



PRESIDENT'S COMMITMENT

Eizo Kobayashi, President and Chief Executive Officer

There are contributions to the world that only a *Sogo Shosha can make. To inherit ITOCHU's DNA, *sampo yoshi*, for the next 150 years and to keep growing.**

A rearranged ITOCHU Credo to ensure further growth for the next 150 years

Last year, ITOCHU celebrated the milestone of the 150th anniversary of its foundation. Looking back on these 150 years, I believe that the origin that enabled us to grow and develop is the spirit of *sampo yoshi*. One could call it a tradition of ITOCHU that we always ask ourselves whether a business is truly good for society. To have all employees share this basic spirit, we established the ITOCHU Credo “*Committed to the global good.*” in 1992. At this milestone of 150 years, we reorganized this Credo to *ITOCHU Mission and Values* in March 2009 in an effort to rearrange the conceptual system in an easily comprehensible way and disseminate it on a wide basis including overseas, while passing on the traditions of ITOCHU (see pages 5-6).

During 150 years, ITOCHU inherited a DNA of three basics: a spirit of challenge facing new things and changes; putting continuous efforts into human resources development; and becoming a good corporate citizen with the spirit

of *sampo yoshi*. To continue our development over the next 150 years, I believe that we need to add two perspectives to these: how we should act as a *truly global enterprise*; and whether we understand diverse value concepts.

The new *ITOCHU Mission* incorporates the belief in further growth toward the *future*, and holds up five Values: *visionary, integrity, diversity, passion and challenge*. We further established “5 self-tests” to ensure that every single employee practices these value concepts by constantly asking himself or herself questions. ITOCHU will fulfill the Mission “*Committed to the global good.*” on basis of this reorganized conceptual system.

Learning our lesson from the financial crisis, we will strengthen our footing and run our business so as to respond to society's expectations

The base of economic activity is serving society by delivering items from places where they are superfluous to places where

they are scarce. This is real economy. On the other hand, finance should originally be supporting the real economy in the background. However, the financial markets broke away from real economy, absorbed the money of the world and inflated in an excessive way. I think that this is the cause for the recent financial crisis.

Today, various events of all over the world are spread quickly due to the development of the internet society, and this results in everyone reacting in the same way at the same time. Since there is no time lag between information and reaction, the financial crisis was instantaneously known all over the world, and everyone suddenly braked hard. When considering these facts, it should be possible to understand the factors that are creating the present economic situation.

The recent financial crisis taught a very significant lesson to our business world. If we make sure that we thoroughly understand this lesson, we should be able to build a healthy global economy without making the same mistake twice. The real economy is the base. I believe that we all have to ensure that we stand firmly on our feet all the time. Only giving the very best for each single project to contribute to the customer will bring a return. And the accumulation of this is the operation of a company.

We will pursue fair corporate activities always considering that we have to respond to the expectations of our stakeholders.

Responding to environmental problems or rapidly changing world situations is one of a *Sogo Shosha's* strengths, and a role that we should fulfill

I think that when considering environmental problems of the future, the key idea is “finding existing things” rather than “asking for non-existent things.” For example, Japan does not have any oil, but unlimited energy sources such as the sun, geothermal heat, wind, waves and others. It may still take some time, but we intend to work for the effective use of these kinds of natural energy. In addition, Japan has yet another strength: technology. I think it is highly probable that our technology will be able to lead the world in resolving environmental problems.

Meanwhile, the energy problem cannot be resolved by using just one method. Some companies are good at wind power generation, some have bio-ethanol technology, and some work on solar power generation. Connecting this kind of multiple companies and finding general solutions. It is *Sogo Shosha* who can fulfill this role. ITOCHU is in the position to provide solutions tailored to the specific local conditions, together with various options to help people all over the world to lead an even better life in the future.

The expansion of the information society has changed not only the environment but also the way of how the changes take place. First, a change with a large impact occurs at an extremely high speed, and this spreads like a tidal wave around the world in an instant. Moreover, the changes happen not only in one industry but involve industries of various fields. When considering this, I believe that *Sogo Shosha* can contribute today more than they could ever before. We will

embrace this important role that we must fulfill for society and pursue business activities that contribute to the world.

Companies belong to society, and we incorporate CSR activities into our business as a corporate citizen

Overseas supply chains may involve issues of human rights, labor, environment, and other problems that we should pay attention to. To address these problems through its business activities, ITOCHU supports the principles of the “Global Compact” advocated by the United Nations and announced participation in April 2009. As a concrete policy regarding our supply chain, we further established “CSR Action Guidelines for Supply Chains.” We think that a *Sogo Shosha* has a significant role and obligation in contributing to resolving social problems as a good corporate citizen, balancing the supply chain as a whole, instead of procuring simply from the vendor offering the lowest price. Supply chain management is a key measure for CSR also in our mid-term management plan.

Meanwhile, when thinking about problems in Japan as supply chain issues and tasks for us as a *Sogo Shosha*, the greatest issue probably is the development of agriculture. Agriculture in Japan is facing structural problems such as an aging agriculture workers and poor profitability. I believe that we can offer a solution to the problems of agriculture by bundling the procurement of material from regions all over Japan, taking advantage of our network of group companies for a stable product supply, and building a supply chain that benefits both producers and retailers in a win-win constellation. We intend to contribute to society also through building this kind of business framework.

Just as ITOCHU has been doing during the 150 years up to now, we always incorporate CSR into our business plans. Companies belong to society. Only those companies can survive that are good corporate citizens and contribute to society. We will continue to promote business that is integrated with CSR to enjoy further growth also in the next 150 years.

* *SogoShos ha*: General Trading Company For business activities of ITOCHU as *Sogo Shosha*, please see page 23.

