

Enhancing Corporate Value on the World Stage,
Frontier^e 2010 Shaping the Future

ITOCHU—A General Trading Company

Our Mission and Values

Our Growth Model

Our Growth Stage

Our Mission and Values

Renewed Mission and Values Befitting a Truly Global Enterprise

At ITOCHU, from generation to generation, we have passed down the *sampo yoshi* management philosophy of being good for the seller, the buyer, and society that lies at the heart of our management today. That philosophy has been the source of ITOCHU's Credo, *Committed to the global good*, calling on the Company to do its utmost to benefit society as an international entity. Retaining its basic message, in March 2009 ITOCHU restructured the ITOCHU Credo to the ITOCHU

Mission and Values in order to give members of the Group worldwide a clearer understanding of ITOCHU's responsibilities toward society and the values that employees should share—so that they can put them into practice and use them to gauge their own performance in their everyday work. This rearrangement has made the ITOCHU Mission and Values befitting a *truly global enterprise*. (Please see pages 54–55 for details of the rationale behind the rearrangement of the ITOCHU Credo to the ITOCHU Mission and Values and how it relates to management strategy.)

ITOCHU Mission

Founded on the *sampo yoshi* management philosophy, this expresses ITOCHU's responsibility toward society and the Company's value in society.


Committed to the Global Good




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

ITOCHU Values


To realize the ITOCHU Mission, these are the values that each employee in the ITOCHU Group should respect. These are based on the values inherited from our predecessors, which have supported, and will continue to support, ITOCHU's development.




Visionary




Integrity



Diversity



Passion



Challenge

Our Growth Model

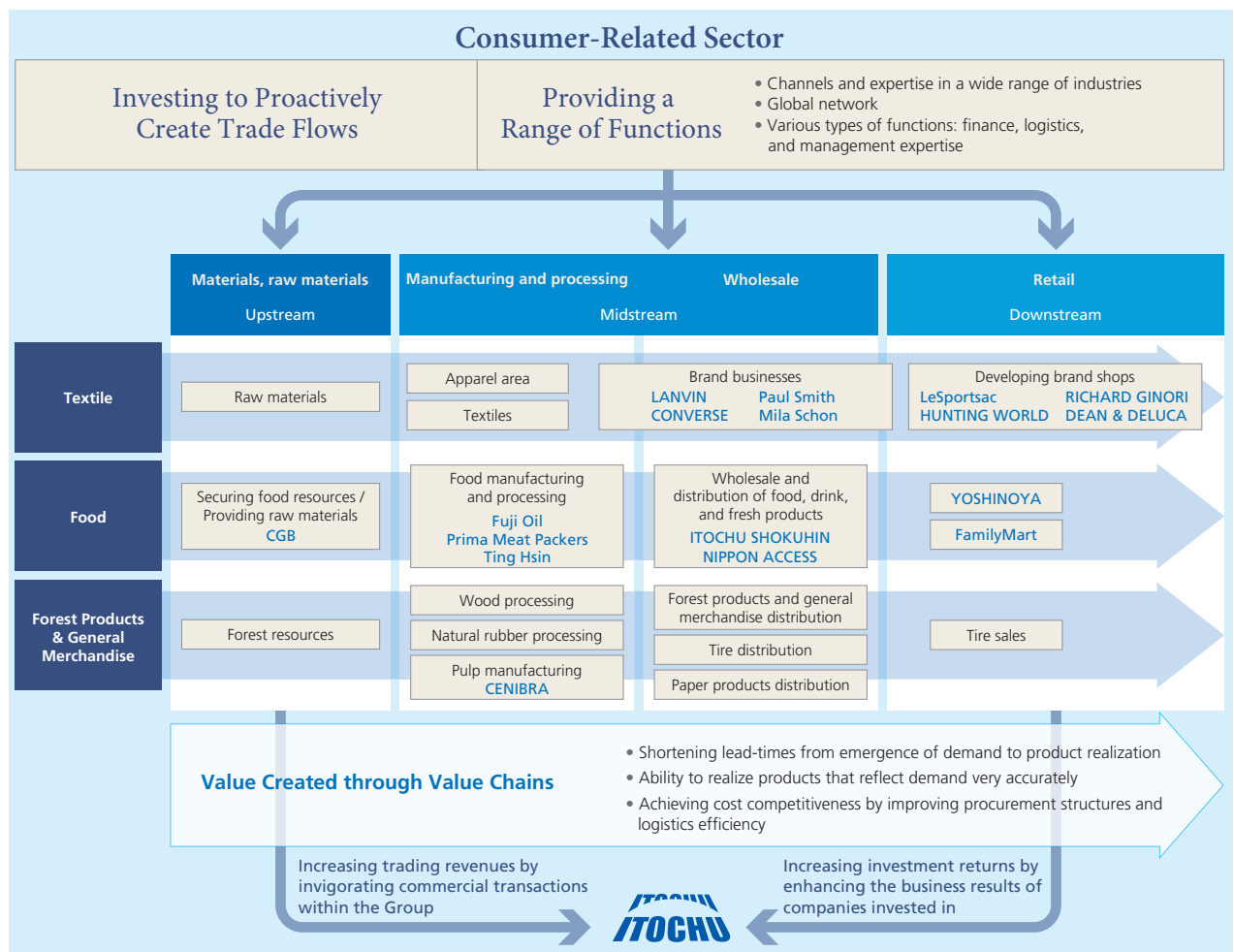
The Evolution of a Growth Model that Constantly Generates Value

Bearing out the view that general trading companies are “microcosms of the global economy,” ITOCHU has established contacts with a broad variety of industries throughout the world through its business activities and has many different types of relationships with these industries. The basic role of our business activities lies in forming partnerships with client companies and then removing anything that may obstruct the launching of new businesses or the strengthening of existing businesses’ competitiveness. During Japan’s period of rapid economic growth from the end of World War II until the 1970s, ITOCHU played that role in two ways: through trading that took advantage of ITOCHU’s worldwide information network to bridge information gaps between suppliers and customers and through trading-company finance. From the 1990s onward, in response to ever-more exacting client needs arising from increasing global competition, we continuously upgraded our functions. In time, we shifted to investing directly in promising companies in order to build even stronger partnerships.

Our goal in these efforts is to proactively create trade flows from raw materials through to production, wholesale, and sales. Further, we provide full support to increase the competitiveness of companies that we invest in by facilitating funding, logistics, product development, and marketing; finding business partners and organizing tie-ups; and dispatching management teams. At the same time, we optimize supply chain management (SCM) by circulating downstream information to midstream and upstream business areas. In this way, we build “value chains” that add value at each operational stage. The following explains how we create value, taking the Consumer-Related Sector, where we have advantages, as an example.

In the Consumer-Related Sector, product lifecycles are shortening and consumer demand is evolving with dizzying speed. Therefore, how quickly a company can detect the signs of changing consumer needs and reflect this in products is critical in creating value.

Providing contacts with consumers, powerful retail companies such as FamilyMart Co., Ltd., and Yoshinoya Holdings Co., Ltd., are members of the ITOCHU Group. These companies



identify shifts in consumer tastes in a timely manner, share this information to ITOCHU and other Group companies, and collaborate in the resulting product development. In such initiatives, one significant advantage is business collaborations with companies in all kinds of industries based on ITOCHU's wide-ranging partnerships. As a result, we can bring to market products that cater to consumer needs with a high degree of precision. ITOCHU is able to shorten the lead-time from the identification of a consumer need to the creation of a corresponding product. We do this by coordinating product development and efforts to procure raw materials from the most suitable regions through our global network. At the same time, we have comprehensive control over midstream production and processing, intermediary distribution, and downstream retailing. In addition, we have advanced logistics networks—such as a distribution network that can handle products in all temperature ranges—which NIPPON ACCESS, INC., and our other food wholesale companies have built. As well as adding value to products, these logistics networks improve procurement structures and heighten the cost competitiveness of our logistics by increasing efficiency. Also, we multiply value by providing companies that we invest in with financial functions and management expertise.

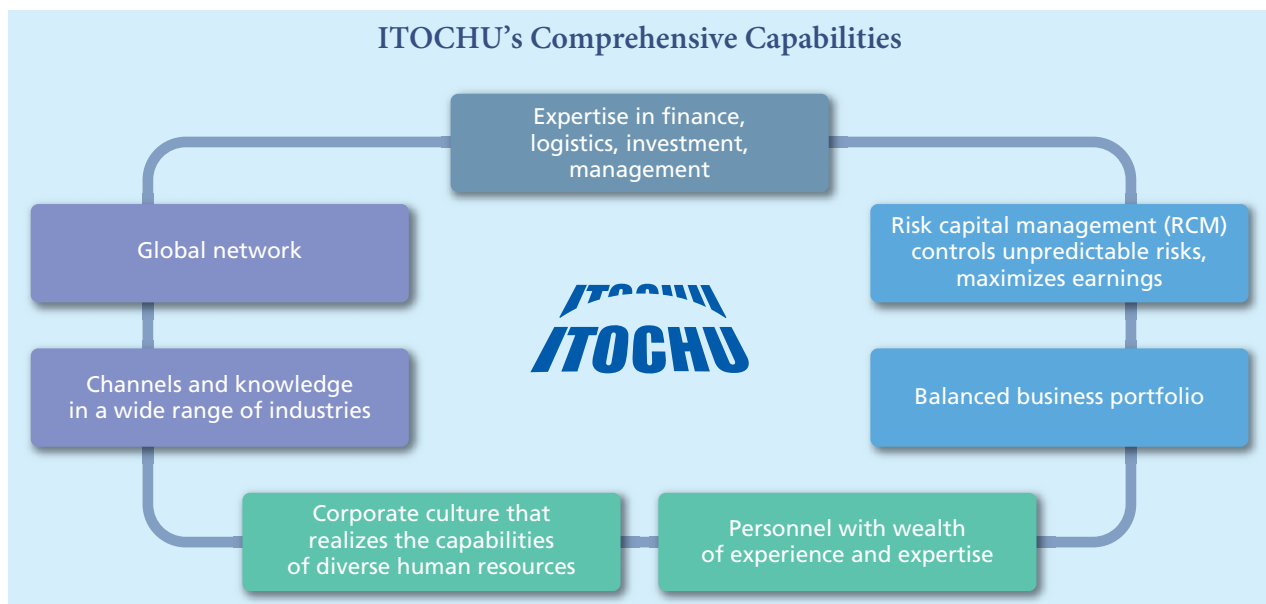
Such efforts to upgrade value chains and the accompanying increases in the corporate values of companies in which we invest heighten the return on our investments through increases in trading revenues, equity in earnings of associated companies, and dividend income. Achieving mutual growth through win-win relationships with companies invested in is the essence of ITOCHU's growth model, and it has proven successful time and again in many different business areas.

Leveraging Unique Comprehensive Capabilities —The Foundations of ITOCHU's Growth Model

Comprehensive capabilities enable ITOCHU's growth model. Within a corporate group, we have channels and knowledge covering a broad vista of industries, global networks, and a diverse palette of functions and expertise in trading, finance, logistics, investment, and management.

In step with the evolution of our growth model, our risk management methods have become increasingly sophisticated. One such method is risk capital management (RCM), which seeks to maximize earnings while controlling risk that is growing and diversifying as business investment becomes an increasingly important part of our operations. (For details, please see Strengthening Financial Position and Upgrading Risk Management on pages 20–21.) Further, a balanced business portfolio underpins the Group's overall earnings by mitigating earnings volatility arising from slumps in particular business areas or regions.

In addition, ITOCHU views the human resources that implement growth strategies as the most important driver of its growth. We are working so hard to encourage each employee to accumulate expertise and experience and to create an attractive corporate culture in which diverse human resources can give full play to their abilities regardless of their gender, nationality, or age group. This type of nurturing environment attracts talented employees and creates a virtuous circle that further cements the foundations of ITOCHU's growth.



Our Growth Stage—Aiming to Become a *Truly Global Enterprise*, Shaping the Future

We will continue reviewing foundations and tackling reform to advance steadily toward our goal of becoming a highly attractive global enterprise.

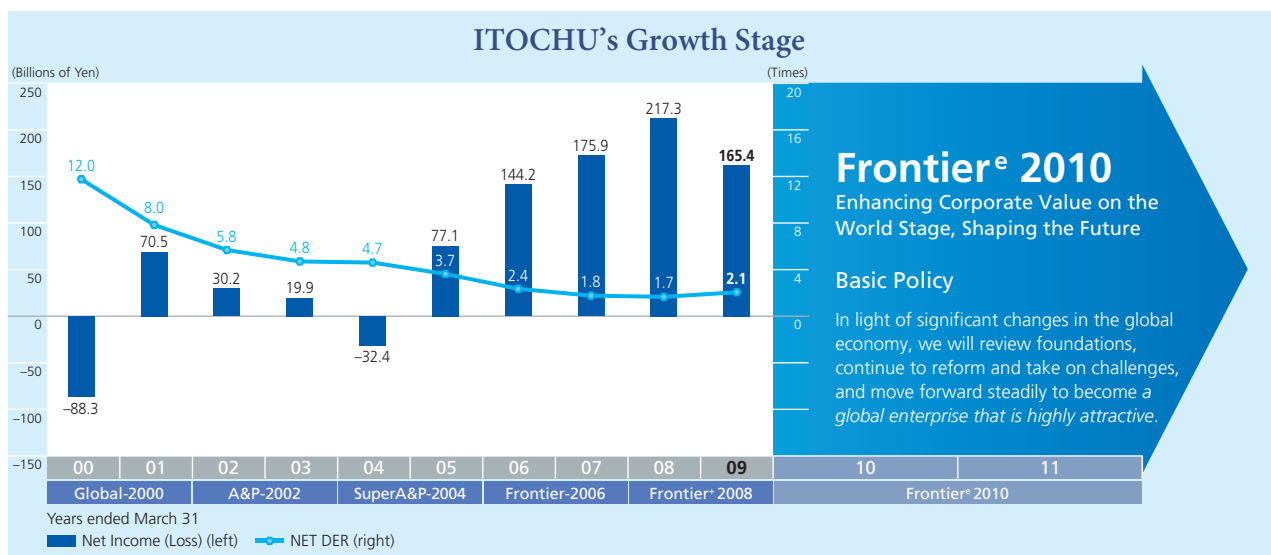
From fiscal 2000 onward, ITOCHU began transforming itself into a very efficient high-earning corporate group by disposing of underperforming assets, withdrawing from inefficient assets, and concentrating resources on highly efficient assets. Those tireless efforts formed the backdrop to our achievement of record earnings for four consecutive years from fiscal 2005. In fiscal 2009, the final year of Frontier+ 2008, we faced turmoil in the global economy and did not meet the plan’s targets. However, the lean and strong earnings structures that we have put in place undeniably helped buttress earnings.

Frontier+ 2008 summarized our ideal corporate identity as *a global enterprise that is highly attractive to all stakeholders*. And, the plan’s overriding goal was to achieve sustainable growth. As one strategy to that end, the plan highlighted the importance of *creating new initiatives*, which meant developing earnings platforms in L-I-N-E-s*1 business areas that promise significant growth. Second, the plan called for accelerating business development in overseas markets, which are likely to

see comparatively robust growth. To enable these strategies, the plan emphasized seeking global human resources. Regarding its basic policy, our new medium-term management plan Frontier^e 2010, launched from the current fiscal year, states that “In light of significant changes in the global economy, we will review foundations, continue to reform and take on challenges, and move forward steadily to become a *highly attractive global enterprise*.” ITOCHU’s goal during the period of Frontier^e 2010 and beyond remains unchanged—to become a *truly global enterprise*.

During the two years of Frontier^e 2010, aiming to become a *truly global enterprise*, ITOCHU will benefit individuals and society and build the Company’s future by steadily implementing the management plan’s key measures, which are to *expand and improve earnings platforms, strengthen financial position / upgrade risk management, evolve management systems, and advance full-fledged implementation of global human resources strategy*.

*1 L-I-N-E-s is an acronym referring to four business areas. “L” stands for Life & Healthcare, medical, and health-related business; “I” for Infrastructure, IT, LT, and FT infrastructure, and social infrastructure-related businesses; “N” for New Technologies & Materials, mainly biotechnology and nanotechnology; and “E” for Environment & New Energy, primarily bioethanol and solar power generation, while “s” stands for lateral synergies among business areas.



The Meaning of Being a *Global Enterprise that Is Highly Attractive to all Stakeholders*

In order to achieve sustainable growth, in addition to efforts in mature Japanese markets, we must increase the momentum of our business development in overseas markets expected to grow vigorously. To achieve this, we believe we have to become a *truly global enterprise* recognized by all stakeholders worldwide—stockholders, creditors, business partners, and society. Furthermore, we need global human resources that are receptive to international viewpoints and diverse values and unshackled by age, gender, or nationality.