

Message from
Chief Administrative Officer



We will continue to achieve sustainable growth with the spirit of "*Sampo-yoshi*" that we have inherited for over 160 years serving as our corporate philosophy

"Sampo-yoshi" – Our Corporate Philosophy we have inherited throughout our history for over 160 Years

—We will pursue the highest level of productivity in the sector through the adoption of a Human Resources Strategy as a management policy.

We have inherited "*Sampo-yoshi*" (good for the buyer, good for the seller and good for society) for over 160 years since our foundation by Chubei Itoh I – an Ohmi merchant. We will continue to pass down this founding spirit in our future as our corporate philosophy. Since then, we have connected the fruits of the efforts built up by each one of our predecessors without interruption to the present day. This idea is also encapsulated in the Guideline of Conduct "I am one with infinite missions." In recent years, with a small group of capable talent, ITOCHU has been involved in cutthroat competition with other companies, and the importance of the Human Resources Strategy for that has, therefore, increased still further.

ITOCHU's pioneering workstyle reforms, such as the morning-focused working system, have had a significant impact on Japanese society, including the government. The focus of these reforms is the "pursuit of productivity." Our work style reform is not just a pursuit of streamlining to save time, but also increase productivity by hands-on approach. Moreover we aim to increase employee motivation by developing employee skills, supporting the active use of diverse human resources, and promoting health management. For example, the aim of the Support Measure for Balancing Cancer Care and Work introduced in FYE 2018 in accordance with ITOCHU Health Charter is to achieve a work environment in which every employee fighting cancer can continue working without concern while maintaining motivation and challenging work, thus ensuring that individuals and organizations perform at their full potential. Each and every employee working to their heart's content with health and vitality is the foundation for us, which has a small number of employees than other companies in the industry, to producing profits. This is in the interests of all stakeholders in addition to our company. At the same time, I believe that, through our employees' fulfilment of "infinite missions" via our main business, we will be able to fulfil our responsibilities for achievement of the UN Sustainable Development Goals (SDG's).

—We will help solve social issues through our main business, grounded in the "Sampo-yoshi" spirit.

"Itinerant trading" is business that only Ohmi merchants could do, consisting of going to lands far away from the Ohmi region and negotiating with only a little sample of cloth and delivering the goods afterwards. The "Sampo-yoshi" spirit developed by the Ohmi merchants as they gained the confidence and trust of sellers, buyers and the regions they traded with is also still alive today as a management philosophy that values not only the company's own profit but also business partners, employees, shareholders and various other stakeholders. To demonstrate our intent to honor this approach to the international society, since 2009 we have participated in the UN Global Compact. In April 2018, we formulated a Basic Policy on Promotion of Sustainability as a direction for initiatives based on the ESG perspective and the "Sampo-yoshi" spirit. At the same time, in light of the Sustainable Development Goals (SDGs) adopted by the United Nations, the enforcement of the Paris Agreement and the viewpoint of ESG, we have newly identified seven material sustainability issues. Each company has formulated sustainability action plans and accomplishment indicators based on those. This is further strengthening our efforts through our business. In May 2019, we stated our participation with the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB) in regards to the particularly pressing issue of efforts on climate change (contribution to a low carbon society).

Our groupwide sustainability promotion measures are planned and promoted by the Sustainability Promotion Department. This is done under the Chief Administrative Officer who serves as the Sustainability Committee Chairperson. Serious matters are discussed and determined by the Sustainability Committee, which is an important internal committee. In addition to the role of chairing the committee, the Sustainability Committee Chairperson attends board meetings, and the HMC and Investment Consultative Committee, and then makes reports to the Board of Directors at these meetings. In this way, the Chairperson is responsible for sustainability management in light of the impact on our environment and society. We have also appointed an ESG officer to all organizations in companies and functions and have put in place a framework for contributing to the realization of a sustainable society through our main business. In addition, by regularly seeking dialogue with stakeholders inside and outside the company, including the Advisory Board, we grasp society's expectations and demands of us and utilize them in the promotion of sustainability.

We will continue to contribute to solving social issues by responding to the trust and expectations from the stakeholders around us through our main business while valuing local sites in the future. We would then like us to translate this into sustainable growth through a reinvented "Sampo-yoshi" approach, which is our aim under the Brand-new Deal 2020.

Fumihiko Kobayashi

Member of the Board

Senior Managing Executive Officer

Chief Administrative Officer