# Segment Overview

<table>
<thead>
<tr>
<th>Segment Overview</th>
<th>Percentage of the Total for ITOCHU (3-year average)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Core profit</td>
</tr>
<tr>
<td>Textile Company</td>
<td>6.6%</td>
</tr>
<tr>
<td>ROA 5.9%</td>
<td></td>
</tr>
<tr>
<td>Machinery Company</td>
<td>12.3%</td>
</tr>
<tr>
<td>ROA 4.0%</td>
<td></td>
</tr>
<tr>
<td>Metals &amp; Minerals Company</td>
<td>16.6%</td>
</tr>
<tr>
<td>ROA 9.4%</td>
<td></td>
</tr>
<tr>
<td>Energy &amp; Chemicals Company</td>
<td>10.2%</td>
</tr>
<tr>
<td>ROA 6.1%</td>
<td></td>
</tr>
<tr>
<td>Food Company</td>
<td>15.6%</td>
</tr>
<tr>
<td>ROA 8.0%</td>
<td></td>
</tr>
<tr>
<td>General Products &amp; Realty Company</td>
<td>11.8%</td>
</tr>
<tr>
<td>ROA 6.4%</td>
<td></td>
</tr>
<tr>
<td>ICT &amp; Financial Business Company</td>
<td>11.9%</td>
</tr>
<tr>
<td>ROA 7.4%</td>
<td></td>
</tr>
<tr>
<td>Others, Adjustments &amp; Eliminations</td>
<td>15.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-Resource</th>
<th>82.1%</th>
<th>89.3%</th>
<th>72.8%</th>
<th>93.7%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resource</td>
<td>17.9%</td>
<td>10.7%</td>
<td>27.2%</td>
<td>6.3%</td>
</tr>
</tbody>
</table>

---

**Textile Company**

- ROA 5.9%

**Machinery Company**

- ROA 4.0%

**Metals & Minerals Company**

- ROA 9.4%

**Energy & Chemicals Company**

- ROA 6.1%

**Food Company**

- ROA 8.0%

**General Products & Realty Company**

- ROA 6.4%

**ICT & Financial Business Company**

- ROA 7.4%
Consolidated Net Profit (Loss) (Non-Resource / Resource) (Billions of Yen)

- Increased earnings in the non-resource sector, but decline in commodity prices, and impairment loss on a U.S. oil and gas development-related company.
- Growth in the Food, the ICT & Financial Business, and other non-resource fields; CITIC’s contribution to profits; rebound from a one-time loss recognized in FYE 2016.
- Profit increase in the non-resource sector, and higher prices for resources thereby moving toward the ¥500.0 billion level.

Consolidated Net Profit (Loss) by Operating Segment (Billions of Yen)

- Absence of the disposal of inefficient assets in the previous fiscal year, overall upturn in our earning power.
- Increased earnings in the non-resource sector.
- Impairment losses in the resource sector were offset by increased earnings in the non-resource sector.
- Impairment losses primarily in the non-resource sector, with a view to reducing future risks.

Extraordinary Gains and Losses

- Profit increase in the non-resource sector, and higher prices for resources thereby moving toward the ¥500.0 billion level.

Core Profit

- "Others, Adjustments & Eliminations is not included in earnings from the non-resource / resource sectors."
Performance Trends by Segment

**Consolidated Net Profit**

<table>
<thead>
<tr>
<th>Year</th>
<th>Textile Company</th>
<th>Machinery Company</th>
<th>Metals &amp; Minerals Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>28.2</td>
<td>48.9</td>
<td>53.7</td>
</tr>
<tr>
<td>2018</td>
<td>26.0</td>
<td>57.0</td>
<td>62.5</td>
</tr>
<tr>
<td>2019</td>
<td>28.8</td>
<td>67.6</td>
<td>74.7</td>
</tr>
</tbody>
</table>

**Core Profit**

<table>
<thead>
<tr>
<th>Year</th>
<th>Textile Company</th>
<th>Machinery Company</th>
<th>Metals &amp; Minerals Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>9.2</td>
<td>42.1</td>
<td>62.5</td>
</tr>
<tr>
<td>2018</td>
<td>5.3</td>
<td>57.1</td>
<td>82.5</td>
</tr>
<tr>
<td>2019</td>
<td>7.6</td>
<td>67.6</td>
<td>79.2</td>
</tr>
</tbody>
</table>

**Total Assets**

<table>
<thead>
<tr>
<th>Year</th>
<th>Textile Company</th>
<th>Machinery Company</th>
<th>Metals &amp; Minerals Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>495.9</td>
<td>1,218.6</td>
<td>1,180.3</td>
</tr>
<tr>
<td>2018</td>
<td>474.9</td>
<td>1,218.6</td>
<td>1,180.3</td>
</tr>
<tr>
<td>2019</td>
<td>527.2</td>
<td>1,218.6</td>
<td>1,180.3</td>
</tr>
</tbody>
</table>

**Core Operating Cash Flows**

<table>
<thead>
<tr>
<th>Year</th>
<th>Textile Company</th>
<th>Machinery Company</th>
<th>Metals &amp; Minerals Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>27.9</td>
<td>42.3</td>
<td>90.3</td>
</tr>
<tr>
<td>2018</td>
<td>24.7</td>
<td>62.3</td>
<td>119.9</td>
</tr>
<tr>
<td>2019</td>
<td>32.4</td>
<td>60.4</td>
<td>80.1</td>
</tr>
</tbody>
</table>

**ROA (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Textile Company</th>
<th>Machinery Company</th>
<th>Metals &amp; Minerals Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>5.5</td>
<td>5.2</td>
<td>6.2</td>
</tr>
<tr>
<td>2018</td>
<td>5.4</td>
<td>5.0</td>
<td>4.9</td>
</tr>
<tr>
<td>2019</td>
<td>5.9</td>
<td>4.7</td>
<td>4.5</td>
</tr>
</tbody>
</table>
## Business Portfolio

### Energy & Chemicals Company

<table>
<thead>
<tr>
<th>Year</th>
<th>Consolidated Net Profit</th>
<th>Core Profit</th>
<th>ROA to Consolidated Net Profit</th>
<th>ROA to Core Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>30.4</td>
<td>18.9</td>
<td>3.0</td>
<td>1.7</td>
</tr>
<tr>
<td>2018</td>
<td>37.4</td>
<td>23.3</td>
<td>4.3</td>
<td>2.9</td>
</tr>
<tr>
<td>2019</td>
<td>80.6</td>
<td>57.1</td>
<td>6.1</td>
<td>4.3</td>
</tr>
</tbody>
</table>

### Food Company

<table>
<thead>
<tr>
<th>Year</th>
<th>Consolidated Net Profit</th>
<th>Core Profit</th>
<th>ROA to Consolidated Net Profit</th>
<th>ROA to Core Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>70.5</td>
<td>57.1</td>
<td>80.5</td>
<td>61.5</td>
</tr>
<tr>
<td>2018</td>
<td>60.0</td>
<td>45.4</td>
<td>80.5</td>
<td>61.5</td>
</tr>
<tr>
<td>2019</td>
<td>207.0</td>
<td>145.7</td>
<td>69.4</td>
<td>48.7</td>
</tr>
</tbody>
</table>

### General Products & Realty Company

<table>
<thead>
<tr>
<th>Year</th>
<th>Consolidated Net Profit</th>
<th>Core Profit</th>
<th>ROA to Consolidated Net Profit</th>
<th>ROA to Core Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>38.1</td>
<td>27.6</td>
<td>55.7</td>
<td>40.1</td>
</tr>
<tr>
<td>2018</td>
<td>46.7</td>
<td>34.5</td>
<td>66.5</td>
<td>44.1</td>
</tr>
<tr>
<td>2019</td>
<td>62.9</td>
<td>46.7</td>
<td>56.4</td>
<td>42.7</td>
</tr>
</tbody>
</table>

### ICT & Financial Business Company

<table>
<thead>
<tr>
<th>Year</th>
<th>Consolidated Net Profit</th>
<th>Core Profit</th>
<th>ROA to Consolidated Net Profit</th>
<th>ROA to Core Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>43.1</td>
<td>34.5</td>
<td>51.1</td>
<td>40.1</td>
</tr>
<tr>
<td>2018</td>
<td>50.1</td>
<td>39.4</td>
<td>56.4</td>
<td>42.7</td>
</tr>
<tr>
<td>2019</td>
<td>68.4</td>
<td>50.1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Net Profit (Loss) by Major Group Companies

Textile Company

<table>
<thead>
<tr>
<th>Shares*2</th>
<th>FYE 2017</th>
<th>FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020 (Forecast)*1</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 2017</td>
<td>25.2</td>
<td>12.5</td>
<td>29.8</td>
<td>33.0</td>
</tr>
</tbody>
</table>

Breakdown of Net Profit (Loss) by Major Group Companies

<table>
<thead>
<tr>
<th>Company</th>
<th>Shares%</th>
<th>FYE 2017</th>
<th>FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020 (Forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td>JO'IX CORPORATION</td>
<td>100.0%</td>
<td>1.4</td>
<td>1.5</td>
<td>1.2</td>
<td>1.4</td>
</tr>
<tr>
<td>DESCENTE LTD.</td>
<td>40.0%</td>
<td>1.5</td>
<td>1.4</td>
<td>1.2</td>
<td>2.1</td>
</tr>
<tr>
<td>Sankei Co., Ltd.</td>
<td>100.0%</td>
<td>2.0</td>
<td>0.1</td>
<td>1.9</td>
<td>2.1</td>
</tr>
<tr>
<td>ITOCHU Textile Prominent (ASIA) Ltd.</td>
<td>100.0%</td>
<td>0.8</td>
<td>0.2</td>
<td>1.1</td>
<td>1.3</td>
</tr>
<tr>
<td>ITOCHU TEXTILE (CHINA) CO., LTD.</td>
<td>100.0%</td>
<td>0.9</td>
<td>1.0</td>
<td>1.1</td>
<td>1.1</td>
</tr>
</tbody>
</table>

Machinery Company

<table>
<thead>
<tr>
<th>Shares*2</th>
<th>FYE 2017</th>
<th>FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020 (Forecast)*1</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 2017</td>
<td>46.4</td>
<td>57.1</td>
<td>47.6</td>
<td>61.0</td>
</tr>
</tbody>
</table>

Breakdown of Net Profit (Loss) by Major Group Companies

<table>
<thead>
<tr>
<th>Company</th>
<th>Shares%</th>
<th>FYE 2017</th>
<th>FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020 (Forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tokyo Century Corporation</td>
<td>25.2%</td>
<td>10.2</td>
<td>12.5</td>
<td>12.6</td>
<td>13.6</td>
</tr>
<tr>
<td>I-Power Investment Inc.</td>
<td>100.0%</td>
<td>1.0</td>
<td>5.3</td>
<td>(5.8)</td>
<td>2.1</td>
</tr>
<tr>
<td>I-ENVIRONMENT INVESTMENTS LIMITED</td>
<td>100.0%</td>
<td>0.8</td>
<td>1.9</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>JAMCO Corporation</td>
<td>33.4%</td>
<td>0.4</td>
<td>0.6</td>
<td>0.6</td>
<td>0.9</td>
</tr>
<tr>
<td>YANASE &amp; CO., LTD.</td>
<td>66.0%</td>
<td>2.7</td>
<td>3.7</td>
<td>1.1</td>
<td>5.6</td>
</tr>
<tr>
<td>ITOCHU TC CONSTRUCTION MACHINERY CO., LTD.*</td>
<td>100.0%</td>
<td>0.7</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>ITOCHU MACHINE-TECHNOS CORPORATION</td>
<td>100.0%</td>
<td>1.1</td>
<td>0.8</td>
<td>1.4</td>
<td>1.3</td>
</tr>
<tr>
<td>Century Medical, Inc.</td>
<td>100.0%</td>
<td>0.5</td>
<td>0.5</td>
<td>0.7</td>
<td>0.8</td>
</tr>
</tbody>
</table>

* On July 1, 2019, ITOCHU CONSTRUCTION MACHINERY CO., LTD., changed its name to ITOCHU TC CONSTRUCTION MACHINERY CO., LTD.

Metals & Minerals Company

<table>
<thead>
<tr>
<th>Shares*2</th>
<th>FYE 2017</th>
<th>FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020 (Forecast)*1</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 2017</td>
<td>45.2</td>
<td>82.5</td>
<td>79.2</td>
<td>96.0</td>
</tr>
</tbody>
</table>

Breakdown of Net Profit (Loss) by Major Group Companies

<table>
<thead>
<tr>
<th>Company</th>
<th>Shares%</th>
<th>FYE 2017</th>
<th>FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020 (Forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITOCHU Minerals &amp; Energy of Australia Pty Ltd (IMEA)</td>
<td>100.0%</td>
<td>42.8</td>
<td>62.3</td>
<td>60.1</td>
<td>70.7</td>
</tr>
<tr>
<td>Brazil Japan Iron Ore Corporation (CSN Mineração)</td>
<td>75.7%</td>
<td>(2.9)</td>
<td>3.3</td>
<td>1.7</td>
<td>—</td>
</tr>
<tr>
<td>ITOCHU Coal Americas Inc. (Drummond)</td>
<td>100.0%</td>
<td>(2.6)</td>
<td>2.9</td>
<td>2.0</td>
<td>—</td>
</tr>
<tr>
<td>Marubeni-Itouchi Steel Inc.</td>
<td>50.0%</td>
<td>7.6</td>
<td>9.2</td>
<td>12.1</td>
<td>—</td>
</tr>
<tr>
<td>ITOCHU Metals Corporation</td>
<td>100.0%</td>
<td>1.1</td>
<td>1.6</td>
<td>1.6</td>
<td>1.3**</td>
</tr>
</tbody>
</table>

* On April 1, 2017, TAKIRON Co., Ltd., and C.I. Kasei Co., Ltd., merged to form C.I. TAKIRON Corporation. Accordingly, C.I. TAKIRON’s consolidated contribution for FYE 2017 is represented as the sum of consolidated contributions for the two companies.

Energy & Chemicals Company

<table>
<thead>
<tr>
<th>Shares*2</th>
<th>FYE 2017</th>
<th>FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020 (Forecast)*1</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 2017</td>
<td>18.9</td>
<td>36.9</td>
<td>80.6</td>
<td>55.0</td>
</tr>
</tbody>
</table>

Breakdown of Net Profit (Loss) by Major Group Companies

<table>
<thead>
<tr>
<th>Company</th>
<th>Shares%</th>
<th>FYE 2017</th>
<th>FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020 (Forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITOCHU Oil Exploration (Azerbaijan) Inc. (ACG Project)</td>
<td>100.0%</td>
<td>0.7</td>
<td>2.3</td>
<td>3.3</td>
<td>5.1</td>
</tr>
<tr>
<td>ITOCHU PETROLEUM CO., (SINGAPORE) PTE. LTD.</td>
<td>100.0%</td>
<td>1.8</td>
<td>(1.8)</td>
<td>0.5</td>
<td>0.9</td>
</tr>
<tr>
<td>ITOCHU ENEX CO., LTD.</td>
<td>54.0%</td>
<td>5.5</td>
<td>6.0</td>
<td>6.5</td>
<td>6.4</td>
</tr>
<tr>
<td>Japen South Sakha Oil Co., Ltd. (Eastern Siberia Project)</td>
<td>25.2%</td>
<td>1.1</td>
<td>4.0</td>
<td>9.1</td>
<td>—</td>
</tr>
<tr>
<td>Dividend from LNG Projects (PAT)</td>
<td>—</td>
<td>3.2</td>
<td>4.4</td>
<td>6.2</td>
<td>5.2</td>
</tr>
<tr>
<td>ITOCHU CHEMICAL FRONTIER Corporation</td>
<td>100.0%</td>
<td>3.1</td>
<td>3.7</td>
<td>5.2</td>
<td>4.5</td>
</tr>
<tr>
<td>ITOCHU PLASTICS INC.</td>
<td>100.0%</td>
<td>4.2</td>
<td>4.0</td>
<td>3.8</td>
<td>2.4**</td>
</tr>
<tr>
<td>C.I. TAKIRON Corporation*</td>
<td>51.2%</td>
<td>5.4</td>
<td>3.0</td>
<td>2.9</td>
<td>6.9</td>
</tr>
</tbody>
</table>

* On April 1, 2017, TAKIRON Co., Ltd., and C.I. Kasei Co., Ltd., merged to form C.I. TAKIRON Corporation. Accordingly, C.I. TAKIRON’s consolidated contribution for FYE 2017 is represented as the sum of consolidated contributions for the two companies.
### Food Company

<table>
<thead>
<tr>
<th>Shares*2 FYE 2017 FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020 (Forecast)*1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated Net Profit (Loss)</strong></td>
<td>70.5</td>
<td>80.5</td>
</tr>
</tbody>
</table>

**Breakdown of Net Profit (Loss) by Major Group Companies**

<table>
<thead>
<tr>
<th>Company</th>
<th>Shares</th>
<th>FYE 2017</th>
<th>FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020 (Forecast)*1</th>
</tr>
</thead>
<tbody>
<tr>
<td>FamilyMart UNY Holdings Co., Ltd.</td>
<td>50.2%</td>
<td>7.4</td>
<td>11.8</td>
<td>17.3</td>
<td>0.0*</td>
</tr>
<tr>
<td>Dole International Holdings, Inc.</td>
<td>100.0%</td>
<td>8.3</td>
<td>3.2</td>
<td>7.8</td>
<td>10.0</td>
</tr>
<tr>
<td>NIPPON ACCESS, INC.</td>
<td>100.0%</td>
<td>12.2</td>
<td>9.8</td>
<td>11.6</td>
<td>8.1*</td>
</tr>
<tr>
<td>FUJI OIL HOLDINGS INC.</td>
<td>34.0%</td>
<td>2.7</td>
<td>4.2</td>
<td>3.0</td>
<td>5.2</td>
</tr>
<tr>
<td>Prima Meat Packers, Ltd.</td>
<td>39.8%</td>
<td>3.7</td>
<td>4.1</td>
<td>3.2</td>
<td>3.7</td>
</tr>
<tr>
<td>ITOCHU-SHOKUHIN Co., Ltd.</td>
<td>52.2%</td>
<td>1.7</td>
<td>2.2</td>
<td>1.7</td>
<td>2.1</td>
</tr>
<tr>
<td>HYLIFE GROUP HOLDINGS LTD.</td>
<td>49.9%</td>
<td>2.7</td>
<td>3.7</td>
<td>2.7</td>
<td>—</td>
</tr>
</tbody>
</table>

* Includes net profit from FamilyMart UNY Holdings Co., Ltd.

*1 The "FYE 2020 (Forecast)" was revised on August 2, 2019 to reflect the establishment of The 8th Company.

*2 Share percentages indicated are as of March 31, 2019.

### General Products & Realty Company

<table>
<thead>
<tr>
<th>Shares*2 FYE 2017 FYE 2018</th>
<th>FYE 2018</th>
<th>FYE 2020 (Forecast)*1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated Net Profit (Loss)</strong></td>
<td>27.6</td>
<td>55.7</td>
</tr>
</tbody>
</table>

**Breakdown of Net Profit (Loss) by Major Group Companies**

<table>
<thead>
<tr>
<th>Company</th>
<th>Shares</th>
<th>FYE 2017</th>
<th>FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020 (Forecast)*1</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Tyre Enterprise Limited (Kwik-Fit)</td>
<td>100.0%</td>
<td>(5.2)</td>
<td>5.8</td>
<td>4.2</td>
<td>5.1</td>
</tr>
<tr>
<td>ITOCHU FIBRE LIMITED (METSA FIBRE)</td>
<td>100.0%</td>
<td>4.3</td>
<td>9.9</td>
<td>16.1</td>
<td>—</td>
</tr>
<tr>
<td>Japan Brazil Paper and Pulp Resources Development Co., Ltd. (CENIBRA)</td>
<td>33.3%</td>
<td>2.9</td>
<td>4.2</td>
<td>7.3</td>
<td>—</td>
</tr>
<tr>
<td>ITOCHU KENZAI Corp.</td>
<td>100.0%</td>
<td>2.6</td>
<td>2.7</td>
<td>2.9</td>
<td>2.9</td>
</tr>
<tr>
<td>DAIKEN CORPORATION</td>
<td>35.0%</td>
<td>1.8</td>
<td>1.6</td>
<td>1.3</td>
<td>2.1</td>
</tr>
<tr>
<td>ITOCHU Property Development, Ltd.</td>
<td>100.0%</td>
<td>2.6</td>
<td>2.4</td>
<td>2.9</td>
<td>2.7</td>
</tr>
<tr>
<td>ITOCHU LOGISTICS CORP.</td>
<td>100.0%</td>
<td>2.4</td>
<td>2.7</td>
<td>3.1</td>
<td>2.8*</td>
</tr>
</tbody>
</table>

### ICT & Financial Business Company

<table>
<thead>
<tr>
<th>Shares*2 FYE 2017 FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020 (Forecast)*1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated Net Profit (Loss)</strong></td>
<td>40.1</td>
<td>51.1</td>
</tr>
</tbody>
</table>

**Breakdown of Net Profit (Loss) by Major Group Companies**

<table>
<thead>
<tr>
<th>Company</th>
<th>Shares</th>
<th>FYE 2017</th>
<th>FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020 (Forecast)*1</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITOCHU Techno-Solutions Corporation</td>
<td>58.2%</td>
<td>12.6</td>
<td>13.6</td>
<td>14.2</td>
<td>15.7</td>
</tr>
<tr>
<td>BELLSYSTEM24 Holdings, Inc.</td>
<td>40.8%</td>
<td>1.4</td>
<td>1.2</td>
<td>1.2</td>
<td>2.8</td>
</tr>
<tr>
<td>CONEXIO Corporation</td>
<td>60.3%</td>
<td>3.9</td>
<td>4.1</td>
<td>4.0</td>
<td>—</td>
</tr>
<tr>
<td>ITOCHU Fuji Partners, Inc. (SKY Perfect JSAT Holdings)</td>
<td>63.0%</td>
<td>2.2</td>
<td>(0.2)</td>
<td>1.4</td>
<td>1.6</td>
</tr>
<tr>
<td>POCKET CARD CO., LTD.</td>
<td>63.1%</td>
<td>0.6</td>
<td>1.3</td>
<td>3.9</td>
<td>2.1*</td>
</tr>
<tr>
<td>Orient Corporation</td>
<td>16.5%</td>
<td>5.0</td>
<td>4.2</td>
<td>4.2</td>
<td>—</td>
</tr>
</tbody>
</table>

### The 8th Company

<table>
<thead>
<tr>
<th>Shares*2 FYE 2017 FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020 (Forecast)*1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated Net Profit (Loss)</strong></td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

**Breakdown of Net Profit (Loss) by Major Group Companies**

<table>
<thead>
<tr>
<th>Company</th>
<th>Shares</th>
<th>FYE 2017</th>
<th>FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020 (Forecast)*1</th>
</tr>
</thead>
<tbody>
<tr>
<td>FamilyMart UNY Holdings Co., Ltd.</td>
<td>50.2%*3</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>25.1</td>
</tr>
<tr>
<td>NIPPON ACCESS, INC.</td>
<td>40.0%*3</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>5.4</td>
</tr>
<tr>
<td>ITOCHU PLASTICS INC.</td>
<td>40.0%*3</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>1.6</td>
</tr>
<tr>
<td>POCKET CARD CO., LTD.</td>
<td>30.9%*3</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>2.0*</td>
</tr>
<tr>
<td>ITOCHU Metals Corporation</td>
<td>30.0%*3</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>0.5</td>
</tr>
<tr>
<td>ITOCHU LOGISTICS CORP.</td>
<td>5.0%*3</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>0.2</td>
</tr>
</tbody>
</table>

* Includes net profit from FamilyMart UNY Holdings Co., Ltd.

*1 The "FYE 2020 (Forecast)" was revised on August 2, 2019 to reflect the establishment of The 8th Company.

*2 Share percentages indicated are as of March 31, 2019.

*3 A portion of net profit was transferred to The 8th Company in tandem with that company's establishment. See the share percentage indicated for The 8th Company for details on the percentage transferred.
Textile Company

Business Fields:
- Brand business
- Raw materials, Garment materials, and Apparel
- Industrial materials

Masahiro Morofuji
President, Textile Company

Business Development

**Raw materials, Garment materials, and Apparel**
Products: Textile materials, textiles, garment materials, textile products, etc.

- Product planning and sales base for the European market
  - Prominent (Europe)

- Production bases spreading throughout China and other parts of Asia

- Product planning, production, and sales bases for markets in China and other parts of Asia production base for the Japanese, European, U.S., and global markets
  - ITOCHU TEXTILE (CHINA)
  - ITOCHU Textile Prominent (ASIA)

- Planning, production, and sales bases for the Japanese market
  - ITOCHU • EEDWIN
  - UNICO • LEILIAN

- Sales of garment materials for Japanese, Chinese, and other Asian production bases
  - ITOCHU • SANKEI

**Industrial materials**
Products: Fiber materials used for hygiene, automobile interior materials, electronics materials, building materials, etc.

- Establishment of local supply chains that match customer needs and locations (Focus region: China and other parts of Asia)

- Spread the business model established in Japan, China, and other parts of Asia throughout the world

**Brand business**

- Participation in management / Trademark rights
- Exclusive import and distribution rights / Master license rights

- Primary brands handled: CONVERSE, HUNTING WORLD, LANVIN, LeSportsac, OUTDOOR PRODUCTS, Paul Smith
- Primary brands handled: FILA, HEAD, Psycho Bunny, Santoni, Vivienne Westwood
STRENGTHS
Company Strengths

- Strong position as the unmistakable leader among general trading companies in the textile industry
- Full-spectrum value chain that includes everything from upstream to downstream operations in the textile industry
- Highly efficient business foundation and a balanced asset portfolio

OPPORTUNITIES
Growth Opportunities

Secure new demand by creating new businesses that adapt to changes in market environment via the supply chain

Promote trade in which we take the initiative by utilizing new technologies, developing environmentally friendly materials, etc.

Respond to changing consumer trends and diversifying sales channels in the domestic market

Strengthen e-commerce and grow new sales channels in our brand and retail-related businesses

Growth of consumer markets in China and other parts of Asia due to rising standards of living

Grow overseas revenues and earnings by cultivating initiatives with leading companies in China and other parts of Asia as well as increasing superior assets

RISKS
Obstacles to Medium- to Long-Term Growth from an ESG Perspective

Risks related to securing superior human resources in the textile industry, which has labor-intensive facets

Add value and promote sustainable industrialization by creating IT infrastructures for production

Penetration of the distribution revolution in the apparel industry, which makes existing businesses obsolete

Improve production and marketing efficiency by utilizing AI, expand the use of RFID tags in the apparel industry

Environmental and human rights risks at production bases that arise from decreasing product prices

Promote establishment of a safe and reliable product supply system

Taking Advantage of Opportunities for Growth

Building a Value Chain Starting with Raw Materials in which We Take the Initiative

As part of our “reinvention of business” policy, we are working to build a value chain with raw materials as the starting point, centering on environmentally friendly materials. In FYE 2019, we invested in JEPLAN, INC., a company possessing manufacturing technology for recycling polyester, and undertook joint investment with Shandong Ruyi Science and Technology Group in The LYCRA Company, a leading materials manufacturer. Additionally, we announced the establishment of a joint venture plant for environmentally friendly cellulose fibers with Metsa Group. Going forward, we will expand our own raw materials brand, develop original materials, and leverage our manufacturing foundation in China and other parts of Asia. Through these efforts, we will be able to provide the world’s leading retailers with a one-stop service spanning raw materials to product manufacturing. By providing this service, we aim to expand trade in which we can take the initiative in the Textile Business.

The LYCRA Company’s collection of materials
Machinery Company

Business Fields:
- Plant and Power projects (water and environmental, infrastructure, renewable energy, petrochemical, and IPP)
- Marine and Aerospace (new vessels, secondhand vessels, ship ownership, commercial aircraft, and aircraft leasing)
- Automobile (sales of passenger cars and commercial vehicles in the domestic and international markets, and business investments)
- Construction machinery, Industrial machinery, and Medical devices (sales and business investments in domestic and international markets)

Hiroyuki Tsubai
President, Machinery Company

From left:
Shinichi Aburaya,
Chief Operating Officer, Plant Project, Marine & Aerospace Division
Takanori Morita,
Chief Operating Officer, Automobile, Construction Machinery & Industrial Machinery Division
Shuichiro Yamaura,
Chief Financial Officer
Tatsuya Hirano,
General Manager, Planning & Administration Department

Business Development

Plant / Marine / Aerospace
- Bristol Water (Water utility)
- South Tyne and Wear (Energy from waste project)
- Butendiek (Offshore wind power plant)
- Nov Metro (Subway)
- Kmr Bay Bridge (EPC)
- Beo Data Energy (Energy of waste project)
- Baraka Desalination Company (Seawater desalination)
- Guangzhou Metro / Hong Kong MTR / Macau LRT
- HICT (Container terminal)
- Sarula Operations (Geothermal [PP])
- BHRMAGEN POWER INDONESIA (Coal-fired [PP])

TOCHU AVIATION
(Sale of aircraft and related equipment)
JAPAN AEROSPACE
(Sale of aircraft and related equipment)
JAXCO (Manufacture of aircraft interiors)
Tokyo Century (Financial services)
MEC (Ownership, operation, and leasing of ships)

NAEB
(Power plant operation and maintenance)
Cotton Rain (Wind and solar power generation business)

Hockey Run
(Gas-fired combined-cycle IPP)

Barka Desalination Company
(Seawater desalination)

I.C. AUTOHANDELS BETEILIGUNGEN (Dealer)
Suzuki Motor Rus (Distributor)

I.T. AUTO INTERNATIONAL (Distributor)

I.C. AUTO AFRICA
(Automobile trade and business investment)

II.I. AUTOAFRICA
(Automobile trade and business investment)

ITODA Automotive
(Import and export of auto parts)
Sungall (Manufacture of precision machinery)

ITODA Automotive Sales (Distributor)

ITODA MACHINE-TECHO (Sale of industrial machinery)
ITODA Sytech (Sale of textile machinery)
Syo Advanced Technologies (Manufacture and sale of auto parts)

ITODA TC CONSTRUCTION MACHINERY (Sale and leasing of construction machinery)
Century Medical (Import and sale of medical equipment)

Auto Investment
(Dealer)

Telerent Leasing
(Hospital systems)

Ricardo Perez (Distributor)

Auto Investment (Dealer)

Century Medical (Import and sale of medical equipment)

Automobile / Construction Machinery / Industrial Machinery

Trade by ITOCHU

Textile Company
Machinery Company
Metals & Minerals Company
Energy & Chemicals Company
Food Company
General Products & Realty Company
ICT & Financial Business Company
STRENGTHS  

- Solid business relationships with excellent partners in each business area
- Wide-ranging business development leveraging expertise in investment and trading business
- Diverse businesses in advanced countries and business developments in emerging countries with minimal country risk

OPPORTUNITIES  Growth Opportunities

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Strategies (Specific Measures)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growing demand for global infrastructure driven by population increase and economic growth in emerging countries</td>
<td>Enhancement and replacement of existing assets and new investments mainly in water and environment, IPP, and automobile fields</td>
</tr>
<tr>
<td>Technological innovations, changes in people’s values and living environments</td>
<td>Transformation of existing value chains with a focus on the automobile industry and evolution toward a next-generation mobility business model</td>
</tr>
<tr>
<td>Increase in global economic interdependence and growing complexity of business models</td>
<td>Pursuit of synergies and cooperation with strategic partners</td>
</tr>
</tbody>
</table>

RISKS  Obstacles to Medium- to Long-Term Growth from an ESG Perspective

<table>
<thead>
<tr>
<th>Obstacles to Medium- to Long-Term Growth from an ESG Perspective</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stricter regulation and decrease in demand for coal-fired power generation business due to greenhouse gas emissions</td>
<td>Pursue investment opportunities in renewable energy generation, taking into account the energy situations in individual countries and regions</td>
</tr>
<tr>
<td>Tighter regulations regarding the sale of automobiles with internal combustion engines due to CO₂ and NOx emissions</td>
<td>Increase electric vehicles (EVs), hybrid vehicles (HVs), and environment-friendly vehicles businesses</td>
</tr>
<tr>
<td>Poor crop yields caused by water shortage, spread of disease and harmful effects on ecosystem and human health due to declining water quality and inappropriate waste disposal</td>
<td>Expand water and environment projects to promote the appropriate use and treatment of water and the effective utilization of resources, and to reduce the environmental impact</td>
</tr>
</tbody>
</table>

Taking Advantage of Opportunities for Growth

**Barka Seawater Desalination Project in Oman**

Barka Desalination Company, of which ITOCHU is the top shareholder, put into commercial operation the Barka Seawater Desalination Plant in June 2018, targeting a stable supply of water. This project is a public-private collaborative project being promoted by the Omani government, and water produced at the plant is supplied via the Oman Power and Water Procurement Company for the next 20 years as water for household use in the capital city, Muscat. It is Oman’s largest seawater desalination project. In the Gulf region, including Oman, shortage of water for household use is becoming an issue amid mounting demand due to population growth and urbanization. Going forward, we will continue to make effective use of water resources throughout the world and promote ESG initiatives through our core businesses.

Please also see the sustainability pages of ITOCHU’s website.  
Metals & Minerals Company

Business Fields:

- Development of metal & mineral resources (iron ore, coal, non-ferrous metals, etc.)
- Trade in materials, fuel, and products (iron ore, coal, aluminum, uranium, non-ferrous products, etc.), and recycling businesses (steel scrap, etc.)
- Steel business (process and trade of steel products, and investment in related industries)

Business Development

Kenji Seto
President, Metals & Minerals Company; Chief Operating Officer, Metal & Mineral Resources Division

From left:
Ikuya Hirano, Chief Financial Officer
Yoshihiko Ogura, General Manager, Planning & Administration Department
Yasushi Tashiro, General Manager, Steel Business Coordination Department
Please also see the sustainability pages of ITOCHU’s website.

ITOCHU to Make Capital Investment to Develop South Flank Project
ITOCHU has approved capital expenditure to develop the South Flank project of its Western Australia Iron Ore Operations ("WAIO"). WAIO is run as a joint venture with leading mining company, BHP. The South Flank project will replace production from the Yandi iron ore mine which is reaching the end of its economic life. Production from the South Flank mine is expected to continue for more than 25 years. First shipment is targeted in the 2021 calendar year. We will further strengthen the partnership with excellent partners, and will continue to seek investments in superior assets with a high level of competitiveness. At the same time, through this business we will continue to develop sustainable projects with careful consideration for EHS, and harmony with people in local communities.

OPPORTUNITIES Growth Opportunities

<table>
<thead>
<tr>
<th>Changes in society’s demand with respect to metal &amp; mineral resources and metal materials</th>
<th>Creation of optimal resource portfolios that contribute to next-generation industries by replacing and acquiring superior assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expansion of trade in metal &amp; mineral resources, steel and non-ferrous products, as well as recycling business in line with global economic development</td>
<td>Formation of new, high-value-added trading structures by leveraging strong relationships with excellent partners</td>
</tr>
<tr>
<td>“Reinvention of business” through building a value chain</td>
<td>Conduct investments and provide financing in industry from upstream to downstream, and enhance business models through the introduction of new technologies</td>
</tr>
</tbody>
</table>

RISKS Obstacles to Medium- to Long-Term Growth from an ESG Perspective

<table>
<thead>
<tr>
<th>Trends in demand for fossil fuels associated with regulations on greenhouse gas emissions, and changes in industrial materials with a view toward realizing a low-carbon society</th>
<th>Adherence to our coal-related business policy; ongoing contribution to the development of technologies that will help reduce greenhouse gas emissions; enhanced initiatives in businesses (such as aluminum) that will facilitate lighter-weight vehicles and a shift toward EVs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower production and sales volumes due to resource depletion and mine closures</td>
<td>Expansion of superior equity investments that provide the foundation for stable supplies of resources and fuels</td>
</tr>
<tr>
<td>Consideration for EHS (Environmental, Health, and Occupational safety) and harmony with people in local communities</td>
<td>Operation of EHS Guidelines and thorough employee education; healthcare, education through donations to local communities; contributions to community infrastructure development, etc.</td>
</tr>
</tbody>
</table>

Taking Advantage of Opportunities for Growth

WAIO’s Ore Processing Plant (Photo courtesy of BHP)
Energy & Chemicals Company

Business Fields:
- Energy projects and trading (crude oil, petroleum products, LPG, LNG, natural gas, electricity, etc.)
- Chemical projects and trading (general range of basic petrochemical products, sulfur, fertilizer, pharmaceuticals, synthetic resin, household goods, fine chemicals, storage batteries, electronic materials, etc.)

Keita Ishii
President, Energy & Chemicals Company

Business Development

Energy

- North Sea Project
  - Equinor
- ACG Project
  - GIP
- BTC Project
- Ras Laffan LNG Project
- Oman LNG Project
- Qalhat LNG Project
- Sakhalin 1 Project
  - ExxonMobil
- Eastern Siberia Project
  - NK-Zapad
- HINDUSTAN AEGIS LPG
- AEGIS
- IPC (Singapore)
- Isla Petroleum & Gas
- IP&E
- AEGIS

Chemicals

- Plastribution
  - (Synthetic resin materials)
- NCT
  - (Synthetic resin materials)
- Sumipex
  - (Synthetic resin products)
- Agromate (Fertilizer)
- ITOCHU Plastics
  - (Synthetic resin materials)
- Omni-Plus Systems
  - (Synthetic resin materials)
- C.J. TAKIRON
  - (Synthetic resin products)
- HUATANG COMPREHENSIVE PROCESSING
  - (Household goods)
- ITOCHU Retail Link (Commercial materials)
- ITOCHU CHEMICAL FRONTIER
  - (Fine chemicals)
- ITOCHU PLASTICS
  - (Synthetic resin products)
- Sansipak Company Of Japan
  - (Household goods)
- Hexa America
  - (Synthetic resin materials)
- Helminit (USA)
  - (Adhesives)
- Reynolds (Adhesives)
- REFMEX (Synthetic resin materials)
- MGI International
  - (Synthetic resin materials)
- Bonsai America
  - (Synthetic resin products)
- Bonset America
  - (Synthetic resin products)
- C.I. TAKIRON
  - (Synthetic resin products)
- Sumipex
  - (Synthetic /fiber products)
- Agromate (Fertilizer)
- ITOCHU Plastics
  - (Synthetic resin materials)
- Plastribution
  - (Synthetic resin materials)
- C.I. TAKIRON
  - (Synthetic resin products)
- Hexa America
  - (Synthetic resin materials)
- Helminit (USA)
  - (Adhesives)
STRENGTHS

Company Strengths

- Business portfolio in the energy sector ranging from upstream to downstream
- Worldwide sales network of chemicals trading
- The ability to develop businesses across a broad range, spanning raw materials to end products in the chemicals field

OPPORTUNITIES

Growth Opportunities

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Strategies (Specific Measures)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growing awareness for a low-carbon society</td>
<td>Further strengthen the LNG value chain, including consideration of new project acquisitions</td>
</tr>
<tr>
<td>Long-term growth in demand for energy resources</td>
<td>Collaborate with reputable partners to maintain a stable, long-term supply of energy resources by increasing efficiency and expanding existing projects; consider new projects as alternatives to existing interests</td>
</tr>
<tr>
<td>Demand for environmentally friendly energy, products, and services</td>
<td>Expand initiatives leveraging breadth of the business domain, ranging from energy solutions and renewable energy to optimal charging and discharging services utilizing the energy storage system</td>
</tr>
</tbody>
</table>

RISKS

Obstacles to Medium- to Long-Term Growth from an ESG Perspective

<table>
<thead>
<tr>
<th>Obstacles</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stricter regulation of greenhouse gas emissions and less reliance on fossil fuels</td>
<td>Continuing efforts to minimize greenhouse gas emissions during operation and the pursuit of businesses with lower environmental impact, such as renewable energy and LNG</td>
</tr>
<tr>
<td>Transformation of patient needs and growing uncertainty of medical security systems as the population ages</td>
<td>Expansion of portfolio in the healthcare business through promoting leading-edge medical treatments</td>
</tr>
<tr>
<td>Stricter regulations on development, claims for damages resulting from environmental degradation, and deteriorating relations with local communities</td>
<td>Promotion of businesses that exceed the environmental management standards of governments in which we undertake projects, as well as of international administrative bodies</td>
</tr>
<tr>
<td>Reduction in demand for synthetic resin materials in line with moving away from plastic and the problem of plastic waste</td>
<td>Handle new environmentally friendly materials such as alternative materials to plastic and promote recycling businesses</td>
</tr>
</tbody>
</table>

(→) Page 50 Sustainability

Taking Advantage of Opportunities for Growth

Initiatives Contributing to Medium- to Long-Term Energy Security

ITOCHU is in the market exploring for opportunities to take part in the new natural gas and LNG projects, cleaner energy sources, the demands of which are growing ever more worldwide. As part of our upstream oil and gas strategy, we have acquired new project interest in Iraqi West Qurna-1, while divesting a subsidiary’s holding project interests in the U.K. North Sea. With its unique contract scheme*, the West Qurna-1 project secured more stable revenue stream, enabling us to build a robust asset base that would withstand today’s volatile oil market. Through these and other strategic measures taken, we, as the Energy & Chemicals Company, have achieved record-high earnings in FYE 2019. Our aim is to sustain this momentum by maximizing our revenue bases from existing projects, such as the Azerbaijani ACG project, at the same time continuing on with our journey to optimize our asset portfolio, through further acquisitions and divestments where feasible.

LNG tanker NIZWA

* A scheme in which ITOCHU and other companies operate and develop the field on behalf of the Iraqi government, for which they are entitled to receive a certain remuneration fee.
Food Company

Business Fields:
- Resources / Materials
- Product processing (fresh food, provisions)
- Midstream distribution (food wholesaling)
- Retail (CVS)

Hiroyuki Kaizuka
President, Food Company

Hiroyuki Kaizuka
President, Food Company

From left:
Shuichi Miyamoto,
Chief Operating Officer, Provisions Division
Kenichi Tai,
Chief Operating Officer, Fresh Food Division
Takashi Hagiwara,
Chief Operating Officer, Food Products Marketing & Distribution Division
Makoto Kyoda,
Chief Financial Officer
Kuniaki Abe,
General Manager, Planning & Administration Department

Business Development

Production (Resources / Materials)
Product processing
Wholesale
Retail (CVS)

ITOCHU FEED MILLS
Production and sale of compound feed

ITOCHU Sugar
Production, processing, and sale of sugar

FUJI OIL
Production and sale of food products

Prima Meat Packers
Production and sale of meat and processed meat products

Provence Huiles
Production of vegetable oils

BIX (Wholesale and distribution of foods)

Longrong Foodstuffs
Production and sale of processed meat products

Longrong Meat Foodstuffs
Production and sale of meat

FamilyMart China
WHASHI-ZHONGXIN
Wholesale and distribution of foods

FamilyMart Vietnam
FamilyMart Thailand

FamilyMart Malaysia
FamilyMart Indonesia

Aneka Tuna Indonesia
Production of canned and pouch tuna

Dole (Asian fresh produce business / pineapples)

FamilyMart Malaysia
FamilyMart Indonesia

Dole (Asian fresh produce business / bananas and pineapples)

FamilyMart Philippines

Hiroyuki Kaizuka
President, Food Company

Dole (Packaged foods business)

Dole (Packaged foods business)

FamilyMart UNY Holdings
FamilyMart Taiwan

FamilyMart UNY Holdings
FamilyMart Taiwan

Hyli Group Holdings
Hog raising and production and sale of pork

EGT (Grain terminal operator)

ITOCHU SHOKUHIN
Wholesale and distribution of foods

NIPPON ACCESS
Wholesale and distribution of foods

ITOCHU Food Sales and Marketing
Import and sale of raw materials for food products

Quality Technology International
Sale of soybeans and functional feed additives

Unex Guatemala
Refinement and export of cofee

CGB
Grain collection and sales and warehousing and logistics

Oilseeds International
Sale of vegetable oil
Biogas Power Generation Using Pineapple Residue

Dole Philippines Inc. (Dolefil) concluded a long-term energy sale and purchase contract with Surallah Biogas Ventures Corp. (SBVC), an affiliate of Metro Pacific Investments Corp. Under this contract, Dolefil will supply pineapple residue generated during the manufacturing process of Dole products to SBVC as a biogas ingredient, and will purchase the generated biogas as electricity from SBVC.

On the island of Mindanao in the Philippines, where Dolefil’s pineapple plantation is located, soaring electricity costs pose an issue for management. However, Dolefil will reduce its electricity costs by receiving gas and electricity at a fixed price following the construction of a biogas generation facility that will start operations in 2020. By leveraging renewable energy, we will reduce our environmental impact and help create a recycling society.
General Products & Realty Company

Business Fields:
- Paper, pulp, and hygiene (production, wholesaling)
- Natural rubber and tires (processing, wholesaling, and retail)
- Wood products and materials (production, wholesaling)
- Development and operation of real estate (housing, logistics facilities, and other projects)
- Logistics (SPL, international transport, etc.)

Tomofumi Yoshida
President, General Products & Realty Company

From left:
- Kenji Murai
  Chief Operating Officer, Forest Products, General Merchandise & Logistics Division
- Masatoshi Maki
  Chief Operating Officer, Construction & Real Estate Division
- Kazuaki Yamaguchi
  Chief Financial Officer
- Tsutomu Yamauchi
  General Manager, Planning & Administration Department

Business Development

- ITOCHU LOGISTICS (Comprehensive logistics services)
- ITOCHU CERATECH (Manufacture and sale of ceramic raw materials and products)
- TINTONG LOGISTICS (Comprehensive domestic logistics service in China)
- ITOCHU LOGISTICS (CHINA) (Comprehensive domestic logistics service in China)
- METSA FIBRE (Pulp production)
- Harrington Building (Office buildings)
- European Tyre Enterprise (Tire wholesale and retail business)
- Whizdom Asoke Sukhumvit (Condominium in Bangkok)
- ITOCHU REIT Management (Asset management corporation)
- ITOCHU Urban Community (Property management corporation of condominiums, rental apartments, and office buildings)
- ITOCHU HOUSING (Real estate agent, brokering, and leasing)
- ITOCHU Property Development (Real estate development, sale, and leasing)
- ITOHPIA HOME (Planning and construction of detached houses)
- CENTURY 21 REAL ESTATE OF JAPAN (Real estate franchise operation)
- AD Investment Management (Asset management corporation)
- ITOCHU Pulp & Paper (Wholesale and import/export of paper, paper board, and processed paper products)
- ITOCHU KENZAI (Wholesale of wood products and building materials)
- DAIKEN (Wholesale of wood products and building materials)
- Makati Sky Plaza Building (Office buildings)
- Saigon Sky Garden (Serviced apartments)
- Grand Hyatt Bali Hotel
- Pacific Woodtech (Manufacture and sale of laminated veneer lumber)
- GIPA LUMBER (Manufacture and sale of veneer)
- Alta Forest Products (Manufacture and sale of wooden fences)
- MASTER-HALCO (Manufacture and wholesale of fences)
- Atelier (Leasing of condominiums in Dallas)
- CENIBRA (Pulp production)
- Southwood Export (Manufacture of woodchips)
- Southland Plantation Forest (Plantation)
- Albany Plantation Export Company (Manufacture and export of woodchips)
- Albany Bulk Handling (Port handling)
**STRENGTHS**

- Well-established position and value chains in each business area
- Creation of synergy through collaboration between businesses
- Strengthening of the management foundation through the aggressive replacement of our asset portfolio

**OPPORTUNITIES**

<table>
<thead>
<tr>
<th>Growth Opportunities</th>
<th>Strategies (Specific Measures)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adapt business models in line with rapid progress of next-generation technologies</td>
<td>Further enhance tire, construction materials, real estate, and logistics businesses by employing next-generation technologies</td>
</tr>
<tr>
<td>Handle renewable forestry resources</td>
<td>Expand the handling of environment-friendly products that use sustainable forestry resources</td>
</tr>
<tr>
<td>Market expansion due to growing demand for specialized and sophisticated logistics infrastructure services, as well as rise in living standards in China and the ASEAN region</td>
<td>Augment the asset turnover model by building a value chain for logistics facilities, and expand the logistics business in China by reinforcing corporate foundations</td>
</tr>
</tbody>
</table>

**RISKS**

<table>
<thead>
<tr>
<th>Obstacles to Medium- to Long-Term Growth from an ESG Perspective</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stable procurement and supply of resources and raw materials</td>
<td>Promote sustainable afforestation with joint venture partners in Brazil, and strengthen the pulp business in Finland where the stable long-term supply of pulpwood is possible</td>
</tr>
<tr>
<td></td>
<td>Create a sustainable and stable business including potential investment of byproduct (slag) which is sustainable and used as a cement alternative</td>
</tr>
<tr>
<td></td>
<td>Promotion of sustainable natural rubber that is supplied through a traceability system</td>
</tr>
</tbody>
</table>

**Initiatives for Reducing ESG Risks**

**Commencement of Proof of Concept (PoC) for Traceability of Natural Rubber**

Natural rubber is an indispensable natural resource in our daily lives. The more awareness of creating a sustainable society, the greater transparency is required in procurement activities. To date, it has been extremely difficult to ascertain the actual conditions of natural rubber producers due to the vastness of the afforestation area and the complexity of distribution channels. Using the supply chain of P.T. ANEKA BUMI PRATAMA, our subsidiary in Indonesia, we have commenced a PoC project that is the world’s first application of blockchain technology in the natural rubber industry, and are promoting the realization of traceability. Furthermore, we are aiming to spread sustainable natural rubber through a capital alliance with HeveaConnect Pte Ltd, which operates a marketplace for trading sustainable natural rubber and was established by Halcyon Agri Corporation Limited (headquartered in Singapore and one of the world’s top natural rubber companies).
ICT & Financial Business Company

Business Fields:
- Information technology (ICT, BPO, and healthcare)
- Communications (mobile, media, and communication & satellite)
- Finance (retail, corporate)
- Insurance (brokerage, underwriting)

Tatsushi Shingu
President, ICT & Financial Business Company

From left:
Kiyoshi Imagawa,
Chief Operating Officer, ICT Division
Shuichi Kato,
Chief Operating Officer, Financial & Insurance Business Division
Fumitaka Horiuchi,
Chief Financial Officer
Tadayoshi Yamaguchi,
General Manager, Planning & Administration Department

Business Development

First Response Finance (Retail finance)
COSMOS SERVICES (Insurance broker)
ITOCHU FINANCE (ASIA) (Financial business for corporations)
United Asia Finance (Retail finance)
EASY BUY (Retail finance)
CTC Global (System integrator)
ITOCHU Auto Multi Finance (Device finance)
ACOM CONSUMER FINANCE (Retail finance)

ITOCHU Orko Insurance Services (Insurance agency)
IT&T Risk Solutions (Insurance broker)
HOKEN NO MADOGUCHI GROUP (Retail insurance agency)
eGuarantee (Credit guarantee business for corporates)
SKY Perfect JSAT Holdings (Media, space satellite business)
CONEXIO (Sale of mobile phones)
ITOCHU Cable Systems (Broadcast and telecommunication system integrator)
SPACE SHOWER NETWORKS (Music media)
Asurion Japan (Mobile insurance)
ITOCHU Techno-Solutions America (System integrator)

ITOCHU Techno-Solutions (System integrator)
BELLSYSTEM24 Holdings (CRM solutions and contact center services)
ITOCHU TECHNOLOGY VENTURES (Venture capital business)
ITOCHU Interactive (Digital marketing)
A2 Healthcare (Clinical development commissioned business)
Wellness Communications (Healthcare management solutions)

Orient Corporation (Consumer credit business)
POCKET CARD (Credit card business)
Money Communications (Financial services business)

NHK Cosmomedia America (TV broadcasting business)
NEWRIT Reinsurance (Captive insurance)
Advanced Media Technologies (Distributor of cable TV products)
Connect Holdings (Mobile insurance)
STRENGTHS  
Company Strengths

- Solid position of strong Group companies in the ICT field and the generation of synergies through alliances between businesses
- Business development in the retail financial services and insurance fields in Japan and overseas
- Network including start-up companies and other leading-edge companies in Japan and overseas

OPPORTUNITIES  
Growth Opportunities

<table>
<thead>
<tr>
<th>Evolve business models to adapt to rapid changes in the business environment</th>
<th>Expand overseas business foundation through cross-border e-commerce and new retail finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expansion of the infrastructure service business in response to increasingly specialized and sophisticated business processes</td>
<td>Develop new solutions by applying new cutting-edge technologies</td>
</tr>
<tr>
<td>Strengthen earning base through restructuring and optimization of existing businesses with partners in Japan and overseas</td>
<td>Discover, form alliances with, and promote business developments with start-up companies</td>
</tr>
</tbody>
</table>

RISKS  
Obstacles to Medium- to Long-Term Growth from an ESG Perspective

| Concerns about major security breaches that lead to privacy violations in healthcare businesses that utilize ICT | Appropriate storage of health data obtained via medical checkups, wearable devices, and body composition monitors |
| System failure due to cyberattacks and other factors that have a major impact on overall society | Provision of high-value-added ICT solutions by demonstrating sourcing (cultivation and procurement) functionality for new products and services |
| Shrinking retail finance market due to changes in global financial markets and the introduction of regulations in various countries | The creation of new retail finance markets through new technologies, as well as the increase in the number of customers and the expansion of asset scale in existing businesses |

Taking Advantage of Opportunities for Growth

Strategic Investment in Paidy Inc.
The ITOCHU Group has leveraged its growth through investing in and providing hands-on support to start-up companies with high growth potential. The support includes dispatching its employees and fostering ties among the Group. One of the achievements of these measures in FYE 2019 was the strategic investment alongside our subsidiary, POCKET CARD CO., LTD, in Paidy Inc. (Paidy), an online post-pay settlement service operator with the intention of making Paidy into an equity-method affiliate.

In addition to promoting the expansion of Paidy’s member store network both within and outside the group, we will develop advanced user-friendly next-generation financial services, leveraging Paidy’s new technology as typified by its proprietary credit scoring model, as well as POCKET CARD’s expertise in the settlement field accumulated over many years. Through these efforts we will aim to further enhance the corporate value of both companies.

(→ Page 67 Aiming to Reinvent Our Business)

Please also see the sustainability pages of ITOCHU’s website.