

Our Initiatives for the Environment



Environmental Activities Policies

ITOCHU Corporation positions global warming and other environmental problems as one of the top priority issues in its management policy. In addition, to fulfill our corporate philosophy "Committed to the Global Good," we have established the ITOCHU Group Environmental Policy. Now, we advance our corporate management and activities on a global scale under this policy, not only to contribute to the prosperity of the present generation, but also from the view point of what we can create to pass on to the next generation, while keeping a strong awareness of global environmental problems.

The ITOCHU Group Environmental Policy

■ I . Basic Philosophy

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

■ II . Activity Guidelines

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

(1) Prevention of environmental pollution	In all business activities, duly consider the need to conserve ecosystems and biodiversity, as well as local and global environments, and strive to prevent the occurrence of any environmental pollution.
(2) Observance of laws and regulations	Observe all domestic and foreign laws and regulations related to environmental conservation, along with other requirements to which we have subscribed.
(3) Promotion of environmental conservation activities	Besides promoting activities for conservation of energy and resources as well as reduction and recycling of waste as needed to establish the recycling-oriented society, endeavor to develop and supply products and services that help to conserve the environment.

(4) Harmonious coexistence with society

As a good corporate citizen, aspiring for the prosperity of succeeding generations and positive contribution to society in general, support local communities for environmental education and assist in basic research pertaining to conservation of the global environment.

(5) Promotion of educational activities

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

May 2010

Masahiro Okafuji

President & Chief Executive Officer

ITOCHU Corporation's Stance on the Environment

ITOCHU Corporation is active in Japan and internationally, offering a wide range of products and services, developing resources, and investing in businesses. Our activities are closely related to global environment problems.

We believe that a company cannot grow sustainably without awareness of these problems. In 1990, we created a Global Environment Department, and in April 1993, we documented our environmental activity guidelines in the ITOCHU's Activity Guidelines on the Environment (the predecessor of our Environmental Policy). In 1997, these guidelines were revised to the "ITOCHU Corporation Environmental Policy" and we have subsequently revised this policy several times, in order to keep up with changing demands over time and reflect them in the Policy's expression. We also made the following two revisions in May 2010.

1. We changed the name from the "ITOCHU Corporation's Environmental Policy" to "The ITOCHU Group Environmental Policy," in order to express clearly that our commitment to environmental issues is shared throughout the ITOCHU Group, rather than just by ITOCHU Corporation.
2. We revised the Activity Guidelines in our current Environmental Policy, in order to make it clear that our commitment goes a step beyond conserving ecosystems, to conserving biodiversity as well. The expression was thus changed from "conserve ecosystems" to "conserve ecosystems and biodiversity."

Environmental Management

ITOCHU Corporation has formulated an Environmental Policy covering the entire ITOCHU Group. ITOCHU is aware of the impact that its business activities may have on the global environment. We have thus built a framework for assessing the impact of the products we handle, and in particular before making new investment, in order to prevent environmental risk. We believe it is important to contribute to sustainable development as a corporation by implementing both the offense of promoting environment conserving businesses and the defense of taking a precautionary approach to environmental risks.

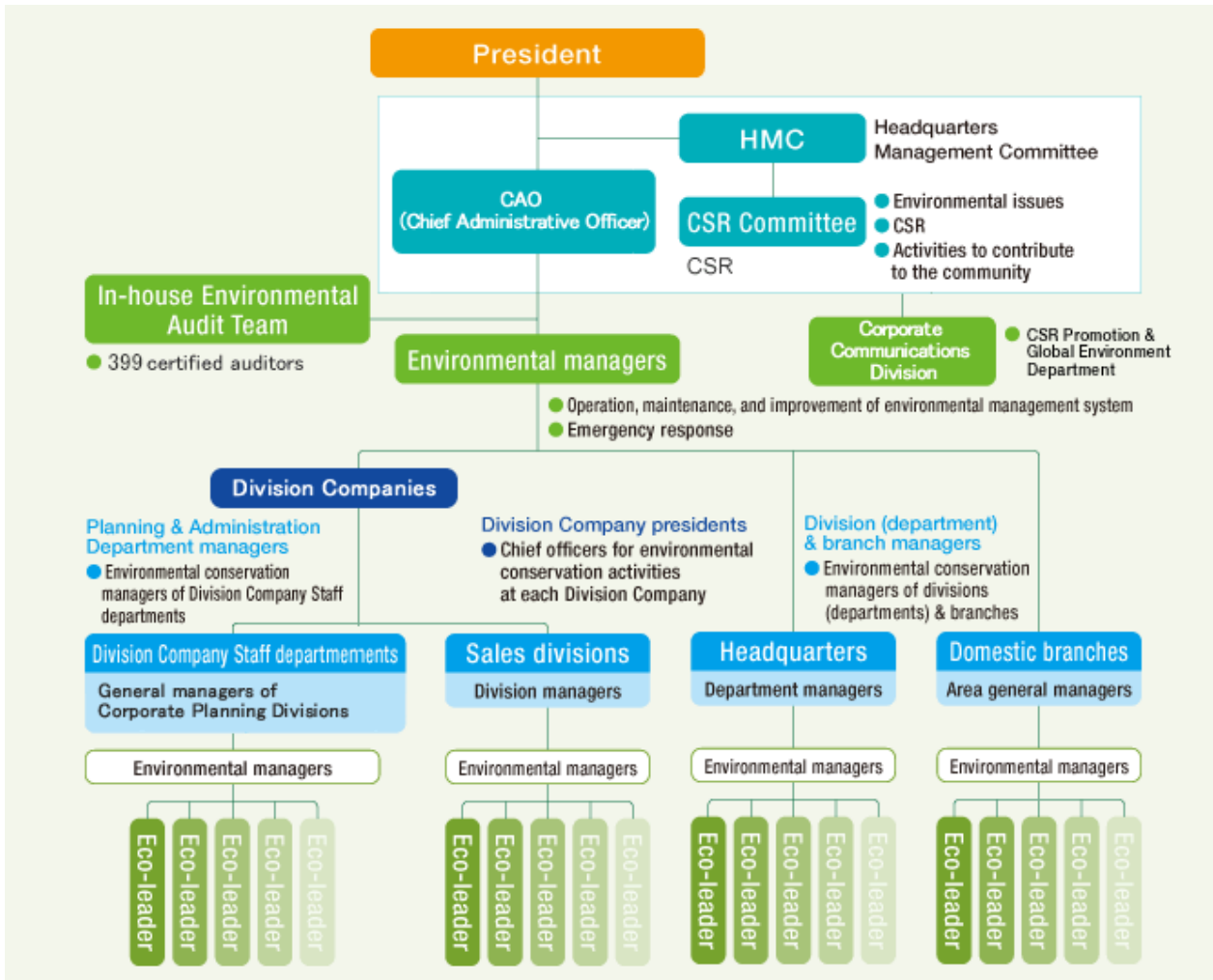
Environmental Management System

In 1997, ITOCHU Corporation became the first trading company to establish an environmental management system (EMS) based on ISO 14001, and we continue to work to improve our EMS. The system's aim is to comply with environmental laws and regulations, take precautionary approaches to environmental risks and promote environment conserving businesses. Specifically, the system controls and manages targets through a yearly PDCA (plan-do-check-act) cycle of setting targets for preventing environmental risk and promoting environment conserving businesses; evaluating and analyzing progress; and acting to achieve our targets.



ITOCHU Corporation's Environmental Management Organization

Our president has the ultimate responsibility for ITOCHU Corporation's environmental management organization. The president appoints a CAO who has complete authority for the environmental management system. Concrete management work is carried out by the CSR Committee, established to review environmental policies and perform annual reviews of corporate-wide activities. The CSR Promotion & Global Environment Department of the Corporate Communications Division serves as the CSR Committee's secretariat. Environmental managers, assigned to each division that is subject to environmental audits (61 total in fiscal 2014), and assisted by eco-leaders (266 total as of May 31, 2013), are responsible for promoting environmental conservation in their respective divisions.



Internal Environmental Audits

In fiscal 2013, In-house environmental audits based on ISO 14001 were carried out in 59 departments. Findings from the audits, conducted over roughly six months, are instrumental in taking precautionary approach on the environmental risks. 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), and carried out their work with an emphasis on auditing legal compliance. We have applied a new auditing approach – a combined format in which two or three departments were audited at once. This approach not only boosted audit efficiency but heightened audit effectiveness by encouraging mutual understanding of other 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 fiscal 2013 inspection was to renew certification, and is performed in the first and second years of certification. Inspections in the third year are to renew certification, after which the cycle repeats itself each year. The outcome of the inspection was an overall "improvement" grade and renewed certification, based on an acknowledgement of ongoing system improvement efforts by ITOCHU.

Environmental Management Results and Targets

With respect to environmental management, ITOCHU establishes environmental objectives to be tackled in the medium-term, and then sets specific targets and conducts performance reviews based on those targets each fiscal year.

Item	Fiscal 2013 Environmental Targets	Review	Fiscal 2014 Environmental Targets
Prevention of Environmental Pollution/ Observance of Laws and Regulations	When investing, perform environmental risk assessments in advance and ensure thorough corporate wide utilization of the CSR and Environmental Checklist for Investments. Strengthen the awareness of risk management through the entire supply chain through Environmental Risk Assessments by Product and ensure thorough corporate-wide utilization.	○	When investing, perform environmental risk assessments in advance and ensure thorough corporate wide utilization of the CSR and Environmental Checklist for Investments. Strengthen the awareness of risk management through the entire supply chain through Environmental Risk Assessments by Product and ensure thorough corporate-wide utilization.
	Audit the state of compliance with the Waste Management and Public Cleansing Law and Soil Contamination Countermeasures Act on a priority basis through internal environmental auditing.	○	Promote initiatives to improve management levels by confirming environmental management systems, legal compliance and the state of environmental performance through internal auditing.
	Select Group companies and conduct on-site surveys of their environmental management status.	○	Select Group companies and conduct onsite surveys of their environmental management status.
Promotion of Environmental Conservation Activities	Introduce energy-saving electronic devices.	○	Expand the scope of monitoring to information such as the energy emissions of major domestic subsidiaries.
	Set and review targets based on the CSR Action Plan. (Promote at least one target at each company and branch)	○	Set and review targets based on the CSR Action Plan. (Promote at least one target at each company and branch)
Harmonious Coexistence with Society	Conduct environmental education for elementary and junior high school students.	○	Conduct environmental education for elementary and junior high school students.
	Enhance and promote coordination with branches on environmental conservation activities.	○	Coordinate with regional companies and local governments on environmental conservation activities (Promote at least once such initiative at each branch)
Promotion of Educational Activities	Conduct and promote learning through seminars, tours, basic environmental education and education for personnel with specific duties for employees of ITOCHU Corporation and Group companies.	○	Conduct and promote learning through seminars, tours, basic environmental education and education for personnel with specific duties for employees of ITOCHU Corporation and Group companies.
	Conduct training sessions and promote learning regarding Waste Management and Public Cleansing Law and Soil Contamination Countermeasures Act for employees of ITOCHU Corporation and Group companies.	○	Conduct training sessions and promote learning regarding Waste Management and Public Cleansing Law and Soil Contamination Countermeasures Act for employees of ITOCHU Corporation and Group companies.

* ○: Implemented △: Partially ×: Not yet implemented

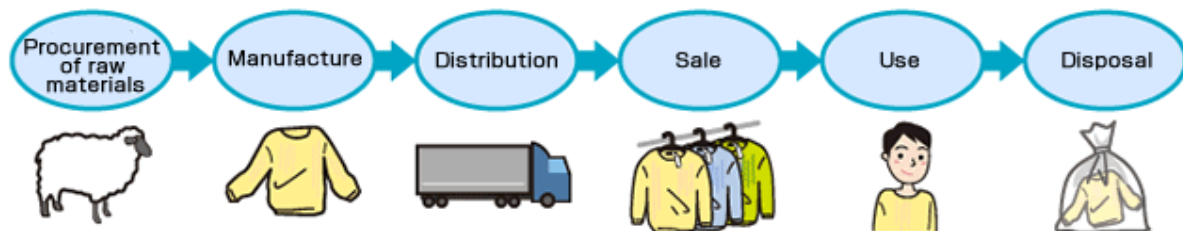
Precautionary Approach to Environmental Risks

In addition to evaluating environmental risks of the products we handle, we are committed to taking a precautionary approach to environmental risks. This commitment also extends to ITOCHU Group companies, reflecting the need to identify the impact on the global environment of the business activities of the Group as a whole.

Evaluating Environmental Risks Posed by Products Handled

We handle a wide and diverse range of products on a global scale. We thus carry out our own original environmental impact evaluations based on our belief that it is vital to evaluate the impact of these products to the global environment, the state of our compliance with environmental laws and regulations, and their relationship with stakeholders. We use a so-called LCA (*) -based analysis method at all stage of product life cycle from procurement of raw materials, production, and use, through disposal of products. If the evaluation shows that the impact on the global environment by particular products exceeds predetermined benchmarks, then we create manuals and the concrete procedures to manage transactions of these product.

* LCA (life-cycle assessment) 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.



Fact-finding Investigations of Group Companies

We began fact-finding investigations of our Group companies after several of them received complaints about environmental pollution from their surrounding neighborhoods in 2001. We analyze about 200 of our 393 Group companies (as of March 31, 2013) with relatively higher levels of impact on the global environment, and conduct investigations of about 10 of them per year. Over the 12 years to the end of March 2013, we did on-site investigation 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.



Inspecting the management of parts containing regulated substances, at our Auto Parts Distribution Center in the United States

Evaluating the Environmental Risks of New Investment Projects

ITOCHU Corporation and its subsidiaries in Japan employ a CSR and environmental checklist for investments to evaluate in advance the market, social and environmental impact of business investment projects entered via M&A in Japan and overseas. We revised this checklist at the end of fiscal 2013 to reflect the seven core subjects (Organizational Governance, Human Rights, Labor Practices, The Environment, Fair Operating Practices, Consumer Issues, Community Involvement and Development) of ISO 26000, and we began to utilize the new checklist in fiscal 2014. When specialist insight is needed, 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 presence of no major problems are confirmed.

Internal and External Inquiries and Our Response (Year Ended March 31, 2013)

In the year ended March 31, 2013, we received a total of 20-inquiries from outside the Company, which were broken down as follows: environmental groups (1), industry (4), government and industry groups (6), and media and research firms (9). The inquiries are mainly about the Company's measures to address environmental problems. There were no environment-related incidents, problems, lawsuits or complaints against the Company. Meanwhile, the number of consultations from within the Company and ITOCHU Group companies has increased. Various environmental education programs have led to greater environmental awareness among employees. We fielded 97 inquiries regarding Japan's Waste Management and Public Cleaning Law, and 6 inquiries regarding business investments.

Promotion of Environment Conserving Businesses

ITOCHU Corporation is committed to solving environmental issues through its businesses. As a framework for promoting these businesses, each division formulates a CSR Action Plan and promotes initiatives according to the PDCA cycle. ITOCHU also recognizes climate change and sustainable resource utilization as material issues and focuses on finding solutions to these challenges.

Renewable Energy

Details of Initiative	Name of Business Operator/Investment Project	Country	Generating Capacity / Size	Greenhouse Gas Reduction Figures
Wind Power Generation Business	CPV Keenan II Wind Power Generation Project	USA	152MW	Approx. 410,000 tons / year
	Shepherds Flat Wind Power Generation Business	USA	845MW	Approx. 1,500,000tons / year
	Horonobe Wind Power Generation Co., Ltd.	Japan	21MW	Approx. 25,000 tons / year
Bioethanol Manufacturing Business	Agroindustrial Santa Juliana S.A.	Brazil	Ethanol from sugarcane has a 60% CO ₂ reduction effect compared with gasoline.	
	PEDRO AFONSO AÇÚCAR & BIOENERGIA S.A.	Brazil		
Biodiesel Manufacturing Business	Biodiesel manufacturing project in Nebraska, USA run by Flint Hills Resources, Benefuel and others	USA	About 50 million gallon/year	Approx. 500,000~570,000 ton/year
Energy-from-Waste Business	ST&W Waste Incineration and Power Generation Project / SITA South Tyne & Wear Holdings Limited	England	Incineration treatment of 260,000 tons / year of general waste Scale of power generation: Equivalent power consumption of 31,000 homes	Estimated 62,000 tons / year
	Cornwall Waste Incineration and Power Generating Business / SITA Cornwall Holdings Limited	England	Incineration treatment of 240,000 tons / year of general waste Scale of power generation: Equivalent power consumption of 21,000 homes	Estimated 60,000 tons / year
	Merseyside Waste Incineration and Power Generating Business / SITA Merseyside Holdings Limited	England	Incineration treatment of 460,000 tons / year of general waste Scale of power generation: Equivalent power consumption of 63,000 homes	Estimated 130,000 tons / year
	West London Waste Incineration and Power Generating Business / SITA West London Holdings Limited	England	Incineration treatment of 350,000 tons / year of general waste Scale of power generation: Equivalent power consumption of 50,000 homes	Estimated 83,000 tons / year
Geothermal Power Generation	Sarulla Operations Ltd	Indonesia	330MW	About 1,000,000 ton/year

ITOCHU is advancing a variety of renewable energy, such as wind power, photovoltaic power, and geothermal power. The Shepherds Flat Wind Project, in the U.S. state of Oregon, went into full-scale operation in 2012. In the future, this project is expected to contribute to reducing carbon dioxide emissions by 1.48 million tons a year. In April 2013, we concluded 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.



Shepherds Flat Wind Project

Water-Related Businesses

Country	Details of Initiative
Saudi Arabia	<p>ITOCHU began delivering large numbers of seawater desalination plants from the 1970s. In the 2000s, ITOCHU and Sasakura established the joint venture company ACWA Power Sasakura with local capital in the country and took part in a power generation and water desalination business. In addition, against a backdrop of population growth and industrialization, ITOCHU also expanded into rehabilitation projects for seawater desalination plants.</p> <p>In May 2012, the joint venture company Arabian Japanese Membrane Company, LLC, which manufactures reverse osmosis membrane elements for seawater desalination, was established with Saudi Arabian firm ACWA Holding and Toyobo.</p>
Australia	<p>In 2009, ITOCHU invested and participated in a seawater desalination project (daily capacity of 440,000 tons) in Victoria, Australia.</p> <p>Facility construction was completed in 2012 and will commence operation from 2013.</p>
England	<p>In 2012, ITOCHU invested in the UK-based Bristol Water Group. This marked the first foray by a Japanese company into the UK water supply business.</p> <p>ITOCHU takes part in a comprehensive water supply business that covers everything from water resource management to water purification, water supply and distribution, levying of rates and customer service.</p>
China	<p>ITOCHU was consigned to perform maintenance and operational services for the North-South Sewage Treatment Facility at the Changxing Island Harbor Industrial Zone in Dalian City, Liaoning Province, China. The facility boasts a processing capacity of 40,000 tons per day.</p> <p>ITOCHU established a joint venture company with Suez affiliate Sino French Water Development Co. Ltd., and is currently implementing the project.</p>

Tree Plantation

Name of Business Operator/Tree Plantation	Country	Project Size
CENIBRA (Celulose Nipo-Brasileira S.A.)	Brazil	132,000ha
ANCHILE	Chile	27,000ha
Southland Plantation Forest Co.	New Zealand	10,000ha
South East Fibre Exports	Australia	5,000ha
Acacia Afforestation Asia	Vietnam	2,000ha
South Wood Export Ltd.	New Zealand	1,000ha

Other Environmental Businesses

Project Name	Details of Initiative
Lithium-ion Batteries	<p>ITOCHU has invested and participated in a lithium compound manufacturing business, cathode material business and anode material business. ITOCHU has build a value chain in the lithium-ion battery field based on investment projects with the likes of US-based SIMBOL MATERIALS as well as Toda Kogyo Corp. and Kureha Battery Materials Japan Co., Ltd., and will promote the stable production and supply of related materials and components.</p>
Energy Management Systems/ Energy-Saving Solutions	<p>Since 2009 ITOCHU has deployed the eco FORTE IT-based energy management system, achieving the visualization and automated operating control of the power for air conditioning, lighting quipment and other facilities, and helping customers conserve electricity.</p> <p>In 2013, ITOCHU took a stake in Kankyo Keiei Senryaku Soken, and is providing solutions to its customers and other businesses to help reduce energy consumption and conserve electricity.</p> <p>ITOCHU has developed the Smart Street Lighting Service, a smart street lighting business utilizing cutting-edge technologies.</p> <p>ITOCHU is currently conducting a demonstration in Tsukuba City as a project commissioned under the Low Carbon Regional Development Intensive Support Program sponsored by the Ministry of the Environment.</p> <p>In 2012, the service won the Grand Prize for Energy Saving Service in the Eco-Services category of the 9th Eco-Products Awards.</p>

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 will strive to contribute to the realization of a low-carbon society.

Environmental Education and Awareness

We are committed to improving the environmental awareness of the entire ITOCHU Group. To encourage environmental conservation efforts among our employees we offer a wide range of education programs, as well as seminars on environmental law, and seminars to raise awareness of global environmental issues, which also target Group employees.

Seminars

We actively hold seminars in order to ensure that all employees of the ITOCHU Group are aware of and comply with the requirements of environmental laws and regulations, and in order to raise environmental awareness.

Internal Seminars and Training Sessions (fiscal 2013 results)

Content	Timing	Target	Participant
Environmental Managers Conference	23th April 2012 (Tokyo) 25th April 2012 (Osaka)	Employees and Group Company Employees	91
General Education	From May to July 2012 57 times in total	Employees and Group Company Employees	4351
Education of staff in specific operations	From May to July 2012 38 times in total	Employees and Group Company Employees	479
Seminar on Soil Contamination Countermeasures Law	17th July 2012 (Tokyo) 18th July 2012 (Osaka)	Employees and Group Company Employees	274
Seminar on Waste Management and Public Cleansing Law	23th October 2012 (Tokyo) 25th October 2012 (Osaka) ※Other 10 times	Employees and Group Company Employees	829
Seminar on Environmental Management	25th January 2012 (Tokyo)	Employees and Group Company Employees	182
ITOCHU Symposium	15th March 2013 (Osaka)	Employees and Group Company Employees	59

Internal seminars (fiscal 2013 results)

(Number of people)

Legal seminars	Times held	Total participants
Seminars on Waste Management and Public Cleansing Law	12	829
Soil Contamination Countermeasures Act	2	274

Global Environmental Management Seminar

In January 2013, ITOCHU sponsored the Seminar on Global Environment-Oriented Business Management at the Tokyo Head Office. The seminar was attended by around 180 employees of ITOCHU Corporation and its affiliates, and led by invited speaker Seita Emori of the Climate Risk Assessment Section of the National Institute for Environmental Studies. Mr. Emori gave a talk titled "How 'afraid' should we be of global warming? A big picture look at the risks of global warming."

Since the Great East Japan Earthquake, public interest in nuclear energy has been high. However, global warming is almost certainly advancing, and countermeasures will be needed in the future. In his talk, Mr. Emori explained the current situation and predictions in respect of global warming in plain language using animated simulation. Many of his remarks left a strong impression on the audience, including examples of the very important implications once global warming advances beyond a critical point, the fact that unless CO₂ emissions are reduced to zero in the future we will not be able to stop the advance of global warming, and the need for major value judgments in the future. Many participants said that the talk had provided them with hints that they could put to use in the course of their work.



Mr. Seita Emori, Climate Risk Assessment Section of the National Institute for Environmental Studies

Environmental Performance Data

I TOCHU Corporation strives to achieve environmental conservation not only through business activities, but also through office activities, such as cutting back electricity consumption and the promotion of the recycling of waste, in which all its employees can easily participate. In addition, in fiscal 2012 and fiscal 2013, it has gradually expanded the scope of the collection of environmental performance data on Group companies in Japan and overseas subsidiaries to understand the actual environmental situation and improve its environmental conservation activities in the future.

Environmental Performance

■ Scope of the Data

○: in scope of aggregation

	Electricity consumption	CO ₂ emissions from business facilities	CO ₂ emissions from distribution	Total waste volume	Paper consumption	Water consumption
Tokyo headquarters	○	○	○	○	○	○
Osaka headquarters	○	○	○	-	-	-
Branches in Japan *1	○	○	○	-	-	-
Other branches *2 and business facilities in Japan *3	○	○	○	-	-	-
Group companies in Japan *4	○	○	-	○	-	○
Overseas subsidiaries *5	○	○	-	-	-	-

*1 Branches in Japan: Chubu, Kyushu, Chugoku & Shikoku, Hokkaido, Tohoku

*2 Other branches: Hokuriku, Toyama

*3 Aggregation since FY2010 (FY2010: 18 offices; FY2011: 16 offices; FY2012: 14 offices, FY2013: 13 offices)

*4 Aggregation since FY2010 (FY2010: 49 companies, FY2011: 55 companies, FY2012: 60 companies, FY2013: 64 companies)

*5 Aggregation since FY2010 (FY2010: 5 offices, FY2011: 5 offices, FY2012: 10 offices, FY2013: 10 offices)

Third Party Audit Report: For the Tokyo headquarters, the Osaka headquarters and branches in Japan, electricity data and CO₂ emissions data have been audited by the Japan Management Association.

■ Electricity Consumption

The table below shows electricity consumption and CO₂ emissions from business facilities from FY 2010 and FY2013. ITOCHU has announced a goal of reducing specific energy consumption at ITOCHU Corporation itself and its domestic subsidiaries by an average of at least one percent per year and is striving to reduce greenhouse gas emissions. ITOCHU installed inverters for the ventilation systems and LED desk stands, and introduced other energy-saving facilities, while all employees took the initiative of turning off lights and office equipment when not in use.

Unit: Thousand kWh

	FY2010	FY2011	FY2012	FY2013
Tokyo headquarters	13,489	13,006	10,418	9,914
Osaka headquarters	1,858	1,750	1,119	505
Branches in Japan	513	512	472	446
Other branches and business facilities in Japan	3,762	3,971	3,404	3,237
Group companies in Japan	1,793,242	1,871,100	1,871,178	1,968,436
Overseas subsidiaries	643	651	987	983

- For the Tokyo headquarters, data has been collated in accordance with the Tokyo Metropolitan Ordinance on Environmental Preservation. For the Osaka headquarters, domestic branches and offices and other business facilities, data has been collated in accordance with the Act on the Rational Use of Energy (it covers business facilities ITOCHU Corporation owns or rents, excluding the facilities for dwellings).
- Group companies in Japan: Data on the Group companies that responded was combined (FY2010: 49 companies, FY2011: 55 companies, FY2012: 60 companies, FY2013: 64 companies).
- Overseas subsidiaries: Data on the offices of overseas subsidiaries that obtained ISO14001 certification was combined (FY2010: 5 offices, FY2011: 5 offices, FY2012: 10 offices, FY2013: 10 offices).

■ CO₂ Emissions from Business Facilities

Unit:t-CO₂

	FY2010	FY2011	FY2012	FY2013
Tokyo headquarters	6,964	7,032	5,778	5,492
Osaka headquarters	783	647	413	227
Branches in Japan	281	273	255	270
Other branches and business facilities in Japan	1,511	1,372	1,160	1,494
Group companies in Japan	1,045,460	1,084,648	1,068,416	1,119,263
Overseas subsidiaries	454	443	704	701

- For the Tokyo headquarters, data has been calculated in accordance with the Tokyo Metropolitan Ordinance on Environmental Preservation. For the Osaka headquarters, domestic branches and offices, other business facilities and Group companies in Japan, data has been calculated in accordance with the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures.
- For overseas subsidiaries, the figures are the total based on the CO₂ conversion factor of the International Energy Agency (IEA).

■ Total Waste Volume

The table below shows the total waste volume generated in Tokyo headquarters building, group companies in Japan and overseas subsidiaries from FY2010 to FY2013. We have been promoting waste segregation.

		FY2010	FY2011	FY2012	FY2013
Tokyo headquarters building	Total waste volume (Unit: t)	1,074	1,049	706	759
	Recycling rate (%) (Unit: %)	90	89	89	88
Group companies in Japan*	Total waste volume (Unit: t)	168,552	183,019	201,723	205,997
Overseas subsidiaries	Total waste volume (Unit: t)	5	5	5	5

- * Group companies in Japan: Data on the Group companies that responded was combined (FY2010: 46 companies, FY2011: 48 companies, FY2012: 49 companies, FY2013: 53 companies).
- * Overseas subsidiaries: Data on the offices of overseas subsidiaries that obtained ISO14001 certification was combined (FY2010: 1 office, FY2011: 1 office, FY2012: 1 office, FY2013: 1 office).

■ Paper Consumption

The table below shows the paper consumption in Tokyo headquarters building from FY2010 to FY2013. We have been promoting the reduction of paper consumption by means such as encouraging paperless activities and stopping the unnecessary use of paper.

Unit: Thousand sheets (A4 equivalent)

	FY2010	FY2011	FY2012	FY2013
Copy paper consumption	38,175	36,558	37,479	36,883

■ Water Consumption

The table below shows the water consumption in Tokyo headquarters, group companies and overseas subsidiaries from FY2010 to FY2013.

Unit:m³

	FY2010	FY2011	FY2012	FY2013
City water usage by the Tokyo headquarters	59,564	54,226	44,590	43,068
Gray water production by the Tokyo headquarters	33,553	31,577	37,222	37,212
Total emissions by the Tokyo Headquarters	56,877	31,577	37,222	37,212
Total emissions by group companies in Japan *	5,141,423	5,385,968	5,553,779	5,813,921
Total emissions by overseas subsidiaries *	5,897	3,482	4,583	10,980

- * Calculation assumes the same volume as water supply use when total drainage volume has not been ascertained.
- * Group companies in Japan: Data on the Group companies that responded was combined (FY2010: 30 companies, FY2011: 32 companies, FY2012: 33 companies, FY2013: 35 companies).
- * Overseas subsidiaries: Data on the offices of overseas subsidiaries that obtained ISO14001 certification was combined (FY2010: 1 office, FY2011: 1 office, FY2012: 1 office, FY2013: 3 offices).

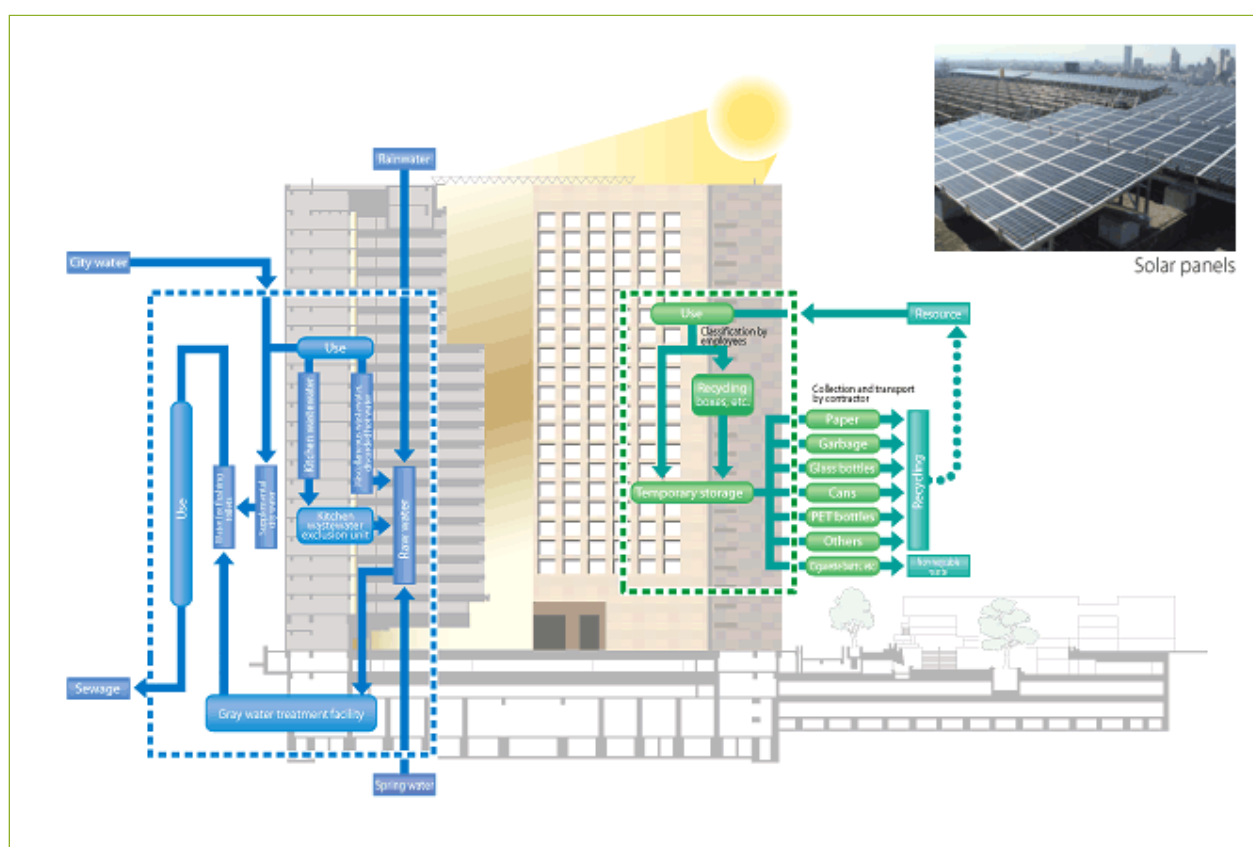
Environmental conservation at the Tokyo Headquarters Building

■ Solar power generation

We installed solar panels on the roofs of our TOKYO headquarters and the adjacent CI Plaza. It has started to generate electricity since March 2010. The capacity of generation for solar panels is total 100kw which is equivalent to prevailing 30 detached houses (approximately 3.0kw per detached house). We make use of all clean energy generated solar power in our TOKYO headquarters and it regards as electric energy (Maximum power generation at moment) covered 3.5 floors lighting.

■ Effective Use of Water Resources

Since the treatment facilities for recovered water (gray water, rainwater and spring water) were installed when the Tokyo Headquarters was built in 1980, recovered water have been effectively utilized to flush the toilets. The change on amount of securing gray water may be caused by the rainfall every year so that city water usage tends to increase when the rainfall is a little. Therefore, we take care of saving water to install the devise for economize hand washing water and flushing in toilets.



■ Tokyo Metropolitan Government Program to prevent Global Warming

ITOCHU Corporation submitted the Greenhouse Gas Emission Reduction Plan for FY2006 to 2010 to the Tokyo Metropolitan Government, in accordance with their Ordinance on Environmental conservation. In the plan, we committed to reduce CO₂ emissions in the Tokyo Headquarters by 4.1%, compared to the benchmark (the average of annual CO₂ emissions from FY2003 to 2005), during the period between FY2006 and FY2010 ITOCHU emitted 7,549 tons of CO₂ in FY2010 with the reduction rate 18%, compared to the amount of the benchmark. (Data for FY2011 will be reported to Tokyo Metropolitan Government in November 2012 after they are complied.)

Those below submitted to Tokyo Metropolitan Government are available in Japanese.

- Greenhouse Gas Emission Reduction Plan for FY2011 to 2015 (Submitted in November 2011) (Japanese Only)
- Greenhouse Gas Emission Reduction Plan for FY2011 to 2015 (Submitted in November 2012) (Japanese Only)

* The plan submitted to Tokyo Metropolitan Government for greenhouse gas emission reduction includes not only the Tokyo Headquarters, but also the adjacent commercial facility, "CI PLAZA".

Participation in "Challenge 25 Campaign"

ITOCHU Corporation is a participant in the national "Challenge 25 Campaign (*)" to mitigate global warming. This campaign includes such initiatives as adjusting the air conditioning temperatures during the summer and winter, turning off lights when they are not needed, and setting computers to a "hibernation" mode when away from the desk for extended periods. It also encourages the separation of trash inside the office and promotes recycling. As a result, all employees act to protect the environment starting with the little things around them every day.

* The name was changed in January 2010 from "Team Minus 6%" to "Challenge 25 Campaign"



Environmental Accounting

Environmental Conservation Costs

The environmental conservation costs for all of ITOCHU Corporation's domestic branches in fiscal 2012 are as follows.

(Unit: 1,000 yen)

Classification	Investment Amount	Cost
Costs inside business areas	118,120	1,239,820
Up/downstream costs	0	42,642
Management activity costs	0	131,703
Research and development costs	0	500
Social activity costs	0	38,016
Costs to address environmental damage	0	11,455
Total	118,120	1,464,136

Summarized based on the Environmental Accounting Guidelines – 2005 Edition from the Ministry of the Environment.

Scope of Calculation: All domestic branches

Target period: April 1, 2012 to March 31, 2013

Environmental Conservation / Economic Effects

The environmental conservation effects and economic effects of ITOCHU Corporation's paper and electricity usage and waste emissions for fiscal 2012 are as follows.

	Environmental Conservation Effects	Economic Effects (Unit:1,000JPY)
Paper Usage	595,000sheets	786
Electricity Usage	1,144,000kWh	18,996
Waste Emissions	804t	42,794
Water Usage	1,024m ²	1,073

Environmental conservation and economic effects are calculated by subtracting actual values for the current fiscal year from those for the previous fiscal year.

Scope of Calculation: Paper, Waste, Water – Tokyo Headquarters building, Electricity Usage - Tokyo Headquarters building, Osaka Headquarters and five branches

Monitoring the State of Environmental Liabilities

With respect to environmental risks, particularly asbestos, PCB and soil contamination, associated with tangible fixed assets of ITOCHU Corporation itself and its Group companies including land and buildings, ITOCHU not only complies with legal requirements but also conducts monitoring on a voluntary basis and seeks to respond in a way that is conducive to the switch determination and judgment of management policies.

In fiscal 2013, ITOCHU will continue to promote the sharing of related information through various training (page 102) such as training sessions on the Soil Contamination Countermeasures Act.

Initiatives toward Environmental Distribution

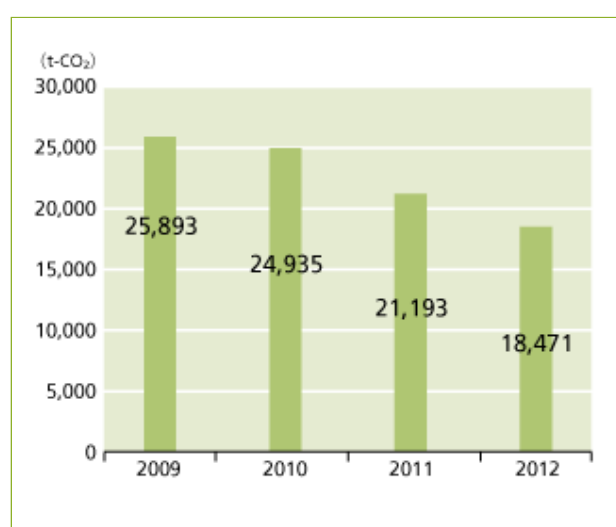
ITOCHU Corporation is working on green distribution that will reduce the burden on the environment in order to comply with the Act on the Rational Use of Energy.

Monitoring Carbon Dioxide Emissions Associated with Distribution as an Indicator of Environmental Burden

The following graph shows the carbon dioxide emissions generated in connection to energy usage through transportation carried out by ITOCHU Corporation.

* From Act on the Rational Use of Energy and FY2012 Regular Report (submitted in June 2013)

Change in CO₂ Emissions Attributed to Distribution



Environmental Energy-Saving Measures

Environmental Energy-saving measures are set forth in the following measures and policies in effect across the company.

In addition to these, each division company formulates specific measures.

Selection of Modes of Transportation	Promotion of modal shift (utilization of rail and sea transportation)
Actions to Improve Transportation Efficiency	Use of partial and consolidated cargo services Selection of appropriate vehicle models and larger vehicles Transportation route ingenuity Improved loading ratios
Coordination between freight carriers and recipients	Review of transportation plans, frequency, etc.

■ Specific Measures

■ (1) Selection of Modes of Transportation

- Examine and analyze the circumstances of long-haul truck-based transportation and consider changing modes of transportation, starting with businesses able to transition to rail and domestic vessel-based transportation, which place a comparatively lighter burden on the environment.

■ (2) Actions to Improve Transportation Efficiency

- Examine the circumstances of transportation and consider actions such as appropriate vehicle model and transportation route selection. Further, try to improve loading efficiency and reduce specific energy consumption.

■ (3) Coordination between Freight Carriers and Recipients

- ITOCHU's internal judgment criteria on the use of distribution companies requires it to check the status of a company's environmental distribution initiatives and recommends the usage of accredited companies.
- To achieve measures (1) and (2) above, ITOCHU will endeavor to build cooperative frameworks with distribution companies as well as partner suppliers and other parties.