

ITOCHU Corporation's 150th Anniversary and the Roots of CSR, *Sampo Yoshi*

In 2008, ITOCHU Corporation celebrated the 150th anniversary of its founding.

ITOCHU Corporation has been able to continue growing because for 150 years it has put into practice the spirit of the Ohmi merchants' *sampo yoshi* management philosophy, which is the wellspring of its CSR initiatives today. Further, ITOCHU Corporation has prospered because while changing in step with evolving social conditions, it has built a corporate culture of anticipating change and viewing change as an opportunity.

Our founder Chubei Itoh and *sampo yoshi*

ITOCHU traces its origins back to 1858, the year in which Chubei Itoh set out from Toyosato Village in Shiga Prefecture on a journey to Nagasaki as a traveling linen merchant.

Chubei Itoh grounded his business in the spirit of *sampo yoshi*, a management philosophy embraced by merchants in the feudal province of Ohmi, where he was born. In adherence with their *sampo yoshi* philosophy, as well as being good for the seller and the buyer, Ohmi merchants contributed to the economies of the regions they visited. In the shogunate era, Ohmi merchants came into existence and their economic activities were permitted because they were regarded as being good for society. This can be said to be the roots of today's idea of CSR, which calls on companies to balance their business activities with the interests of a variety of stakeholders. That spirit is evident in Chubei Itoh's personal motto, "Trade is a compassionate business. It is noble when it accords with the spirit of Buddha by profiting those who sell and those who buy and supplying the needs of society."



Our founder Chubei Itoh (1842-1903)



Ohmi merchants (courtesy of Museum of Ohmi Merchant)

The roots of a management philosophy passed down for 150 years

Our founder Chubei Itoh established a "store law" in 1872. Also, he adopted a meeting system. The store law was a set of house rules covering what in modern parlance we would call management philosophy, a human resources system, and employment regulations, which subsequently became the foundation of ITOCHU Corporation's management philosophy. Emphasizing communication with employees, Chubei Itoh chaired meetings himself. Moreover, he incorporated a series of what were at the time groundbreaking management systems,

including the codification of "sharing of profit by three parties"* and Western bookkeeping methods. Those initiatives built the foundations of mutual trust between the store owner and employees. Since that era, we have based our corporate management on CSR.

* Sharing of profit by three parties: In a predominately feudal era, this was an extremely progressive philosophy of sharing profits with employees. The store's net profit was divided among three parties: the store owner, the store's reserve fund, and store employees.



A daifukuchō ledger from the time of ITOCHU's founding

150 years of history and CSR

Since its foundation, ITOCHU Corporation has consistently thrived despite the turmoil it has faced in different eras, including two world wars and periods of economic volatility.

Launched as a trading company mainly handling textiles, ITOCHU Corporation has fulfilled the role of a trading company that has responsively changed according to the demands of each generation while significantly changing its product and business portfolios—expanding its sphere of influence to include areas from upstream raw materials through to downstream consumer sales. As it has grown, ITOCHU Corporation has evolved into a general trading company and from there into a globally integrated corporation.

We are convinced that our history has continued for 150 years because we have surely upheld and passed on the spirit of *sampo yoshi* while remaining an essential component of society by responding to changes in its expectations in different eras.



"Itoh Itomise" thread and yarn store at the time of its opening in 1893