

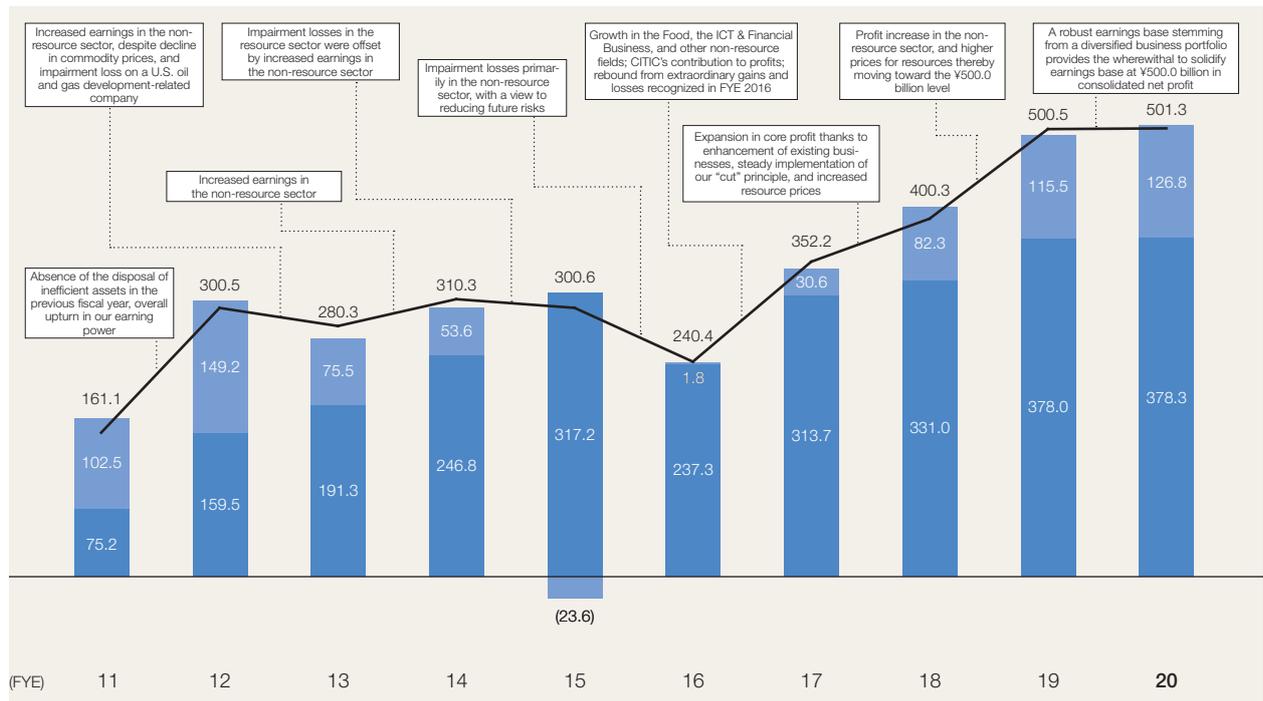
Financial Summary

Segment Overview

				Percentage of the Total for ITOCHU (3-year average)			
				Core profit	Total assets	Core Operating Cash Flows	Number of employees (Consolidated)
Textile Company  Page 88 ROA 1.8%	5.4%	4.9%	4.5%	7.8%			
Machinery Company  Credit: Boeing Page 90 ROA 4.6%	11.7	12.2	11.6	11.9			
Metals & Minerals Company  Photo courtesy of BHP Page 92 ROA 13.5%	19.1	13.1	20.2	11.0			
Energy & Chemicals Company  Page 94 ROA 4.7%	10.6	17.0	17.1	28.6			
Food Company  Page 96 ROA 2.9%	10.3	17.0	15.0	14.7			
General Products & Realty Company  Page 98 ROA 5.3%	11.4	10.0	9.6	14.9			
ICT & Financial Business Company  Page 100 ROA 5.3%	11.9	10.3	9.6	14.9			
The 8th Company  Page 102 ROA 1.1%	5.3	14.5	14.4	14.9			
Others, Adjustments & Eliminations	14.3	9.6	8.7	8.3			
			(1.1)	2.4			
Non-Resource	78.3%	90.4%	73.8%	94.6%			
Resource	21.7%	9.6%	26.2%	5.4%			

* Accompanying the establishment of The 8th Company on July 1, 2019, figures for FYE 2018 and FYE 2019 have been adjusted retroactively.

Consolidated Net Profit (Non-Resource / Resource) (Billions of Yen)



— Consolidated net profit ■ Earnings from the non-resource sector ■ Earnings (loss) from the resource sector
 * Others, Adjustments & Eliminations except for CP & CITIC related profit (loss) is not included in earnings from the non-resource / resource sectors.

Consolidated Net Profit by Segment (Billions of Yen)



Extraordinary Gains and Losses

(57.5)	20.0	0	0	(5.0)	(75.0)	(18.0)	(16.5)	28.5	16.0
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Core Profit

218.6	280.5	280.3	310.3	305.6	315.4	370.2	416.8	472.0	485.3
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■ Textile ■ Machinery ■ Metals & Minerals ■ Energy & Chemicals ■ Food ■ ICT, General Products & Realty (until FYE 2015)
 ■ General Products & Realty (from FYE 2016) ■ ICT & Financial Business (from FYE 2016) ■ The 8th (from FYE 2018)
 ■ Others, Adjustments & Eliminations

* In April 2016, the ICT, General Products & Realty Company was reorganized into the General Products & Realty Company and the ICT & Financial Business Company.
 * Accompanying the establishment of The 8th Company on July 1, 2019, figures for FYE 2018 and FYE 2019 have been adjusted retroactively.



Performance Trends by Segment

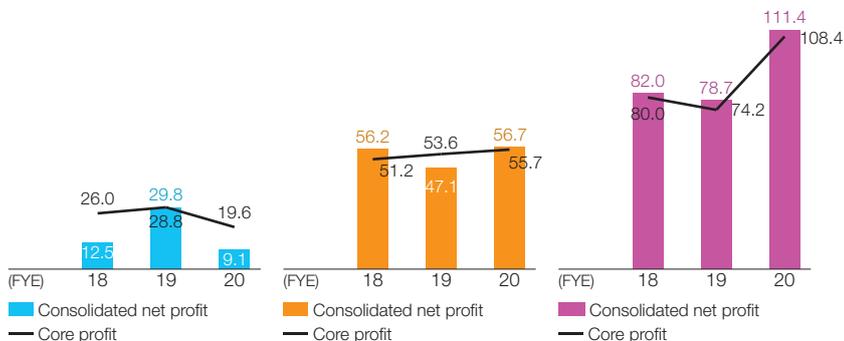
Textile Company

Machinery Company

Metals & Minerals Company

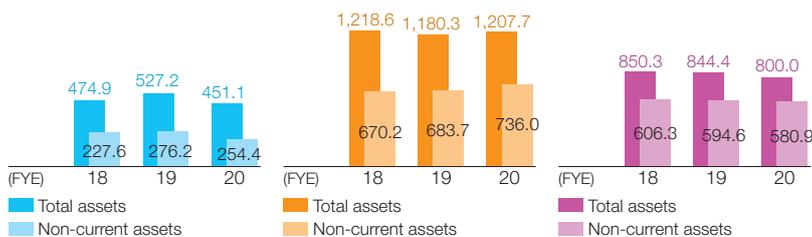
Consolidated Net Profit & Core Profit

(Billions of Yen)



Total Assets

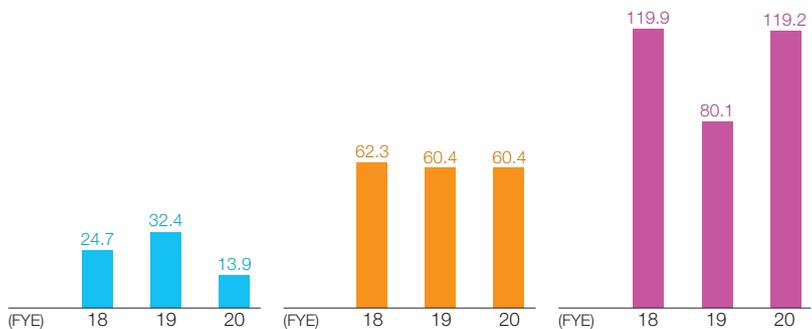
(Billions of Yen)



Core Operating Cash Flows*

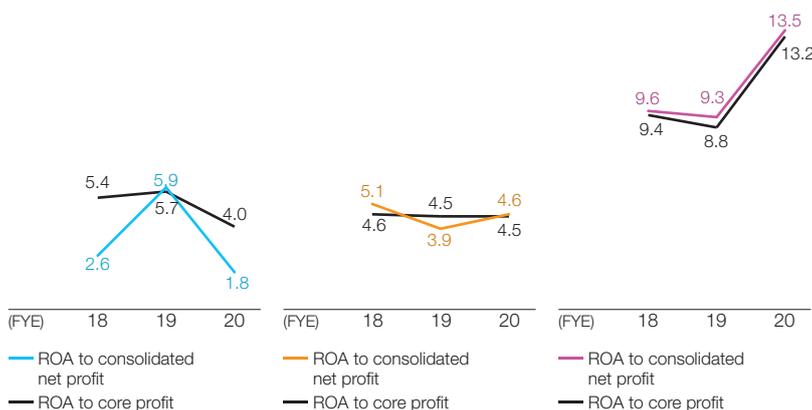
(Billions of Yen)

* "Operating cash flows" minus "changes of working capital"



ROA

(%)



* Accompanying the establishment of The 8th Company on July 1, 2019, figures for FYE 2018 and FYE 2019 have been adjusted retroactively.

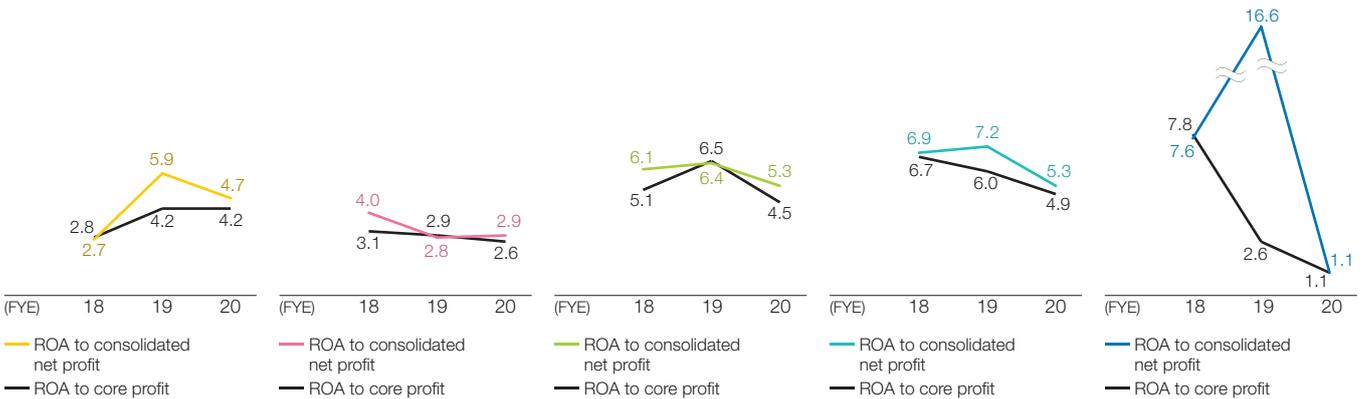
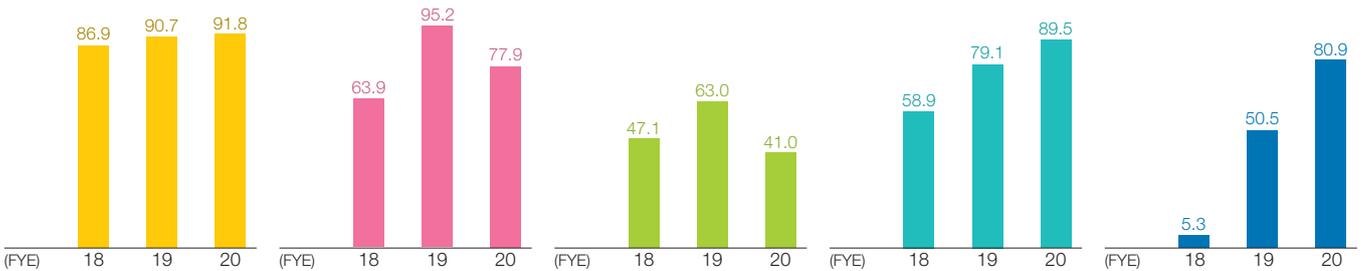
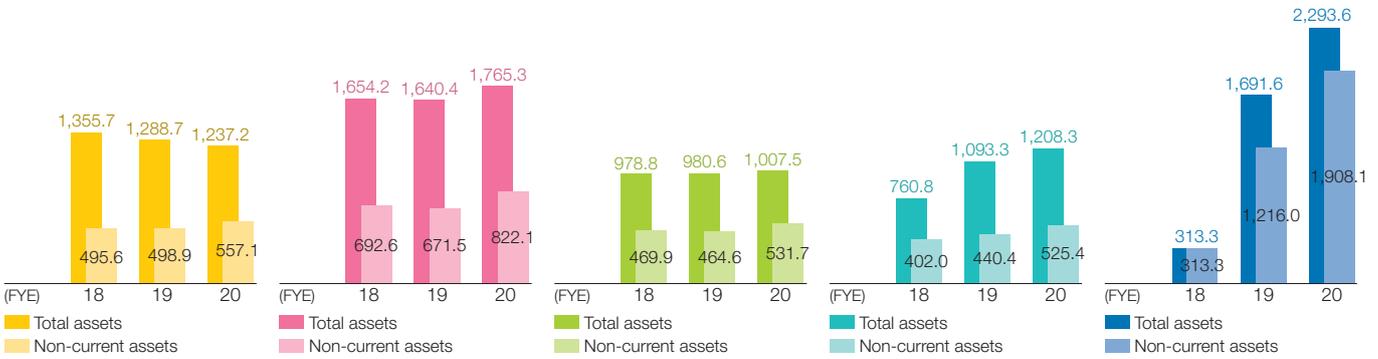
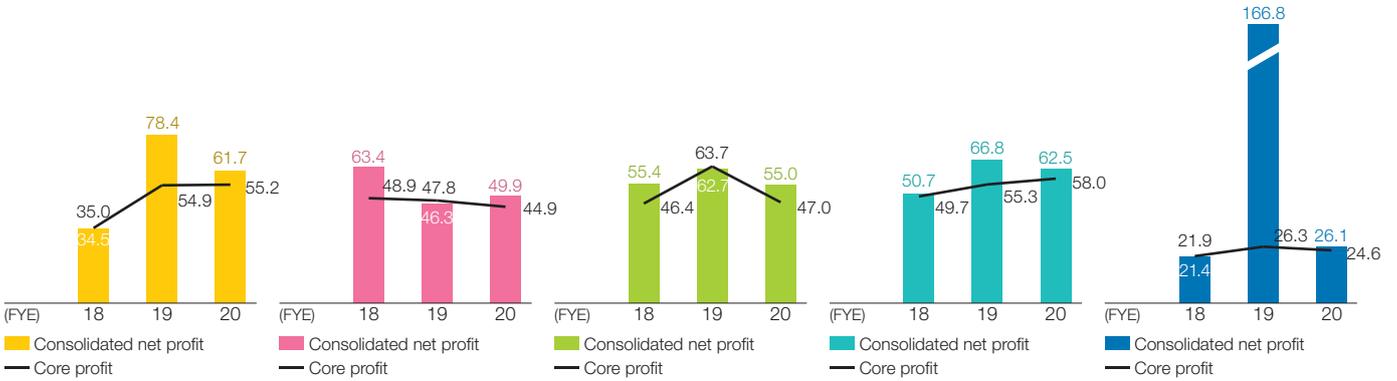
Energy & Chemicals Company

Food Company

General Products & Realty Company

ICT & Financial Business Company

The 8th Company



Business Portfolio



Net Profit by Major Group Companies

Textile Company

(Billions of Yen)

	Shares*1	FYE 2018	FYE 2019	FYE 2020	FYE 2021 (Plan)*2
Consolidated Net Profit		12.5	29.8	9.1	23.0
Breakdown of Net Profit (Loss) by Major Group Companies					
JOI'X CORPORATION	100.0%	1.5	1.2	0.8	0.3
DESCENTE LTD.	40.0%	1.4	1.2	(1.4)	2.0
Sankei Co., Ltd.	100.0%	0.1	1.9	1.5	1.2
ITOCHU Textile Prominent (ASIA) Ltd.	100.0%	0.2	1.1	0.4	1.0
ITOCHU TEXTILE (CHINA) CO., LTD.	100.0%	1.0	1.1	1.1	1.1

Machinery Company

(Billions of Yen)

	Shares*1	FYE 2018	FYE 2019	FYE 2020	FYE 2021 (Plan)*2
Consolidated Net Profit		56.2	47.1	56.7	48.0
Breakdown of Net Profit (Loss) by Major Group Companies					
Tokyo Century Corporation	29.2%	12.5	12.6	14.2	13.1
I-Power Investment Inc.	100.0%	5.3	(5.8)	1.8	2.9
I-ENVIRONMENT INVESTMENTS LIMITED	100.0%	1.9	1.0	1.2	1.2
JAMCO Corporation	33.4%	0.6	0.6	0.1	—
YANASE & CO., LTD.	66.0%	3.7	1.1	3.0	3.3
ITOCHU TC CONSTRUCTION MACHINERY CO., LTD.*3	50.0%	0.6	0.6	0.3	0.3
ITOCHU MACHINE-TECHNOS CORPORATION	100.0%	0.8	1.4	1.4	1.0
Century Medical, Inc.	100.0%	0.5	0.7	0.6	0.4
MULTIQUIP INC.	100.0%	2.3	2.8	2.8	1.7

Metals & Minerals Company

(Billions of Yen)

	Shares*1	FYE 2018	FYE 2019	FYE 2020	FYE 2021 (Plan)*2
Consolidated Net Profit		82.0	78.7	111.4	77.0
Breakdown of Net Profit (Loss) by Major Group Companies					
ITOCHU Minerals & Energy of Australia Pty Ltd	100.0%	62.3	60.1	83.4	71.6
JAPÃO BRASIL MINÉRIO DE FERRO PARTICIPAÇÕES LTDA. (CSN Mineração)	77.3%	3.3	1.7	9.4	—
ITOCHU Coal Americas Inc. (Drummond)	100.0%	2.9	2.0	1.1	—
Marubeni-Itochu Steel Inc.	50.0%	9.2	12.1	11.2	—
ITOCHU Metals Corporation*4	70.0%	1.1	1.1	1.3	1.0

Energy & Chemicals Company

(Billions of Yen)

	Shares*1	FYE 2018	FYE 2019	FYE 2020	FYE 2021 (Plan)*2
Consolidated Net Profit		34.5	78.4	61.7	34.0
Breakdown of Net Profit (Loss) by Major Group Companies					
ITOCHU Oil Exploration (Azerbaijan) Inc. (ACG Project)	100.0%	2.3	3.3	4.9	(1.1)
ITOCHU PETROLEUM CO., (SINGAPORE) PTE. LTD.	100.0%	(1.8)	0.5	0.7	0.8
ITOCHU ENEX CO., LTD.	54.0%	6.0	6.5	6.9	5.9
Japan South Sakha Oil Co., Ltd. (Eastern Siberia Project)	25.0%	4.0	9.1	7.7	—
Dividends from LNG Projects (PAT)	—	4.4	6.2	5.5	2.7
ITOCHU CHEMICAL FRONTIER Corporation	100.0%	3.7	5.2	4.4	4.4
ITOCHU PLASTICS INC.*4	60.0%	2.4	2.3	2.5	2.6
C.I. TAKIRON Corporation	52.0%	3.0	2.9	6.4	—

* Accompanying the establishment of The 8th Company on July 1, 2019, figures for FYE 2018 and FYE 2019 have been adjusted retroactively.

Food Company

(Billions of Yen)

	Shares*1	FYE 2018	FYE 2019	FYE 2020	FYE 2021 (Plan)*2
Consolidated Net Profit		63.4	46.3	49.9	56.0
Breakdown of Net Profit (Loss) by Major Group Companies					
Dole International Holdings, Inc.	100.0%	3.2	7.8	(0.2)	7.4
NIPPON ACCESS, INC.*4	60.0%	5.9	7.0	8.4	8.7
FUJI OIL HOLDINGS INC.	39.0%	4.2	3.0	5.1	4.5
Prima Meat Packers, Ltd.	42.9%	4.1	3.2	3.9	3.8
ITOCHU-SHOKUHIN Co., Ltd.	52.2%	2.2	1.7	2.0	2.1
HYLIFE GROUP HOLDINGS LTD.	49.9%	3.7	2.7	3.0	—

General Products & Realty Company

(Billions of Yen)

	Shares*1	FYE 2018	FYE 2019	FYE 2020	FYE 2021 (Plan)*2
Consolidated Net Profit		55.4	62.7	55.0	60.0
Breakdown of Net Profit (Loss) by Major Group Companies					
European Tyre Enterprise Limited (Kwik-Fit)	100.0%	5.8	4.2	6.2	—
ITOCHU FIBRE LIMITED (METSА FIBRE)	100.0%	9.9	16.1	1.9	—
Japan Brazil Paper & Pulp Resources Development Co., Ltd. (CENIBRA)	33.3%	4.2	7.3	(7.1)	—
ITOCHU LOGISTICS CORP.*4	95.2%	2.6	2.9	4.9	2.7
ITOCHU KENZAI CORPORATION	100.0%	2.7	2.9	2.9	1.8
DAIKEN CORPORATION	35.6%	1.6	1.3	1.9	—
ITOCHU Property Development, Ltd.	100.0%	2.4	2.9	2.4	2.2

ICT & Financial Business Company

(Billions of Yen)

	Shares*1	FYE 2018	FYE 2019	FYE 2020	FYE 2021 (Plan)*2
Consolidated Net Profit		50.7	66.8	62.5	63.0
Breakdown of Net Profit (Loss) by Major Group Companies					
ITOCHU Techno-Solutions Corporation	58.2%	13.6	14.2	16.6	17.5
BELLSYSTEM24 Holdings, Inc.	40.8%	1.2	1.2	1.8	2.9
CONEXIO Corporation	60.3%	4.1	4.0	4.0	—
ITOCHU Fuji Partners, Inc. (SKY Perfect JSAT Holdings)	63.0%	(0.2)	1.4	0.2	1.3
POCKET CARD CO., LTD.*4	32.2%	0.9	2.0	2.1	2.3
Orient Corporation	16.5%	4.2	4.2	3.7	—

The 8th Company

(Billions of Yen)

	Shares*1	FYE 2018	FYE 2019	FYE 2020	FYE 2021 (Plan)*2
Consolidated Net Profit		21.4	166.8	26.1	33.0
Breakdown of Net Profit (Loss) by Major Group Companies					
FamilyMart Co., Ltd.*5	50.2%	11.8	17.3	17.5	30.1
NIPPON ACCESS, INC.*4	40.0%	3.9	4.6	5.5	5.7
POCKET CARD CO., LTD.*4*6	30.9%	0.4	1.9	2.1	2.2
ITOCHU PLASTICS INC.*4	40.0%	1.6	1.5	1.6	1.8
ITOCHU Metals Corporation*4	30.0%	0.5	0.5	0.6	0.4
ITOCHU LOGISTICS CORP.*4	4.8%	0.1	0.2	0.1	0.1

*1 Indicated share percentages are as of June 30, 2020.

*2 "FYE 2021 (Plan)" indicates forecast figures (including revised forecast figures) disclosed up to and including July 31, 2020.

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

*4 Shares have been partially transferred to The 8th Company. Accordingly, share percentages and net profit (loss) are shown for each Division Company.

*5 On September 1, 2019, FamilyMart UNY Holdings Co., Ltd. changed its name to FamilyMart Co., Ltd.

*6 Figures include the net profit (loss) through FamilyMart Co., Ltd.



Textile Company

Business Fields

- Brand business
- Raw materials, Garment materials, and Apparel
- Industrial materials



Masahiro Morofuji
President, Textile Company;
Chief Operating Officer,
Brand Marketing Division 2

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



From left:

Motonari Shimizu,
Executive Vice President, Textile Company;
Chief Operating Officer, Apparel Division

Hideto Takeuchi,
Chief Operating Officer, Brand Marketing Division 1

Masato Sakuragi,
Chief Financial Officer

Noriya Hashimoto,
General Manager, Planning & Administration Department

Business Development

Percentage of Earnings from Domestic Business (image)

80%

Raw materials / Garment materials / Apparel

Products: Textile materials, textiles, garment materials, textile products, etc.

Product planning and sales base
for the European market

- Prominent (Europe)

Product planning and sales base
for the North American market

- ITOCHU Prominent U.S.A.

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
locations targeting Japanese, Chinese,
Asian, and global markets

- ITOCHU • EDWIN • Sankei
- DESCENTE • UNICO • LEILIAN
- ROYNE

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

Brand owner

Participation in management /
Trademark rights

Primary brands handled:

CONVERSE, HUNTING WORLD, LANVIN, LeSportsac,
OUTDOOR PRODUCTS, Paul Smith

Exclusive import and distribution rights /
Master license rights

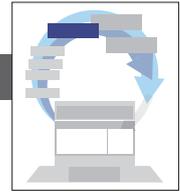
Primary brands handled:

FILA, HEAD, Psycho Bunny, Santoni, Vivienne Westwood



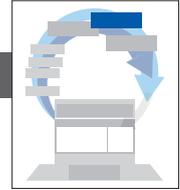
FYE 2020 Review (Achievement of Short-Term Targets)

- Built a unique value chain starting with raw materials with our partner companies and expanded initiatives with the world's leading retailers
- Launched the "RENU" project to expand the global development of sustainable materials
- Invested in a crowdfunding company and one operating a members only online boutique in a move to promote the creation of omni-channels in the brand business
- Invested in a company that operates a B2B online order platform and one that possesses AI measurement technologies
- Strengthened our ability to propose total solutions including systems in the RFID business, and increased the number of customers both within and outside the textile sector



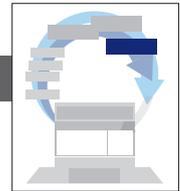
Steppingstones to Medium- to Long-Term Value Creation

- Promote trade in which we take the initiative by utilizing new technologies, developing environmentally friendly materials, etc.
- Strengthen e-commerce and grow new sales channels in our brand and retail-related businesses
- Supporting DESCENTE to expand its overseas business, increasing overseas earnings through enhanced initiatives with leading companies in China and other parts of Asia



Initiatives Supporting Sustainable Growth

- Add value and promote sustainable industrialization by creating IT infrastructures for production
- Using RFID, AI, and other technologies to enhance the efficiency of production, sales, and logistics operations
- Promote establishment of a safe and reliable product supply system



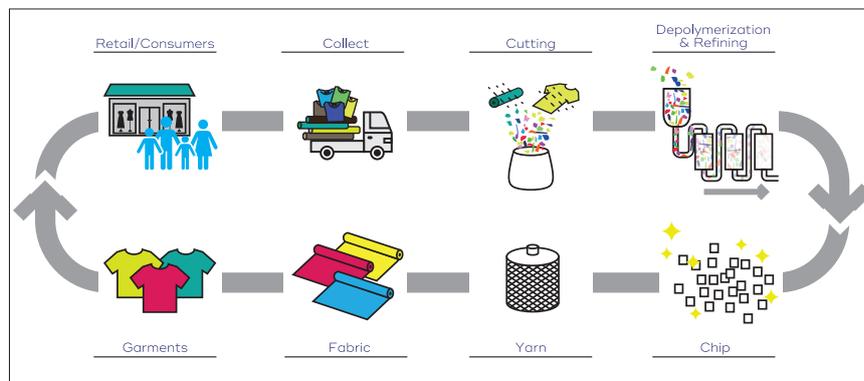
➔ Please refer to "Significant Risks to Be Managed on a Consolidated Basis" in the Risk Management section on Page 47.

Specific Example of Steppingstones to Medium- to Long-Term Value Creation

Launching the "RENU" Project to Address the Issue of Excessive Waste in Clothing

The Textile Company is promoting the creation of a value chain starting with raw materials in which we take initiatives. To further enhance this strategy, in FYE 2020 we launched the "RENU" project. Through this project, we aim to address the issue of excessive waste in the textile industry and realize a circular economy.

In March 2020, HUNTING WORLD, a U.S. luxury brand, launched a tote bag in its Borneo Charity Collection made from "RENU," recycled polyester materials sourced from old garments and textile. In this way, we are promoting collaboration among various brands and retailers in Japan and overseas.



The "RENU" project for recycling old garments and textile into newly born products.



Please also see the Sustainability Action Plan on our website for initiatives supporting sustainable growth.

<https://www.itochu.co.jp/en/csr/itochu/activity/actionplan/>



Machinery Company

Business Fields

- Urban environmental and power infrastructure (water and environmental business, IPP, infrastructure, renewable energy, and petrochemical plants)
- 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)

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



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

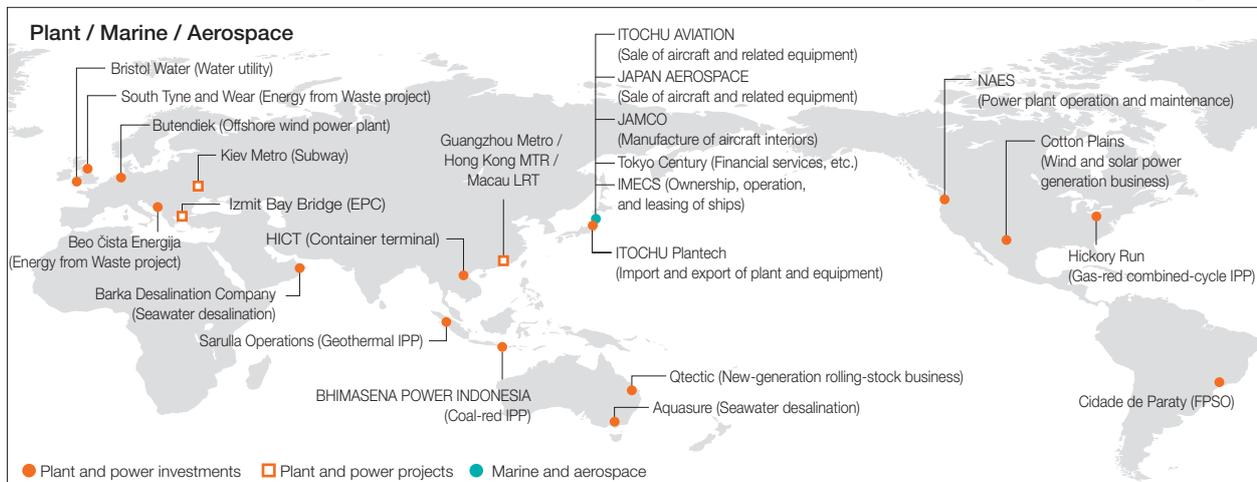
Tatsuya Hirano,

General Manager, Planning & Administration Department

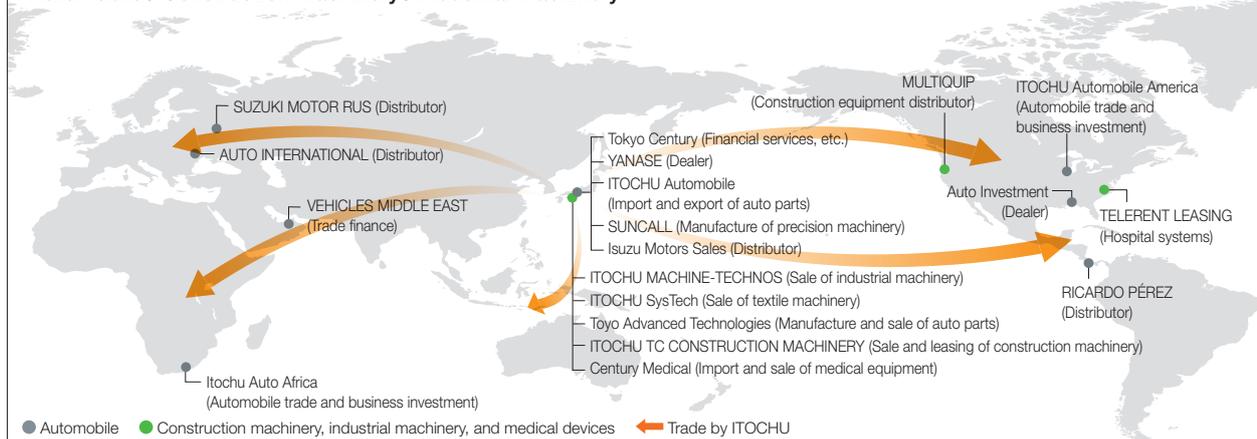
Business Development

60%

Percentage of Earnings from Domestic Business (image)



Automobile / Construction Machinery / Industrial Machinery

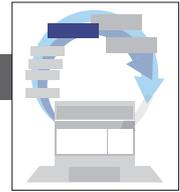




Credit: Boeing

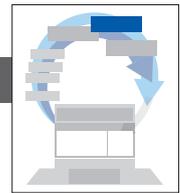
FYE 2020 Review (Achievement of Short-Term Targets)

- Promoted and reinforced the renewable energy business, including strategic investment in U.S. wind generation projects and electrification solution business to non-electrified regions in Africa
- Promoted and enhanced environmental business, and the achievement includes the groundbreaking of energy-from-waste plants in collaboration with the government of Belgrade, Serbia
- Increased the number of owned vessels and managed aircraft
- Enhanced initiatives with Dishangtie(DST), which provides commercial electric vehicles (EVs) in the logistics network throughout China and Singulato, an emerging EV manufacturer in China
- Encouraged partnerships between Beijing Century Kounre Hospital, our investee, and leading Japanese medical institutions in such areas as inbound treatment and medical checkups, as well as exchanges of medical personnel and technologies



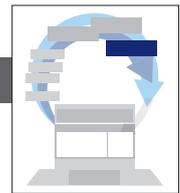
Steppingstones to Medium- to Long-Term Value Creation

- Honing existing businesses centering on the urban environmental and power infrastructure sector and the automotive sector, and conducting asset replacement and new investment
- Transformation of existing value chains with a focus on the automobile industry and evolution toward a next-generation mobility business model
- Capturing superior aircraft and ship projects and enhancing the business model
- Pursuit of synergies and cooperation with strategic partners
- Continuing to invest to accelerate the upgrade of the business model



Initiatives Supporting Sustainable Growth

- Pursuing investment opportunities in renewable energy generation, taking into account the energy situations in individual countries and regions, and complying with policies related to the coal-fired power generation business
- Reducing environmental impact through efforts involving EVs and automatic guided vehicles, as well as the expansion of mobility services
- Expand water and environment projects to promote the appropriate use and treatment of water and the effective utilization of resources, and to reduce environmental impact
- Engaging in next-generation mobility, including the electrification of aircraft
- In the aim of reducing marine GHG emissions, promoting a project to develop zero-emission ships using ammonia as marine fuel
- Providing leading-edge medical devices and advanced medical services to enhance quality of life in the medical field



➔ Please refer to "Significant Risks to Be Managed on a Consolidated Basis" in the Risk Management section on Page 47.

Specific Example of Steppingstones to Medium- to Long-Term Value Creation

Promoting Joint Business with Tokyo Century Corporation in the Construction Machinery and Construction Sectors

ITOCHU has built a new joint management structure for ITOCHU CONSTRUCTION MACHINERY CO., LTD. by having Tokyo Century Corporation, an affiliate of ITOCHU, as a shareholder. As a result of this move, ITOCHU CONSTRUCTION MACHINERY CO., LTD. changed its name to ITOCHU TC CONSTRUCTION MACHINERY CO., LTD. Taking advantage of the range of services and the extensive domestic and overseas networks of ITOCHU and Tokyo Century Corporation, ITOCHU TC CONSTRUCTION MACHINERY CO., LTD. aims to become a next-generation total solutions company. In addition to the sale and rental of construction equipment and materials, the company intends to become a one-stop provider meeting diverse needs including software, services, and financing. ITOCHU also plans to accelerate growth-oriented initiatives of ITOCHU TC CONSTRUCTION MACHINERY CO., LTD., including capital and business alliances with Japanese companies.



Tower crane for skyscraper construction, sold by ITOCHU TC CONSTRUCTION MACHINERY CO., LTD.

Please also see the Sustainability Action Plan on our website for initiatives supporting sustainable growth.

<https://www.itochu.co.jp/en/csr/itochu/activity/actionplan/>



Metals & Minerals Company

Business Fields

- Development of metal & mineral resources projects (iron ore, coal, non-ferrous metals, etc.)
- Trading of raw materials for steel-making (iron ore, coal, etc.), fuel for power generation (coal, uranium), and non-ferrous raw material and products (aluminum, etc.) and recycling materials (steel scrap, etc.)
- Steel business (import to, and export from Japan, trading in non-Japan markets, processing, etc.)



Kenji Seto

President, Metals & Minerals Company

Company Strengths

- Strong relationships with excellent business partners in each business area
- Ownership of superior natural resource assets, centering on iron ore and coal
- Broad-ranging trade flows that run from upstream (metal & mineral resources and metal materials) to downstream (steel / non-ferrous products and scrap)



From left:

Jun Inomata,
Chief Operating Officer, Metal & Mineral Resources Division

Ikuya Hirano,
Chief Financial Officer

Yoshihiko Ogura,
General Manager, Planning & Administration Department

Toru Shinya,
General Manager, Steel Business Coordination Department

Business Development

10%

Percentage of Earnings from Domestic Business (image)

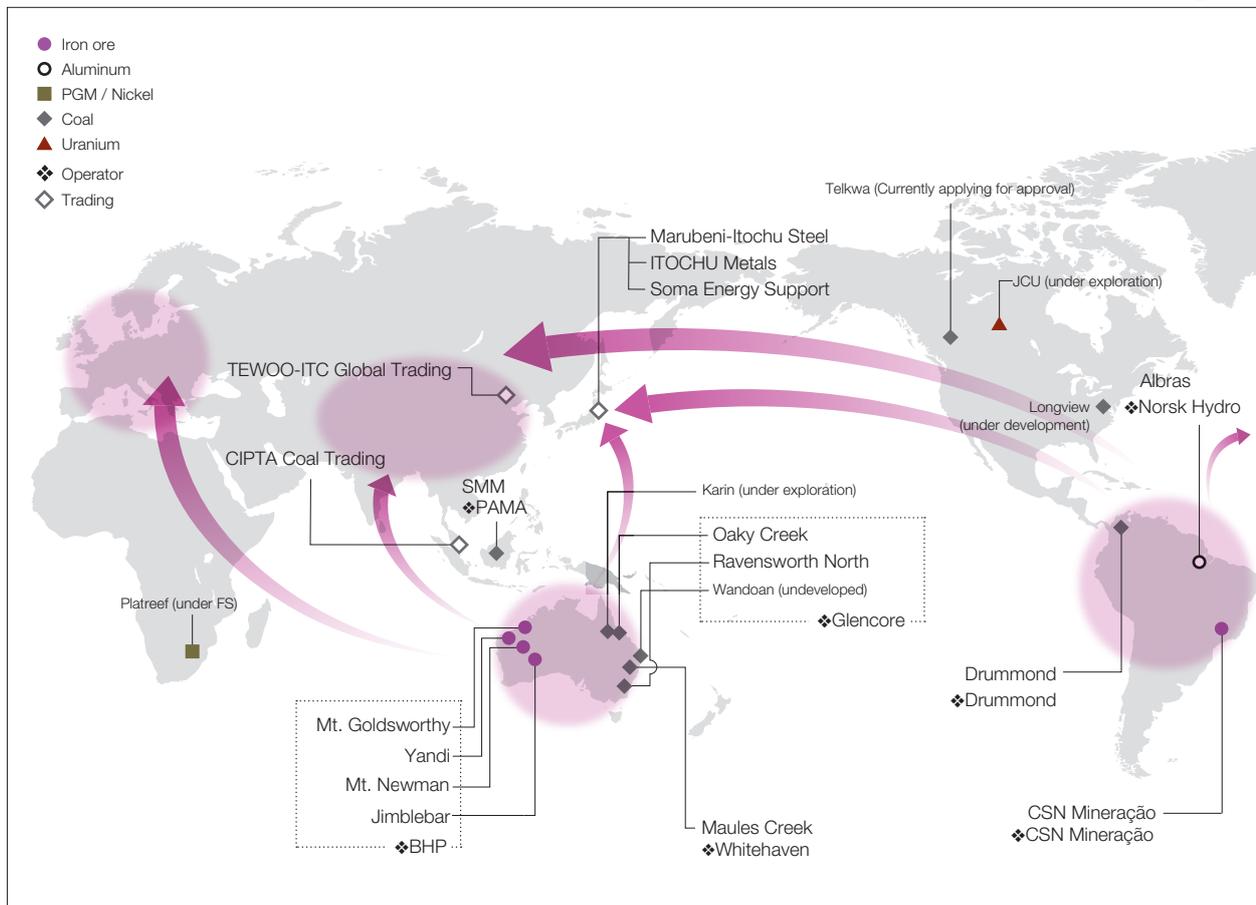




Photo courtesy of BHP



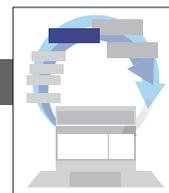
Photo courtesy of CSN Mineração



Photo courtesy of Emirates Global Aluminium

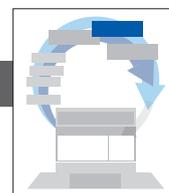
FYE 2020 Review (Achievement of Short-Term Targets)

- Acquired a 25% interest in the Longview coking coal mine (owned by North Central Resources, LLC). Longview, which is currently under development, will contribute to our strategy of building a superior asset portfolio that will contribute to continuous future business growth
- Continued to steadily progress development of the South Flank iron ore mine, which will replace the existing Yandi iron ore mine which is approaching the end of its economic life
- Established an aluminum value chain through aluminum ingot trading involving both Japan and non-Japan markets, as well as product trading in the automotive and IT sectors
- Expanded trading activity in the fields of steelmaking raw materials, fuels for power generation, and steel products, targeting both Japan and non-Japan markets, by leveraging solid relationships with excellent partners
- Entered into a capital alliance with Traxens SA of France to create “new value” by utilizing logistics big data
- Through ITOCHU Metals Corporation, established a joint venture in the U.S. with the Nippon Light Metal Group to produce and sell forged aluminum automotive parts
- At Marubeni-Itochu Steel Inc., while executing the steady restructuring and optimization of the overall Group businesses, successfully expanded steel export sales to remote overseas locations, and the construction materials business in the U.S.



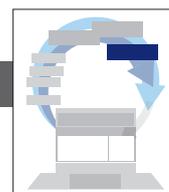
Steppingstones to Medium- to Long-Term Value Creation

- Establish an optimal asset portfolio through asset replacements and new acquisitions that contributes to next-generation industries
- Create new, high-value-adding trading structures by leveraging strong relationships with excellent partners
- Further refine and improve the current business model through a wide range of upstream and downstream investments in each industry, and the adoption of cutting-edge technologies



Initiatives Supporting Sustainable Growth

- Keep complying with our coal-related business policy and continuously contribute to the development of technologies that will help reduce GHG emissions
- Promote businesses (such as aluminum) that will facilitate the uptake of lighter-weight vehicles and Electric Vehicles (EV's)
- Optimize the asset portfolio to support the stable supply of raw materials and fuels to meet social needs
- Comply with our Environmental, Health, and Safety (EHS) guidelines and continue employee education of the guidelines
- Contribute to the local communities where we do business through the provision of healthcare, education, donations, and assistance to the establishment of regional infrastructure, etc.



➔ Please refer to “Significant Risks to Be Managed on a Consolidated Basis” in the Risk Management section on Page 47.

Specific Example of Steppingstones to Medium- to Long-Term Value Creation

Investment in North Central Resources, LLC Which Owns the Longview Coking Coal Mine in the United States

ITOCHU has acquired a 25% interest in North Central Resources, LLC. This company is the sole owner of the Longview coking coal mine, which is under development in the U.S. state of West Virginia. ITOCHU has also decided to participate in a new company which will exclusively market the coking coal produced at the mine.

The Longview coking coal mine is currently being developed toward the commencement of production in 2022. The mine is expected to have an average annual production capacity of 4 million tons of high-quality coking coal, and will be one of the largest coking coal mines in the United States. Amid firm growth in global steel production, demand for coking coal is expected to continue increasing. With the new development of the Longview mine and its involvement in the marketing joint venture company, ITOCHU will be contributing to a stable supply of high-quality metallurgical coal to global customers, particularly in Japan and Asia.



Planned portal to the Longview coking coal mine

Please also see the Sustainability Action Plan on our website for initiatives supporting sustainable growth.

<https://www.itochu.co.jp/en/csr/itochu/activity/actionplan/>



Energy & Chemicals Company

Business Fields

- Energy projects and trading (crude oil, petroleum products, LPG, LNG, natural gas, etc.)
- Chemical products business and trading (basic petrochemical products, synthetic resins, household goods, fine chemicals, pharmaceuticals, electronic materials, and others)
- Power business and trading (IPP, electricity, heat supply, solar panels, storage batteries, biomass fuel, and other related materials)



Company Strengths

- Sets of superior upstream assets, portfolio of downstream assets generating steady demand, and trading businesses leveraging and utilizing those core assets in the energy sector
- Business development capabilities in the chemicals field that leverages robust Group companies and overseas locations
- Comprehensive value chain in the next-generation power sector consists of both investments and trade businesses



From left:

Hisato Okubo,
Executive Vice President,
Energy & Chemicals Company;
Chief Operating Officer, Energy Division

Masaya Tanaka,
Chief Operating Officer, Chemicals Division

Kenji Takai,
Chief Financial Officer

Isao Nakao,
General Manager, Planning & Administration Department

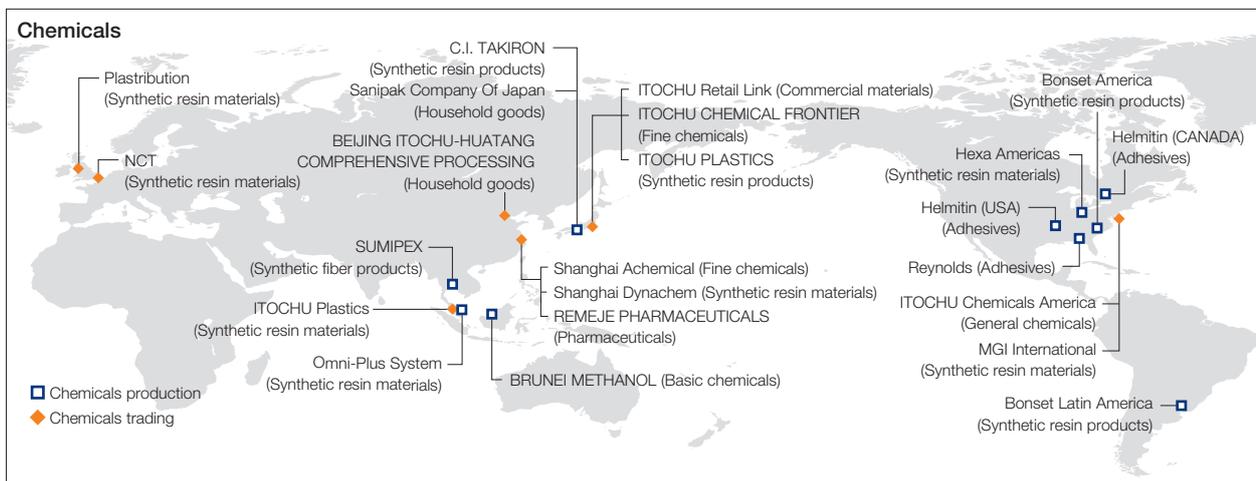
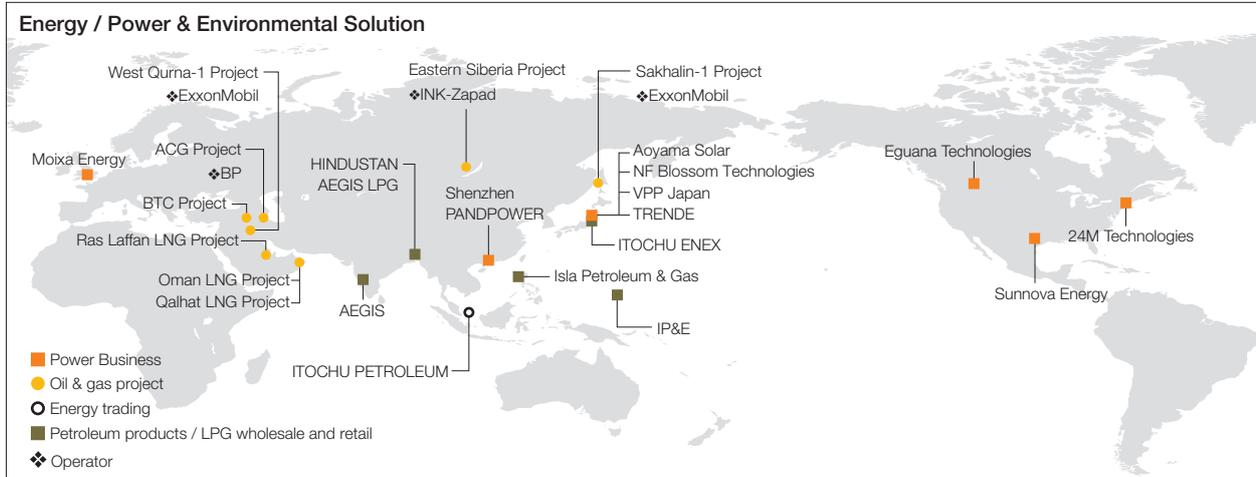
Keita Ishii

President, Energy & Chemicals Company;
Chief Operating Officer,
Power & Environmental Solution Division

Business Development

60%

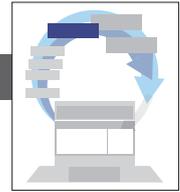
Percentage of Earnings from Domestic Business (image)





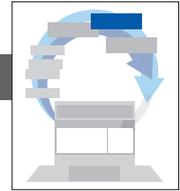
FYE 2020 Review (Achievement of Short-Term Targets)

- Built grounds for us to shift our focus more on our priority fields in the coming years through reviews conducted on our energy trading strategy and pursuits of asset replacements at our Group companies
- Promoted the configuration of a recycling platform with brand owners by participating in the reuse and recycling business in line with the move away from plastic
- Expanded sales channels in the storage battery business, established a joint venture with NF Corporation, and entered capital and business alliances with excellent partners
- As one initiative in the area of renewable energy trading, promoted the handling of CO₂-free electricity by making use of non-fossil certificates



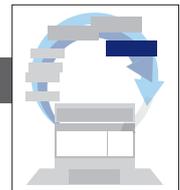
Steppingstones to Medium- to Long-Term Value Creation

- Agile asset replacement measures for better asset utilization efficiencies and acquisitions of new assets to expand the earnings base
- Establishing strong working ties with reputable partners in the upstream sector, along with making continuous investments to secure more efficient operations base and to expand our asset base in the efforts to sustain our access to the competitive and secure energy supply source
- 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



Initiatives Supporting Sustainable Growth

- Efforts made and measures taken in our businesses to reduce GHG emissions and to pursue businesses with low environmental impact, such as renewable energy and hydrogen
- Engaging in pharmaceutical and leading-edge medical businesses in the life science domain and promoting agribusiness initiatives such as trading in methionine (a feed additive)
- Expanding the business model to help resolve social issues, such as through the joint development of eco-friendly materials and the recycling business



➔ Please refer to "Significant Risks to Be Managed on a Consolidated Basis" in the Risk Management section on Page 47.

Specific Example of Steppingstones to Medium- to Long-Term Value Creation

Establishment of the Power & Environmental Solution Division

In FYE 2021, ITOCHU established the Power & Environmental Solution Division.

The power sector has undergone significant change in recent years. On the generation side, renewable energy has made inroads, and the market for distributed power generation has expanded due to solar power generation and storage batteries utilizing household or industrial roofs. Power trading has changed as well. Trading in CO₂-free electricity (through the use of non-fossil certificates) has begun, evincing a rapid shift from the conventional business model driven by electric power producers to one led by customers and consumers. In addition, consumption of electricity is expected to grow in line with proliferation of the fifth-generation mobile telecommunications system (5G). Given this situation, we established the new division to provide broad-ranging power and storage battery solutions in Japan and overseas based on a market-oriented perspective. By stepping up our initiatives in the electric power and storage battery business, we will contribute toward the more stable power supply as well as the realization of a society that utilizes distributed energy resources.



Oita Hiyoshibaru Solar Park, Japan

Please also see the Sustainability Action Plan on our website for initiatives supporting sustainable growth.

<https://www.itochu.co.jp/en/csr/itochu/activity/actionplan/>



Food Company

Business Fields

- Food resources and ingredients
- Food production and processing
- Food marketing & distribution



Company Strengths

- Top-class food distribution and retail network
- Worldwide network of production, distribution, and sales value chains for fresh foods (marine, meat, and agricultural products)
- Global supply chain for food resources

Hiroyuki Kaizuka

President, Food Company

From left:

Shuichi Miyamoto,
Chief Operating Officer, Provisions Division

Kenichi Tai,
Chief Operating Officer, Fresh Food Division

Takeshi Hagiwara,
Chief Operating Officer, Food Products Marketing & Distribution Division

Kenichiro Soma,
Chief Financial Officer

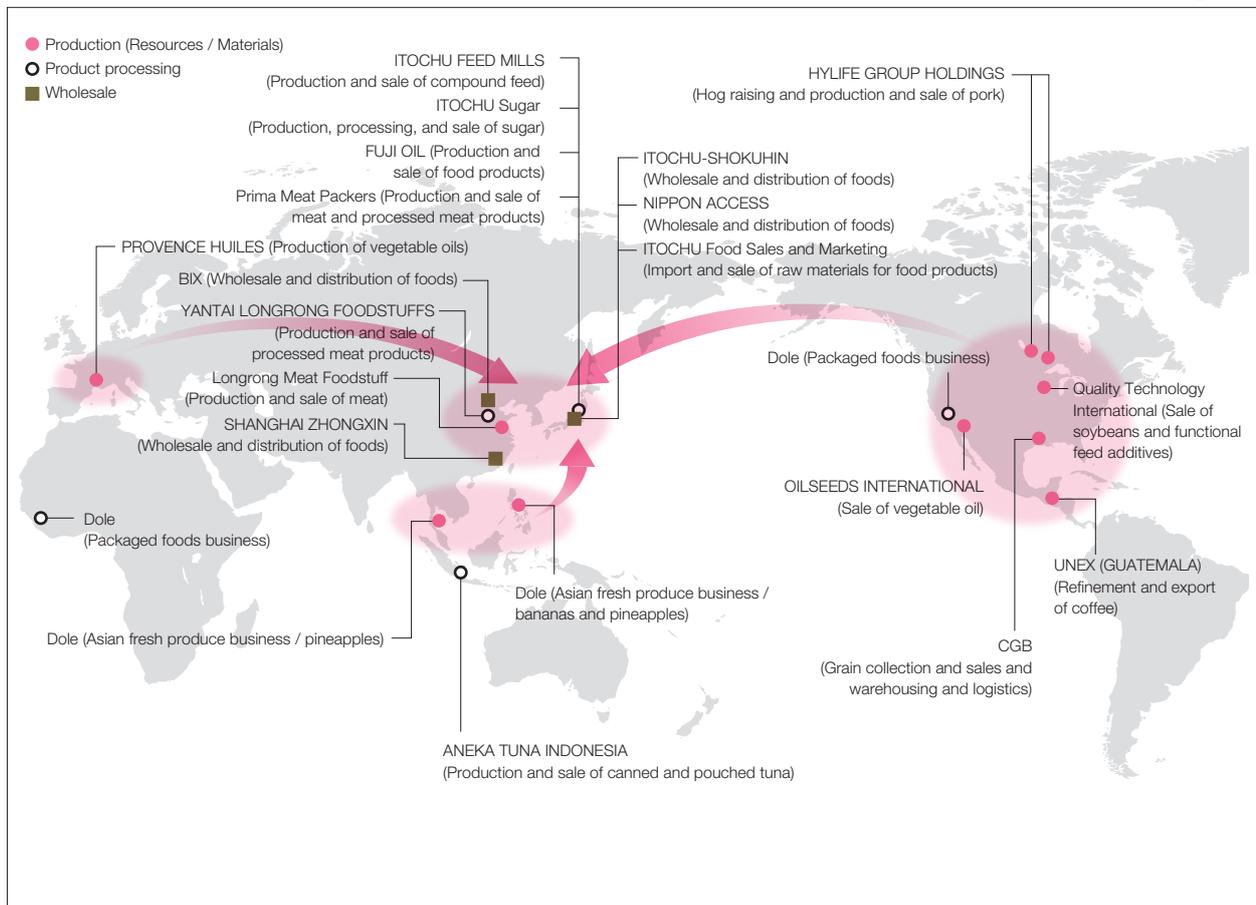
Kuniaki Abe,
General Manager, Planning & Administration Department



Business Development

Percentage of Earnings from Domestic Business (image)

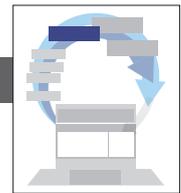
60%





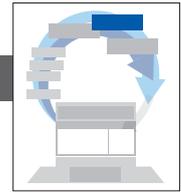
FYE 2020 Review (Achievement of Short-Term Targets)

- Signed an MOA with the government of Sierra Leone regarding Dole's production of pineapples in the country
- With a new relationship with Prima Meat Packers, Ltd., now our subsidiary, successfully established a system to generate Group synergy and holistically support overseas development
- Began a project to optimize inventory-management at NIPPON ACCESS, INC. to increase the value we provide to retailers
- Participated in Farmer Connect, a traceability platform for the coffee supply chain based on blockchain technology
- Got involved in the initiative for domestic distribution of fresh salmon, produced onshore by environmentally friendly Recirculating Aquaculture System (RAS)



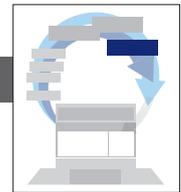
Steppingstones to Medium- to Long-Term Value Creation

- Leveraging the Group's wide-range of product groups, functions, and expertise with new technologies to provide the increasingly diverse value in food distribution
- Expanding overseas business foundations centering on value-added raw materials and products
- Strengthening value chains by expanding and diversifying domestic sales functions
- Broadening production bases, which ensures food safety and security, and developing a stable supply network



Initiatives Supporting Sustainable Growth

- Pursuing the consolidation of operations in the distribution sector, which faces increasingly severe labor shortages, and providing high-quality logistics services
- Diversifying the production regions to ensure stable supplies of fresh foods in avoidance of risks related to weather and epidemics
- Conducting development of producing regions, aiming to create employment and improve living environments through nurturing local industry
- Reforming the productivity of Dole's plantations by consolidating farmland and improving plant varieties
- Creating a procurement system, which complies with verification by third-party institutions and the business partners' own codes of conduct
- Increasing the number of employees holding international certifications for inspections under a food safety management system (FSMS)



➔ Please refer to "Significant Risks to Be Managed on a Consolidated Basis" in the Risk Management section on Page 47.

Specific Example of Initiatives Supporting Sustainable Growth

Pineapple Production Business in Sierra Leone

ITOCHU established Sierra Tropical Limited in Sierra Leone in June 2014 through Dole, a subsidiary, to begin pineapple cultivation and production of processed foods containing pineapple. To expand production, the company is currently raising seedlings and has started building a plant to process pineapples. It aims to commence commercial production at an early stage.

By diversifying its production bases, ITOCHU aims to establish a stable pineapple production system that is not affected by weather risk and further enhance Dole's processed foods business on a global scale. In addition, the business is aimed at contributing to the local community by cultivating local industry, thereby creating employment and improving living environments.



Pineapple harvesting in Sierra Leone

Please also see the Sustainability Action Plan on our website for initiatives supporting sustainable growth.

<https://www.itochu.co.jp/en/csr/itochu/activity/actionplan/>



General Products & Realty Company

Business Fields

- Paper, pulp, and hygiene (production, wholesale)
- Natural rubber and tire (processing, wholesale, and retail)
- Wood products and materials (production, wholesale)
- Development and operation of real estate (housing, logistics facilities, and other projects)
- Logistics (3PL, international transport, logistics systems, etc.)

Company 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



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

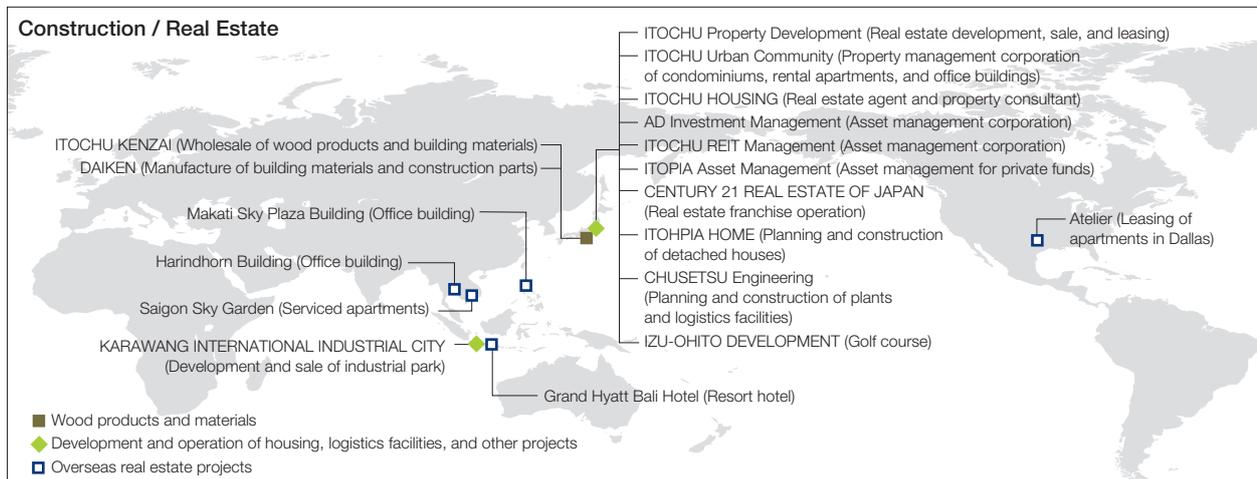
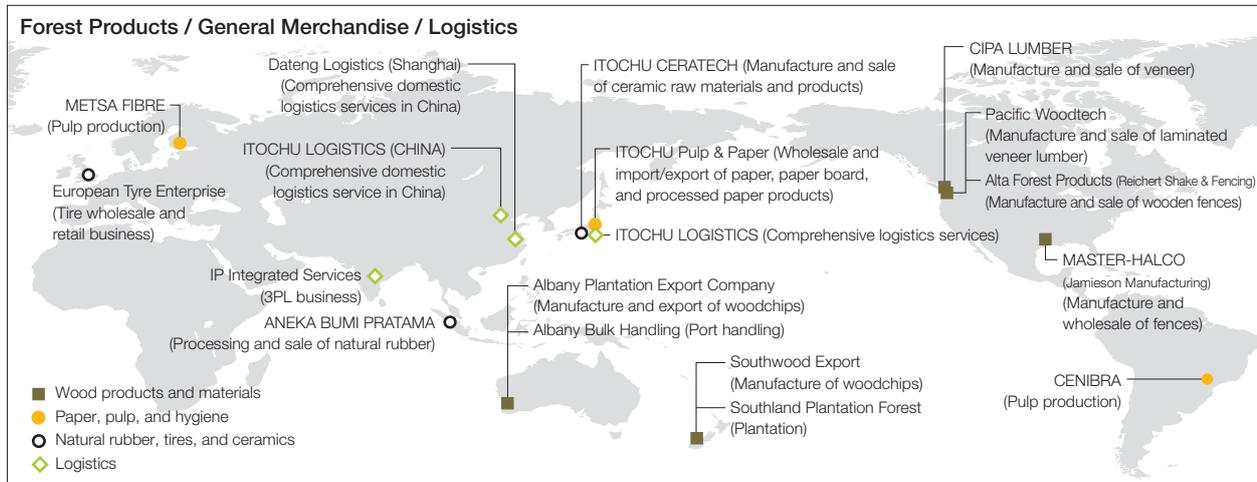
Kazuaki Yamaguchi,
Chief Financial Officer

Tsutomu Yamauchi,
General Manager, Planning & Administration Department

Business Development

40%

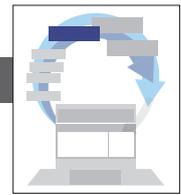
Percentage of Earnings from Domestic Business (image)





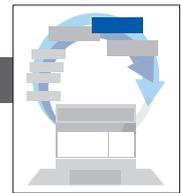
FYE 2020 Review (Achievement of Short-Term Targets)

- Steadily expanded construction materials business in North America by acquiring companies involved in fence manufacture and wholesale, as well as the manufacture of wooden fences
- Commenced joint management with DAIKEN CORPORATION (“DAIKEN”) of companies manufacturing veneers and laminated veneer lumber in North America
- Expanded our share of the UK tire market and increased profitability by focusing on leveraging data to enhance customer satisfaction
- Restructured our logistics business in China, reinforcing the management system and earnings base
- In line with the real estate asset replacement model, developed residential assets and logistics warehouses, and expanded REITs AUM



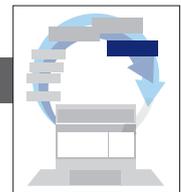
Steppingstones to Medium- to Long-Term Value Creation

- Enhancing profitability by promoting M&As in the North American construction materials business
- Further honing our tire, construction material, real estate, and logistics businesses by applying new technologies
- Expand the handling of environmentally friendly products that use sustainable forestry resources
- Strengthening the real estate asset replacement model for logistics warehouses
- Continuing to move ahead in the North American real estate business through strategic alliances and joint investments with leading U.S. real estate companies



Initiatives Supporting Sustainable Growth

- Strengthening the afforestation business in Brazil with a partner, and enhancing the pulp business in Finland, where a stable long-term supply of raw timber is possible
- Promoting the effective use of sustainable byproducts (slag) as a cement alternative and creating a sustainable and stable distribution
- Creating a natural rubber traceability system that identifies the source of raw material to eradicate illegal logging
- Revising Group companies’ backbone systems (ERP) to increase analytical and operational efficiency (“cut”) and reduce security risk (“prevent”)



➔ Please refer to “Significant Risks to Be Managed on a Consolidated Basis” in the Risk Management section on Page 47.

Specific Example of Steppingstones to Medium- to Long-Term Value Creation

Strategies for Boosting Profitability and Enhancing Corporate Value at North American Group Companies Involved in Construction Materials

ITOCHU has restructured its construction materials business in North America, where the steady increase in population and solid economic growth are expected among the major developed countries. In addition to MASTER-HALCO, Inc. (manufacture and wholesale of fences) and Alta Forest Products LLC (manufacture and sale of wooden fences), in FYE 2020 ITOCHU acquired Jamieson Manufacturing Co. (manufacture and wholesale of fences) and Reichert Shake & Fencing, Inc. (manufacture of wooden fences). We also sold part of CIPA LUMBER CO. LTD. (manufacture and sale of veneer) and Pacific Woodtech Corporation (manufacture and sale of laminated veneer lumber) to DAIKEN and commenced joint operation. Following these acquisitions and realignments, we have dispatched more than 20 highly experienced personnel to these Group companies to improve their management and augment their corporate value. In addition to our own expertise cultivated over many years, we will incorporate DAIKEN’s manufacturing know-how, working together to further enhance profitability and corporate value.



Pacific Woodtech Corporation

Please also see the Sustainability Action Plan on our website for initiatives underpinning sustainable growth.

<https://www.itochu.co.jp/en/csr/itochu/activity/actionplan/>



ICT & Financial Business Company

Business Fields

- Information Technology (ICT, BPO, and healthcare)
- Communications (mobile, media, and communication & satellite)
- Finance (retail finance business)
- Insurance (brokerage, underwriting)



Tatsushi Shingu

President, ICT & Financial Business Company

Company Strengths

- Profitable revenue structure made possible by the core Group companies in the ICT field and the generation of synergies through various 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



From left:

Hiroshi Kajiwara,
Chief Operating Officer, ICT Division

Shuichi Kato,
Executive Vice President, ICT & Financial Business Company;
Chief Operating Officer, Financial & Insurance Business Division

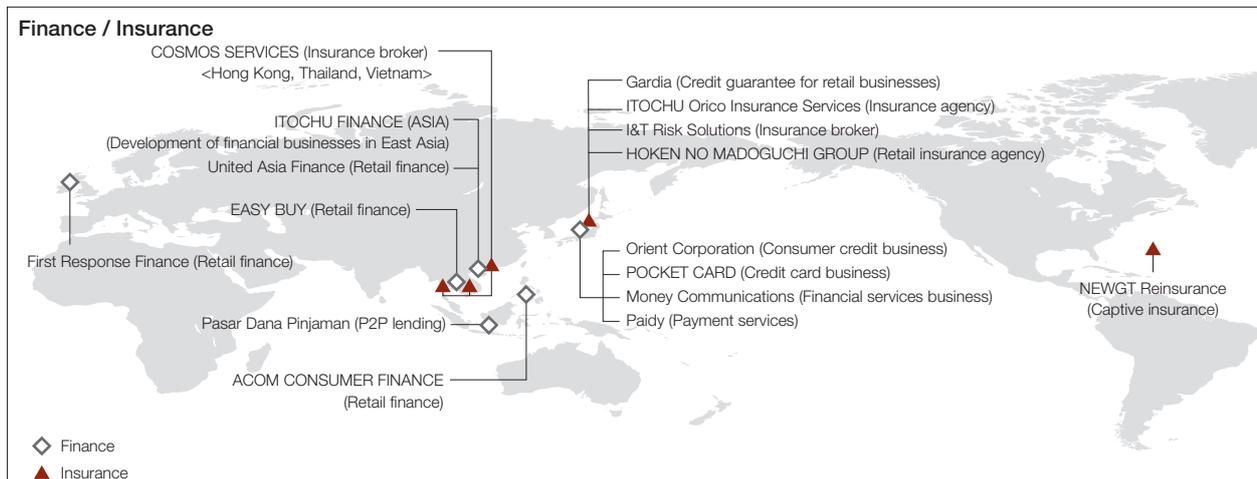
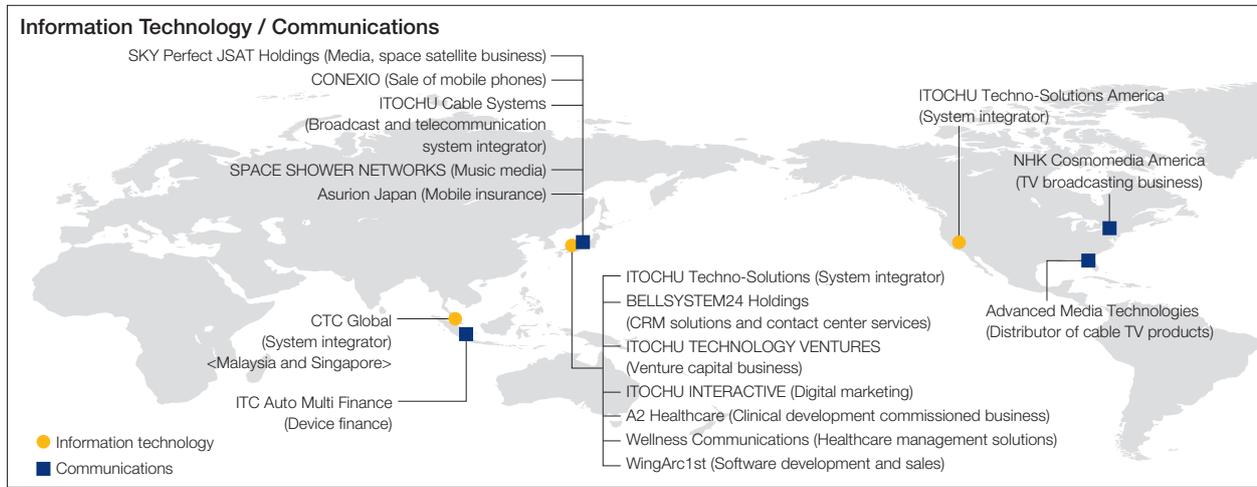
Fumitaka Horiuchi,
Chief Financial Officer

Atsushi Hashimoto,
General Manager, Planning & Administration Department

Business Development

80%

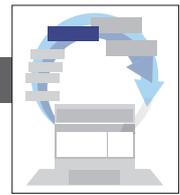
Percentage of Earnings from Domestic Business (image)





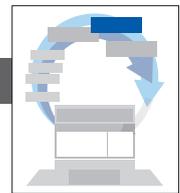
FYE 2020 Review (Achievement of Short-Term Targets)

- Made HOKEN NO MADOGUCHI GROUP INC. a subsidiary, reinforcing the structure to promote business from a market-oriented perspective
- Made WingArc1st Inc. an affiliated company and, through a business alliance with AKQA in the U.S. (a leading digital consulting company), strengthened the foundation for advancing the DX business
- Turned Paidy Inc. into an affiliated company and built a system to jointly promote new services, such as moving forward with Paidy's offline payments business
- Through a capital and business alliance with iLAC Inc., began to consider building a platform for whole genome analysis and commenced industrialization of genome-related businesses leveraging IT
- By making Gardia, Inc. a subsidiary, supported start-up companies' new business efforts via a guarantee business for personal credit
- Through Money Communications Inc., entered the salary prepayment business to create a customer base centering on younger customers



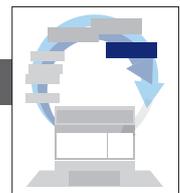
Steppingstones to Medium- to Long-Term Value Creation

- Discovering and forming alliances with start-up companies, and creating and promoting next-generation businesses by leveraging new technologies
- Fostering overseas development of business models cultivated in Japan in the mobile and ICT business sectors
- Building an earnings base in the innovative and highly convenient DX business based on a market-oriented perspective
- Expanding our overseas business foundation by leveraging new retail finance
- Creating a value chain of insurance business in the retail sector



Initiatives Supporting Sustainable Growth

- Offering high-value-added ICT solutions that realize a safe, secure, and highly convenient social infrastructure
- Providing platforms that use healthcare data to contribute to pharmaceutical and medical development, ultimately enhancing the quality of people's lives
- Building and expanding our retail business foundations by forging alliances with companies that have new technologies and customer bases



➔ Please refer to "Significant Risks to Be Managed on a Consolidated Basis" in the Risk Management section on Page 47.

Specific Example of Steppingstones to Medium- to Long-Term Value Creation

Conversion of HOKEN NO MADOGUCHI GROUP INC. into a Consolidated Subsidiary

HOKEN NO MADOGUCHI GROUP INC. (HOKEN NO MADOGUCHI), the leading walk-in insurance shop operator, sets the corporate mission of "being the best possible company for customers." With 762 shops across Japan as of March 31, 2020, it is the largest company in its industry. HOKEN NO MADOGUCHI is also a leader among insurance shops for service quality, underpinned by a proprietary system for training employees. By making HOKEN NO MADOGUCHI a subsidiary, ITOCHU supports the company to further enhance the quality of customer services in line with its management philosophy and to achieve business growth. At the same time, by working more closely with HOKEN NO MADOGUCHI, which has abundant customer contact points, ITOCHU aims to expand Group businesses with a market-oriented perspective.



From a HOKEN NO MADOGUCHI television commercial, as of June 2020

Please also see the Sustainability Action Plan on our website for initiatives supporting sustainable growth.
<https://www.itochu.co.jp/en/csr/itochu/activity/actionplan/>



The 8th Company

Business Fields

- Creating new business and collaborating with the seven existing Division Companies from a market-oriented perspective
- Promoting business that leverages FamilyMart's customer contact points
- Building an information platform that combines the ITOCHU Group's consumer-related data



Kensuke Hosomi

President, The 8th Company

Company Strengths

- FamilyMart's physical store network and a business base of Group companies with its strength in the consumer sector
- Human resources from diverse backgrounds and a highly fluid, ameba-like organizational system
- An organizational culture that creates businesses flexibly with a market-oriented perspective independent of product lines



From left

Toshifumi Iwamura,
Chief Financial Officer

Tetsuya Mukohata,
General Manager,
Planning & Administration Section

Business Development

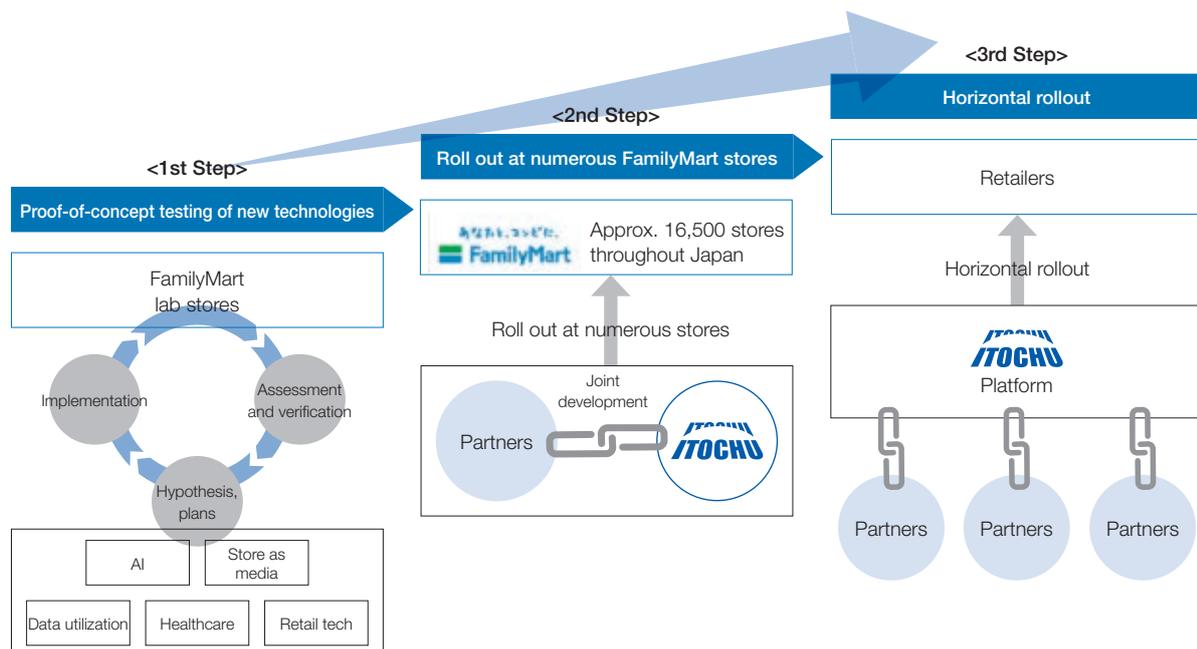
100%

Percentage of Earnings from Domestic Business (image)

The vigorous digital transformation that is occurring as part of the Fourth Industrial Revolution is prompting the emergence of services and business models that ITOCHU will no longer be able to handle via its conventional vertical, product-based organization. To respond with sensitivity to such changes, The 8th Company will adopt a market-oriented perspective. By making full use of ITOCHU's various business foundations, particularly those that are strong in the consumer sector, we aim to cultivate new businesses and customers.

Example of New Business Development <Lab Stores>

- We are using FamilyMart lab stores to run proof-of-concept tests on new technologies and services in a wide variety of fields.
- We are striving for agile improvements and optimization, aiming to expand to many of 16,500 FamilyMart stores around Japan.
- In addition, we are working with strategic partners to roll out these new technologies and services to customers in the retail and other industries in an effort to increase economic and social value.

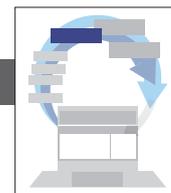




Inbound tourism services provided by RING BELL co.,Ltd.

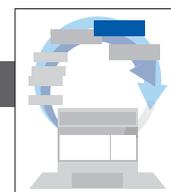
FYE 2020 Review (Achievement of Short-Term Targets)

- Established this new Division Company on July 1, 2019 to cultivate new businesses and customers from a market-oriented perspective
- Promoted a business alliance with RING BELL co.,Ltd. in the inbound tourism business
- Formed a capital and business alliance with Couger Inc. ("Couger"), a start-up in the field of Artificial Intelligence (AI) development
- Introduced the Lab concept by setting up FamilyMart test stores
- Launched an all-in-one app "FamiPay" at FamilyMart



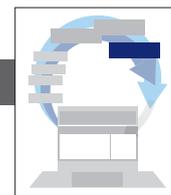
Steppingstones to Medium- to Long-Term Value Creation

- Supporting revisions in the use of FamilyMart stores and overseas business schemes ("earn") and efforts to reduce store and headquarters costs through the introduction of new technologies and make the supply chain more efficient ("cut"), thereby promoting existing business ("enhance")
- Developing new businesses, such as advertising, marketing, and financial services that utilize customer data
- At lab stores, utilizing new technologies and services obtained through ITOCHU's global information networks



Initiatives Supporting Sustainable Growth

- Creating a highly fluid, ameba-like organizational system conforming to a market-oriented perspective
- Introducing a new personnel system to further enhance employee motivation and growth
- Create an office environment that emphasizes productivity and functionality, such as "free address workspace," where employees are free to change desks



➔ Please refer to "Significant Risks to Be Managed on a Consolidated Basis" in the Risk Management section on Page 47.

Specific Example of Steppingstones to Medium- to Long-Term Value Creation

Initiatives with Couger, a Start-up in the Field of AI Development

In January 2020, ITOCHU announced a capital and business alliance with Couger. Couger has world-leading technologies in game AI with human-like emotions, technologies that gives AI a reliability by utilizing blockchain, and image-recognition AI that reads and analyzes human expressions and gestures.

Using Virtual Human Agent developed by Couger, we will engage in problem-solving and service development with a market-oriented perspective emphasizing market and consumer needs in a wide range of fields including nursing care, education, and entertainment, as well as in the consumer sector that is ITOCHU's forte.



Virtual Human Agent, which communicates with people via facial expressions and movements

Please also see the Sustainability Action Plan on our website for initiatives supporting sustainable growth.

<https://www.itochu.co.jp/en/csr/itochu/activity/actionplan/>

