

Employee Relations



One of the basic policies of the "Brand-new Deal 2012" medium-term management plan is to "Proactively Seek New Opportunities." To this end, ITOCHU will proactively advance efforts to develop and strengthen human resources as the management foundation supporting a commitment to taking assertive and forward-looking action. Our longstanding promotion of a global human resources strategy also remains unchanged.

■ Policies and Tasks for Fiscal 2013



Fumihiko Kobayashi
Executive Officer, General
Manager, Human Resources &
General Affairs Division

For ITOCHU Corporation, human resources are its greatest management assets as a general trading company.

"Brand-new Deal 2012," our medium-term management plan launched from fiscal 2012, outlines a variety of initiatives pertaining to human resources, such as cultivating "industry professionals" and "strong human resources." By executing the medium-term plan and these measures, we intend to further enhance the structure that will support utilization of our human resources, enabling our employees to demonstrate their skills and abilities to the fullest.

Human Resource Development Supporting the “Seeking of New Opportunities”

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Human resources are what support the stable, ongoing growth of ITOCHU Corporation. Our human resource 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. Through individual evaluations and feedback, centered on valuable job experience via on-the-job training (OJT), we help to cultivate the motivation and willingness of employees to increase their career opportunities within the Group. To further support employees' self-development, we not only provide skills and knowledge through training but also actively support career development. We will continue to invest substantially in our human resources, while at the same time promoting human resources development which is proactively led by the front-lines.



Basic Structure of Human Resource Development

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 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 2010, 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.

We also offer a wide range of training for specific objectives, such as “Career vision support training” and distinctive training based on the human resource strategies of each Division Company and Headquarters' administrative division, with the aim of developing industry professionals of each business field with diverse values.



Global development program

Human resources development policy and training details (excerpt)

Overview of human resources development system	Training program name (excerpt)
Development of global management talent	Global development programs (GEP, GLP, GNP*), organization manager workshops, pre-manager training, sending employees to short-term business school programs
Business leader development	Sending of new employees overseas, dispatch of junior staff overseas to learn Chinese and other languages
Development of industry professionals and diverse human resources	Career vision support training, distinctive training for each Division Company, Headquarters' administrative division

Number of employees participated in major training programs

Training program name	FY2012 Results
Global development program	97
Organization manager workshops	411
Sending of employees to short-term business school programs overseas	32
Junior staff overseas training for English and Junior staff overseas training for multi-language	86
Career vision support training	3,035

- * Global Executive Program (GEP): This core part of the global talent development program provides training to cultivate global executives.
- * Global Leadership Program (GLP): The purpose of this training is to cultivate organization managers who can be active in global business.
- * 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.

Comments by Training Participants



Akiko Yoshida
Corporate IT Architecture
Department
IT Planning Division

Junior staff overseas training for English

I spent four months in Idaho, USA. In coming into contact with many people from different cultures and backgrounds, I felt and learned the importance of understanding, respecting, and accepting each other's differences. This experience renewed my determination to expand the realm of my undertakings to the entire world.

I am grateful to have been blessed with this wonderful opportunity.



Ken Kadera
Fiber Intermediates Section
No.1
Organic Chemicals
Department No.1

Junior staff overseas training for multi-language

I spent half a year in Dalian, a city in Liaoning Province, China, and learned Chinese.

In the morning, I took classes at university, and in the afternoon, I went to a language school for a one-on-one lesson. I was completely immersed in Chinese throughout each of my days in China.

Besides learning their language, I became intimately acquainted with Chinese way of thinking and culture.

In *Chun Jie* (Chinese New Year), I was invited to a Chinese friend's home, and drank white liquor surrounded by his entire family and relatives. We cooked dumplings and set off firecrackers at the moment of the New Year.

That was one of the memorable experiences that taught me what it is to be in China.

Since returning to Japan, I have found that my experience in China is helping my business especially in negotiations with Chinese clients, although there are still plenty of challenges.

Learning the Chinese language enabled me to feel the momentum of the great country more deeply. I am very grateful to have experienced this opportunity while I was still young.

Global Human Resources Strategy Enters a New Stage

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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 worldwide, including the development of a global human resources database and the establishment of leadership standards for managers. From fiscal 2012, we are strengthening our human resources strategy in core overseas 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.



Talent Management Process

Specific Initiatives

1. We are inviting employees from our overseas blocs worldwide to come to our headquarters for approximately two years as a form of HR development through actual operations. These employees are provided the opportunity to learn business operations, gain a firm understanding of our corporate philosophy and culture, and build interpersonal networks. At the same time, this initiative encourages our headquarters to become more global in its outlook. (From April 1, 2008 to March 31, 2011, a cumulative total of 54 employees have been dispatched.)
2. We are assigning, promoting, and developing human resources on a global basis regardless of nationality, using the ITOCHU Global Classification (IGC) as a common measure of job level / level of responsibility for all jobs and positions worldwide.
3. ITOCHU Mission and Values, which we have passed down since our founding more than 150 years ago, and the ITOCHU Values have been incorporated into the human-resource requirements for ITOCHU leaders. These requirements are reflected in our recruiting standards and our evaluation and human resources development programs and are passed on through in-house instructors. This enables us to hire and develop human resources around the world who are suited to ITOCHU's values.

Number of overseas bloc employees by region (As of March 31, 2012)

(Unit: persons)

North America	147	Latin America	164
Europe	226	Africa	38
Middle East	161	Oceania	31
East Asia	732	ASEAN & South West Asia	591
CIS	89	Total: 2,179	

Creating 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 render childcare and 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 child 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. 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). As ITOCHU aims to increase overseas revenues and profits, one of the key strategic approaches in its overseas policy is to increase the number of staff on overseas assignment. The service helps keep our employees working overseas updated on the lives and health of their elderly relatives living alone in Japan, helping our middle-aged employees to meet their work and nursing care responsibilities. Through this care service, we are working to establish an environment that enables employees to concentrate on their overseas assignments.

Acquisition of leave according to child care or nursing care related systems

(Unit: persons)

		FY 2010	FY 2011	FY 2012
Child care	Childcare Leave	43	49	61 (2 males; 59 females)
	Leave to nurse sick children	98	125	125 (51 males; 74 females)
	Shorter working hours for child care	32	50	57 (1 males; 56 females)
	Special parental leave	16	13	8 (5 males; 3 females)
	Paternity leave	53	62	51 (51 males)
Nursing care	Nursing care leave	0	0	1 (1 males)
	Special nursing care leave	8	9	12 (6 male; 6 females)
	Leave for nursing care	-	16	18 (7 males; 11 females)
	Shorter working hours for nursing care	2	2	3 (3 females)
Family support leave		383	469	536 (325 males; 211 females)

Comments from an I-Kids user

Marine Products Department
Misa Hamada



Birthday party at I-Kids,
 nutritional education

My son has been with I-Kids since he was nine months old. Unfortunately, our local day-care center was full, but thanks to I-Kids, I was able to return to work last April. At first I felt uneasy about leaving my baby, who was less than a year old. But after seeing how the nurses talk to my son a lot and treat him affectionately, now I can't be more thankful. I am also happy that my son is having many different experiences, such as receiving nutritional education. Seeing my son smiling every day enables me to focus on my work and feel secure.

Comments from a user of childcare leave



Human Resources & General
 Affairs Division
Yoshinori Kanayama

After consulting with my wife and supervisor, I took childcare leave in 2011, as I had become interested in broadening my perspective by doing something I hadn't experienced before—raising a child. I am really thankful to the supervisor and coworkers for their substantial support of my leave. Working with my wife to raise our son has deepened our family ties. Another valuable asset is the knowledge I have gained about the potential of childcare products and business. Gradually, more and more of my male colleagues have begun to take childcare leave. This should be a positive experience for them, as it will enable them to gain new insight into their jobs.

Acquired "Kurumin" Mark Certification

In 2011, ITOCHU Corporation received approval from the Ministry of Health, Labour and Welfare (the Tokyo Labour Bureau) to display the Next-Generation Certification Mark (affectionately known as *Kurumin*) after satisfying the criteria stipulated by the Act on Advancement of Measures to Support Raising Next-Generation Children. (*) ITOCHU Corporation will continue its proactive efforts to develop an environment where employees can stay motivated and find rewarding work.

* Act on Advancement of Measures to Support Raising Next-Generation Children
 The Act on Advancement of Measures to Support Raising Next-Generation Children calls on regional public-sector organizations to formulate and present local action plans to help reverse Japan's rapidly declining birthrate. Meanwhile companies, based on the number of employees employed, are mandated to formulate action plans of their own for supporting employees in balancing work and parental duties, and submit a detailed summary of these to prefectural labor bureaus. (Excerpt from the Ministry of Health, Labour and Welfare (Japanese only))



Career Counseling

The Career Counseling Center offers a wide range of counseling and support for diverse career stages, ranging from new recruits to organization managers. Staffed by several employees certified as career counselors, the department touches on an array of topics with its clients, including relationships with supervisors, junior staff and peers, approaches to work, and considerations about one's own future. A mechanism is in place in which all young employees go to career counseling at certain milestones after joining ITOCHU as part of their training. A system is in place for all young employees to receive career counseling when they reach certain milestones in their ITOCHU careers, as part of their training. Counseling is also available to mid-career employees as well as middle-aged employees looking to continue working. The Career Counseling Center aims to provide ITOCHU employees—and through them, their organizations— with the opportunity to develop their careers, as well as with a safety net.

Employee Health Management

For ITOCHU Corporation, employees are assets, and thus the health management of every single employee is extremely important to ensure that a diversity of employees can freely exert their capabilities.

We have developed an in-house system that allows employees to receive counseling on their health at any time. For example, the Health Administration Center at ITOCHU's Tokyo Headquarters, which also serves as a clinic, has 20 specialist physicians on staff, as well as an X-ray technician and a pharmacist. These health maintenance professionals, who each act as a "health concierge," care for every aspect of health for each employee, providing them with the support needed to manage their own health.

Where mental health is concerned, we have established a stress management room in-house, and have a system where employees can talk at any time with a psychiatrist or clinical psychologist.

Regarding time management, we are also taking steps to prevent long working hours, including setting days at each business site for early dismissal from work. More specifically, we are strengthening our system for ensure proper time management as a company, including utilizing an objective labor time management system based on building entry and exit records.

Employee Safety Measures

To ensure that ITOCHU Corporation employees stationed around the world and their families spend a meaningful assignment term in safety and good health, we have built a full system not only for incidents, accidents, disasters and other emergencies, but also for health management.

To prepare for emergencies such as diseases or injuries, including preventive measures for infectious diseases in the dispatched area, we collaborate with multiple medical emergency service companies for a complete support system.

Communications with Employees

Dialogue Meetings with the President

ITOCHU Corporation is proactive about offering employees opportunities for two-way discussions with the president.

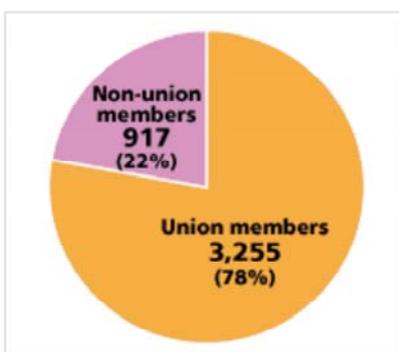
Although Company-wide Employee Meetings have been held since fiscal 2001, starting from fiscal 2011 these meetings have been divided into three sessions in an effort to deepen dialogue. In these discussions, the president shares directly with employees the company's management policies and his passion for their realization, while employees in turn can express their opinions to the president and ask questions. The meetings therefore provide extremely valuable opportunities for two-way communication. Recent meetings were held in a very spirited atmosphere, and touched on everything from management policies to more personal topics.

Along with these domestic meetings, the president also has dialogue meetings with our staff on overseas assignment, as well as overseas bloc employees when he visits one of our overseas bloc areas. In fiscal 2011, the president held meetings at our business locations in the United States, China, Taiwan, and Australia, directly exchanging opinions with staff on overseas assignment and overseas bloc employees about our management policies and other topics. These meetings provide beneficial opportunities for both the president and employees to deepen their communication.



Dialogue with the Labor Union

At ITOCHU Corporation, a wide range of issues is discussed with the labor union in order to realize our corporate mission, "Committed to the Global Good." In fiscal 2012, we held six meetings, including management meetings with the President and similar meetings with Division Companies. Labor and management enter repeated and active discussions to build up a 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, 2012

Initiatives with the Labor Union in fiscal 2012

April 2011	Textile Company management meeting
May 2011	Settlement of accountings meeting
August 2011	Management meeting with the President
September 2011	Management meeting for Construction & Realty and Financial & Insurance Services, Logistics Services
October 2011	Food Company management meeting
March 2012	Management meeting with the President

Comments from the Labor Union President

Shuhei Kakinaka
President, ITOCHU Labor
Union

The ITOCHU Labor Union is involved in a host of measures designed to realize working environments that allow one of the Company's key stakeholder groups, its employees, to be more enthusiastic and motivated, and bring their individual abilities to the fore. As a labor union, we hope to contribute to CSR activities through active dialogue with ITOCHU, based on input gathered from a wide array of frontline operations.

Promoting Human Resources Diversification in Japan

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Promoting efforts to embed and utilize through numerical expansion and systems enhancement

Promotion Plan on Human Resources Diversification 2013 (Japan)

Since December 2003, ITOCHU has promoted efforts to diversify its workforce in Japan. The motivation here is a recognized need to respond to changes in the external environment, such as intensifying competition spurred by economic globalization and the race to secure human resources due to Japan's declining birthrate and aging society. ITOCHU must also respond to the need to create new businesses, as well as address the disproportionate age makeup of its workforce.

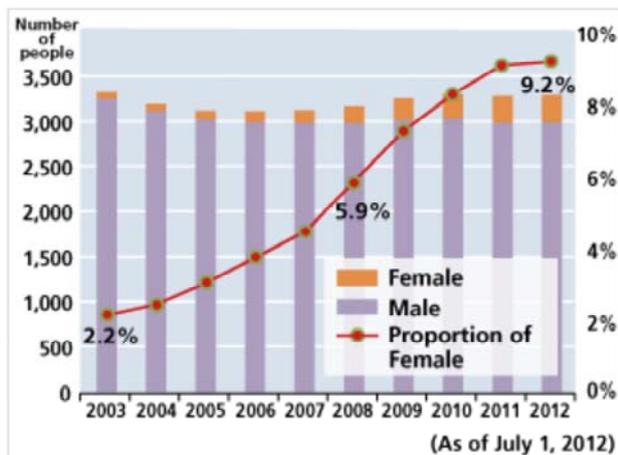
In fiscal 2010, ITOCHU launched "Promotion Plan on Human Resources Diversification 2013 (Japan)," a new roadmap aimed at enhancing individual and organizational abilities further by putting an environment in place that leverages and utilizes the characteristics of each employee without regard to gender, nationality or age.

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.

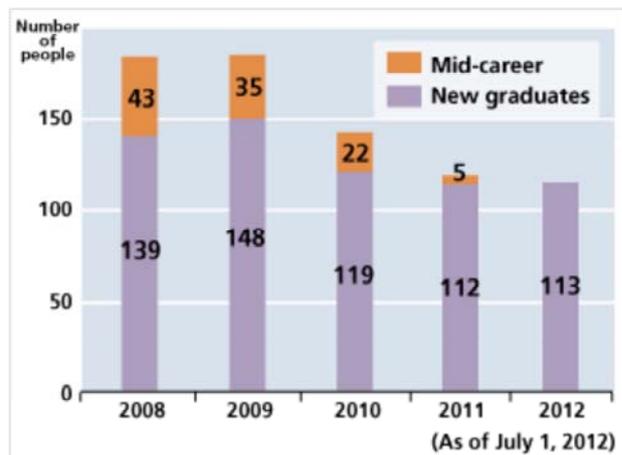
Number of male and female employees

(Unit: persons)

	Male	Female	Total
FY 2010	3,191	1,068	4,259
FY 2011	3,212	1,100	4,312
FY 2012	3,162	1,093	4,255



Proportion of female employees among all employees in career-track positions



The number of hire of career-track employees (New graduates and Mid-career)

Supporting the Participation in Society by People with Disability

In 1987, ITOCHU Corporation established Itochu Uneedus Co., Ltd., as a special subsidiary based on the Disabled Persons Employment Promotion Act (Law for the Employment Promotion of the Disabled) in order to create work opportunities for those with disability. As of April 2012, the proportion of our workforce with disabilities is 1.92%, which exceeds the legally stipulated ratio of 1.8%. We will continue to actively support the participation in society by people with disabilities.