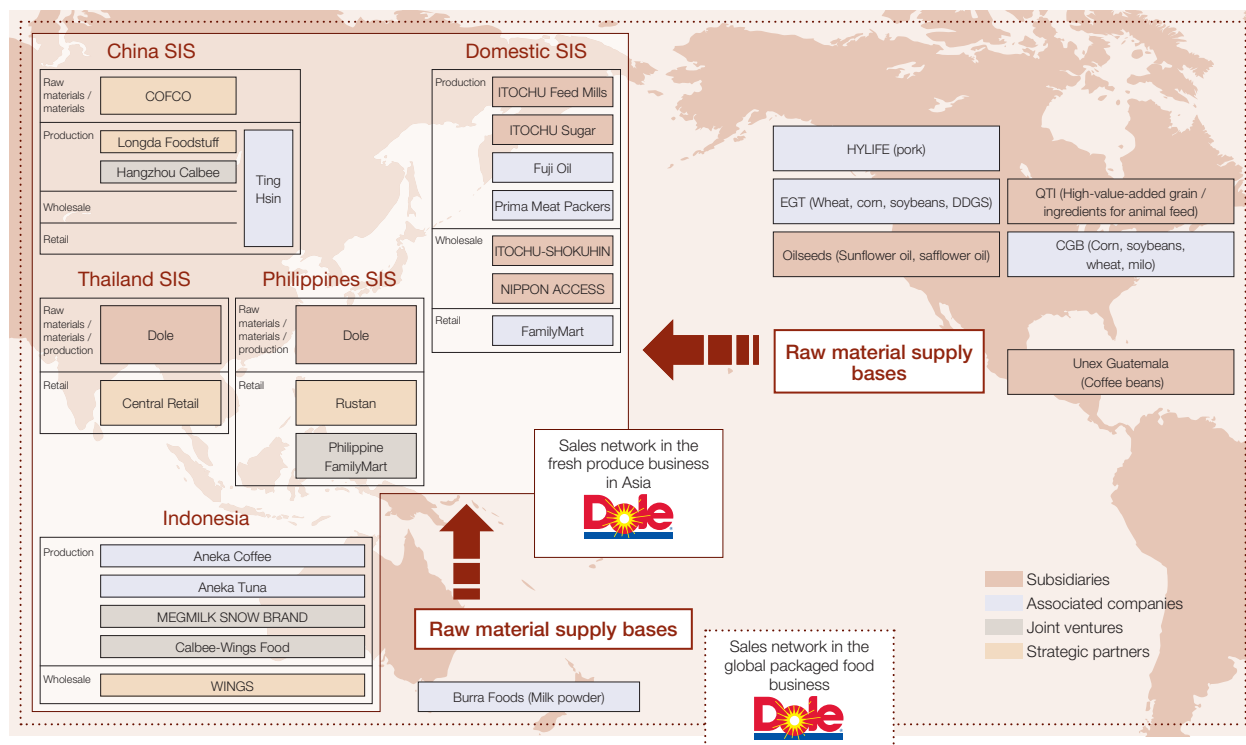


China Business Development Department

This department is aggressively developing businesses in China, not only as a food supply base for Japan but also as a huge market itself. These businesses are centered on initiatives with China's leading corporate groups, such as the Ting Hsin Group, having the world's largest manufacturer of instant noodles; COFCO; and the Longda Foodstuff Group.



Business Portfolio



Message from the Division Company President

We will further increase earnings by accelerating the global SIS strategy from its point of origin in Japan and other parts of Asia.

With the global economy remaining uncertain in early fiscal 2013, all Group companies worked together to accelerate the improvement of our earnings structure. As a result, we achieved net income attributable to ITOCHU of ¥45.7 billion, a new record high for the Food Company.

In fiscal 2014—the first year of “Brand-new Deal 2014”—we launched ourselves onto a new stage by acquiring the Dole businesses for US\$1.685 billion. In the past, in line with the Food Company’s core strategy, the SIS strategy, we have endeavored to expand our food value chain from Japan to China and the rest of Asia.

Because Dole possesses a worldwide sales network and a brand with strong global recognition, I believe it provides the foundations to expand our business on a worldwide

scale. In addition to expanding sales of existing products, we will develop new products and businesses that leverage the Dole brand. Moving forward, we will evolve from a company with operations in Japan and other parts of Asia to a leading company in the global food industry. While responding promptly to changes in our environment, we will continue working to build a framework for the stable supply of safe, secure food, and will strive to achieve net income attributable to ITOCHU of ¥55.0 billion.

RESULTS

Overview of Fiscal 2013

Business Results					Billions of Yen
Years ended March 31	09	10	11	12	13
Gross trading profit	¥335.6	¥270.0	¥201.0	¥201.2	¥202.7
Equity in earnings of associated companies	10.1	13.0	11.7	20.1	22.9
Net income attributable to ITOCHU	20.2	27.8	22.4	43.8	45.7

Gross trading profit grew by 0.8%, to ¥202.7 billion. Despite a decline in the fresh food and food materials-related business due to the conversion of a frozen-foods-related subsidiary into an equity-method associated company, transaction volumes rose for subsidiaries involved in food distribution. Net income attributable to ITOCHU grew by 4.3%, to a new record high of ¥45.7 billion. Contributing to this increase was the recognition of a gain on sales of investments as well as strong performance in the convenience store business, despite the absence of a gain on sales of property and equipment and receipt of insurance recorded in the previous fiscal year.

In Japan, we continued to pursue the SIS strategy, expanding our business in food distribution, centered on FamilyMart Co., Ltd., and NIPPON ACCESS, INC., which completed its management integration in the previous fiscal year. Overseas, we augmented our business foundation by enhancing our partner alliance through joint activities with TING HSIN (CAYMAN ISLANDS) HOLDING CORP. and pursued the SIS strategy throughout Asia, such as working with FamilyMart on a new foray into the Philippines. We also decided to acquire the Asian fresh produce business and the worldwide packaged foods business of Dole Food Company, Inc., the world’s largest producer and marketer of fresh fruits and vegetables. This acquisition provides us with the momentum to accelerate our global SIS strategy. We also entered the pork production business in Canada, which will expand our food resource trading activities.

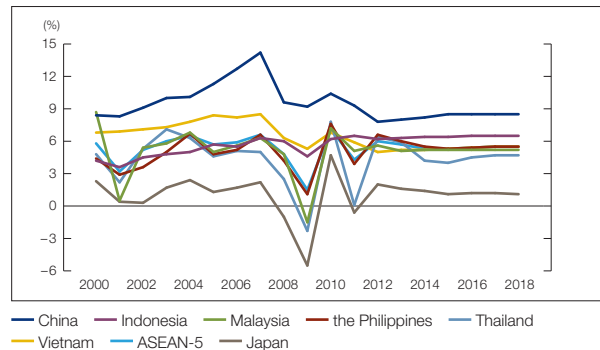
MARKET

Medium- to Long-Term Business Environment

In Japan, the new government administration's policies targeting large-scale monetary easing are driving yen depreciation and share price increases, prompting an improvement in heretofore sluggish consumer sentiment and invigorating personal consumption, which are moving the Japanese economy in a positive direction. These are positive signs for us, as the Japanese market is an important earnings platform for the Food Company. Even so, the population is expected to fall as a result of the declining birth-rate and an aging population, making big growth in this market unlikely over the medium to long term.

In China, the rate of population growth is becoming diminished, and indicators suggest that the GDP growth rate also has signs of slowing. Nevertheless, purchasing power is expected to rise in this vast market, represented by the world's largest population base. We also expect Southeast Asia to become an increasingly important market, as this region's population is expanding, particularly in the ASEAN-5 nations of Indonesia, Malaysia, the Philippines, Thailand, and Vietnam, and a rising GDP growth rate leads to solid economic expansion.

GDP Growth Rates in Various Countries



STRATEGY

Medium- to Long-Term Growth Strategies

In the implementation of the Food Company's SIS strategy, we have further accelerated our initiatives, including capital / business alliances in the retail sector and integration of Group companies in the distribution and marketing area in Japan (Step 1). We have also broadened the foundations for our SIS strategy through its horizontal extension and development across the food value chain overseas. We have achieved this through joint initiatives with strategic partners in China and other Asian countries such as TING HSIN (CAYMAN ISLANDS) HOLDING because we recognize that although the Japanese market is shrinking due to a falling birthrate and an aging population, demand in fast-growing emerging countries is rising (Step 2). The recent acquisition of the Dole businesses will enable the Food Company to organically combine its existing food value chain with Dole's global brand and production and sales network. To accelerate the rollout of our global SIS strategy, we will expand sales of existing products and develop new products and businesses that leverage the Dole brand (Step 3).

CSR at the Food Company

Responding to the needs of consumers and society with environmental consideration

We aim to conduct quality businesses that can contribute to society by ensuring a stable supply of safe products, checking multiple aspects of food safety, and paying attention to preserving the environment. In this manner, we strive to earn the trust of our customers and local communities.

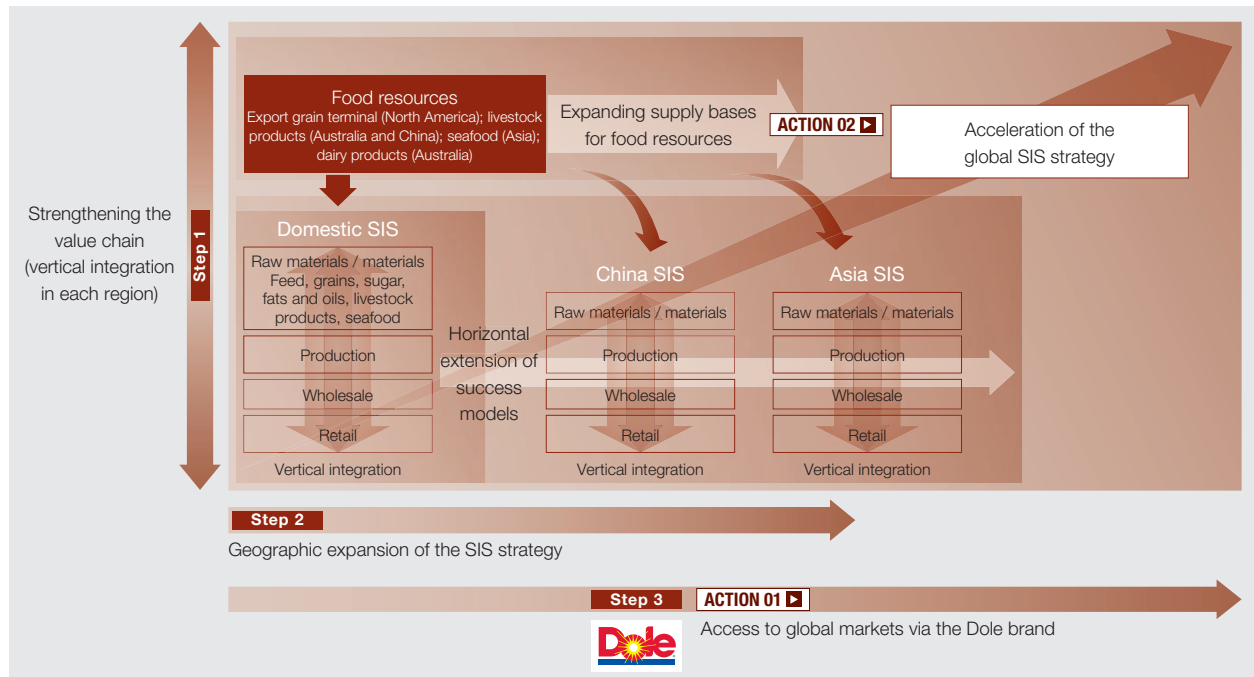
CSR Action Plans: Key points of our fiscal 2014 action plans

We will continue advancing initiatives that meet a variety of societal needs, such as ensuring the stable supply of food resources, protecting the environment, strengthening convenience store functions as social and lifestyle infrastructure, developing healthier foods and improving inspection systems to ensure food safety.

For the details of CSR activities at the Food Company, please visit our website.

<http://www.itochu.co.jp/en/csr/activities/food/>

Medium- to Long-Term Growth Strategies



ACTION

Initiatives to Implement Our Growth Strategies

ACTION 01 Acquisition of Asian Fresh Produce Business and Worldwide Packaged Foods Business of Dole

ITOCHU acquired the Asian fresh produce business and the worldwide packaged foods business of Dole Food Company, through Dole International Holdings, Inc., established by ITOCHU in October 2012, for a total of US\$1.685 billion.



Product image

We will integrate ITOCHU's existing global food value chain with the acquired businesses' production and sales networks and the worldwide Dole brand, whose concept is "health and nutrition," to work together to expand sales of existing products and develop new products and businesses that leverage the Dole brand, adding further to the value of the acquired businesses.

Taking advantage of these acquisitions, moving forward we will accelerate our global SIS strategy with the aim of becoming a leading global company in the food industry.



At Dole's headquarters

ACTION 02 ITOCHU Participated in Pork Production Business in Canada

In December 2012, ITOCHU acquired a 33.4% stake in HYLIFE GROUP HOLDINGS LTD., one of Canada's leading pork producers.



In front of HYLIFE's headquarters

HYLIFE conducts an integrated production (from genetics, live production, and feed mill to pork processing), primarily in Manitoba. Taking advantage of its integrated production system, HYLIFE supplies safe, secure pork to markets around the world. HYLIFE also supplies value-added specialty pork to the Japanese market, using differentiated feeding to meet customer requirements.

Employing ITOCHU's marketing network, we plan to expand sales of HYLIFE's safe, secure pork, centering on the Asian market. In addition to Japan, we plan to target the Asian markets, centered on China, where consumption continues to grow. Moreover, in the Chinese market ITOCHU will expand its business with the Longda Foodstuff Group—a significant partner of ITOCHU—through technical exchanges in the area of pig production.



HYLIFE plant

ICT, General Products & Realty Company

We will draw on our comprehensive capabilities and global network to provide high value added to a wide range of customers, in both industrial and consumer markets.



President, ICT, General Products & Realty Company
Tomofumi Yoshida

Business Overview

Business Areas

Forest Products & General Merchandise Division

The building products & materials business has a strong presence in Japan and the United States, while the pulp and paper business has leading market positions based on its global sales network and cost competitiveness. The natural rubber business in Southeast Asia is among the largest of any general trading company, and the tyre business has built a global sales network. In these ways, this division has established strong, highly competitive global value chains.



ICT, Insurance & Logistics Division

In ICT, the division is involved in IT and Internet-related services as well as mobile phone distribution and value-added after-sales services. In insurance and logistics, the division is taking steps to strengthen its businesses, centered on China and Asia, including reinsurance brokerage and international logistics. The division is also aggressively developing new businesses and pursuing synergies through cooperation among business areas.









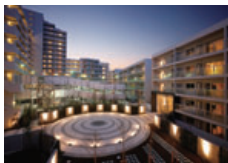





Construction, Realty & Financial Business Division

This division is active in the REIT-related business, centered on Advance Residence Investment Corporation (ADR), Japan's largest residential J-REIT; housing and logistics facility development; and financial services. In addition, the division is aggressively developing overseas business, especially in China and Asia. In the future, the division will advance new businesses through the integration of the finance and real estate development functions.



Business Portfolio

Forest Products & General Merchandise Division	 Pulp production (Brazil and Finland)	 Natural rubber processing business in Southeast Asia	 U.K. tyre distribution and retail business	 Building material business in North America
ICT, Insurance & Logistics Division	 IT solutions business	 Mobile phone distribution	 Logistics business	 Insurance business
Construction, Realty & Financial Business Division	 Domestic residential development business	 Overseas real estate development business	 Logistics facility development business	 Domestic / overseas financial services

Message from the Division Company President

We will work to generate synergies among our areas of business.

Launched in fiscal 2013 as the ICT, General Products & Realty Company, we cover a wide range of business areas, such as Forest Products & General Merchandise, ICT, Insurance & Logistics, and Construction, Realty & Financial Business. We believe these sectors hold high possibilities.

To realize these possibilities, we made aggressive large-scale investments during the period of “Brand-new Deal 2012.” We acquired the Kwik-Fit Group, the U.K.’s No.1 tyre retailer; invested in METSA FIBRE Oy, a northern European pulp producer; and purchased IT service businesses in Malaysia and Singapore. As a result, net income attributable to ITOCHU amounted to ¥52.1 billion in fiscal 2013, but we recognize that we still have far to go.

Accordingly, during the period of “Brand-new Deal 2014” we will concentrate most of all on sustaining steady

growth by enhancing existing project’s profitability, and we intend to make a vigorous push to build an even more robust earnings platform.

In sectors where such expansion is not possible through organic growth alone, we plan to make timely investments in various projects after careful consideration and stringent evaluation.

As our company is involved in wide-ranging business areas, we are working to deepen cooperation across divisions and areas, taking a holistic approach toward our customers as we strive to create added value.

By implementing these measures steadily, we are endeavoring to create “new and true value” by coordinating and integrating our human resources and organizations possessing specialist strength.

RESULTS

Overview of Fiscal 2013

Business Results					Billions of Yen
Years ended March 31	09	10	11	12	13
Gross trading profit	¥235.3	¥204.0	¥208.3	¥244.6	¥236.6
Equity in earnings (losses) of associated companies	2.1	(7.9)	3.9	17.4	24.5
Net income attributable to ITOCHU	16.8	6.2	6.0	37.6	52.1

Gross trading profit fell by 3.3%, to ¥236.6 billion, as a result of a decline in condominium sales, the conversion of a mobile-related subsidiary to an equity-method associated company, and the absence of subsidiaries sold in the previous fiscal year, despite contributions of increased transactions by acquiring the Kwik-Fit Group in the previous fiscal year and by a domestic ICT-related company. Net income attributable to ITOCHU, on the other hand, was up 38.6% year on year, to ¥52.1 billion. This increase stemmed from factors such as a rise in gain on investments, a significant increase in earnings of associated companies, and the absence of a loss of reversal of deferred tax assets accompanying a change in the effective income tax rate for the previous fiscal year.

We worked proactively to accumulate superior assets in growth areas and regions, particularly overseas. We also continued to implement asset replacement, thereby

reinforcing our earnings structure. In Forest Products & General Merchandise, we invested in one of the world’s leading softwood pulp producers, Finland’s METSA FIBRE, solidifying our position as a leading pulp trader. In ICT, we acquired the shares of IT service providers in Malaysia and Singapore with ITOCHU Techno-Solutions Corporation, enhancing our business development into the growing markets of Southeast Asia. In Insurance, we formed a business alliance with a company that runs a syndicate at Lloyd’s of London in the United Kingdom—the world’s largest insurance market—to enter into the underwriting business at Lloyd’s. This is the first such participation by a non-financial sector company in Japan. In the Construction, Realty & Financial Business, we moved steadily forward on existing projects involving domestic logistics facility development and overseas real estate development business.

MARKET

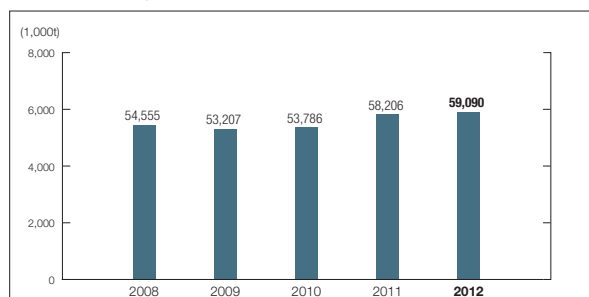
Medium- to Long-Term Business Environment

The volume of market transactions in the pulp products used in paper dropped off temporarily in the aftermath of the Lehman shock, but demand has increased, particularly from China. We expect this trend to continue. We currently handle more than 2 million tons per year, making us a leading pulp trader. The U.K. tyre market declined from 2011 through 2012, but signs of a bottoming out are appearing. Under the above mentioned business environment, Kwik-Fit's operating performance remains firm.

In ICT, we expect IT demand to continue rising steadily in Asia, which is experiencing robust economic growth. We see this as a major business opportunity for the ICT, General Products & Realty Company. In Japan, we anticipate the ongoing transition to smartphones will invigorate the ICT market.

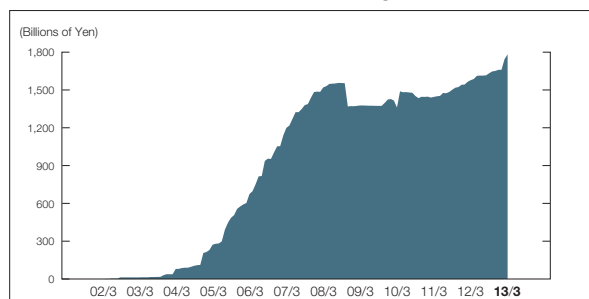
With the exception of a temporary adjustment following the Lehman shock, the real estate securitization market has recorded generally favorable expansion, and continued growth is expected in the future. The residential J-REIT market is also following a basic trend of growth. In this setting, the portfolio held by Advance Residence Investment Corporation (ADR) increased substantially as a result of merger in March 2010, and ADR continues to reinforce its presence as the largest residential J-REIT in Japan.

Volume of Pulp Sold



Source: RISI / Sales results

Residential J-REIT Real Estate Holdings



Source: Association for Real Estate Securitization

STRATEGY

Medium- to Long-Term Growth Strategies

As the ICT, General Products & Realty Company is involved in a broad range of areas, our basic approach is to add and expand the specialist strengths in each division and sector, while at the same time building a robust earnings platform spanning all organizations. For instance, in the paper and pulp category we have solidified our position as a leading pulp producer through investments in CENIBRA and METSA FIBRE.

Next, to expand earnings we are adopting a holistically cooperative approach that transcends individual departments and sectors. Looking at construction, for example, we are now expanding transactions involving ICT, paper and pulp, and logistics with an IT company that we dealt with initially in the area of real estate transactions.

These moves aim to create "new value" in the sense that they involve new transactions generated by pursuing additional and overlapping earnings. We are also taking on the challenge of creating "true value," meaning the development of ongoing business that does not end with one-time non-recurring transactions.

CSR at the ICT, General Products & Realty Company

Raising environmental awareness and contributing to the development of prosperous communities and societies

Through the provision of environment-friendly products and services as well as products and solutions that help realize more prosperous societies by responding to regional and social needs, we will contribute to advancing the development of regional communities and the international society as a whole while also supporting safe and affluent lifestyles.

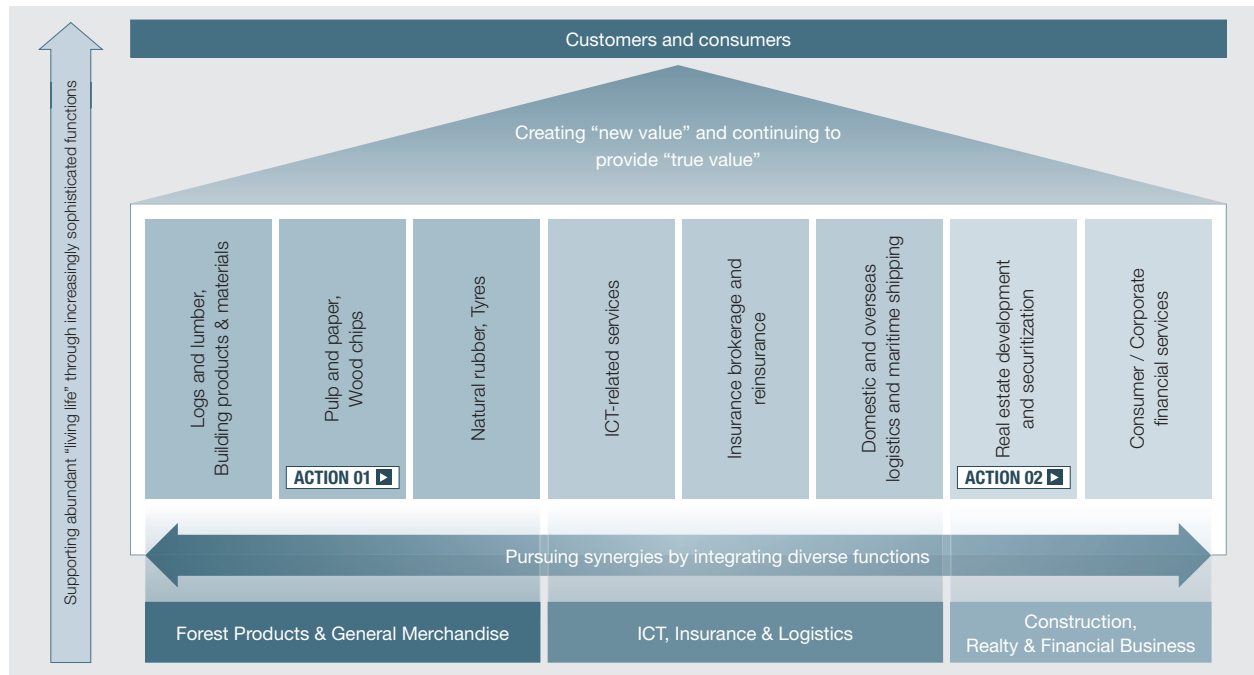
CSR Action Plans: Key points of our fiscal 2014 action plans

We will trade internationally certified forest products that will lead to the sustainable use of resources, develop environment-friendly condominiums and promote eco-friendly businesses such as energy management solution businesses that utilize IT. We will also contribute to the development of the international community and the realization of prosperous societies through the promotion of businesses with local partners in the areas of distribution network building, construction and finance in China and throughout Asia. Meanwhile, we will continue to undertake steady efforts to enhance our supply chain management and ensure compliance with related laws and regulations.

For the details of CSR activities at the ICT, General Products & Realty Company, please visit our website.

<http://www.itochu.co.jp/en/csr/activities/general/>

Medium- to Long-Term Growth Strategies



ACTION

Initiatives to Implement Our Growth Strategies

ACTION 01 ITOCHU Invested in One of the World's Leading Pulp Producers

In May 2012, ITOCHU acquired 24.9% of the shares outstanding in Finland's METSA FIBRE, one of the world's largest softwood pulp producers, for approximately €480 million. Paper materials divide broadly into two categories: hardwood pulp and softwood pulp. ITOCHU already markets hardwood pulp throughout the world through its investment in Brazil's CENIBRA, which maintains an excellent network of production sites. Through the investment in METSA FIBRE, we intend to boost our transaction volumes for softwood pulp, securing a position as a leading pulp trader providing top-end quality, as well as volume. METSA FIBRE's pulp production processes generate electricity, providing the surplus not required by its plants to the surrounding region. This production accounts for approximately 20% of the bio-energy generated in Finland, making this a contributor to the local environmental preservation.

We look forward to further reinforcing our business through joint initiatives with this excellent partner.



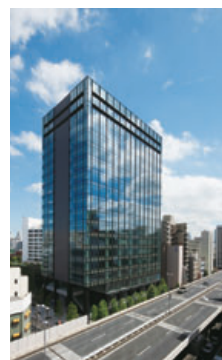
METSA FIBRE factory

ACTION 02 Real Estate Development Initiatives in Japan

"Partnership" is a keyword for the Construction, Realty & Financial Business Division, which strives to fully utilize the advantages of a general trading company. In accordance with this keyword, in the domestic market we take part in a host of real estate development projects, including housing (condominiums and leased), logistics facilities, and office buildings.

In June 2012, we sold TIXTOWER UENO, an office building developed jointly by ITOCHU Property Development, Ltd., and Tokyo Tatemono Co., Ltd., to Japan Real Estate Investment Corporation. In April 2013, we began developing a logistics facility exclusively for DHL Supply Chain Ltd., Sagamihara Logistics Center, in cooperation with Kenedix, Inc. Through these diverse initiatives, we are striving to reinforce our earning power.

The CSR action plan of our Construction, Realty & Financial Business Division calls for "providing quality facilities with an emphasis on safety and security" and "thoroughly considering the environment." Moving forward, we will maintain CSR awareness as we pursue the real estate development business.



TIXTOWER UENO



Rendering of Sagamihara Logistics Center

Overseas Operations

Comments from Overseas Regional Headquarters

North America

Eiichi Yonekura

President & CEO,
ITOCHU International Inc.



With its vast consumer market, substantial food resources and impressive range of industrial innovations such as the shale gas revolution, not to mention its steadily recovering economy, North America offers more and more opportunities for us to expand the scope of our business.

We are poised to create exciting new sources of earnings and boost our competitiveness by leveraging ITOCHU's diverse capabilities and moving beyond our traditional approach to add unique value.

Latin America

Masaki Hayashi

C.E.O. for Latin America



Latin America is expected to continue steady economic growth, and with the launch of the Pacific Alliance the region is expected to foster deeper ties with Japan and other Asian countries. To further boost earnings, we are moving forward with business initiatives related to metal and forest resources, food resources, and bioethanol. We are also taking on business opportunities related to the automobile sector and other segments that rely on domestic demand, which is slated for future growth.

Europe

Masahiro Imai

Chief Executive for
European Operation



The European economy is expected to begin a gradual recovery in the second half of 2013, but full-fledged recovery is likely to require more time.

Under these conditions, we will continue to concentrate on cultivating the investments we have made in recent years. Meanwhile, we will seek out new opportunities for growth by pursuing investments in our areas of strength—the consumer-related sector and such infrastructure areas as electricity, water, and environment.

Africa

Tomoyuki Akamatsu

Chief Executive for Africa



The Fifth Tokyo International Conference on African Development (TICAD V) was held in June 2013. New support measures and investment promotion policies for Africa proposed at this conference are further raising interest in Africa. As strategic initiatives towards this growing market, in addition to involvement in platinum mines, gas field investment, and large-scale solar power generation, we are actively promoting business investment in the non-resource sector, such as sales of automobiles and consumer goods.

Middle East

Hiroyuki Tsubai

CEO for the Middle East



In the spring of 2013, the northeastern part of the Arabian Peninsula witnessed intense rains and an earthquake on the border between Iran and Pakistan. Apart from natural environmental changes, the region continues to remain in tangle by political and economic uncertainty. Our focus is to provide an uninterrupted supply of resources; to boost sales of transportation equipment, foods, textiles, and general merchandise to meet the growing demand accompanying a growing population and an increase in standard of living; and to provide quality, large-scale infrastructure and after-sales service.

East Asia

Shuichi Koseki

CEO for ITOCHU
East Asia Bloc



East Asian economies are becoming increasingly interdependent, centered on China. The Chinese economy, which is in transition from a period of high economic growth to one of stable expansion, still represents a huge consumer market, and Chinese domestic demand is expected to continue driving expansion throughout the region. We are closely involved with domestic demand in China, particularly the consumer-related sector, where we anticipate an increase in earnings.

Oceania

Fiscal 2013 represented a turning point marked by drastic declines in metal and mineral resource prices, but the resource business in Australia is expected to remain competitive over the long term, backed by the country's abundant natural resources which meet growing global demand.

In the non-resource sector, we are working to secure food and forest resources from Oceania to meet worldwide demand. We are also making inroads into infrastructure-related businesses.

ASEAN & South West Asia

ASEAN & South West Asia is characterized by a population of 2.0 billion and ongoing economic growth. Consumption at the middle-income level is growing, and the region is benefiting from the influx of export-oriented companies pursuing "China plus one" strategies. We are working to enhance our earning power and increase our presence in this region by advancing IPP, port, and other infrastructure businesses in cooperation with solid local companies. We are also concentrating on consumer-related businesses involving Dole, FamilyMart, and other companies, and such natural resource development-related business as coal and gas.



Junichi Sasaki

CEO for Oceania
CEO for ASEAN &
South West Asia Bloc

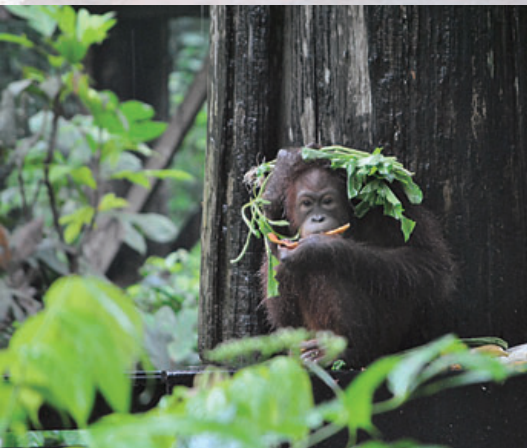
CIS

Kiyoshi Fujitsuka

C.O.O. for CIS



Blessed by abundant natural resources and extensive land, CIS countries have high growth potential. We focus on the resource sector that serves the national interests of related countries. In addition, by leveraging ITOCHU's global networks, we are working to develop businesses in such areas as infrastructure and machinery for industrial regeneration and improvement of living environments, and consumer products and services as well as raw materials which will allow us to respond to robust consumer demand.



Corporate Social Responsibility

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Resolving Social Issues through Business
Striving to Resolve the Problems of
Cotton Farmers in India through the Supply Chain
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CSR for ITOCHU Corporation

ITOCHU Corporation is pursuing multifaceted corporate activities in various regions of the world and a wide range of fields. As such, ITOCHU is well aware of the impact of those activities on the global environment and society.

For ITOCHU, CSR entails making a contribution to building sustainable societies through business activities. As a global company, it is our mission to be “Committed to the Global Good.”

ITOCHU Mission and Values

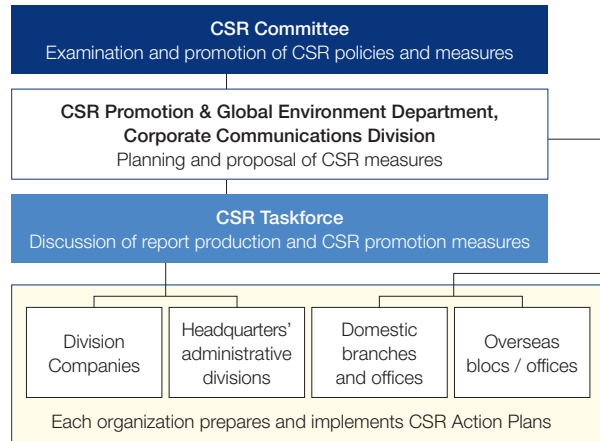
ITOCHU founder Chubei Itoh first launched a wholesale linen business in 1858. For more than 150 years since, ITOCHU has passed down the spirit of *sampo yoshi* (Good for the seller, Good for the buyer, and Good for society), a management philosophy embraced by Ohmi merchants.

After considering ways to demonstrate its commitment to society as an international corporation and to put this commitment into practice, in 1992 ITOCHU formulated “Committed to the Global Good” as a corporate philosophy. The conceptual framework for this philosophy was reorganized in 2009. In order for all employees to properly understand the responsibility that the ITOCHU Group is charged with fulfilling for society and to make this philosophy an integral part of actions everyday, its core element, “Committed to the Global Good,” was set as the ITOCHU Mission for the entire ITOCHU Group. Accompanying this is a new set of five values, called the ITOCHU Values, considered vital for enabling each employee to fulfill their role in realizing the ITOCHU Mission. To properly embed the ITOCHU Values, ITOCHU has formulated “5 self-tests” that employees can refer to in order to determine that the five values are present in their actions.

ITOCHU's CSR Promotion: Basic Policies and Promotion System

We at ITOCHU Corporation, in accordance with the ITOCHU Mission “Committed to the Global Good,” believe that fulfilling our social responsibility through our business activities is important. To make sure that CSR is systematically implemented involving the whole organization, we established Basic Policies for CSR Promotion as a corporate-wide policy and drafted CSR Action Plans in each organization to promote CSR.

CSR Management System



Basic Policies for CSR Promotion

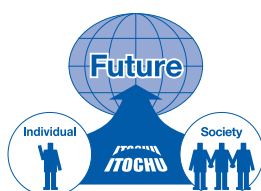
Alongside the drafting of its management plan, ITOCHU formulated its Basic Policies for CSR Promotion, with the aim of globally promoting CSR with direct linkages to the management plan.

During the period of the “Brand-new Deal 2014” management plan, which covers fiscal 2014 to fiscal 2015, the Basic Policies for CSR Promotion are as follows.

- 1 Strengthening communication with stakeholders through a front-line approach
- 2 Promoting businesses that help solve social issues
- 3 Strengthening supply chain management to advance consideration for the environment and human rights and to promote the use of sustainable resources
- 4 Promoting education on CSR and environmental conservation
- 5 Involving in and contributing to development of local and global communities

ITOCHU Mission

Committed to the Global Good



The ITOCHU group respects the individual, society, and the future in its Commitment to the Global Good.

ITOCHU Values & 5 self-tests

- | | | |
|--|------------------|---|
| | Visionary | Am I communicating vision and moving forward with others? |
| | Integrity | Am I proud to say I am involved in the work? |
| | Diversity | Am I including the ideas and skills of a variety of people to create the best result? |
| | Passion | Am I taking responsibility for and caring intensely about what I am doing? |
| | Challenge | Am I actively trying new things and pursuing innovative solutions? |

CSR Promotion System at ITOCHU Corporation

At ITOCHU Corporation, the Corporate Communications Division's CSR Promotion & Global Environment Department has the central role in the planning and proposal of corporate-wide CSR and other measures, which are deliberated on and discussed by the CSR Committee. ITOCHU also forms a CSR Taskforce, which is made up of members from each Division Company and Headquarters' administrative divisions. This taskforce discusses production of the reports and CSR promotion measures, such as CSR Action Plans. In this way, we are aiming to further strengthen communications with stakeholders.

CSR Promotion through CSR Action Plans

ITOCHU Corporation conducts a wide variety of businesses through six Division Companies. To reliably promote CSR in our businesses, in accordance with the Basic Policies for CSR Promotion shown on the left, each Division Company defines the CSR issues that are important in its business areas, formulates CSR Action Plans, and executes them based on a plan-do-check-act (PDCA) cycle system. CSR Action Plans are also formulated and exercised by each organization, such as the Headquarters' administrative divisions, domestic branches and offices, and overseas bases, in line with their respective businesses and functions. A pillar of our CSR promotion is that every employee understands the plans and steadily executes them in his or her job.

CSR Material Issues

By analyzing CSR Action Plans, ITOCHU identified four CSR material issues which are an integral part of our sustainable business activities. We will strive to ensure that our business activities contribute to resolution of these issues, in accordance with the Basic Policies for CSR Promotion.

- 1 Climate change
- 2 Sustainable use of resources
- 3 Respect and consideration for human rights
- 4 Contribution to local communities

In accordance with our operating strategy and with international guidelines, such as the Global Reporting Initiative 4.0 and the IIRC Framework, we will continue working to verify and enhance our initiatives to resolve these material issues, and, from a long-term perspective, we will strive to advance CSR through our business activities.

* For further information about specific initiatives, please see the Activity Highlight section on page 80 and the Documentary Report Project on Supply Chains section on page 82.

Social and Environmental Impact Evaluations in Business Investment and in the Supply Chain

For new business investments and suppliers, we implement social and environmental impact evaluations.

In making new business investments, we employ a "CSR and environmental checklist for investments" to conduct

advance evaluations of the current situation and issues. This information is then used in making the investment decisions. We revised this checklist at the end of fiscal 2013 to reflect the seven core subjects of ISO 26000, and we began to utilize the new checklist in fiscal 2014.

In accordance with ITOCHU Corporation's CSR Action Guidelines for Supply Chains, we are also working to track the actual state of suppliers in regard to social and environmental issues. We are implementing surveys of about 400 suppliers each year, with a special focus on human rights and labor issues. (Please see the Human Rights section on page 86).

We will continue to use these initiatives to further strengthen our CSR management.

Participation in the United Nations Global Compact

In April 2009, ITOCHU Corporation joined the United Nations Global Compact (UNGC), a global initiative to achieve sustainable growth of the international community. In compliance with the UNGC's 10 principles in the areas of human rights, labour standards, the environment, and anti-corruption, ITOCHU is striving to fulfill its corporate mission of "Committed to the Global Good."



Third-party Evaluations

ITOCHU's CSR promotion policies incorporate businesses that contribute to the resolution of social challenges. In August 2012, the Textile Company's Pre Organic Cotton Program was approved as an initiative of Business Call to Action (BCtA). BCtA is a global initiative hosted at the United Nations Development Programme (UNDP), which promotes businesses aimed at achieving both commercial success and sustainable development.

In addition, in the area of socially responsible investment (SRI), in July 2012 Tokyo Stock Exchange Group, Inc. (Currently known as Tokyo Stock Exchange, Inc.), selected ITOCHU as one of the corporations that excels in environmental, social, and governance (ESG). ITOCHU earned high marks for its initiatives in the advancement of the field of natural energy through its trading activities. Also, in February 2013 ITOCHU received the "Key Firm of Integrity Award 2013 for Excellence" from Integrex Inc., a company that provides survey and investment advisory services for SRI. ITOCHU was selected in recognition of its efforts to construct an environment in which each of its employees around the world can reassess the significance of his or her work in society and obtain a perspective on how they can contribute to solutions to the many social issues that exist using technologies and funds based on the Company's spirit of *sampo yoshi*.

Activity Highlight Resolving Social Issues through Business

Striving to Resolve the Problems of Cotton Farmers in India through the Supply Chain

Pre Organic Cotton Program

Since the Green Revolution in the 1960s, genetically modified (GM) seeds and agrochemicals, such as pesticides, have been used in large quantities in India. As a result, the purchase and use of agrochemicals are imposing a heavy burden on the finances and health of cotton farmers, many of whom are impoverished. Aiming to improve this situation through business, in 2008 ITOCHU launched the Pre Organic Cotton Program. This section provides information about the amount of cotton handled through this program, which is growing each year, as well as the conditions of the farmers participating in the program.



What is the Pre Organic Cotton Program?

The Pre Organic Cotton (POC) Program, which has been jointly operated by ITOCHU and KURKKU Co., Ltd., since 2008, helps cotton farmers in India to make the transition to organic cultivation methods. The program aims to stop the vicious circle of environmental damage, health hazards, and economic burdens on farmers caused by agrochemicals and chemical fertilizers. To that end, the program includes giving guidance on organic farming methods and supporting the acquisition of organic farming certificates during a three-year transition period.

Expanding the Scale of POC Operations

Since the program was launched in 2008, farmers from 2,346 households have participated, and 1,184 of those households have acquired organic farming certificates. In addition, more than 40 companies, including apparel and natural cosmetics companies, have introduced products using cotton procured through the program, and in 2012 the program handled 1,000 tons of POC. The initiatives of major customers are expected to drive further growth in sales of POC and in the scale of the market, and in 2013 the volume handled is expected to reach 1,500 tons. The program aims to expand to overseas markets, such as Europe and the United States, with targets for 2017 of 10,000 tons in

volume handled and about ¥5.0 billion in sales. Through continued growth in the volume of POC handled, the program aims to enhance the living environment for more cotton farmers by increasing the number of farmers practicing organic cultivation methods in India.

	Volume Handled and Sales of Related Products	
2012	1,000 tons	¥300 million
2015	5,000 tons	¥2.3 billion
2017	10,000 tons	¥5.0 billion

Commitment to the Business Call to Action

Because it contributes to the Millennium Development Goals (MDGs)*, in 2012 the POC Program was approved as an initiative responding to the Business Call to Action



(BcTA). BcTA, which is a global initiative hosted at the United Nations Development Programme (UNDP), promotes businesses aimed at achieving both commercial success and sustainable development. As a result of this approval, the POC Program has enjoyed increased international recognition. The program is seen as an example of a successful inclusive business originating in Japan that fairly incorporates people in developing countries into the supply chain.

* Millennium Development Goals (MDGs): Eight development goals, such as eradicating extreme poverty and hunger, that international society will strive to achieve by the target year of 2015.

Comments from Companies Using POC

Linking to Business that Contributes to the Environment and Society

Awareness of environmental and social contribution is growing and in this setting I believe that in 2013 the market will be very receptive to cotton products that were spun using power generated by the wind. In April 2012, I visited India with the program manager from ITOCHU, and was able to confirm the conditions of the POC farmers and the wind power generation. We began sales of women's, men's, and children's apparel at the end of March 2013, and started sales of underwear in April. In 2013, we plan to sell one million units, and next year we plan to increase sales even further.



Koza Kitade
General Manager,
Product Development
Department,
Apparel Division,
Ito-Yokado Co., Ltd.

On-site, Third-party Report

This is the report of an on-site investigation by Hidemi Yoshida, an associate professor at the Graduate School of Social Governance, Hosei University. In December 2012, Ms. Yoshida investigated the conditions of farmers participating in the POC Program in India.



Hidemi Yoshida (third from left)

Associate Professor, Graduate School of Social Governance, Hosei University

Recent research theme: Reducing poverty through CSR activities and social business

From the viewpoint of international cooperation, the POC Program has been highly evaluated as an example of a unique initiative targeting improved livelihoods and lifestyles for farmers in India. A general trading company has a number of strengths in terms of contributing to the support of farming villages in emerging countries. First, it is

not restricted by a budget that is available only for a specific implementation period, such as with official development assistance (ODA) projects. Accordingly, to the extent that a project is successful in terms of both business and development, there is a high probability that the project activities will be continued. Second, a general trading company can use its transactional relationships with large customers to expand the scale of sales. Consequently, there is a strong potential that support can be provided to more farmers in the future. On the other hand, what do the farmers think about this situation? In December 2012, I conducted an on-site investigation with the cooperation of Indian researchers.

In Madhya Pradesh, which has been a site for program activities since they were first commenced, Raj Eco Farms, which promotes organic farming, is responsible for promoting the adoption of technology for the POC Program and for sales of cotton. The field staff visit villages and recruit participants. Native varieties of seeds are distributed at no cost, and guidance is given on techniques of making fertilizer and insecticide using cow manure and herbs. Moreover, support is provided for receiving organic farming certification from the certification organization. In my investigation, I collected data on such factors as income / expenditures and lifestyle changes. This information was collected from 120 households that were participating in the POC Program and 60 households that were not participating. This made clear, on a quantitative basis, that (1) farmers participating in the POC Program substantially reduced their expenditures for cotton production goods (agrochemicals, fertilizers, seeds), (2) excess funds were allocated to improving housing, children's education, and paying back debt, and (3) more than half of the participants reported improvements in their health (especially pruritus, etc.).

Also, feedback from participants included comments that organic cultivation resulted in higher yields of all crops. There were hardly any participants who mentioned any of the drawbacks that are commonly heard in regard to these types of programs, such as lower crop yields or an increase in work. (Probably, these responses were obtained because appropriate organic farming techniques were introduced into areas where there was insufficient knowledge and techniques regarding traditional agricultural methods, and yields were low to begin with.)

The effectiveness of the POC Program, as described above, will likely be highly evaluated as an example of changing the status quo regarding the resolution of social problems in India. There is also the issue of suicide among cotton farmers who are struggling to repay their debts. This could be considered a symbol of India's poverty crisis. There are many cases where farmers have borrowed money at high rates of interest to purchase GM seeds, fertilizer, and agrochemicals, but with a poor harvest due to unseasonable weather or other reasons, they become unable to repay their loans and end up committing suicide. In the POC Program, the seeds distributed free of charge are native varieties, and seeds that are subsequently produced by the farmer will germinate in the following year, so the farmers do not face the expenses of purchasing seeds or agrochemicals. The fertilizer used in the program, which uses cow manure and other locally available materials, is less expensive than chemical fertilizer. The POC Program is taking the opposite direction from the Green Revolution, which involved the introduction of modern agricultural techniques, but I would like to emphasize that the program is steadily promoting stable livelihoods for the farmers.

Reasons for Participating in POC Program: Top Five

(116 respondents selected the top 3 reasons from among possible answers.)

Major reasons for participation	Number of responses	%
No need to purchase agrochemicals / fertilizer	85	79.3%
Seeds distributed free of charge	57	49.1%
Training in organic cultivation	47	40.5%
Reduction in production costs	42	36.2%
Increased yields for all crops	32	27.6%

Improvement of Health (Number of Respondents: 116)

	Overall physical condition	Cough	Headache	Dizziness	Condition of eyes	Condition of skin
Improved	41	21	25	21	9	63
%	35.3%	18.1%	21.6%	18.1%	7.8%	54.3%

Comments from the POC Program Manager

Connecting Farmers in India with Consumers

Five years have passed since ITOCHU started the POC Program. The number of farmers participating in the POC Program has steadily increased, but still we have not yet been able to help many farming families escape from a debt spiral due to their poverty. The POC Program is an activity that connects farmers in India, who are the producers, with consumers. In major consumer markets, such as Japan, Europe, and North America, these products will lead to increased awareness of the issue of poverty around the world and will promote change in society. We are advancing this program because we believe it is part of our responsibility to society as a company with strengths in the textile raw material trade, such as a long track record and key platforms.



Ryoma Omuro

Manager,
Textile Material Section,
Apparel Department 3,
Apparel Division 2

Documentary Report Project on Supply Chains

Producing Lithium-Ion Batteries

The Documentary Report Project on Supply Chains presents an overall view of supply chains for specific products. This year's report, the fifth in the series, covers lithium-ion batteries (LiBs), which will play a major role in the realization of a clean, renewable energy society. ITOCHU has worked together with Group companies to concentrate marketing, technical development, raw material procurement, and logistics capabilities. In this way, ITOCHU and Group companies are cooperating to establish a supply chain that will increase the presence of LiBs.

Front-Line Report: Hideaki Miyata

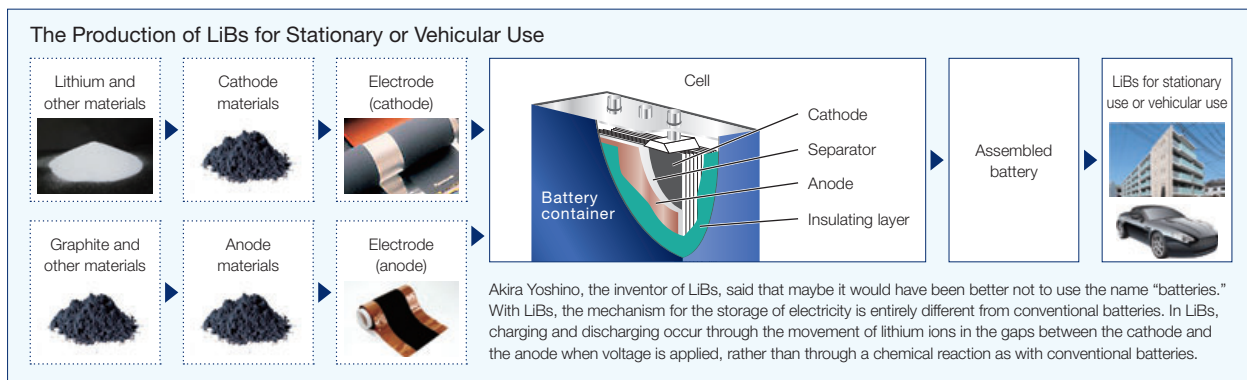
President and Representative Director, Social System Design Co., Ltd.

- Professor Emeritus, The University of Tokyo
- The SB Research Group, Incorporated Association, Representative Director
- Forum for East Japan Smart City Project, Representative Director



From 2010 to 2012, demonstration tests were conducted for FamilyMart's "Tsukuba Kenkyu Gakuen-ten." These tests demonstrated the successful storing of energy from photovoltaic (PV) power generation and the rapid charging of electric vehicles (EVs).

Small LiBs for electronic equipment, which were first commercialized in 1991 by Japanese manufacturers, have become commodities. Now, change on a larger scale is being driven by an unfolding paradigm shift—that electricity can be stored. Large LiBs for stationary or vehicular use are about to change business, and the world. I went to the front lines to investigate how the ITOCHU Group is tackling this challenge.



Raw Materials

Lithium Resource Development

Currently, three companies that produce lithium at brine lakes in South America have a combined share of about 70% of the global lithium market. Symbol Materials (SIM), based in California, has independently developed innovative, breakthrough technology to recover and commercialize lithium from spent geothermal brine used in geothermal power generation facilities. SIM's exclusive production method, which is not influenced by the weather, makes it easy to

expand facilities in comparison with the method used in South America, which requires solar evaporation. Accordingly, SIM's method facilitates further gains in cost competitiveness through increased production capacity.

ITOCHU, which invested in SIM in June 2010, is now working to provide lithium compounds for various applications. These applications include cathode materials and the electrolytes in electrolytic solution, which are core components of LiBs, as well as other commercial applications.

Materials

Cathode Material Production

Location: Toda Kogyo Corp.*

In addition to lithium, cathode materials also contain manganese, cobalt, nickel, and other components. The performance and lifespan of LiBs are determined by which of these components are combined to make the cathode materials. Accordingly, the design and production of cathode materials plays a central role in the production of LiBs. The production processes for cathode materials are

dissolution, reaction, drying, mixing, firing, and pulverization. Any contamination by foreign substances will have a critical influence on the product's lifespan and safety. Consequently, this contamination must be avoided. That is why production sites are kept as clean as food factories, including high-precision checks that use electromagnets to prevent contamination by iron.

In Japan, lithium and other raw materials for cathode materials are almost all imported. Accordingly, ITOCHU's

COLUMN: A Bright Future With Clean Energy

To optimize the energy supply, a range of separate initiatives is necessary because the relevant factors vary, not only by application but also by region. These factors include the state of infrastructure, the geographic area of a country, and access to sources of fossil fuels and clean energy. For example, the United States covers a large geographic area and its infrastructure is aging, so frequency adjustment and other techniques will contribute to the optimization of supply. In Russia, which covers a large area and in which infrastructure has not caught up to economic growth, distributed sources of electrical power will make a contribution in the short term.

Moreover, to foster the use of clean energy it will be necessary to achieve cost competitiveness that is comparable to that of fossil fuels. In the United States, electricity bills vary by state, but they are extremely

inexpensive. U.S. startup companies and large corporations are competing fiercely in the area of dramatic cost-cutting technologies.

The ability of clean energy and electricity storage technologies to withstand actual usage conditions have been demonstrated for 10 years. Adoption has been delayed, but Pike Research forecasts that in 2018 the industry will have a scale of about ¥1 trillion. Over the next 10 years, clean energy is expected to become the primary source of energy and to make a contribution to a sustainable world.



Naoki Ota

CTO of 24M Technologies, Inc.
(a venture company spun off from MIT)
Former CTO of Ener1/EnerDel, Inc.

procurement supply chain, which handles lithium from SIM, has a key role to play in supporting Toda Kogyo’s world-class production technologies.



Raw materials are mixed and placed in the container, which is then transferred to the firing machine, which functions like an oven.

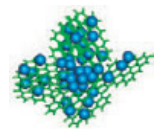
* Capital / business partnership agreement concluded in December 2012. Equity-method affiliate of ITOCHU. Toda Kogyo and ITOCHU are operating a joint venture that is engaged in the manufacture and sale of cathode materials in North America and China.

Anode Material Production

Location: Kureha Battery Materials Japan Co., Ltd. (KBMJ)*

When voltage is applied to charge LiBs, lithium ions move from the cathode to the anode. Performance characteristics, such as the charge capacity, power, and durability of the battery, depend on how the lithium ions are stored in the molecular structure of their destination, the anode.

Anode materials look like black carbon powder, and the processes for anode production—granulation, heat treatment, pulverization, and firing—are completely automated. These processes incorporate KBMJ’s valuable know-how, and by designing and producing a distinctive space known as the cluster structure, KBMJ is manufacturing products that meet the increasingly advanced needs of LiBs. In the future, KBMJ will strive to use its abundant experience and technical capabilities to develop anode materials made from coconut shells and other plant-derived materials. In this way, KBMJ plans to address growing demand and the need to reduce costs.



Cluster structure

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* Established as a joint venture between ITOCHU and KUREHA Corporation in April 2011. Equity-method affiliate of ITOCHU. In 2012, KURARAY Co., Ltd., and The Innovation Network Corporation of Japan became shareholders. In addition to the production of anode materials, KBMJ also has one of the world’s top shares in the production of the binder that is used in the production of electrodes.

Products

Electrode Production

Cathode parts are created by coating cathode materials, in a thickness of several tens of microns, onto thin aluminum plates that have been formed into a roll. In the same way, anode parts are created by coating anode materials on thin copper plates. At this stage, the coating technology depends on precision coating machinery.



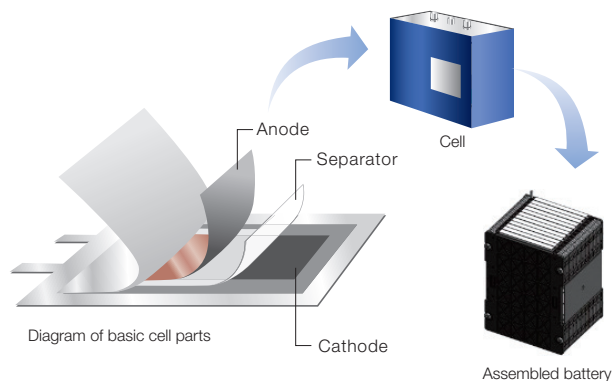
Anode parts (left), and coating equipment for LiB electrodes (right) made by HIRANO TECSEED Co., Ltd., in which ITOCHU has invested. ITOCHU sells coating equipment and all types of other LiBs production equipment in Japan and overseas.

Fabrication

An insulator, called the separator, is sandwiched between the cathode and the anode, which have been cut to the size of the product. The electrolyte solution is added, and

the unit is folded like an aluminum pouch. This completes the basic parts of the laminated LiB.

With batteries for stationary or vehicular use, cells are made by aligning several basic parts and putting them in an aluminum box or a similar container. One cell has a voltage of 4 volts. Cells are connected in series to provide the needed capacity and the assembled battery is finished. Computerized control is essential to ensure that charging and discharging are conducted in a safe and efficient manner.



Assembled battery

Applications

Stationary LiBs

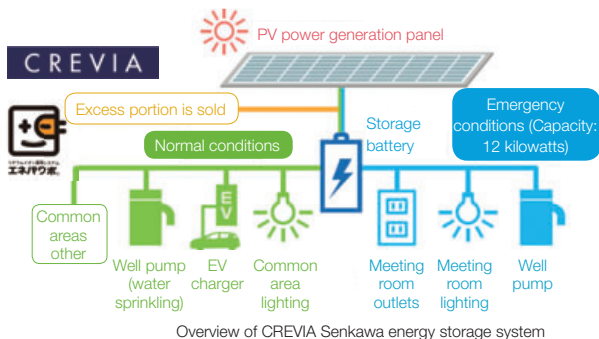
Locations: ITOCHU Property Development, Ltd., and ITOCHU ENEX CO., LTD.

In recent years, a growing number of companies have decided to install LiBs as standard equipment in new residential buildings. For example, ITOCHU Property Development's CREVIA Futakotamagawa condominium building, which was completed in March 2011, incorporates LiB technology. A PV power generation panel providing about 10 kilowatts has been installed on the roof of this five-story building, which has 51 condominium units. On the side of the ground-level parking lot, there is an energy management system that uses a 24-kilowatt LiB. This provides the electricity for the common areas of the condominium building, and the excess portion of the electricity is sold. There is also a popular car sharing program using EVs.



CREVIA Futakotamagawa

In addition, an energy storage system from ITOCHU ENEX has been installed at CREVIA Senkawa, which was completed in January 2013. If there is a power failure, it can be used as an emergency power source to provide power for lighting and outlets in the meeting room and to operate a pump that supplies well water.



ITOCHU ENEX's energy storage system is for general household use. By combining LiBs with solar power generation systems and fuel cells (Ene-Farm), ITOCHU ENEX is



Installation of energy storage system

proposing lifestyles that offer energy self-sufficiency, from energy generation to energy storage. Installations of these systems are beginning to increase.

These LiBs were procured by ITOCHU.

LiBs for Vehicles

Japan is a leader in the competition to develop EVs, but the adoption of EVs is still in the early stage, and sales in Japan are about 20,000 vehicles a year.

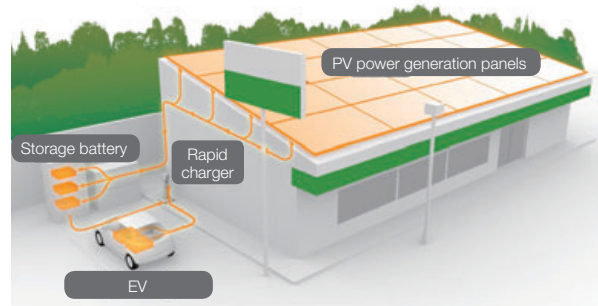
However, adoption could increase rapidly in the near future in China and other countries, where the rapid progress of motorization has led to simultaneous worsening of air pollution and provided support for the adoption of EVs. Assuming that 10% of passenger cars produced worldwide are eco-friendly, the market for vehicular LiBs would be more than 10 times larger than the established market for the small batteries used in electronic devices.

Since 2010, ITOCHU has been supplying LiBs to demonstration projects involving the switch to EVs by public transportation institutions associated with the Ministry of the Environment and local municipalities.



LiB-powered electric bus in operation in Akita Prefecture

From 2010 to 2012, with the cooperation of a convenience store in Tsukuba City, ITOCHU successfully conducted a demonstration test of a charging station for EVs using solar power generation as the source of electricity.



Test conducted at Tsukuba City convenience store

Toward a Society Based on Local Consumption of Locally Generated Power

The future of nuclear power generation is unclear, and as a result the introduction of renewable energy on a large scale will be indispensable for the resolution of Japan's energy and environmental problems. Accordingly, I believe that the effective use of land and the introduction of large-scale energy storage facilities are the most important issues. For example, multiple public institutions in Tohoku have begun to introduce PV power generation facilities and LiBs. Even in Japan, with its limited geographical area, there is about 400,000 hectares of fallow or abandoned land. About 30% of energy demand could be met simply by installing PV power generation panels on this land. The power generated by solar cells fluctuates with the weather, and as a result it will gradually become necessary to install nearby energy storage facilities.








During my research for this report, I was able to see outstanding technology and meet amazing researchers and engineers at every stage of the Japanese LiBs supply chain. In strategically nurturing this new industry, an extremely important issue will be how to ensure competitiveness throughout the long supply chain—which extends from the procurement of raw materials for LiBs to the construction of energy management systems. A general trading company has a significant role to play in this regard, and moving forward I would like to see ITOCHU tackle these issues on a companywide basis.

Website for Documentary Report Project on Supply Chains

http://www.itochu.co.jp/en/csr/supply_chain/reportage/

ISO 26000 Core Subjects and ITOCHU's Initiatives

As a member of international society, ITOCHU aims to contribute to the realization of a sustainable society by reflecting the expectations and concerns of society in its business activities and by developing businesses that help solve social issues. This report provides information about ITOCHU's fundamental approach and implementation system, arranged by the seven core subjects of ISO 26000, the international standard for social responsibility, as well as major topics for fiscal 2013.

Fundamental Approach	Major Topics
<div style="display: flex; justify-content: space-between;"> Organizational Governance P78 </div>	
 <p>In accordance with its corporate philosophy of "Committed to the Global Good," ITOCHU believes it is important to understand how its business activities influence society and the environment. We have established a system that contributes to the realization of a sustainable society, in accordance with a PDCA cycle, through the identification of material CSR issues and the formulation of CSR Action Plans for each business field.</p>	<ul style="list-style-type: none"> • Revision of Basic Policies for CSR Promotion • Identification of four material issues in accordance with CSR Action Plans • Revision of CSR and environmental checklist for investments
<div style="display: flex; justify-content: space-between;"> Human Rights P86 </div>	
 <p>As a company that conducts business transactions around the world, ITOCHU believes that the relationship between business and human rights is vitally important, and that belief is reflected in the supply chain and in businesses in which ITOCHU invests. We give serious consideration to human rights and individuality so that employees can make the most of their individual capabilities.</p>	<ul style="list-style-type: none"> • Implementation of CSR survey at 430 overseas suppliers • Implementation of human rights seminar at ITOCHU Malaysia Sdn. Bhd. • Participation of 401 people in in-house human rights training • The initiative supporting Indian cotton farmers highly recognized by the international community
<div style="display: flex; justify-content: space-between;"> Labor Practices P87 </div>	
 <p>ITOCHU is working to develop and strengthen human resources who can play active roles in global business as true industry professionals. We are also establishing a system that enables diverse human resources to make the most of their capabilities. In addition, we have built a system to support safe and healthy lifestyles for the employees who support our business activities around the world, as well as for their families.</p>	<ul style="list-style-type: none"> • Appointment of first female executive officer among general trading companies (April 2013) • Cross-Industrial Women's Forum • Enhancement of childcare leave system so that first five days are paid leave • Extension of the available period of shorter working hours for nursing care
<div style="display: flex; justify-content: space-between;"> The Environment P89 </div>	
 <p>ITOCHU pays close attention to the influence of its business activities on the environment and takes both proactive initiatives (advancing environment-conserving businesses) and precautionary initiatives (preventing problems associated with environmental risks). In particular, in proactive initiatives, we are developing multifaceted business initiatives in line with such themes as the use of sustainable resources, responding to climate change, and conservation of biodiversity.</p>	<ul style="list-style-type: none"> • Renewal of ISO 14001 certification • Implementation of environmental fact-finding investigations at nine Group companies • Participation in ITOCHU Group environment-related seminars by 6,265 people • Third-party report on LiB supply chain (page 82)
<div style="display: flex; justify-content: space-between;"> Fair Operating Practices P91 </div>	
 <p>In addition to ensuring that our business activities are in accordance with laws and international rules, we do not limit ourselves to simply following industry practice, and accordingly we have also established and continually improve our compliance system so that individual employees can sincerely conduct their daily activities from a highly ethical viewpoint.</p>	<ul style="list-style-type: none"> • On-site compliance training for Headquarters and Group companies • Revision of regulations that specifically ban bribes and payoffs, implementation of monitoring and review • Revision of Anti-monopoly Law Manual, implementation of monitoring and review
<div style="display: flex; justify-content: space-between;"> Consumer Issues P92 </div>	
 <p>ITOCHU, which handles a wide variety of goods and services that support people's everyday lives, is implementing activities that contribute improvements in the quality of consumer lifestyles, such as working to ensure product safety and quality, developing products that contribute to environmental conservation, and promoting awareness of sustainable consumption.</p>	<ul style="list-style-type: none"> • Periodic on-site audits of overseas food suppliers (175 audits at 115 companies) • Promotion of environmental conservation platform based on the participation of consumers • Raising children's awareness of environmental conservation through MOTTAINAI Campaign (approximately 30,000 people)
<div style="display: flex; justify-content: space-between;"> Community Involvement and Development P93 </div>	
 <p>In the regions where ITOCHU conducts business, we consider ourselves to be members of local communities. Accordingly, we strive to participate in local communities in ways that transcend the scope of our business activities and to contribute to the sustainable development of those communities through both business activities and social contribution activities.</p>	<ul style="list-style-type: none"> • Formed Africa Food Development Association together with 14 food manufacturers • Donated ¥500 million for construction fee of international medical exchange facility • Development of children's literature collections and promotion of the use of e-books by the ITOCHU Foundation • Great East Japan Earthquake reconstruction support (cumulative total of 216 employee volunteers)



Human Rights

Fundamental Approach

The ITOCHU Mission “Committed to the Global Good” incorporates a commitment to the global good of society and individuals alike, and ITOCHU’s respect for human rights and individuality is based on this philosophy. We work to foster awareness of this approach within the Company and, as a company that conducts business transactions around the world, also implement initiatives with a focus on human rights in the supply chain.

Policy on Respect for Human Rights

Of the ITOCHU Mission “Committed to the Global Good,” the “global good” refers not only to improved living standards but also a general sense of well-being. ITOCHU works to support the global good of society as well as the global good of individuals, and we respect human rights and individuality. Based on this policy, ITOCHU supports the Universal Declaration of Human Rights adopted by the United Nations in 1948 as a common standard of achievement for all people and all nations. Furthermore, ITOCHU participated in the United Nations Global Compact in 2009, which is derived from this Declaration and other international standards.

In-house Training Regarding Respect for Human Rights

As a general trading company that operates around the world and plays an important role in supply chains, we are implementing educational activities about “business and human rights” in each region. The objective of these activities is to keep up with the latest developments relating to business and human rights, and to incorporate this knowledge into our business.

In January 2013, ITOCHU Malaysia Sdn. Bhd. invited experts on CSR and quality / environmental management from LNY Management, and held a human rights seminar with the participation of all employees in the office.

The seminar included a quiz to increase understanding of human rights and the viewing of Internet videos about the child labor situation. There was also a lecture on the true nature of human rights and discussions using case studies of human rights violations by companies. The seminar proved to be a valuable opportunity to learn about the relationship between human rights issues and business.

Raising Awareness through Internal Training Programs

We work to extensively embed understanding of the relationship between business activities and human rights through in-house training programs. In the training program for new recruits, they are instructed to acquire the proper mindset for respecting human rights that they should have as members of the ITOCHU family. In in-house training for organizational managers, sexual harassment and power harassment issues are discussed, and a thorough understanding of human rights is fostered. Also, training conducted prior to overseas assignments includes the topic of consideration for human rights in the supply chain. In this way, we are working to raise awareness in each region. In fiscal 2013, 401 people participated in human rights training.

Human Rights in the Supply Chain

To promote CSR supply chain management with consideration for such issues as human rights, labor, and environmental problems, we have formulated ITOCHU Corporation’s CSR Action Guidelines for Supply Chains, and are working to foster understanding of these guidelines and to promote their implementation in supply chains. To that end, we check the current situation of our suppliers by conducting surveys with a method suited to the characteristics of the goods of each Division Company, along with mandatory questions on the 10 items in our CSR Action Guidelines for Supply Chains.

In fiscal 2013, we surveyed 430 companies, including 32 suppliers of overseas offices and 193 suppliers of 17 Group companies. No serious problems requiring immediate response were found in the survey results.

We confirm that appropriate measures are taken for communications between management and workers, even for suppliers in countries where the right to collective bargaining is not recognized. In regard to companies that are in the process of establishing environmental policies and systems, in the future we will closely observe the implementation of those policies and systems. Comments from local employees in charge of the surveys included, “Through these annual surveys, supply chain management is steadily advancing.” By continuing these surveys in the years ahead, we will work to raise employee awareness and enhance supplier understanding and implementation.

CSR Survey: Survey Results by Organization (Fiscal 2013)

Division Company	Fiscal 2013
Textile	25
Machinery	16
Metals & Minerals	11
Energy & Chemicals	69
Food	146
ICT, General Products & Realty	163
Total	430

ITOCHU Corporation’s CSR Action Guidelines for Supply Chains (provisions only)

1. Suppliers shall respect the human rights of its employees, and shall not treat employees in an inhumane manner.
2. Suppliers shall not engage in forced labor or child labor.
3. Suppliers shall not practice discrimination in hiring and employment.
4. Suppliers shall prevent unfair low-wage labor.
5. Suppliers shall respect the rights of employees to organize and bargain collectively to promote smooth negotiation between labor and management.
6. Suppliers shall ensure that employees’ working hours, holidays, and use of leave of absence are properly managed so as to comply with statutory standards.
7. Suppliers shall strive to provide employees with a safe and healthy work environment.
8. In the course of their business activities, suppliers shall duly consider the need to conserve ecosystems as well as local and global environments, and strive to prevent the occurrence of any environmental pollution.
9. Suppliers shall observe all related laws and international rules, and ensure fair transactions and prevent corruption.
10. Suppliers shall disclose information regarding the above items in a timely and appropriate manner.

Labor Practices

Fundamental Approach

As a general trading company that has a diverse range of businesses around the world, ITOCHU believes that its 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 also continue to pursue human resources initiatives, such as cultivating industry professionals and creating systems in which diverse human resources can flourish globally.

Human Resources Development Supporting the “Seeking of New Opportunities”

Human resources are what support the stable, ongoing growth of ITOCHU Corporation. Our human resources 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.

A Variety of Training Schemes

ITOCHU conducts a variety of training schemes that include essential training by position and job class, as well as select and elective training. We have a wide range of programs for the development of global management human resources, including global development programs (GEP*1, GLP*2, and GNP*3), global leader development programs, and workshops for managers. In 1999, we instituted a system for sending new employees overseas as a means of fostering English proficiency and an international perspective in young employees. In fiscal 2011, we launched a new program designed to dispatch junior staff to China and other emerging markets for overseas training in Chinese and other languages. Our plan is to develop candidates who will become specialists in each target market in the future. In fiscal 2014, we plan to further bolster the overseas trainee system to foster the acquisition of second languages other than English. We also offer a wide range of training for specific objectives, such as “Career vision support training” and distinctive Division Company training based on human resources strategies, with the aim of developing industry professionals with diverse values.

*1 Global Executive Program (GEP): This core part of the global talent development program provides training to cultivate global executives.
 *2 Global Leadership Program (GLP): The purpose of this training is to cultivate organization managers who can be active in global business.
 *3 Global Network Program (GNP): Through training held at Headquarters, this program enables locally hired overseas staff to learn firsthand about the ITOCHU Group’s global operations and build up a network with other participants.

Human Resources Development Policy and Training Details (excerpt)

Overview of human resources development system	Major training programs (Number of employees who participated in fiscal 2013)
Development of global management talent	Global development program (88), Organization manager workshops (372), Sending of employees to short-term business school programs (43)
Business leader development	Sending of new employees overseas, Dispatch of junior staff overseas to learn Chinese and other languages (total of 79)
Development of industry professionals and diverse human resources	Career vision support training (2,037), Distinctive training for each Division Company, Headquarters’ administrative divisions

Global Human Resources Strategy

Since fiscal 2008, 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. By fiscal 2011, we had taken steps to create a platform for promoting the development and utilization of human resources, including the development of a global human resources database and the establishment of leadership standards for managers. Currently, we are strengthening our human resources strategy in markets such as China and Asia. In addition, cooperating with each Division Company, we are implementing a Talent Management Process by preparing individual development plans for talented personnel who will play key roles in the expansion of revenues and profits overseas. Through these initiatives, we are bolstering the recruitment, development, and utilization of personnel who will contribute to global business development.

Promoting Human Resources Diversification

Since December 2003, ITOCHU has promoted human resources diversification aimed at enhancing individual and organizational abilities further by putting an environment in place that leverages and utilizes the characteristics of each employee without regard to gender, nationality, or age. In fiscal 2010, ITOCHU launched the “Promotion Plan on Human Resources Diversification 2013 (Japan).” Under this new plan, we are working to create a more attractive company and corporate culture by supporting the push to secure, embed, and utilize more diverse human resources.

First Female Executive Officer in Japanese General Trading Company

In April 2013, ITOCHU appointed its first female executive officer. As a leading company in the promotion of diversity, ITOCHU Corporation will continue to support the development and utilization of a diverse range of human resources, including female employees.

VOICE



Mitsuru Claire Chino
 Executive Officer,
 General Manager, Legal Division

ITOCHU Corporation is “everywhere,” both in terms of its diverse industry and jurisdictional coverage. Our people are the backbone of the Company’s success.

We believe that diversity is a matter of business strategy. With this in mind, we will continue our aggressive investment in diverse human resources.

Supporting the Career Development of Female Employees

To date, ITOCHU Corporation has actively promoted measures to support the career development of female employees to reflect the advancement of women in Japanese society, and established various schemes to this effect. Moving forward, we will push even harder to ensure the fair application of these schemes and strengthen support for the career development of female employees who contribute to corporate growth, through efforts including the promotion of individual support measures based on the life stages and careers of individual employees.

Cross-Industrial Women's Forum

In February 2013, ITOCHU Corporation and Nomura Holdings, Inc., jointly held the Cross-Industrial Women's Forum, an event where female employees from five leading Japanese global firms gathered to engage in inter-industry exchanges and to learn from one another about their future careers (other participating companies were Shiseido Co., Ltd., All Nippon Airways Co., Ltd., and Nissan Motor Co., Ltd.). Roughly 100 junior female employees from each company were able to broaden their views through exchanges with other participants and through presentations on personal experiences given by a diverse range of role models selected from each company, including female employees posted overseas (living with their children) and those working in management positions. The event was a highly productive opportunity for female employees to find the motivation to open up their own careers and gain awareness.

Creating Environments that Bring Out the Best in Employees

ITOCHU considers the development of environments that allow employees to enjoy peace of mind and concentrate on their work with a sense of job satisfaction to be of crucial importance. To this end, ITOCHU is promoting the development of environments that bring out the best in employees.

Providing Support for Work as well as Employees' Childcare and Nursing Care

During the course of their working lives, employees inevitably pass through life stages that require them to provide childcare and / or 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 to them in their work as well as childcare and / or nursing care duties. In 2010, we opened I-Kids, a childcare center for our employees, at a location close to our Tokyo Headquarters. This move was made in light of a widespread social issue where many children are currently waiting for entry to nurseries in the Tokyo metropolitan area, and female workers face difficulties in planning their return from childcare leave.

Starting October 2012, we also made revisions to treat the five-day period following the start of childcare leave as paid leave instead of unpaid to encourage male employees to take part in childcare.

In 2011, in cooperation with the SECOM Group, we launched the "Furusato Care Service" to help employees posted abroad care for their elderly relatives (all expenses are paid by the Company). In addition, since October 2012 we

have been expanding and upgrading our nursing care systems in anticipation of the coming era of increased demand for nursing care. Changes included extending the available period of shorter working hours for nursing care (from three years to five years) and launching a Web-based consultation service for nursing care matters.

Overseas Security Management

ITOCHU Corporation maintains global business operations with roughly 800 rotational staff stationed overseas, and sends a total of approximately 10,000 employees on overseas business travel each year.

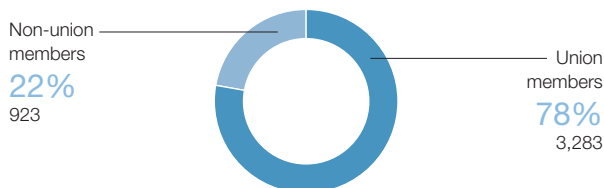
In terms of overseas security management, based on the belief that a shared awareness between the overseas location and Japan is important, the Human Resources and General Affairs Division has assigned security information officers to nine blocs worldwide. These officers periodically collect information concerning politics, economics, public security, and other factors and disseminate it internally. We have also established a system to cover regions where information is more difficult to obtain through contracts with international security consulting firms. Before being stationed overseas, rotational staff are given extensive instruction on dealing with matters such as local security, health care, and different cultures. Awareness-raising activities are also conducted after arrival, such as security seminars for rotational staff as well as their families.

Communications with Employees

ITOCHU is actively providing opportunities for direct, two-way dialogue between the president and employees. In fiscal 2013, the president visited domestic branches and offices, overseas offices, and operating companies, which usually have limited opportunities for dialogue with the president, and held 15 dialogue meetings.

In addition, a wide range of issues is discussed with the labor union. In fiscal 2013, we held five meetings, including management meetings with the president. Labor and management enter repeated and active discussions to further build upon the existing healthy relationship that enables both sides to recognize and share challenges currently facing them and to study and implement improvement measures.

Ratio of Labor Union Members (As of April 1, 2013)



Initiatives with the Labor Union in Fiscal 2013

June 2012	Results meeting
September 2012	Machinery Company management meeting
November 2012	Energy & Chemicals Company management meeting
March 2013	Management meeting with the CFO
March 2013	Management meeting with the president



The Environment

Fundamental Approach

At ITOCHU, environmental management initiatives include both proactively seeking out new opportunities to advance environment-conserving businesses and taking a precautionary approach to the prevention of problems associated with environmental risks. We believe that it is important to contribute to sustainable development by implementing both proactive and precautionary approaches.

Environmental Policy

The ITOCHU Group Environmental Policy states that, as a global enterprise, the ITOCHU Group is positioning environmental problems as one of its most important management policies, and the Group will strive to contribute to the realization of a sustainable society by actively working for a better global environment. Accordingly, the ITOCHU Group has defined five activity guidelines for environmental conservation—prevention of environmental pollution, observance of laws and regulations, promotion of environmental conservation activities, harmonious coexistence with society, and promotion of educational activities. We are taking steps to ensure that all employees in units subject to ISO 14001 are fully aware of our Environmental Policy, such as distributing Environmental Policy cards that employees carry at all times.

For the text of the Environmental Policy, please refer to our CSR website.

http://www.itochu.co.jp/en/csr/environment/office_activities/

Environmental Management

To comply with environment-related laws and regulations and to take a rigorous precautionary approach to environmental risks, in 1997 ITOCHU became the first trading company to establish an environmental management system (EMS) based on ISO 14001.

Environmental Management System

The chairman of the CSR Committee (CAO) has complete authority for the EMS. Environmental managers are assigned to each division, branch, and Group company, and operate with authority delegated from the leader of their organizational unit (total of 60 in fiscal 2013), and are assisted by eco-leaders (total of 260 in fiscal 2013). With the participation of all employees, the system is continually improved through a PDCA cycle.

Internal Environmental Audits

Audit teams are comprised of members of the CSR Promotion & Global Environment Department and employees qualified to serve as in-house environmental auditors (399 registered individuals). Internal audits are conducted to confirm that initial plans are being appropriately implemented, with an emphasis on confirming compliance with environment-related laws and regulations. Our in-house environmental audits for fiscal 2013 covered a total of 59 departments.

Results of External Inspections

Each year, ITOCHU is inspected by the Japan Audit and Certification Organization for Environment and Quality (JACO) in connection to ISO 14001 certification. The outcome of the fiscal 2013 inspection was an overall “improvement” grade and renewed certification.

Precautionary Initiatives: Preventing Problems Associated with Environmental Risks

We work to identify the impact on the global environment from our business activities and to implement initiatives supporting a precautionary approach on environmental risks. We have initiated the following initiatives, and in fiscal 2013 there were no major incidents involving violations of environment-related laws.

Evaluating Environmental Risks Posed by Products Handled

We handle a wide range of products on a global scale, and carry out our own environmental impact evaluations regarding the influence of these products on the global environment. In these initiatives, we use an LCA*-based analysis method at each stage of a product's life cycle, from procurement of raw materials, production, and use, through disposal.

* Life-cycle assessment (LCA) is a method that evaluates the environmental impact of products at all stages of their life cycle, from manufacturing, transport, and use through to disposal and recycling or reuse.



Environmental Fact-finding Investigations of Group Companies

We began fact-finding investigations of our Group companies after several of them received complaints about environmental pollution in 2001. To prevent a recurrence, over the 12 years to the end of March 2013, we did on-site investigations at 173 companies (239 worksites). The evaluation is made using Q&As between auditors and management; inspections of plants, warehouses, and other facilities; surveys of wastewater released into rivers; and assessments of compliance with environmental laws and regulations. Problem areas are pointed out and preventive measures are provided, and progress with rectification is confirmed.

Evaluating the Environmental Risks of New Products

We employ a CSR and environmental checklist for investments to evaluate in advance the market, social, and environmental impact of business investment projects. When necessary, ITOCHU calls on specialized external bodies to render an advance inspection of the project. Action on the project then moves forward once inspection results and the absence of any major problems is confirmed.

Promoting Environmental Education and Awareness

In fiscal 2013, we held environment-related seminars and training in a variety of areas. A total of 6,265 people participated in these seminars. We are working to ensure strict compliance with environment-related laws and regulations and to increase environmental awareness among all Group employees.

Proactive Initiatives: Advancing Environment-conserving Businesses

ITOCHU is working to contribute to the solving of environmental problems through various businesses. Our system for the promotion of these businesses calls for each division to formulate a CSR Action Plan and execute it based on a PDCA cycle system. We also consider climate change and the sustainable use of resources as material issues, and accordingly we will work to contribute to the solving of these issues through our business activities.

Stable Supply of Sustainable Resources

ITOCHU is working to establish supply chain management and stable procurement that support the eco-friendly use of sustainable resources. In pulp production, together with major Japanese pulp manufacturers and other companies, in 1973 we invested in CENIBRA, of Brazil, a manufacturer of hardwood pulp. In fiscal 2013, we invested in METSA FIBRE Oy, one of the world's leading softwood pulp makers, in Finland. These companies are working aggressively to reduce wastewater, electricity consumption, and waste in the production process. Moving forward, ITOCHU will continue striving to make further progress in the stable supply of sustainable resources.



CENIBRA nursery

Targeting the Realization of a Low-carbon Society

For the "Smart Streetlight Service," a smart business with streetlights that use advanced technologies, ITOCHU won the Grand Prize for Energy Saving Service at the 9th Eco Products Awards in 2012. For this service, devices compatible with power line communications will be attached to each streetlight. These devices will enable remote control of each streetlight, including fine adjustment of the brightness level in accordance with the environment. We are currently conducting demonstration testing of this service in Tsukuba City in a project commissioned under a Ministry of the Environment program "for model businesses providing focused support for the development of low-carbon regions." Moving forward, we will continue to strengthen our energy and smart IT infrastructure business and to promote energy management. In this way, we strive to contribute to the realization of a low-carbon society.



Smart streetlights in Tsukuba City

Renewable Energy Related

ITOCHU is advancing a variety of renewable energies, such as wind power, photovoltaic power, and geothermal power. The Shepherds Flat Wind Project that we are advancing in the U.S. state of Oregon went into full-scale operation in 2012 and is expected to contribute to reducing carbon dioxide emissions by 1.48 million tons a year. In April 2013, we concluded the Energy Sales Contract of a 330MW geothermal power generation independent power producer (IPP) in Indonesia's Sarulla region in North Sumatra. In recent years, Energy-from-Waste projects have received growing attention as a means of clean power generation that substantially reduces the amount of waste sent to landfill and does not use fossil fuels. With our investment in SITA Cornwall Holdings Limited in March 2013, we now have four Energy-from-Waste projects in the U.K., including projects for which we have been selected as preferred bidder. We will handle about 20% of the annual waste incineration volume in the U.K.



The Shepherds Flat Wind Project

Environmental Data: Fiscal 2013

	Domestic	Overseas	Total
(1) Electric power (MWh)	1,982,538	983	1,983,521
(2) City gas (thousand m ³)	16,486	0	16,486
(3) Hot water (GJ)	2,680	0	2,680
(4) Cold water (GJ)	20,546	4,147	24,693
(5) Steam (GJ)	17,505	0	17,505
(6) CO ₂ (CO ₂ -t): (1) - (5) conversion	1,126,745	701	1,127,446
(7) Volume of waste (t)	206,756	5	206,761
(8) Tap water (m ³)	6,236,892	10,980	6,247,872
(9) Grey water (m ³)	37,212	0	37,212

<<Subject Organizational Units>>

(1) "Domestic" refers to ITOCHU Corporation and 64 domestic Group companies.

* However, Group companies are not included in 3, 4, 5, and 9.

(2) "Overseas" refers to 10 offices of overseas trading subsidiaries that have obtained ISO 14001 certification.

(3) Conversion to carbon dioxide (CO₂-t) is handled in accordance with the Tokyo Metropolitan Ordinance on Environmental Preservation and the Law Concerning the Rational Use of Energy for ITOCHU Corporation and in accordance with IEA (International Energy Agency) standards for others.

For further information, please refer to our CSR website.

http://www.itochu.co.jp/en/csr/environment/office_activities/



Fair Operating Practices

Fundamental Approach

Integrity is one of the ITOCHU Values that are a part of ITOCHU’s corporate philosophy. Employees need to study and strictly observe the various rules that are related to corporate activities, such as laws and international rules. In addition, it is important that each individual employee avoid excessive trust in previously established precedents or complacency with industry practices, always consider “What is correct?” and conduct their activities from a highly ethical viewpoint. We have established systems and environments that enable employees to work in this manner.

Compliance

ITOCHU Group’s Compliance System

The ITOCHU Group has compliance officers in each organization within Headquarters and at all major Group companies worldwide. With consideration for local laws, business characteristics, and operational formats, these compliance officers are creating systems for the promotion of compliance. In addition, we conduct simultaneous corporate-wide Monitor & Review surveys every year and compliance attitude surveys every two years. While checking the progress in implementing compliance measures at all ITOCHU Group companies through these surveys and other opportunities, the ITOCHU Group is making a concerted effort to find improvements that will enhance its well-developed systems for advancing compliance.

We have also formulated regulations for hotlines. These regulations protect whistleblowers who provide internal information and provide a framework for the appropriate handling of that information. This initiative is reinforcing compliance management by supporting the prompt discovery and rectification of any incidents of corruption.

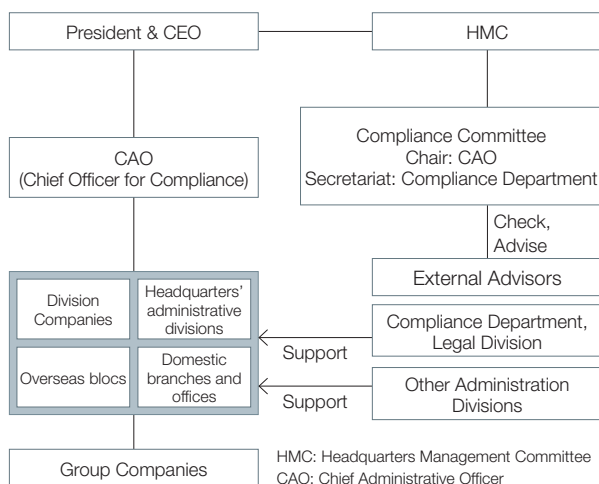
implementing activities with a focus on system operation such as on-site guidance with the objective of ascertaining actual front-line compliance conditions and identifying risks. Based on trends in former incidences of compliance violations and the findings of the Monitor & Review surveys, we are formulating individual compliance reinforcement measures tailored to each Division Company, and these measures are steadily being implemented. Moreover, drawing on actual incidents, we implemented meticulous education and training programs geared to employees in different tiers. Moving forward, we will further advance these policies and measures, and continue to focus on compliance reinforcement with an emphasis on overseas offices and Group companies.

Bolstering Measures to Fight Corruption

Over the years, ITOCHU has sought to fight corruption by drafting regulations that specifically ban bribes and payoffs, along with related guidelines, with the aim of supporting the broad prohibition of payoffs to public officials and others in comparable positions worldwide.

Anticipating more stringent regulations against bribery and corruption worldwide, including the U.S. Foreign Corrupt Practices Act (U.S. FCPA) and the enforcement of the U.K. Bribery Act 2010, in June 2011 ITOCHU revised its own aforementioned regulations and guidelines as a measure to enhance its own responsiveness in this area. In fiscal 2013, through various training programs we worked to circulate information regarding the aforementioned revisions within ITOCHU and to overseas blocs. At the same time, through monitor and review initiatives, steps were taken to conduct risk assessment with respect to payoffs, bribery, and similar impropriety.

Compliance System



Major Compliance Measures in Fiscal 2013 and Tasks for the Future

In fiscal 2013, On-Site Compliance Training was held for all Headquarters employees and for employees of Group companies that requested training. This training, which was intended to raise compliance awareness and prevent the occurrence of any cases, used actual compliance cases as teaching materials. In addition, for key organizations, such as overseas offices and Group companies, we are

Measures to Fight Collusive Bidding and Cartels

In recent years, there have been many reports of suspected cartel activities in markets around the world. Accordingly, in April 2010 ITOCHU revised its Anti-Monopoly Law Manual as a means of strengthening its response. To track the level of awareness of this manual and the status of the system for preventing cartel activities for the Group as a whole, in fiscal 2013 we implemented monitoring of Anti-Monopoly Law violation prevention. In consideration of the results of this initiative, we will work to raise understanding of collusive bidding and cartel activities throughout the entire Group. To that end, we will implement education and training and implement a system for ongoing risk assessment and monitoring.



Consumer Issues

Fundamental Approach

As a general trading company with businesses that encompass upstream raw materials business areas through to downstream retail business areas, ITOCHU is working with consumer issues through the provision of a wide variety of goods and services that support people's everyday lives. To that end, we are implementing a broad range of activities, such as ensuring product safety and quality, establishing supply chains that foster sustainable consumption, and using the distinctive strengths of products to raise awareness about environmental conservation. These activities aim to contribute to the improvement of people's lives.

Ensuring Food Safety through Periodic On-site Audits

Key trends in food markets include the diversification of dietary habits, the globalization of food distribution, and the growing awareness of health-related issues. In this setting, consumers are increasingly concerned with food safety and security. Meanwhile, there have been incidents that have caused concern about food safety and security, such as the BSE problem, violations of residual agricultural chemicals standards, and the distribution of foods using additives that have not been screened for safety.



In 2002, ITOCHU established the Food Safety Management Office in the Food Company, and is now implementing a wide range of initiatives to ensure food safety. One such initiative is the implementation of periodic on-site audits at the processing plants of overseas suppliers. This began in fiscal 2012. The subjects of the audits—and audit frequency—are determined with reference to individual information, such as the management system of the country and the degree of cleanliness-related risk for the characteristics and processing procedures of the product. The audits check 125 separate items, and are conducted when employees from Headquarters and local staff are on the premises. In fiscal 2013, approximately 175 on-site audits were conducted at 115 suppliers.

We will continue taking steps to increase the quality of these audits.

Fashion Earth PROJECT: Platform for Implementing Environmental Conservation Activities Together with Consumers

As global warming intensifies, action to protect the environment is a major challenge for the apparel industry. In this setting, ITOCHU, in collaboration with Hakuholdo DY Media Partners, Inc., launched the Fashion Earth PROJECT (FEP) in 2010. The FEP supports cross-sectional environmental conservation activities in the apparel industry.

Using CO₂ emission quotas from a wind power generation project in India and other projects recognized by the United Nations, the FEP Office began to sell carbon offset product tags (blue FEP tags) to apparel manufacturers. In addition, in 2011—in cooperation with *more trees*, a general incorporated association operating forest conservation activities (representative: Ryuichi Sakamoto)—the FEP Office began to provide green FEP tags, thereby contributing to forest conservation

activities in Japan. Through the messages printed on the tags, the FEP facilitates the implementation of environmental conservation activities together with consumers. As a result, as of January 2013 the project had the participation of 17 companies and the FEP tags had been introduced to 53 brands. The project has helped reduce CO₂ emissions by 4,220 tons.

In the future, the FEP will introduce this kind of know-how to many different initiatives in a bid to further expand the platform of environmental conservation activities in which manufacturers, consumers, non-profit organizations (NPOs), and many different stakeholders are united.

 [Fashion Earth PROJECT] <http://www.fe-p.jp/>

Raising Children's Awareness of Environmental Conservation through MOTTAINAI Campaign

ITOCHU has been involved in the MOTTAINAI Campaign since its start in 2005. The word MOTTAINAI includes the ideas of reduce (reducing waste), reuse, and recycle, as well as a feeling of respect toward the irreplaceable resources of the earth. To help build a sustainable and recycling-oriented society, ITOCHU aims to make MOTTAINAI an international keyword for protecting the environment.



From April 2012 we have been the official sponsor of an "Eco-Shop" pavilion in KidZania Tokyo, which is a facility for children to experience diverse occupational and social activities. The pavilion functions as a place where children can learn about environmental conservation from a global perspective. For each child who participates, the amount equivalent to the cost of one tree sapling will be donated to the Green Belt Movement, a tree planting campaign established in Kenya. As of the end of March 2013, the amount donated was equivalent to the cost of about 30,000 tree saplings.

Introducing Supply Chains for Individual Projects

Realizing that it is important to inform consumers where things come from, since 2008 we have been implementing the Documentary Report Project on Supply Chains (Please see pages 82 to 84), in which we introduce the entire supply chain for each product we handle. Apart from product price and quality, we introduce how products affect society through the production process. By sharing information with consumers, we promote education on the social and environmental aspects of this issue.



Community Involvement and Development

Fundamental Approach

ITOCHU conducts business activities in diverse regions throughout the world. We consider ourselves to be members of local communities in ways that extend beyond the scope of our business activities, and are aiming to participate in these communities as well as contribute to their sustainable development. We respect the history and culture of all of the world's regions, and are contributing to the development of communities, with a focus on the direction of international society, such as the United Nations Millennium Development Goals (MDGs).

Contributing to the Development of Local Communities through Our Business

Promoting CSR in Each Region through CSR Action Plans

To steadily implement CSR activities, we formulate CSR Action Plans (Please see page 79) at every office in Japan and at overseas blocs. As a member of local communities, we strive to contribute to their further development.

Supporting Agriculture in Africa

With the global population expanding, securing food resources is an increasingly important issue. In this setting, ITOCHU and 14 food manufacturers established the Africa Food Development Association in July, 2012. In conjunction with the Triangular Cooperation Programme for Agricultural Development of the African Tropical Savannah among Japan, Brazil and Mozambique (ProSAVANA-JBM)—an agricultural development project based on triangular cooperation that is being promoted by the Japanese Government—the association is working to promote the stable procurement of food resources.

This project is focused on the Mozambique tropical savannah. The Japan International Cooperation Agency (JICA) is working in cooperation with a public agricultural institution in Brazil that is a leader in tropical agriculture. The project's aim is to contribute to the resolution of poverty issues in the host country and to the stable procurement of food resources for Japan and the rest of the world by developing a sub-Saharan savannah grasslands zone into competitive agricultural land.

With ITOCHU taking the lead, the Association is supporting this project. A key focus will be soybeans and sesame, which have high nutritional value. Working together with food manufacturers that have world-class R&D technologies, the Association will select products for the Japanese market. These will include non-GM soybeans and sesame that meet the tastes of Japanese consumers. Moving forward, plans call for the selection of seeds that can be used in Mozambique in fall 2013 and for the development of new varieties.

Approximately 80% of the population of Mozambique works in agriculture, and about 90% of those are small-scale farmers. Through the introduction of agricultural technologies and systems, this project is expected to contribute to improvement in the standard of living of farmers and to the establishment of a sustainable agricultural model.

Contributing to the Development of Kobe Medical Industrial City

ITOCHU donated ¥500 million for the construction of ITOCHU Medical Plaza, a facility aimed at fostering international medical exchange. Plans call for the facility to open in summer 2014 in Kobe Medical Industrial City, Japan's largest medical complex. The donation was made to the Foundation for Kobe International Medical Alliance. Through a range of activities, such as developing overseas medical personnel, admitting trainees, and conducting a variety of research, the facility is expected to become a base for improving medical technology in emerging countries and helping to provide solutions for the issues posed by Japan's aging society.

In addition, ITOCHU is also donating to Child Chemo House, Japan's first specialized medical institution for pediatric cancer patients. This institution is located in Kobe Medical Industrial City. Through these donations, ITOCHU will strive to contribute to the establishment of an environment in which children with cancer and their families can live together even when the children are receiving treatment. To that end, 6–10% of the cost of drinks purchased from vending machines at ITOCHU's Headquarters will be donated to Child Chemo House.

Social Contribution Activities

In line with our Basic Activity Guidelines on Social Contribution, we are working to contribute to the resolution of issues faced by local communities and to the further development of those communities. To that end, we are implementing a range of activities in Japan and overseas in cooperation with NPOs and NGOs.

Basic Activity Guidelines on Social Contribution

1. Action on global humanitarian issues

As a globally active enterprise, ITOCHU Corporation shall take proactive approaches to humanitarian issues around the world and help to build a better, more humane world.

We support the United Nations World Food Programme (WFP)—the only food support institution in the U.N.—and have become a council member of the Japan Association for the WFP. In addition, employees have participated in the Walk the World charity walk and our corporate cafeterias participate in the TABLE FOR TWO program, under which a donation of ¥20 (a total of ¥40 when combined with a matching donation from the Company) is made for each meal. In these ways, we are supporting school meal programs in emerging countries.

2. Environmental conservation

ITOCHU Corporation shall vigorously pursue activities of environmental conservation and contribute to sustainable social advancement.

In the state of Sabah, Malaysia, the ITOCHU Group has been supporting activities to restore the tropical rainforests and conserve Borneo's ecosystem since 2009. We are supporting the reforestation of 967 hectares, making this one of the largest reforestation support initiatives undertaken by a private-sector company. This program facilitates reforestation management and monitoring of orangutans.



3. Community contribution

As a good corporate citizen, ITOCHU Corporation shall construct favorable relationships, and harmonize its business, with local communities.

As part of our CSR activities, in October 2012 we opened ITOCHU AOYAMA ART SQUARE in a facility next to our Tokyo Headquarters. In cooperation with a local business association and other parties, ITOCHU is working to invigorate the local community through the sponsorship of periodic art exhibitions.

4. Growth of next generations

ITOCHU Corporation shall conduct activities to support the sound development of youth as tomorrow's leaders and work for the emergence of fulfilling and vibrant communities.

ITOCHU is sponsoring an "Eco Shop" pavilion in KidZania Tokyo—a facility for children to experience diverse occupational and social activities. The pavilion offers programs that enable children to enjoy learning about global environmental problems while making original eco-products. Through these activities, ITOCHU is striving to foster the development of children who will support our sustainable society in the years ahead.

5. Support for volunteer work by our employees

ITOCHU Corporation shall provide positive support for the activities of social contribution by each and every one of its employees.

Beginning in May 2011, to make it easier for employees to participate in volunteer activities that support Great East Japan Earthquake reconstruction initiatives, we instituted a system under which the Company pays for travel, board, and other expenses. By the end of March 2013, a total of 216 people had used this system.



Great East Japan Earthquake Reconstruction Support

The Great East Japan Earthquake caused substantial damage throughout east Japan. Moving forward, ITOCHU will do its utmost to support reconstruction from a medium- to long-term perspective.

The ITOCHU Children's Dream Fund Initiative

ITOCHU provided support for "The Tohoku Supporting Children's Dreams Project," which is being run by the Nippon International Cooperation for Community Development (NICCO), as its first project. Through this program, we have provided support for school club activities and youth baseball teams in Rikuzentakata City.



Collaborating in Ishinomaki Line Manga-themed Train Service

To support restoration through tourism in Ishinomaki City, ITOCHU has provided assistance in the operation of a manga-themed train service. We donated an amount that corresponds to the total cost of the wrapping used to decorate the train carriages with images of popular characters.



Working Together with Shareholders to Provide Support for Affected Areas

From fiscal 2012, ITOCHU has provided shareholder information, by e-mail rather than postal delivery of printed materials, to shareholders who have agreed to receive such information in digital form. The resulting savings, which include savings from paper and postage, together with a matching donation, have been donated to an ITOCHU Foundation program that subsidizes the development of children's literature collections.

With approval having been received by 6,216 shareholders in fiscal 2013, we donated children's books to volunteer organizations conducting activities in the areas affected by the disaster.

The Activities of ITOCHU Foundation

ITOCHU conducts ongoing support for the "growth of next generations" through the ITOCHU Foundation, which was established in 1974. In 2012, the Foundation became a Public Interest Incorporated Foundation, and is currently implementing activities that contribute to the sound growth of children, principally subsidizing the development of children's literature collections and promoting the development of an e-book library.

Providing Subsidies for Children's Literature Collections



In fiscal 2013, children's literature collection subsidy activities included not only subsidies for the purchase of children's books and the 100 Children's Books Subsidy but also support for areas affected by the disaster.

Students at an Istanbul continuation school read books sent from the ITOCHU Foundation

Subsidizing the Development of Children's Literature Collections

	Number of subsidies
Subsidies for purchase of children's books	39 (of which, 1 overseas)
Subsidies for purchase of children's books for hospitals	7
100 Children's Books Subsidy	32 (of which, 10 overseas)
Subsidies for libraries at Japanese schools / supplementary schools	51 (of which, 51 overseas)
Award for distinguished service to children's literature collections and related initiatives	2
Support for areas affected by the Great East Japan Earthquake	15
Total	146 (of which, 62 overseas)

Promoting the Use of E-Books

In fiscal 2011, the Foundation began to promote the development of an e-book library for children with disabilities who are unable to read conventional books. The Foundation has revised the scope of this project, which is now focused on making it easier to read for more children. The Foundation has provided, at no cost, 58 works to 538 locations throughout the country, such as schools for children with special needs.



Corporate Governance

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Corporate Governance

ITOCHU Corporation operates its business to establish the long-term preservation and enhancement of its corporate value by building fair and positive relationships with its stakeholders in accordance with the ITOCHU Group Corporate Philosophy and Code of Conduct. To ensure its appropriate and efficient business operations, ITOCHU is increasing the transparency of its decision-making process and constructing a corporate governance system that incorporates proper monitoring and supervisory functions.

Overview of the Corporate Governance System

ITOCHU is a company with the Board of Directors and corporate auditors (the Board of Corporate Auditors).

Comprising 14 directors (including 2 outside directors) as of July 1, 2013, the Board of Directors makes decisions on important management matters and supervises each director's business management.

Since June 2011, ITOCHU has appointed two highly independent outside directors. The outside directors contribute to ensuring and increasing the effectiveness of the supervision of management by the Board of Directors, as well as the transparency of the Board of Directors' decision-making, by way of appropriately providing their monitoring and supervising functions to the internal directors and management advice based on various perspectives from their neutral and objective position.

ITOCHU has adopted an Executive Officer System to strengthen decision-making and supervisory functions of the Board of Directors and to boost the efficiency of business execution. Also, ITOCHU has in place the Headquarters Management Committee (HMC) and various internal committees to support appropriate and flexible decision-making by the CEO and the Board of Directors. As a body to support

the CEO, the HMC discusses companywide management policy and important issues. The various internal committees screen and discuss management issues in individual areas of responsibility. Moreover, ITOCHU is developing and implementing a system for incorporating third-party opinions in some internal committees in which outside experts become members.

In addition, ITOCHU appoints four corporate auditors, including two outside corporate auditors. Each auditor monitors and audits business management independently and objectively. Standing corporate auditors strengthen audit functions by regularly attending meetings of the Board of Directors and other in-house meetings and by working in cooperation with ITOCHU's independent auditor and other audit bodies inside and outside ITOCHU. ITOCHU's Internal Audit Division is responsible for internal audits. Members of this division discuss internal audit planning, exchange information, and collaborate closely with corporate auditors through regular meetings. In order to support corporate auditors' activities and performance, the Corporate Auditors' Office, reporting directly to the Board of Corporate Auditors, has been established.

Corporate Governance System

Type of system	Company with the Board of Directors and corporate auditors (the Board of Corporate Auditors)	
Number of directors	14	
Of which, number of outside directors	2	
Number of corporate auditors	4	
Of which, number of outside corporate auditors	2	
Term of office for directors	1 year (the same for outside directors)	
Employment of an Executive Officer System	Yes	
Organization to support CEO decision-making	Headquarters Management Committee (HMC) deliberates companywide management policy and important issues	
Corporate Officer Compensation System	(1) Monthly compensation Monthly compensation determined by the contribution to ITOCHU of each director according to a base amount set by position (2) Performance-linked bonuses Total payment amount determined on the basis of consolidated net income attributable to ITOCHU Note: Outside directors paid monthly compensation only	
Independent external auditor	Deloitte Touche Tohmatsu LLC	

Steps Taken to Strengthen Corporate Governance

1997	Introduced the Division Company System	To accelerate decision making / increase efficiency of business management
1999	Introduced the Executive Officer System	To strengthen decision-making and supervisory functions of the Board of Directors
2007	Shortened the terms of office of directors and executive officers to one year	To clarify management responsibility during terms of office
2011	Introduced an Outside Directors System	To increase the effectiveness of the supervision of management and improve the transparency of decision making

Appointment of Outside Directors and Outside Corporate Auditors

In the course of appointing outside directors and outside corporate auditors, ITOCHU places a high value on ensuring their independence by way of considering certain requirements for “Independent Director(s) / Auditor(s)” as prescribed

by the domestic financial instrument exchanges. As of July 1, 2013, ITOCHU had two outside directors and two outside corporate auditors, all of whom satisfy the above-stated requirements and therefore are registered as “Independent Director(s) / Auditor(s)” in the domestic financial instrument exchanges on which ITOCHU is listed.

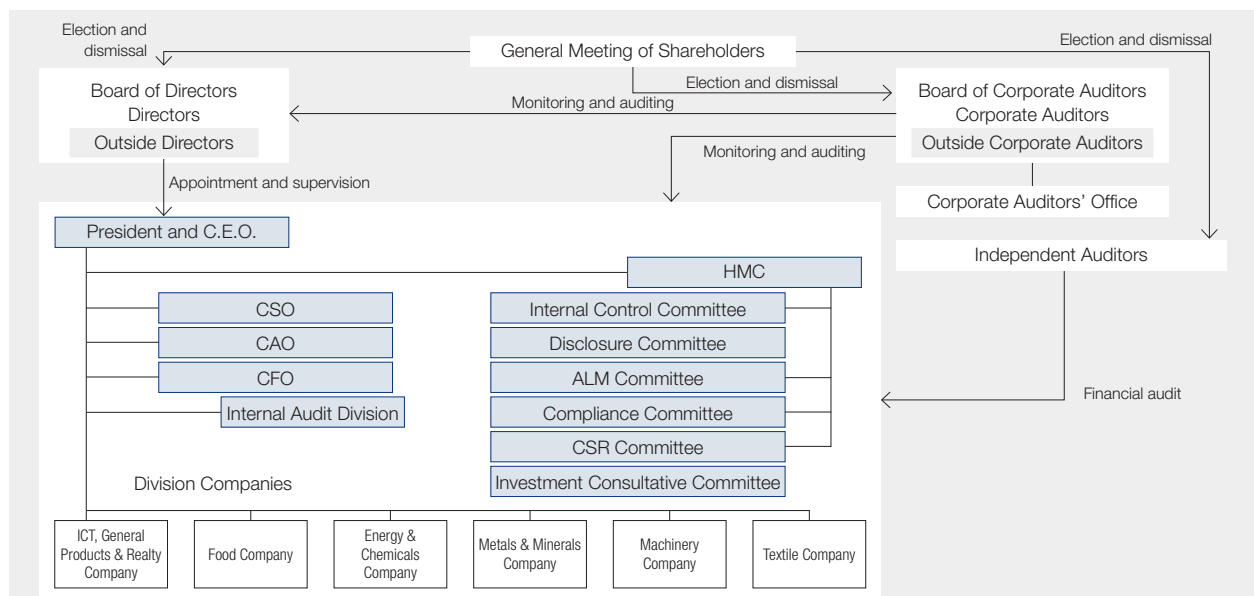
Reason for Appointment as Outside Directors

Name	Reason for appointment
Ichiro Fujisaki appointed in June 2013	Mr. Fujisaki is appointed as an outside director in the anticipation that he will use his high level of insight and knowledge on the international situation, economy and cultures, and other matters, nurtured through his many years of experience as a diplomat and also monitor and supervise the corporate management of ITOCHU from an independent perspective. Mr. Fujisaki has no material interests in ITOCHU.
Chikara Kawakita appointed in June 2013	Mr. Kawakita is appointed as an outside director in the anticipation that he will use his high level of insight and knowledge on public finance, financial transaction and tax affairs, and other matters, nurtured through his many years of experience at the Ministry of Finance and National Tax Agency and also monitor and supervise the corporate management of ITOCHU from an independent perspective. Mr. Kawakita has no material interests in ITOCHU.

Reason for Appointment as Outside Corporate Auditors

Name	Reason for appointment
Masahiro Shimojo appointed in June 2011	Mr. Shimojo is appointed as an outside corporate auditor in the anticipation that he will monitor management and provide auditing from an independent perspective by utilizing his wealth of experience and expertise as a lawyer in the field of corporate legal practice and international business law. Mr. Shimojo has no material interests in ITOCHU.
Shingo Majima appointed in June 2013	Mr. Majima is appointed as an outside corporate auditor in the anticipation that he will monitor management and provide auditing from an independent perspective by utilizing his wealth of experience and expertise on finance and accounting as a certified public accountant and university professor. Mr. Majima has no material interests in ITOCHU.

Overview of ITOCHU's Corporate Governance and Internal Control System



*1 HMC: Headquarters Management Committee CSO: Chief Strategy Officer CAO: Chief Administrative Officer CFO: Chief Financial Officer ALM: Asset Liability Management
 *2 CAO is the chief officer for compliance. Also, each Division Company has a Division Company president.
 *3 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 on the development and operation of respective internal controls for which they are responsible; evaluates the overall development and implementation status of internal control; and reports the results of evaluations as well as items for improvement to the HMC and Board of Directors.

Principal Internal Committees

Name	Objectives
Internal Control Committee	• Deliberates on issues related to the development of internal control systems
Disclosure Committee	• Deliberates on issues related to business activity disclosure and on issues related to the development and operation of internal control systems in the area of financial reporting
ALM Committee	• Deliberates on issues related to risk management systems and balance sheet management
Compliance Committee	• Deliberates on issues related to compliance
CSR Committee	• Deliberates on issues related to corporate social responsibility, environmental problems, and social contribution initiatives
Investment Consultative Committee	• Deliberates on issues related to investment and financing
Corporate Officer Compensation Consultative Committee	• Deliberates on issues related to the compensation of corporate officers, including their compensation after retirement

Messages from Newly Appointed Outside Directors

I became an outside director for the first time, and I heard that ITOCHU appointed outside directors only two years ago.

Whether companies or government agencies, organizations are groups of professionals. In particular, internal directors are pros among pros. Information is centralized in them and they have honed their instincts through long years of work. Those instincts are of paramount importance in deciding whether a company should move forward, stay in place, or pull back.

Outside directors are different. We do not know as many details about a company's businesses and organization as internal directors. However, we sometimes might start to lose track of our surroundings, if we get too far into things. This is what we call "The outsider sees most of the game" as the saying goes. Also, there might be issues which are difficult for insiders to raise. The way I see it, this is the significance of outside directors.

For the past 40 plus years, I have been involved in government. During this time, I have been in charge of a broad range of issues, from security affairs through economic negotiations to information analysis. I resolve to do my best to apply my experiences and fulfill my responsibilities.

General trading companies hold the keys to the Japanese economy. If the Japanese economy is the human body, then trading companies act as its nervous system, ensuring that muscles operate as efficiently as possible, and their movements serve to stabilize and vitalize the economy. ITOCHU is one of the healthiest companies in its category. I also heard that ITOCHU has an open corporate culture.

With the Japanese economy currently on the cusp of a leap forward, I consider it a blessing to be involved at the leading edge. I am looking forward to working together with the employees of ITOCHU.



Ichiro Fujisaki

Distinguished Professor,
Chairman of International
Strategies, Sophia University



Chikara Kawakita

Professor, Graduate School of Law,
Hitotsubashi University

I was recently appointed as an outside director of ITOCHU. After working in government for many years, I am currently a university professor. I would like to contribute to ITOCHU's growth by utilizing my knowledge, while maintaining a neutral perspective.

The importance of corporate governance came home to me strongly during my recent employment at the National Tax Agency. First, I focused on the essential elements of corporate governance for maintaining compliance, including tax matters, and I asked corporate managers to establish corporate governance systems.

Second, taxpayers and citizens are to a tax agency as shareholders and customers are to a company. A company wants to do good work in order to meet the expectations of its stakeholders; the same is the case for a government agency. "What sort of corporate governance is necessary in order to do good work?" Techniques may differ between the public and private sectors, but I have faced that same question with regard to an organization's administrative operations.

By applying these experiences, I intend to do my best to further enhance corporate governance at ITOCHU.

The ITOCHU Group corporate philosophy is "Committed to the Global Good," and I think this is a clear vision to share among a vibrant group of people. I will also work to be "Committed to the Global Good," taking on the challenge of supporting ITOCHU's efforts to maintain the trust and satisfy the expectations of its stakeholders from my own position.

Internal Control System

On April 19, 2006, ITOCHU's Board of Directors established the Basic Policy regarding the Internal Control System, which was partially revised on May 8, 2013. ITOCHU intends to revise and improve the internal control system tirelessly in order to build a system that is even more appropriate and efficient. The following highlights two noteworthy initiatives under this policy.

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

Initiatives to Further Enhance the Reliability of Financial Reporting

We have put in place a company structure designed to further enhance the reliability of our consolidated financial reporting. First, for each organization we have appointed a Chief Operating Officer, etc., as Chief Responsible for Internal Control to establish a Groupwide line of responsibility. In addition, the Disclosure Committee is designated as a steering committee to design the internal control system related to financial reporting, and to conduct testing and assessment of the system. Results of testing are fed back to each related

unit and designed to ensure continuous improvement through a plan-do-check-act (PDCA) cycle. Furthermore, following a March 2011 policy revision by the Financial Services Agency, we have continued to pursue effectiveness and efficiency and are working to reinforce our internal controls.

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 various risks individually and on a companywide basis. 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.

Examples of Risk Management

Managing Investment Risk (Decision-Making Process for Investments)

Executing New Investments

When making new investments, first the department making the application gives due consideration to factors such as the purpose of the investment, growth strategies, business plans, the appropriateness of the acquisition price, the state of conformance with investment criteria, and the setting of exit conditions. Next, related administrative organizations implement risk analysis from various specialized perspectives and attach their screening results to the application. After deliberation by the Division Company Management Committee (DMC), the application is submitted to the Division Company President for a final decision. Projects that exceed the President's authority must be approved by the HMC. If additional consideration and screening of an investment's profitability and strategy are needed prior to the HMC, the application is sent to the Investment Consultative Committee for deliberation. After discussing the application, this committee—whose members include the CSO, CFO, General Manager of the Global Risk Management Division, and corporate auditors—puts the matter before the HMC. This approach devolves authority to the Division Companies and speeds decision-making, while at the same time providing multiple screening processes to control investment risk.

Monitoring

To promote asset replacement and reduce the number of small-scale and loss-making Group companies, we implement annual reviews of all Group companies from both the qualitative (such as strategic significance) and quantitative (such as scale of earnings and investment efficiency) perspectives. This methodology enables us to determine candidates to be exited from after confirming whether Group companies are infringing on exit selection criteria as well as taking the future policies of all Group companies into consideration.

Exiting

The Global Risk Management Division monitors the progress of Group companies that have been slated for exits during the annual reviews, ensuring that they are moving steadily toward an exit.

Managing Concentrated Risks

In addition to distributing internal covenants on management resources to each Division Company, ITOCHU defines asset limits in areas of trading where exposure is high, thereby managing the concentration of risk in specific segments and areas. We also manage overall country risk exposure to non-industrialized countries and manage individual country risk based on internal country rating standards. Limits on assets in specific areas and country limits are deliberated by the ALM Committee and approved by the HMC.

Fiscal 2013 in Review

Results in fiscal 2013 under the corporate governance system explained on the previous pages include the following.

Number of Meetings Convened by Principal Management Bodies

Board of Directors	18
Board of Corporate Auditors	15
Outside director attendance at Board of Directors' meetings	97%
Outside corporate auditor attendance at Board of Directors' meetings	94%
Outside corporate auditor attendance at Board of Corporate Auditors' meetings	96%

Key Decisions Made by the Board of Directors in Fiscal 2013

1) Acquisition of shares in Finland's METSA FIBRE Oy, one of the world's leading pulp producers
2) Acquisition of shares in Toyo Advanced Technologies Co., Ltd. (conversion to subsidiary)
3) Acquisition of the Asian fresh produce business and the worldwide packaged foods business of Dole Food Company, Inc., the world's largest producer and marketer of fresh fruits and vegetables
4) "Brand-new Deal 2014," the medium-term management plan for FY2014–15
5) Joint interest in the Sarulla Geothermal IPP Project in Indonesia with Kyushu Electric Power Company, Incorporated and other companies

Details of Compensation

Type	Number of people	Amount paid (Millions of Yen)	Details
Director (Outside directors)	14	1,372	(1) Monthly compensation: ¥741 million
	(2)	(23)	(2) Directors' bonuses accrued and payable for the fiscal year ended March 31, 2013: ¥631 million
Corporate auditor (Outside corporate auditors)	6	119	Only monthly compensation
	(3)	(33)	
Total (Outside directors and corporate auditors)	20	1,491	
	(5)	(56)	

*1 Maximum compensation paid to all directors: ¥1.2 billion per year as total monthly compensation (including ¥50 million per year as a portion to the outside directors) and ¥1.0 billion per year as total bonuses paid to all directors (excluding the outside directors) under a framework different from the preceding maximum compensation amount (both resolved at the General Meeting of Shareholders on June 24, 2011)

*2 Maximum compensation paid to all corporate auditors: ¥13 million per month (resolved at the General Meeting of Shareholders on June 29, 2005)

*3 The retirement benefits system for directors and corporate auditors was abolished on the date of the 81st Ordinary General Meeting of Shareholders held on June 29, 2005, and it was resolved that directors and corporate auditors retaining their positions after the conclusion of the said General Meeting of Shareholders shall be presented with retirement benefits on the date of their retirement for the period up to the time the retirement benefits system was abolished.

The compensation paid to all directors of ITOCHU (excluding outside directors) consists of monthly compensation and performance-linked bonuses. The monthly compensation is determined by the contribution to ITOCHU of each director based on the base amount set by its position, whereas the total amount of the performance-linked bonuses is determined based on consolidated net income attributable to ITOCHU. Only monthly compensation is paid to the outside directors and bonuses are not paid thereto.

Breakdown of Remuneration for Auditing

Details of Remuneration of the Independent Auditor and Other Firms

Type	Fiscal 2012		Fiscal 2013	
	Remuneration for audit certification (Millions of Yen)	Remuneration for non-audit certification services (Millions of Yen)	Remuneration for audit certification (Millions of Yen)	Remuneration for non-audit certification services (Millions of Yen)
The Company	500	101	620	24
Its subsidiaries	762	80	679	75
Total	1,262	181	1,299	99

Other Significant Remuneration

During the fiscal years ended March 31, 2012 and 2013, the amount of remuneration paid by the Company and its subsidiaries to member firms of Deloitte Touche Tohmatsu Limited other than the Company's independent auditor, Deloitte Touche Tohmatsu LLC, was ¥1,229 million and ¥1,375 million, respectively.

Non-Audit Certification Services Conducted by Independent Auditor and Other Firms

During the fiscal years ended March 31, 2012 and 2013, the Company paid remuneration to its independent auditor for non-audit certification services, comprising the creation of comfort letters and the consultation and advices regarding International Financial Reporting Standards (IFRS).

Policy on Determining Remuneration for Auditing

After the CFO determines the appropriateness of the audit plan, the number of audit days, and the content of audit certification presented by the independent auditor, the decision is made through agreement by the Board of Corporate Auditors.

Accountability

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.

Investor relations activities in fiscal 2013 include the following.

Activity	Times	Content
Presentations for analysts and institutional investors	4	We hold meetings for analysts and institutional investors each fiscal quarter. The second-quarter and annual financial results are explained by the President & CEO, whereas the first- and third-quarter financial results are explained via online conference by the CFO.
Site tours for analysts and institutional investors	1	We conduct tours so that analysts and institutional investors can visit Group companies or project sites.
Segment-specific briefings for analysts and institutional investors	1	We hold meetings for analysts and institutional investors to explain specific themes such as strategies of individual operating segments.
Briefings on large-scale projects for analysts and institutional investors	1	We hold explanatory meetings when announcing large-scale projects of particular interest to analysts and institutional investors.
Presentations for overseas institutional investors	6	These meetings are concentrated on Europe, North America, and Asia.
Presentations for individual investors	Several times	We hold meetings for individual investors at stock exchanges and branches of brokerage firms.
Investor relations-related materials available on our website	—	Investor relations-related materials are made available on our website. Materials that can be downloaded include our financial statements, presentation materials for investors' meetings, materials used in segment-specific briefings, TSE filings, annual securities reports (<i>yuka shoken hokokusho</i>), quarterly securities reports (<i>shihanki hokokusho</i>), Corporate Governance Report, and Notice of General Meeting of Shareholders.



Corporate Officers

As of July 1, 2013

Directors



President & Chief Executive Officer*
Masahiro Okafuji
 1974 Joined ITOCHU Corporation
 2010 President & Chief Executive Officer



Chairman
Eizo Kobayashi
 1972 Joined ITOCHU Corporation
 2010 Chairman



Director*
Yoichi Kobayashi
 Executive Advisory Officer for Kansai
 District Operation / Division Companies
 Operation

 1973 Joined ITOCHU Corporation
 2011 Executive Vice President



Director*
Tadayuki Seki
 CFO

 1973 Joined ITOCHU Corporation
 2013 Executive Vice President



Director*
Yoshihisa Aoki
 President, Food Company

 1974 Joined ITOCHU Corporation
 2010 Senior Managing Executive Officer



Director*
Koji Takayanagi
 CSO

 1975 Joined ITOCHU Corporation
 2012 Senior Managing Executive Officer



Director*
Toru Matsushima
 CAO

 1979 Joined ITOCHU Corporation
 2010 Managing Executive Officer



Director*
Yuji Fukuda
 President, Energy & Chemicals Company

 1979 Joined ITOCHU Corporation
 2012 Managing Executive Officer



Director*

Ichiro Nakamura

President, Metals & Minerals Company

1979 Joined ITOCHU Corporation
2011 Managing Executive Officer



Director*

Tomofumi Yoshida

President, ICT, General Products & Realty Company

1979 Joined ITOCHU Corporation
2012 Managing Executive Officer



Director*

Hitoshi Okamoto

President, Textile Company

1980 Joined ITOCHU Corporation
2010 Managing Executive Officer



Director*

Takao Shiomi

President, Machinery Company

1975 Joined ITOCHU Corporation
2012 Managing Executive Officer



Director**

Ichiro Fujisaki

Apr. 1969 Joined Ministry of Foreign Affairs
Worked in the Embassy of Japan in Indonesia, Permanent Delegation of Japan to the OECD, Budget Bureau, Ministry of Finance

Aug. 1987 Counselor, Embassy of Japan in the UK

Feb. 1991 Director, Overseas Establishments Division, Minister's Secretariat, Ministry of Foreign Affairs

Mar. 1992 Director, Financial Affairs Division, Minister's Secretariat, Ministry of Foreign Affairs

Feb. 1994 Deputy Director-General, Asian Affairs Bureau, Ministry of Foreign Affairs

Jul. 1995 Minister, Embassy of Japan in the United States of America (Political Affairs)

Aug. 1999 Director-General, North American Affairs Bureau, Ministry of Foreign Affairs

Sep. 2002 Deputy Minister for Foreign Affairs (Economic Affairs), Ministry of Foreign Affairs

Jan. 2005 Ambassador Extraordinary and Plenipotentiary, Permanent representative of Japan to the International Organizations in Geneva

Apr. 2008 Ambassador Extraordinary and Plenipotentiary to the United States of America

Nov. 2012 Retired from Ministry of Foreign Affairs

Jan. 2013 Distinguished Professor, Chairman of International Strategies, Sophia University (current position)

Jun. 2013 Outside Director, ITOCHU Corporation



Director**

Chikara Kawakita

Apr. 1977 Joined Ministry of Finance

Jul. 2001 Director, Income Tax and Property Tax Policy Division, Tax Bureau, Ministry of Finance

Jul. 2002 Director, Policy Planning and Research Division, Minister's Secretariat, Ministry of Finance

Jul. 2004 Director, Management and Co-ordination Division, Minister's Secretariat, Ministry of Finance

Jul. 2005 Regional Commissioner, Osaka Regional Taxation Bureau, National Tax Agency

Jul. 2007 Deputy Director-General, Tax Bureau, Ministry of Finance

Jul. 2008 Deputy Vice Minister for Policy Planning and Co-ordination, Minister's Secretariat, Ministry of Finance

Jul. 2009 Director-General, Financial Bureau, Ministry of Finance

Jul. 2010 Commissioner, National Tax Agency

Aug. 2012 Retired from Ministry of Finance

Oct. 2012 Professor, Graduate School of Law, Hitotsubashi University (current position)

Jun. 2013 Outside Director, ITOCHU Corporation

* indicates a representative director

** indicates an outside director as provided in Paragraph 2, Clause 15 of the Corporate Law

Corporate Auditors



4

2

1

3

Corporate Auditor

1 Yoshio Akamatsu

1974 Joined ITOCHU Corporation
2010 Director, Senior Managing Executive Officer
2012 Corporate Auditor

Corporate Auditor

2 Kazutoshi Maeda

1974 Joined ITOCHU Corporation
2007 Managing Executive Officer
2011 Corporate Auditor

Corporate Auditor

3 Masahiro Shimojo*

Apr. 1973 Registered as an attorney at law
Nishimura & Partners, Tokyo (current position)
Dec. 1982 Admitted in California (inactive)
Jun. 1984 Nishimura & Asahi, Tokyo
Jun. 2000 Corporate Auditor, Hitachi Cable Co., Ltd.
Jun. 2003 Board Director, Hitachi Cable Co., Ltd.
Jun. 2011 Corporate Auditor, ITOCHU Corporation
Apr. 2012 Visiting Professor, Faculty of Law, Gakushuin University
Apr. 2013 Adjunct Professor, Gakushuin University Professional
School of Law (current position)

Corporate Auditor

4 Shingo Majima*

Mar. 1972 Registered as a certified public accountant
Established Certified Public Accountant Office
of Shingo Majima
Sep. 1975 Joined Peat Marwick Mitchell & Co.
New York Office (currently KPMG LLP)
Mar. 1981 Registered as a certified public accountant,
USCPA (New York)
Jul. 1987 Partner, Audit Division, KPMG LLP
Jul. 1997 Partner in charge of Japanese Practice for
U.S. / Northeast and Midatlantic area
(audit, tax and consulting department):
Partner in charge of Japanese Practice for
U.S. audit department, KPMG LLP
Jan. 2005 Advisor, KPMG LLP
Sep. 2005 Retired from KPMG LLP
Apr. 2006 Professor, Faculty of Commerce, Chuo University
(current position)
May 2007 Outside Director, Aderans Co., Ltd.
Nov. 2011 Director, the Institute of Accounting Research,
Chuo University (current position)
Jun. 2012 Outside Director, WIN INTERNATIONAL CO., LTD.
Apr. 2013 Outside Director, WIN-Partners Co., Ltd.
(current position)
Jun. 2013 Corporate Auditor, ITOCHU Corporation

* indicates an outside corporate auditor as provided in Paragraph 2, Clause 16 of the Corporate Law

Executive Officers

■ President & Chief Executive Officer

Masahiro Okafuji

■ Executive Vice Presidents

Yoichi Kobayashi

Executive Advisory Officer for Kansai District
Operation / Division Companies Operation

Tadayuki Seki

CFO

■ Senior Managing Executive Officers

Yoshihisa Aoki

President, Food Company

Koji Takayanagi

CSO

■ Managing Executive Officers

Toru Matsushima

CAO

Yuji Fukuda

President, Energy & Chemicals Company

Kimio Kitamura

General Manager, General Accounting
Control Division

1975 Joined ITOCHU Corporation
2010 Managing Executive Officer

Shuichi Koseki

CEO for ITOCHU East Asia 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

Ichiro Nakamura

President, Metals & Minerals Company

Tomofumi Yoshida

President, ICT, General Products &
Realty Company

Junichi Sasaki

CEO for ASEAN & South West Asia Bloc;
CEO for Oceania;
President & CEO, ITOCHU Singapore Pte Ltd;
General Manager, ITOCHU Corporation
Singapore Branch;
Managing Director & CEO, ITOCHU Australia Ltd.

1979 Joined ITOCHU Corporation
2010 Managing Executive Officer

Hitoshi Okamoto

President, Textile Company

Kunihiko Tamano

Deputy CFO;
General Manager, Global Risk Management Division

1974 Joined ITOCHU Corporation
2011 Managing Executive Officer

Eiichi Yonekura

President & CEO, ITOCHU International Inc.

1981 Joined ITOCHU Corporation
2011 Managing Executive Officer

Takao Shiomi

President, Machinery Company

Masahiro Imai

Chief Executive for European Operation;
CEO, ITOCHU Europe PLC

1980 Joined ITOCHU Corporation
2012 Managing Executive Officer

Nobuyuki Kizukuri

Executive Vice President,
ICT, General Products & Realty Company;
Chief Operating Officer, Construction,
Realty & Financial Business Division

1976 Joined ITOCHU Corporation
2012 Managing Executive Officer

Yutaka Washizu

Executive Vice President, Metals &
Minerals Company;
Chief Operating Officer,
Metals & Mineral Resources Division

1980 Joined ITOCHU Corporation
2013 Managing Executive Officer

Fumihiko Kobayashi

General Manager, Human Resources &
General Affairs Division

1980 Joined ITOCHU Corporation
2013 Managing Executive Officer

Kazutaka Yoshida

Chief Operating Officer, Automobile, Construction
Machinery & Industrial Systems Division

1981 Joined ITOCHU Corporation
2013 Managing Executive Officer

■ Executive Officers

Masanori Toyoshima

Chief Operating Officer, Energy Division No. 1

1981 Joined ITOCHU Corporation
2010 Executive Officer

Harutoshi Okita

Chief Operating Officer, Plant Project, Marine &
Aerospace Division

1980 Joined ITOCHU Corporation
2011 Executive Officer

Yozo Kubo

Executive Vice President, Textile Company;
Chief Operating Officer, Apparel Division 1

1981 Joined ITOCHU Corporation
2011 Executive Officer

Kunihiko Nakade

Deputy General Manager,
General Accounting Control Division

1980 Joined ITOCHU Corporation
2012 Executive Officer

Masahiko Kameoka

Executive Vice President, Food Company;
Chief Operating Officer, Food Products
Marketing & Distribution Division

1980 Joined ITOCHU Corporation
2012 Executive Officer

Ichiro Tsuge

Chief Operating Officer, Forest Products & General
Merchandise Division

1980 Joined ITOCHU Corporation
2012 Executive Officer

Kazunori Ishii

Chief Operating Officer, Brand
Marketing Division 2

1981 Joined ITOCHU Corporation
2012 Executive Officer

Kazuya Saito

Chief Operating Officer, Chemicals Division

1981 Joined ITOCHU Corporation
2012 Executive Officer

Tsuyoshi Hachimura

General Manager, Finance Division

1991 Joined ITOCHU Corporation
2012 Executive Officer

Noriyuki Hayata

General Manager, Secretariat

1981 Joined ITOCHU Corporation
2013 Executive Officer

Shigeji Sugimoto

General Manager for Chubu Area

1982 Joined ITOCHU Corporation
2013 Executive Officer

Akihiro Ueda

Deputy Chief Operating Officer, Chemicals Division;
General Manager, Plastics Department

1982 Joined ITOCHU Corporation
2013 Executive Officer

Isao Kubo

General Manager, Corporate Planning &
Administration Division

1982 Joined ITOCHU Corporation
2013 Executive Officer

Yasuyuki Harada

Deputy Chief Operating Officer, Forest Products &
General Merchandise Division;
General Manager, General Merchandise
Department

1982 Joined ITOCHU Corporation
2013 Executive Officer

Mitsuru Chino*

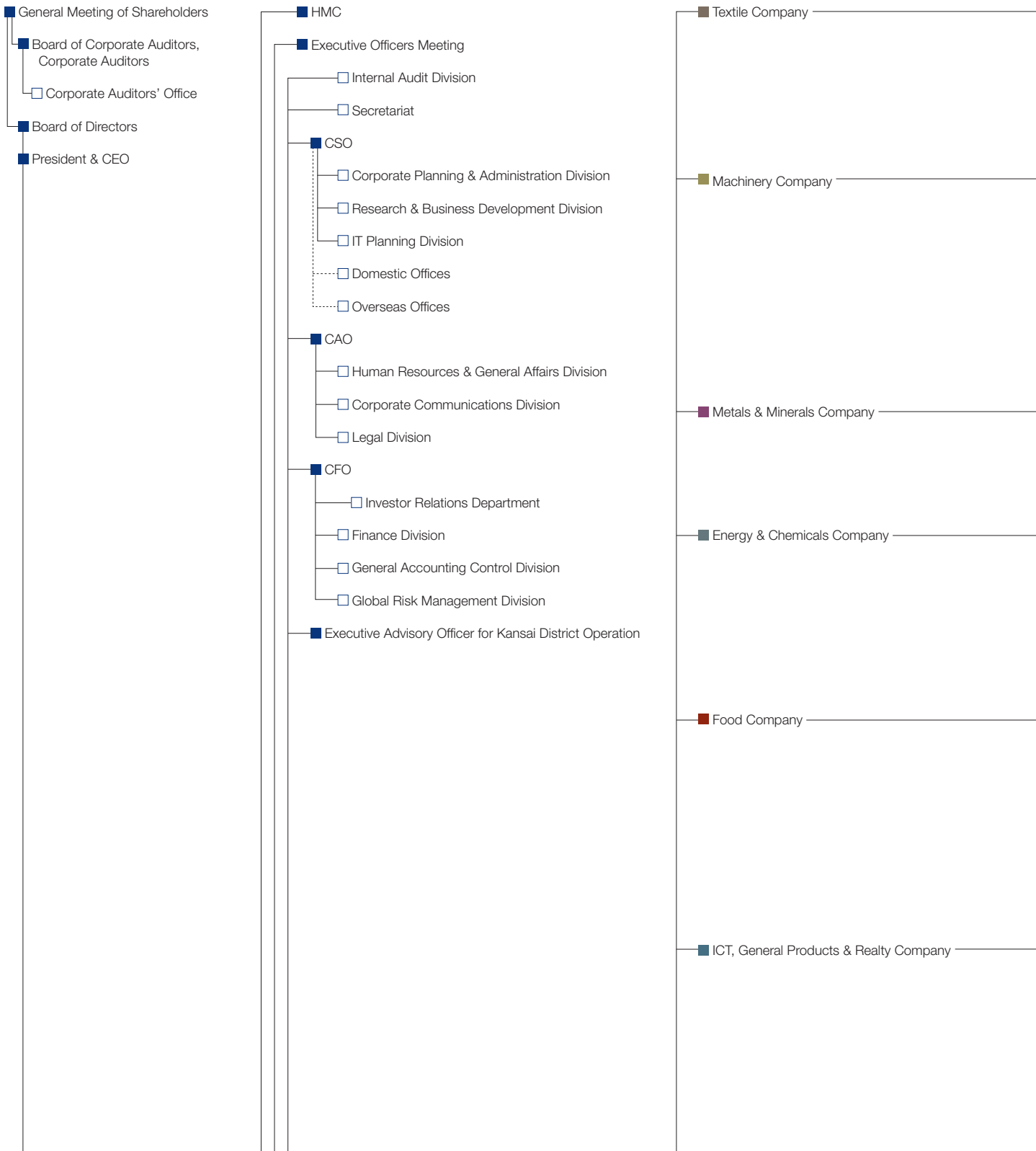
General Manager, Legal Division

2000 Joined ITOCHU Corporation
2013 Executive Officer

* Ms. Mitsuru Chino's registered name is Mitsuru Ike.

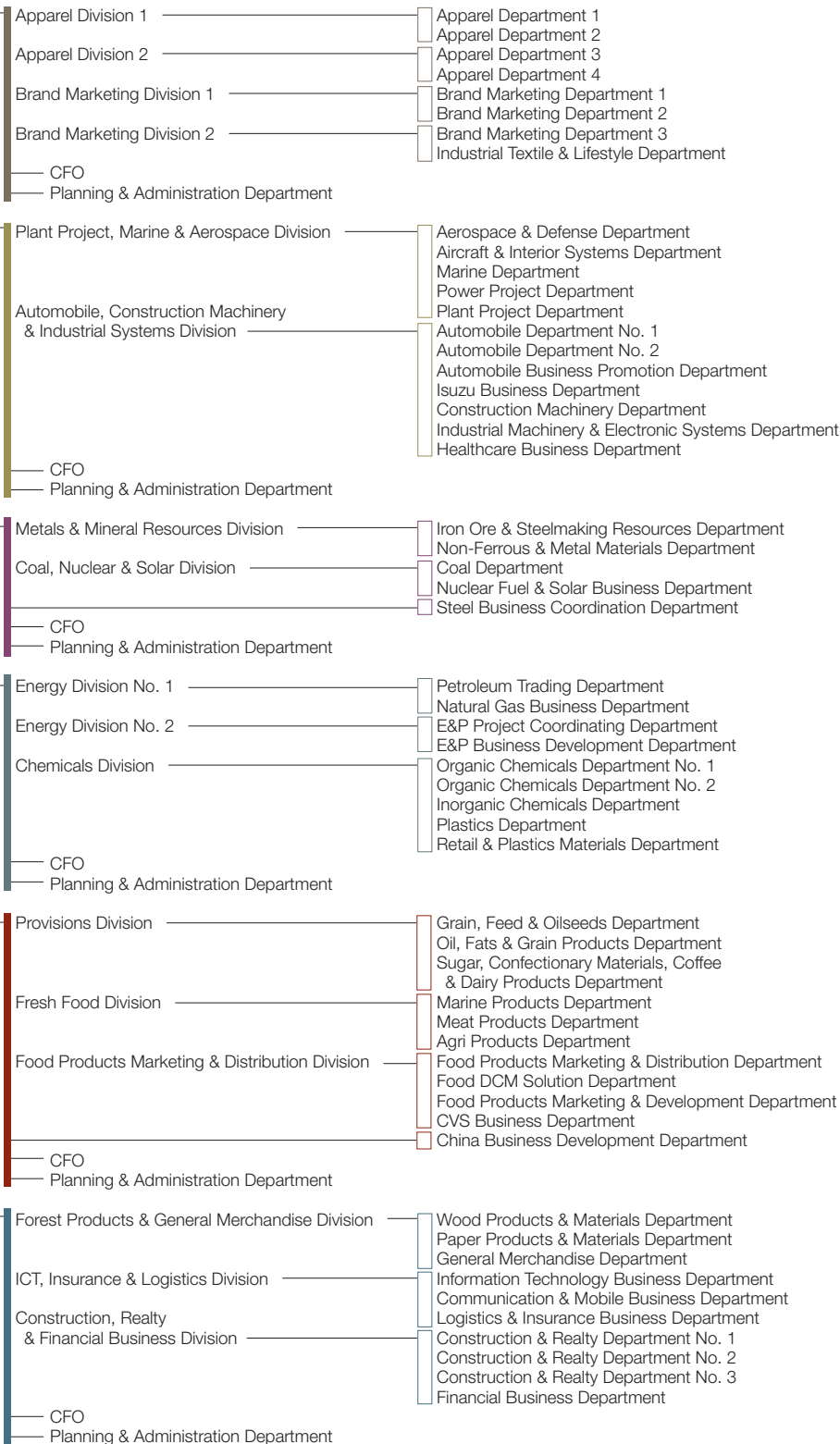
Operational Structure

Organizational Structure As of July 1, 2013



HMC : Headquarters Management Committee
 CSO : Chief Strategy Officer

CAO : Chief Administrative Officer
 CFO : Chief Financial Officer



Textile Company	
Number of Employees	
Consolidated	20,101
Non-consolidated	402
Number of Subsidiaries and Associates	
Domestic	23
Overseas	17

Machinery Company	
Number of Employees	
Consolidated	11,749
Non-consolidated	468
Number of Subsidiaries and Associates	
Domestic	27
Overseas	42

Metals & Minerals Company	
Number of Employees	
Consolidated	774
Non-consolidated	197
Number of Subsidiaries and Associates	
Domestic	6
Overseas	9

Energy & Chemicals Company	
Number of Employees	
Consolidated	8,523
Non-consolidated	333
Number of Subsidiaries and Associates	
Domestic	23
Overseas	32

Food Company	
Number of Employees	
Consolidated	6,995
Non-consolidated	389
Number of Subsidiaries and Associates	
Domestic	20
Overseas	25

ICT, General Products & Realty Company	
Number of Employees	
Consolidated	25,828
Non-consolidated	407
Number of Subsidiaries and Associates	
Domestic	42
Overseas	37

Others	
Number of Employees	
Consolidated	3,543
Non-consolidated	2,023
Number of Subsidiaries and Associates	
Domestic	4
Overseas	49

Total	
Number of Employees	
Consolidated	77,513
Non-consolidated	4,219
Number of Subsidiaries and Associates	
Domestic	145
Overseas	211

* The numbers of employees, subsidiaries, and associates are as of March 31, 2013.

* The number of consolidated employees is based on actual working employees excluding temporary staff.

* Others of the number of non-consolidated employees includes a total of 1,548 employees; employees temporarily relocated to other companies (domestic 886, overseas 322), employees and trainees assigned to overseas posts (340).

* The criteria to count subsidiaries and associates were changed so that the number of companies directly invested by ITOCHU or its overseas trading subsidiaries are shown above.

Global Network As of July 1, 2013

North America / Latin America

North America

ITOCHU International Inc.
22nd and 23rd Floors, 335 Madison Avenue, New York,
N.Y. 10017, U.S.A.
Telephone : 1-212-818-8000
Facsimile : 1-212-818-8282
■ New York, Chicago, San Francisco, Los Angeles, Washington,
Houston, Portland, Vancouver, Mexico City

Latin America

ITOCHU BRASIL S.A.
Av. Paulista 37, 19 andar, Vila Mariana, São Paulo
CEP 01311-902, BRAZIL
Telephone : 55-11-3170-8501
Facsimile : 55-11-3170-8549
■ São Paulo, Rio de Janeiro, Panama, Buenos Aires, Bogota,
Santiago, Caracas, Quito
■ Lima

Europe / Africa / Middle East / CIS

Europe

ITOCHU Europe PLC
The Broadgate Tower 20 Primrose Street, London EC2A 2EW, U.K.
Telephone : 44-20-7947-8000
Facsimile : 44-20-7947-8240/8241
■ London, Düsseldorf, Hamburg, Paris, Milano, Madrid, Budapest,
Tunis
■ Alger, Casablanca, Praha, Bucharest, Warszawa

Africa

ITOCHU Corporation, Johannesburg Branch
2nd Floor Block A, The Pivot, Montecasino Boulevard, Fourways,
2055, Johannesburg, SOUTH AFRICA
Telephone : 27-11-465-0030
Facsimile : 27-11-465-0635/0604
■ Lagos
■ Johannesburg
■ Accra, Nairobi, Addis Ababa

Middle East

ITOCHU Corporation, Dubai Branch
201 The Spectrum Building, Al Qutaeyat Road, Oud Metha,
P.O.Box 3572, Dubai, U.A.E.
Telephone : 971-4-302-0000
Facsimile : 971-4-335-0101
■ Dubai, Tehran
■ Dubai, Istanbul
■ Cairo, Amman, Ankara, Riyadh, Al Khobar, Kuwait, Muscat, Doha,
Tripoli, Karachi, Abu Dhabi

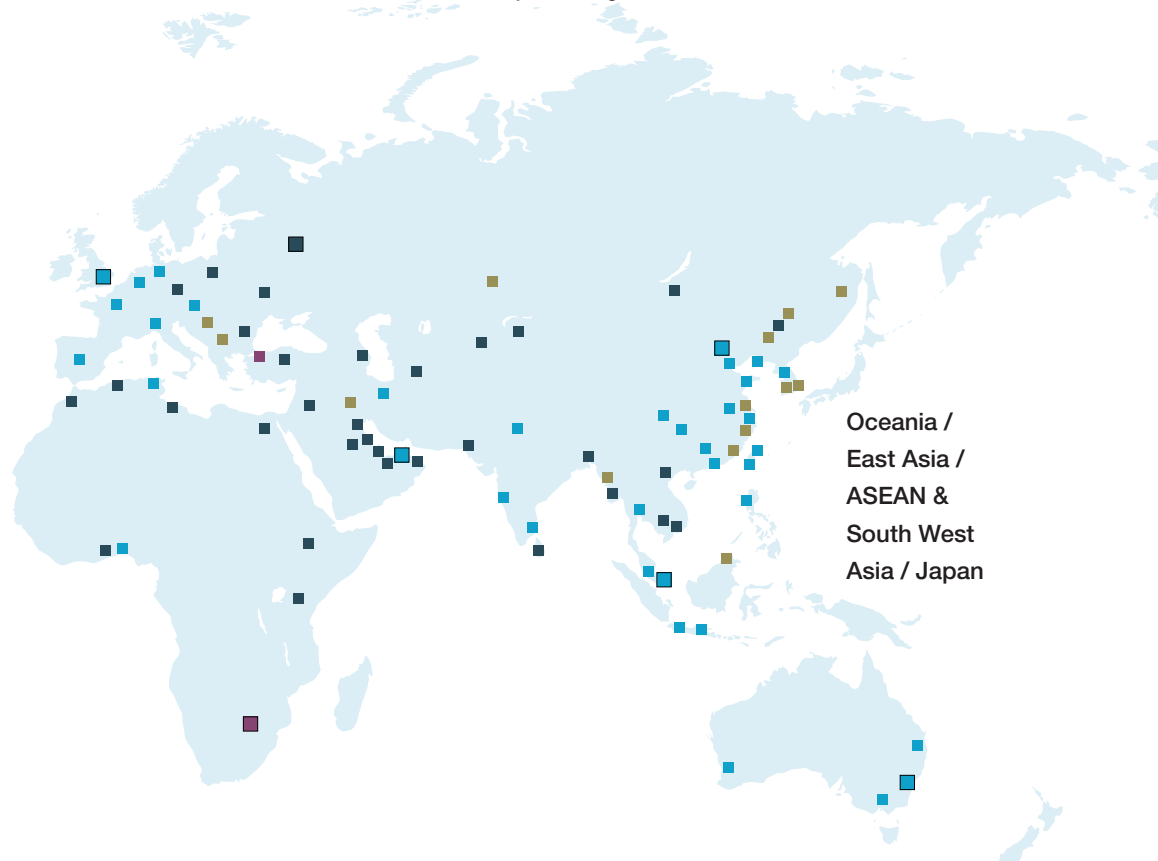
CIS

ITOCHU Corporation, Moscow Representative Office
Savvinskaya Office Building, 9th Floor, Savvinskaya Nab., 15,
Moscow, 119435, RUSSIAN FEDERATION
Telephone : 7-495-961-1456
Facsimile : 7-495-961-1447/1448
■ Moscow, Almaty, Kiev, Ashgabat, Tashkent, Baku

Europe / Africa / Middle East / CIS

Oceania / East Asia / ASEAN & South West Asia / Japan

- Overseas Regional Headquarters
- Overseas Trading Subsidiaries and their Branches / Offices
- Overseas Branches
- Overseas Liaison Offices
- Others



Oceania / East Asia / ASEAN & South West Asia / Japan

Oceania

ITOCHU Australia Ltd.
Level 31, Grosvenor Place, 225 George Street, Sydney,
N.S.W. 2000, AUSTRALIA
Telephone : 61-2-9239-1500
Facsimile : 61-2-9241-3955
■ Sydney, Melbourne, Perth, Brisbane

East Asia

ITOCHU (China) Holding Co., Ltd.
Room 501, 5/f. No. 2 Office Building, China Central Place,
No. 79, Jian Guo Road, Chaoyang District, Beijing,
THE PEOPLE'S REPUBLIC OF CHINA (ZIP code: 100025)
Telephone : 86-10-6599-7000
Facsimile : 86-10-6599-7111
■ Beijing, Shanghai, Dalian, Tianjin, Qingdao, Chongqing, Hong Kong,
Guangzhou, Nanjing, Sichuan, Taipei, Kaohsiung, Seoul
■ Changchun, Ulaanbaatar

ASEAN & South West Asia

ITOCHU Singapore Pte Ltd
9 Raffles Place, #41-01 Republic Plaza, SINGAPORE 048619
Telephone : 65-6230-0400
Facsimile : 65-6230-0560
■ Singapore, Kuala Lumpur, Jakarta, Surabaya, Bangkok,
New Delhi, Mumbai, Chennai, Manila
■ Manila
■ Jakarta, Hanoi, Ho Chi Minh City, Yangon, Phnom Penh,
Colombo, Dhaka

Japan

Headquarters
Tokyo
5-1, Kita-Aoyama 2-chome,
Minato-ku, Tokyo 107-8077, Japan
Telephone : 81-3-3497-2121
Facsimile : 81-3-3497-4141

Osaka

1-3, Umeda 3-chome,
Kita-ku, Osaka 530-8448, Japan
Telephone : 81-6-7638-2121
Facsimile : 81-6-7638-3220

Chubu, Kyushu, Chugoku & Shikoku, Hokkaido, Tohoku, Hokuriku, Toyama



Major Subsidiaries and Associated Companies As of March 31, 2013

	Name	Voting Shares (%)	Operations		
Textile Company					
Subsidiaries	Domestic	SANKEI CO., LTD.	100.0	Manufacture and wholesale of garment materials	
		LEILIAN CO., LTD.	99.4	Retail of women's apparel	
		UNICO CORPORATION	100.0	Manufacture and wholesale of uniforms	
		JAVA HOLDINGS CO., LTD.	65.0	Holding company of retail of ladies' & kids' apparel brand	
		ITOCHU MODEPAL CO., LTD.	100.0	Manufacture and wholesale of apparel	
		ROY-NE CO., LTD.	99.9	Manufacture and wholesale of woven and knitted products	
		JOI'X CORPORATION	100.0	Manufacture and wholesale of men's apparel	
		BMI HOLDINGS CO., LTD.	100.0	Holding company of brand business	
		SCABAL JAPAN Co., Ltd.	80.0	Import and sale of SCABAL brand products	
		ITOCHU FASHION SYSTEM Co., Ltd.	100.0	Comprehensive consulting in the fashion industry	
		ITOCHU HOME FASHION CORPORATION	100.0	Manufacture and wholesale of home furnishings	
		CI Shopping Service Co., Ltd.	100.0	Sale of everyday items aimed at ITOCHU Group employees and families	
		CI TEXTILE SERVICE CO., LTD.	100.0	Outsourcing of administrative duties for delivery, production control, and quality control	
		Overseas	ITOCHU Textile Prominent (ASIA) Ltd. (Hong Kong S.A.R., China)	100.0	Production control and wholesale of textile materials, fabrics, and apparel
			ITOCHU TEXTILE (CHINA) CO., LTD. (China)	100.0	Production control and wholesale of textile materials, fabrics, and apparel
		UNIMAX SAIGON CO., LTD. (Vietnam)	80.0	Manufacture of uniforms	
		<input type="checkbox"/> Bramhope Group Holdings Ltd. (U.K.)	100.0	Manufacture and wholesale of apparel products	
Associates	Domestic	MARUKO CO., LTD.	26.5	Manufacture and wholesale of lady's underwear, etc.	
		DESCENTE, LTD.	25.7	Manufacture and wholesale of sportswear, etc.	
		<input checked="" type="checkbox"/> MAGASseek Corporation	25.0	Retail website of fashion apparel by PC and mobile	
		T.KAWABE & CO., LTD.	25.7	Manufacture and wholesale of handkerchiefs, scarves, and other accessory goods	
		Watakyu Seimoa Corporation	25.0	Total outsourcing service mainly linen supply for medical & welfare institutions	
		<input type="checkbox"/> TERAOKA SEISAKUSHO CO., LTD.	25.4	Manufacture of adhesive tape	
		AYAHA CORPORATION	33.5	Manufacture of tyre cords, etc.	
		Overseas	Shandong Ruyi Science & Technology Group Co., Ltd. (China)	31.7	Holding company of Shandong Ruyi Technology Group, operating a textile business, etc.
			Thai shikibo co., ltd. (Thailand)	30.0	Manufacture of cotton yarn
			Paul Smith Group Holdings Limited (U.K.)	40.4	Holding company of Paul Smith Group
			Shanshan Group Co., Ltd. (China)	30.0	Holding company of Shanshan Group, operating a textile business, electronic components, etc.

■ Associated company changed from subsidiary in the fiscal year ended March 31, 2013

Newly consolidated subsidiary and associated company in the fiscal year ended March 31, 2013

Machinery Company

Subsidiaries	Domestic	ITOCHU Plantech Inc.	100.0	Export and import of small-to-medium-scale plant and equipment and domestic environmental and energy solution businesses	
		IMECS Co., Ltd.	100.0	Ownership and operation of ships, chartering, ship machinery, secondhand ships, and administration management of overseas shipping companies	
		ITOCHU AVIATION, CO., LTD.	100.0	Import / export and wholesale of aircraft, aircraft part, and related equipment	
		JAPAN AEROSPACE CORPORATION	100.0	Import / export and wholesale of aircraft, its parts and related equipment, helicopter engines, defense related systems and products, and security related systems	
		ITOCHU Automobile Corporation	100.0	Export / import and inter-third trade of car parts	
		<input type="checkbox"/> Toyo Advanced Technologies Co., Ltd.	70.0	Manufacturing and sales of machine tools and automobile parts	
		ITOCHU CONSTRUCTION MACHINERY CO., LTD.	100.0	Sales and rental of construction machinery	
		ITOCHU MACHINE-TECHNOS CORPORATION	100.0	Import / export and wholesale of industrial machinery	
		Century Medical, Inc.	100.0	Import and sale of medical equipment	
		ACRONET Corporation	100.0	CRO business	
		Overseas	I-Power Investment, Inc. (U.S.A.)	100.0	Investment company in the power industry
			Tyr Energy, Inc. (U.S.A.)	100.0	Power generation business in North America
			NAES Corporation (U.S.A.)	100.0	Power plant operation and maintenance services provider for independent power producers and utilities
			Enprotech Corp. (U.S.A.)	100.0	Maintenance and repair of industrial machinery in automobile, steel, and bottling industries
			IM AUTOTRADE HOLDING G.m.b.H (Austria)	100.0	Wholesale and inter-third trade of automobiles and motorcycles
			ITOCHU Automobile America Inc. (U.S.A.)	100.0	Trading and distribution of automobiles
			Auto Investment Inc. (U.S.A.)	100.0	Sales and repair of automobiles
			PT. SUZUKI Finance Indonesia (Indonesia)	70.0	Automobile and motorcycle finance company
			VEHICLES MIDDLE EAST FZCO (U.A.E.)	100.0	Trade finance for automobiles
			EURASIA LOGISTICS LTD. (Hungary)	70.7	Transportation and warehousing
			MULTIQUIP INC. (U.S.A.)	100.0	Distribution and manufacturing of light construction equipment and generators
			Telerent Leasing Corporation (U.S.A.)	100.0	Distribution and lease of televisions to hotels and hospitals

Newly consolidated subsidiary in the fiscal year ended March 31, 2013

	Name	Voting Shares (%)	Operations
Associates	Domestic	Malha Gas Investment Co., Ltd.	30.0 Investment in the project for the construction, ownership, and operation of gas pipelines
		JAMCO Corporation	33.2 Maintenance of aircraft and manufacture of aircraft interior
		Isuzu Motors Sales Ltd.	25.0 Commercial vehicle life cycle business
		YANASE & CO., LTD.	25.7 Sales and repair of automobiles
		Century Tokyo Leasing Corporation	25.1 Diversified leasing business, various types of financing, and international business
		SUNCALL CORPORATION	27.1 Manufacture and sales of optical communication devices, electronic devices, and assembly
		GOODMAN Co., Ltd.	36.8 Import, development, manufacturing, and sale of medical equipment
	Overseas	Japan Medical Dynamic Marketing, Inc.	30.0 Import, development, manufacturing, and sale of medical equipment
		PT. BHIMASENA POWER INDONESIA (Indonesia)	32.0 IPP (Independent Power Producer) in Indonesia
		KS Drilling Pte. Ltd. (Singapore)	20.0 Oil drilling services
		SICHUAN GANGHONG ENTERPRISE MANAGEMENT CO., LTD. (China)	49.0 Sales and repair of automobiles
		"SUZUKI MOTOR RUS" LLC (Russia)	50.0 Import and wholesale of automobiles, motorcycles, and spare parts
		Komatsu Southern Africa (Pty) Ltd. (Republic of South Africa)	20.0 Sales and service of construction and mining equipment
		PT Hexindo Adiperkasa Tbk (Indonesia)	25.0 Sales and service of construction machinery

Metals & Minerals Company

	Name	Voting Shares (%)	Operations
Subsidiaries	Domestic	ITOCHU Metals Corporation	100.0 Import / export and wholesale of non-ferrous / light metals, products, and steel scrap, development of recycle business
		Brazil Japan Iron Ore Corporation	67.5 Investment in projects of iron ore in Brazil
		ITOCHU Mineral Resources Development Corporation	100.0 Consulting and technical services in the mining industry
	Overseas	ITOCHU Minerals & Energy of Australia Pty Ltd (Australia)	100.0 Investment and sales in projects of iron ore, coal, and bauxite mining and manufacture of alumina
		ITC Platinum Development Ltd (U.K.)	75.0 Managing business of the exploration and development of Platinum Group Metals (PGMs) and Nickel of the Platreef Project in South Africa
		ITOCHU Coal Americas Inc. (U.S.A.)	100.0 Owning an interest of coal mining and transport infrastructure
Associates	Domestic	Marubeni-Itochu Steel Inc.	50.0 Import / export and wholesale of steel products
		Ecosystem Japan Co., Ltd.	49.3 Sales and installation of photovoltaic systems and eco-sensitive products
	Overseas	Scatec Solar AS (Norway)	37.5 Photovoltaic system integrator

■ Associated company changed from subsidiary in the fiscal year ended March 2013

Energy & Chemicals Company

	Name	Voting Shares (%)	Operations
Subsidiaries	Domestic	ITOCHU ENEX CO., LTD.	54.0 Wholesale of petroleum products and gas
		ITOCHU Oil Exploration Co., Ltd.	100.0 Exploration and production of oil, gas, and other hydrocarbon resources
		JB BioEnergy Inc.	100.0 Investment in projects of bioethanol in Brazil
		ITOCHU CHEMICAL FRONTIER Corporation	100.0 Wholesale of fine chemicals and related raw materials
		ITOCHU PLASTICS INC.	100.0 Development and wholesale of plastics and related products
		C.I. Kasei Co., Ltd.	97.6 Manufacture of PVC pipe and film and related materials
	Overseas	ITOCHU Oil Exploration (Azerbaijan) Inc. (Cayman Islands, British West Indies)	100.0 Exploration and production of crude oil and gas
		CIECO Exploration and Production (UK) Limited (U.K.)	100.0 Exploration and production of crude oil and gas
		ITOCHU PETROLEUM CO., (SINGAPORE) PTE. LTD. (Singapore)	100.0 International trade of crude oil and petroleum products
		IPC EUROPE LTD. (U.K.)	100.0 International trade of crude oil and petroleum products
		IPC (USA), Inc. (U.S.A.)	100.0 International trade of crude oil and petroleum products
		JD Rockies Resources Ltd (U.S.A.)	100.0 Holding interest of Shale Oil block and Investment to Samson Resources Corporation
		ITOCHU Plastics Pte., Ltd. (Singapore)	100.0 Wholesale of plastic resins
		PTAGENT. CORPORATION (China)	100.0 Wholesale of PTA (purified terephthalic acid)

	Name	Voting Shares (%)	Operations
Associates	Domestic	NISSHO Petroleum Gas Corporation	25.0 Wholesale of LPG and petroleum products
		Japan Ohanet Oil & Gas Co., Ltd.	35.0 Exploration and production of gas and condensate
		Ningbo PTA Investment, Co., Ltd.	35.0 Investment in manufacture of PTA in China
		<input type="checkbox"/> TODA KOGYO CORP.	22.1 Manufactures iron oxide products including magnetic powder, ferrite and materials
		TAKIRON Co., Ltd.	28.9 Manufacture of flat and corrugated plastic sheets
		Kureha Battery Materials Japan Co., Ltd.	20.0 Manufacture of materials for Lithium-Ion Batteries
	Overseas	Isla Petroleum & Gas Corporation (the Philippines)	40.0 Domestic LPG distribution business in the Philippines
		NCT Holland B.V. (Netherlands)	40.0 Trading and distribution of the plastics materials based on Europe and Middle East
		BRUNEI METHANOL COMPANY SDN. BHD. (Brunei)	25.0 Manufacture of methanol in Brunei

Newly consolidated associated company in the fiscal year ended March 31, 2013

Food Company

Subsidiaries	Domestic	ITOCHU Feed Mills Co., Ltd.	99.9 Compound feeds manufacturer	
		ITOCHU Sugar Co., Ltd.	100.0 Sugar and sugar related by-products manufacturer	
		ITOCHU Food Sales and Marketing Co., Ltd.	100.0 Food materials importer and wholesaler	
		Japan Nutrition Co., Ltd.	100.0 Feed and feed additives wholesaler	
		I-SILO HOLDINGS CO., LTD.	100.0 Holding company of grain terminals	
		<input type="checkbox"/> Dole International Holdings, Inc.	100.0 Investment in Asian fresh produce business and worldwide packaged foods business	
		ITOCHU-SHOKUHIN Co., Ltd.	51.7 Wholesale and distribution of foods	
		NIPPON ACCESS, INC.	93.8 Wholesale and distribution of foods	
		China Foods Investment Corp.	74.1 Business management of Ting Hsin and its group companies	
		Overseas	UNEX (GUATEMALA), S.A. (Guatemala)	80.0 Export and manufacturing for coffee
OILSEEDS INTERNATIONAL LTD. (U.S.A.)	100.0 Vegetable oil manufacturer			
Quality Technology International, Inc. (QTI) (U.S.A.)	100.0 High value-added feed materials and feed additives wholesaler			
Associates	Domestic	Fuji Oil Co., Ltd.	25.7 Integrated manufacturer of vegetable oil and related products	
		Japan Foods Co., Ltd.	37.0 Manufacture of soft drinks	
		KUMESHIMA SUGAR CO., LTD.	34.8 Manufacture and sales of raw sugar	
		Prima Meat Packers, Ltd.	39.6 Manufacture and marketing of meat, ham, sausage, and processed foods	
		KI Fresh Access, Inc.	33.5 ECR*1-type dedicated produce service center operations for food supermarkets, as well as wholesale and distribution of fresh fruits, vegetables, and processed products	
		SHOW-WA Co., Ltd.	20.0 Wholesale of foods	
		FamilyMart Co., Ltd.	31.7 Operation of a convenience store chain, using the name FamilyMart, and a franchise system	
		<input type="checkbox"/> CONFEX CO., LTD.	25.0 Wholesale and distribution of confectionery products	
		Overseas	CGB ENTERPRISES, INC. (U.S.A.)	50.0 Grain company in US midwest
			EGT, LLC (U.S.A.)	29.0 Grain terminal operator in US west coast
P.T. ANEKA COFFEE INDUSTRY (Indonesia)	26.8 Coffee processor and exporter			
BFA HOLDINGS PTY LTD. (Australia)	45.0 Holding company of dairy products manufacturer			
P. T. ANEKA TUNA INDONESIA (Indonesia)	47.0 Manufacture of canned and pouched tuna			
<input type="checkbox"/> HYLIFE GROUP HOLDINGS LTD. (Canada)	33.4 Genetics, commercial breed, and manufacture of pork			
TAIWAN DISTRIBUTION CENTER CO., LTD. (Taiwan)	39.4 Wholesale of foods and sundries			

Newly consolidated subsidiary and associated companies in the fiscal year ended March 31, 2013

*1 Efficient consumer response (ECR): Promoting distribution efficiency by linking manufacturers, wholesalers, and retailers, thereby responding to customer demands for lower prices

	Name	Voting Shares (%)	Operations	
ICT, General Products & Realty Company				
Subsidiaries	Domestic	ITOCHU Kenzal Corp.	100.0 Wholesale of wood products and building materials	
		ITOCHU Pulp & Paper Corp.	100.0 Wholesale of paper, paper boards, and various materials	
		ITOCHU Ceratech Corp.	100.0 Manufacture and sale of ceramic raw materials and products	
		ITOCHU Windows Co., Ltd.	66.0 Manufacture and sale of insulating glass	
		ITR Co., Ltd.	100.0 Wholesale and retail of tyres	
		ITOCHU Techno-Solutions Corporation	56.6 Sales, maintenance, and support of computers and network systems; commissioned software development; information processing services	
		Excite Japan Co., Ltd.	57.4 Internet information service	
		ITOCHU Orico Insurance Services Co., Ltd.	65.0 Insurance agency	
		I&T Risk Solutions Co., Ltd.	95.0 Insurance broking services and risk consulting	
		ITOCHU LOGISTICS CORP.	99.0 Comprehensive logistics services (3PL, warehousing, trucking, international freight forwarding, customs clearance, and NVOCC)	
		ITOCHU Property Development, Ltd.	99.8 Development and sale of housing (apartments, condominiums, and homes)	
		ITOCHU HOUSING Co., Ltd.	100.0 Real estate agent and property consultant	
		ITOCHU Urban Community Ltd.	100.0 Operation and management of real estate property	
		ITOHPIA HOME Co., Ltd.	100.0 Planning and construction of homes	
		AD Investment Management Co., Ltd.	66.0 Asset management for Advance Residence Investment Corporation	
		Overseas	CIPA Lumber Co. Ltd. (Canada)	100.0 Manufacture of veneer
			Pacific Woodtech Corporation (U.S.A.)	100.0 Manufacture of LVL & I-Joist
			PrimeSource Building Products, Inc. (U.S.A.)	100.0 Wholesale of building materials
			ITOCHU BUILDING PRODUCTS CO., INC. (U.S.A.)	100.0 Wholesale of building materials
			□ ITOCHU FIBRE LIMITED (U.K.)	100.0 Distribution and trading of pulp and paper materials and investment in METSA FIBRE
			P. T. ANEKA BUMI PRATAMA (Indonesia)	100.0 Processing of natural rubber
			RUBBERNET (ASIA) PTE LTD. (Singapore)	80.0 Sale of crude rubber
			European Tyre Enterprise Limited (U.K.)	100.0 Headquarters of Stapleton's and Kwik-Fit group management
			COSMOS SERVICES CO., LTD. (Hong Kong S.A.R., China)	100.0 Consulting and broking of insurance and reinsurance
			ITOCHU LOGISTICS (CHINA) CO., LTD. (China)	100.0 Comprehensive logistics services (3PL, warehousing, trucking, import / export, customs clearance, and value-added services)
			ITOCHU Finance (Asia) Ltd. (Hong Kong S.A.R., China)	100.0 Proprietary financial investment and development of new financial business in Asia
	Associates	Domestic	Japan Brazil Paper and Pulp Resources Development Co., Ltd.	32.1 Investment in CENIBRA, one of the largest eucalyptus pulp manufacturers in Brazil
		DAIKEN CORPORATION	25.5 Manufacture of building materials and construction parts	
		Adways Co., Ltd.	22.6 Internet advertising & application software development for smartphones	
		SPACE SHOWER NETWORKS INC.	36.4 Music channel on cable / satellite television	
		■ ITC NETWORKS CORPORATION*2	48.3 Distribution and retail business of mobile phones	
		Asurion Japan K.K.	33.3 Mobile insurance agency	
		eGuarantee, Inc.	25.2 Account receivables protection services for general corporations and financial institutions	
		CENTRAL ENGINEERING & CONSTRUCTION Co., Ltd.	50.0 Engineering and ventilation construction	
		CENTURY 21 REAL ESTATE OF JAPAN LTD.	49.7 Headquarters of real estate franchise system	
		POCKETCARD Co., Ltd.	27.0 Credit card business	
		Orient Corporation	22.6 Consumer credit, credit card business	
		Overseas	SOUTH EAST FIBRE EXPORTS PTY. LTD. (Australia)	37.5 Manufacture of woodchip
			THAITECH RUBBER CORPORATION LTD. (Thailand)	33.0 Processing of natural rubber
			YOKOHAMA RUSSIA L.L.C. (Russia)	20.0 Wholesale of tyres
			Unicharm Consumer Products (China) Co., Ltd. (China)	20.0 Production and sales of baby care, feminine care, and other products
			TINGTONG (CAYMAN ISLANDS) HOLDING CORP. (Cayman Islands, British West Indies)	50.0 Comprehensive logistics services in China (3PL, warehousing, trucking, and value-added services)
			United Asia Finance Limited (Hong Kong S.A.R., China)	25.1 Consumer loan business (Hong Kong, China)

■ Associated company changed from subsidiary in the fiscal year ended March 31, 2013

□ Newly consolidated subsidiary in the fiscal year ended March 31, 2013

*2 On October 1, 2013, the name of ITC NETWORKS CORPORATION will be changed to CONEXIO Corporation.

	Name	Voting Shares (%)	Operations
Headquarters			
Subsidiaries	Overseas		
	ITOCHU FINANCE (EUROPE) PLC (U.K.)	100.0	Financial investments in Europe
	ITOCHU TREASURY CENTRE ASIA PTE. LTD. (Singapore)	100.0	Financial services
	ITOCHU TREASURY CENTRE EUROPE PLC (U.K.)	100.0	Financial services
	ITOCHU Treasury Center Americas Inc. (U.S.A.)	100.0	Financial services

Headquarters, Overseas Trading Subsidiaries and their Subsidiaries

Subsidiaries	ITOCHU International Inc. (U.S.A.)	100.0	Wholesale and investment
	Master-Halco, Inc. (U.S.A.)	100.0	Manufacture and distribution of fence materials
	ITOCHU Europe PLC (U.K.)	100.0	Wholesale and investment
	ITOCHU Singapore Pte Ltd (Singapore)	100.0	Wholesale and investment
	ITOCHU Korea LTD. (Korea)	100.0	Wholesale and investment
	ITOCHU (Thailand) Ltd. (Thailand)	100.0	Wholesale and investment
	ITOCHU Hong Kong Ltd. (Hong Kong S.A.R., China)	100.0	Wholesale and investment
	ITOCHU Latin America, S.A. (Panama)	100.0	Wholesale and investment
	ITOCHU BRASIL S.A. (Brazil)	100.0	Wholesale and investment
	ITOCHU MIDDLE EAST FZE (U.A.E.)	100.0	Wholesale and investment
	ITOCHU Australia Ltd. (Australia)	100.0	Wholesale and investment
	ITOCHU (China) Holding Co., Ltd. (China)	100.0	Wholesale and investment
	Beijing ITOCHU-Huatang Comprehensive Processing Co., Ltd. (China)	90.0	Reprocessing, sorting, packaging, and shipping of products in the food and living categories
	ITOCHU TAIWAN CORPORATION (Taiwan)	100.0	Wholesale and investment

Corporate Information / Stock Information

As of March 31, 2013

Company Name:

ITOCHU Corporation

Fiscal Year:

From April 1 to March 31

Founded:

1858

General Meeting of Shareholders:

Late June

Incorporated:

1949

Number of Share Trading Unit (*Tangen*):

100

Common Stock:

¥202,241 million

Transfer Agent of Common Stock:

Sumitomo Mitsui Trust Bank, Limited

Tokyo Head Office:

5-1, Kita-Aoyama 2-chome,
Minato-ku, Tokyo 107-8077, Japan
Telephone: 81 (3) 3497-2121

Stock Listings:

Tokyo, Osaka*, Nagoya, Fukuoka, Sapporo

* The cash-equities markets of the Osaka Securities Exchange were merged into the Tokyo Stock Exchange on July 16, 2013.

Osaka Head Office:

1-3, Umeda 3-chome,
Kita-ku, Osaka 530-8448, Japan
Telephone: 81 (6) 7638-2121

Stock Code:

8001

Number of Common Stock Issued:

1,584,889,504

Offices: (As of April 1, 2013)

Domestic : 9

Overseas : 115

Number of Shareholders:

133,905

Number of Employees*:

Consolidated : 77,513

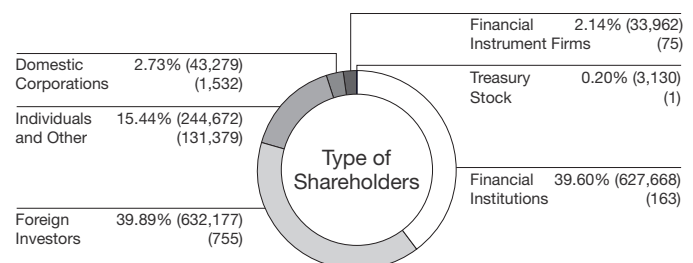
Non-consolidated : 4,219

* The number of consolidated employees is based on actual working employees excluding temporary staff.

The number of non-consolidated employees includes employees temporarily relocated to other companies (domestic 886, overseas 322) and employees and trainees assigned to overseas posts (340).

Breakdown of Shareholders:

% (Number of shares held, 1,000 shares) (Number of shareholders)


Website:
<http://www.itochu.co.jp/en/>
Major Shareholders:

Name	Number of shares held (1,000 shares)	Share holding ratio (%)
Japan Trustee Services Bank, Ltd. (trust account)	89,859	5.67
The Master Trust Bank of Japan, Ltd. (trust account)	72,747	4.59
Mitsui Sumitomo Insurance Co., Ltd.	37,750	2.38
The Chase Manhattan Bank, N.A. London S.L. Omnibus Account	36,925	2.33
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	34,719	2.19
Nippon Life Insurance Company	34,056	2.15
JPMorgan Chase Bank 380055	29,370	1.85
NIPPONKOA Insurance Co., Ltd.	27,556	1.74
Asahi Mutual Life Insurance Company	27,530	1.74
Tokio Marine & Nichido Fire Insurance Co., Ltd.	23,878	1.51

Forward-Looking Statements

This Annual Report contains forward-looking statements regarding ITOCHU Corporation's corporate plans, strategies, forecasts, and other statements that are not historical facts. They are based on current expectations, estimates, forecasts and projections about the industries in which ITOCHU Corporation operates. As the expectations, estimates, forecasts and projections are subject to a number of risks, uncertainties and assumptions, including without limitation, changes in economic conditions; fluctuations in currency exchange rates; changes in the competitive environment; the outcome of pending and future litigation; and the continued availability of financing; financial instruments and financial resources, they may cause actual results to differ materially from those presented in such forward-looking statements. ITOCHU Corporation, therefore, wishes to caution that readers should not place undue reliance on forward-looking statements, and, further that ITOCHU Corporation undertakes no obligation to update any forward-looking statements as a result of new information, future events or other developments.

ITOCHU Corporation

5-1, Kita-Aoyama 2-chome,
Minato-ku, Tokyo 107-8077, Japan
Telephone: 81 (3) 3497-2121
Facsimile : 81 (3) 3497-4141
Website : <http://www.itochu.co.jp/en/>

