Financial Summary

Segment Overview

<table>
<thead>
<tr>
<th>Segment</th>
<th>Core profit</th>
<th>Total assets</th>
<th>Core Operating Cash Flows</th>
<th>Number of employees (Consolidated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Textile Company</td>
<td>5.4%</td>
<td>4.9%</td>
<td>4.5%</td>
<td>7.8%</td>
</tr>
<tr>
<td>ROA 1.8%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Machinery Company</td>
<td>11.7%</td>
<td>12.2%</td>
<td>11.6%</td>
<td>11.9%</td>
</tr>
<tr>
<td>ROA 4.6%</td>
<td></td>
<td></td>
<td></td>
<td>9.4%</td>
</tr>
<tr>
<td>Metals &amp; Minerals Company</td>
<td>19.1%</td>
<td>13.1%</td>
<td>20.2%</td>
<td>11.0%</td>
</tr>
<tr>
<td>ROA 13.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy &amp; Chemicals Company</td>
<td>10.6%</td>
<td></td>
<td>17.1%</td>
<td>28.6%</td>
</tr>
<tr>
<td>ROA 4.7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food Company</td>
<td>10.3%</td>
<td>17.0%</td>
<td>17.1%</td>
<td>28.6%</td>
</tr>
<tr>
<td>ROA 2.9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Products &amp; Realty Company</td>
<td>11.4%</td>
<td>10.0%</td>
<td>15.0%</td>
<td>14.7%</td>
</tr>
<tr>
<td>ROA 5.3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICT &amp; Financial Business Company</td>
<td>11.9%</td>
<td>10.3%</td>
<td>9.6%</td>
<td></td>
</tr>
<tr>
<td>ROA 5.3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The 8th Company</td>
<td>5.3%</td>
<td>14.5%</td>
<td>14.4%</td>
<td>14.9%</td>
</tr>
<tr>
<td>ROA 1.1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others, Adjustments &amp; Eliminations</td>
<td>14.3%</td>
<td>9.6%</td>
<td>8.7%</td>
<td>8.3%</td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th>(FYE)</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>14</th>
<th>15</th>
<th>16</th>
<th>17</th>
<th>18</th>
<th>19</th>
<th>20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>500.5</td>
<td>501.3</td>
<td>501.3</td>
<td>501.3</td>
<td>501.3</td>
<td>501.3</td>
<td>501.3</td>
<td>501.3</td>
<td>501.3</td>
<td>501.3</td>
</tr>
<tr>
<td>Loss</td>
<td>(23.6)</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
</tbody>
</table>

- **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)

<table>
<thead>
<tr>
<th>(FYE)</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>14</th>
<th>15</th>
<th>16</th>
<th>17</th>
<th>18</th>
<th>19</th>
<th>20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>300.5</td>
<td>310.3</td>
<td>300.6</td>
<td>300.6</td>
<td>300.6</td>
<td>300.6</td>
<td>300.6</td>
<td>300.6</td>
<td>300.6</td>
<td>300.6</td>
</tr>
<tr>
<td>Loss</td>
<td>166.8</td>
<td>166.8</td>
<td>166.8</td>
<td>166.8</td>
<td>166.8</td>
<td>166.8</td>
<td>166.8</td>
<td>166.8</td>
<td>166.8</td>
<td>166.8</td>
</tr>
</tbody>
</table>

### Extraordinary Gains and Losses

<table>
<thead>
<tr>
<th>(FYE)</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>14</th>
<th>15</th>
<th>16</th>
<th>17</th>
<th>18</th>
<th>19</th>
<th>20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>218.6</td>
<td>200.5</td>
<td>280.3</td>
<td>310.3</td>
<td>305.6</td>
<td>315.4</td>
<td>370.2</td>
<td>416.8</td>
<td>472.0</td>
<td>485.3</td>
</tr>
</tbody>
</table>

- **Textile**
- **Machinery**
- **Metals & Minerals**
- **Energy & Chemicals**
- **Food**
- **ICT, General Products & Realty (from FYE 2018)**
- **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.
**Consolidated Net Profit & Core Profit**
(Billions of Yen)

<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>FYE 18</td>
<td>FYE 19</td>
<td>FYE 20</td>
<td>FYE 18</td>
</tr>
<tr>
<td>Consolidated net profit</td>
<td>26.0</td>
<td>29.8</td>
<td>19.6</td>
</tr>
<tr>
<td>Core profit</td>
<td>26.0</td>
<td>29.8</td>
<td>19.6</td>
</tr>
</tbody>
</table>

*“Operating cash flows” minus “changes of working capital”*

**Total Assets**
(Billions of Yen)

<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>FYE 18</td>
<td>FYE 19</td>
<td>FYE 20</td>
<td>FYE 18</td>
</tr>
<tr>
<td>Total assets</td>
<td>474.9</td>
<td>527.2</td>
<td>451.1</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>227.6</td>
<td>276.2</td>
<td>254.3</td>
</tr>
</tbody>
</table>

**Core Operating Cash Flows**
(Billions of Yen)

<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>FYE 18</td>
<td>FYE 19</td>
<td>FYE 20</td>
<td>FYE 18</td>
</tr>
<tr>
<td>Core operating cash flows</td>
<td>24.7</td>
<td>32.4</td>
<td>13.9</td>
</tr>
</tbody>
</table>

**ROA**

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

*”Operating cash flows” minus “changes of working capital”*
## Net Profit by Major Group Companies

### Textile Company

<table>
<thead>
<tr>
<th>Shares*1</th>
<th>FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021 (Plan)*2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated Net Profit</td>
<td>12.5</td>
<td>29.8</td>
<td>9.1</td>
<td>23.0</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Company</th>
<th>Shares (%)</th>
<th>FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021 (Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>JOI’X CORPORATION</td>
<td>100.0%</td>
<td>1.5</td>
<td>1.2</td>
<td>0.8</td>
<td>0.3</td>
</tr>
<tr>
<td>DESCENTE LTD.</td>
<td>40.0%</td>
<td>1.4</td>
<td>1.2</td>
<td>(1.4)</td>
<td>2.0</td>
</tr>
<tr>
<td>Sankei Co., Ltd.</td>
<td>100.0%</td>
<td>0.1</td>
<td>1.9</td>
<td>1.5</td>
<td>1.2</td>
</tr>
<tr>
<td>ITOCHU Textile Prominent (ASIA) Ltd.</td>
<td>100.0%</td>
<td>0.2</td>
<td>1.1</td>
<td>0.4</td>
<td>1.0</td>
</tr>
<tr>
<td>ITOCHU TEXTILE (CHINA) CO., LTD.</td>
<td>100.0%</td>
<td>1.0</td>
<td>1.1</td>
<td>1.1</td>
<td>1.1</td>
</tr>
</tbody>
</table>

### Machinery Company

<table>
<thead>
<tr>
<th>Shares*1</th>
<th>FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021 (Plan)*2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated Net Profit</td>
<td>56.2</td>
<td>47.1</td>
<td>58.7</td>
<td>48.0</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Company</th>
<th>Shares (%)</th>
<th>FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021 (Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tokyo Century Corporation</td>
<td>29.2%</td>
<td>12.5</td>
<td>12.6</td>
<td>14.2</td>
<td>13.1</td>
</tr>
<tr>
<td>i-Power Investment Inc.</td>
<td>100.0%</td>
<td>5.3</td>
<td>(5.8)</td>
<td>1.8</td>
<td>2.9</td>
</tr>
<tr>
<td>i-ENVIRONMENT INVESTMENTS LIMITED</td>
<td>100.0%</td>
<td>1.9</td>
<td>1.0</td>
<td>1.2</td>
<td>1.2</td>
</tr>
<tr>
<td>JAMCO Corporation</td>
<td>33.4%</td>
<td>0.6</td>
<td>0.6</td>
<td>0.1</td>
<td>—</td>
</tr>
<tr>
<td>YANASE &amp; CO., LTD.</td>
<td>66.0%</td>
<td>3.7</td>
<td>1.1</td>
<td>3.0</td>
<td>3.3</td>
</tr>
<tr>
<td>ITOCHU TC CONSTRUCTION MACHINERY CO., LTD.*3</td>
<td>50.0%</td>
<td>0.6</td>
<td>0.6</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>ITOCHU MACHINE-TECHNOS CORPORATION</td>
<td>100.0%</td>
<td>0.8</td>
<td>1.4</td>
<td>1.4</td>
<td>1.0</td>
</tr>
<tr>
<td>Century Medical, Inc.</td>
<td>100.0%</td>
<td>0.5</td>
<td>0.7</td>
<td>0.6</td>
<td>0.4</td>
</tr>
<tr>
<td>MULTIQIP INC.</td>
<td>100.0%</td>
<td>2.3</td>
<td>2.8</td>
<td>2.8</td>
<td>1.7</td>
</tr>
</tbody>
</table>

### Metals & Minerals Company

<table>
<thead>
<tr>
<th>Shares*1</th>
<th>FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021 (Plan)*2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated Net Profit</td>
<td>82.0</td>
<td>78.7</td>
<td>111.4</td>
<td>77.0</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Company</th>
<th>Shares (%)</th>
<th>FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021 (Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITOCHU Minerals &amp; Energy of Australia Pty Ltd</td>
<td>100.0%</td>
<td>62.3</td>
<td>60.1</td>
<td>83.4</td>
<td>71.6</td>
</tr>
<tr>
<td>JAPÃO BRASIL MINÉRIO DE FERRO PARTICIPAÇÕES LTDA. (CSN Mineração)</td>
<td>77.3%</td>
<td>3.3</td>
<td>1.7</td>
<td>9.4</td>
<td>—</td>
</tr>
<tr>
<td>ITOCHU Coal Americas Inc. (Drummond)</td>
<td>100.0%</td>
<td>2.9</td>
<td>2.0</td>
<td>1.1</td>
<td>—</td>
</tr>
<tr>
<td>Marubeni-Itochu Steel Inc.</td>
<td>50.0%</td>
<td>9.2</td>
<td>12.1</td>
<td>11.2</td>
<td>—</td>
</tr>
<tr>
<td>ITOCHU Metals Corporation*4</td>
<td>70.0%</td>
<td>1.1</td>
<td>1.1</td>
<td>1.3</td>
<td>1.0</td>
</tr>
</tbody>
</table>

### Energy & Chemicals Company

<table>
<thead>
<tr>
<th>Shares*1</th>
<th>FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021 (Plan)*2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated Net Profit</td>
<td>34.5</td>
<td>78.4</td>
<td>61.7</td>
<td>34.0</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Company</th>
<th>Shares (%)</th>
<th>FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021 (Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITOCHU Oil Exploration (Azerbaijan) Inc. (ACG Project)</td>
<td>100.0%</td>
<td>2.3</td>
<td>3.3</td>
<td>4.9</td>
<td>(1.1)</td>
</tr>
<tr>
<td>ITOCHU PETROLEUM CO., (SINGAPORE) PTE. LTD.</td>
<td>100.0%</td>
<td>(1.8)</td>
<td>0.5</td>
<td>0.7</td>
<td>0.8</td>
</tr>
<tr>
<td>ITOCHU ENEX CO., LTD.</td>
<td>54.0%</td>
<td>6.0</td>
<td>6.5</td>
<td>6.9</td>
<td>5.9</td>
</tr>
<tr>
<td>Japan South Sakha Oil Co., Ltd. (Eastern Siberia Project)</td>
<td>25.0%</td>
<td>4.0</td>
<td>9.1</td>
<td>7.7</td>
<td>—</td>
</tr>
<tr>
<td>Dividends from LNG Projects (PAT)</td>
<td>—</td>
<td>4.4</td>
<td>6.2</td>
<td>5.5</td>
<td>2.7</td>
</tr>
<tr>
<td>ITOCHU CHEMICAL FRONTIER Corporation</td>
<td>100.0%</td>
<td>3.7</td>
<td>5.2</td>
<td>4.4</td>
<td>4.4</td>
</tr>
<tr>
<td>ITOCHU PLASTICS INC.*4</td>
<td>60.0%</td>
<td>2.4</td>
<td>2.3</td>
<td>2.5</td>
<td>2.6</td>
</tr>
<tr>
<td>C.I. TAKIRON Corporation</td>
<td>52.0%</td>
<td>3.0</td>
<td>2.9</td>
<td>6.4</td>
<td>—</td>
</tr>
</tbody>
</table>

* Accompanying the establishment of The 8th Company on July 1, 2019, figures for FYE 2018 and FYE 2019 have been adjusted retroactively.
<table>
<thead>
<tr>
<th>Food Company (Billions of Yen)</th>
<th>Shares*1 FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021 (Plan)*2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated Net Profit</td>
<td>63.4</td>
<td>46.3</td>
<td>49.9</td>
<td>56.0</td>
</tr>
<tr>
<td><strong>Breakdown of Net Profit (Loss) by Major Group Companies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dole International Holdings, Inc.</td>
<td>100.0%</td>
<td>3.2</td>
<td>7.8</td>
<td>(0.2)</td>
</tr>
<tr>
<td>NIPPON ACCESS, INC.*4</td>
<td>60.0%</td>
<td>5.9</td>
<td>7.0</td>
<td>8.4</td>
</tr>
<tr>
<td>FUJI OIL HOLDINGS INC.</td>
<td>39.0%</td>
<td>4.2</td>
<td>3.0</td>
<td>5.1</td>
</tr>
<tr>
<td>Prima Meat Packers, Ltd.</td>
<td>42.9%</td>
<td>4.1</td>
<td>3.2</td>
<td>3.9</td>
</tr>
<tr>
<td>ITOCHU-SHIKUHIN Co., Ltd.</td>
<td>52.2%</td>
<td>2.2</td>
<td>1.7</td>
<td>2.0</td>
</tr>
<tr>
<td>HYLFIE GROUP HOLDINGS LTD.</td>
<td>49.9%</td>
<td>3.7</td>
<td>2.7</td>
<td>3.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>General Products &amp; Realty Company (Billions of Yen)</th>
<th>Shares*1 FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021 (Plan)*2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated Net Profit</td>
<td>55.4</td>
<td>62.7</td>
<td>55.0</td>
<td>60.0</td>
</tr>
<tr>
<td><strong>Breakdown of Net Profit (Loss) by Major Group Companies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>European Tyre Enterprise Limited (Kwik-Fit)</td>
<td>100.0%</td>
<td>5.8</td>
<td>4.2</td>
<td>6.2</td>
</tr>
<tr>
<td>ITOCHU FIBRE LIMITED (METSA FIBRE)</td>
<td>100.0%</td>
<td>9.9</td>
<td>16.1</td>
<td>1.9</td>
</tr>
<tr>
<td>Co., Ltd. (CENBRA)</td>
<td>33.3%</td>
<td>4.2</td>
<td>7.3</td>
<td>(7.1)</td>
</tr>
<tr>
<td>ITOCHU LOGISTICS CORP.*4</td>
<td>95.2%</td>
<td>2.6</td>
<td>2.9</td>
<td>4.9</td>
</tr>
<tr>
<td>ITOCHU KENZAI CORPORATION</td>
<td>100.0%</td>
<td>2.7</td>
<td>2.9</td>
<td>2.9</td>
</tr>
<tr>
<td>DAIKEN CORPORATION</td>
<td>35.6%</td>
<td>1.6</td>
<td>1.3</td>
<td>1.9</td>
</tr>
<tr>
<td>ITOCHU Property Development, Ltd.</td>
<td>100.0%</td>
<td>2.4</td>
<td>2.9</td>
<td>2.4</td>
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</tbody>
</table>

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<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Consolidated Net Profit</td>
<td>50.7</td>
<td>66.8</td>
<td>62.5</td>
<td>63.0</td>
</tr>
<tr>
<td><strong>Breakdown of Net Profit (Loss) by Major Group Companies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ITOCHU Techno-Solutions Corporation</td>
<td>58.2%</td>
<td>13.6</td>
<td>14.2</td>
<td>16.6</td>
</tr>
<tr>
<td>BELLSYSTEM24 Holdings, Inc.</td>
<td>40.8%</td>
<td>1.2</td>
<td>1.2</td>
<td>1.8</td>
</tr>
<tr>
<td>CONEXIO Corporation</td>
<td>60.3%</td>
<td>4.1</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>ITOCHU Fuji Partners, Inc. (SKY Perfect JSAT Holdings)</td>
<td>63.0%</td>
<td>(0.2)</td>
<td>1.4</td>
<td>0.2</td>
</tr>
<tr>
<td>POCKET CARD CO., LTD.*4</td>
<td>32.2%</td>
<td>0.9</td>
<td>2.0</td>
<td>2.1</td>
</tr>
<tr>
<td>Orient Corporation</td>
<td>16.5%</td>
<td>4.2</td>
<td>4.2</td>
<td>3.7</td>
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<table>
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<tr>
<th>The 8th Company (Billions of Yen)</th>
<th>Shares*1 FYE 2018</th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021 (Plan)*2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated Net Profit</td>
<td>21.4</td>
<td>166.8</td>
<td>28.1</td>
<td>33.0</td>
</tr>
<tr>
<td><strong>Breakdown of Net Profit (Loss) by Major Group Companies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FamilyMart Co., Ltd.*5</td>
<td>50.2%</td>
<td>11.8</td>
<td>17.3</td>
<td>17.5</td>
</tr>
<tr>
<td>NIPPON ACCESS, INC.*4</td>
<td>40.0%</td>
<td>3.9</td>
<td>4.6</td>
<td>5.5</td>
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<tr>
<td>POCKET CARD CO., LTD.*4</td>
<td>30.9%</td>
<td>0.4</td>
<td>1.9</td>
<td>2.1</td>
</tr>
<tr>
<td>ITOCHU PLASTICS INC.*4</td>
<td>40.0%</td>
<td>1.6</td>
<td>1.5</td>
<td>1.6</td>
</tr>
<tr>
<td>ITOCHU Metals Corporation*5</td>
<td>30.0%</td>
<td>0.5</td>
<td>0.5</td>
<td>0.6</td>
</tr>
<tr>
<td>ITOCHU LOGISTICS CORP.*5</td>
<td>4.8%</td>
<td>0.1</td>
<td>0.2</td>
<td>0.1</td>
</tr>
</tbody>
</table>

*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

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

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

Business Development

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

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
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.

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.

Please refer to “Significant Risks to Be Managed on a Consolidated Basis” in the Risk Management section on Page 47.
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 Office, Automobile, Construction Machinery & Industrial Machinery Division
Shuichiro Yamaura,
Chief Financial Officer
Tatsuya Hirano,
General Manager, Planning & Administration Department

Business Development

Plant / Marine / Aerospace

Automobile / Construction Machinery / Industrial Machinery

Percentage of Earnings from Domestic Business (image) 60%

Plant and power investments
Plant and power projects
Marine and aerospace
Please also see the Sustainability Action Plan on our website for initiatives supporting sustainable growth.


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.
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)

Kenji Seto
President, Metals & Minerals Company
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.

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

Energy & Chemicals Company

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

Business Development

Energy / Power & Environmental Solution

- 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)

Chemicals

- Plastribution (Synthetic resin materials)
- C.I. TAKPION (Synthetic resin products)
- Suzpex (Synthetic resin materials)
- ITECHU plastics (Synthetic resin materials)
- Omni Plus System (Synthetic resin materials)
- Shanghai Achemical (Fine chemicals)
- Shanghai Dymachem (Synthetic resin materials)
- REMIE PHARMACEUTICALS (Pharmaceuticals)
- BRUNEI METHANOL (Basic chemicals)

60% of Earnings from Domestic Business (Image)
Please also see the Sustainability Action Plan on our website for initiatives supporting sustainable growth.

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.

Specific Example of 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

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

**Business Development**

Percentage of Earnings from Domestic Business (image): 60%

- **Production (Resources / Materials)**
  - ITOCHU FEED MILLS
  - ITOCHU Sugar
  - FUJI OIL
  - Prima Meat Packers (Production and sale of food products)
  - PROVENCE HUILES (Production of vegetable oils)
  - BIX (Wholesale and distribution of food)
  - YANTAI LONGRONG FOODSTUFFS
  - Longrong Meat Foodstuff
  - SHANGHAI ZHONGXIN (Wholesale and distribution of foods)

- **Product processing**
  - ITOCHU FEED MILLS
  - ITOCHU Sugar
  - FUJI OIL
  - Prima Meat Packers (Production and sale of food products)
  - PROVENCE HUILES (Production of vegetable oils)

- **Wholesale**
  - ITOCHU FEED MILLS
  - ITOCHU Sugar
  - FUJI OIL
  - Prima Meat Packers (Production and sale of food products)
  - PROVENCE HUILES (Production of vegetable oils)

- **ITOCHE Group Holdings**
  - Hog raising and production and sale of pork

- **OILSEEDS INTERNATIONAL**
  - Sale of vegetable oil

- **Dole (Packaged foods business)**

- **Dole (Asian fresh produce business / pineapples)**

- **ANEKA TUNA INDONESIA**
  - (Production and sale of canned and pouched tuna)

- **Quality Technology International**
  - (Sale of soybeans and functional feed additives)

- **UNEX (GUATEMALA)**
  - (Refinement and export of coffee)

- **CGB**
  - (Grain collection and sales and warehousing and logistics)
Please also see the Sustainability Action Plan on our website for initiatives supporting sustainable growth.

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.

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

Business Development

Percentage of Earnings from Domestic Business (image)

40%

Forest Products / General Merchandise / Logistics

- METSA FIBRE (Pulp production)
- Regional Tyre Enterprise (Tire wholesale and retail business)
- ITOCHU LOGISTICS (China) (Comprehensive domestic logistics service in China)
- IP Integrated Services (IPL business)
- ANEKA BUMI PRATAMA (Processing and sale of natural rubber)
- ITOCHU CERATECH (Manufacture and sale of ceramic raw materials and products)
- ITOCHU Pulp & Paper (Wholesale and import/export of paper, paper board, and processed paper products)
- ITOCHU LOGISTICS (Comprehensive logistics services)

- Wood products and materials
- Paper, pulp, and hygiene
- Natural rubber, tires, and ceramics
- Logistics

Construction / Real Estate

- ITOCHU KENZA (Wholesale of wood products and building materials)
- DAKIN (Manufacture of building materials and construction parts)
- Makassar Sky Plaza Building (Office building)
- Harincho Building (Office building)
- Saigon Sky Garden (Serviced apartments)
- KARAWANG INTERNATIONAL INDUSTRIAL CITY (Development and sale of industrial park)

- ITOCHU Property Development (Real estate development, sale, and leasing)
- ITOCHU Urban Community (Property management corporation of condominiums, rental apartments, and office buildings)
- ITOCHU HOUSING (Real estate agent and property consultation)
- AD Investment Management (Asset management corporation)
- ITOCHU Asset Management (Asset management for private funds)
- CENTURY 21 REAL ESTATE OF JAPAN (Real estate franchise operation)
- ITOCHU HOME (Planning and construction of detached houses)
- CHUSETSU Engineering (Planning and construction of plants and logistics facilities)
- UIJU-OHTO DEVELOPMENT (Golf course)

- Wood products and materials
- Development and operation of housing, logistics facilities, and other projects
- Overseas real estate projects

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

Tomofumi Yoshida
President, General Products & Realty Company

From left:
Tomofumi Yoshida
President, General Products & Realty Company
Kenji Murai,
Chief Operating Officer, Forest Products, General Merchandise & Logistics Division
Masatoshi Maki,
Chief Operating Officer, Construction & Real Estate Division
Kazuyuki Yamaguchi,
Chief Financial Officer
Tsutomu Yamauchi,
General Manager, Planning & Administration Department

ITOHPIA HERITAGE (Development and sale of condominiums, rental apartments, and office buildings)

ITOHPIA HOME (Planning and construction of detached houses)

ITOHPIA Asset Management (Asset management for private funds)

CENTURY 21 REAL ESTATE OF JAPAN (Real estate franchise operation)

ITOHPIA HERITAGE (Development and sale of condominiums, rental apartments, and office buildings)

Ateliers (Leasing of apartments in Dallas)
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.

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

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

Tatsushi Shingu
President, ICT & Financial Business Company

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
**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
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.

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
**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.