

Human Resources

Human resources are the driving force behind the functioning of ITOCHU's business models. In addition to conventional product professionals, we are working to develop marketing professionals who possess a market-oriented perspective. Through human resource strategies that support increases in labor productivity, we are striving to create a virtuous cycle that leads to increases in corporate value.

Human Resources



Human Resource Strategies for Eliciting Mercantile Potential

Using the Engagement Survey to Measure the Effectiveness of Human Resource Measures

ITOCHU believes that employee motivation and a sense that work is worthwhile, their satisfaction and consent, and employee engagement (employees having a strong desire to contribute to the Company and are likely to act autonomously) are all important elements for sustainable increases in corporate value. Hence, we endeavor to continue increasing such factors.

In a survey (Engagement Survey) we conducted in FYE 2019, the percentage of affirmative responses to "ITOCHU considers employees important and takes them into consideration" was substantially higher than in our previous survey (FYE 2015). It was also 17% above the global average (an average of 6.7 million people at 330 companies).

Keeping in mind our corporate culture, which places importance on customers, our employees are striving to

Shareholder-Conscious Stock Compensation Scheme

To achieve sustainable increases in corporate value, we believe it is important for employees, as well as the management team, to take part in management.

We have encouraged participation in our employee shareholding association, and the participation level reached almost 100% in FYE 2019. Going further, in FYE 2020 we use this association to introduce a stock compensation scheme. Under this scheme, we pay special incentives when the Company's performance reaches at a certain level, granting shares as consideration.

Through measures such as these, we boost employees' motivation to contribute to the Company and foster a shareholder orientation, encouraging Companywide efforts to further enhance corporate value.

Support for the Career Development of Female Employees

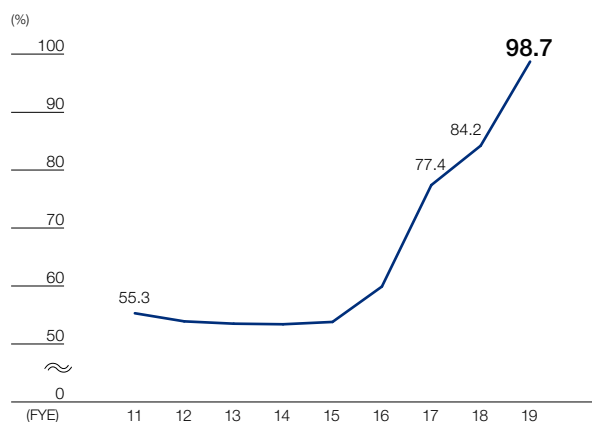
To support the career development of female employees, we provide career training aimed at developing next-generation managers and prepare individual career plans. We also send employees to external training sessions, allow employees stationed overseas to bring children with them but without spouse, offer a re-employment system, and promote awareness through organizational leadership training. Through these measures, we are working to establish environments that provide job satisfaction to female employees. Additionally, our various other measures, such as the morning-focused working system, also constitute initiatives that contribute to support for active female participation.

FYE 2019 Engagement Survey Results

	Affirmative Response Rate	Compare with Global Average
ITOCHU considers employees important and takes them into consideration.	80%	+17%
ITOCHU places importance on customers.	80%	+5%
ITOCHU calls for the achievement of high levels of success.	91%	+5%
I concur with ITOCHU's corporate philosophy ("Committed to the Global Good") and corporate message ("I am One with Infinite Missions").	89%	—

increase labor productivity with a sense of pride and a strong motivation to contribute. Our measures to incorporate human resource strategies into management strategies are steadily bearing fruit.

Percentage Membership in the Employee Shareholding Association



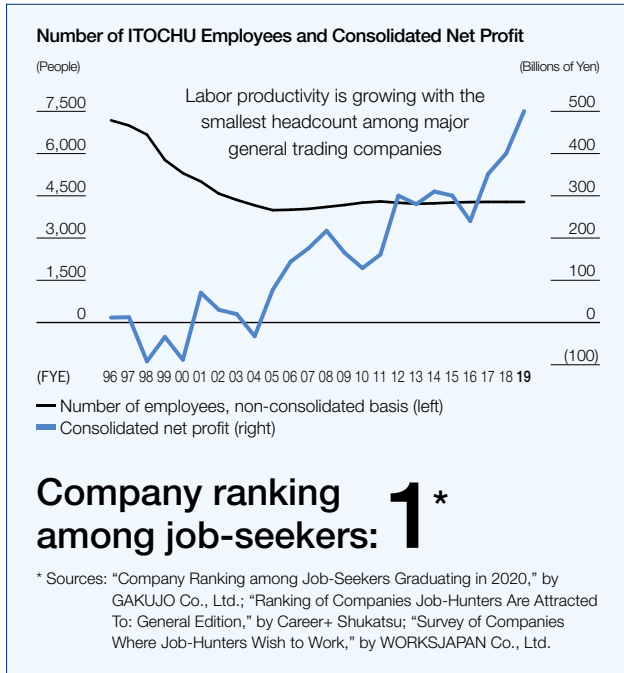
Data on the Career Development of Female Employees

	FYE 2018	FYE 2019	FYE 2021 Goal
Percentage of female managers	6.8%	7.6%	Over 10.0%
Female managers / All managers	173 / 2,558	195 / 2,555	
Percentage of female career-track employees	9.0%	9.4%	Over 10.0%
Female career-track employees / All career-track employees	313 / 3,461	327 / 3,463	

Human Resource Strategies That Create a Virtuous Cycle between People and Corporate Value

Through our human resource strategies, we have striven to steadily increase labor productivity per employee at ITOCHU on a non-consolidated basis, which has the smallest headcount among major general trading companies. Going forward, by creating a virtuous cycle between the recruitment of superior human resources and the increase in corporate value, we aim to address the impending “2030 problem,” the labor shortages and more frequent job changes, in order to achieve sustainable increases in corporate value.

OUTCOME



Our Understanding of the Environment

2030 problem ⇒ Labor shortage, more frequent job changes

In 2030,
a labor shortage of 6.44 million people*

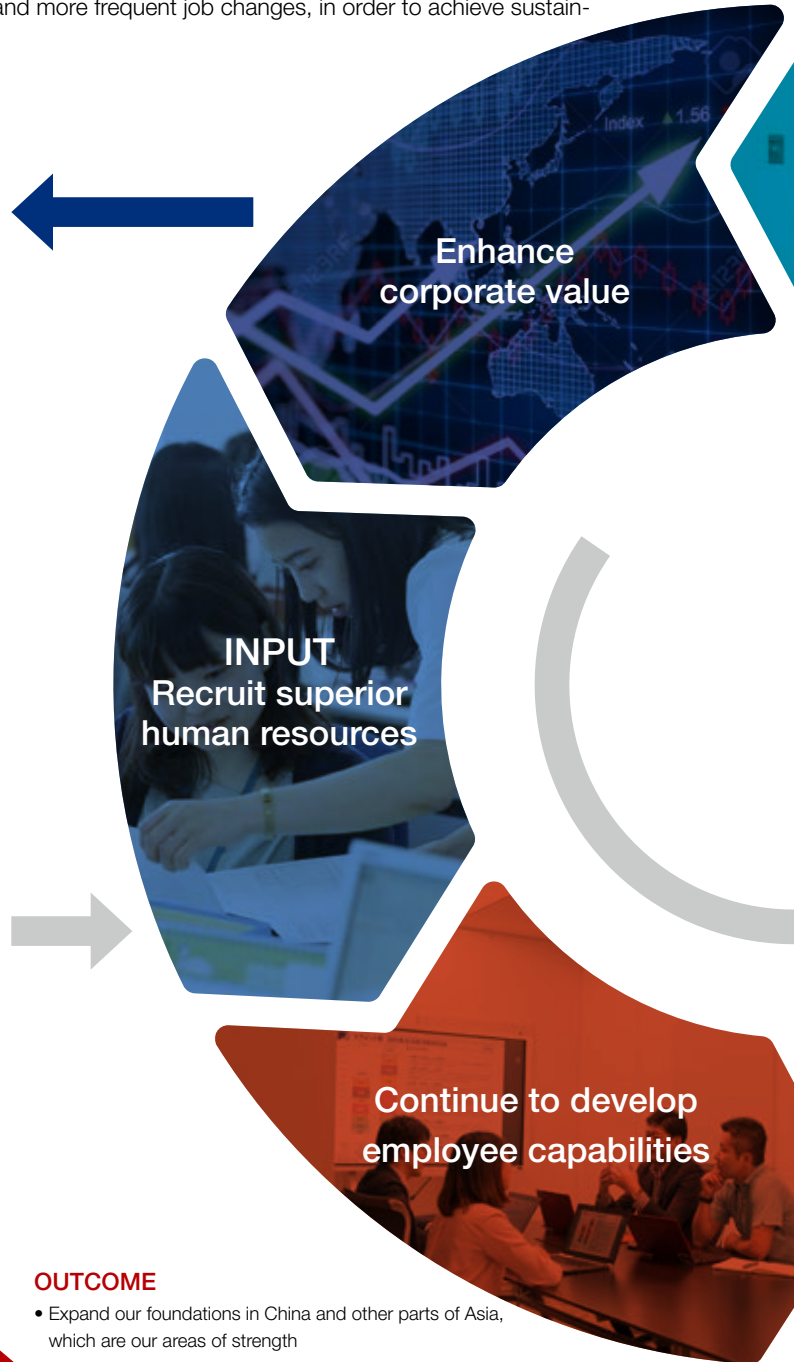
* Source: "Labor Market Outlook 2030," by PERSOL RESEARCH AND CONSULTING Co., Ltd., and Chuo University

Increasing the Number of Chinese-Speaking Employees (from FYE 2016)

- Increase the number of Chinese-speaking employees to 1,000, or around one-third of career-track employees
- Provide overseas training in the Chinese language

Hiyoshi Dormitory (from FYE 2019)

- Foster the development of, and a sense of unity among, young employees



- OUTCOME**
- Expand our foundations in China and other parts of Asia, which are our areas of strength
 - In FYE 2018, met the target of having 1,000 employees with Chinese-language qualifications
 - Implementing programs to maintain or increase Chinese-language proficiency

- OUTCOME**
- Create personal networks that surpass the boundaries of age and departmental affiliation, and build a robust organization
 - Encourage the passing on of a free-spirited corporate culture

Ensuring Robust Operation of the Virtuous Cycle

ITOCHU introduced a morning-focused working system in FYE 2014. Labor productivity rose significantly as a result. Thereafter, we introduced a number of health management measures, formulating the ITOCHU Health Charter and Support Measures for Balancing Cancer Care and Work. We also encourage human resource diversity through the Gen Ko Tsu Reform (“on-site,” “individual,” “connect”), which supports individual lifestyles according to different life stages and careers. Furthermore, we have increased the number of Chinese-speaking employees, enhancing our ability to develop business in China. We have introduced “Dress-down Days” as a way to foster the flexible thinking necessary for reinvention of business, and we are promoting other human resource measures that align with our growth strategies. Through such initiatives, we have created a virtuous cycle in which we enhance corporate value, which then fosters the recruitment of superior human resources. We are implementing measures to ensure this virtuous cycle becomes even more robust.



Morning-Focused Working System (from FYE 2014)

- Shift from the tendency to work late-night to morning-focused working style
- In principle, prohibit work after 8:00 pm, and encourage to work in early morning (from 5:00 am to 8:00 am)
- Offer free breakfast
- Provide a higher wage rate for people who start work before 8:00 am
- Extend morning training options, such as Morning Activity Seminars

OUTCOME

- ➔ Improve operating efficiency and use time more effectively (self-improvement, etc.)
- Reduce overtime work, correcting the issue of long working hours
- By reducing overtime pay and taxi fares, lower overall costs even though providing free breakfast

Dress-down Days (from FYE 2018)

- Create an environment that encourages flexible thinking
- Allow employees to work in casual clothing on Wednesdays and Fridays (every day in summer)

OUTCOME

- ➔ By encouraging employees to think more about their clothing, promote employees to have interests in various things actively and foster an atmosphere conducive to new ideas

Support Measures for Balancing Cancer Care and Work (from FYE 2018)

- Hold regular checkups through a cooperation with the National Cancer Center Research Institute
- Reflect the balance between treatment and work tasks in individual performance reviews
- Provide full Company assistance for expenses for advanced cancer treatment
- Provide schooling and work support for bereaved family members

OUTCOME

- ➔ Maintain and increase employee motivation and sense that work is worthwhile
- Create an environment where employees can feel secure and devote their full attention to work
- Reduce uncertainty about the future