

# Involvement with Business Partners

As a *Sogo Shosha*, one of the most important CSR tasks is CSR management in the supply chain. In this area, we are deepening communication with our suppliers and clients, and aiming at constructing a sustainable supply chain.

## ITOCHU's supply chain

ITOCHU Corporation is engaging in a wide variety of transactions in a diversity of business domains. As such, approximately 100,000 of our business partners are found all over the world.

## Importance of CSR promotion encompassing the supply chain

We consider CSR management in the supply chain to be one of the key CSR tasks for ITOCHU Corporation as a *Sogo Shosha*.

We generally do not undertake development or production by ourselves, and our business centers around business investment and trading. To see that the goods and services we handle always make a positive contribution to society, it is consequently vital for us to encourage our partners doing the actual development and production to practice CSR as well.

At present, much attention is focused on the negative aspects of globalization. More specifically, there is serious concern about poor working conditions, human rights violations, and environmental destruction associated with production plants in developing countries. Meanwhile, there is mounting consumer interest about food safety as well as the social and environmental impact of material procurement. Under these circumstances, provision of goods and services that offer high levels of reliability and satisfaction to consumers and clients requires knowledge of the activities of our business partners.

For these reasons, we are not only promoting CSR activities ourselves but also pursuing CSR management in the entire supply chain.

Since we have transactions with numerous business partners, it would be very difficult for us to get a firm grasp the nature of CSR problems at all of them. There is also some question about the extent to which we realistically ought to be responsible for procurement sources. Be that as it may, we want to ascertain the current situation at as many business partners as possible and practice CSR management for a sustainable supply chain.

## Examples of our initiatives

### Assurance of traceability for materials

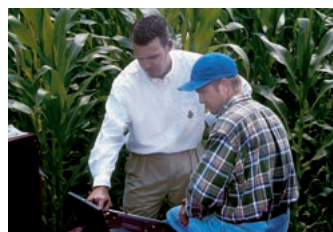
#### Traceability network for corn and soybeans

Two ITOCHU group companies are handling corn and soybeans in the United States. Illinois based Quality Technology International, Inc. provides products and services for farming, foods, feeds, and the technologies to develop the products, and Louisiana based CGB Enterprises, Inc. provides overall logistics, transportation and bulk commodity services.

In fields such as non-genetically modified corn and soybeans, special soybeans for tofu, miso (soybean paste) and soy milk, these two companies jointly concentrate on high quality grain and deliver the products to Japanese end users who utilize the grain to add more value in their operation. The crops

are produced and delivered under tight control on the use of agricultural chemicals, harvesting, and storage.

This integrated distribution system links the farmers, transporters, and customers in Japan functions organically, and customers give their confidence to our traceability network from farm to table.



Giving Instructions on cultivation, use of chemicals, and identity-preserved handling to a farmer



Checking the quality of received grain at CGB

### Traceability network for paper materials

Our Paper Materials & Products Department visits our suppliers and undertakes questionnaire surveys in the interest of traceability, and obtains information from them on an ongoing basis.

To assure our supply of paper materials and alleviate environmental burden, we are investing in reforestation projects in countries including Australia, New Zealand, Vietnam, and Chile. Thus far, we have helped to plant trees over a combined area of some 80,000 hectares, and are establishing a system for proper forest management.

In addition, we preferentially trade with suppliers that have been certified for forest management by the Forest Stewardship Council (FSC) and other international institutions and encourage uncertified suppliers to obtain such certifications (see page 18).



FSC certificate awarded to Cenibra



Chain of Custody (CoC) certificate (for management of processing and distribution)

## Selection of suppliers

### Management of suppliers in China

The main sources for procurement by our Textile Company are our group companies overseas, especially in China. In dealings with buyers, mainly in Europe and North America, that have their own standards for supplier selection, we choose suppliers that faithfully follow those standards. Even for buyers that do not have fixed standards, we select suppliers upon consideration of their requirements in all aspects, including the labor environment as well as price, quality and delivery of products.

In the fiscal year ending March 2007, we are planning to launch a phased fact-finding survey of the supply chain, beginning with the major suppliers, in cooperation with our overseas offices. This is to be followed by the establishment of our own selection standards, discerning which suppliers are suitable for us, and selecting qualified suppliers.

## Improvement of the labor environment at suppliers

### Closer checking of the labor environment

These days, there is a growing call to give more consideration to the labor environment and human rights in the supply chain overseas.

Our Textile Company deals with many buyers that already have their own auditing guidelines. On this front, we are encouraging our suppliers to make improvements and comply with labor laws. Nevertheless, we have not yet developed a company-wide approach sufficient to induce improvement of the labor environment throughout the supply chain.

We regard the social aspects of procured products (including labor safety and protection of human rights) as important CSR issues. In our phased fact-finding survey starting with major suppliers, we plan to make closer checks of the labor environment and work for improvements.

## For provision of high-quality products

### Rigorous quality control

ITOCHU Corporation also realizes that rigorous quality control is a vital CSR priority. Our core group companies of the Textile Company, which are in charge of an integrated system of production from raw materials to finished apparel in China, have already posted full-time quality control officers for each factory to their regional offices, in order to keep a close eye on the factory management on behalf of the headquarters of ITOCHU Corporation. We have positioned the establishment of quality control guidelines as well as standards for supplier selection as a mid-term objective, in order to purchase products that consumers can trust from reliable suppliers.

## Voices from our business partners



**Kenji Kanda**  
Executive Officer  
Raw Materials & Purchasing Division  
Oji Paper Co., Ltd.

We at the Oji Paper Group consider environmental problems to be one of our chief management concerns, and have prepared a Basic Policy for our Environmental Charter. To put this policy into practice in our routine business activities, we have formulated our Environmental Action Plan 21, which extends to 2010 as the year for attainment of its targets. The Plan's targets include planting a combined area of 300,000 hectares overseas for forest recycling, as well as recycling more paper and reducing the unit consumption of fossil energy. To reach these goals, we are extensively involved in reforestation projects in Australia and New Zealand along with ITOCHU Corporation. And in Brazil, we are running an integrated pulp plant beginning right from the eucalyptus trees with the participation of ITOCHU and other major paper and pulp manufacturers from Japan. We have obtained FSC certification for almost all of our reforestation projects, and are aiming for a 100-percent certification rate for such projects overseas. We are committed to procuring raw materials from sustainable forests in cooperation with ITOCHU Corporation.



Eucalyptus forest planted in Brazil

# Involvement with Employees

It is of paramount importance for ITOCHU Corporation's ongoing advancement that we recruit and cultivate diverse human resources on an international scope, regardless of sex, nationality, and age.

To this end, we are creating work environments conducive to the full exercise of our employees' capabilities, in order for them to feel motivated and fulfilled.

## ITOCHU Corporation's human resources policy

In 1999, we revised our personnel affairs system to its current state; the revised system is designed to maintain competitiveness by maximizing the capabilities of all employees, with each sharing the same values and objectives as well as motivation and sense of fulfillment. Under this system, we shifted evaluation criteria from an individual employee's ability to his/her job performance, by placing importance on job duties, responsibilities and results. We also emphasized the placement of the right employee in the right position based on his or her aptitude, ability, and desires, and the recruitment and cultivation of diverse human resources regardless of sex, nationality, and age.

## Recruitment and cultivation of diverse human resources

### Formulation of a plan for human resource diversification

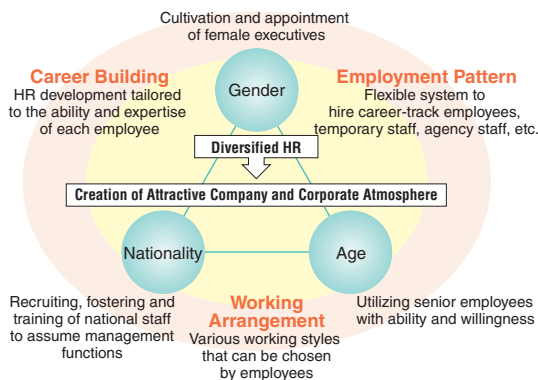
In order to thrive in the current environment of economic globalization, and under ITOCHU's group management, it is essential that we effectively utilize human resources to meet the demands of each industry or field. This is why we prepared a plan for human resource diversification in December 2003. This plan is aimed at making the best use of diverse human resources regardless of sex, nationality, and age. The specific measures include the hiring and training of women in career-track jobs, the cultivation of national staff, the utilization of senior employees, and the extensive employment of mid-career workers.

As a result of our efforts for human resource diversification, ITOCHU Corporation was commended by the Minister of Health, Labor and Welfare for actively hiring the disabled in the fiscal year ended March 2002 and by the Director-General of the Tokyo Labor Bureau for promoting gender equality in the fiscal year ended March 2006.



A ceremony to commend companies for promoting gender equality

### Creation of an attractive company and corporate atmosphere

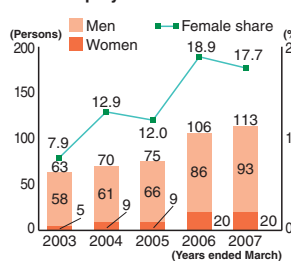


## Cultivation and appointment of female employees

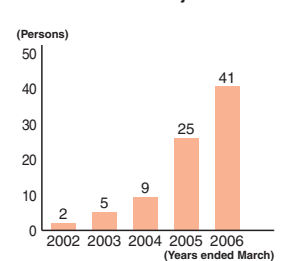
In the plan for human resource diversification, the active cultivation of female executive is an important task. Achievement of this task requires an increase in the number of women in career-track jobs. As such, we have set two targets: 1) doubling the rate of career-track women to all female employees to 5.0 percent of all career-track employees by March 2009, and 2) increasing the percentage of newly hired career-track women of all newly hired career-track employees to 20 percent. We are making smooth progress toward the first target; the aforementioned rate rose to 3.7 percent as of April 1, 2006. As for the second, the rate in question reached 18 percent among women who joined the company in the fiscal year ending March 2007.

In addition, we are preparing individual career development plans (CDP) for all women in career-track positions and periodically reviewing the plans to ascertain the state of progress. We have also started a mentor system in the fiscal year ended March 2005, under which senior employees offer advice and experience to junior employees and stand ready to counsel them across departmental boundaries.

### Number of newly hired career-track employees



### Number of mid-career employees hired for career-track jobs



## Mentor program

The mentor program introduced in the fiscal year ended March 2005 is designed to present role models to younger female employees and actively counsel them about concerns unique to them, in addition to cultivating women for executive positions. In the fiscal year ended March 2006, we placed high priority on the participation by management executives in the program, appointed management executives as executive mentors, and had them begin mentoring services for women in career-track jobs. As a part of the program, we held lectures at which outside female executives were invited to speak. In the fiscal year ended March 2006, the audience heard lectures by Ms. Mitsu Kimata, President of the NPO, Joshi-Kyoiku-Shoreikai (The Society of Promoting Women's Education and Leadership), and Ms. Louise Francesconi, Vice-President of the US firm Raytheon Company.



Lecture by Ms. Kimata on the theme of harnessing female energies for Japan's economic revival

## Hiring of the disabled

In 1987, we established ITOCHU Uneedus Co., Ltd. as a special subsidiary based on the Law for Employment Promotion, etc. of the Disabled, to provide opportunities for people with physical or other disabilities. Since the establishment of ITOCHU Uneedus, we have maintained a high level of hiring the disabled. As of April 1, 2006, the rate of our employees with disabilities to total employees was 2.2 percent (as compared to the legally required rate of 1.8 percent).

## Recruitment and cultivation of national staff\*

We are actively nurturing national staff as promoters of business development in their respective countries, versed in the local condition and culture. In our Global Leadership Program (GLP), we educate executive candidates to be management leaders while helping them experience the ITOCHU Way. In addition to this program, we have established other training programs on various levels to provide national staff with the opportunity to acquire the additional knowledge and skills. The programs also provide us with the opportunities to convey the ITOCHU's Corporate Credo and Code of Conduct, to be shared by all members of the ITOCHU Group.



Scene of national staff training

## Training programs

In keeping with our conviction that human resources are our most precious assets, we have devoted significant resources to employee education and training. The development of managers over the medium and long term is a key priority for the promotion of consolidated management, and we provide training to instill our junior and middle-ranking employees with management-related skills. To bolster consolidated and global management, we also offer training to group company employees and national staff, as well as programs for taking advantage of an increase in mid-career hires.

## Human resource development policy and training

HRD framework	Fields for reinforced training	Specific programs
1. Cultivation of executive candidates over the medium and long term	Cultivation of managers	Managers school, management training, business professional course
	Fostering of business leaders	Leadership training (second year, fourth year, ninth year, advanced, and executive), instructor training
	Company-wide embrace of the management mission	Training for managers (assessment training, organization management)
2. HRD for better consolidated / global management	Cultivation of group company employees	Training held by the Affiliate Administration & Risk Management Division (study groups etc.), study groups for newly appointed directors of group companies, etc.
	Cultivation of national staff	Headquarters training (GLP, GSP, NS), host-country training (China, other Asian countries, etc.)
	Cultivation of global human resources	Pre-assignment training, training for staff posted overseas, overseas dispatch of new personnel, dispatch of language trainees, dispatch of OJT trainees, dispatch of MBA trainees
3. HRD linked to diversity and career visions	Cultivation and utilization of diverse human resources	Training for support of career visions, training for specialists
		Mentor program, training for mid-career hirees, training for administrative positions

\* National staff is locally hired staff at overseas offices.

## Creation of environments conducive to work

### Support to maintain balance between work and family

In response to demographic trends, and to effectively utilize diverse human resources, we are working to create a pleasant work environment that allows employees to strike a balance between work and caring for their children or for elderly family members with peace of mind. Although we have implemented various systems to support childcare and eldercare, we saw a need to better communicate their availability and deepen the understanding of managers and colleagues in order to encourage more employees to take advantage of them. For this reason, in the fiscal year ended March 2006 we prepared customized pamphlets for managers, male employees, and those making use of these systems. We also continue to educate managers through training programs.



Childcare and eldercare handbooks

### Career counseling

Our Career Counseling Center was instituted in 2002 for the purpose of creating a climate conducive to employee consultation about all sorts of career matters. Four professional counselors and others in the office provide career-related advice and assistance from an expert viewpoint, based on consulting employees' job experience and aptitude. The office also offers such services as training for managers and individual consultation.

### Assessment systems

Besides a scheme of management by objectives (MBO), in which individual performance is reflected in pay, we apply a human resource assessment system, aimed at positioning the right person in the right job and developing human resources. This system allows each employee to engage in a full and frank dialogue with his or her manager, and annually review his or her own capabilities, aptitude, and expertise in order to shape plans for future transfer and career development. We commenced a multifaceted monitoring system in the fiscal year ended March 2005 to give managers a chance to gain others' perspectives on their management behavior and style, based on feedback from their subordinates. In these ways, the assessment systems play a vital role in stimulating in-house communication.

## Involvement with Employees

### Prevention of harassment

In 2000, we established an Employee Relation Center, which handles questions and complaints about sexual harassment and other problems on the job. To raise employee awareness in this area, in 2004 we added an explicit prohibition of sexual harassment to the service discipline section of our company regulation. We also conduct an annual seminar for managers in order to strictly prevent sexual harassment and other problems.

### Support for mental health

Realizing the importance of preventive measures when it comes to mental health problems, in 2005 we initiated a stress management program to help employees recognize elevated stress levels at an early stage.

We have also made arrangements that enable employees to receive professional in-house counseling from psychiatrists or clinical psychologists. Additionally, we have set up a committee for health management composed of industrial medical personnel, representatives of the Human Resources Division, and managers of concerned units. This committee ascertains the status of employees on long-term leave due to injury or illness at regular intervals, and offers systematic support for their return to the job.

### Our initiative for diversified work styles

In 1995, we introduced a flextime system throughout ITOCHU Corporation to respond to diversified work styles of our employees and prepare a climate more conducive to work. Under this system, it is up to our employees themselves to decide when they start and stop working. As part of our effort to build a more conducive working environment, and taking into consideration legal compliance and health management, we try to prevent excessively long hours. In collaboration with the labor union, we conduct annual reviews of situations with regard to overtime work without pay and observance of Article 36 of the Labor Standards Law, and endeavor to resolve any problems. We also strive to raise awareness about related issues among managers through training sessions.

### Workplace environment in overseas offices

To protect the safety of employees posted to other countries and their families and to prevent accidents, we established an Overseas Security Management Center (OSMC) in 1998. The OSMC leads various activities including the collection and provision of information on overseas risks, the publication of safety manuals, and the offering of safety instructions in training for personnel before leaving Japan.

We have built a system for swift communication to ensure the safety of our employees and their families in the event of emergencies such as accidents, natural disasters, and terrorism. In addition, we are partnering with emergency medical service companies in preparation for such emergencies.

## Our initiatives with labor unions

### Labor union

At ITOCHU Corporation, the management team and corporate labor union share the management vision and the basic goal of fully exercising employee capabilities and making the company better. We consider it important to develop a close dialogue with, and provide full explanations to, the labor union, and actively engage in communication with it.

In the fiscal year ended March 2006, we provided opportunities for the labor union members to discuss with the President & CEO as well as management members of each of our four Division Companies on management. In advance of these conferences, the labor union conducted hearings and a survey with its members to gather opinions and questions for discussion with the management team. The topics for such discussion include not only concerns about staffing affairs, such as the utilization and development of human resources, but also all management aspects, including ITOCHU Corporation's management vision, business strategy, and risk management. The details of the discussions at these conferences are later summarized and provided to our employees. In addition to such conferences, we also hold other gatherings under such themes as account settlements and plans for human resource diversification.

### Message from the labor union



Hirohisa Otomi  
President  
ITOCHU Labor Union

CSR activities are at the center of ITOCHU Corporation's Credo of being "committed to the global good." They are also the subject of expectations by its broader stakeholders, including clients, shareholders, employees, communities, countries, and the whole world. The creation of a work environment in which employees can work with motivation and a sense of fulfillment is part of CSR activities as well as a top priority for our union. However, we intend to go further and participate in a wide range of CSR activities in partnership with the management team on a corporate-wide scale and from the medium- and long-term perspectives. It is our belief that these activities will eventually increase our corporate value and the satisfaction felt by the employees and all other stakeholders.

# Dialogue with our employees in Company-Wide Employee Meetings

Company-Wide Employee Meeting ("CWEM") has been held semi-annually since 2001. CWEM is held at our headquarters in Tokyo and Osaka on a designated weekend, which enables our employees to attend voluntarily so that they may have an open and pro-active dialogue with our President & CEO as well as our Directors and Officers. Our employees in distant offices can also take part via videoconference systems or Internet connection linking the headquarters with venues in overseas offices and domestic branches and offices.

## Breeding solidarity and cohesion through participation in CWEM

ITOCHU Corporation has been proud of a long-standing and wide reputation of our open, transparent, and straightforward communication among employees. However, the business environment surrounding us has been changing quite rapidly, and we recognize the increasing importance of our internal communication as a key element for success. Our President & CEO wants to express his own enthusiasm and expectations directly to our employees; employees, in turn, are eager to voice their views directly to top management. Thus, CWEM was born. Through CWEM, our employees learn the perspectives of our top management directly, while our top management can address the frank questions and opinions of our employees. In the context of corporate life, where employees often merely listen to what their superiors say, the meetings are precious occasions for dynamic two-way communication.

The videoconference systems and Internet connections enable not only our employees in domestic branches and offices but also those posted in all parts of the globe to join CWEM, emphasizing the world-wide presence that is one of the strengths and characteristics of a *Sogo Shosha*. The meetings therefore help to strengthen the solidarity and cohesion among us.

## Extensive exchange of views between management and employees

Our CWEM in the first half of the fiscal year ending March 2007 was held on May 14 (a Sunday) at the Tokyo and Osaka headquarters, with videoconference system links to Bangkok and Beijing. In spite of the rainy weather, about 1,300 employees participated. The meeting began with a presentation of the results for the fiscal year ended March 2006, in which we posted a record-high profit, and the financial plans for the fiscal year ending March 2007. A presentation on the "ITOCHU DNA Project for business process reengineering" followed, with a subsequent Q&A session that lasted for about 80 minutes. The Q&A session was quite successful, as young employees in particular voiced various questions and opinions which lead to constructive and forward-looking discussions among the CWEM attendees.

The meeting closed with a stirring statement by our President & CEO, who called upon all employees to share objectives set by each unit, and to take up new challenges with enthusiasm and conviction.



## Notable questions from participants and responses to them

**Q1** About the ITOCHU DNA Project : "I strongly back the idea of the reengineering of business process. But I assume that the 'DNA of ITOCHU,' the essential of ITOCHUism, must be the independent sprits of traditional Omi merchants and powerful individual capabilities. So I am rather afraid that excessive standardization might destroy our aggressiveness and even make the business less efficient. President & CEO Kobayashi, what do you think about this?"

**A1** "The term 'DNA' has two meanings. In the first place, it stands for 'Designing New Age,' aiming to show the future ITOCHU what it should be in ten or twenty years from now. In the second, it expresses our efforts to enhance the 'DNA of ITOCHU,' which has survived and evolved over 150 years. The increase in efficiency through standardization enables us to spend more time for strengthening our original 'DNA' eventually. Our essential 'DNA' shall never be neglected or weakened. We are going to listen to all of your views as we promote this project. We are confident that the participation by all of our employees shall be the key to success of this ITOCHU DNA Project."

**Q2** "I belong to the Textile Company, and we are vigorously deploying our strategy to expand our retail-related business. I would like to ask the Executive Officers of the other Division Companies about their opinion and strategy in this business field."

**A2** President Tanaka (Food Company): "The businesses of Food Company also stand close to the retail markets. Our strategy is to build vertically integrated business chains extending from raw materials, productions, intermediate distributions, and further to retailing. For the execution of this strategy, it is crucial to get a firm grasp of consumer needs. For example, one key goal of tie-up with FamilyMart, is to gain a better understanding of consumer trends. However, we have to admit that we could not run supermarkets by ourselves, due to lack of enough human resources and know-how. We should build strong ties with retailers, and our function shall be focused between the upstream and midstream of value chains to support the sustainable growth of our retailers." (The answers from other Division Companies are omitted.)

## Thoughts on the CWEM

It was at the CWEM held shortly after when I joined ITOCHU that I raised my hand and asked a question to the former president Mr. Niwa. I saw the meeting as a precious opportunity for direct dialogue with him, and was determined to take advantage of it.

The chance for such dialogue with the President & CEO and other executives of the Division Companies gave me the strong impression of openness and communication characterizing ITOCHU's corporate culture. Employees who have something to say are free to do so. In my opinion, this meeting for all employees featuring face-to-face interchange is a precious venue these days, when the very definition of 'communication' has become blurred. I hope to continue building up ITOCHU Corporation through these meetings.



Hiromu Fukunaga  
Industrial Textile Section 1  
Industrial Textile Department  
Textile Company

# Social Contribution Activities

One of the three pillars of our Credo is the "societal benefits," that is, the building of societies that are enriched and more fulfilling.

To achieve these benefits, we are committed to retaining an international perspective, remaining aware of the role we must play as a good corporate citizen, and contributing to society both inside and outside Japan.

## Outlook on social contribution

We at ITOCHU Corporation want to contribute to society through our business, and recognize the importance of activities for this purpose. In addition, we believe that, as a member of society, we should make an effort to contribute to society even outside our business, by looking for solutions and improvements with regard to social issues.

Out of our conviction that companies must be groups of employees with a high civic awareness, we are also actively supporting volunteer activities by our employees.

### ITOCHU Corporation's Basic Ideology on Social Contribution Activities (revised August 26, 1997)

In order to realize the "societal benefits" which are an integral part of its corporate credo, ITOCHU not only carries out social action as a company, but also fully supports the independent social work of its staff.

#### Areas of Activity

- |                               |                                    |
|-------------------------------|------------------------------------|
| 1. Social welfare             | 4. Education, culture and the arts |
| 2. International exchange     |                                    |
| 3. Environmental conservation | 5. Community activities            |

## Social contribution through business

As ITOCHU Corporation is a private enterprise, it is, first and foremost, through our business that we aim to make a contribution to society. Based on this outlook, while our Division Companies each develop CSR activities, we intend to steadily build up an aggregate both of social contribution through their operations and of businesses that are of great worth to society as a whole.

ITOCHU Corporation has concluded partnerships with the prefectural governments of Gifu, Fukui, Shimane, Miyagi, and Mie, and is assisting local firms that are distinguished by outstanding features or new technologies. Such local business interaction ranges from investment in excellent indigenous firms to expansion of sales channels and human resource development drawing on the know-how of the ITOCHU Group.

Under the MOTTAINAI Campaign, we are donating part of the profits from commercialization of the MOTTAINAI brand to the movement for building green belts in Africa. In connection with the MOTTAINAI THANKS BAND, the first in the line of official goods, we are supporting employment opportunities for women in Kenya by consigning the production to them, in the spirit of the "Jobs for Housewives" movement aimed at helping women become more economically self-sufficient. In these and other ways, we are making a positive contribution to society, the environment, and communities.



Electric vehicles developed by ZEROSPORTS Co., in which ITOCHU made investments through its partnership with the Gifu Prefecture. The vehicles were used for transportation at Expo 2005 Aichi, Japan.

## Separate activities of social contribution on the corporate level

Besides contributing to society through our business, ITOCHU Corporation makes social contributions outside the business context on its own initiative in keeping with its status as a good corporate citizen. In the pursuit of such activities, we take action after first clearly defining the fields where we can best play a role in the society through programs applying our infrastructure and human resources, for example.

### Approaches in Japan

#### Disaster relief

The fiscal year ended March 2006 was a year of many disasters in various parts of the world, such as the earthquake in northern Pakistan and Hurricane Katrina in the United States. With a keen awareness of the urgency of post-occurrence situations, ITOCHU Corporation furnished support in the form of donations and material aid for the affected areas. Our employees actively engage in donation activities, with matching donations contributed by ITOCHU.

#### Food supply

To alleviate the chronic hunger and poverty caused by disasters and war, if only a little, we became a trustee of the UN World Food Program (WFP) Association, a certified non-profit organization (NPO) that assists the WFP (the only UN institution that furnishes food assistance) and began supporting the association in the fiscal year ended March 2006.

#### ITOCHU LOBBY CONCERT

Each year since 1992, we have asked the New York Symphonic Ensemble to perform at the ITOCHU LOBBY CONCERT, which we stage in our Tokyo headquarters. We also invite people from the community, as well as from facilities for the physically challenged, to come to our offices for the concert. To assist the challenged guests, we solicit volunteers from among our employees to work together with students from Kyoritsu Women's University and Junior College.



Guests invited to the concert

#### Support for basic research to prevent global warming

In cooperation with group companies, we have continuously provided the University of Tokyo's Center for Climate System Research with research support since 1991. Similarly, once each year since 1992, we have staged the ITOCHU Symposium, in which faculty members from the University of Tokyo explain climate issues in simple terms. The Symposium is also open to people from outside the company, and is part of our activities for education and enlightenment about the problem of global warming.

### Summertime environmental classes

Since 1992, we have been offering assistance for free research during summer vacation to elementary schools in Minato Ward of Tokyo, in keeping with our goals of educating the next generation, harmonizing with the community, and encouraging volunteer work by employees. In cooperation with the Minato Ward Board of Education, we issue a far-reaching call for participation in the classes.

### Approaches at overseas offices

#### ITOCHU International Inc. (USA)

In 1993, one group company of ITOCHU International Inc., pledged to assist all members of a fifth-grade class in a low-income district of New Jersey with their tuition up to and including college. Ever since, ITOCHU International Inc. has upheld this promise and provided the aid. Eight of these students graduated from college in June 2005, and a commemorative reception for them was held at the offices of ITOCHU International Inc. in July 2005.



Scene at the reception celebrating graduation

#### ITOCHU MINERALS & ENERGY OF AUSTRALIA PTY LTD. (Australia)

In Pilbara, Western Australia, we present the ITOCHU Junior Sports Award each year to children and sports clubs they belong to in the local community. On the day of the presentation, a company representative gives certificates and monetary awards to the winning children and their clubs, and also the runners-up.



Presentation of the ITOCHU Junior Sports Award

### The ITOCHU Foundation

The mission of the ITOCHU Foundation is to nurture the sound development of children to lead the way into the next generation. It furnishes aid to private-sector groups such as the Association of Children's Libraries, which promote reading and related guidance for children, as well as the activities of individuals. So far, it has extended aid worth over 760 million yen combined for a total of 1,055 cases.

- Aid for purchase of children's books ..... 869 cases
- Aid for 100 children's books ..... 178 cases
- Training aid for the cost of holding training programs etc. .... 8 cases

### Employee volunteer activities

We believe that independent action by each of our employees as good citizens will help to make ITOCHU a good corporate citizen. We therefore actively support volunteer work by our employees on their own initiative as citizens. Besides arrangements for volunteer work leave and holidays, we have a scheme whereby the company matches employee donations for disaster relief to certain organizations, and offers subsidies for employee seminar fees.

#### KIDS Project

Our employees participate as escort volunteers in the KIDS Project conducted by the NPO Knowing Is Doing Something (KIDS), which helps children with disabilities spend a day at Tokyo Disneyland. We pay for half of the expense of participation and recognize it as an activity eligible for volunteer leave.

#### Tokyo Sports Festival for the Disabled

Our employees also participate as care volunteers in the Tokyo Sports Festival for the Disabled. In the fiscal year ended March 2006, our volunteers numbered 10, and the Food Company donated 2,004 bottles of Evian bottled water. Since 2002, we have been in charge of caring for athletes from Soleil Hana no Sato, a facility for the mentally challenged headed by a former employee from ITOCHU.

### Activities of the "Fureai no Network"

The Fureai no Network is a volunteer organization that was set up by employees in 1994 under the watchwords of "Just do what you can." It consists mainly of four subcommittees, and does all the planning and execution of its activities itself. Members of the Reading Aloud Subcommittee make monthly visits to the Pearl Community Center for Seniors, to read books aloud to the elderly there on day service. At the Disaster Rescue Meeting, which is held once a month, employees acquire the knowledge and know-how needed in the case of disaster. In the fiscal year ended March 2006, the meeting staged a seminar that included a simulation of the difficulty of getting back home in the wake of a disaster and took up lifeline issues. The Network also contains the Nature Watch Subcommittee for observation of nature and the wildlife, and the Grassroots Subcommittee, which sends calendars and notebooks at the end of year to elderly residents of temporary housing in those neighborhood in Kobe that were most severely affected by the Great Hanshin Earthquake and to residents of Yamakoshi village, which was severely damaged by the Niigata Chuetsu Earthquake.



Charity bazaar on Asahi Beer Evening