Employee Relations



As a general trading company that has a diverse range of businesses around the world, ITOCHU believes that its human resources are its greatest management asset. Accordingly, ITOCHU will proactively advance efforts to develop and strengthen human resources as the management foundation supporting the growth of its business activities. We will continue to pursue human resources initiatives, such as cultivating industry professionals and creating systems in which diverse human resources can flourish globally.

Policies and Tasks for Fiscal 2014



Fumihiko Kobayashi Managing Executive Officer, General Manager, Human Resources & General Affairs Division

For ITOCHU Corporation, human resources are its greatest management assets as a general trading company. "Brand-new Deal 2014," our medium-term management plan launched from fiscal 2014, inherits the basic policies of the previous medium-term management plan and continues to outline a variety of initiatives pertaining to human resources, such as cultivating "industry professionals" and "strong human resources." By executing the medium-term plan and these measures, we intend to further enhance the structure that will support utilization of our human resources, enabling diverse human resources to demonstrate their skills and abilities to the fullest.

Human Resource Development Supporting the "Seeking of New Opportunities"

Human Resource Development Supporting the "Seeking of New Opportunities"

Human resources are what support the stable, ongoing growth of ITOCHU Corporation.

Our human resource development activities are available to employees throughout the Group, both domestically and in overseas blocs. Based on each employee's work experience and abilities, we strive to help them develop into professionals who play an active role in their business field and to provide them with the skills necessary to manage business on a global level.

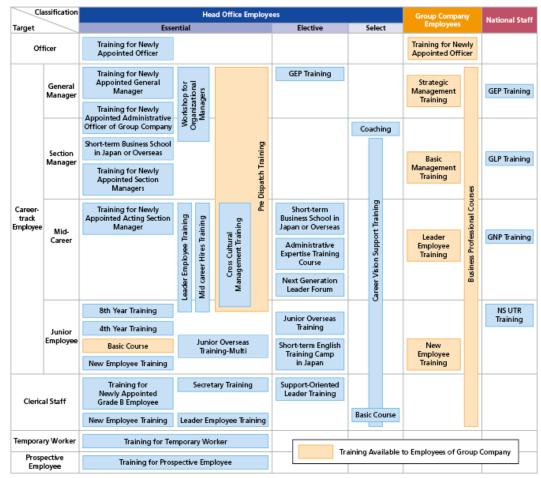
Through individual evaluations and feedback, centered on valuable job experience via on-the-job training (OJT), we help to cultivate the motivation and willingness of employees to increase their career opportunities within the Group. To further support employees' selfdevelopment, we not only provide skills and knowledge through training but also actively support career development. We will continue to invest substantially in our human resources, while at the same time promoting human resources development which is proactively led by the front-lines.



Basic Structure of Human Resource Development

Human Resources Development System

ITOCHU conducts various trainings to employee in all levels in its organization. In addition, independent business and skills-based trainings are also conducted by each Division company and Administration Division to develop professionals who can manage business on a global level.



GEP: Global Executive Program UTR: National Staff U-turn Rotation Training

GLP: Global Leadership ProgramNS

GNP: Global Network Program

A Variety of Training Schemes

ITOCHU conducts a variety of training schemes that include essential training by position and job class, as well as select and elective training. We have a wide range of programs for the development of global management human resources, including global development programs and workshops for managers. In 1999, we instituted a system for sending new employees overseas as a means of fostering English proficiency and an international perspective in young employees. In 2010, we launched a new program designed to dispatch junior staff to China and other emerging markets for overseas training in Chinese and other languages. Our plan is to develop candidates who will become specialists in each target market in the future.



Global development program

We also offer a wide range of training for specific objectives, such as "Career vision support training" and distinctive training based on the human resource strategies of each Division Company and Headquarters' administrative division, with the aim of developing industry professionals of each business field with diverse values.

- * Global Executive Program (GEP): This core part of the global talent development program provides training to cultivate global executives.
- * Global Leadership Program (GLP): The purpose of this training is to cultivate organization managers who can be active in global business.
- * Global Network Program (GNP): Through training held at Headquarters, this program enables locally-hired overseas staff to learn firsthand about the ITOCHU Group's global operations and build up a network with other participants.

Human resources development policy and training details (excerpt)

Overview of human resources development system	Training program name (excerpt)
Development of global management talent	Global development programs (GEP, GLP, GNP*), organization manager workshops, sending employees to short-term business school programs
Business leader development	Sending of new employees overseas, dispatch of junior staff overseas to learn Chinese and other languages
Development of industry professionals and diverse human resources	Career vision support training, distinctive training for each Division Company, Headquarters' administrative division

Number of employees participated in major training programs

Training program name	FY2013 Results
Global development program	88
Organization manager workshops	372
Sending of employees to short-term business school programs overseas	43
Junior staff overseas training for English and Junior staff overseas training for multi-language	79
Career vision support training	2,037

Comments by Training Participants



Ayumi Ooi Medical Business Team Organic Chemicals Department No. 1

Junior staff overseas training for multilanguage (Chinese)

From the end of February 2012 I had the opportunity to take part in Chinese language training in Dailian, Liaoning Province for half a year.

I attended university classes in the mornings and took lessons at a language school in the afternoons. I would hear Chinese when traveling on a bus or in a

taxi, and my daily life involved things like ordering food and chatting with friends entirely in Chinese, making it a really favorable environment for picking up a language.

But what I gained went beyond language acquisition; it was a valuable opportunity to get to know a side of China that was different from what I'd seen on business trips and in the media.

After returning to Japan, I've been making an effort to get involved with Chinese business projects and utilize my training as much as possible.



Kazuchika Fukuda
Project Development Section
Non-Ferrous & Metal
Materials Department

Junior staff overseas training for multilanguage (Spanish)

I spent about six months in Santiago, the capital of Chile, to learn Spanish.

In addition to language acquisition, I learned about the local culture and customs from my homestay family, making it a training lifestyle that was highly concentrated with material.

I was already responsible for work related to the South American region, but it was difficult to gain a deep understanding from desk-bound research and information alone. From the raw information I was able to gain by asking people actually living in Chile and the people working on the front lines, I was able to organize the disarray of knowledge and information that had been going around in my head, and this made it an exceptionally valuable experience.

I hope to utilize the Spanish I learned and all these experiences in the resource business, as well to take on various challenges.

I am grateful for such a valuable opportunity.

Personnel Evaluation Systems

Personnel evaluation systems are positioned as the foundation of a personnel system that helps employees realize their full potential with enthusiasm and drive. One of these systems is the management by objectives (MBO) scheme, which functions as the driver of management strategy by dividing objectives among individual employees based on the company-wide management plan and verifying their execution. We have also established a human resources assessment system that takes a comprehensive look at the skills, expertise, past careers, aspirations and suitability of individual employees and utilizes this information for placement and transfer plans.

We regard fair and equitable evaluations by supervisors and feedback through interviews with subordinates as critically important to ensure proper functioning of these personnel evaluation systems. We make use of evaluator training and other activities to communicate the importance of encouraging employee growth and development to supervisors.

Ongoing Promotion of Global Human Resources Strategy

Ongoing Promotion of Global Human Resources Strategy

Since fiscal 2008, ITOCHU has been promoting a global human resources strategy in order to maximize the value of human resources and optimize the talent development of the Group on a global basis.

By fiscal 2011, we had taken steps to create a platform for promoting the development and utilization of human resources worldwide, including the development of a global human resources database and the establishment of leadership standards for managers. From fiscal 2012, we are strengthening our human resources strategy in core overseas markets such as China and Asia. In addition, cooperating with each Division Company, we are implementing a Talent Management Process by preparing individual development plans for talented personnel who will play key roles in the expansion of revenues and profits overseas. Through these initiatives, we are bolstering the recruitment, development, and utilization of personnel who will contribute to global business development.



Talent Management Process

Specific Initiatives

- 1. We are inviting employees from our overseas blocs worldwide to come to our headquarters for approximately two years as a form of HR development through actual operations. These employees are provided the opportunity to learn business operations, gain a firm understanding of our corporate philosophy and culture, and build interpersonal networks. At the same time, this initiative encourages our headquarters to become more global in its outlook. (From April 1, 2008 to March 31, 2013, a cumulative total of 66 employees have been dispatched.)
- 2. We are assigning, promoting, and developing human resources on a global basis regardless of nationality, by implementing the ITOCHU Global Classification (IGC) in 2009 as a common measure of job level / level of responsibility for all jobs and positions worldwide.
- 3. ITOCHU Mission and Values, which we have passed down since our founding more than 150 years ago, and the ITOCHU Values have been incorporated into the human-resource requirements for ITOCHU leaders. These requirements are reflected in our recruiting standards and our evaluation and human resources development programs and are passed on through in-house instructors. This enables us to hire and develop human resources around the world who are suited to ITOCHU's values.
- Related Data: Number of overseas bloc employees by region (page 69)

Promoting Human Resources Diversification

Policy on Promoting Human Resources Diversification in Japan

Promoting efforts to embed and utilize through numerical expansion and systems enhancement

Promotion Plan on Human Resources Diversification 2013 (Japan)

Since December 2003, ITOCHU has promoted efforts to diversify its workforce in Japan. The motivation here is a recognized need to respond to changes in the external environment, such as intensifying competition spurred by economic globalization and the race to secure human resources due to Japan's declining birthrate and aging society. ITOCHU must also respond to the need to create new businesses, as well as address the disproportionate age makeup of its workforce.

In fiscal 2010, ITOCHU launched "Promotion Plan on Human Resources Diversification 2013 (Japan)," a new roadmap aimed at enhancing individual and organizational abilities further by putting an environment in place that leverages and utilizes the characteristics of each employee without regard to gender, nationality or age.

Under this new plan, we are working to create a more attractive company and corporate culture by supporting the push to secure, embed and utilize more diverse human resources.

Supporting the career development of female employees

To date, ITOCHU Corporation has actively promoted measures to support the career development of female employees to reflect the advancement of women in Japanese society, and established various schemes to this effect. Moving forward, we will push even harder to ensure the fair application of these schemes and strengthen support the career development of female employees who contribute to the corporate growth, through efforts including the promotion of individual support measures based on the life stages and careers of individual employees.

Cross-industrial Women's Forum by women in career-track positions held

In February 2013, ITOCHU Corporation and Nomura Holdings, Inc. jointly held the Cross-industrial Women's Forum, an event where female employees from five of Japanese leading global firms gathered to engage in inter-industry exchanges and learn from one another about their future careers (other participating companies were Shiseido Co., Ltd., All Nippon Airways Co., Ltd. and Nissan Motor Co., Ltd.) Roughly 100 junior female employees from each company broadened their views through exchanges with other participants and stories of the personal experiences delivered by a diverse range of role models selected from each company, including female employees posted overseas (living along with their children) and those working in management positions. The event was a highly productive opportunity for female employees to find the motivation to open up their own careers and gain awareness.

ITOCHU's first female executive officer

In April 2013, ITOCHU appointed its first female executive officer. As a leading company in the promotion of diversity, ITOCHU Corporation will continue to support the development and utilization of a diverse range of human resources, including female employees.

Comment by newly appointed female executive officer



Mitsuru Claire Chino, Executive Officer General Manager, Legal Division

ITOCHU Corporation is "everywhere," both in terms of its diverse industry and jurisdictional coverage. Our people are the back-bone of the company's success. We believe that diversity is a matter of business strategy. With this in mind, we will continue our aggressive investment in diverse human capital.

Related Data: Numbers concerning employees (page 69)
 Proportion of female employees among all employees in career-track positions (page 69)
 Numbers of hire by gender (page 69)

Supporting the Utilization of Senior Human Resources

ITOCHU Corporation is supporting the employment of aged workers even more actively than before. In light of factors such as the declining Japanese birth rate and aging population and support for the utilization of diverse human resources, we have introduced an employment extension system as a new option in addition to mandatory retirement at the age of sixty. This provides an environment in which willing employees can continue to play an active role so that their wealth of knowledge and experience can be utilized. In the future, we will make further efforts to develop environments in which aged employees can continue to work with even greater drive and enthusiasm.

Supporting the Participation in Society by People with Disability

In 1987, ITOCHU Corporation established Itochu Uneedus Co., Ltd., as a special subsidiary based on the Disabled Persons Employment Promotion Act (Law for the Employment Promotion of the Disabled) in order to create work opportunities for those with disability. As of June 2013, the proportion of our workforce with disabilities is 2.02%, which exceeds the legally stipulated ratio of 2%. We will continue to actively support the participation in society by people with disabilities. Common menu of category from here.

Related Data: Employment ratio of people with disabilities (page 70)

Creating Environments That Bring Out the Best in Employees

Policy on Efforts to Create Environments that Bring Out the Best in Employees

ITOCHU Corporation regards people as its greatest asset and considers the development of environments that allow employees to enjoy peace of mind and concentrate on their work with a sense of job satisfaction to be of crucial importance. To this end, ITOCHU has enhanced and expanded a number of systems, promoted greater understanding of systems in the field and among employees, and promoted the development of environments that bring out the best in employees.

Providing Support for Work as well as Employees' Childcare and Nursing Care

During the course of their working lives, employees inevitably pass through life stages that require them to render childcare and nursing care. To enable them to continue working with peace of mind and demonstrate their fullest potential, ITOCHU has expanded and upgraded systems to help that are far and above those required by law. These systems are available to both male and female employees, and provide support to them in their work as well as child and / or nursing care duties.

In 2010, we opened I-Kids, a childcare center for our employees, at a location close to our Tokyo headquarters. This move was made in light of a widespread social issue where many children are currently waiting for entry to nurseries in the Tokyo metropolitan area, and female workers face difficulties in planning their return from childcare leave. Starting October 2012, we also made revisions to treat the five-day period following the start of childcare leave as paid leave instead of unpaid to encourage male employees to take part in childcare.

In 2011, in cooperation with the SECOM Group, we launched the "Furusato Care Service" to help employees posted abroad care for their elderly relatives (all expenses are paid by the company). As ITOCHU aims to increase overseas revenues and profits, one of the key strategic approaches in its overseas policy is to increase the number of staff on overseas assignment. The service helps keep our employees working overseas updated on the lives and health of their elderly relatives living alone in Japan, helping our middle-aged employees to meet their work and nursing care responsibilities. Through this care service, we are working to establish an environment that enables employees to concentrate on their overseas assignments.

In addition, since October 2012 we have been expanding and upgrading our nursing care systems in anticipation of the coming era of increased demand for nursing care. Changes included extending the available period of shorter working hours for nursing care (from three years to five years) and launching a web-based consultation service for nursing care matters

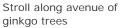
Related data: Acquisition of leave according to child care or nursing care related systems (page 70)

Comments from an I-Kids user

Maya Hirano

Temporarily transferred to Food Management Support Corporation







nutritional education

Since I couldn't get my child into the local daycare center, I've been using I-Kids since September 2012. Since there are only a few children there are not that many opportunities to make friends, but I am deeply grateful for the detailed attention given by the friendly teachers in a relaxing atmosphere. There are many events held such as Halloween, Christmas, birthday parties and monthly nutritional education. I feel

that my child is growing a lot each day through the various experiences at I-Kids. Since it's close to work, I can get there right away if anything happens, providing me with an environment where I can work with peace of mind. Both parents and child are really grateful to be using this service.

Comments from a user of childcare leave



Yoshinori Kanayama Human Resources & General Affairs Division

After consulting with my wife and supervisor, I took childcare leave, as I had become interested in broadening my perspective by doing something I hadn't experienced before—raising a child. I am really thankful to the supervisor and coworkers for their substantial support of my leave. Working with my wife to raise our son has deepened our family ties. Another valuable asset is the knowledge I have gained about the potential of childcare products and business. Taking childcare leave should be a positive experience for male employees, as it will enable us to gain new insight into our jobs.

Acquired "Kurumin" Mark Certification

In 2011, ITOCHU Corporation received approval from the Ministry of Health, Labour and Welfare (the Tokyo Labour Bureau) to display the Next-Generation Certification Mark (affectionately known as *Kurumin*) after satisfying the criteria stipulated by the Act on Advancement of Measures to Support Raising Next-Generation Children. (*) ITOCHU Corporation will continue its proactive efforts to develop an environment where employees can stay motivated and find rewarding work.

* Act on Advancement of Measures to Support Raising Next-Generation Children The Act on Advancement of Measures to Support Raising Next-Generation Children calls on regional public-sector organizations to formulate and present local action plans to help reverse Japan's rapidly declining birthrate. Meanwhile companies, based on the number of employees employed, are mandated to formulate action plans of their own for supporting employees in balancing work and parental duties, and submit a detailed summary of these to prefectural labor bureaus. (Excerpt from the Ministry of Health, Labour and Welfare (Japanese only)



Career Counseling

The Career Counseling Center offers a wide range of counseling and support for diverse career stages, ranging from new recruits to organization managers. Staffed by several employees certified as career counselors, the department touches on an array of topics with its clients, including relationships with supervisors, junior staff and peers, approaches to work, and considerations about one's own future. A mechanism is in place in which all young employees go to career counseling at certain milestones after joining ITOCHU as part of their training. A system is in place for all young employees to receive career counseling when they reach certain milestones in their ITOCHU careers, as part of their training. Counseling is also available to mid-career employees as well as middle-aged employees looking to continue working. The Career Counseling Center aims to provide ITOCHU employees—and through them, their organizations— with the opportunity to develop their careers, as well as with a safety net.

Initiatives Aimed at Occupational Health and Safety

Policy on Occupational Health and Safety Initiatives

For ITOCHU Corporation, employees are assets, and ensuring the health and safety of employee workplaces is one of the vital responsibilities a company must fulfill so that its employees can reach their full potential. To ensure that ITOCHU Corporation employees stationed around the world and their families can enjoy a meaningful assignment in safety and good health, we have built a full system not only for incidents, accidents, disasters and other emergencies, but also for health management.

Overseas Security Management

ITOCHU Corporation maintains global business operations with roughly 800 rotational staffs stationed overseas, and sends a total of ten thousand staffs on overseas business travel from Headquarters in Japan each year. In terms of overseas security management, based on the belief that a shared awareness between the overseas location and Japan is important, the Human Resources and General Affairs division have assigned security management to some staffs in each regional headquarters of nine blocs worldwide. Information concerning politics, economics, public safety and other factors is periodically collected and disseminated internally. We have also established a system to cover regions where information is more difficult to obtain through contracts with international security consultant firms. To prepare for emergencies such as diseases or injuries, including preventative measures for infectious diseases in the dispatched area, we collaborate with an international emergency medical service company and developed complete support systems for preventative and post-incident measures.

Before being stationed overseas, rotational staffs are given extensive guidance to deal with matters such as local security, health care and different cultures. Awareness raising activities are conducted after arrival, such as security

Employee Health Management

management seminars for rotational staffs as well as their families.

For ITOCHU Corporation, employees are assets, and thus the health management of every single employee is extremely important to ensure that a diversity of employees can freely exert their capabilities. We have developed an in-house system that allows employees to receive counseling on their health at any time. For example, the Health Administration Center at ITOCHU's Tokyo Headquarters, which also serves as a clinic, has 20 specialist physicians on staff, as well as an X-ray technician and a pharmacist. These health maintenance professionals, who each act as a "health concierge," care for every aspect of health for each employee, providing them with the support needed to manage their own health.

In terms of specific services, in addition to general medicine (internal medicine, orthopedics, dental), medical checkups (regular medical checkups, half-day complete medical checkups, medical checkups for employees traveling overseas and those returning temporarily or permanently), various vaccinations, examinations (VDT examination, adult-onset disease examinations), we also offer medical counseling and provide information. Web services such as the Health Support System (HSS), which allows individuals to view their medical checkup history, are also available. As well as the operating four recreation facilities through our health insurance society, we run quit smoking and other health campaigns.

Mental Health

Where mental health is concerned, we have established a stress management room in-house, and offer counseling given by a clinical psychologist. Employees can also seek counseling from a company physician as well as see a psychiatrist in-house. Through our health insurance society, we have set up the "Health & Mind Online" health consultation website where employees can seek consultations over the web.

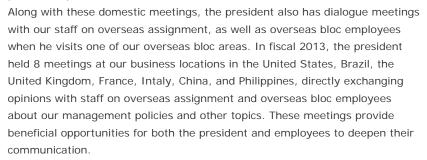
Working Hours Management

With the aim of promoting lively and efficient ways to work that reflect the realities of each workplace, we pursue initiatives from the perspective of preventing long working hours, such as the establishment of days with early finishing times at each workplace. In terms of specific measures, we have enhanced systems that allow us to engage in fair time management as a company, such as utilizing an objective working hours management system based on building entrance and exit records. We believe that making all employees aware of fair time management and achieving healthy and lively ways to work will lead to fulfilling the ITOCHU Mission of "commitment to the global good."

Communications with Employees

Dialogue Meetings with the President

ITOCHU Corporation is proactive about offering employees opportunities for two-way discussions with the president. In fiscal 2013, the president visited domestic branches, offices and operating companies, which usually have limited opportunities for dialogue with the president, and held seven dialogue meetings. In these discussions, the president shares directly with employees the company's management policies and his passion for their realization, while employees in turn can express their opinions to the president and ask questions. The meetings therefore provide extremely valuable opportunities for two-way communication. Recent meetings were held in a very spirited atmosphere, and touched on everything from management policies to more personal topics.

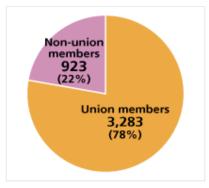






Dialogue with the Labor Union

At ITOCHU Corporation, a wide range of issues is discussed with the labor union in order to realize our corporate mission, "Committed to the Global Good." In fiscal 2013, we held five meetings, including management meetings with the President and similar meetings with Division Companies and the Administrative Headquarters. Labor and management enter repeated and active discussions to build up a healthy relationship that enables both sides to recognize and share challenges currently facing them and to study and implement improvement measures.



Ratio of labor union members as of April 1, 2013

Initiatives with the Labor Union in fiscal 2013

June 2012	Settlement of accountings meeting
September 2012	Machinery Company management meeting
November 2012	Energy & Chemicals Company management meeting
March 2013	Management meeting with CFO
March 2013	Management meeting with the President

Comments from the Labor Union President



Toshiaki Asano President, ITOCHU Labor Union

The ITOCHU Labor Union is involved in a host of measures designed to realize working environments that allow one of the Company's key stakeholder groups, its employees, to be more enthusiastic and motivated, and bring their individual abilities to the fore. Based on input gathered from a wide array of frontline operations, we hope to encourage communication between the Company and employees through active dialogue with the Company at management meetings, and ultimately to contribute to CSR activities.

Improving the Infrastructure for Employee Communication

ITOCHU Corporation works to revitalize communication between employees and provide opportunities for exchange through a range of welfare facilities and schemes. Revitalized communication helps to foster a sense of belonging and motivation to work in individual employees and also helps to invigorate the organization as a whole.

Dormitories for Single Employees

More than 300 junior career-track employees spread across four buildings for males and two buildings for females make use of company dormitories. The dormitories allow employees to interact with junior and senior employees joined the company at different times or who belong to different departments, and also leads to more lively communication among fellow junior employees.

Employee Cafeteria

The employee cafeteria at the Tokyo Head Office underwent large-scale renovations in May 2013 and was transformed into a space that is brighter and a more comfortable meeting place than before. Each day around 1,500 employees make use of the employee cafeteria, which helps promote exchanges between fellow employees during meal times.

"SOGO-KAI" Associations

"SOGO-KAI" associations are organizations in which fellow employees assemble and enjoy the same sports or cultural activities. More than forty such associations are active within the company and boast more than 700 employee members. The associations are not limited to current employees of ITOCHU Corporation. Many former employees and Group company employees also take part. Through sports and cultural activities, these associations promote exchanges and communication across different generations and organizations.

Basic Data

Numbers concerning employees (As of the end of March for each year)

	Numbers concerning employees						Consolidated
	Total	Male	Female	Average age of employees	Average number of years of service	Average annual salary (JPY)	Number of employees
2011	4,301	3,201	1,100	41	15.8	12,542,124	62,635
2012	4,255	3,162	1,093	41	15.6	12,810,035	70,639
2013	4,219	3,162	1,057	41	15.8	13,893,019	77,513

Number of employees by orerating segments (As of the end of March 2013)

Textile Machinery Metals & **Energy &** Food ICT, General Minerals Chemicals Products & Realty Non-402 468 197 333 389 407 consolidated Consolidated 20,101 774 8,523 6,995 25.828 11,749

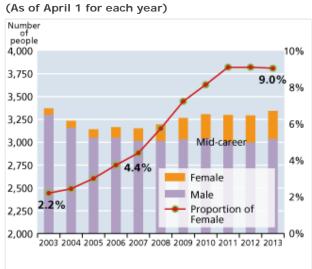
Number of overseas bloc employees by region (As of the end of March 2013)

(Unit: persons)

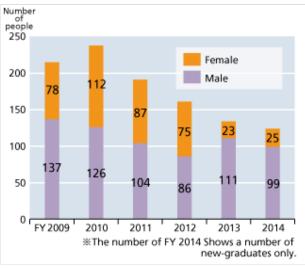
(Unit: persons)

North America	Latin America	Europe	Africa	Middle East	Oceania	East Asia	ASEAN & South West Asia	CIS	Total
149	161	208	37	157	31	744	606	85	2,178

Proportion of female employees among all employees in career-track positions (As of April 1 for each year)



Numbers of hire by gender



Acquisition of leave according to child care or nursing care related systems

(Unit: persons)

		FY 2011	FY 2012	FY 2013
Child care	Childcare Leave	49	61	43(0 male; 43 females)
	Leave to nurse sick children	125	125	134(58 males; 76 females)
	Shorter working hours for child care	50	57	64(0 male; 64 females)
Special parental leave		13	8	35(6 males; 29 females)
Nursing care	g care Nursing care leave		1	1(1 female)
	Special nursing care leave	9	12	12(4 males; 8 females)
	Leave for nursing care	16	18	18(6 males; 12 females)
	Shorter working hours for nursing care	2	3	2(2 females)
Family support leave		469	536	454(248 males; 206 females)

Employment ratio of people with disabilities (As of June 1 for each year)

	Employment ratio of people with disabilities	Legally stipulated ratio
2011	1.87%	1.80%
2012	1.87%	1.80%
2013	2.02%	2.00%