

# 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

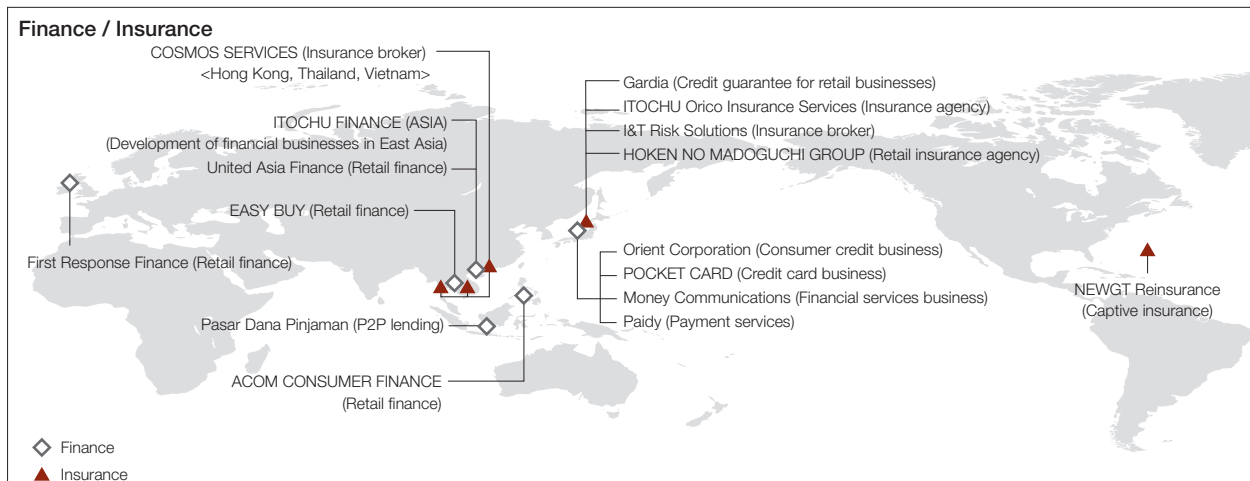
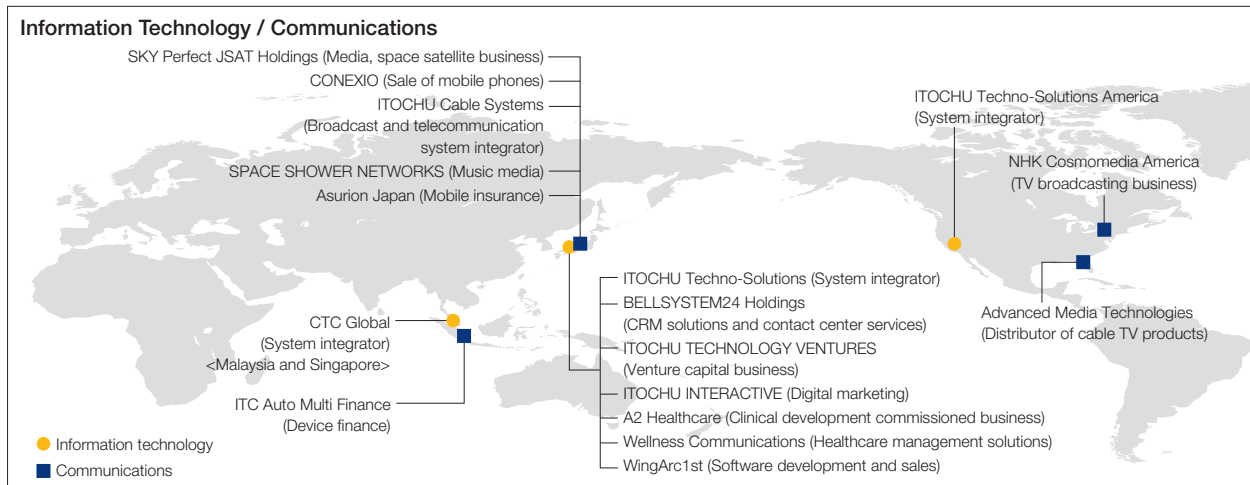
**Fumitaka Horiuchi**,  
Chief Financial Officer

**Atsushi Hashimoto**,  
General Manager, Planning & Administration Department

## Business Development

80%

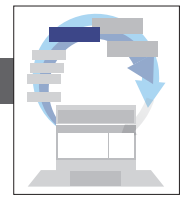
Percentage of Earnings from Domestic Business (image)





## 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/>



# Financial Summary

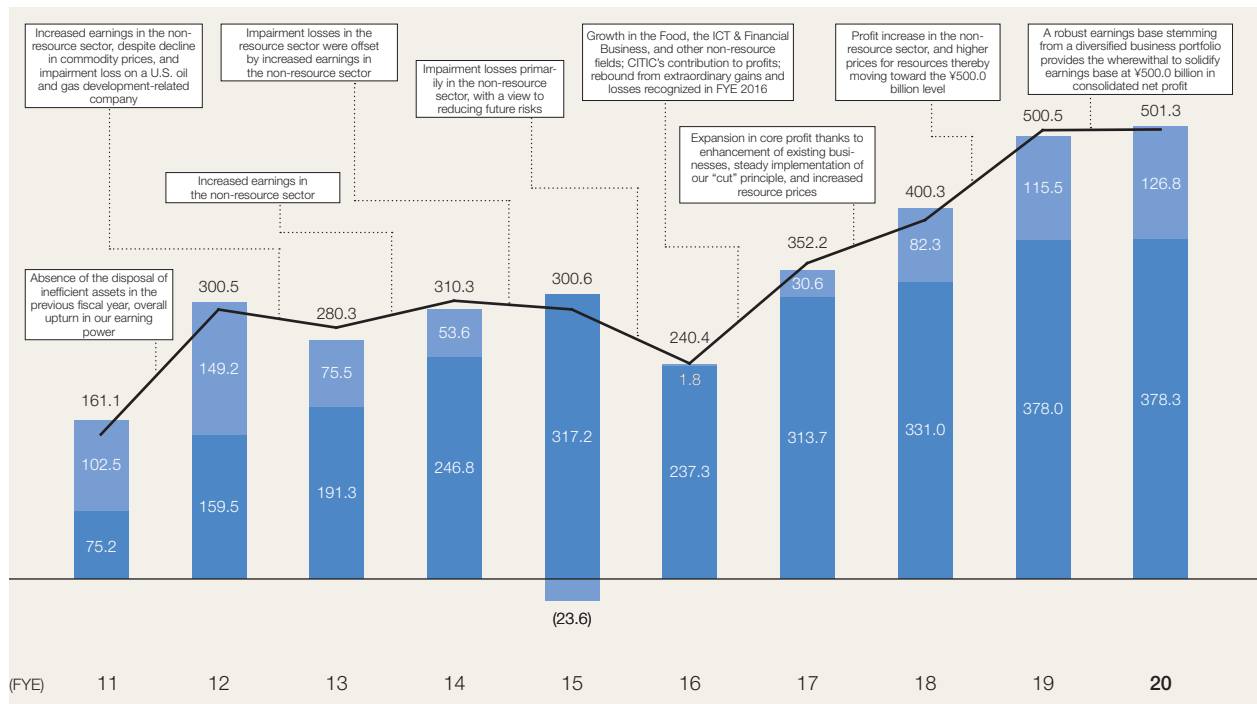
## Segment Overview

				Percentage of the Total for ITOCHU (3-year average)			
				Core profit	Total assets	Core Operating Cash Flows	Number of employees (Consolidated)
<b>Textile Company</b>  <a href="#">Page 88</a> ROA <b>1.8%</b>	5.4%	4.9%	4.5%	7.8%			
<b>Machinery Company</b>  <a href="#">Page 90</a> ROA <b>4.6%</b>	11.7	12.2	11.6	11.9			
<b>Metals &amp; Minerals Company</b>  <a href="#">Page 92</a> ROA <b>13.5%</b>	19.1	8.4	20.2	0.4			
<b>Energy &amp; Chemicals Company</b>  <a href="#">Page 94</a> ROA <b>4.7%</b>	10.6	13.1	17.1	11.0			
<b>Food Company</b>  <a href="#">Page 96</a> ROA <b>2.9%</b>	10.3	17.0	17.1	28.6			
<b>General Products &amp; Realty Company</b>  <a href="#">Page 98</a> ROA <b>5.3%</b>	11.4	10.0	15.0	14.7			
<b>ICT &amp; Financial Business Company</b>  <a href="#">Page 100</a> ROA <b>5.3%</b>	11.9	10.3	9.6	14.7			
<b>The 8th Company</b>  <a href="#">Page 102</a> ROA <b>1.1%</b>	5.3	14.5	14.4	14.9			
<b>Others, Adjustments &amp; Eliminations</b>	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.

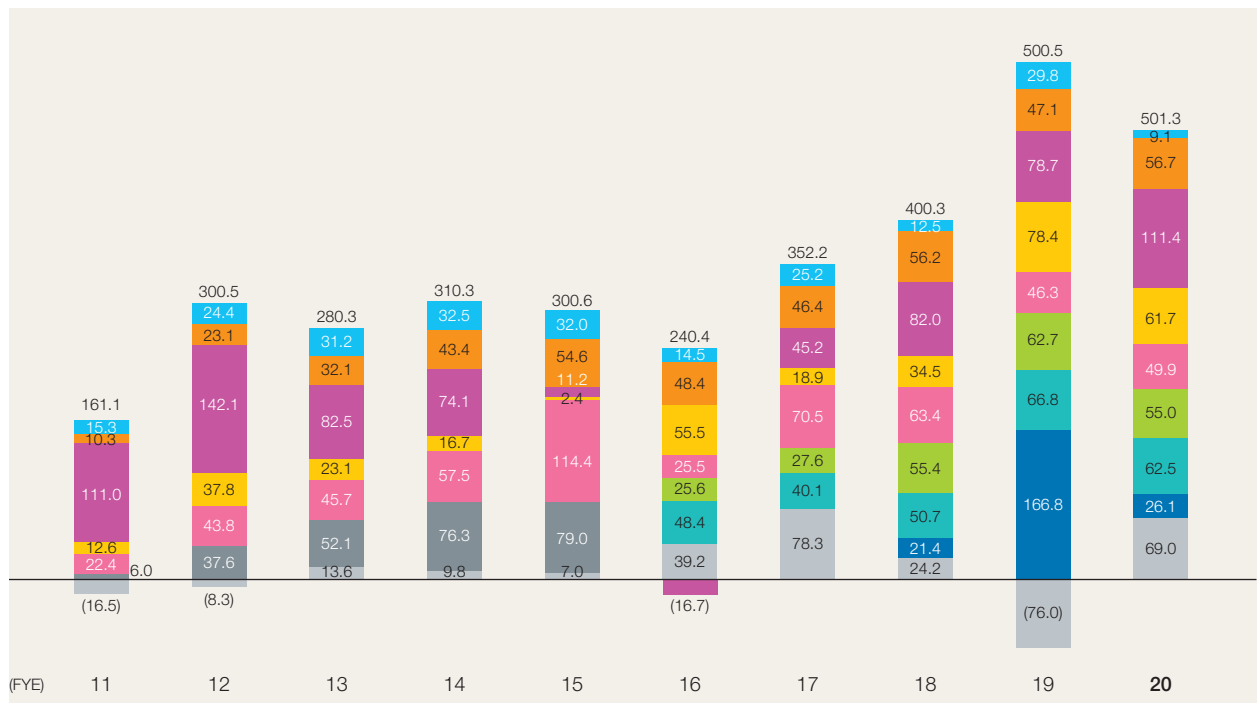
\* Based on U.S. GAAP through FYE 2014, IFRS from FYE 2015

### 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
--------	------	---	---	-------	--------	--------	--------	------	------

#### Core Profit

218.6	280.5	280.3	310.3	305.6	315.4	370.2	416.8	472.0	485.3
-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

■ 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

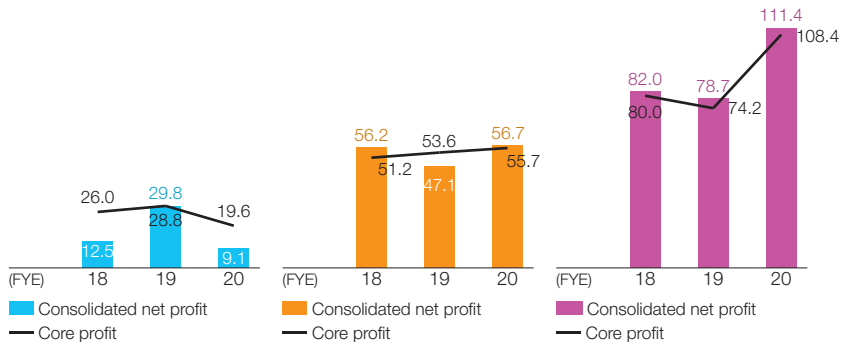
Textile Company

Machinery Company

Metals & Minerals Company

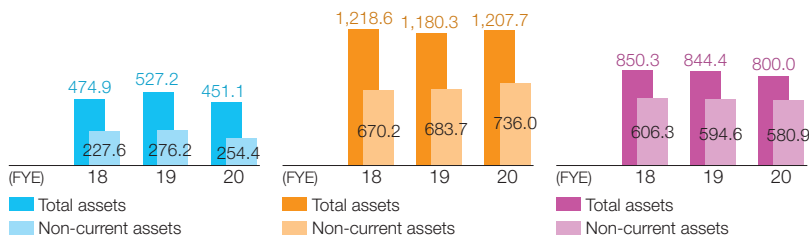
## Consolidated Net Profit & Core Profit

(Billions of Yen)



## Total Assets

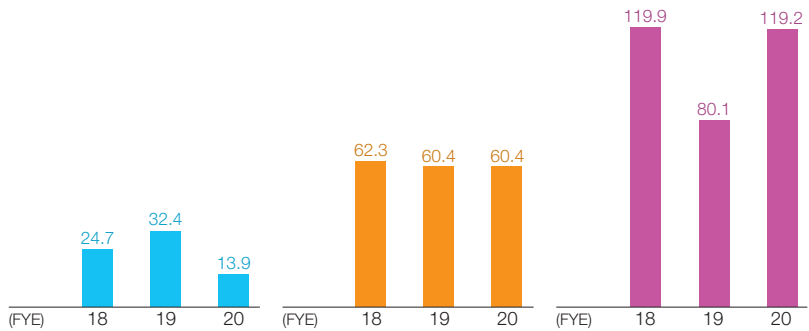
(Billions of Yen)



## Core Operating Cash Flows\*

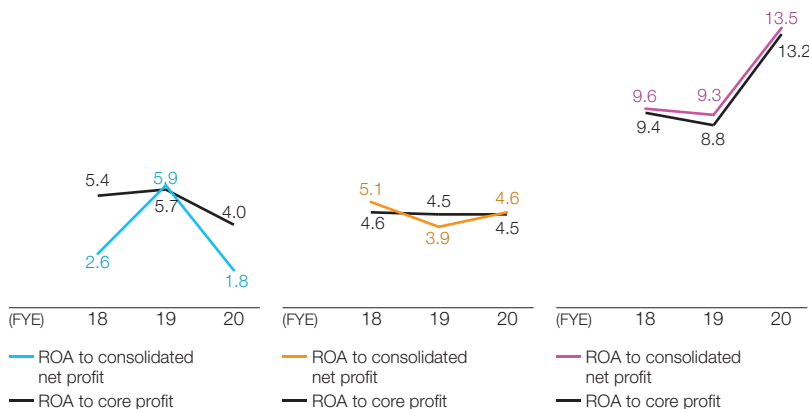
(Billions of Yen)

\* "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.

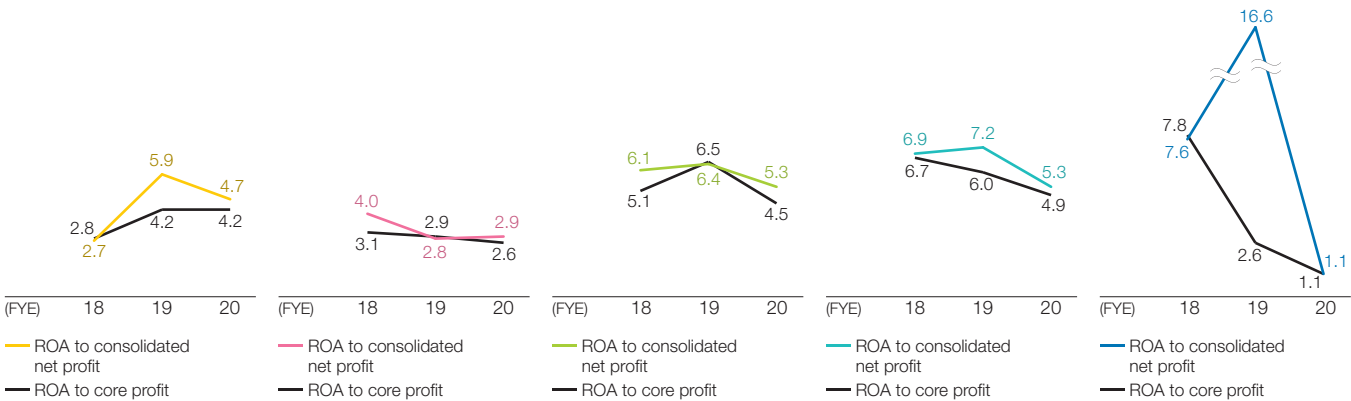
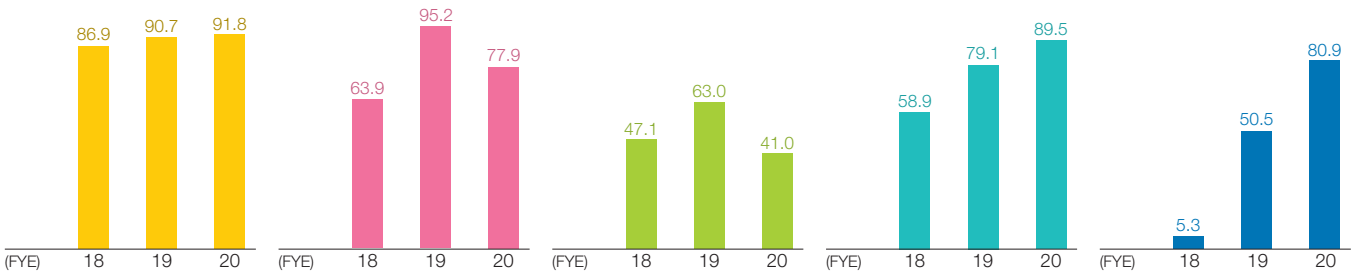
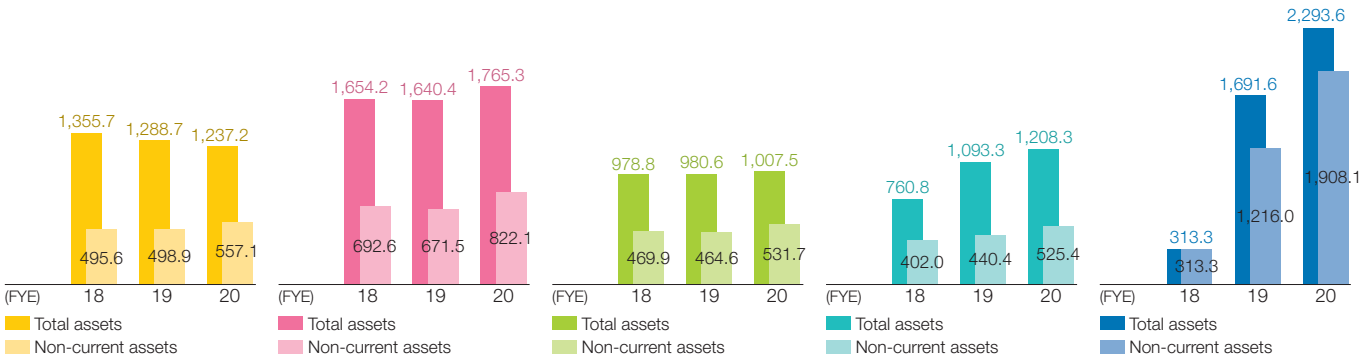
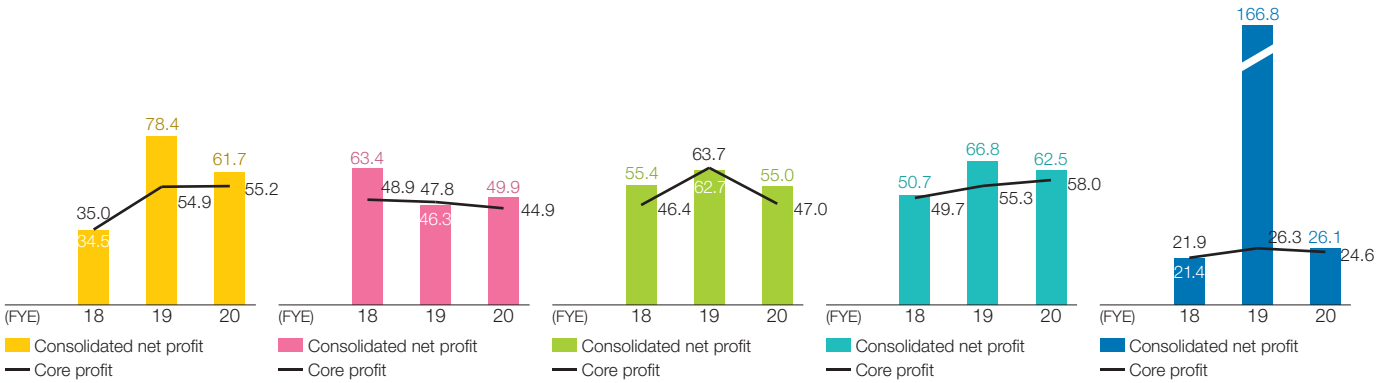
Energy & Chemicals Company

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
<b>Consolidated Net Profit</b>		12.5	29.8	<b>9.1</b>	23.0
<b>Breakdown of Net Profit (Loss) by Major Group Companies</b>					
JOI'X CORPORATION	100.0%	1.5	1.2	<b>0.8</b>	0.3
DESCENTE LTD.	40.0%	1.4	1.2	<b>(1.4)</b>	2.0
Sankei Co., Ltd.	100.0%	0.1	1.9	<b>1.5</b>	1.2
ITOCHU Textile Prominent (ASIA) Ltd.	100.0%	0.2	1.1	<b>0.4</b>	1.0
ITOCHU TEXTILE (CHINA) CO., LTD.	100.0%	1.0	1.1	<b>1.1</b>	1.1

### Machinery Company

(Billions of Yen)

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

### Metals & Minerals Company

(Billions of Yen)

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

### Energy & Chemicals Company

(Billions of Yen)

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

\* 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
<b>Consolidated Net Profit</b>		63.4	46.3	49.9	56.0
<b>Breakdown of Net Profit (Loss) by Major Group Companies</b>					
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
<b>Consolidated Net Profit</b>		55.4	62.7	55.0	60.0
<b>Breakdown of Net Profit (Loss) by Major Group Companies</b>					
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
<b>Consolidated Net Profit</b>		50.7	66.8	62.5	63.0
<b>Breakdown of Net Profit (Loss) by Major Group Companies</b>					
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
<b>Consolidated Net Profit</b>		21.4	166.8	26.1	33.0
<b>Breakdown of Net Profit (Loss) by Major Group Companies</b>					
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.

