

OUR INITIATIVES FOR THE ENVIRONMENT

As a company involved in wide-ranging businesses worldwide, ITOCHU Corporation positions global environmental problems as one of the top priority issues in its management policy. To this end, we promote environmental preservation activities to help make a sustainable society possible.

Environmental Policy

ITOCHU's environment preservation activities are based on its Environmental Policy. The policy was last revised in May 2010.*

* Revisions clarified initiatives to be taken by the ITOCHU Group and the Group's concern for preserving biodiversity.

<http://www.itochu.co.jp/en/csr/environment/policy/>

□ ITOCHU Group Environmental Policy

Environmental Management

In 1997, ITOCHU Corporation became the first trading company to establish an environmental management system (EMS) based on ISO 14001, and we continue to work to improve our EMS. Specifically, the system controls and manages targets through a yearly PDCA (plan-do-check-act) cycle of setting targets for preventing environmental risk; evaluating and analyzing progress; and acting to achieve our targets.

Conducting In-House Environmental Audits

Our in-house environmental audits for fiscal 2011 based on ISO 14001 cover currently a total of 73 departments. Findings from the audits, conducted over roughly six months, are instrumental in preventing environmental risks from materializing. Audit teams are comprised of members of the CSR & Global Environment Department and employees qualified to serve as in-house environmental auditors (423 registered individuals). These teams carried out their work this fiscal year as well with an emphasis on auditing legal compliance. This fiscal year marked the introduction of a new auditing approach—a combined format in which two or three departments were audited at once. This approach not only boosted audit efficiency but heightened audit effectiveness by encouraging mutual understanding of other departments.

Results of External Inspections

Each year, ITOCHU is inspected by the Japan Audit and Certification Organization for Environment and Quality (JACO) in connection to ISO 14001 certification. The fiscal 2011 inspection was to retain certification. The outcome of the inspection was an overall "improvement" grade and continued certification, based on an acknowledgement of ongoing system improvement efforts by ITOCHU.

<http://www.itochu.co.jp/en/csr/environment/management/>

□ Environmental Management System
□ ITOCHU Corporation's Environmental Management Organization

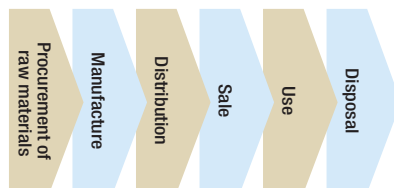
Precautionary Approach to Environmental Risks

In addition to evaluating environmental risks of the products we handle, we are committed to taking a precautionary approach to environmental risks. This commitment also extends to ITOCHU Group companies, reflecting the need to identify the impact on the global environment of the business activities of the Group as a whole.

Evaluating Environmental Risks Posed by Products Handled

We handle a wide and diverse range of products on a global scale. We thus carry out our own unique environmental impact evaluations based on our belief that it is vital to evaluate the relationship of these products to the global environment. We use an LCA*-based analysis method to extensively analyze our products from the procurement of raw materials to manufacturing processes, usage, and disposal. If the evaluation shows that the impact on the global environment exceeds predetermined benchmarks, then we create procedures and manuals for the management of that product.

* LCA (life-cycle assessment) is a method that evaluates the environmental impact of products at all stages of their life cycle, from manufacturing, transport and use through to disposal and recycling or reuse.



Fact-finding investigations of Group companies

We began fact-finding investigations of our Group companies after several of them received complaints about environmental pollution from their surrounding neighborhoods in 2001. We analyze about 200 of our roughly 400 Group companies (as of March 31, 2011) with relatively higher levels of impact on the global environment, and conduct investigations of about 20 of them per year. The evaluation is made using Q&As between auditors and management, inspections of plants, warehouses, and other facilities, surveys of wastewater released into rivers, and assessments of compliance with environmental laws and regulations.

Evaluating the Environmental Impact of New Investment Projects

ITOCHU Corporation and its subsidiaries in Japan employ a CSR and environmental checklist for investments to evaluate in advance the market, social and environmental impact of business investment projects entered via M&A in Japan and overseas. When specialist insight is needed, ITOCHU calls on specialized external bodies to render an advance inspection of the

project. Action on the project then moves forward once inspection results and the presence of no major problems are confirmed.

<http://www.itochu.co.jp/en/csr/environment/risk/>

□ Environmental consultations

Promoting Environmental Education and Awareness

We hold seminars on Japan's Waste Management and Public Cleaning Law, the Soil Contamination Countermeasures Act, and on global environmental management to ensure that ITOCHU Group employees are aware of and comply with the requirements of environmental laws and regulations, and in order to raise environmental awareness. In this way, ITOCHU is actively developing a strong defensive stance with respect to strict compliance, while assertively pursuing the development of environment-conserving businesses.

<http://www.itochu.co.jp/en/csr/environment/education/>

□ Global environmental management seminar

Coexistence with Society

Summer School Programs on the Environment

Since 1992, we have been organizing "Summer school programs on the environment," mainly targeting elementary school students of Minato Ward, Tokyo. The goal of these programs is to support environmental education for the children who will lead our future, as well as to foster coexistence with communities. Forty-five children participated in the program in August 2010. Meteorologists and weathercasters hosted workshops and a variety of experiments on the theme of global warming, turning the summer school programs on the environment into a dynamic hands-on learning experience.



Summer school programs on the environment

Office Environmental Performance

http://www.itochu.co.jp/en/csr/environment/office_activities/

□ Electricity consumption
□ Volume of waste and recycled waste
□ Effective use of water resources