

ITOCHU at a Glance



2021 / 12



ITOCHU Corporation



Chairman & CEO
Masahiro Okafuji



President & COO
Keita Ishii

Category	General Trading Company
Stock Code	8001 (Tokyo Stock Exchange First Section)
Address	<p><Tokyo Headquarters> 5-1, Kita-Aoyama 2-chome, Minato-ku, Tokyo 107-8077, Japan</p> <p><Osaka Headquarters> 1-3, Umeda 3-chome, Kita-ku, Osaka, 530-8448, Japan</p>

Stock Price	<u>3,449.00 Yen</u> (November 8, 2021)
Market Cap ^{*2}	<u>5.12 Tln Yen</u>
Dividend Yield ^{*3}	3.19 %

Founded	<u>1858</u>
Number of Group Companies ^{*1}	279 Companies
Number of Employees ^{*1}	<u>125,944 (Consolidated)</u> 4,215 (Standalone)
Share Trading Unit	100 Shares

Consolidated Net Profit ^{*1}	401.4 Bln
PBR ^{*4}	1.36 Times
PER ^{*5}	6.83 Times
ROE ^{*1}	<u>12.7 %</u>

*1: Results of FYE 2021 / as of March 31, 2021

*2: Calculated based on the closing stock price of November 8, 2021, excluding treasury stock.

*3: Calculated based on DPS forecast of FYE 2022 (110 yen) and the closing stock price of November 8, 2021.

*4: Calculated based on the results of FYE 2022 1st half and the closing stock price of November 8, 2021.

*5: Calculated based on the annual forecast of FYE 2022 and the closing stock price of November 8, 2021.

Consolidated
Net Profit Growth

× 4.66

(FYE 2022 compared to FYE 2011)

Core Profit in the
Non-Resource Sector

¥331 Bln

(FYE 2021)

Company Ranking among
Job Seekers

#1

Expanding Business
into China since

1972

Key Metrics

ROE

15.9 %

(Average of FYE 2011 - FYE 2021)

Credit Ratings

≧A

EPS Growth Rate

15.7 %

(Annual growth rate from FYE2011 - FYE 2022)

Total Shareholder Return

554 %

(Cumulative from FYE 2011 - FYE 2021)

ITOCHU was founded in 1858, when Chubei Itoh I, a merchant of Ohmi, commenced linen trading. ITOCHU sets “*Sampo-yoshi* (meaning good for the seller, good for the buyer, and good for society)” as its corporate mission. This unwavering ideal has been passed down since its founding.

ITOCHU aims to sustainably enhance its corporate value by realizing a virtuous cycle of resolving social issues through business activities.



Chubei Itoh I

Good for the Seller, Good for the Buyer, and Good for Society



“Sampo-yoshi” calligraphy by Shoko Kanazawa

8 Division Companies

Under eight Division Companies, ITOCHU develops its business in diverse fields through trade and business investment. Among these wide-ranging business fields, we aim to expand the scale and profit of our business by concentrating our capital in fields and regions where we have expertise.

Textile

Providing new values and impressions for everyday life in fields ranging from fashion to high-tech materials.

Machinery

Developing wide-ranging businesses, including plants, infrastructure, aircraft, ships, automobiles, construction/ industrial machinery, and life care.

Metals & Minerals

Contributing to economic development and environmental protection worldwide through the development and safe supply of mineral resources.

Energy & Chemicals

Working in tangible and intangible ways to help improve lives by using overall strength as a global trading company to offer solutions and services.

Food

Expanding globally while contributing to food safety and security from the supply of ingredients to manufacturing, distribution, and retail.

General Products & Realty

Operating on a global scale in fields ranging from general lifestyle products to the development and sale of homes and the goods that support them.

ICT & Financial Business

Creating and expanding new markets by utilizing business development functions based on ICT and BPO along with customer networks.

The 8th

Developing new businesses and customers based on a "market-oriented" perspective by fully leveraging our business platforms.



Consolidated Net Profit Growth

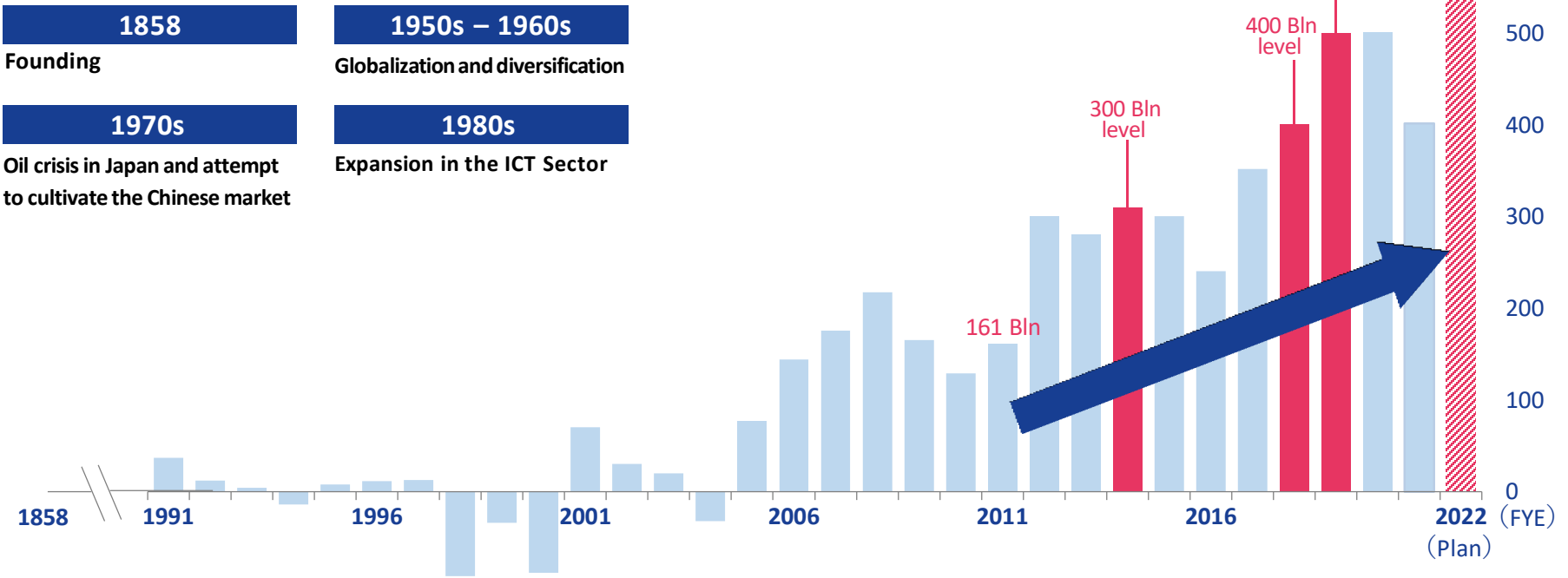


Steadily Improving Earning Power

ITOCHU has overcome numerous hardships by transforming itself by flexibly changing its management resource allocation and business structure in response to changes in the external environment. Since FYE 2011, ITOCHU has accelerated the speed of growth and steadily improved earning power step by step.

Consolidated Net Profit Growth
× 4.66
 (FYE 2022 compared to FYE 2011)

Consolidated net profit (Bln Yen)



1990s
 Collapse of Japan's bubble economy and disposal of negative legacy assets

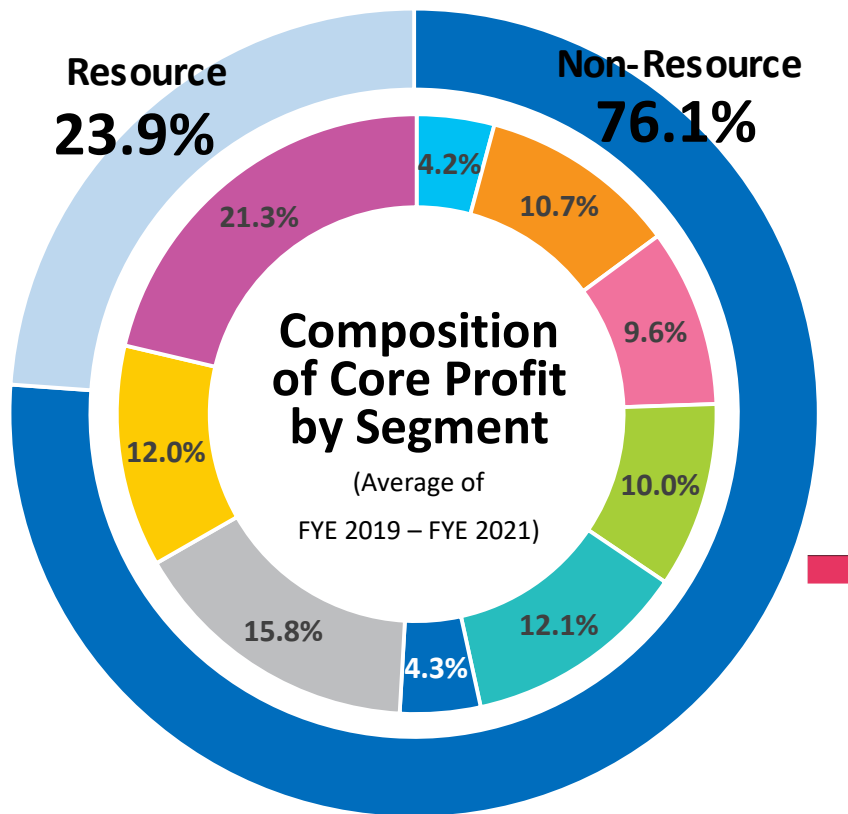
2000s
 Focus on "defense" and commodity super cycle

2010s
 Shift to "offense" and expanding financial base

2022
 Return to growth trajectory after COVID-19

Resilient Earnings Base Centered on the Non-Resource Sector

ITOCHU’s wide-ranging business extends from the resource sector to the non-resource sector, consisting of the basic industry and the consumer sectors. Above all, ITOCHU has strengths in the non-resource sector where it has built a stable earnings base that is diversified across many fields. By focusing on the non-resource sector, centered on consumer businesses that are resilient to economic fluctuations, ITOCHU avoids overreliance on businesses that are greatly affected by resource prices.



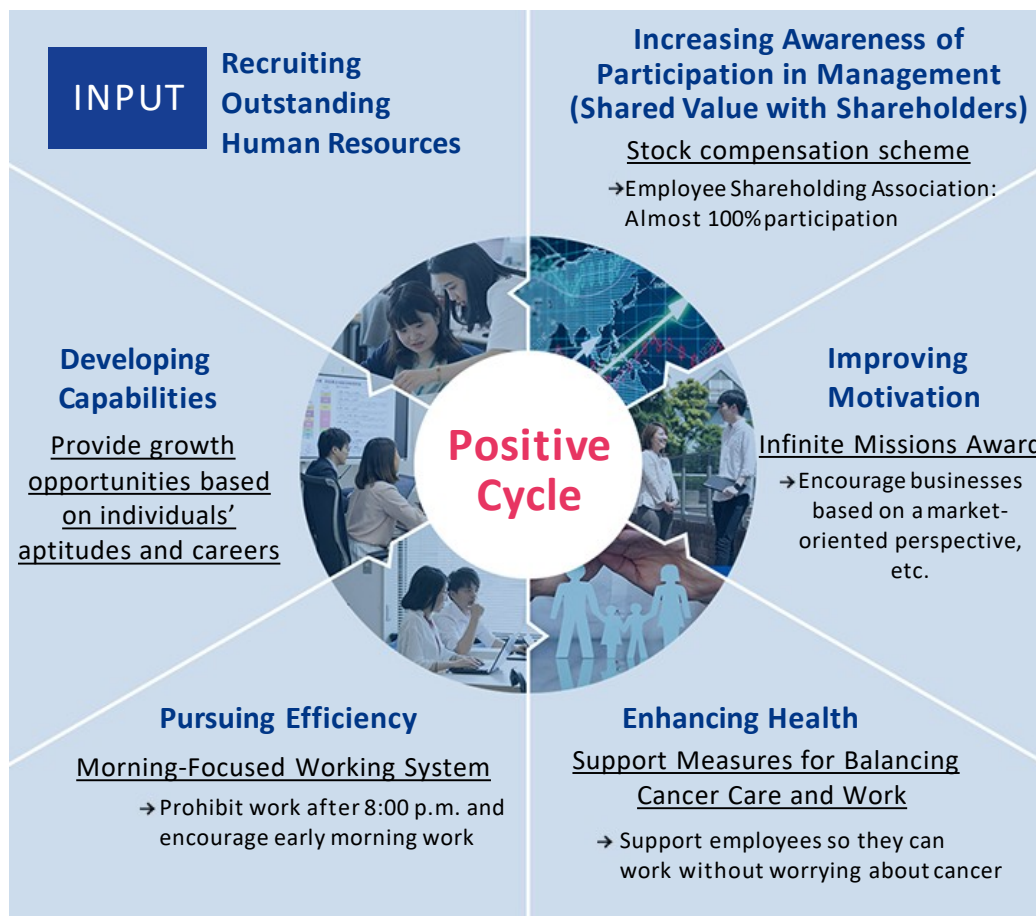
Core Profit in the Non-Resource Sector
¥ 331 Bln
(FYE 2021)

Ratio of Core Profit from the Non-Resource Sector
76.1%
(Average of FYE 2019 – FYE 2021)

- Textile
- Machinery
- Metals & Minerals
- Energy & Chemicals
- Food
- General Products & Realty
- ICT & Financial Business
- The 8th
- Others, Adjustments & Eliminations

Human Resource Strategy That Directly Links to Corporate Value Enhancement

ITOCHU actively promotes unique human resource measures as part of its management strategy. By maximizing the “individual power” of each employee while raising management awareness and participation, ITOCHU has achieved the highest labor productivity among general trading companies. ITOCHU’s human resource strategy is directly linked to improving corporate value and has received favorable evaluations from outside the company, including by job seekers.



Company Ranking among Job Seekers*¹
#1

Labor Productivity among General Trading Companies*²
#1

*1 From 2022 graduates, ITOCHU ranked first as the most popular company among all companies in the surveys of GAKUJO Co., Ltd., DIAMOND HUMAN RESOURCE, INC., Rakuten Group, Inc., and Nippon Cultural Broadcasting Inc., and ranked first among general trading companies in the surveys of all seven institutions, which were the four said organizations and DISCO Inc., WORKSIJAPAN Co., Ltd., and Mynavi Corporation.

*2 ITOCHU reached ¥0.10 bln per employee, No.1 among general trading companies, based on FYE 2021 consolidated net profit per employee (non-consolidated basis).

Robust Business Foundation in China and Other Parts of Asia That Show Great Potential for Business Opportunities

Since taking the lead among Japanese companies in the Chinese market in 1972, we have accumulated rich achievements and networks in China. In 2015, we concluded a strategic business and capital alliance with CITIC and CP Group. To realize future growth, we will develop business centered on consumer businesses, while fully assessing risks, as we work with highly reputable partners in China and other parts of Asia where there is great potential for business opportunities.



Expanding Business into China since
1972



Strategic business and capital alliance with CITIC and CP Group



No. 1 earnings power in the non-resource sector among general trading companies



The largest Chinese state-owned conglomerate, No. 1 in China in various fields



The largest private company and conglomerate in Thailand, expanding business in Asia centered on Thailand and China

Highly Efficient Management Focusing on Earnings Stability and Capital Efficiency

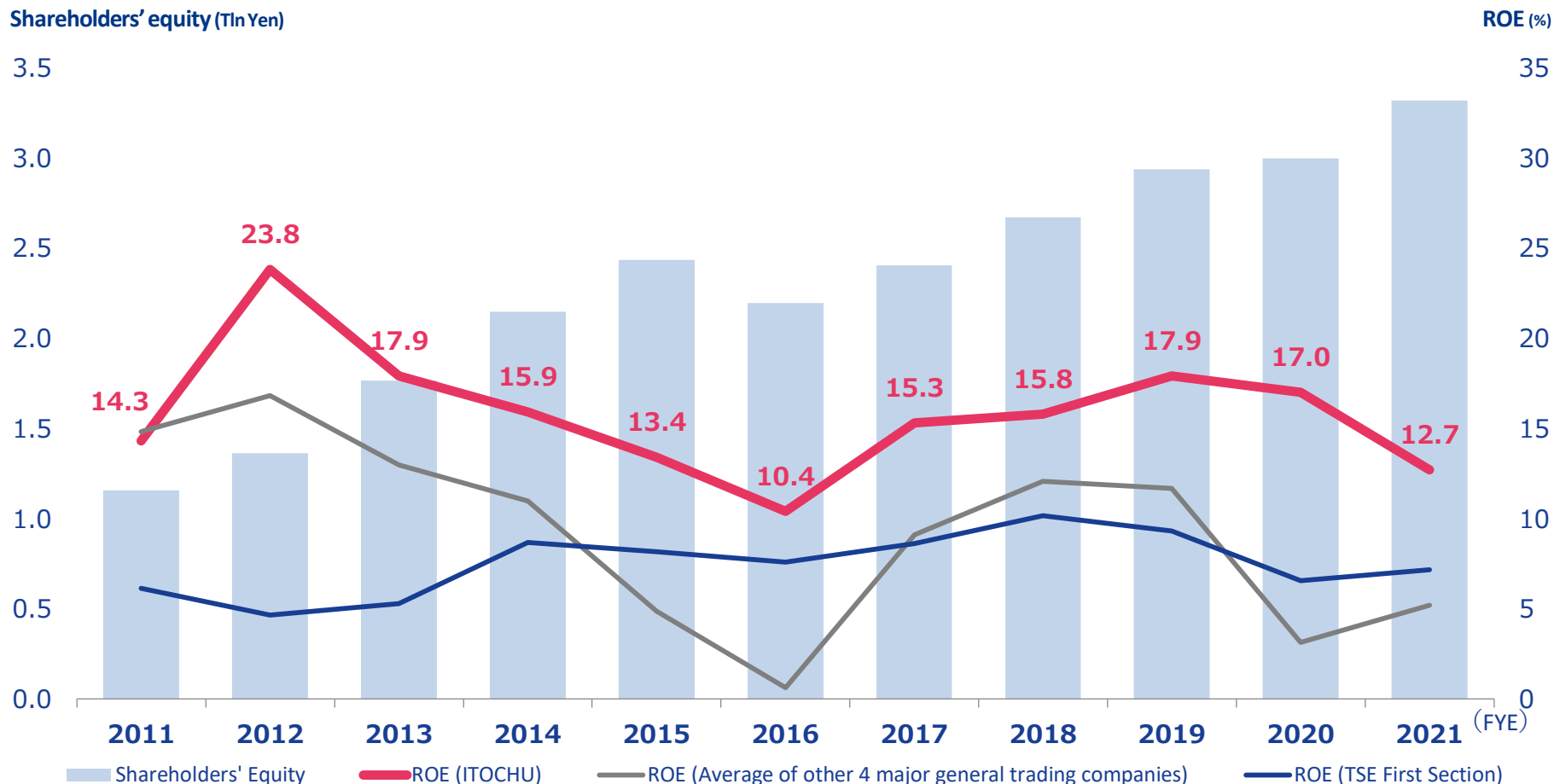
In addition to stable earning power in the non-resource sector and cash generation power, we are practicing management with an awareness of cost of capital by actively promoting the replacement of low-efficiency or peaked-out assets. As a result of focusing on earnings stability and capital efficiency, the average ROE for the past 10 years was 15.9%, significantly exceeding the average of the TSE First Section and consistently the highest level in the industry.

ROE

15.9%

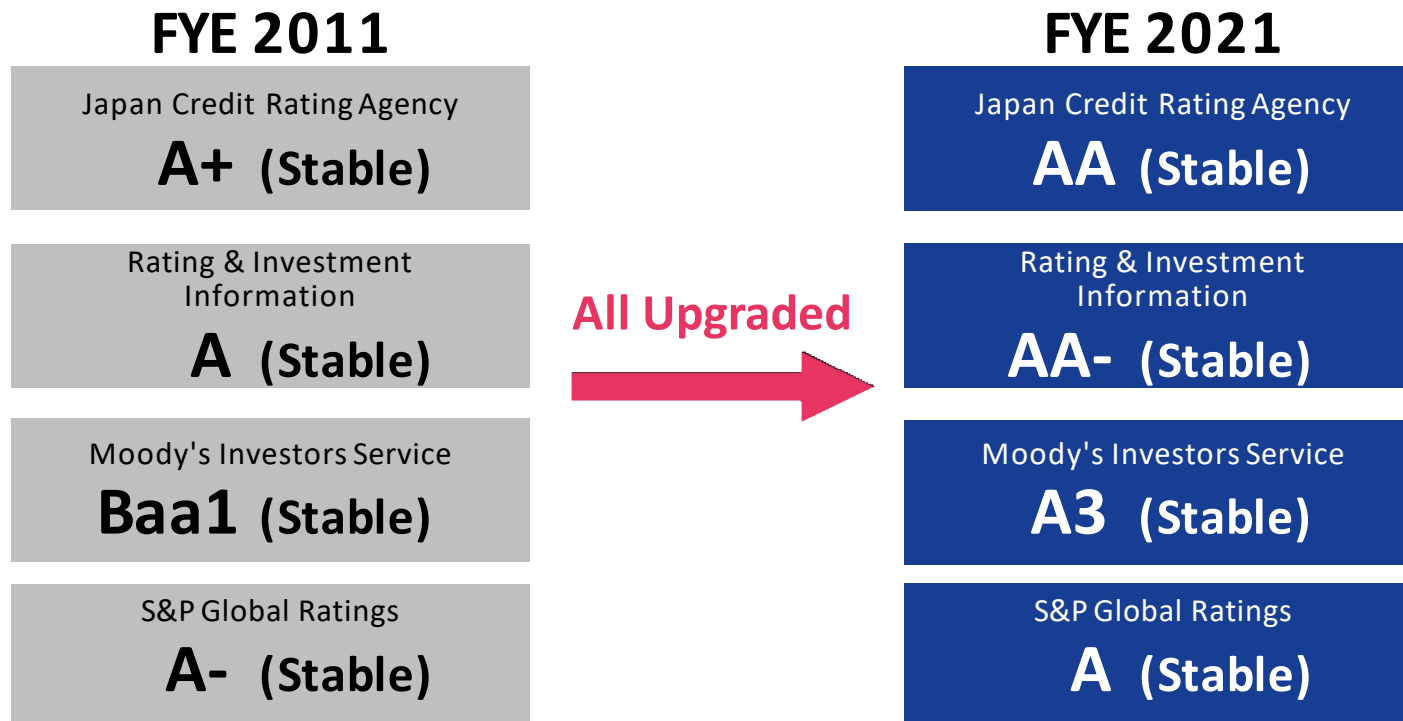
(Average of FYE 2011 – FYE 2021)

Shareholders' equity (Tln Yen)



Consistent Financial and Capital Strategy Balances Three Factors: Growth Investments, Shareholder Returns, and Control of Interest-Bearing Debt

ITOCHU's basic policies on financial and capital strategy are "achieving high ROE while balancing three factors (growth investments, shareholder returns, and control of interest-bearing debt)" and "maintaining positive core free cash flows after deducting shareholder returns." As a result of the continuous implementation of a consistent financial and capital strategy, ITOCHU has obtained an A or higher rating from all four major credit rating agencies.



EPS Growth Rate



Sustained EPS Growth

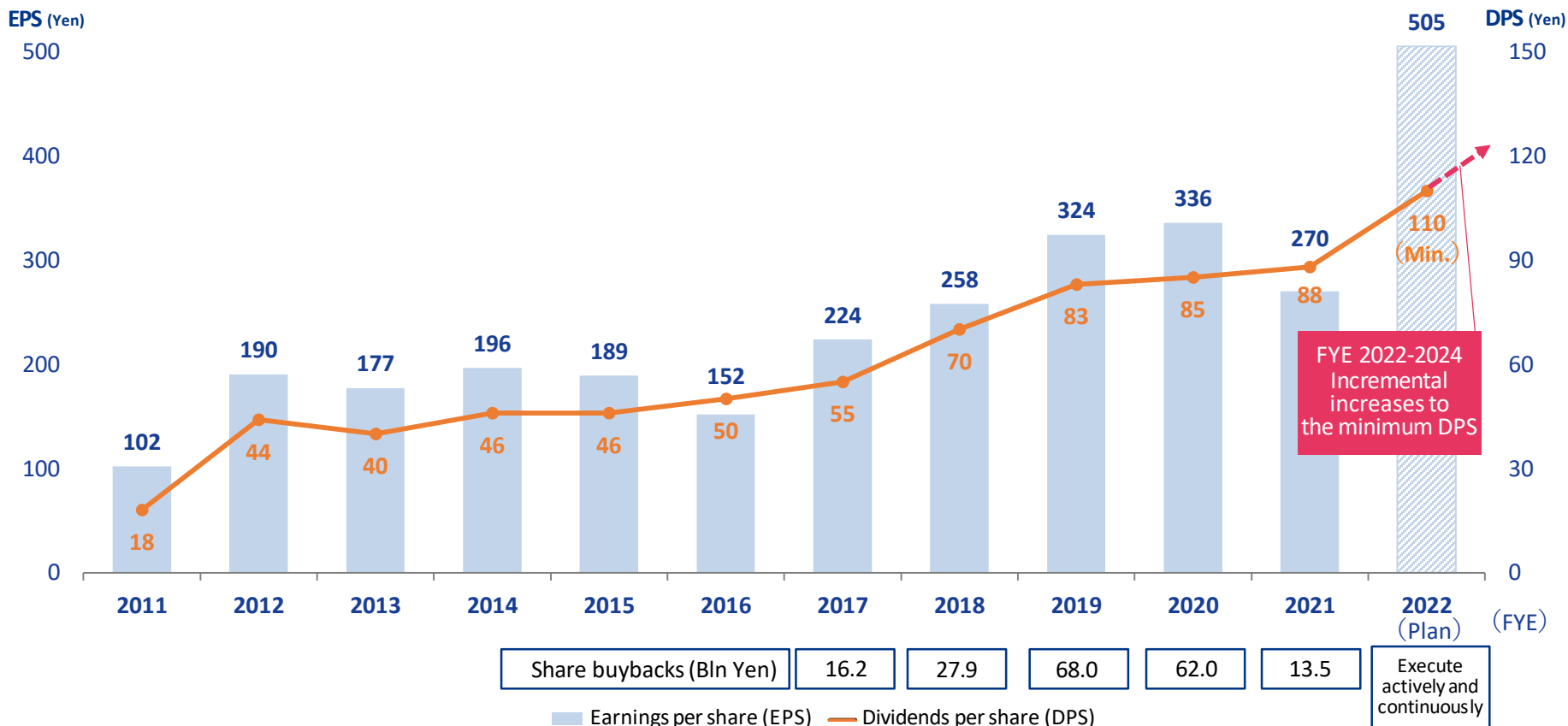
ITOCHU considers sustained earnings per share (EPS) growth as one of its important financial and capital strategies. Our basic policy is to achieve EPS growth through sustained profit growth, but we will also actively and continuously execute share buybacks while considering cash allocation. These measures have led to significant EPS growth over the last decade.

Since FYE 2016, ITOCHU has continuously adhered to a progressive dividend policy in which dividends per share (DPS) are raised annually. In addition to these policies, we have committed to incremental increases to the minimum dividend during the period of Brand-new Deal 2023, setting a minimum DPS of ¥110 for FYE 2022, ¥120 for FYE 2023, and ¥130 for FYE 2024. Consequently, ITOCHU will achieve a payout ratio of 30% by FYE 2024.

EPS Growth Rate

15.7%

(Annual growth rate from FYE 2011 - FYE 2022)



Total Shareholder Return

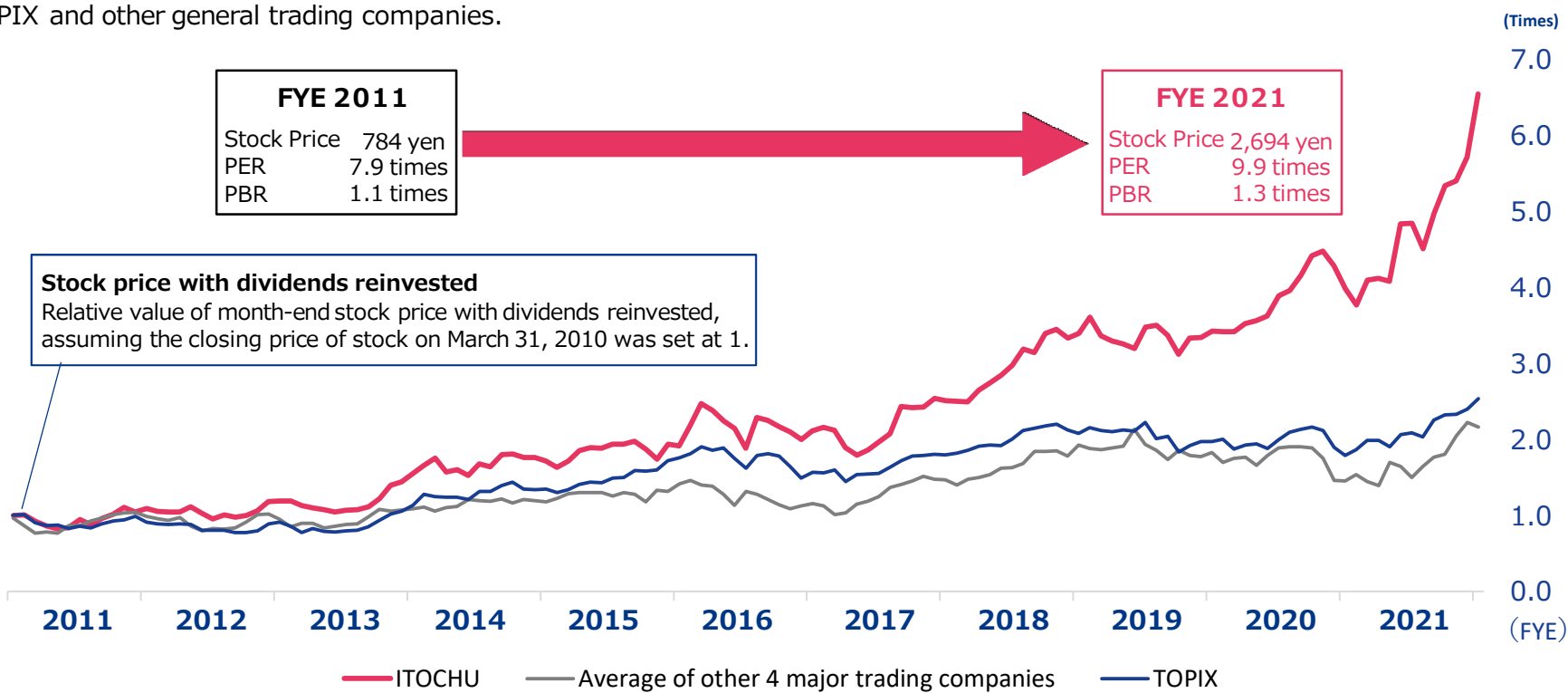


Positive Feedback from the Capital Market for Commitment-Based Management

As a result of positive feedback from the capital market for our earnings stability, consistent financial and capital strategies, and commitment-based management in which we steadily achieve our goals, ITOCHU's stock price has recorded a high rate of increase since FYE 2011.

In addition, partly due to the continuous adoption of progressive dividends, total shareholder return (TSR) for the past 10 years has significantly exceeded that of the TOPIX and other general trading companies.

Total Shareholder Return*	
(Cumulative from FYE 2011 – FYE 2021)	
Cumulative	Annual Average
554 %	18.6 %



*Return on investment assuming that dividends are reinvested. TSR indicates returns on investment during the past 10 years preceding from March 31, 2021.

For further information, please read our Annual Report.

www.itochu.en.jp >
Investor Relations > Annual Report

CEO MESSAGE

ITOCHU will seize upon the changes of this era and turn them into major opportunities by relentlessly practicing our “earn, cut, prevent” principles and accelerating our shift to a market-oriented perspective.

In FYE 2021, despite the obstacles the pandemic imposed on business, ITOCHU achieved its first “triple crown” as a general trading company, ranking No. 1 in terms of market capitalization, share price, and consolidated net profit. In FYE 2022, we will continue to set our sights higher as we steadily achieve goal after goal outlined in the new medium-term management plan “Brand-new Deal 2023” and resolutely temper overconfidence.

(→ Page 56 Medium-Term Management Plan “Brand-new Deal 2023”)



Masahiro Okafuji
Chairman & Chief Executive Officer

One Day of Celebration

Since becoming president, I have visited the grave of the founder every year to report the Company’s business achievements. This year marked the 115th time I have paid my respects, but the first time I reported that ITOCHU had achieved the “triple crown” in market capitalization, share price, and consolidated net profit for a general trading company. This was the first time since ITOCHU’s founding.

Since surging to the top of the general trading company sector in market capitalization and share price in June 2020, the Company ended FYE 2021 without surrendering that top spot even once. Regarding consolidated net profit, we steadily cleared our initial plan. Leveraging our solid earnings base centered on the non-resource sector, we took the challenge head on and seized the No. 1 spot as a general trading company for the first time in five years. Moreover, ITOCHU’s consolidated net profit has been No. 1 on a cumulative basis since the end of the resource boom in FYE 2016, and during that time ITOCHU was the only one not to go into the red.



Reporting the “triple crown” to Chubei Ichii and Chubei Ichii





■ To request a printed edition, visit website below;
→ <https://www.itochu.co.jp/en/inquiry/annual/input>