Founded in 1858

Starting out as a Merchant, Building up Business after Business

In 1858, a peddler boy set out in search of trade from the province of Ohmi (now Shiga Prefecture), far away from commercial centers. Just 15 years old, this boy named Chubei Itoh I was ITOCHU’s founder.

Good for the Seller, Good for the Buyer, and Good for Society

Trade is a compassionate business. It is noble when it accords with the spirit of Buddha by profiting those who sell and those who buy and supplying the needs of the society.

Chubei Itoh I

Connecting Business to the Resolution of Social Issues

Sampo-yoshi

Guideline of Conduct

I am One with Infinite Missions

We will stay true to our merchant spirit, as Chubei Itoh I and our predecessors did. Accumulating businesses one by one, we will work to achieve each of our missions.

Venturing forward as a Merchant

The “Sampo-yoshi” (meaning good for the seller, good for the buyer, good for society) spirit has represented our unwavering ideal as a merchant. In keeping with this focus, rather than seeking to achieve a single target, we aim to achieve “all the priorities:” short-term and medium- to long-term targets, economic value and environmental / social value, targets for investors and shareholders, for business partners and financial institutions, for society and employees and their families. Steadily building up trust and results in this way is the Company’s approach that aims to sustainably enhance corporate value.
Driven by our corporate strengths that we have cultivated since our foundation, ITOCHU has progressively enhanced its corporate value by steadily implementing its series of "Brand-new Deal" strategies over the past 10 years.

And as the COVID-19 pandemic raged, we leveraged our strengths in FYE 2021 to minimize any influence and steadily made preparations for the new growth stage.

Accumulated Strengths

- Individual Capabilities
- Earning Power in the Non-Resource Sector
- Experience and Track Record in China and Other Parts of Asia
- Comprehensive Strength and Ability of Self-Transformation

Share Price

<table>
<thead>
<tr>
<th>Year</th>
<th>Price (¥)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 2010</td>
<td>819</td>
</tr>
<tr>
<td>FYE 2021</td>
<td>3,587</td>
</tr>
</tbody>
</table>

Market Capital* (¥ trillion)

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital (¥ trillion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 2010</td>
<td>1.3</td>
</tr>
<tr>
<td>FYE 2021</td>
<td>5.7</td>
</tr>
</tbody>
</table>

Consolidated Net Profit

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit (¥ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 2011</td>
<td>161.1</td>
</tr>
<tr>
<td>FYE 2021</td>
<td>401.4</td>
</tr>
</tbody>
</table>
In May 2021, ITOCHU released its new medium-term management plan “Brand-new Deal 2023.” We aim for the new growth stage with the policies of “Realizing business transformation by shifting to a market-oriented perspective” and “Enhancing our contribution to and engagement with the SDGs through business activities.” Building on our accumulated strengths and firmly grounded in our corporate mission “Sampo-yoshi,” we will continue aiming to sustainably enhance corporate value.

**Medium-Term Management Plan**

**Brand-new Deal 2023**

**In May 2021, ITOCHU released its new medium-term management plan “Brand-new Deal 2023.” We aim for the new growth stage with the policies of “Realizing business transformation by shifting to a market-oriented perspective” and “Enhancing our contribution to and engagement with the SDGs through business activities.” Building on our accumulated strengths and firmly grounded in our corporate mission “Sampo-yoshi,” we will continue aiming to sustainably enhance corporate value.**

**Realizing Business Transformation by Shifting to a Market-Oriented Perspective**

*Profit Opportunities Are Shifting Downstream*

We strive to transform the value chain focusing downstream to meet diversifying buyer needs and take initiatives in the value chain.

**Enhancing Our Contribution to and Engagement with the SDGs Through Business Activities**

*Sampo-yoshi Capitalism*

*We will realize the policy through our action ahead of others in the industry on reducing GHG emissions and expanding businesses which respond to rising social demands.*

**Building on Our Accumulated Strengths for New Growth Stage**

**Maintain Rigorous Governance Structures**

**Upgrade Existing Businesses**

**Demonstrate True Business Acumen**

**Cultivate a Motivating Workplace Environment**
In compiling this annual report, ITOCHU focuses on three functions in particular: (1) providing an in-depth understanding of its unique business model to a wide range of readers around the world, (2) effectively explaining the processes and potential for ITOCHU to achieve sustainable growth in corporate value over the long term, and (3) clearly communicating the relationship between management strategies and financial and non-financial capital to internal and external stakeholders to foster the virtuous cycle of cultivating mutual understanding through dialogue and achieving a greater level of management sophistication for the Company.

We have prepared Annual Report 2021 based on the aforementioned approach and with reference to the disclosure framework of the International Integrated Reporting Council. In particular, we have placed emphasis on our strategic focus and forward-looking mindset, connectivity and timeliness of information, and our reliability from the viewpoint of stakeholders (commitment-based management).

Our participation in operating activity (investment ratio, etc.)

As the standard for inclusion in our annual report, we have selected environmental, social, and governance (ESG)-related information from an investor’s perspective based mainly on its relation to our businesses and material issues.

As our commitment incorporated throughout.

For detailed financial information for FYE 2021, please see the Financial Section.


Inquiries for Annual Reports
Investor Relations Division
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We believe encouraging dialogue with its stakeholders. We believe that the best way to further understanding of our business management is to present analysis and explanations in a manner that would be helpful for making investment decisions. As a result, a major feature of this report is the “corporate value calculation formula” concept incorporated throughout.

Please read this report as an account of the corporate value we have accumulated and as an account of how—ever amidst the unprecedented uncertainty of the current business environment—we will increase this corporate value even further and advance toward a new growth stage through continued implementation of “Brand-new Deal” strategies and pursuit of our “Sampo-yoshi” corporate mission.

Given the importance of earning the trust of our stakeholders in regard to the feasibility of medium-to-long term management strategies, this section describes how we have sure-footedly reached our goals in each fiscal year and the continuity of our management strategies.

This part of the report features our current medium-term management plan, “Brand-new Deal 2023.” Designed to keep us on a trajectory of solid growth over the medium to long term, the plan includes long-term goals to realize decarbonization across society in response to climate change.

In this section, we outline initiatives to respond to business risks and promote sustainability, human resource strategies, and corporate governance policies. These initiatives will lower the cost of capital and heighten the continuity of value creation.

Editorial Policy

Reporting Scope and Other Items

Reporting Period: April 1, 2020 to March 31, 2021 (Certain contents include activities occurring in or after April 2021.)

Reporting Scope: ITOCHU Corporation and the ITOCHU Group

Accounting Standards: Unless otherwise noted, this annual report is prepared in accordance with U.S. GAAP through FYE 2014, and with IFRS from FYE 2015.

Terminology: Unless otherwise noted, throughout this report, “consolidated net profit” is used to refer to “net profit attributable to ITOCHU,” “GHG” is used to refer to “greenhouse gas,” “FamilyMart” refers to both FamilyMart Co., Ltd. and FamilyMart convenience stores, and CITIC refers to CITIC Limited.

Detailed Financial Information

For detailed financial information for FYE 2021, please see the Financial Section.


Contact: Investor Relations Division

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For more information about sustainability, please visit our sustainability website.

https://www.itochu.co.jp/en/csr/

* Top commitment * Sustainability at the ITOCHU Group * ESG Report (Environment, Society, Governance) * Social contribution activities * GRI standard reference table, etc.

The Structure of Annual Report 2021

Financial capital and non-financial capital are the very essence of corporate value and the drivers of ITOCHU’s virtuous cycle of sustained growth in corporate value. We explain our four accumulated strengths backed by our history and business development that utilizes management resources.

01: Driving Force for Sustainable Value Creation

Corporate Value = Created Value

Cost of Capital = Growth Rate

02: Achievement of Short-Term Targets

Corporate Value = Created Value

Cost of Capital = Growth Rate

03: Steppingstones to Medium- to Long-Term Value Creation

Corporate Value = Created Value

Cost of Capital = Growth Rate

04: Initiatives and Systems Supporting Sustainable Growth

Corporate Value = Created Value

Cost of Capital = Growth Rate

Growth Rate

Created Value

Corporate Value
One Day of Celebration

Since becoming president, I have visited the grave of the founder every year to report the Company’s business achievements. This year marked the 11th time I have paid my respects, but the first time I reported that ITOCHU had achieved the “triple crown” in market capitalization, share price, and consolidated net profit for a general trading company. This was the first time since ITOCHU’s founding.

Since surging to the top of the general trading company sector in market capitalization and share price in June 2020, the Company ended FYE 2021 without surrendering that top spot even once. Regarding consolidated net profit, we steadily cleared our initial plan. Leveraging our solid earnings base centered on the non-resource sector, we took the challenge head on and seized the No. 1 spot as a general trading company for the first time in five years. Moreover, ITOCHU’s consolidated net profit has been No. 1 on a cumulative basis since the end of the resource boom in FYE 2016, and during that time ITOCHU was the only one not to go into the red.

We had taken on the general trading companies associated with the former zaibatsu industrial groups before this, but had a history of not quite measuring up. Many of ITOCHU’s former managements and employees withstood hardship as they worked to shore up the Company’s foundations. We all rejoiced at finally achieving the “triple crown.”

ITOCHU will seize upon the changes of this era and turn them into major opportunities by relentlessly practicing our “earn, cut, prevent” principles and accelerating our shift to a market-oriented perspective.

In FYE 2021, despite the obstacles the pandemic imposed on business, ITOCHU achieved its first “triple crown” as a general trading company, ranking No. 1 in terms of market capitalization, share price, and consolidated net profit. In FYE 2022, we will continue to set our sights higher as we steadily achieve goal after goal outlined in the new medium-term management plan “Brand-new Deal 2023” and resolutely temper overconfidence.

(Masahiro Okafuji Chairman & Chief Executive Officer)

Reporting the “triple crown” to Chubei Itoh I and Chubei Itoh II

(Masahiro Okafuji Chairman & Chief Executive Officer)
If Hideki Matsuyama, the first Japanese winner of the now or the direction of our aims. achieved the “triple crown” does not mean that we what we have done before. Just because we have

Recently, I have been getting questions about what our basic stance as a “merchant.” With suggestions that we should set out on a new stage unlike what we have done before. Just because we have achieved the “triple crown” does not mean that we should abandon the way we have done business until now or the direction of our aims.

Although ITOCHU should have learned its lesson from the TOA Oil failure, the Company then became No. 1 without trying to recall those lessons and ended up making the same mistakes. The Company racked up huge losses from the late 1990s into the 2000s, effec-

tively hitching a heavy anchor to its future. During the resources boom at the start of the 2000s, ITOCHU fell behind due to the gap in financial position that had arisen with the general trading companies connected to former zaibatsu industrial groups. The plans and growth strate-
gies that general trading companies formulate when operating results are strong tend to aim unrealistically high. Accordingly, since achieving the “triple crown,” we are now, more than ever before, committed to resolutely tempering overconfidence. Our Basic Stance as a “Merchant”

I have nothing but respect for the Company employees and ITOCHU Group members who gave their all amid adverse business environments.

What really keeps me on my toes is the fact that, in the past, ITOCHU had a history of repeatedly falling into overconfidence and failure. To achieve “diversification,” we pursued a rapid expansion of the non-textile areas and invested in TOA Oil Co., Ltd. from 1966, which led to a massive loss. I talked about this last year, but there is more to this story. In the 1980s, the accepted practice was that the three general trading companies with the highest sales were eligible to participate in international bids so the companies competed furiously for sales. In FYE 1987, the year after the TOA Oil problem was fully resolved, ITOCHU’s net sales expanded to the top of the general trading companies, and the Company desper-
ately tried to maintain the top sales spot thereafter. As a result, we moved away from the stable business prac-
tices we had pursued until then and, amidst the bubble economy, we went all in on real estate excesses, corporate investment funds, and fund trusts. We Will Not Tread the Same Paths

I, the founder’s grave every year to be reminded of our origins. In his book The Innovator’s Dilemma, American entrepreneur and economist Clayton M. Christensen points out that temporary success can ironically lead to failure. We must always remember that.

Admiral N., IoT, and other recent rapid advancements in digital technologies, automobile manufacturers, for exam-
ple, are developing connected cars, EVs, autonomous cruising vehicles, and other technologies. They are also undertaking full-scale development of completely unique technologies, such as creation of practical flying cars. These manufacturers will need to undertake massive capital investment and R&D expenses to secure market share for their new products. However, if their business sectors grow too large, through diversification or other means, investment could become insufficient. Some sectors may be whipped down through selection and concentration. If the manufacturers do not increase their investment efficiency, they will not survive.

General trading companies, on the other hand, differ in focus from manufacturers that create revolutionary technologies and products that can instantly change the world. We evolve from existing trade, and, for example, assert our presence by increasing added value by com-
bining the functions and know-how cultivated in market-
ing, logistics, and other fields. General trading companies constantly change shape in line with global trends. Rather than focusing on a few specific areas, it is critically

important that we extend feelers into a wide range of fields, accumulate expertise in various industries, and change our organization and resource allocation depend-
ing on the situation. ITOCHU’s track record of overcom-
ing a multitude of turbulent periods since its founding, as well as its current steady expansion of profit, is a testa-
ment to the ability of this kind of general trading company business model to maintain its superiority into the future.

Power is shifting from the supplier side (manufacturers and distributors) to the consumer side, so data accumu-
lated in businesses that engage closely with customers is becoming increasingly important. The value chain is clearly moving in the opposite direction as before. This is the meaning of the phrase “profit opportunities are shifting downstream.” Going forward, as general trading companies transform, the key will be how much we can control the downstream flow of the value chain. ITOCHU, which already has strengths in the non-resource sector, especially the consumer-related sector, intends to polish its existing business model and better leverage its com-
petitive advantage to continue taking the initiative in the overall value chain.

Ingraining a Market-Oriented Perspective Through Repetition

Going forward, the most important thing to continue leveraging our competitive advantage downstream will be to successfully switch to and ingrain a market-oriented perspective that transforms and improves our existing businesses. Given growing social demands, such as decarbonization, we will strive to steadily sig-
nificantly changing consumer needs and further expand our business opportunities. It is obvious that this will require a market-oriented perspective. (Page 58 Realizing Business Transformation by Shifting to a Market-Oriented Perspective)

General trading companies, including ITOCHU, have done business from a product-oriented perspective until now, contemplating how to sell the products they handle, with a vertical organization for each product category. It is now becoming more important to analyze consumer needs using data accumulated from customer contact points, and that kind of product-oriented perspective is quickly falling out of step with the new downstream-focused value chain. Changing a long-held mindset is not easy. In recent years, I have been getting out the word myself by repeatedly mentioning the term “market-
oriented perspective” again and again in my messages. Similar to how we made “earn, cut, prevent” part of our shared internal language, I will continue in this way while providing competitive advantage downstream will be to success fully switch to and ingrain a market-oriented perspective that transforms and improves our existing businesses. Given growing social demands, such as decarbonization, we will strive to steadily sig-
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Committee as a candidate qualified to be in charge of executing the Company’s business. I am looking forward to the results of his skill and strong drive, which has previously built new businesses to meet customer needs, such as developing the environmental businesses of energy storage systems (ESS) and renewable energy. (⇒ Page 82 Outside Director Roundtable Discussion)

A Sense of Urgency Kindled in Europe

I want to talk about the European business trip I took around three years ago. I stayed in a hotel in Milan, and when I went to brush my teeth, I realized there was no toothbrush. When I called the front desk, they told me toothbrushes were only provided upon request, not automatically. Around the same time, I was watching news on the hotel TV about how Starbucks was eliminating plastic straws and would switch exclusively to paper. It dawned on me at that time that these trends were emerging in Europe, which is environmentally conscious, but not in Japan, where like-minded companies and individuals remained in the minority. However, I could not shake that palpable recognition from my European business trip. I believed that a much more proactive environmental response was necessary under the upcoming medium-term management plan, and held many discussions on this topic in preparation. Consequently, without waiting for the public announcement of “Brand-new Deal 2023” scheduled for May, ITOCHU sprinted ahead of others in the industry and, right after the New Year’s holiday, announced a policy to contribute to the environment and help realize decarbonization across society.

First, as a reduction of the Company’s owned assets with significant GHG emissions, we decided to go beyond our existing policy of not acquiring new thermal coal interests and will instead withdraw from all thermal coal interests during the period of the new medium-term management plan. To get a running start, in April we completed the sale of our interests in the Drummond mine in Colombia, which accounts for 80% of our thermal coal interests. I believe this clearly demonstrates ITOCHU’s commitment and relability. (⇒ Page 64 Business Expansion in Accordance with a Decarbonized Society)

Moreover, the non-resource sector is the Group’s strong suit and holds an array of new business shoots that are now bursting forth. These will directly lead to reductions in global GHG emissions and also provide immediate potential to turn a profit. We intend to aggressively pursue these with the greatest possible speed. A primary example of these promising shoots is the ESS-related business where we can expand the value chain and reliably count on future profit contributions.

And ITO tailor-made Gucci and Balenciaga) which actively work to promote balanced business strategies that do not benefit only specific stakeholders but rather consider the perspectives of all stakeholders. That, however, should not suggest that we do not value our investors and shareholders before or now. The executive officers of ITOCHU hold many more shares than those of other general trading companies, and nearly 100% of its employees are enrolled in the Employee Shareholding Association. Since announcing a progressive dividend policy in FYE 2016, executives and employees share the same perspective as investors and shareholders, and we have steadily increased dividends.

Keeping an eye on the post-pandemic world even amid the pandemic, our policy is to continue further solidifying our earnings base centered on the stable non-resource sector.

Sampo-yoshi Capitalism

To date, shareholder capitalism, which states that companies belong to shareholders, has been the dominant ideology. But recently, stakeholder capitalism is becoming more mainstream in the belief that the scope should be broadened to include not just shareholders but also society as a whole, customers, employees, and others. Sampo-yoshi capitalism outlined in “Brand-new Deal 2023” makes it clear that ITOCHU, which outlines “Sampo-yoshi” in its corporate mission, heads in the same direction as all its stakeholders and shares the fruit of its labor over the long term. (⇒ Page 44 CAO Interview)

If companies aim to realize a sustainable society, an obvious prerequisite is that the companies themselves remain sustainable. This has to be implemented by upper management. I believe it is important to promote balanced business strategies that do not benefit only specific stakeholders but rather consider the perspectives of all stakeholders.

As can be inferred from the fact that a large number of companies in FYE 2021 decreased or forewent dividends, under a dividend policy that only focuses on the dividend payout ratio, it is possible that if there is a temporary decrease in profit, the dividend amount may decrease and betray investor and shareholder expectations. Accordingly, under this especially unclear business environment at present, I considered it appropriate as a senior manager to continue stably and steadily raising progressive dividends as before. However, in response to the market expectations, we are considering the announcement of a dividend increase for FYE 2022 based on the first-half results and the higher dividend payout ratio during “Brand-new Deal 2023.” (⇒ Page 36 CFO Interview)

Taking into account the abnormal surge in resource prices and the significant progress made in the first quarter, many people are expecting profit to exceed ¥600.0 billion in FYE 2022. Keeping an eye on the post-pandemic world even amid the pandemic, our policy is to continue further solidifying our earnings base centered on the stable non-resource sector. To this end, ITOCHU will steadfastly and thoroughly practice its “earn, cut, prevent” principles and accelerate its shift to a market-oriented perspective in order to continue evolving as it uses well-grounded management to implement Sampo-yoshi capitalism.

CEO Message

Soy meat, which is currently garnering global attention, holds such potential as well. Low-fat, high-protein soy meat is a super food that can help solve future food-focused challenges. Compared to conventional beef and other meat, it greatly reduces water use and GHG emissions during production and soy meat is already being offered by many food vendors as a processed product. The Group’s FUJI OIL CO., LTD. boasts around 50% share of Japan’s market for soy meat materials (granulated soy protein), and demand for this product is expected to grow even more going forward. Another shoot is the joint plant established by ITOCHU with the major Finland-based forest industry Metsä Group.

Together, we manufacture cellulose fiber from wood that cannot be used for pulp. With the focus on low environmental impact and sustainable natural materials, inquiries are increasing from famous European and U.S. brands (such as Burberry, Zara, and the Kering group, which owns Gucci and Balenciaga) which actively work to protect the environment. The ITOCHU Group will continue working to harness its comprehensive strength and expertise to robustly support the trend of switching to socially demanded low environmental impact products and materials.
We Value the “Front Lines” and “Trust”
I was named President & COO in April. When I joined the company in 1983, I was assigned to the Chemicals Division, mainly working in the trade of petrochemical products. Since then, I have experienced two overseas assignments in North America and Thailand, held specialized roles in the chemical field, serving as the chief operating officer of the Chemicals Division and the president of the Energy & Chemicals Company. ITOCHU has adopted a management system that assigns roles to the Chairman & CEO, who drafts Groupwide strategies, and the President & COO, who implements and promotes those strategies. I pledge to fulfill these responsibilities.

Firmly upholding the baton passed from President & COO Suzuki, I will sprint ahead with 164 years of inherited ITOCHU tradition.

Since being confirmed as President & COO, media outlets have highlighted my time as a rugby player when I was a student. This is somewhat puzzling since, by no means, did I join ITOCHU as a rugby player. Still, the truth of the matter is that the lessons I learned during those formative years laid the foundation of my corporate life. This includes the importance of being a team player, which is dependent on strong relationships of trust with your teammates; ambition to single-mindedly strive for victory; and a shared strategy based on meticulous analysis.

As part of my training upon entering the Company, I watched a video on the merchants of Ohmi that depicted how they lived. Even now, I vividly remember feeling that if I further polish my ability to build strong relationships and a foundation of trust that I cultivated when I was a student, I could also become someone who is trusted in the business world. Since then, I have valued the terms “front lines” and “trust” in conducting business. I visited customers faster than anyone, saw their requests through to the end, and built up trust. I remember it as a muscle memory, a subconscious reflex. This stance comes naturally now and expands connections with people, regardless of nationality, and ultimately expands business. The characteristic of the chemical business is to provide a wide range of raw materials to various business fields. Over the years, the connections I have built with people have expanded to become an irreplaceable asset, and have helped to swiftly pick up on trends in the ever-changing market. Going forward, my playing field expands to the entire Group, but I will continue to unwaveringly value connections with people.

So far, I have had numerous opportunities to help rectify projects and organizations facing difficulties. I have strived to serve as a role model and unify organizations to overcome challenges. We have achieved new business by brainstorming with all team members, forecasting the future of the market, establishing milestones for achieving

Leading ITOCHU’s new challenges on the front lines, I will continue to fulfill the responsibility passed down from 164 years of tradition.

I place high value on the “front lines” and “trust,” and intend to continue comprehensively enhancing sustainable corporate value for ITOCHU by creating a positive feedback loop to solve social issues and expand our earning power.

Keita Ishii
President & Chief Operating Officer
our big vision, determining each role, and continuing to pour passion into these efforts. Let me illustrate in more detail on how the energy storage systems (ESS) business continues to expand through this kind of approach.

The ESS Born of Customer Feedback

Although there is some overlap in the period, the ESS business has developed in five distinct stages, namely: 1) Development of ESS; 2) Installation of All in ESS; 3) VPP construction and expansion of ESS sales; 4) Construction of reuse and recycling systems; and 5) Foundation for the next level of development and expansion.

At each of these stages, every member of the team thoroughly debated our vision for the next few years based on expected future trends and demand. We created a roadmap showing the way to achieving our vision, added subtle revisions in response to the changing situation, and swiftly and carefully upgraded and expanded necessary resources.

Stage 1: Development of ESS

Around 2010, with the intention of withdrawing from the simple sales business of battery materials, we began developing and selling ESS for household use, but it did not go well at first. A turning point was customer feedback indicating demand for ESS that could even out power usage. With the growing awareness of power outage, due to lower capacity, other ESS on the market limit the appliances that can be used to 100V during a power outage. We began to build a high-capacity ESS unlike any other company. Even during a power outage, it enables the use of all appliances up to 200V. As a result, from around 2017, we were able to put sales on track.

Stage 2: Installation of All in ESS

This was a major fork in the road in terms of developing the business for ESS. With an eye on the gradual end to the feed-in tariff (FIT) system for renewable energy after 2019, we thought it would be necessary to install All in ESS and successfully accomplish these chores. Based on expected future trends and demand, we immediately began searching for business possibilities for biodegradable plastic and recycling. We are accelerating initiatives for the plastic recycling business as represented by our business development on ESS.

Balance the Solution of Social Issues

We are accelerating initiatives for the next stage of consolidated net profit of ¥600.0 billion.

We are enhancing sustainable corporate value by fully leveraging the characteristics of our strong non-resource sector, we will accelerate initiatives for the next stage of consolidated net profit of ¥600.0 billion.
The “Merchant” Business Model

A Value Creation Model Centered on “Sampo-yoshi”

Explanation of Our Business Model

In enhancing corporate value, we must expand both economic value and environmental / social value. Specifically, we are working to expand created value (Achievement of Short-Term Targets), increase growth rate (Steppingstones to Medium-to Long-Term Value Creation), and lower the cost of capital (Initiatives and Systems Supporting Sustainable Growth). As a result, we will realize a virtuous circle as we reinforce capital, which is a driving force for sustainable value creation.
Driving Force for Sustainable Value Creation

This section describes the background of and explains in detail the strengths and non-financial capital that we have built and outlines our basic approach to sustainability. To provide examples of how we utilize our strengths and non-financial capital, we explain the value chain centered on FamilyMart and our financial and capital strategies, including the business investment process that is one of our main business development tools.

CONTENTS

- Accumulated Strengths
- Accumulation of Non-Financial Capital
- Our Business Model, as Seen Through Business Development

CFO Interview: 36
Business Investment: 40
CAO Interview: 44
**Accumulated Strengths**

Since its founding in 1858, ITOCHU has fostered a unique corporate culture while flexibly changing its business structure, primarily by dynamically allocating management resources to growth areas that shift with the times, and leveraging business investments to move into downstream fields in the value chain. Our business model, which currently boasts high sustainability, has enabled us to consistently overcome the obstacles we have faced, such as the economic crisis in the late 1990s. The driving force behind this model lies in four corporate strengths we have accumulated over our history of more than 160 years.

**Focus Mainly on the Textile Sector**

Chubei Itoh I commenced linen trading operations via Osaka in Senshu (now the southwestern part of Osaka Prefecture) and Kishu (now Wakayama Prefecture). From a base in Osaka, we expanded business, mainly in the textile sector.

Chubei Itoh I

**Diversification, Including Automobiles, Petroleum, and Food**

We pursued a path of diversification, and as a result non-textile areas accounted for around 40% of trading volume in 1958. In the 1960s, we expanded our business to include energy, machinery, general merchandise projects, and the iron and steel business, becoming a “¥1 trillion trading company.” In 1977, we further expanded the iron and steel business through a merger with Ataka & Co., Ltd.

**Expansion in the ICT Sector**

As yen appreciation became a fixture of the economy, we promoted internationalization and globalization. We moved aggressively into the ICT field and entered the satellite business.

**Set the Steppingstones for the Current Business**

We took decisive action to dispose of low-efficiency and unprofitable assets to sweep away negative legacy assets from the bubble era. At the same time, we set in place the steppingstones for the future, such as acquiring shares in FamilyMart in 1998.

**Enhancing Comprehensive Strength by Harnessing Our Ability of Self-Transformation**

Ahead of other general trading companies, we began focusing on the non-resource sector. We commenced a strategic business alliance and capital participation with CITIC and CP Group, strengthened North American construction materials-related businesses, acquired Dole business, invested more in major Group companies, and privatized FamilyMart. We have further built up comprehensive strength and promoted self-transformation from a market-oriented perspective in part by entwining our business investments to create multifaceted businesses that connect for synergy, establishing The 8th Company, and developing the value chain of energy storage systems.

**Accumulated Strength—Comprehensive Strength and Ability of Self-Transformation**

**Compound Annual Growth Rate of Consolidated Net Profit**

11.8% (FY 2011–2022)

We realize sustainable growth by leveraging our comprehensive strength as a general trading company and flexibly transforming ourselves in response to the outside environment.

**Accumulated Strengths**

**Comprehensive Strength and Ability of Self-Transformation**

We realize sustainable growth by leveraging our comprehensive strength as a general trading company and flexibly transforming ourselves in response to the outside environment.
Since its founding, ITOCHU did not maintain free-standing stores, but instead cultivated a spirit of creating businesses on its own. Based on this DNA and our core focus on the non-resource sector, which consists of small businesses and has a large number of clients, we have cultivated “individual capabilities.” The ability of individuals, who are also referred to as “brave warriors,” to create business through their own discretion on the front lines is characteristic of the Company and the driving force behind its sustainable value creation.

Under “Brand-new Deal 2012” (FYE 2012–2013), we established our business fundamentals as the strengthening of front-line capabilities and the “earn, cut, prevent” principles, then implemented various internal reforms to draw forth our latent individual capabilities. We subsequently enhanced initiatives for work-style reforms, including the introduction of a Morning-Focused Working System. As a result, we achieved high labor productivity with a small but elite system. ITOCHU boasts the lowest number of employees (non-consolidated basis) of the general trading companies, but we generate the highest consolidated net profit per employee.

ITOCHU’s business originated with textiles. In contrast with the general trading companies associated with the former zaibatsu industrial groups, the Company has weaker connections to the national government and companies in heavy industry. We therefore inevitably built up strengths in the non-resource sector, centered on clothing, food, and housing, where we have a wealth of expertise.

“Brand-new Deal 2014” (FYE 2014–2015) was subtitled, “Aiming to be the No. 1 Trading Company in the Non-resource Sector.” Under it, ITOCHU did in fact become the No. 1 general trading company in the non-resource sector. We attribute this success to our efforts to enhance the returns from major investments completed, improve the profitability of existing businesses, and revise investment criteria directing nearly 80% of new investment to the non-resource sector. Following that, we continued to accumulate strengths in the non-resource sector and built an earnings base that is diversified across many fields and more resilient to economic volatility, thereby enabling the stable generation of cash flows.
ITOCHU was the first major general trading company to be accepted to restart trading between Japan and China. This early success to build a bridgehead in China is connected to our current strength of “experience and track record in China and other parts of Asia.”

Under “Brand-new Deal 2017” (FYE 2016–2018), we sought to enhance sustainable corporate value from a longer-term perspective. We worked with the CP Group to make a joint investment in CITIC, the largest investment in ITOCHU’s history (approx. ¥600.0 billion), and placed a major strategic steppingstone in the world’s largest consumer markets of China and other parts of Asia. CITIC is the largest Chinese state-owned conglomerate, and CP Group is the largest conglomerate in Thailand which has built up various businesses across all of China. Working with these two reputable partners (CITIC and CP Group), we strive to develop businesses which lead to improve the earning power in our strong non-resource sector.

Adding new strengths to proven strengths, ITOCHU steadily advanced its position, and in FYE 2021 clinched the “triple crown” for general trading companies, achieving the highest market capitalization, share price, and consolidated net profit. However, the COVID-19 pandemic, which is still raging across the world, has brought about major changes in the world. The SDGs are now influencing business models at a faster speed than predicted, and uncertainty in the economic environment is increasing. Driven by its four accumulated strengths, the Company is flexibly responding to this business environment. We are also promoting the basic policies of “Realizing business transformation by shifting to a market-oriented perspective” and “Enhancing our contribution to and engagement with the SDGs through business activities” as laid out in the new medium-term management plan “Brand-new Deal 2023.” Through these efforts, we aim to achieve consolidated net profit of ¥600.0 billion during the plan’s period and further leap toward a new growth stage.

Accumulated Strength—Experience and Track Record in China and Other Parts of Asia

Expanding Business into China ———

In 1972, then-President Masakazu Echigo headed a mission to China and attempted to make an early start at cultivating the Chinese market. This led to our current valued partnerships.

Once Again, Unleashing Our Strengths

2021

FYE 2021

Increasing Comprehensive Strength Through Self-transformation

→ Achieving the **Triple Crown*** of General Trading Companies

* Market capitalization, share price, and consolidated net profit

FYE 2015

Steppingstones Toward China and Other Parts of Asia

→ No. 1 General Trading Company in Consolidated Net Profit

FYE 2015

Strengthening Earning Power in the Non-Resource Sector

→ No. 1 in the Non-Resource Sector

FYE 2012

Harnessing Individual Capabilities

→ No. 1 in the Consumer Sector

Working Toward a New Growth Stage

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We believe that trust and creditworthiness are extremely important for achieving enhancement of interaction between internal and external capital. By always remaining cautious of trust and creditworthiness in our management practice, we aim to continuously expand our corporate value through realizing increases in both economic value and environmental/social value.

**Accumulation of Non-Financial Capital**

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<th>Financial Capital</th>
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<tbody>
<tr>
<td>Natural Capital</td>
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</tr>
<tr>
<td>Human and Organizational Capital</td>
<td>Human Resource Strategy</td>
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<tr>
<td>Human Resource Management</td>
<td>Human Resource Strategy</td>
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<td>Business Know-how</td>
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<td>Business Portfolio</td>
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**Reinvesting capital**

**Leveraging strengths to maximize capital utilization**

**Accumulation of corporate value**

**Sustainable Value Creation through Strengthening of Trust and Creditworthiness**

ITOCHU conducts its business through both trade and business investment. In the course of its history over 160 years, we have steadily accumulated internal capital through our business such as human and organizational capital and business know-how. We believe that trust and creditworthiness are extremely important for achieving enhancement of interaction between internal and external capital. By always remaining cautious of trust and creditworthiness in our management practice, we aim to continuously expand our corporate value through realizing increases in both economic value and environmental/social value.

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**Trust and Creditworthiness**

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Our Business Model, as Seen Through Business Development

By utilizing financial and non-financial capital, focusing on fields where we can demonstrate strengths, and creating multifaceted, linked businesses, we strive to enhance earning power of trade and business investment.

Going forward, we will sustain value creation by maximizing synergies and upgrading our businesses through business transformation that begins in downstream areas and is driven by market-oriented perspectives, while thoroughly instilling the “earn, cut, prevent” principles.

### STEP 1: Forming Domains Through Trade and Business Investment

We utilize our accumulated financial and non-financial capital to develop businesses through trade and business investment. By leveraging our business know-how and client and partner assets, we expand trade by creating added value and invest in fields where we have knowledge and can control risk.

### STEP 2: Expanding Multifaceted, Linked Businesses to Increase Earnings from Trade and Business Investment

Our goal is to increase our earning power of trade and business investment. To this end, we upgrade business management by instilling our fundamental “earn, cut, prevent” principles and restructuring businesses, while creating multifaceted, linked businesses through new trades and synergies.

### STEP 3: Sustaining Value Creation by Upgrading Multifaceted, Linked Businesses

We will upgrade businesses to respond to consumers’ and social needs by shifting to a downstream-centered market-oriented perspective and by increasing collaboration among Division Companies to break down product silos. Also, we will further improve asset efficiency through asset replacement, optimization of value chains by utilizing data and new technologies, and pursuit of business management efficiency.

---

### How ITOCHU Differs from a General Private Equity Fund

As we consider business investment to be a powerful tool, our business model is often compared to that of a private equity fund. There are certain similar aspects, such as the desire to contribute proactively to investees’ management and maximize the corporate value of investees. However, the differences are that we focus on generating synergies with existing businesses and enjoy returns centered on trading profits and dividends.

<table>
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<tr>
<th></th>
<th>Investee Liquidity</th>
<th>Investee ownership ratio</th>
<th>Investee ownership period</th>
<th>Synergies</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>General private fund</td>
<td>In principle, unlimited</td>
<td>In principle, holding stake to 100%</td>
<td>Buy and hold freezing at will strategy</td>
<td>In principle, none</td>
<td>Capital gains and dividends</td>
</tr>
<tr>
<td>ITOCHU</td>
<td>Either liquid or unlimited</td>
<td>Investee ownership period</td>
<td>Buy and hold</td>
<td>Create synergies with existing businesses</td>
<td>In principle, trading profit and dividends</td>
</tr>
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### Points of View

- **Synergies**
  - Expanding trade
  - Increasing earnings of investees
  - Creating synergies
  - Thoroughly instilling the “earn, cut, prevent” principles

- **Upgrading business management**
  - Upstream
  - Downstream

- **Creating added value**
  - Upstream
  - Downstream

- **Business investment**
  - Trade
  - Business investment

- **Investing in areas of expertise**
  - Trade
  - Business investment

- **Creating synergies**
  - Upstream
  - Downstream

- **Breaking down product silos**
  - Upstream
  - Downstream

- **Optimizing value chains**
  - Upstream
  - Downstream

- **Market-oriented perspective**
  - Upstream
  - Downstream

- **Improving asset efficiency**
  - Upstream
  - Downstream
Our Business Model, as Seen Through Business Development

Business Development Example: Our FamilyMart-Centered Convenience Store Business

In its convenience store business, ITOCHU and its Group companies are collaborating to build and improve the value chain, stretching from downstream through to upstream operations. To grow the value of the Group’s convenience store business, which is centered on FamilyMart, we are creating synergies that transcend Division Companies’ boundaries. Specifically, while The 8th Company is acting as a hub, we not only strengthen the food value chain but also focus on such diverse areas as daily necessities, financial services, systems development, and construction materials.

We support the operational efficiency of approximately 16,600 stores in Japan in many different ways—from systems development through to the leasing of store fixtures.

Operational Support*

We handle logistics to individual stores.

Intermediate Distribution*

We provide daily necessities and supplies needed for everyday store operation.

Non-Food Product*

We provide customers with a broad range of services matching daily needs in fields such as finance and insurance.

Service*

Areas of Focus

- Rigorously enhancing product appeal, convenience, and familiarity
- Optimizing and upgrading supply chains
- Advertising and finance businesses and making stores into media
- FamilyMart Environmental Vision 2050 (Medium-to-long-term environmental goals)

Creating Added Value in Collaboration with The 8th Company

We coordinate the optimal food value chain from the formulation of raw material procurement schemes to the arrival of items on store shelves, including product planning, manufacturing, processing, and procurement of containers and packaging materials.

Food Product and Peripheral Business*

We provide customers with a broad range of services matching daily needs in fields such as finance and insurance.
What is your overall assessment of the FYE 2021 financial and capital strategies?

We were able to steadfastly keep our financial and capital positions even amid an unprecedented business environment.

The business environment in FYE 2021 was exceptionally tough due to the COVID-19 pandemic, but I believe that overall we prevailed. By steadfastly keeping our financial and capital positions, we were able to achieve results that led to the “triple crown” for a general trading company.

Since becoming CFO in FYE 2016, I have committed to the “Policy to achieve high ROE while balancing three factors (growth investments, shareholder returns, and control of interest-bearing debt)” and continued implementing unified balance sheet control. In FYE 2021 too, we conducted major investments (around ¥520.0 billion) in tandem with the privatization of FamilyMart, which will contribute to the Group’s further growth, while also maintaining a “financial position appropriate for A ratings” even amid an unprecedented business environment.

It can be seen through the fact that, for example, the shareholder equity ratio, which demonstrates the soundness of our finances, rose 2.2 points at the end of FYE 2021 (29.7%) year on year. Also, net debt-to-shareholders’ equity ratio (NET DER) (0.78 times) came close to our record level achieved March 31, 2020 while conducting a large-scale investment.

In addition, core profit totaled approximately ¥452.5 billion, including the negative impact of approximately ¥56.0 billion from the pandemic. This was far above our initial plan of ¥400.0 billion. If the pandemic effects had been insignificant, core profit would have exceeded ¥500.0 billion. I believe we were able to maintain stable earning power at roughly the same level as before the pandemic.

Furthermore, core operating cash flows amounted to approximately ¥574.0 billion, the second highest on record, trailing only the previous fiscal year. This was a testament to the strong resilience of our cash-generating power to economic volatility.

The following chart zooms out to a wider timeframe, comparing present achievements with the past three-year KPIs from “Brand-new Deal 2017” to see how much they have improved.

Both earning power, which is represented by consolidated net profit and core profit, and cash-generating power, which is represented by core operating cash flows, improved tremendously. I want everyone to understand that this was achieved by harnessing the strengths of our earnings base, centered on the non-resource sector. In addition, regarding total shareholder returns, we were able to keep core free cash flows after deducting shareholder returns in the black and, by tapping into our stable cash-generating power, we were able to achieve shareholder returns and a total shareholder return ratio exceeding those under “Brand-new Deal 2017.”

On the other hand, for investments, we have avoided buying high, which leads to the accumulation of goodwill, and struck to focus primarily on the sectors and regions where we have expertise. We also conducted large-scale investments by accumulating surplus funds each fiscal year. By implementing these controls and reducing unnecessary interest-bearing debt, our financial soundness has been lifted even higher.

We steadily enhanced ROE and EPS (Consolidated net profit per share), which are the special focus points of the Company, by carrying out our financial and capital strategies to balance three factors. As a result of the positive feedback from investors and shareholders, the Company’s share price in FYE 2021 rose to a record high 33 times.

Can you elaborate on the key points of the financial and capital strategies under “Brand-new Deal 2023”?

The main point is that we will unwaveringly carry out our existing policies.

Although COVID-19 vaccinations are proceeding at the pace around the world and expectation for economic recovery is increasing, concerns about the re-spread of infection and uncertainty about the business environment after the pandemic cannot be dispelled. Moreover, we need to look more closely at the risk of plummeting resource prices that have remained historically high, geopolitical risks (such as the protracted U.S.–China trade friction), and the debate over tax increases in response to expanding government expenditures in addition to the trends in interest rates, exchange rates, and the stock market going forward.

In addition, the recent trend of responding to the SDGs, especially given accelerating climate change, creates major business opportunities. However, manufacturing businesses with high GHG emissions and companies with a high ratio of stranded assets assume that additional costs will be factored in such as those for withdrawing from businesses, product obsolescence, and restructuring. It is possible that the unclear business environment will become protracted.

Amid this environment, management needs to be balanced and not overly biased toward any particular direction. Under “Brand-new Deal 2023,” we will continue to balance three factors, maintain highly efficient operations, and drive business competitiveness.

Achieve High ROE While Balancing Three Factors

Shareholder Returns

Enhancing shareholders’ equity

Positive core free cash flows after deducting shareholder return

Growth Investments

Control of Interest-Bearing Debt
management (high ROE), and achieve sustainable growth in EPS. In short, there is no change in our existing financial and capital strategies.

As an additional key point, I would like to elaborate on the termination of share buybacks announced in June 2021. This has drawn many questions from the market. ROE and EPS are especially important to ITOCHU. I am sure you already understand our policy of aiming to enhance ROE and EPS fundamentally by expanding sustainable profit. In FYE 2022, there are contributions from expanded profit in the non-resource sector and rising resource prices, and profit is expected to significantly rise year on year. On the other hand, because uncertainty in the business environment in FYE 2023 and beyond cannot be discounted, we decided that it would be appropriate to fully reset the announced share buybacks and prepare for FYE 2023 and beyond. ITOCHU has carried out active and continuous share buybacks after carefully assessing future cash allocation. We will make no changes to this basic policy going forward.

Are there any measures that help reduce the cost of capital?

I think it is important to continue fostering highly trustworthy dialogue.

I think that proactively promoting investor relations activities leads to a reduction in the cost of capital. Even amid the unusual pandemic environment, I took the lead in holding dialogues, expanding these both qualitatively and quantitatively to better enable all stakeholders, especially investors and shareholders, to further understand and evaluate the Company’s strategies and policies. As one of the leading general trading companies, ITOCHU engages in highly trustworthy dialogue to better ascertain market expectations. We continue to make timely and appropriate disclosures, and these steps lead to further reductions in the cost of capital.

The Positive Cycle of Dialogue and Enhancing Corporate Value

Under “Brand-new Deal 2023,” ITOCHU’s policy is to continue searching for prime investment projects, while being aware of the Company’s cost of capital of 8%, as the Company strives to move from its initial plan of ¥530.0 billion in core profit in FYE 2022 toward ¥600.0 billion. In FYE 2021, regarding existing investments, we conducted evaluations using stricter criteria than ever and cleared up concerns about the future. We also revised internal investment criteria in line with present conditions, such as increasing the variety of hurdle rates for each industry (by country) from around 40 industries to around 70 industries. (Page 40 Business Investment)

It is significant that at ITOCHU the CFO has served as chair of the Investment Consultant Committee for four years in a row. In FYE 2022, I again want to lead constructive discussions that assess the business environment from a consistently objective and conservative perspective.

From an ESG perspective, we are also taking steps. Based on the recent trend of increased environmental awareness, ITOCHU became the first general trading company to publicly issue SDG bonds (U.S. dollar-denominated senior unsecured bonds). These bonds were issued in March 2021 to promote the use of energy storage systems and renewable energy, such as solar power and wind power, and procure certified coffee beans, etc. The purpose is to further enhance initiatives for the SDGs, and I believe the bond market also recognized the Company’s genuine commitment through these initiatives. Going forward, by steadily implementing initiatives that are aware of market needs, we will continue working hard to enhance sustained corporate value.
Business Investment

Business Investment Process

Along with strategic business alliances, business investment is an important means of creating and expanding businesses. To actively promote strategic investments in areas of strength in a timely manner, we choose the optimal structure from a wide range of methods, such as establishing a wholly owned subsidiary, implementing joint investment with partners, and participating in management through MIAs or converting to a consolidated subsidiary. In principle, we continuously hold investments. After making each investment, we work to maximize the investee’s corporate value and to expand trading profits and dividends received by fully utilizing our Groupwide capabilities. Given such considerations as increases in larger-scale investments in recent years, we are rigorously screening the appropriateness of the business plan and acquisition price. For existing investments, to increase investment earnings and to exit quickly from low-efficiency assets, we are further strengthening monitoring procedures, centered on instituting more rigorous exit conditions and thoroughly implementing periodic investment review.

Investment Decisions

Decision-Making Process

We have established a multilayered decision-making process that achieves quick decision-making by giving a certain level of discretion to the Division Companies while striving to pursue investment return and curb investment risk.

Points for Making Decisions

- **Investment Purpose and Formulation of Business Strategies**
- **Verification of Business Plan Appropriateness**
- **Compliance with Investment Criteria**
- **Risk Analysis**
- **Verification of Internal Control Status**
- **Setting Exit Conditions**

**Investment Criteria**

- Investment efficiency based on Net Present Value (NPV) calculated from investor's free cash flows
- When calculating NPV, about 70% of cash flows are calculated according to industry
- Cash inflow into ITOCHU, such as dividends received and earnings from trade activities
- Scale of investee’s earnings

- ESG Risk Evaluation
- Evaluate in advance the impact on the environment, society, etc., as well as the corporate governance status of the investee target using an ESG checklist composed of 33 items
- Conduct multilaterally ESG assessments, including on-site surveys, to prevent environmental pollution and other problems among Group companies even following investment

- Setting Exit Conditions
- Setting clear and feasible exit measures before making investment
- Clear exit conditions: Setting quantitative exit conditions; in principle, call for exiting from the investment if conditions are met
- Feasible exit measures: Obtaining advance agreement with partners on exit conditions, etc.

**Exit Criteria**

- Promoting replacement of low-efficiency assets that meet exit criteria, as well as businesses that have lost strategic significance
- Control of Cash: Continuously focus on our policy to maintain positive core free cash flows after deducting shareholder returns
- Implementing review one year after investment
- Implementing periodic review for all business investments annually
- Reevaluating policies from qualitative (strategic significance, etc.) and quantitative (scale of earnings, investment efficiency, etc.) perspectives
- Formulating improvement measures for subsidiaries and affiliates with issues of deficits or dividends payout
- Following up throughout the year on policies and issue-improvement measures formulated in periodic review

Enhancing Business Value Continuously through Collaboration

In each business investment process—including investment decisions and execution, monitoring, and asset replacement—administrative divisions provide a high degree of expertise that supports business divisions in implementing the Company’s fundamental “earn, cut, prevent” principles.
ITOCHU increases the corporate value of Group companies by rigorously implementing the “earn, cut, prevent” fundamental business principles and strengthening monitoring, which is based on various types of assessments. For example, we steadily accumulate high-quality assets by conducting qualitative and quantitative verifications that take into consideration synergies in assessing investment efficiency and the strategic significance and earnings scale of business investments. Moreover, in relation to concern over possible future losses, at an early stage we evaluate investments and take appropriate measures by consistently applying conservative premises both for credit management and evaluations of the recoverability of various types of assets. Thanks to these activities, we have built a robust earnings base that is diversified across a wide range of business areas mainly in the non-resource sector and which is therefore highly resilient to economic volatility.

### Exit Criteria for Business Investment

1. **Cumulative losses for last three years**
2. **Returns lower than original plans made at time of investment**
3. **Cumulative losses in added value for last three years**
   - Consolidated contribution**1**: Consolidated investment carrying amount x Cost of capital**2**
   - Added value**3**: Consolidated contribution positive but lower than cost of capital - Low-efficiency investment, therefore consider exiting even if profitable

### Continuous Accumulation of the Profits of Group Companies Through Implementation of “Earn, Cut, Prevent” Principles

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Group companies reporting profits</th>
<th>Group companies reporting losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2012</td>
<td>463.8</td>
<td></td>
</tr>
<tr>
<td>FY 2014</td>
<td>226.7</td>
<td></td>
</tr>
<tr>
<td>FY 2017</td>
<td>+72.8</td>
<td></td>
</tr>
<tr>
<td>FY 2020</td>
<td>+98.8</td>
<td></td>
</tr>
<tr>
<td>FY 2021</td>
<td>+30.8</td>
<td></td>
</tr>
</tbody>
</table>

*1 Consolidated contribution is the total of net profit and trade merit.
*2 Cost of capital is set according to country and industry.
*3 Added value is calculated as the difference between added value (+) and added value (–).

### Matter to be overcome:
1. Improve consolidated returns
2. Curtail increases in the consolidated investment carrying amount
3. Prevent deficit and losses

### Improvement in Core Profit-Making Power in the Non-Resource Sector Through Flexible, Continuous Asset Replacement

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Consolidated contribution positive but lower than cost of capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2012</td>
<td>Low-efficiency investment, therefore consider exiting even if profitable</td>
</tr>
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<td>FY 2014</td>
<td>+72.8</td>
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<td>+30.8</td>
</tr>
<tr>
<td>FY 2021</td>
<td>+30.8</td>
</tr>
</tbody>
</table>

### Total assets

- **Non-Resource**
  - Total assets: ¥11.2 trillion
  - Accumulated investment and exit amounts since FYE 2011: Total assets: ¥5.7 trillion

### Brand-new Deal 2021 Management Plan

- FYE 2021
  - Resource Composition: 73%
  - Non-Resource Composition: 27%
  - Consolidated net profit: ¥91.4 billion
  - Investment: ¥10.3 billion

### Impact of COVID-19

- Approx. (56.0)
Guided by “Sampo-yoshi,” we will take measures that pursue the “true nature” of a front-line perspective to enhance sustainable corporate value.

Fumihiko Kobayashi
Member of the Board, Executive Vice President, CAO

Q What is ITOCHU’s basic policy related to sustainability?
A We strive to affirm “what we should do” and “specific paths we should take” as we focus on pursuing our “true nature” from a front-line perspective.

In initiatives related to sustainability, ITOCHU always focuses on the “true nature” from the front-line perspective. Our basic stance is to steadily help enhance corporate value through business. Under this stance and as a merchant that emphasizes trust, we do not absently chase the trends of the times. But rather, we established material issues, that present “what we should do” to preferentially and independently solve social issues, and simultaneously affirmed “specific paths we should take” (action plans) to achieve these goals. (Page 76 Initiatives to Promote Sustainability)

“Sampo-yoshi,” the founding spirit of Chubei Itoh that has continued to underpin ITOCHU since its beginning, serves as the axle upon which we will determine the direction of the initiatives. The business philosophy since our founding is to emphasize the benefit of not just the Company but also business partners and society from a long-term perspective, not merely pursuing short-term profits. There is no change in our policy of sustainable development going forward.

Q What are the characteristics and targets of the human resource strategies?
A We aim to be the best company in Japan and strive to cultivate a motivating workplace environment through highly unique measures.

We position human resource measures as important management strategies and thoroughly implement initiatives that pursue the "true nature.” With the lowest number of non-consolidated employees for a major general trading company at around 4,200, we need to increase labor productivity to come out on top amid the intense competition. To this end, we need to foster an environment where every employee can maintain their health, feel satisfaction, and make full use of their individual capabilities. The Morning-Focused Working System introduced in FYE 2014 is a prime example. We got a head start on the work-style reforms sweeping Japan with this initiative that emphasizes a withdrawal from the typical structure of having employees stay late to work many hours of overtime. Instead, we encourage employees to utilize the extra time created through better health and more efficient operations to engage with customers, develop skills, and further boost health.

As a long-term qualitative goal, we are striving to realize our vision of being the best company in Japan. The impetus was an email an employee sent before passing away from cancer four years ago. In it, he stated, “for me, ITOCHU is the best company.” In his eulogy at the employee’s funeral, Chairman & CEO Okafuji promised, with tears in his eyes, that he would make ITOCHU the best company. In his eulogy at the employee’s funeral, Chairman & CEO Okafuji promised, with tears in his eyes, that he would make ITOCHU the best company. In his eulogy at the employee’s funeral, Chairman & CEO Okafuji promised, with tears in his eyes, that he would make ITOCHU the best company. In his eulogy at the employee’s funeral, Chairman & CEO Okafuji promised, with tears in his eyes, that he would make ITOCHU the best company.

We take initiatives for the respect and consideration for human rights through our business activities to stabilize our businesses and contribute to the development of local communities.

We contribute to realizing a healthy, rich life, aiming to improve the quality of life of all people.

We work to ensure the effective utilization and stable procurement and supply of resources in accordance with demand in each country, in consideration of biodiversity and other environmental issues, aiming to achieve a circular economy.

Maintain Rigorous Governance Structures
The Board of Directors implements highly effective supervision of management from an independent and objective standpoint and ensures appropriate and efficient execution of operations by improving the transparency of decision-making.

We create an environment that enables each employee to fully demonstrate their capabilities and strive to cultivate a motivating work environment through highly unique measures.

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Maintain Rigorous Governance Structures
The Board of Directors implements highly effective supervision of management from an independent and objective standpoint and ensures appropriate and efficient execution of operations by improving the transparency of decision-making.
In the rankings of most attractive employers in 2021, seven major institutions ranked ITOCHU No. 1 for general trading companies, and four of these institutions ranked ITOCHU No. 1 across all industries. I might be exaggerating, but I think it is evident that students realize that ITOCHU is a sustainable company worthy of entrusting their future lives. Although there is no direct measures of our goal of being the best company in Japan, I feel we are making steady progress on this front. (Page 50 Human Resource Strategy)

Q What is the thinking behind the response to COVID-19?
A We emphasize the safety of employees protecting the front lines while hoping to serve society by helping the economy recover as quickly as possible.

Initiatives that pursue the “true nature” are consistent with various responses during the pandemic. In the consumer sector, which is ITOCHU’s focus, partner companies support people’s day-to-day lives on the front lines, and the Company must also protect the front lines with all its power. Of course, the safety of employees and their families comes above all else. We therefore take strict measures to prevent the spread of infections to the fullest extent possible, and, while paying close attention to the pandemic situation, we have not rigidly established a work system and instead have dynamically changed the percentage of employees working from home. Many companies have also come to observe the sites, and we have also received a lot of positive feedback from local public organizations.

Children’s safety is also valued even if the workplace vaccinations on our website, including manuals and issues that arise, so that many other companies can adopt our measures, consequently helping reduce the burden on local medical care and contributing to the quick recovery of the economy. We opened our vaccination site to employees at medical institutions and corporate managers in charge of vaccination sites. Many have come to observe the sites, and we have also received a lot of positive feedback from local

We have uploaded the latest know-how gained from our workplace vaccinations on our website, including manuals and issues that arise, so that many other companies can adopt our measures, consequently helping reduce the burden on local medical care and contributing to the quick recovery of the economy. We opened our vaccination site to employees at medical institutions and corporate managers in charge of vaccination sites. Many have come to observe the sites, and we have also received a lot of positive feedback from local public organizations.

Childcare providers are also valued essential workers who work on the front lines. Only when their children’s safety is assured, thanks to the tireless efforts of childcare providers, can employees work with peace of mind and medical professionals fully devote themselves to medical care. With this in mind, we are also vaccinating all of the roughly 1,500 childcare providers who work in Tokyo and Osaka through the contractor which provides the Company’s on-site day care. We hope that the scope of support widens for people making dedicated efforts to protect our lives, beginning with childcare providers.

Q What is the purpose of corporate branding activities?
A It is to expand engagement with the public, fulfill our larger social responsibility, and continue enhancing corporate value.

In January 2020, ITOCHU established the Corporate Brand Initiative (CBI), which comprises mainly branding and corporate social responsibility activities, under the direct management of the CAO. The initiative is promoting corporate branding.

Due in part to achieving the general trading company “triple crown” in FYE 2021, ITOCHU has come to be seen by the public as a representative of general trading companies. We are taking on social responsibility larger than ever before. To meet the expectations of a wide range of stakeholders as well as society as a whole, we need to raise more awareness of ITOCHU’s presence and activities among the public, including those who have not been very interested in the Company. In addition, we need to strategically promote communication with consumers and society to steadily achieve our aims of “Enhancing our contribution to and engagement with the SDGs through business activities” and “Realizing business transformation by shifting to a market-oriented perspective.” These aims were established as basic policies in the medium-term management plan. With this background, the Company is promoting corporate branding activities using an approach completely different from before.

Our first effort was changing the internal newsletter concept to a public relations magazine, raising the quality, and expanding the readership beyond just employees to include a wide range of stakeholders. The concept of "SHOW of the Earth" is a magazine that anyone can enjoy reading, not throw out after finishing, and put it back on their shelf. It has become an effective communication channel with the general public due in part to it being made available at the TSUTAYA BOOKS in Daikanyama, Tokyo, and Umeda, Osaka. In addition, through newspapers, videos on our website, social media, radio shows, and other various channels, we take strategic actions for each target to foster an image different from the generally held image of general trading companies. In April 2021, we established ITOCHU SDGs STUDIO as a place to not only promote the Company’s SDG activities but to support global SDG initiatives. I think it is unique that ITOCHU, which has strengths in the consumer sector and thoroughly takes a market-oriented approach, is able to take an approach to communication rooted in the consumer perspective and not just unilaterally sending out information from the Company’s side.

Q What is your analysis of recent improvement in the Company’s external ESG evaluations?
A I think that presenting specific policies and steadily taking measures pursuing the “true nature” has led to an improvement in our evaluations.

In 2017, when the Government Pension Investment Fund (GPF) selected three ESG-related indices, ITOCHU was the only general trading company not included in any of the indices. We recognized that the low evaluation from external ESG evaluations was a material management issue. Since then, the Sustainability Management Division, directly overseen by the CAO, took the lead by promoting a cycle of analyzing the underlying reasons for the external opinions, verifying the evaluations after disclosure, and further expanding disclosures. I, myself, frequently held dialogues with external evaluation institutions. Through three years of diligent efforts, we were lauded by various external institutions, as evidenced by currently being the only general trading company included in all of four ESG-related indices chosen by the GPF.

In addition, in 2018 we received the support of the Ministry of the Environment and conducted a scenario analysis under the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

After fully evaluating the effectiveness through this scenario analysis, we announced our endorsement for the TCFD recommendations in 2019, and participated in the TCFD Consortium, which was established with the support of the Ministry of Economy, Trade and Industry, the Ministry of the Environment, and the Financial Services Agency. We did not just superficially declare support, but pursued the “true nature.” This mindset led to our policy to completely withdraw from thermal coal interests and the industry’s first disclosure of GHG emissions from all of our owned fossil fuel businesses and interests. “Enhancing our contribution to and engagement with the SDGs through business activities” is the basic policy of the medium-term management plan. In the plan, we quantitatively announced “specific paths we should take” to achieve our long-term goals, rather than just stringing together abstract policies and pleasant-sounding words. Announcing specific policies and steadily taking actions are characteristic of ITOCHU and have helped improve our external evaluations.

Q What are you doing to ingrain the corporate mission of “Sampo-yoshi”?
A Without taking special initiatives, everyone already comprehends the mission and practices it.

Since revising the corporate mission into “Sampo-yoshi” in April 2020, we have not held briefings or taken any other measures to ingrain it internally. This was because the mission has already taken root as corporate culture in every employee’s subconscious, and special awareness-raising measures were unnecessary. “Sampo-yoshi” is already a very familiar spirit for the Company. With “Sampo-yoshi” as a policy, every employee understands the “true nature” of sustainability and practices it at the business site, and each initiative therefore steadily leads to enhanced corporate value. Regarding “Enhancing our contribution to and engagement with the SDGs through business activities,” we are accelerating initiatives at various front-line business sites. I feel very proud that this proof demonstrates that “Sampo-yoshi” is already deeply ingrained.

The corporate mission should be what employees cling to during the toughest times. The Company is very happy that this kind of corporate mission is ingrafted in each employee. It is an important asset that the ITOCHU Group must continue to protect, so it can continue serving as our guiding light.
Achievement of Short-Term Targets

This section includes our business results for FYE 2021—a year in which we continued commitment-based management despite the COVID-19 pandemic. Further, we explain how “Brand-new Deal” strategy (management plan) has put our corporate value on a trajectory of steady growth. Moreover, we show the continuity of our management strategy, which is linked to “Brand-new Deal 2023.”

CONTENTS

Business Results for FYE 2021 50
Trajectory of Corporate Value Enhancement 52

Component of the corporate value calculation formula focused on in this section

Corporate Value = Created Value

Cost of Capital — Growth Rate
Business Results for FYE 2021

General Review of FYE 2021

- Practiced “commitment-based management” even as the business environment underwent dramatic changes due to COVID-19.
- Became the No. 1 general trading company in terms of market capitalization and stock price for the first time in history. Promoted the sustained enhancement of corporate value.
- Despite the impact of COVID-19, achieved the initial plan by minimizing profit decline.
- Firmly maintained our financial position while making a large-scale investment. On track to maintain A ratings.
- ROE was about 13% and the ratio of Group companies reporting profits remained at a high level of 80% even during the COVID-19 pandemic.
- Practiced “commitment-based management” even as the business environment underwent dramatic changes in apparel-related sales, automobile trade, and demand for aircraft-related businesses as well as slumps in restaurant-related services, convenience stores, etc.
- Initiated new working styles that maintain labor productivity even under COVID-19 and implemented flexible working systems.
- The only major general trading company adopted by all GPIF ESG investment indices.
- Continued progressive dividends. Continuously executed share buyback.

Summary of Financial Results for FYE 2021

- Consolidated net profit was ¥401.4 billion, achieved the FYE 2021 forecast (disclosed on May 8, 2020) of ¥400.0 billion.
- Core profit was approximately ¥1452.5 billion, steadily increased and recovered quarter by quarter, and the core profit for Q4 renewed all-time high as a 4th quarter’s, driven by Metals & Minerals, Power & Environmental Solution, Chemicals, and ICT, while COVID-19 significantly affected some businesses.
- Extraordinary gains and losses were approximately ¥251.0 billion (gains: approx. ¥105.5 billion, losses: approx. –¥156.5 billion) due to the implementation of measures to eliminate concerns over the future.
- While we generated stable cash (core operating cash flows: approx. ¥574.0 billion, second-highest level ever) even during the COVID-19 pandemic, investment reached a record-high (net investment cash flows: approx. –¥755.0 billion).
- Total shareholders’ equity was ¥3,316.3 billion (the highest ever) and NET DER was 0.78 times (the second lowest ever).
- **Impact of the COVID-19 Pandemic**
  - The impact over the full fiscal year was approximately –¥66.0 billion, which was mainly due to decreases in apparel-related sales, automobile trade, and demand for aircraft-related businesses as well as slumps in restaurant-related services, convenience stores, etc.
  - Quarterly impact: Q1: approx. –¥22.0 billion, Q2: approx. –¥18.0 billion, Q3: approx. –¥7.0 billion, Q4: approx. –¥9.0 billion
  - Impact by segment: The 8th: approx. –¥20.0 billion, Machinery: approx. –¥16.0 billion, Textile: approx. –¥8.5 billion, etc.

Business Results

<table>
<thead>
<tr>
<th>Business Results</th>
<th>Bilions (of yen)</th>
<th>FYE 2020 Results</th>
<th>FYE 2021 Results</th>
<th>Increase / Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated net profit</td>
<td>501.3</td>
<td>401.4</td>
<td>–99.9</td>
<td></td>
</tr>
<tr>
<td>Extraordinary gains and losses</td>
<td>18.0</td>
<td>91.6</td>
<td>73.6</td>
<td></td>
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<tr>
<td>Core profit</td>
<td>Approx. 488.5</td>
<td>Approx. 425.2</td>
<td>–63.3</td>
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<tr>
<td>Non-resource</td>
<td>378.3</td>
<td>292.7</td>
<td>–85.6</td>
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<tr>
<td>Resource</td>
<td>128.8</td>
<td>107.9</td>
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<tr>
<td>Others</td>
<td>2.7</td>
<td>0.5</td>
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<tr>
<td>Non-resource (%)</td>
<td>75%</td>
<td>73%</td>
<td>Decreased 2 pt</td>
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<tr>
<td>Profits / losses of Group companies (including overseas trading subsidiaries)</td>
<td>445.2</td>
<td>359.6</td>
<td>–85.5</td>
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<td>Ratio of Group companies reporting profits (%)</td>
<td>68.6%</td>
<td>82.4%</td>
<td>Decreased 6.1 pt</td>
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<tr>
<td>EPS</td>
<td>¥355.8</td>
<td>¥269.4</td>
<td>¥86.7</td>
<td></td>
</tr>
</tbody>
</table>

Cash Flows

| Cash Flows | Bilions (of yen) | FYE 2020 Results | FYE 2021 Results |
|------------|-----------------|------------------|
| Cash flows from operating activities | ¥78.1 | ¥95.4 |
| Cash flows from investing activities | ¥240.8 | ¥307.0 |
| Free cash flows | ¥54.7 | ¥78.4 |
| Cash flows from financing activities | –¥67.0 | –¥28.7 |

Core Free Cash Flows

| Core Free Cash Flows | Bilions (of yen) | FYE 2020 Results | FYE 2021 Results |
|----------------------|-----------------|------------------|
| Core operating cash flows* | 602.0 | 574.0 |
| Net investment cash flows* | 111.1 | 62.5 |
| Core free cash flows | 312.9 | 221.0 |

Financial Position

<table>
<thead>
<tr>
<th>Financial Position</th>
<th>Bilions (of yen)</th>
<th>March 31, 2021</th>
<th>March 31, 2020</th>
<th>Increase / Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>10,919.6</td>
<td>11,178.4</td>
<td>Decreased 268.8</td>
<td></td>
</tr>
<tr>
<td>Net interest-bearing debt</td>
<td>2,256.9</td>
<td>2,074.2</td>
<td>+182.7</td>
<td></td>
</tr>
<tr>
<td>Total shareholders’ equity</td>
<td>2,996.0</td>
<td>3,318.3</td>
<td>Decreased 322.3</td>
<td></td>
</tr>
<tr>
<td>Ratio of shareholders’ equity to total assets</td>
<td>27.4%</td>
<td>29.7%</td>
<td>increased 2.3 pt</td>
<td></td>
</tr>
<tr>
<td>NET DER</td>
<td>0.75 times</td>
<td>0.78 times</td>
<td>increased 0.03</td>
<td></td>
</tr>
<tr>
<td>ROE</td>
<td>17.0%</td>
<td>12.7%</td>
<td>Decreased 4.3 pt</td>
<td></td>
</tr>
</tbody>
</table>

Impact of the COVID-19 Pandemic

- The impact over the full fiscal year was approximately –¥66.0 billion, which was mainly due to decreases in apparel-related sales, automobile trade, and demand for aircraft-related businesses as well as slumps in restaurant-related services, convenience stores, etc.
- Quarterly impact: Q1: approx. –¥22.0 billion, Q2: approx. –¥18.0 billion, Q3: approx. –¥7.0 billion, Q4: approx. –¥9.0 billion
- Impact by segment: The 8th: approx. –¥20.0 billion, Machinery: approx. –¥16.0 billion, Textile: approx. –¥8.5 billion, etc.
We have steadily developed an enviable track record with the strategies of “Brand-new Deal” management plans, which began with “Brand-new Deal 2012.” Under the plans, we have always remained aware of the “earn, cut, prevent” principles and flexibly took measures to deal with management issues and rapid changes in the external environment.

Management Environment

Setting out growth strategies in anticipation of post-COVID-19 society

Uncertain outlook due to the COVID-19 pandemic

Concerns over obsolescence of existing businesses caused by the Fourth Industrial Revolution

Temporary deterioration in financial indicators due to an investment in CITIC

Uncertain outlook due to slumping resource prices

Thoroughly instilling the “earn, cut, prevent” principles as the core of our business

Steadily Building Up Corporate Value

FYE 2021 Management Plan

Single-year plan reflecting the COVID-19 pandemic

¥5.7 trillion

Basic Policies

FYE 2020

Initial Plan

Results

2021 ¥400.0 billion

¥401.4 billion

✓

FYE 2019

Initial Plan

Results

2020 ¥500.0 billion

¥501.3 billion

✓

FYE 2018

Initial Plan

Results

2017 ¥400.0 billion

¥352.2 billion

✓

FYE 2017

Initial Plan

Results

2016 ¥350.0 billion

¥240.4 billion

✓

FYE 2016

Initial Plan

Results

2015 ¥300.0 billion

¥300.6 billion

✓

FYE 2014

Initial Plan

Results

2013 ¥280.0 billion

¥280.3 billion

✓

FYE 2012

Initial Plan

Results

2012 ¥240.0 billion

¥300.5 billion

✓

Achieved the “triple crown” of general trading companies

Privatized FamilyMart

Became the first general trading company to be included in all ESG-related indices adopted by the GPIF etc.

Earning the trust of the stock market through the steady achievement of targets

Market capitalization at fiscal year-end

Results

2020 ¥5.7 trillion

¥3.6 trillion

¥3.4 trillion

¥2.2 trillion

¥1.8 trillion

¥0.5 trillion

Achievement of Short-Term Targets

Results

2021 ¥400.0 billion

¥401.4 billion

✓

2020 ¥500.0 billion

¥501.3 billion

✓

2019 ¥450.0 billion

¥500.5 billion

✓

2018 ¥400.0 billion

¥400.3 billion

✓

2017 ¥350.0 billion

¥352.2 billion

✓

2016 ¥330.0 billion

¥240.4 billion

✓

2015 ¥300.0 billion

¥300.6 billion

✓

2014 ¥280.0 billion

¥280.3 billion

✓

2013 ¥260.0 billion

¥280.3 billion

✓

2012 ¥240.0 billion

¥300.5 billion

✓

Achieved the “triple crown” of general trading companies

Privatized FamilyMart

Became the first general trading company to be included in all ESG-related indices adopted by the GPIF etc.

Earning the trust of the stock market through the steady achievement of targets

Market capitalization at fiscal year-end

ANNEX TO GROUP CORPORATE MISSION IN 2020

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ITOCHU Corporation ANNUAL REPORT 2021

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Steppingstones to Medium- to Long-Term Value Creation

This section shows our new medium-term management plan “Brand-new Deal 2023.” We highlight the plan’s specific measures which are based on our basic policies and their relevance to non-financial capital and material issues. These measures include “evolution of FamilyMart business,” which is a core business; “efforts to reduce GHG emissions from fossil fuel businesses and interests” and “development of a distributed power supply platform centered on ESS,” which are to reach long-term climate change goals.

CONTENTS

Medium-Term Management Plan
“Brand-new Deal 2023” 56
Realizing Business Transformation by Shifting to a Market-Oriented Perspective 58
- Expansion of Profit Opportunities Through Data Utilization and DX 59
- Evolution of FamilyMart Business 60

Enhancing Our Contribution to and Engagement with the SDGs Through Business Activities 62
- Business Expansion in Accordance with a Decarbonized Society 64
- Relationship Between a Logic Tree and Non-Financial Capital 68
Medium-Term Management Plan “Brand-new Deal 2023”

Under our current medium-term management plan “Brand-new Deal 2023,” we aim to return to the growth trajectory we were on before the COVID-19 pandemic, achieve consolidated net profit of ¥600.0 billion, and continuously enhance corporate value. To these ends, we will pursue growth strategies founded on our fundamental policies—namely, “Realizing business transformation by shifting to a market-oriented perspective” and “Enhancing our contribution to and engagement with the SDGs through business activities,” and strengthen our financial base by pursuing consistent financial strategies.

### Basic Policy

#### Quantitative Targets

Aiming to achieve consolidated net profit of ¥600.0 billion as outlined in the medium-term management plan

#### Quantitative targets

Realizing business transformation by shifting to a market-oriented perspective

Profit opportunities are shifting downstream

Profit sources are shifting from upstream to downstream. Breaking down the negative effects caused by silos is an urgent task. We will advance business model evolution and growth opportunity creation.

Enhancing our contribution to and engagement with the SDGs through business activities

(= Page 58)

**Sampo-yoshi capitalism**

To realize a sustainable society, we embrace an approach to capitalism with greater emphasis on serving all stakeholders. Through our business activities, we will contribute to the achievement of the SDGs in such ways as maintaining the foundations of everyday life and protecting the environment.

### Profit Growth under “Brand-New Deal 2023”

- Realizing profit growth by focusing on a market-oriented perspective and SDG initiatives, and aiming for consolidated net profit of ¥600.0 billion

<table>
<thead>
<tr>
<th>Billions of yen</th>
<th>FYE 2021 Results</th>
<th>FYE 2022 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend per share</td>
<td>¥100</td>
<td>¥100</td>
</tr>
<tr>
<td>Share buybacks (Billions of yen)</td>
<td>¥300.0</td>
<td>¥340.0</td>
</tr>
<tr>
<td>Dividend yield (Billions of yen)</td>
<td>¥500.0</td>
<td>¥550.0</td>
</tr>
<tr>
<td>Net operating cash flows (Billions of yen)</td>
<td>¥515.0</td>
<td>¥574.0</td>
</tr>
<tr>
<td>Core operating cash flows (Billions of yen)</td>
<td>¥300.0</td>
<td>¥263.0</td>
</tr>
<tr>
<td>Core operating cash flows after deducting shareholder returns (Billions of yen)</td>
<td>¥240.0</td>
<td>¥230.0</td>
</tr>
<tr>
<td>ROE (%)</td>
<td>17.9</td>
<td>17.6</td>
</tr>
<tr>
<td>Shareholders’ equity (Trillions of yen)</td>
<td>¥2.9</td>
<td>¥3.0</td>
</tr>
<tr>
<td>Net investment cash flows (Billions of yen)</td>
<td>(¥290.0)</td>
<td>(¥755.0)</td>
</tr>
<tr>
<td>Cash allocation based on the consistent maintenance of positive core free cash flows after deducting shareholder returns</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Steppingstones to Medium- to Long-Term Value Creation**

- As in the past, we will actively and continuously execute share buybacks as appropriate in consideration of the cash allocation situation

### Financial Strategy

- Strengthen our financial foundation to support new growth stages while maintaining consistency in our financial strategies.

- **Enhancing our contribution to and engagement with the SDGs through business activities**

### Financial Policy

- **B/S control appropriate for A ratings**

#### Assumptions Used for FYE 2020 and FYE 2021 Results and FYE 2022 Plan

1. We have set a minimum dividends per share of ¥94 for FYE 2022
2. We will increase the dividend if we revise consolidated net profit upward during FYE 2022
3. We aim to reach a dividend of ¥100 per share during the medium-term management plan

### Shareholder Returns Policy

- **Dividend**

- **Share Buybacks**

### Shareholders’ Equity

- Shareholders’ equity (Trillions of yen)

#### Shareholders’ Equity

- Shareholders’ equity (Trillions of yen)

### Executive Summary

- **Shareholders’ Equity**

#### Shareholders’ Equity

- Shareholders’ equity (Trillions of yen)

### Executive Summary

- **Shareholders’ Equity**

#### Shareholders’ Equity

- Shareholders’ equity (Trillions of yen)
Realizing Business Transformation by Shifting to a Market-Oriented Perspective

Customer contact points in the consumer sector are one of ITOCHU’s recognized strengths. Leveraging these contact points, the Company provides products and services from a market-oriented perspective. This creates new value that grasps the diversifying needs of sellers, buyers, and society. We will work to further strengthen our robust earnings base centered on the non-resource sector by constantly reviewing the state of “business” and promoting business transformation and value chain optimization.

Evolution of FamilyMart’s business, the largest consumer base in the ITOCHU Group
- Thoroughly improving the three basics of convenience stores (CVs): product appeal, convenience, and familiarity
- Expanding customer contact points and business earnings through advertising and financial services and the evolution of stores into media
- Expanding the earnings base by upgrading the entire supply chain, including order optimization using AI
- Building new overseas business models in growth markets through strategic alliances with digital partners, etc.

Transform the entire value chain, starting from downstream
- Combining planning and development capabilities and independent sales channels in the consumer sector, where we have overwhelming strength
- Strengthening product planning capabilities and brands for food, apparel, and other products in line with customer needs and expanding consumer contact points through the use of e-commerce
- Further business growth by expanding and utilizing customer contact points in the retail finance and insurance businesses, where we are No. 1 among general trading companies
- Pursuing a customer-oriented business model through the evolution of online and in-person customer service at HOKEN NO MADOGUCHI’s online customer service, and conducting customer behavior analysis using AI cameras in the retail-related businesses. We aim to expand initiatives that are proven highly effective through collaboration with the existing seven Division Companies using the cross-divisional functionality of The 8th Company. The same goes for customer data. We organize and analyze data in response to changes in the business environment and focus on “supply chain optimization” to each Group company. While we prioritize optimization for each individual company, our policy is to share data systems organized at Group companies, synchronize the data, and continue building a Groupwide customer base. By utilizing data for the marketing of each Group company, we intend to continue realizing overall optimization at the Group in line with the sales expansion of each company.

Expansion of profit opportunities through data utilization and DX
- Leveraging Group data under the leadership of The 8th Company, which is at the forefront of using a market-oriented perspective for the development of new products and services and enhancement of digital marketing by centralizing data held by Group companies on consumption behavior
- Expanding the ICT business through organic cooperation with Group companies in line with corporate DX needs

Measures

<table>
<thead>
<tr>
<th>Measures</th>
<th>Anticipated Effects</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>[Earn]</strong></td>
<td><strong>[Cut]</strong></td>
</tr>
<tr>
<td>Enhanced customer contact points</td>
<td>Supply chain optimization</td>
</tr>
<tr>
<td>Proportion of new value at Group customer contact points</td>
<td></td>
</tr>
</tbody>
</table>
- Expansion of advertising and financial services
- Enhanced store operations
- Expansion of D2C models
- Development of products and services from customer’s points of view |
| Cost improvement and social issue solutions in the supply chain |
- Reduction of food loss and opportunity loss
- Reduction of excess production and inventory
- Reduction of logistic costs
- Increased efficiency of warehouse operations and enhanced productivity |

For example, FamilyMart optimizes transport routes and orders, reducing opportunity loss, and minimizing food loss through DX. In addition, NIPPON ACCESS, INC. automates ordering to increase efficiency and reduce inventory. (Page 61 Optimizing the Supply Chain Using Downstream Data) Also, other Group companies utilize DX to reduce distribution costs, increase the efficiency of warehouse operations, and enhance productivity.

Furthermore, we are systematically expanding support for DX by steadily collaborating with DX partners and building an internal support system. In November 2020, we concluded a capital and business alliance agreement with BrainPad Inc., an expert in utilizing data. (Page 113) In such ways, we are expanding functions of the DX business for customers and partners. Through collaboration with reputable partners, we are also working to upgrade internal environments supporting the Group’s DX and the evolution of business models. We aim to further strengthen our robust business foundation in the downstream value chain by promoting the utilization of DX that grasps the needs of customers and partners.
Realizing Business Transformation by Shifting to a Market-Oriented Perspective

With its network of over 16,600 stores throughout Japan and its huge customer contact points of approximately 15 million daily customer engaged in shopping, FamilyMart is a core business of the Group. By promoting a policy of “Realizing business transformation by shifting to a market-oriented perspective” and grasping the needs of the market and consumers, we will continue to further strengthen our existing business foundation and build new business models.

Creating New Revenue Sources by Making Stores a Form of Media

ITOCHU aims to create new added value that exceeds the existing boundaries of goods and services by integrating the real and digital worlds.

We aim to acquire revenue in the advertising media business through initiatives that make stores a form of media by installing signage (large display panels). We are currently verifying effectiveness with several manufacturers who joined this effort as advertisers. We continue promoting the expansion of the advertising media business going forward.

In the advertising distribution business, in October 2020 ITOCHU established Data One Corp. with FamilyMart, NTT DOCOMO, INC., and CyberAgent, Inc. and launched the digital advertising distribution business. Utilizing FamilyMart purchase data and membership data including “FamiPay” and “SPOT CLUB,” enables digital advertising distribution aligned with consumer preferences. We will continue working to realize more highly tailored marketing by gradually forming alliances with other retailers, such as supermarkets, and enhancing the breadth and quality of purchase data.

In addition, to expand customer contact points, we are working to further increase the number of users of the FamiPay app. We aim to get more consumers to visit FamilyMart mainly by distributing campaign information and coupons. With the barcode payment function of FamiPay app, we started the “FamiPay Bill Payment” services for utilities and other bills and enabled external use at stores besides FamilyMart totaling over 100,000 locations nationwide. In summer 2021, we began such services as “FamiPay Next Month Payment” with the aim of expanding the financial business.

By expanding customer contact points mainly through the financial business and pursuing data-based external collaboration, we will increase the amount of data and utilize compiled customer data to maximize revenues in the advertising and financial businesses. Furthermore, by reinvesting this new revenue into existing businesses, we will create a positive feedback loop that further enhances the attractiveness of our stores and, in turn, enhances the value of our physical stores.

Optimizing the Supply Chain Using Downstream Data

ITOCHU is working to optimize the supply chain of the entire Group from a medium- to long-term perspective using downstream data.

At FamilyMart, we are working to enhance the accuracy of demand forecasts that leads to improvement in revenue for stores. As a result, we were able to recommended order list based on best-selling products at stores that have a solid track record for selling rice balls, boxed lunches, packaged foods, and other products. We are distributing this list and verifying the effectiveness of increasing sales by reducing opportunity loss. Going forward, we will expand the number of stores and target categories, conduct further verification, and enhance the accuracy of demand forecasts in the near future to reduce food loss. In addition, we aim to reduce costs by optimizing the number of deliveries and course settings to stores from distribution centers based on demand forecast data.

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Effect</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data analysis</td>
<td>Improvement of operational efficiency and inventory optimization</td>
<td>FamilyMart Environmental Vision 2050 (Medium- to long-term environmental goals)</td>
</tr>
<tr>
<td>Data analysis</td>
<td>Reduction of food loss (compared to 2019)</td>
<td>NIPPON ACCESS, INC. is working to automate ordering through AI that utilizes FamilyMart ordering and sales data, NIPPON ACCESS, INC. ordering data, and weather and calendar data. As a result, we were able to recommend order list based on best-selling products at stores that have a solid track record for selling rice balls, boxed lunches, packaged foods, and other products. We are distributing this list and verifying the effectiveness of increasing sales by reducing opportunity loss. Going forward, we will expand the number of stores and target categories, conduct further verification, and enhance the accuracy of demand forecasts in the near future to reduce food loss. In addition, we aim to reduce costs by optimizing the number of deliveries and course settings to stores from distribution centers based on demand forecast data.</td>
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Enhancing Our Contribution to and Engagement with the SDGs Through Business Activities

ITOCHU sees opportunities in the trends of the SDGs, which are impacting even basic business structures. Utilizing our existing business base, centered on our strong non-resource sector, we are addressing the needs of society and customers, and steadily connecting this to our evolving profit model. In addition, we will continue contributing to the realization of decarbonization across society, ahead of others in the industry, by completely withdrawing from thermal coal interests and developing such businesses as the energy storage system (ESS) business, which is a growth field.
**Enhancing Our Contribution to and Engagement with the SDGs Through Business Activities**

**Business Expansion in Accordance with a Decarbonized Society**

ITOCHU completely divested its interest in the Drummond thermal coal mine in Colombia and disclosed the GHG emissions of all fossil fuel businesses and interests associated with the Company—a first in the industry. During the medium-term management plan, we will fully withdraw from thermal coal interests and build a distributed power supply platform centered on energy storage systems (ESS) to help realize the Government of Japan’s 2050 Carbon Neutral goal.

**GHG Emissions Reduction and Offset Targets**

- Achieving net zero GHG emissions by 2050 to comply with the Japanese government’s target. In addition, aiming to offset CO2 to zero* by 2040 by actively promoting businesses that contribute to the reduction of GHG emissions.
- Complying with the Japanese government’s interim target* by achieving a 40% reduction from 2018 levels by 2030.

*Offsetting CO2 to zero by subtracting “contribution to reduction” accompanying the expansion of renewable energy business, etc., from GHG emissions.

*The Japanese government’s target of a 40% reduction from the 2013 level by 2030 is a 35% reduction based on the year 2018.

**Efforts to Reduce GHG Emissions from Fossil Fuel Businesses and Interests**

- GHG emissions from all Group fossil fuel businesses and interests* totaled 37 million tons.
- Through the sale of interests in the Drummond thermal coal mine, we were able to reduce GHG emissions to 21 million tons, taking the initiative in implementing concrete measures toward the shared societal goal of decarbonization.
- We will actively promote efforts to reduce environmental impact while fulfilling our responsibility to ensure a stable supply of resources and energy.

* Fossil fuel businesses and interests (consolidated subsidiaries, affiliates, and general investments): (1) Coal interests (thermal and coking coal), (2) Coal-fired power generation, (3) Oil and gas interests

**State of Action on Climate Change**

ITOCHU works to swiftly and forcefully reduce GHG emissions while ensuring improved profitability, especially in our strong non-resource sector. We will also continue expanding disclosures and assessing our action on climate change in line with the core elements of the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).

**FYE 2019**

- GHG reduction targets: Increase in fossil fuel demand due to business regulations on air emissions and under GHG emission plans in countries around the world
- Category: market risks
  - Increase and decrease in demand for products and services that are affected by clean-tech and other technologies as well as legal and legal risks
- Category: physical risks
  - Physical risks and opportunities
  - Increase and decrease in demand for products and services that are affected by clean-tech and other technologies

**Index and Targets**

- GHG reduction targets
  - GHG emissions reduction
  - Page 64 GHG Emissions Reduction and Offset Targets
  - Energy use and clean-tech targets

**Risks and Opportunities**

- Risks and opportunities associated with climate change as an important factor for the production of agricultural and forestry products caused by droughts and other events associated with rising temperatures and climate change impact

**Scenario Analysis**

- Establishing two scenarios, an under 2°C and around 4°C increase in average temperatures by the end of this century, referencing the Intergovernmental Panel on Climate Change (IPCC) and Intergovernmental Panel on Climate Change (IPCC).

**GHG Emissions from Fossil Fuel Businesses and Interests**

<table>
<thead>
<tr>
<th></th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021</th>
<th>FYE 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG emissions (million tons)</td>
<td>37</td>
<td>21</td>
<td>20</td>
<td>18</td>
</tr>
<tr>
<td>Contribution reduction (40%)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Offsetting CO2 to zero (70%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**GHG Emissions Reduction and Offset Targets**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 2022</td>
<td>20%</td>
</tr>
<tr>
<td>FYE 2020</td>
<td>16%</td>
</tr>
<tr>
<td>FYE 2019</td>
<td>14.5%</td>
</tr>
</tbody>
</table>

**CO2 Reduction**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 2022</td>
<td>10.5%</td>
</tr>
<tr>
<td>FYE 2020</td>
<td>8.7%</td>
</tr>
<tr>
<td>FYE 2019</td>
<td>7%</td>
</tr>
</tbody>
</table>

**Renewable Energy Ratio**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 2022</td>
<td>10%</td>
</tr>
<tr>
<td>FYE 2020</td>
<td>8%</td>
</tr>
<tr>
<td>FYE 2019</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

**Index and Targets**

- GHG reduction targets
  - Page 64 GHG Emissions Reduction and Offset Targets
  - Energy use and clean-tech targets

**Scenario Analysis**

- Establishing two scenarios, an under 2°C and around 4°C increase in average temperatures by the end of this century, referencing the Intergovernmental Panel on Climate Change (IPCC) and Intergovernmental Panel on Climate Change (IPCC).

**Goverance**

- Discussions held and decisions made by the Sustainability Governance Committee regarding such important matters as formulating response policies for climate change-related risks and opportunities associated with climate change as well as climate-related risks and opportunities

**Risk Management**

- Monitoring the risks and opportunities associated with climate change caused by climate change and other events associated with rising temperatures and climate change impact

**Strategy**

- Developing businesses by looking at the various risks and opportunities associated with climate change as an important perspective for business strategies

**GHG Emissions Reduction and Offset Targets**

<table>
<thead>
<tr>
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<th>Value</th>
</tr>
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<table>
<thead>
<tr>
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**Index and Targets**

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  - Page 64 GHG Emissions Reduction and Offset Targets
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**Scenario Analysis**

- Establishing two scenarios, an under 2°C and around 4°C increase in average temperatures by the end of this century, referencing the Intergovernmental Panel on Climate Change (IPCC) and Intergovernmental Panel on Climate Change (IPCC)
Renewable consumption side also needs to take action. To soften limit to what the power supply side can do, the power medium-sized multifaceted two-way) grids are built, we power generation, such as solar power, the electric grid, electric power consumption management. As distributed achievements of Japan’s 2050 Carbon Neutral goal will require decarbonization of power sources and electric power consumption management. As distributed power becomes more common due to renewable energy power generation, such as solar power, the electric grid, which had been one-way, is beginning to shift to a multifaceted two-way grid. Due to this trend, when (small- and medium-sized multifaceted two-way) grids are built, we need to efficiently control power consumption within the grid and eliminate waste. However, because there is a limit to what the power supply side can do, the power consumption side also needs to take action. To soften excessive burden on the power supply side, power control is more necessary than ever. ITOCHU believes that its energy storage system (ESS) can fulfill this role.

"Smart Star"—The Key to Power Consumption Control NF Blossom Technologies, Inc., a joint venture between ITOCHU and NF Corporation, develops and manufactures the “Smart Star” ESS series. As of March 31, 2021, a cumulative total of over 43,000 units have been sold. Smart Star features the AI function "GridShare,” which enables efficient power consumption by analyzing and studying weather forecasts, household power demand, and other data to facilitate optimal charge/discharge.
Relationship Between a Logic Tree and Non-Financial Capital

ITOCHU’s Logic Tree for Building Up Corporate Value

Our medium-term management plan “Brand-new Deal 2023” sets consolidated net profit targets for FYE 2022 and for the plan’s term as well as a long-term target for reducing GHG emissions. Moreover, to provide steps for our climb toward medium- to long-term targets, we have set a succession of short-term targets. By achieving these targets, we will realize sustained, sure-footed growth in corporate value.

- **Basic Policies**
  - Realizing business transformation by shifting to a market-oriented, value-added business
    - Eliminating the negative effects of product risks
    - Advancing the evolution of business models and the creation of new growth opportunities
    - Growing businesses by transforming value chains
  - Maintaining consistent financial strategies and strengthening the financial base
    - B/S control appropriate for A ratings
    - Maintaining high efficiency (high ROE)
    - Sustained EPS growth
  - Enhancing our contribution to and engagement with the SDGs through business activities
    - Helping the realization of decarbonization across society, ahead of industry peers
    - Contributing to the realization of a sustainable society by helping maintain and improve the foundation of daily life

- **Main Measures**
  - Evolution of FamilyMart’s business, the largest consumer base in the ITOCHU Group
  - Expansion of profit opportunities through data utilization and DX
  - Transform the entire value chain, starting from downstream
  - Continuous asset replacement for peaked out or low-efficiency businesses
  - Cash allocation based on the consistent maintenance of positive core free cash flows after deducting shareholder returns
  - Business expansion in accordance with a decarbonized society
  - Leading development in the recycling business
  - Sustained growth through strengthening the value chain
  - Strengthening human resource systems and measures to increase productivity
  - Strictly maintaining the industry’s highest number of executive officers and building a system of sharply differentiated remuneration for corporate officers
  - Developing a management structure that can adapt to changes in business conditions (SDGs, etc.)

- **Material Issues**
  - Quantitative Targets
    - Aiming to achieve consolidated net profit of ¥800.0 billion as outlined in the medium-term management plan
  - Initiatives Supporting Sustainable Growth
    - Simultaneously enhancing corporate value and addressing social issues through businesses
  - GHG Emissions Reduction Targets
    - Achieve offset zero by 2040 and net zero by 2050
  - Steppingstones to Medium- to Long-Term Value Creation
    - Further strengthening our solid profit base centered on the non-resource sector
  - Achievement of Short-Term Targets
    - Enhancing the entire value chain, starting from downstream

Maintaining and Upgrading of Non-Financial Capital, and Its Relationship to Material Issues

ITOCHU analyzes the magnitude of opportunities to increase its non-financial capital as well as the magnitude of risks with the potential to damage such capital. Based on its findings, the Company then identifies material sustainability issues and addresses them through businesses. By leveraging trust and creditworthiness garnered over many years, we will maintain and further grow our non-financial capital.

- **Relevance of Non-Financial Capital, Material Issues, and the SDGs**
  - **Non-Financial Capital**
    - Internal Capital
      - Sampo-yoshi
    - External Capital
    - Material Issues
      - Trust and creditworthiness (Sampo-yoshi)
  - **Operational Goals**
    - Enhancing businesses through technological innovation
    - Addressing climate change (Subsidiary)
    - Realization of a decarbonized society
    - Conducting a motivating workplace environment
    - Respecting human rights
    - Contributing to healthier and more enriched lifestyles
    - Ensuring stable procurement and supply
    - Maintaining rigorous governance structures
  - **Internal Capital**
  - **External Capital**

Indicates non-financial capital judged to have a particularly high relevance to material issues. We also recognize that trust and creditworthiness are strongly related to all of our material issues.
Initiatives and Systems Supporting Sustainable Growth

This section provides a PEST (political and legal, economic, social and cultural, and technological) analysis of macroenvironmental factors and describes our initiatives to promote sustainability. Risk countermeasures and how our business activities and business models relate to these factors and initiatives are highlighted. We also explain our human resource strategies for the sustained enhancement of "individual capabilities," which can lead to growth opportunities, as well as our corporate governance systems and policies—the foundations of value creation.

CONTENTS

- PEST Analysis (Macroenvironmental Factors Through 2030) 72
- Countermeasures for Business Risks and Other Risks 74
- Initiatives to Promote Sustainability 76
- Human Resource Strategy 80
- Outside Director Roundtable Discussion 82
- Corporate Governance 86
- Members of the Board, Audit & Supervisory Board Members, and Executive Officers 94
PEST Analysis (Macroevironmental Factors Through 2030)

The ITOCHU Group’s business environment is changing, and uncertainties are increasing. Through PEST analysis, we fully assess risks and opportunities in the context of macroenvironmental factors—such as the COVID-19 pandemic and responses to the SDGs—and build an even stronger competitive edge by implementing flexible measures and transforming businesses in response to changes in the era and the business environment.

How to understand this page: In the graph for each macroenvironmental factor, the upper part represents our view of the balance between the degrees of impact of risks and opportunities, while the lower part represents our projection of changes in the degrees of impact through 2030.

Example 1) Political Trends
This graph indicates that risks are more influential than opportuni-
ties and that the degree of influence is expected to gradually increase in the medium term and become uncertain in the long term.

Example 2) Greater Disparity in Economic Growth Among Emerging Countries
This graph indicates that both risks and opportunities have a certain amount of influence and that the degree of influence is expected to increase over the short term and then decrease over the medium to long term.

Example 3) Changes in Business Models Caused by Technological Innovation
This graph indicates that both risks and opportunities have significant influence and that the degree of influence is expected to be high over the short term and become even higher over the medium and long term.

With growth of developed economies slowing as populations level off and the gap in growth potential widening among emerging economies, we will determine the correct balance between growth fields and fields that will peak out.

Based on the “Sampo-yoshi” Group corporate mission, we will resolve social issues by providing products and services, creating new businesses, and replacing assets.

With trust in the political leadership of developed countries wavering, political policies focus more on stability of citizens’ livelihoods and domestic political stability. We will develop businesses and increase scrutiny of companies.

73
Countermeasures for Business Risks and Other Risks

Due to the diverse and extensive nature of its businesses, the ITOCHU Group is exposed to a range of risks, including complex market-related risk, credit risk, and investment risk. As unpredictable uncertainties are inherent in such risks, they may have significant effects on the Group's future financial position and business performance.

Viewing risk control as an important management task, we have established basic policies, administrative systems, and methods for managing the risks that we face.

<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Countermeasures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(1) Risks Associated with Macroeconomic Factors and Business Model</strong></td>
<td>• Changing business formal based on “Realizing business transformation by shifting to a market-oriented perspective” and “Enhancing our contribution to and engagement with the SDGs through business activities” Page 36 Medium-Term Management Plan “Brand-new Deal 2023”</td>
</tr>
<tr>
<td><strong>(2) Market Risk</strong></td>
<td>• Hedging transactions such as forward contracts, option contracts, and swap contracts, etc. for currency risk, or changes in interest rates, commodity prices, and stock prices.</td>
</tr>
<tr>
<td><strong>(3) Investment Risk</strong></td>
<td>• Implementing new investments through decision-making based on investment criteria.</td>
</tr>
<tr>
<td><strong>(4) Risks Associated with Impairment Loss on Fixed Assets</strong></td>
<td>• Replacing assets flexibly and building foundations for islated growth through investment.</td>
</tr>
<tr>
<td><strong>(5) Credit Risk</strong></td>
<td>• Managing risks through the setting of credit limits and the obtaining of necessary collateral and guarantees.</td>
</tr>
<tr>
<td><strong>(6) Country Risk</strong></td>
<td>• Establishing total limit guidelines on total exposure to each country and using in-house country credit ratings as the basis for establishing guidelines on limits for each country.</td>
</tr>
<tr>
<td><strong>(7) Risks Associated with Funding</strong></td>
<td>• Securing sufficient liquidity through the use of cash and deposits, commitment lines, etc., and diversifying funding sources and methods.</td>
</tr>
<tr>
<td><strong>(8) Risks Associated with Taxes</strong></td>
<td>• Establishment of a Group tax policy and appropriate tax payments complying with tax laws and tax treaties, etc., in each country.</td>
</tr>
<tr>
<td><strong>(9) Risks Associated with Significant Litigations</strong></td>
<td>• Counteracting appropriate risk processes to transactions and managing and responding to lawsuits, etc.</td>
</tr>
<tr>
<td><strong>(10) Risks Associated with Laws and Regulations</strong></td>
<td>• Developing, managing, and enforcing compliance systems continuously and responding to trends in laws and regulations in a timely, appropriate manner.</td>
</tr>
<tr>
<td><strong>(11) Risks Associated with Human Resources</strong></td>
<td>• Securing diverse human resources.</td>
</tr>
<tr>
<td><strong>(12) Risks Associated with the Environment and Society</strong></td>
<td>• Establishing the ITOCHU Group Sustainability Policy and identifying material sustainability issues.</td>
</tr>
<tr>
<td><strong>(13) Risks Associated with Natural Disasters</strong></td>
<td>• Developing Business Continuity Plans (BCP) for large-scale disasters and outbreaks of infectious disease.</td>
</tr>
<tr>
<td><strong>(14) Risks Associated with Information Systems and Information Security</strong></td>
<td>• Establishing a code of conduct on the handling of information.</td>
</tr>
<tr>
<td><strong>(15) Risks Associated with the Outbreak of COVID-19</strong></td>
<td>• Ensuring the safety of employees and related parties and preventing the spread of the virus.</td>
</tr>
</tbody>
</table>

*Image 595x671 to 1192x843*
Initiatives to Promote Sustainability

I Sustainability Promotion Flow

Having established the ITOCHU Group Sustainability Policy in accordance with its corporate mission and changes in the external environment, ITOCHU promotes sustainability initiatives systematically throughout its organization. Of particular note, each Division Company and administrative division incorporates ITOCHU’s material issues, which are identified as issues to be addressed with priority, into Sustainability Action Plans. We will continue to sustainably enhance corporate value and resolve social issues through our business activities, namely trade and business investment, while ensuring that we maintain and improve profitability.

Structure for Promoting Sustainability

The Sustainability Management Division plans measures to advance sustainability. After these are decided by the CAO, they are carried out by each organization. The Sustainability Committee deliberates and makes decisions concerning formulation and revision of basic policies and important matters. Through dialogue with stakeholders such as the Sustainability Advisory Board, we gain an understanding of society’s expectations and demands, etc., which we use in our efforts to promote sustainability.

Identification and Review of Material Issues

Since ITOCHU first identified material issues in 2013, we have conducted regular reviews based on trends in the international community and the expectations of stakeholders. In FYE 2019, when the previous medium-term management plan kicked off, we identified seven material issues based on the adoption of the SDGs, the Paris Agreement on climate change coming into effect, and other social developments and changes affecting business. We continue to apply the same material issues for “Brand-new Deal 2023.”

Expanding Sustainability-Related Disclosure

The Group places great importance on dialogue with various stakeholders, including NGOs, NPOs, and local communities, as well as investors, shareholders, business partners, and employees. To provide wider access to the Company’s sustainability-related information, we have expanded our disclosures through our sustainability website and ESG report. By recognizing stakeholder expectations and concerns, ITOCHU is reflecting measures to address these issues in its business activities and promote sustainability.

Our proactive attitude towards disclosure has helped improve our sustainability rating. In December 2020, ITOCHU received the highest A rating for the first time as a general trading company in the MSCI ESG Rating. As a result, we were included in all the ESG-related indices adopted by the GPF (Page 116 ESG Data) and ITOCHU became the GPF’s No. 1 ESG investment among general trading companies in FYE 2021.

Going forward, we will continue expanding sustainability-related disclosures while emphasizing dialogue with stakeholders.

Establishment of the ITOCHU SDGs STUDIO

We established the ITOCHU SDGs STUDIO in April 2021, as a base for boosting awareness of worldwide initiatives related to all of the SDGs. This unique place supports not just the Company’s SDG initiatives but also worldwide initiatives related to the SDGs, and the studio provides an events space and recording booth with the aim of contributing to a sustainable society. The studio hosts various events and produces radio shows as a way regular people can learn about how the SDGs are relevant to their own lives.

Please see our website for further information. [https://www.itochu.co.jp/en/csr/report/]

We provide information related to the SDGs from the recording booths through an ITOCHU-sponsored show on J-WAVE, etc.

At the event space, we host various projects related to the SDGs.
Sustainability Management Aligned with Our Business Activities

ITOCHU understands that in order to realize the stable and sustainable procurement and supply of raw materials, it must respond appropriately to environmental and human rights risks in its increasingly wide-ranging and complex supply chains.

We conduct sustainability management aligned with each of our business activities, including trading and business investment. Through supply chain sustainability surveys and ESG risk assessments for new business investment projects, etc., we enhance the transparency of not just the Group but the entire supply chain and promote initiatives with an awareness of human rights, labor, the environment, and more. In this way, we are building a sustainable value chain that will enhance the Group’s competitiveness and corporate value.

ESG Risk Assessment for New Business Investment Projects

When making new business investments, we use the ESG checklist for investments to conduct a thorough due diligence on the status of the business investee’s sustainability promotion system and policy, as well as the risks of significant effects on the environment, violations of laws and ordinances, and complaints, etc. This checklist consists of 33 checklist items, being conscious of the elements of the seven core subjects* in ISO 26000. With this checklist, the division making the application (business division) is required to refer to reviews based on risk analysis from Sustainability Management Division, and to request additional due diligence from external specialist organizations on areas of concern that require an expert opinion, such as soil pollution surveys for building construction. The project is then only undertaken upon confirming that there are no problems in those results.

Group Company Fact-Finding Investigations

We have continually conducted on-site investigations of Group companies since 2001 to prevent environmental pollution and other problems.

Although we temporarily halted on-site visits in FYE 2021 in accordance with COVID-19 prevention measures, we completed investigations into a cumulative total of 285 offices as of March 31, 2021. In these investigations, we conduct wide-ranging inspections such as the factory and warehouse facilities, drainage to rivers, compliance with environmental laws and regulations, consideration for labor safety and human rights, and communication with the local community in addition to holding a Q&A session with management. We also identify problems and present preventative measures, and follow up to check whether the issues have been corrected.

Supply Chain Management Promotion

Notice of the Sustainability Action Guidelines for Supply Chains

To see the progress of our human rights due diligence for 2020, please see ITOCHU’s sustainability website.

Supplier Checking System of the Food Business

In the Food Company, we have put a unique management system in place. We take a wide range of measures to ensure safety in the food business through checks of new suppliers’ production management before beginning business, as well as periodic audits of suppliers. We conduct the periodic audits in line with ITOCHU’s proprietary food safety management manual and with reference to international food safety standards. In addition, we established the Chinese Food Safety Management Team in China in order to build a management system of the same caliber as the one in Japan. A sanitation management system based on a Hazard Analysis Critical Control Point (HACCP) is now mandated, following an amendment to the Food Sanitation Law. In accordance with the new law, we will further expand the businesses subject to on-site audits in the food supply chain.

Human Rights Due Diligence Flow Chart

Sustainability Surveys and Human Rights Due Diligence

We notify all of our suppliers of the Sustainability Action Guidelines for Supply Chains before conducting business with them. We only begin business with them after thorough communication with them on our sustainability-related policies. In addition, we conduct a yearly sustainability survey of our main business partners to better understand their situation. (In FYE 2021, we surveyed 310 companies.) Furthermore, based on the Group’s human rights policy, we began doing more thorough due diligence related to human rights. In FYE 2021, we conducted human rights due diligence in the Food Company and built a process for identifying and assessing risks and then taking corrective measures. The results are disclosed on ITOCHU’s website. Going forward, we will continue to gradually expand the scope of human rights due diligence to encompass the scope of our other businesses.

Through these measures, we will fulfill our responsibility to provide a stable supply of goods to support people’s lives while reducing risks in the supply chain related to human rights, labor, and the environment.

Enhancing Traceability as a Business

ITOCHU is working to promote its traceability business as a new revenue stream. In the General Products & Realty Company, we have developed a traceability system for natural rubber and have begun to produce traceable natural rubber. (Page 111 Procuring Natural Rubber from Sustainable Natural Resources) In the Food Company, in addition to expanding trade of third-party-certified products, such as vegetable oils, we invested in the coffee traceability and sustainability platform Farmer Connect SA.

By expanding the traceability business, we aim to increase our earning power while enhancing our contribution to and engagement with the SDGs.
**Human Resource Strategy**

**Cultivate a Motivating Workplace Environment**

ITOCHU’s management team is committed to creating a company that is challenging but rewarding to work for. With maximizing the “individual capabilities” of our streamlined workforce as an important management strategy, we have steadily improved labor productivity by enhancing the health and motivation of each employee and strengthening their sense of participation in business management.

The aforementioned initiatives have created a virtuous cycle in which a favorable external reputation enables us to recruit outstanding personnel even expected structural labor shortages and increased human resource mobility.

Going forward, we will continue introducing measures to make this virtuous cycle even more powerful.

**Developing Capabilities**

<table>
<thead>
<tr>
<th>INPUT</th>
<th>OUTCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providing growth opportunities based on individuals’ aptitudes and careers</td>
<td>Energizing all generations by improving each individual’s job satisfaction</td>
</tr>
<tr>
<td>Improving work efficiency</td>
<td>Increasing employee motivation and sense that work is worthwhile</td>
</tr>
<tr>
<td>Enhancing the flexibility of work styles and improving work efficiency</td>
<td>Providing meaningful work tasks that are resistant to the COVID-19 pandemic</td>
</tr>
</tbody>
</table>

**Pursuing Efficiency**

<table>
<thead>
<tr>
<th>INPUT</th>
<th>OUTCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expanding and improving ICT infrastructure</td>
<td>Increasing working efficiency through systematic provision of work experience</td>
</tr>
<tr>
<td>Introducing thin-client terminals and digitalizing application forms</td>
<td>Achieving the desired work-life balance for employees</td>
</tr>
<tr>
<td>Advancing introduction of robotic process automation at each work site</td>
<td>Enhancing the feasibility of work styles and improving work efficiency</td>
</tr>
</tbody>
</table>

**Results of Morning-Focused Working System**

<table>
<thead>
<tr>
<th>Before introduction</th>
<th>One year after introduction</th>
<th>Average between work before and after implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleaning the office</td>
<td>At least 20:30 p.m.</td>
<td>82%</td>
</tr>
<tr>
<td>Cleaning the office</td>
<td>At least 10:00 p.m.</td>
<td>60%</td>
</tr>
</tbody>
</table>

*1 % of people in the headquarters
*2 Compared with the level before we introduced the Morning-Focused Working System

**Increase in Corporate Value through Improved Labor Productivity**

- Received the Ministerial Award for Women-Empowering Companies 2020
- Company ranking among job-seekers according to 7 major institutions

<table>
<thead>
<tr>
<th>(All company)</th>
<th>Ranked No. 1 by 4 institutions (General trading company)</th>
<th>Ranked No. 1 by all institutions</th>
</tr>
</thead>
</table>

* From 2022 graduates, the Company received first-place rankings among all companies in the surveys of SKSOLCO Ltd., DIONE-MINBUJIN RESOURCES INC., Daiso Group Inc., and Nippon Cultural Broadcasting Inc., and received first-place rankings among general trading companies in surveys of all seven institutions, which were the four said organizations and DICO Inc., WOMQUICK Co., Ltd., and Aoyama Corporation.

**Increase in Participation in Management (Shared Value with Shareholders)**

<table>
<thead>
<tr>
<th>INPUT</th>
<th>OUTCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Encouraging participation in the Employee Shareholding Association</td>
<td>Participation in the Employee Shareholding Association in FYE 2022: 55.3%</td>
</tr>
<tr>
<td>Stock compensation scheme (FYE 2022)</td>
<td>Reaping each employee’s sense of participation in business management</td>
</tr>
<tr>
<td>Compensation highly linked to the Company’s performance</td>
<td>Reaping the Company’s performance</td>
</tr>
</tbody>
</table>

**Percentage of Membership in the Employee Shareholding Association**

FYE 2021: 55.3% (Increase: 43.5 pt)

**Improving Motivation**

**Enhancing Health**

<table>
<thead>
<tr>
<th>INPUT</th>
<th>OUTCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Health Charter (FYE 2017)</td>
<td>Appro. ¥3.5 million warranted for health and productivity measures in FYE 2022</td>
</tr>
<tr>
<td>Support Measures for Balancing Cancer Care and Work (from FYE 2014)</td>
<td>Regular special checkups in cooperation with the National Cancer Center Research Institute</td>
</tr>
<tr>
<td>Establishing systems individually to encourage the balance between treatment and work tasks</td>
<td>Provide full Company assistance for expenses for advanced cancer treatment</td>
</tr>
<tr>
<td>Providing full Company support for cancer screening sites</td>
<td>Provide school clinic and worksite support for bereaved family members</td>
</tr>
</tbody>
</table>

**COVID-19 Countermeasures**

<table>
<thead>
<tr>
<th>INPUT</th>
<th>OUTCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conducting workplace vaccinations, all aspects of which are arranged by the Company, including medical resources and vaccination sites</td>
<td>Establishing environments in which employees can work with peace of mind even amid the COVID-19 pandemic</td>
</tr>
<tr>
<td>Collaborating with Tokyo Women’s Medical University Hospital</td>
<td>Providing know-how on workplace vaccinations to external parties</td>
</tr>
</tbody>
</table>
Further Enhancing ITOCHU’s Corporate Value

Three Outside Directors discuss ITOCHU’s management aims to enhance sustainable corporate value.

--Please tell us about the general atmosphere of the Board of Directors.

Atsuko Muraki: ITOCHU achieved the “triple crown” for general trading companies in FYE 2021, but back in FYE 2016, it felt somewhat surreal when the Company snatched the No. 1 spot in consolidated net profit among general trading companies. This time, however, the management team has accepted the accomplishment of the “triple crown” with confidence and self-awareness, and I really feel that ITOCHU has become a company that can continuously seize the No. 1 spot.

Masatoshi Kawana: Instead of reveling in the “triple crown,” we focused our discussions on FYE 2022, which has already started, and beyond. Certainly, there was an awareness that we cannot let this be a one-off accomplishment. Of the “earn, cut, prevent” principles, the “cut” and “prevent” principles in particular have been repeatedly emphasized. Management understands that the better the Company’s position, the more defensive we need to be.

Makiko Nakamori: What impresses me is glimpsing the Company’s strong will to verbalize, ingrain, and practice culture and tradition. You can see this in the easy-to-remember phrase “earn, cut, prevent” and the renewed corporate mission of “Sampo-yoshu.” A major strength for ITOCHU seems to be that all executives and employees comprehend and embody the management team’s management philosophy. Discussions at Board meetings are quite thorough, delving into detailed analyses of debt collection and contract conditions, fostering an awareness of the need to constantly monitor risks. My impression is that our deliberations always assume the worst case, elevating defense to the same level as offense.

—What kind of discussions took place in formulating the new medium-term management plan?

Muraki: Just a couple years ago, discussions related to the SDGs were still somewhat abstract. These became much livelier as we pursued real substance under the current medium-term management plan “Brand-new Deal 2023.” Results of the discussions are incorporated into specific quantitative goals and schedules related to GHG emissions reductions as well as the complete withdrawal from thermal coal interests, something I feel displays ITOCHU’s seriousness.

Kawana: From a doctor’s perspective, this seriousness plays ITOCHU’s seriousness.

Nakamori: Just from a doctor’s perspective, this seriousness is not a big surprise. The Company has taken measures aligned with various SDG concepts. For example, ITOCHU fosters workplace environments where employees can work peacefully by promoting work-style reforms, such as the “Morning-Focused Working System,” and health promotion measures, such as “Support Measures for Balancing Cancer Care and Work.” We have repeatedly held engaging discussions from the perspective that by working to achieve the SDGs, we will not only contribute to society but also support the sustainable growth of ITOCHU. We therefore were able to reasonably accept the proposed basic policies. Creating a detailed roadmap with sufficient forecasts for concepts that typically tend to be discussed in ambiguous terms—this, I think, is a unique planning style of ITOCHU, which always presupposes turning words into accomplishments.

Muraki: When formulating the current medium-term management plan, management listened closely to the opinions of the Outside Directors and reflected them in the measures. This resonated with me. Because the SDG initiatives are undertaken by a general trading company with a wide range of businesses, throughout the discussion process we suggested that the Company tell a story about the measures overall, that is connected from the past to the present and future to ensure all of its stakeholders clearly understand the concepts and their impacts. When trying to convey the story, we are cognizant that there are actually numerous SDG-related projects within the Company. One of the major advantages of a general trading company is that due to its wide scope of contact points, it can help not only other companies achieve the SDGs but also society as a whole. I therefore think that visualizing this in publicly released materials was extremely beneficial.

Nakamori: The speed at which the disclosure proposal on this story moved straight to implementation is characteristic of ITOCHU. The Company became even more aware of its relationship with society, and it is very meaningful that employees were able to comprehend the connection between each initiative and the SDGs. We also interpreted from thermal coal interests, which has been progressing for the last few years, as a story. I imagine that the Company can continue further accelerating these efforts while creating new initiatives.

I would like ITOCHU to avoid shifting its business fundamentals and remain a company that welcomes change.

Masatoshi Kawana
Outside Director

Mr. Kawana served as Vice President of Tokyo Women’s Medical University Hospital, in addition to other positions, where he gained a high level of experience in hospital management and advanced knowledge of medical care. He assumed a position as member of the Board of Directors at ITOCHU in June 2018. He has been contributing to the further development of governance at ITOCHU as Chairman of the Governance and Remuneration Committee from FYE 2021. He uses his expertise to provide many useful proposals and suggestions in the fields of health management and the establishment of preventive measures against in-office infection of COVID-19.

I expect the Company to accelerate SDG initiatives while strengthening its stance on meeting social demands through business.

Makiko Nakamori
Outside Director

Ms. Nakamori possesses a high level of expertise on finance and accounting as a certified public accountant and a wealth of experience as a corporate manager. She assumed a position as member of the Board of Directors at ITOCHU in June 2019. She serves as a member of the Governance and Remuneration Committee in FYE 2021 and currently serves as a member of the Nomination Committee for FYE 2022. She often provides helpful advice based on her specialized knowledge and unique experience in the fields of internal control, compliance, and EIK.

A major issue going forward will be how to develop the next management team.

Atsuko Muraki
Outside Director

Ms. Muraki assumed a position as member of the Board of Directors at ITOCHU in June 2016, after serving as Vice Minister of Health, Labour and Welfare. She has been serving as Chairman of the Nomination Committee from FYE 2021, and leads deliberations on the appointment and dismissal of key management members and succession plans. She also provides many helpful suggestions concerning internal control, compliance, deploying personnel, and strengthening organizations.

Outside Director Roundtable Discussion
Please tell us about the process used to select Keita Ishii as President & COO.

Muraki: When selecting Keita Ishii as President & COO, the Nomination Committee held numerous discussions about what kind of business leader TOCHU would need going forward. All the Outside Directors narrowed down the choices by holding hearings for the candidates regarding their careers to date, their mindsets, and how they want to change the Company moving forward. Through the final discussion at the Nomination Committee, we reached a unanimous decision on the selection. Personally, I believe Mr. Ishii is an appropriate President & COO for TOCHU, as he has big dreams and sets ambitious goals while taking a very realistic approach to achieve them and making strategic efforts in pursuit of a front-line-first philosophy.

Kawana: Through hearings by Outside Directors, we came to understand that President & COO Ishii has worked hard for customers and consistently displayed a merchant attitude for many years by selling products while building trust. We all arrived at this understanding.

Nakamori: He has an excellent balance between a front-line perspective and a Companywide perspective. He is kind to people, bright, and energetic. He not only easily endears himself to customers, he has the ability to motivate people and organizations. We did not tell the candidates that the this is work selected for the President & COO, and we maintained a very open atmosphere. We were able to ask about what we wanted to know, and the hearings were very fruitful. Also, the hearings helped us get to know the character of the people who will lead TOCHU in the future, something that would be difficult to grasp in the limited time at meetings of the Board of Directors. This was also a useful opportunity for us to provide advice from an outside perspective.

—Are there any issues in the human resource strategies and organizations?

Muraki: The business environment is undergoing significant changes, making it even more imperative to break down vertical organization that is divided by products and business fields, introduce new technologies, and promote young employees. The litmus test for deciding whether a company has a future or not is whether young workers and female workers thrive at the company. I have been saying this since I took on this role, but empowering female workers is especially important. I can understand the idea that people should be promoted based on their abilities regardless of gender, and systems are being upgraded under the leadership of the Human Resources & General Affairs Division, but because there are so few role models, the atmosphere makes it difficult for female workers to raise their hands. In actuality, there are unconscious barriers for male workers too. Because positions are filled, I think it is necessary to intentionally promote female employees with a certain amount of experience so female employees can also fully take on the responsibilities given to them.

Nakamori: I think the key point is how to increase support among male employees, including managers. However, given the strong individuality of each employee, I feel that diversity is fundamentally being maintained. This could be because each employee attains a high level of expertise and autonomy in a specific sector, builds up a track record, and then observes the entire Company as management.

Kawana: From the outside, the Company might appear to be an old-fashioned Japanese company with a homogenous organizational structure. In terms of mind-sets for business, however, the Company certainly has the kind of diversity that makes organizations resilient to change. It is said that some of the exceptionally skilled employees will go on to become a major force in the world, but the current annual focus on new graduates all at once makes it difficult to acquire those kinds of employees. Currently, the policy is to develop human resources internally, but the Company will also need to bring in excellent human resources with innovative ideas, which will become more important moving forward.

Nakamori: Building systems to hire excellent human resources from outside could conversely disadvantage existing employees, so implementation is not simple. The 8th Company was established to test these kinds of new initiatives, and I am looking forward to their endeavors in various fields.

Muraki: In addition to the Chairman & CEO, the management appointments of CAO and CFO are getting longer. A major issue going forward will be how to develop the next management team to ensure future generations inherit excellent management of the same high caliber.

—Please tell us about your expectations for TOCHU going forward.

Muraki: A chain reaction is needed to ensure Japan becomes a more active society moving forward. Chain reactions only occur when different things come into contact. General trading companies, which connect different things, can create that kind of reaction. When TOCHU makes a move, there is a good chance that something interesting will happen that ultimately contributes to society. I would like the Company to demonstrate functions in line with this era and generate innovation. To this end, I want the Company to remain one where employees can work with satisfaction.

Kawana: It is important that employees feel they are useful to the world and experience personal growth by fulfilling their roles and creating profit. I would like the Company to avoid shifting its business practices or business fundamentals. In order to continue shining, TOCHU must remain a company that welcomes, rather than avoids, change.

Nakamori: As Chairman & CEO Okutani often says, “general trading companies are like water.” They maintain their current presence because they change with the times. This flexibility means they retain their ability to be useful and contribute to society. Going forward, I expect the Company to accelerate SDG initiatives while strengthening its stance on meeting social needs through business. I also think that Outside Directors have a very important role to ensure TOCHU, which has strong leadership in top management, continues developing sustainably. I would like to fulfill my responsibility and continue meeting the expectations of stakeholders, including shareholders.
Further Enhancement of ITOCHU's Corporate Governance System

ITOCHU has carried out continuous reviews and refinements of the system and various initiatives, including the response to the introduction of the Corporate Governance Code in 2015, the transition to a Board of Directors with a monitoring-focused structure in 2017, and the improvement of the ratio of Outside Directors. As well as aiming to further enhance the effectiveness of the current corporate governance system, under which certain systems have been established, we also aim to further enhance and reinforce the governance system of not only the ITOCHU Corporation but of the entire Group. As a part of this, from June 2020 we have disclosed the significance of holding each of our six listed subsidiaries, and have expanded the explanatory content to cover more substantive aspects from 2021.

In FYE 2022, to further enhance diversity in the Board of Directors and ensure the structure of the Board of Directors contributes to realizing business transformation by shifting to a market-oriented perspective, one of the basic policies of the new medium-term management plan, we appointed people with the knowledge of corporate management and revising discussions by leveraging even more diversified and professional perspectives and opinions. Additionally, we have disclosed a skills matrix which shows the principle specialized area of experience for all corporate officers and areas in which they are expected to make a particular contribution. We have identified areas where inside and outside corporate officers have gained knowledge and experience and have a high level of insight. For Outside Directors and Audit & Supervisory Board Members, we have further identified the areas where the professional perspectives and high level of insight of each director and member can be utilized to the maximum extent.

Furthermore, to improve the linkage between management strategy and the corporate officer remuneration system, the evaluation of each director will be determined by including a response to climate change, ESG, and the SDGs from FYE 2021.

Structure of Board of Directors

In accordance with the criteria for the appointment of directors, the Company always maintains an Outside Directors' ratio of at least one-third, and considers the appropriate structure of the Inside and Outside Directors as the occasion demands, taking into account the business environment and management strategy.

In FYE 2022, the ratio of Outside Directors decreased compared to the previous fiscal year, mainly due to the appointment of the Vice Chairman. However, we believe that the role and contribution of the Vice Chairman of the Board of Directors, who has experience as President & COO and operates at a fixed distance from the executive side, is significant and more meaningful for the management and governance of the Company. Furthermore, in FYE 2022 we continued to appoint two female Directors, maintaining a high level of female representation on the board.

Overview of Corporate Governance and Internal Control System

*4 CAO is the chief officer of compliance. Also, each Division Company has a Division Company President.

**2 Established advisory committees under the Board of Directors to enhance the transparency of the decision-making process and strengthen supervisory functions. The role of each advisory committee is as follows.

Governance and Remuneration Committee: Advises on proposals related to the remuneration system for Directors and Executive Officers and other matters relating to their remuneration.

Grievance and Remuneration Committee: Advises on proposals related to the remuneration system for Directors and Executive Officers and other matters relating to their remuneration.

Governance and Remuneration Committee: Advises on proposals related to the remuneration system for Directors and Executive Officers and other matters relating to their remuneration.

Corporate Governance and Remuneration Committee: Advises on proposals related to the remuneration system for Directors and Executive Officers and other matters relating to their remuneration.

**3 Internal Control Committee (CAO): Deliberates on issues related to internal control systems, Disclosures Committee (CFO): Deliberates on issues related to business activity disclosures and on issues related to the development and operation of internal control systems in the area of business management. Audit Committee (CEO): Deliberates on issues related to risk management systems and balance sheet management. Compliance Committee (CEO): Deliberates on issues related to compliance.

**4 Internal Control Committee and mechanisms have been implemented at every level of ITOCHU. Only the main internal control organizations and committees are described herein.

Enhance Corporate Value by Focusing on the Downstream

In my long experience as a merchant in the retail industry, I am conscious of the fact that further understanding of customer needs is exactly connected to the expansion of businesses. I have always carried out my work with a focus on the downstream area, and my management team has always striven to put this into practice. As a merchant, I have empathized with how ITOCHU presents its businesses in simple terms and as the Guideline of Conduct. “I am One with Infinite Missions,” to its employees. In ITOCHU’s new medium-term management plan, we announced “Realizing business transformation by shifting to a market-oriented perspective” as one of the basic policies. We will make a major shift from our previous approach to promoting the creation of new growth opportunities and the evolution of the business model, starting from the downstream, namely, the final consumer. Going forward, I hope to use my experiences to participate in ITOCHU’s management from a higher perspective as an Outside Director in the public eye, and contribute to Groupwide earnings growth and enhancement of corporate value together with the merchants of the ITOCHU Group, including ITOCHU’s management teams.

Kunio Ishizuka
Outside Director
Mr. Ishizuka has extensive knowledge of corporate governance and internal control which he gained through his experiences as President and Chairman of ITOCHU Corporation. He was appointed to the ITOCHU Board of Directors in June 2021 and is a member of the Governance and Remuneration Committee.
Skills Matrix of Corporate Officers and Structure of Advisory Committees

ITOCHU’s corporate officers, regardless of whether they are inside or outside, bring their knowledge, experience, and high level of insight in their respective fields to management. To fully utilize the professional perspectives and high level of insight of each Outside Director and Audit & Supervisory Board Member, the areas in which they are expected to make a particular contribution are identified with ●, after consultation with each officer.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Gender</th>
<th>Skill Matrix of Corporate Officers and Structure of Advisory Committees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Masaaki Okajiri</td>
<td>Chairman &amp; CEO</td>
<td></td>
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<tr>
<td>Yoshitaka Suzuki</td>
<td>Vice Chairman</td>
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<tr>
<td>Kato Isamu</td>
<td>President &amp; COO</td>
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<tr>
<td>Tetsunori Yoshida</td>
<td>Director</td>
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<tr>
<td>Nari Fujita</td>
<td>Director</td>
<td></td>
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<tr>
<td>Futami Kobyasahi</td>
<td>Director</td>
<td></td>
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<tr>
<td>Tsuyoshi Hachimura</td>
<td>Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Atsuko Muraki</td>
<td>Outside Director</td>
<td></td>
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<tr>
<td>Masahisa Kawana</td>
<td>Outside Director</td>
<td></td>
<td></td>
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<tr>
<td>Makio Nakamura</td>
<td>Outside Director</td>
<td></td>
<td></td>
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<tr>
<td>Kunio Ishibashi</td>
<td>Outside Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shusuke Tanahashi</td>
<td>Full-time Audit &amp; Supervisory Board Member</td>
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<tr>
<td>Makoto Kyoda</td>
<td>Full-time Audit &amp; Supervisory Board Member</td>
<td></td>
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<tr>
<td>Shingo Majima</td>
<td>Outside Audit &amp; Supervisory Board Member</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kentaro Uryu</td>
<td>Outside Audit &amp; Supervisory Board Member</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Masami Kikuchi</td>
<td>Outside Audit &amp; Supervisory Board Member</td>
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</tbody>
</table>

Information Provision and Support System for Outside Officers

To fully demonstrate the function of outside officers whose responsibility is to monitor and audit management, and to maximize contribution to the Company’s management objectively, it is essential to reduce the information asymmetry between inside and outside officers as much as possible. We strive to implement various initiatives to deepen the outside officers’ understanding of ITOCHU’s diverse businesses as a general trading company and to reestablish the Board of Directors.

Preliminary Briefings

We hold preliminary briefings for outside officers prior to the Board of Directors’ meetings. In addition to explaining the important points and contents of each agenda item, for important agendas, we provide information to deepen understanding of the background and matters to be resolved of each agenda item, as well as the contents of discussion held in the internal management meeting. Furthermore, regarding the formulation of the management plan, ITOCHU conducts progress reports and opinion exchanges regarding the plan in order to reflect the diverse perspectives of outside officers in the numerous stages of the formulation process.

Site Visits

ITOCHU creates opportunities for outside officers to make periodic visits to business sites at Group companies and investees inside and outside Japan, and hold exchanges and dialogues with each management team and employees. The reason for this is to deepen the understanding of the diverse characteristics of the vast range of ITOCHU’s business activities, products, and services, as well as connect these to appropriate management decisions.

Information Provision and Support System for Outside Officers

To fully demonstrate the function of outside officers whose responsibility is to monitor and audit management, and to maximize contribution to the Company’s management objectively, it is essential to reduce the information asymmetry between inside and outside officers as much as possible. We strive to implement various initiatives to deepen the outside officers’ understanding of ITOCHU’s diverse businesses as a general trading company and to reestablish the Board of Directors.
I TOCHU Corporation ANNUAL REPORT 2021

Corporate Governance

Initiatives and Systems Supporting Sustainable Growth

04

Based on the results of this effectiveness evaluation, ITOCHU will actively work on enhancement of discussions and reinforcement of supervision to maintain the effectiveness of the Board of Directors and further improve its functions.

Procedure for Evaluation of the Board of Directors and Evaluation by External Consultants

ITOCHU conducted evaluations on the effectiveness of the Board of Directors for all 10 Members of the Board and 5 Audit & Supervisory Board Members for FYE 2021.

The results of this evaluation confirmed that the Company’s Board of Directors continues to ensure its effectiveness in terms of the structure of the Board of Directors and advisory committees to the Board of Directors, the roles and duties of the Board of Directors, the operation status of the Board of Directors, and the information provision and training for Members of the Board and Audit & Supervisory Board Members.

External consultants confirmed that, in FYE 2021, the Board of Directors fully discussed matters that are highly consistent with the Company’s medium- to long-term management strategies and contributed to the implementation of such strategies, and that the Board of Directors is functioning effectively. Among other things, the evaluation concluded that the Board of Directors is adequately fulfilling its role in demonstrating its effectiveness, including increasing the participation of outside officers in the management appointment process and the commitment to the SDGs in the medium-term management plan.

Based on the results of this effectiveness evaluation, ITOCHU will actively work on enhancement of discussions and reinforcement of supervision to maintain the effectiveness of the Board of Directors and further improve its functions.

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Conduct questionnaires</th>
<th>Conduct analysis and evaluation of results</th>
<th>Respond to priority issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Items covered by questionnaire</td>
<td>1. Structure of the Board of Directors</td>
<td>4. Operation status of the Board of Directors</td>
<td>5. Information provision and training for Members of the Board and Audit &amp; Supervisory Board Members</td>
</tr>
<tr>
<td></td>
<td>2. Structure of advisory committees to the Board of Directors</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>3. Role and duties of Board of Directors</td>
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</table>

Status of Response to Prior Issues

1. Further improve diversity of the Board of Directors

In FYE 2021, the Company decided to appoint people with the knowledge of corporate management as outside officers (appointed as of the date of the 2021 Ordinary General Meeting of Shareholders). As a result, the Company assumed a structure for the Board of Directors that is highly consistent with “Improving corporate governance by shifting to a market-oriented perspective,” one of the basic policies of the medium-term management plan, as well as even more diversity.

2. Enhance discussions based on a medium- to long-term perspective

The Board of Directors discussed (ITOCHU’s) initiatives and Groupwide policies for promoting sustainability. Lively discussions were held based on a medium- to long-term perspective, including the decision to make “Improving our business competitiveness and enhancing the SOGs through business activities,” one of the basic policies of the medium-term management plan.

3. Strengthen information provision for outside officers

Each outside officer holds a one-to-one meeting with the management team, and each Division Company holds bi-annual sessions explaining how to realize the medium-term management plan. Through these initiatives, we strive to further strengthen communication and reduce information asymmetry between inside officers and outside officers.

Key issues to be addressed

For the Board of Directors to further demonstrate its functions, it has been pointed out that the Board should enhance discussions that contribute to the further improvement of corporate value and strengthen supervision of business execution, not only in terms of format but also in terms of effectiveness. We will take advantage of various opportunities, including advisory committees and outside discussions outside of the Board of Directors, to exchange opinions with outside officers, and engage in constructive discussions that contribute to the further enhancement of its effectiveness.

I Policy on the Governance of Listed Subsidiaries

ITOCHU respects the autonomy of listed subsidiaries and prohibits any acts that contradict the principle of shareholder equality, in accordance with ITOCHU’s Policy on the Governance of its Listed Subsidiaries, which was announced in October 2019. Each subsidiary relationship and ITOCHU are in a mutually beneficial relationship to enhance corporate value as business partners. With the recognition that there is a potential conflict of interest between ITOCHU and the minority shareholders of these listed subsidiaries and in order to secure the independent decision-making of these subsidiaries, we request that they set up the effective governance structure under which the independent outside directors of these listed subsidiaries are fulfilled. For each of the listed subsidiaries, they have established an independent governance system at the time of the ordinary general meeting of shareholders in 2021, including the improved ratio of outside directors and the establishment of an independent advisory committee to the board of directors. ITOCHU will continue to encourage listed subsidiaries to further improve their governance structure, taking into account the amendment to the Corporate Governance Code.

The significance of holding each listed subsidiary from perspectives including the Group’s management strategy is as follows:

<table>
<thead>
<tr>
<th>Company name</th>
<th>Significance of holding</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROOCH EMULX</td>
<td>38% (out of 10 directors)</td>
</tr>
<tr>
<td>JOY CO., LTD.</td>
<td>50% (out of 10 directors)</td>
</tr>
<tr>
<td>C. I. TAKIRON</td>
<td>50% (out of 10 directors)</td>
</tr>
<tr>
<td>ISCO</td>
<td>50% (out of 10 directors)</td>
</tr>
<tr>
<td>CTC</td>
<td>50% (out of 10 directors)</td>
</tr>
<tr>
<td>CONEXIO</td>
<td>50% (out of 10 directors)</td>
</tr>
</tbody>
</table>

- **ROOCH EMULX**
  - analysts in the medium-term management plan.
  - to secure a stable profit base both in Japan and overseas. In addition, ITOCHU EMULX CO., LTD., with utilizing the ITOCHU Group’s extensive domestic and international networks, promotes initiatives in the new energy field which contributes to achieve the SDGs, and carries out the fuel supply businesses for our Group companies.

- **JOY CO., LTD.**
  - Analysts and reinforcement of supervision based on the evaluation results.

- **C. I. TAKIRON**
  - to further improve their governance structure, taking into account the amendment to the Corporate Governance Code.

- **ISCO**
  - Further improve diversity of the Board of Directors.

- **CTC**
  - Enhance discussions based on a medium- to long-term perspective.

- **CONEXIO**
  - Strengthen information provision for outside officers.

Established on August 1, 2021

<table>
<thead>
<tr>
<th>Company name</th>
<th>Ratio of independent outside directors</th>
</tr>
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<tr>
<td>ROOCH EMULX</td>
<td>38%</td>
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<td>CONEXIO</td>
<td>50%</td>
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</table>
ITOCHU Corporation ANNUAL REPORT 2021

Corporate Governance

Initiatives and Systems Supporting Sustainable Growth

**Normal**

**Bold**

**Italic**

**Code**

**Table**

**Diagram**

**Figure**

**Note**

**Reference**

**Equation**

**List**

**Table**

<table>
<thead>
<tr>
<th>Fixed / Variable</th>
<th>Overview</th>
<th>Remuneration limit</th>
<th>Resolution of general meeting of shareholders</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed remuneration</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Monthly remuneration</td>
<td>Determined based on the standard amount by position and the level of contribution to ITOCHU Corporation, including its response to climate change, ESG, and the SDGs.</td>
<td>¥8.6 billion per year as total amount (including ¥0.1 billion per year as a portion paid to Outside Directors)</td>
<td></td>
</tr>
<tr>
<td><strong>Variable remuneration (Long-term)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Performance-linked stock remuneration</td>
<td>Determined based on consolidated net profit, and achievement of corporate value in the medium to long term.</td>
<td>¥2.0 billion per year as total bonuses paid to all Directors. Not paid to Outside Directors</td>
<td></td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Variable remuneration (Single year)</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>(3) Share-price linked bonuses</td>
<td>Calculated based on changes in ITOCHU’s stock price for two consecutive fiscal years and relative growth rate of ITOCHU’s stock price compared to Tokyo Stock Price Index (TOPix).</td>
<td>June 21, 2019</td>
<td></td>
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<tr>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>Variable remuneration (Medium to long term)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) Performance-linked stock remuneration</td>
<td>Total payment amount is determined based on consolidated net profit, and each individual payment amount is determined in relation to the position points for the Director used in calculating the individual performance-linked stock remuneration.</td>
<td>June 24, 2016</td>
<td></td>
</tr>
</tbody>
</table>

**Details of the Remuneration Paid to Directors and Audit & Supervisory Board Members of the Company in FYE 2021**

<table>
<thead>
<tr>
<th>Type</th>
<th>Number of people</th>
<th>Outright (million yen)</th>
<th>鼬通 (million yen)</th>
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</table>

**Calculation Formulas for (3) Share Price-linked Bonuses**

Formula: 100% + (plan achievement rate of the consolidated net profit of the assigned division / department) x Rate determined based on plan achievement rate of the consolidated net profit of the assigned division / department

Formula: 100% + (plan achievement rate of the consolidated net profit of the assigned division / department) x 2% (negative), in which the plan achievement rate shall be 100% for the eligible Director for whom no plan achievement rate is measurable.

**Performance-linked Bonus Calculation Scheme for FYE 2021**

Formula: cm = (Simple average of daily closing price of ITOCHU stock in FYE 2021 / Simple average of daily closing price of ITOCHU stock in FYE 2023) x 1,300,000 x total position points / Sum of position points for all the eligible Directors)

Formula: 100% + (plan achievement rate of the consolidated net profit of the assigned division / department) x Rate determined based on plan achievement rate of the consolidated net profit of the assigned division / department

Formula: 100% + (plan achievement rate of the consolidated net profit of the assigned division / department) x 2% (negative), in which the plan achievement rate shall be 100% for the eligible Director for whom no plan achievement rate is measurable.

**Calculation Formulas for (2) Performance-linked Bonuses and (4) Performance-linked Stock Remuneration**

Formula: Amount Paid to All Directors = A + B + C x Sum of position points for all the eligible Directors

Formula: A = (Consolidated net profit for FYE 2022, the portion exceeding ¥200.0 billion) x 0.35%

Formula: B = (Consolidated net profit for FYE 2022, the portion exceeding ¥200.0 billion and up to ¥300.0 billion) x 0.525%

Formula: C = (Consolidated net profit for FYE 2022, the portion exceeding ¥300.0 billion) x 0.625% (of which, 0.175% as stock remuneration)

The total amount paid shall be the sum of A, B, C, and D, which shall be adjusted with due regard to the increase / decrease in the number of eligible Directors, the change in position, and other factors. (Remuneration limits exist on bonuses and stock remuneration.)

**Details of the Remuneration Paid to Directors and Audit & Supervisory Board Members of the Company in FYE 2021**

<table>
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<tr>
<th>Type</th>
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**Calculation Formulas for (3) Share Price-linked Bonuses**

Formula: Amount Paid to an Individual Director = A + B + C x Sum of position points for all the eligible Directors

Formula: A = (Consolidated net profit for FYE 2022, the portion exceeding ¥200.0 billion) x 0.35%

Formula: B = (Consolidated net profit for FYE 2022, the portion exceeding ¥200.0 billion and up to ¥300.0 billion) x 0.525%

Formula: C = (Consolidated net profit for FYE 2022, the portion exceeding ¥300.0 billion) x 0.625% (of which, 0.175% as stock remuneration)

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**Calculation Formulas for (3) Share Price-linked Bonuses**

Formula: Amount Paid to an Individual Director = A + B + C x Sum of position points for all the eligible Directors

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Members of the Board, Audit & Supervisory Board Members, and Executive Officers  As of July 1, 2021

Under a new Board of Directors system, we will drive sustained growth in corporate value by combining sound leadership with transparent, fair decision-making.

<table>
<thead>
<tr>
<th>Members of the Board</th>
</tr>
</thead>
</table>
| **1 Chairman & Chief Executive Officer**  
Masahiro Okafuji  
1974 Joined ITOCHU Corporation  
2018 Chairman & Chief Executive Officer  
Number of shares held: 287,235 (115,340*) |
| **2 Vice Chairman**  
Yoshihisa Suzuki  
1979 Joined ITOCHU Corporation  
2018 President & Chief Operating Officer  
2021 Vice Chairman  
Number of shares held: 143,322 |
| **3 President & Chief Operating Officer**  
Keita Ishii  
1983 Joined ITOCHU Corporation  
2021 President & Chief Operating Officer  
Number of shares held: 100,694 |
| **4 Member of the Board**  
Tomofumi Yoshida  
President, General Products & Realty Company  
1979 Joined ITOCHU Corporation  
2019 Executive Vice President  
Number of shares held: 103,226 |
| **5 Member of the Board**  
Yuji Fukuda  
CEO for East Asia Bloc;  
CEO for Asia & Oceania Bloc;  
Executive Advisory Officer for CP & CITIC Operations  
1979 Joined ITOCHU Corporation  
2019 Executive Vice President  
Number of shares held: 44,300 |
| **6 Member of the Board**  
Fumihiko Kobayashi  
Chief Administrative Officer  
1981 Joined ITOCHU Corporation  
2021 Executive Vice President  
Number of shares held: 728,591 (44,711*) |
| **7 Member of the Board**  
Tatsuyoshi Hachimura  
Chief Financial Officer  
1991 Joined ITOCHU Corporation  
2021 Executive Vice President  
Number of shares held: 124,175 (41,978*) |
| **8 Member of the Board**  
Atsuko Muraki  
2016 Outside Director, ITOCHU Corporation  
Number of shares held: 2,700 |
| **9 Member of the Board**  
Masatoshi Kawana  
2018 Outside Director, ITOCHU Corporation  
Number of shares held: 10,300 |
| **10 Member of the Board**  
Makiko Nakamori  
2019 Outside Director, ITOCHU Corporation  
Number of shares held: 10,500 |
| **11 Member of the Board**  
Kunio Ishizuka  
2021 Outside Director, ITOCHU Corporation  
Number of shares held: 1,000 |

"Number of shares held" indicates the number of ITOCHU shares.
* Figures indicate the number of shares scheduled to be granted post-retirement based on the stock remuneration plan (figures corresponding to points for rights determined under the performance-linked stock remuneration plan (trust type)). The number of shares held includes these shares.
* Indicates an Outside Director as provided in Article 2, Item 15 of the Companies Act.

04 Members & Systems Supporting Sustainable Growth
Members of the Board, Audit & Supervisory Board Members, and Executive Officers

![Image](https://www.itochu.co.jp/en/about/officer/)

**Audit & Supervisory Board Members**

- **Shuhaburo Tsuchihashi**
  - 1986 Joined ITOCHU Corporation
  - 2016 Audit & Supervisory Board Member
  - Number of shares held: 14,150

- **Makoto Kyoda**
  - 1981 Joined ITOCHU Corporation
  - 2020 Audit & Supervisory Board Member
  - Number of shares held: 24,810

- **Shingo Majima**
  - 2013 Audit & Supervisory Board Member
  - Number of shares held: 0

- **Kentaro Uryu**
  - 2015 Audit & Supervisory Board Member
  - Number of shares held: 7,200

- **Masumi Kikuchi**
  - 2021 Audit & Supervisory Board Member
  - Number of shares held: 1,000

**Executive Officers**

- **Chairman & Chief Executive Officer**
  - Masahiro Okafuji
    - President & Chief Operating Officer

- **Executive Vice Presidents**
  - Tomohumi Yoshida
    - President, General Products & Realty Company
  - Yui Fukuda
    - CEO for East Asia Biz Co.; CEO for Asia & Oceania Biz Co.
  - Fumihiko Kobayashi
    - Chief Administrative Officer

- **Executive Advisory Officer for President, Textile Company**
  - Masahiro Morofuji

- **Executive Officers**
  - Tsuoyo Hachimura
    - Chief Financial Officer
  - Keita Ishii
    - President & Chief Operating Officer
  - Toshikazu Otani
    - Chief Executive for Africa
  - Tatsuki Nakai
    - Chief Operating Officer, Energy & Chemicals Company
  - Hiroyuki Naka
    - Chief Digital & Information Officer; General Manager, Corporate Planning & Administration Division
  - Shuichi Kato
    - President, The 8th Company
  - Masatoshi Maki
    - Chief Operating Officer, Construction & Real Estate Division

- **Chief Operating Officers**
  - Hidetoshi Mizutani
    - President, Food Company
  - Hisato Okubo
    - Executive Vice President, Energy & Chemicals Company
  - Hideto Takeuchi
    - Brand Marketing Division 2
  - Satoshi Watanabe
    - General Manager, Finance Division
  - Hideki Takakura
    - Chief Operating Officer, Global Marketing Division
  - Kentaro Uryu
    - Audit & Supervisory Board Member

- **General Managers**
  - Tatsuo Odani
    - President, Dole Asia Holdings Pte. Ltd.
  - Satoshi Watanabe
    - General Manager, Finance Division

**CONTENTS**

- Financial Summary
- Food Company
  - 108
- Textile Company
  - 100
- General Products & Realty Company
  - 110
- ICT & Financial Business Company
  - 112
- Machinery Company
  - 104
- The 8th Company
  - 106
- Metals & Minerals Company
  - 114
- Energy & Chemicals Company
  - 118

*Number of shares held* indicates the number of ITOCHU shares.

1 Figures indicate the number of shares scheduled to be granted post-retirement based on the stock remuneration plan (figures corresponding to points for rights determined under the performance-linked stock remuneration plan [trust type]). The number of shares held includes these shares.

2 Indicates an Outside Audit & Supervisory Board Member as provided in Article 2, Item 16 of the Companies Act.

For executives’ career histories, please see the website [https://www.itochu.co.jp/en/about/officer/](https://www.itochu.co.jp/en/about/officer/)
Financial Summary

Segment Overview\(^1\)

<table>
<thead>
<tr>
<th>Segment Overview</th>
<th>3-year average</th>
<th>Percentage of the Total for ITOCHU (3-year average)</th>
<th>Core profit</th>
<th>Core operating cash flows</th>
<th>ROA(^2)</th>
<th>Core profit</th>
<th>Core operating cash flows</th>
<th>Number of employees (Consolidated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Textile Company</td>
<td>4.0%</td>
<td>11.9%</td>
<td>4.2%</td>
<td>3.4%</td>
<td>4.3%</td>
<td>6.5%</td>
<td>11.2%</td>
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</tr>
<tr>
<td>Machinery Company</td>
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<tr>
<td>Metals &amp; Minerals Company</td>
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<td>11.9%</td>
<td>21.3</td>
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<tr>
<td>Energy &amp; Chemicals Company</td>
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<td>12.0</td>
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<td>4.3%</td>
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<td>Food Company</td>
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<td>9.6</td>
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<td>13.8%</td>
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<tr>
<td>General Products &amp; Realty Company</td>
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<td>11.9%</td>
<td>10.0</td>
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<td>4.7%</td>
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<tr>
<td>ICT &amp; Financial Business Company</td>
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<td>11.9%</td>
<td>12.1</td>
<td>15.4</td>
<td>5.2%</td>
<td>15.4%</td>
<td>15.4%</td>
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<tr>
<td>The 8th Company</td>
<td>1.4%</td>
<td>11.9%</td>
<td>4.3</td>
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<td>11.3%</td>
<td>19.5</td>
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<tr>
<td>Others, Adjustments &amp; Eliminations</td>
<td>15.8</td>
<td>11.9%</td>
<td>12.8</td>
<td>11.3</td>
<td>15.8%</td>
<td>22.2%</td>
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</table>

\(^1\) Accompanying the establishment of The 8th Company on July 1, 2019, figures for FYE 2019 have been adjusted retroactively.

\(^2\) In calculating average ROA, core profit has been used.

Consolidated Net Profit (Loss) (Non-Resource / Resource) (Billions of yen)

Consolidated Net Profit (Loss) by Segment (Billions of yen)

Extraordinary Gains and Losses

- \(^*\) Based on U.S. GAAP through FYE 2014, IFRS from FYE 2015

\(^*\) Others, Adjustments & Eliminations except for CITIC & CP related profit (loss) is not included in earnings from the non-resource / resource sectors.

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

**Business Development**

**Raw Materials / Garment Materials / Apparel**

- Products: Textile materials, garment materials, textile products, etc.
- Production bases spreading throughout China and other parts of Asia / Production base for the European market: ITOCHU Europe / Production base for the North American market: ITOCHU Prominent U.S.A.

**Industrial Materials**

- Products: Fiber materials used for hygiene, automobile interior materials, electronics materials, building and civil engineering materials, and lifestyle-related products, 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, Levi’s, Patagonia, OUTDOOR PRODUCTS, Paul Smith
- Primary brands handled: FILA, HEAD, Psycho Bunny, Santoni, Vivienne Westwood

---

**Company Evaluations**

- **Corporate Value**
  - **Cost of Capital**
  - **Growth Rate**
  - **Created Value**

**Risk Responses (Reduction in Cost of Capital)**

- Using RFID, IT, and data to enhance the efficiency of production, sales, and logistics operations
- Respecting human rights throughout supply chains and promoting trade with companies who engage in environmental management
- Promoting establishment of a safe and reliable product supply system

**Business Portfolio**

- Products: Textile materials, textiles, garment materials, textile products, etc.
- Raw Materials / Garment Materials / Apparel
- Brand business

**Specific Example of Enhancing Our Contribution to and Engagement with the SDGs**

**Full-Scale Construction of a Value Chain Centered on Sustainable Materials**

We have begun the full-scale construction of a value chain where we take the initiative. This starts with textile raw materials centered on sustainable materials.

The "RENEW project was launched in FYE 2020 with the aim of addressing the issue of excessive waste in the textile industry. Through this project, our textile-derived recycled polyester material has become more widely adopted and used by over 40 brands and companies related to clothing, accessories, and more.

In addition, in March 2021 we began a test rollout of the cellulose fiber "Kuura," which is derived from softwoods. Jointly developed with the Metsä Group, a major forest industry group based in Finland, this revolutionary new material is garnering attention for sustainability, due to the establishment of a safe and reliable product supply system.

Through this project, our textile-derived recycled polyester material has been adopted and used by over 40 brands and companies related to clothing, accessories, and more.

In addition, in March 2021 we began a test rollout of the cellulose fiber "Kuura," which is derived from softwoods. Jointly developed with the Metsä Group, a major forest industry group based in Finland, this revolutionary new material is garnering attention for sustainability, due to the establishment of a safe and reliable product supply system.

Going forward, we will continue working to expand trade in sustainable materials while fully leveraging the Company’s global supply chain that spans from raw textile materials to finished products.
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

Business Development

- Plant / Marine / Aerospace
  - Percentage of Earnings from Domestic Business (image)
  - 60%

- Automobile / Construction Machinery / Industrial Machinery
  - Trade by ITOCHU

FYE 2021 Review (Specific Accomplishments)

- Promoted development of the solar power business in the U.S. and Asia as well as expanded and strengthened the renewable energy field of the power plant operation and maintenance business
- Enhanced environmental business, including an Energy from Waste project in Dubai
- Began investing in and joint operations of the start-up SkyDrive Inc., which is developing a flying car
- Started a study on promoting overseas EV fleet solution business with Dishangtie (DST), who provides the same business model throughout China while deepening relations and cooperation
- Extended our value chain into downstream fields by investing in a rental company through ITOCHU TC CONSTRUCTION MACHINERY CO., LTD.

Growth Opportunities (Sustainable Growth)

- Expanding peripheral functions, such as operations, maintenance, and demand-supply balancing services, in addition to strengthening business development capabilities in the renewable energy field
- Promoting the fuel supply business and developing/purchasing zero-emission ships, which use ammonia as fuel, with the aim of reducing marine GHG emissions
- Expanding value-added businesses in the water and environment sectors, both geographically and in terms of functions, to spur the transition to a circular economy and meet social needs
- Transforming total value chains in the automobile field
- Providing leading-edge medical devices and advanced medical services to enhance quality of life in the medical field

Risk Responses (Reduction in Cost of Capital)

- Complying with coal-related business policy and promoting renewable energy projects accounting for national/regional energy differences
- Reducing environmental impact by expanding mobility services and promoting EVs, autonomous cruising vehicles, and aircraft electrification
- Conducting due diligence on environmental/social safety for suppliers and investments in new development projects

Specific Example of Enhancing Our Contribution to and Engagement with the SDGs

Expansion of Operation and Maintenance (O&M) Business for Renewable Energy in the U.S.

In December 2020, ITOCHU acquired Bay4 Energy Services, LLC (Bay4), which provides O&M services for solar power plants, through its wholly owned U.S. subsidiary NAES Corporation, which is one of the world’s largest independent O&M service companies. Bay4 leverages its system that remotely monitors operations and malfunctions to provide O&M services efficiently to approximately 1,400 solar power plants, representing combined generating capacity of 1.630 MW, that are owned by major utilities, institutional investors, and other clients.

In combination with the solar power plant development endeavor of another U.S. subsidiary, Ty Energy Inc., we are enhancing our contribution to and engagement with the SDGs by providing comprehensive services throughout the solar power generation value chain from development to O&M.

Nanseith Solar Power Facility in Pennsylvania, USA

Kanto Shibata
Power Infrastructure Section No. 4
Company Strengths

- Strong relationships with blue-chip business partners in each business area
- Ownership of superior natural resource assets, in particular 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)

Business Development

- Steel business (import and export to / from Japan, trading in non-Japanese markets, processing, etc.)
- Decarbonization-related business (hydrogen, ammonia, CCS, emissions trading, etc.)
- Trading of raw materials for steel-making (iron ore, coal, etc.), fuel for power generation (coal, uranium), non-ferrous raw material and products (aluminum, etc.), and recycling business (metal scrap, waste treatment, etc.)
- With the aim of realizing a sustainable society, steadily promoted initiatives for various industries, such as effectively utilizing resources through recycling and appropriately disposing of waste

Risk Responses (Reduction in Cost of Capital)

- Pursuing efforts to completely withdraw from thermal coal mine investments and promoting technological development that contributes to GHG emissions reductions
- Optimizing the asset portfolio to support stable supply of raw materials and fuels to meet social needs
- Promoting businesses that will facilitate the uptake of lighter-weight vehicles and EVs (such as aluminum and rare metals)
- Complying with our Environment, Health, and Safety (EHS) Guidelines and continuing employee education on the Guidelines
- Contributing to local communities where we do business through the provision of healthcare, education, donations, and assistance to the establishment of regional infrastructure
- Leveraging our solid relationships with steel manufacturers and power companies to strengthen our initiatives in hydrogen and ammonia projects, which are indispensable to achieving carbon neutrality
- Promoting carbon dioxide capture, utilization, and storage (CCUS) projects that help realize decarbonization across society
- Further promoting initiatives for various industries to help build a circular economy, such as recycling and appropriate waste treatment
- Stably supplying materials indispensable to new technologies and social demands, such as EVs and FCVs, storage batteries, and lighter-weight materials that improve energy efficiency

Growth Opportunities (Sustainable Growth)

- To promote decarbonization, divested our interest in the Drummond thermal coal mine
- Stably supplying materials indispensable to new technologies and social demands, such as EVs and FCVs, storage batteries, and lighter-weight materials that improve energy efficiency
- Leveraging our solid relationships with steel manufacturers and power companies to strengthen our initiatives in hydrogen and ammonia projects, which are indispensable to achieving carbon neutrality
- Promoting carbon dioxide capture, utilization, and storage (CCUS) projects that help realize decarbonization across society
- Further promoting initiatives for various industries to help build a circular economy, such as recycling and appropriate waste treatment
- Stably supplying materials indispensable to new technologies and social demands, such as EVs and FCVs, storage batteries, and lighter-weight materials that improve energy efficiency

Specific Example of Enhancing Our Contribution to and Engagement with the SDGs

Constructing a “Local Production for Local Consumption” Hydrogen Business in Northern Kyushu

ITOCHU is promoting cross-division initiatives related to hydrogen as a key technology for carbon neutrality. The Metals & Minerals Company is conducting a joint operationalization research related to a “local production for local consumption” hydrogen business in northern Kyushu with ITOCHU’s major customer NIPPON COKE & ENGINEERING CO., LTD. and Belgium’s largest general maritime shipping company Compagnie Maritime Belge B.V. (CMB), which has a long-standing business relationship with ITOCHU in building new ships. The aim of the project is to generate demand (underpinned by CMB’s hydrogen engine), provide supply (underpinned by by-product hydrogen from the coke business), and both construct and launch a “local production for local consumption” model by FYE 2024. Furthermore, we will strengthen initiatives to contribute to the SDGs by making hydrogen a practical fuel option on a global scale through a proactive rollout of the project to other regions.
Energy & Chemicals Company

- Energy projects and trading (crude oil, petroleum products, LPG, LNG, natural gas, ammonia, and renewable fuel, etc.)
- Chemicals business and trading (basic petrochemical products, synthetic resins, household goods, fine chemicals, pharmaceuticals, electronic materials, eco-friendly materials, etc.)
- Power business and trading (renewable energy power generation, power trading, heat supply, solar panels, energy storage systems (ESS), biomass fuel, and other related materials)
- Business development capabilities in the chemicals field that leverage robust Group companies and overseas locations
- Comprehensive value chain in the next-generation power sector consists of both investments and trade businesses

Company Strengths

- Development and trading of eco-friendly energy
- Business development capabilities in the chemicals field that leverage robust Group companies and overseas locations
- Comprehensive value chain in the next-generation power sector consists of both investments and trade businesses

Business Development

- From left:
  - Sakhalin-1 Project
  - Ras Laffan LNG Project
  - ACH Project
  - NCT
  - ExxonMobil
  - BP
  - Sakhalin-1 Project
  - Ras Laffan LNG Project
  - ACH Project
  - NCT
  - ExxonMobil
  - BP

- Energy & Chemicals Company
  - Energy development capabilities in the chemicals field that leverage robust Group companies and overseas locations
  - Comprehensive value chain in the next-generation power sector consists of both investments and trade businesses

- From left:
  - Sakhalin-1 Project
  - Ras Laffan LNG Project
  - ACH Project
  - NCT
  - ExxonMobil
  - BP

- Masaya Tanaka
  - President, Energy & Chemicals Company; Chief Operating Officer, Power & Environmental Solution Division
  - Executive Vice President, Energy & Chemicals Company; Helmetin (USA) (Adhesive)
  - TAKIRON (Synthetic resin materials)
  - C.I. TAKIRON (Synthetic resin materials)
  - ITOCHU CHEMICAL FRONTIER (Fine chemicals)

- Business Portfolio
  - From left:
    - Sakhalin-1 Project
    - Ras Laffan LNG Project
    - ACH Project
    - NCT
    - ExxonMobil
    - BP

- Notes: Items related to Sustainability Action Plans are indicated with a mark for the corresponding material issue.

FYE 2021 Review (Specific Accomplishments)

- Supplied sustainable aviation fuel on commercial flight scale for the first time Japan
- Promoted the joint development and branding of products using eco-friendly materials with brand owners
- Started development of a hydrogen value chain through strategic joint venture with Air Liquide Japan G.K.
- Strengthened capital and business alliance with reputable partners in ESS businesses and launched new products which contribute its users to utilize environmental value
- Promoted commercialization of large-scale renewable energy projects, such as starting operations at biomass power plants and inviting reputable partners for wind power generation, and development of solar distributed power sources

Growth Opportunities (Sustainable Growth)

- Working with Group companies to build a sustainable value chain, including for hydrogen and ammonia
- Expanding the business model to help resolve social issues, such as through the joint development of eco-friendly materials and the recycling business
- Developing new products using reused EV batteries for industry and business, and promoting next-generation battery business including SemiSolid batteries
- Realizing the stable supply of renewable energy through the development, possession, and operation of renewable energy power plants; expanding electric power and biomass fuel trade in line with the needs of the SEIGs
- Promoting CCUS-related projects by utilizing our expertise and collaborating with global leading companies

Risk Responses (Reduction in Cost of Capital)

- Accelerating initiatives for environment-related business, such as sustainable fuel and renewable energy, to contribute to decarbonization across society
- Enhancing activities to further minimize environmental burden in our existing portfolio

Notes: Items related to Sustainability Action Plans are indicated with a mark for the corresponding material issues.

Specific Example of Realizing Business Transformation by Shifting to a Market-Oriented Perspective

Promoting a Market-Oriented Environmental Business

ITOCU is proactively addressing environmental problems. We are working with U.S.-based TemaCycle, Inc. to develop recycled plastic derived from marine waste and build a recycle-reuse model, and also working with European companies to introduce eco-friendly materials, such as biomass plastic and recycled nylon. We are currently promoting branding and joint development projects for products using eco-friendly materials with retailers and brand owners. By leveraging our global sales network and top-tier synthetic resin sales in the industry, we will contribute to realizing a sustainable society by promoting environment-related businesses from a market-oriented perspective, in order to build a new supply chain based on “Sampo-yoshi” from downstream to upstream.
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

Food Company

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

Hiroyuki Kaizuka
President, Food Company

Hiroshi Miyamoto,
Chief Operating Officer, Provision Division
Kenichi Tani,
Chief Operating Officer, Fresh Food Division
Hidenari Sato,
Chief Operating Officer, Food Products Marketing & Distribution Division
Kenichiro Somma,
Chief Financial Officer
Kuriko Abe,
General Manager, Planning & Administration Department

Company Strengths

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

Business Development

Food Resources & Ingredients

- Provence Huiles (Manufacture of vegetable oils)
- OILSEEDS INTERNATIONAL (Sales of vegetable oils)

- Value chain for functional vegetable oils
- Quality Technology International (Sales of soybean and corn products)
- DOL (Dian collects, sales, processing, and logistics)
- UNEX (GUATEMALA) (Refinement and export of coffee)

Food Production & Processing

- FUJI OIL
  - Commercial use chocolate
  - Soybean oil (soybean meat raw material)
- ITOCHU FEED MILLS
  - Production and sale of compound feed
- ITOCHU Sugar (Production, processing, and sale of sugar)

Food Marketing & Distribution

- ITOCHU Food Sales
  - Import and sale of raw materials for food products
- ITOCHU-SHOKUHIN
  - Wholesale and distribution of foods

Food Products Marketing & Distribution

- Fuji Oil
- Commercial use chocolate
- Soybean oil (soybean meat raw material)
- Nippon Access (Production and sale of food products)
- ITOCHU Feed Mills (Production and sale of compound feed)
- ITOCHU Sugar (Production, processing, and sale of sugar)

Specific Example of Realizing Business Transformation by Shifting to a Market-Oriented Perspective

France-Based Provence Huiles Made a Wholly Owned Subsidiary

ITOCHU made Provence Huiles S.A.S. (PH), which conducts vegetable oil manufacturing and sales, a wholly owned subsidiary in 2015.

Since its capital participation in September 2015, ITOCHU has been using Provence Huiles’ marketing capabilities in North America and Asia, where PH has a strong presence. As a result, PH’s performance has improved and the company has focused on further enhancing its value chain for functional vegetable oils. PH has made use of improved marketing capabilities to further meet the demand for vegetable oils, which are rich in omega-3 fatty acids, and has expanded its business in this area.

Notes:
- Items related to Sustainability Action Plans are indicated with a mark for the corresponding material issues.
- PH’s all-share plan is available on their website: https://www.itochu.co.jp/en/csr/itochu/activity/actionplan/
- Exploiting Business Through Technological Innovation
- Address Climate Change (Contribute to Realization of a Decarbonized Society)
- Cultivate a Motivating Workplace Environment
- Respect Human Rights
- Contribute to Healthier and More Enriched Lifestyles
- Ensure Stable Procurement and Supply
- Maintain Rigorous Governance Structures
General Products & Realty Company

- 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, etc.)
- 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

Business Development

- **Paper / Pulp / Hygiene**
  - METS AIRFINE
  - One of the world's largest manufacturers of commercial softened pulp
  - Production capacity: Approx. 3.2 million tonnes per year
  - TOCHU Pulp & Paper
  - Wholesale of paper, paperboard, and processed paper products

- **Natural Rubber / Tires / Ceramics**
  - European Tyre Enterprise
  - Conducts the operations of Kwik-Fit, the UK's largest tire retailer
  - ANEKA BUMI PRATAMA
  - Processing of natural rubber
  - TOCHU GERATECH
  - Manufacture of ceramic raw materials and products

- **Wood Products & Materials**
  - North American construction materials business
  - Development of a robust value chain
  - MASTER-PAUCO
  - Manufacture and wholesale of fences
  - Alfa Forest Products
  - Manufacture of wooden fences
  - CPA LUMBER
  - Manufacture of veneers
  - Pacific Woodtech
  - Manufacture of laminated veneer lumber
  - TOCHU KENZA
  - Wholesale of wood products and building materials
  - OAKEN
  - Manufacture and wholesale of building materials

Development & Operation of Real Estate

- **REITs and funds**
  - TOCHU Asset Management
  - TOCHU REIT Management

- **Overseas businesses**
  - Saigon Sky Garden
  - Suzhou Skyline Building
  - Haiphong Building
  - Global Building
  - ITOCHU Real Estate (Thailand)
  - ITOCHU Land

- **Development & Operation of Real Estate**
  - ITOCHU Property Development
  - Development of commercials (KREIA series)
  - Development of profit-earning real estate
  - TOCHU Urban Community
  - Management of condominiums, rental apartments, and office buildings
  - TOCHU HOUSING
  - Real estate agent and property consultant
  - CENTURY 21 REAL ESTATE OF JAPAN
  - Real estate franchise operation
  - CHICHESEI Engineering (Planning and construction of plants, logistic facilities, etc.)
  - DU-OHTO DEVELOPMENT
  - Logistics

- **ITOCU LOGISTICS**
  - Comprehensive logistics services

- **ITOCU HYGIENE**
  - Manufacturing of hygiene products

- **ITOCU FOODS**
  - Manufacturing of food products

- **ITOCU DISTRIBUTION**
  - Distribution of products and building materials

- **ITOCU REIT**
  - Real estate investment

Logistics

- **ITOCU HYGIENE**
  - Manufacturing of hygiene products

- **ITOCU FOODS**
  - Manufacturing of food products

- **ITOCU DISTRIBUTION**
  - Distribution of products and building materials

- **ITOCU REIT**
  - Real estate investment

FYE 2021 Review (Specific Accomplishments)

- Steadily expanded the North American construction materials business by acquiring a fence component manufacturer
- Strengthened the allocation of management resources in growth fields by reviewing owned assets in the pulp business
- Reinforced the value chain, from the manufacture and distribution of construction materials to real estate development, through Group synergy
- Undertook large-scale logistics center development projects using our business partner network
- Began development of an experiential entertainment facility by enticing a major overseas media company to Japan

Growth Opportunities (Sustainable Growth)

- Enhancing profitability by promoting M&As in the North American construction materials business
- Contributing to the SDGs and strengthening profitability by promoting the recycling of existing products and expanding sales of eco-friendly products that use sustainable forest resources
- Reinforcing our earnings base by promoting more efficient cross-industry logistics, solving the logistics crisis caused by a driver shortage as an opportunity
- Strengthening and expanding construction functions by promoting M&As in the construction materials distribution business
- Continuing to move ahead in the North American real estate business through strategic alliances and joint investments with leading U.S. real estate companies

Risk Responses (Reduction in Cost of Capital)

- Promoting the effective use of sustainable-by-products (slag) as a cement alternative and creating a sustainable and stable distribution system
- Promoting the production and widespread use of sustainable natural rubber that excludes raw materials produced by illegal logging through the use of a traceability system developed by ITOCHU
- Revising Group companies' backbone systems (SRP) to increase analytical/operational efficiency ("cut") and reduce security risk ("prevent")

Notes: Items related to Sustainability Action Plans are indicated with a mark for the corresponding material issues.

Specific Example of Enhancing Our Contribution to and Engagement with the SDGs

- **Procuring Natural Rubber from Sustainable Natural Resources**
  - In the natural rubber business, human rights infringements against local people and illegal logging have become issues. Companies are being called on to procure environmentally and socially conscious products. Using a traceability system ITOCHU developed on its own, it is now possible to trace each step of the procurement process for natural rubber, enabling us to differentiate sustainable natural rubber as better for the environment and society. ITOCHU's Indonesia-based subsidiary P.T. ANEKA BUMI PRATAMA began manufacturing traceable natural rubber using this system and plans to market it as a high-value-added product aligned with the SDGs. By returning a portion of sales revenue to farmers and promoting the use of this system, we will continue to support the production and widespread use of sustainable natural rubber, as well as rein in illegal logging.

- **Enabling Development of an Experiential Entertainment Facility**
  - In the North American real estate business, ITOCHU is creating a new commercial facility by utilizing its real estate development business. This is expected to bring together businesses, including our Group companies, to develop an experiential entertainment facility. The facility is expected to create a new form of entertainment and contribute to the local economy.
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.

Business Development

- Percentage of Earnings from Domestic Business (image): 80%
The 8th Company

- 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

Shuichi Kato
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

Business Development

With the transformation in consumer behavior accompanying the COVID-19 pandemic, adaptation to change has become vital. While making maximum use of ITOCHU’s diverse business foundations—which are particularly robust in the consumer sector—The 8th Company will develop new services and business models that are enabled by digital technologies and AI based on a market-oriented perspective.

Specific Policies

- Rigorously strengthening FamilyMart, which is a core business. (Page 115 Growth Opportunities)
- Creating new business models that reflect customer needs and which utilize FamilyMart’s store network and ability to attract customers, after conducting proof-of-concept testing for these business models, rolling them out at stores throughout Japan, and horizontally rolling out these services and technologies in other retail businesses and other business formats.
- Increasing data volume and customer contact points through external alliances and finance businesses, etc. to maximize the profits of advertising and finance businesses; reinvesting new profits in the convenience store business to further heighten stores’ ability to attract customers.

FYE 2021 Review (Specific Accomplishments)

- Privatized FamilyMart to quickly shift its business model and swiftly respond to changes
- Entered the digital advertising distribution business by establishing Data One Corp.
- Begun use of “Family Pay” (barcode payments) at stores besides FamilyMart
- Promoted the establishment and proof-of-concept tests of various projects

Growth Opportunities (Sustainable Growth)

- Expanding FamilyMart’s earnings base by thoroughly improving the three basics of the convenience store business (product appeal, convenience, and familiarity) and making the entire supply chain more sophisticated
- Increasing customer contact points and business revenues by turning FamilyMart stores into media, etc.
- Enlarging our data infrastructure and developing new businesses, such as advertising and financial services that utilize customer data
- Developing and introducing demand prediction and procurement improvement tools using AI

Risk Responses (Reduction in Cost of Capital)

- Responding to the shortage of workers using digital technologies
- Flexibly responding to changes in consumer behavior caused by the COVID-19 pandemic, such as creating FamilyMart stores that are beloved by local people, developing store formats that meet local needs, and enhancing convenience through the development of new services

Notes: Items related to Sustainability Action Plans are indicated with a mark for the corresponding material issues.

Specific Example of Realizing Business Transformation by Shifting to a Market-Oriented Perspective

Accelerating the Business Model Shift by Privatizing FamilyMart

ITOCHU conducted a public tender from July 9, 2020 with the aim of privatizing FamilyMart. A share consolidation was approved at FamilyMart’s extraordinary general meeting of shareholders held on October 22, and the company was delisted on November 12. ITOCHU’s ownership increased to 94.7% by March 31, 2021. FamilyMart is ITOCHU’s core business in the consumer sector. Going forward, we will first thoroughly strengthen the basics of the convenience store business: product appeal, convenience, and familiarity. We will simultaneously make distribution more efficient (product appeal, convenience, and familiarity), and make the entire supply chain more sophisticated, and horizontally rolling out these services and technologies in other retail businesses and other business formats.

FamilyMart celebrates its 40th founding anniversary this year

Mariko Fukao
Deputy General Manager, Planning & Administration Section
ESG Data

Environment

GHG Emissions (Consolidated)*

<table>
<thead>
<tr>
<th>Scope 1</th>
<th>Scope 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-consolidated*</td>
<td>Consolidated**</td>
</tr>
<tr>
<td>CO2 emissions (t-CO2)</td>
<td>7,060</td>
</tr>
<tr>
<td>Scope 1 (t-CO2)</td>
<td>91</td>
</tr>
<tr>
<td>Scope 2 (t-CO2)</td>
<td>14,928</td>
</tr>
<tr>
<td>CO2 emissions attributable to distribution (t-CO2)</td>
<td>6,969</td>
</tr>
<tr>
<td>Electricity consumption (1,000 kWh)</td>
<td>11,014</td>
</tr>
<tr>
<td>Water usage (1,000 m3)</td>
<td>78</td>
</tr>
<tr>
<td>Waste volume (t)</td>
<td>680</td>
</tr>
<tr>
<td>Waste disposal rate</td>
<td>92.9%</td>
</tr>
</tbody>
</table>

*1 From FYE 2021, GHG emissions have increased due to the expansion of the calculation scope of GHG other than CO2 from energy consumption.
*2 GHG emissions and electricity consumption are the totals for domestic basis. Water usage, waste volume, and waste recycling rate are totals for the Tokyo Headquarter.
*3 This is the total of non-consolidated, Group companies in Japan, overseas offices, and overseas Group companies. FYE 2021 figures include 563 companies.

Renewable Energy Generation (Equity-Interest Basis) / Renewable Energy Ratio

<table>
<thead>
<tr>
<th>Renewable energy generation (Equity-Interest Basis)</th>
<th>Renewable energy ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 2019</td>
<td>FYE 2020</td>
</tr>
<tr>
<td>(Equity-Interest Basis) / Renewable energy ratio</td>
<td>771,204</td>
</tr>
<tr>
<td>(t-CO2)</td>
<td>816</td>
</tr>
<tr>
<td>Waste recycling rate</td>
<td>53</td>
</tr>
<tr>
<td>(Percentage of employees returning to work)</td>
<td>14.5%</td>
</tr>
</tbody>
</table>

Cumulative Capacity of Energy Storage System Units Sold

<table>
<thead>
<tr>
<th>Renewable energy generation (Equity-Interest Basis)</th>
<th>Renewable energy ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE 2019</td>
<td>FYE 2020</td>
</tr>
<tr>
<td>(Equity-Interest Basis) / Renewable energy ratio</td>
<td>1,233,335</td>
</tr>
<tr>
<td>(t-CO2)</td>
<td>375</td>
</tr>
<tr>
<td>Waste recycling rate</td>
<td>53</td>
</tr>
<tr>
<td>(Percentage of employees returning to work)</td>
<td>14.5%</td>
</tr>
</tbody>
</table>

Inclusion in ESG-Related Indices

- MSCI Japan ESG Select Leaders Index*1
- MSCI Japan Empowering Women Index (WIN)*4
- FTSE4Good Index Series**
- FTSE Blossom Japan Index***
- Dow Jones Sustainability Indices (World / Asia Pacific Index)
- SNAM Sustainability Index
- ESG Data Section

- MSCI ESG Rating: AAA
- S&P Global Sustainability Award 2021: Gold Class

- FTSE Russell (the trading name of FTSE International Limited) and Frank Russell Company confirm that ITOCHU Corporation has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements and become a constituent of FTSE4Good Index and FTSE Blossom Japan Index. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. Also, FTSE Blossom Japan Index is specifically designed to assess the performance of Japanese companies demonstrating strong ESG practices using the globally established FTSE4Good Index Inclusion Rules. The FTSE4Good Indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

Society

Human Resources Related

<table>
<thead>
<tr>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated employees (people)</td>
<td>115,796</td>
<td>128,146</td>
</tr>
<tr>
<td>Non-consolidated employees (people)</td>
<td>4,265</td>
<td>4,261</td>
</tr>
<tr>
<td>Career-track employees</td>
<td>3,463</td>
<td>3,462</td>
</tr>
<tr>
<td>Manager (people)</td>
<td>9,035</td>
<td>9,066</td>
</tr>
<tr>
<td>Female manager (people)</td>
<td>1,920 (6.7%)</td>
<td>2,008 (6.7%)</td>
</tr>
<tr>
<td>Average years employed (year)</td>
<td>17.5</td>
<td>17.8</td>
</tr>
<tr>
<td>Average monthly overtime hours (hour)</td>
<td>34.8</td>
<td>35.4</td>
</tr>
<tr>
<td>Annual paid leave acquisition rate</td>
<td>67.0%</td>
<td>66.1%</td>
</tr>
<tr>
<td>Employees taking childcare leave (people)</td>
<td>152 (97.1%)</td>
<td>168 (98.1%)</td>
</tr>
<tr>
<td>Share of disabled employees</td>
<td>2.2%</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

Company Ranking among Job-Seekers According to Seven Major Institutions

<table>
<thead>
<tr>
<th>2020 Graduates</th>
<th>2021 Graduates</th>
<th>2022 Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of first-place rankings among all companies</td>
<td>3 institutions</td>
<td>3 institutions</td>
</tr>
<tr>
<td>Number of first-place rankings among general trading companies</td>
<td>6 institutions</td>
<td>7 institutions</td>
</tr>
</tbody>
</table>

Training Related

<table>
<thead>
<tr>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average training cost per employee (Thousands of yen)</td>
<td>407</td>
<td>407</td>
</tr>
<tr>
<td>Number of Morning Activity Seminars held (participants)</td>
<td>10 times</td>
<td>7 times</td>
</tr>
<tr>
<td>Sustainability basic education participation rate of all Group employees</td>
<td>99.9%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Trained sustainability training participants</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

Engagement Survey Results*1

- Employee satisfaction with the company (judging the extent to which employees are considerate toward employees (employee oriented), whether it places emphasis on customers (customer oriented), and whether it achieves the expectation of high results (rewarding) the next survey is scheduled to be conducted in the third quarter of FYE 2023.

Goverance

Members of the Board and Audit & Supervisory Board Members

<table>
<thead>
<tr>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members of the Board</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Outside Directors (share)</td>
<td>3 (37.5%)</td>
<td>4 (40.0%)</td>
</tr>
<tr>
<td>Female Directors (share)</td>
<td>1 (12.5%)</td>
<td>2 (20.0%)</td>
</tr>
<tr>
<td>Average terms of overseas assignment</td>
<td>5.4 years</td>
<td>5.5 years</td>
</tr>
<tr>
<td>Attendance rate of all Group employees</td>
<td>99.9%</td>
<td>99.9%</td>
</tr>
<tr>
<td>Attendance rate of all group employees</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Attendance rate of outside directors</td>
<td>99.9%</td>
<td>98.0%</td>
</tr>
</tbody>
</table>

Attendance Rate at Meetings of the Board of Directors

<table>
<thead>
<tr>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attendance rate of Directors</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Attendance rate of all corporate officers</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Attendance rate of inside directors</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Attendance rate of outside directors</td>
<td>99.9%</td>
<td>98.0%</td>
</tr>
</tbody>
</table>

In addition, the results of the main items of an Engagement Survey conducted in FYE 2019. Global results are from 332 companies and 6.7 million people worldwide. The graph indicates the percentage of affirmative responses to questions concerning whether the company values and is considerate toward employees (employee oriented), whether it places emphasis on customers (customer oriented), and whether it achieves the expectation of high results (rewarding). The next survey is scheduled to be conducted in the third quarter of FYE 2023.

*1 From FYE 2021, GHG emissions have increased due to the expansion of the calculation scope of GHG other than CO2 from energy consumption.
*2 GHG emissions and electricity consumption are the totals for domestic basis. Water usage, waste volume, and waste recycling rate are totals for the Tokyo Headquarter.
*3 This is the total of non-consolidated, Group companies in Japan, overseas offices, and overseas Group companies. FYE 2021 figures include 563 companies.
*4 MSCI ESG Rating: AAA
*5 S&P Global Sustainability Award 2021: Gold Class

*1 The inclusion of ITOCHU in any MSCI index, and the use of MSCI logos, trademarks, service marks, or index names herein, do not constitute a sponsorship, endorsement, or promotion of ITOCHU by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. The names and logos of MSCI indexes are trademarks or service marks of MSCI or its affiliates.
*2 FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that ITOCHU Corporation has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements and become a constituent of FTSE4Good Index and FTSE Blossom Japan Index. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. Also, FTSE Blossom Japan Index is specifically designed to assess the performance of Japanese companies demonstrating strong ESG practices using the globally established FTSE4Good Index Inclusion Rules. The FTSE4Good Indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.
## Selected Financial Data

### Revenues

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>¥11,178,432</td>
<td>¥10,970,125</td>
<td>¥8,027,450</td>
<td>¥8,388,960</td>
<td>¥8,036,330</td>
<td>¥5,823,532</td>
<td>¥6,108,935</td>
<td>¥6,113,835</td>
<td>¥6,339,758</td>
<td>¥7,115,705</td>
</tr>
<tr>
<td>Revenue (for the year)</td>
<td>¥5,867,526</td>
<td>¥5,931,435</td>
<td>¥5,083,360</td>
<td>¥4,838,464</td>
<td>¥5,105,059</td>
<td>¥11,000,485</td>
<td>¥10,962,089</td>
<td>¥10,362,682</td>
<td>¥93,602</td>
<td></td>
</tr>
</tbody>
</table>

### P/L (For the year):

*2 "Core operating cash flows" represents figures deducting "changes in working capital" (excluding the effect of lease accounting) from "Cash flows from operating activities".

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>Shareholders' equity per share</td>
<td>¥906,587</td>
<td>¥950,920</td>
<td>¥915,879</td>
<td>¥1,028,273</td>
<td>¥1,045,022</td>
<td>¥1,096,711</td>
<td>¥1,090,462</td>
<td>¥1,210,440</td>
<td>¥1,563,772</td>
<td>¥1,797,788</td>
</tr>
<tr>
<td>Net profit attributable to ITOCHU</td>
<td>254,112</td>
<td>300,069</td>
<td>285,076</td>
<td>352,221</td>
<td>403,333</td>
<td>500,523</td>
<td>501,322</td>
<td>401,433</td>
<td>6,832</td>
<td></td>
</tr>
</tbody>
</table>

### Per share (yen and U.S. dollars):

*1 Basic earnings attributable to ITOCHU**

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders' equity per share</td>
<td>¥101,93</td>
<td>¥190,13</td>
<td>¥177,35</td>
<td>¥196,31</td>
<td>¥155,21</td>
<td>¥189,13</td>
<td>¥152,14</td>
<td>¥223,67</td>
<td>¥257,34</td>
<td>¥324,07</td>
</tr>
</tbody>
</table>

### Number of employees (at year-end, consolidated)

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Number of employees (at year-end, consolidated)</td>
<td>19,50</td>
<td>44,00</td>
<td>46,00</td>
<td>46,00</td>
<td>46,00</td>
<td>50,00</td>
<td>50,00</td>
<td>70,00</td>
<td>85,00</td>
<td>99,00</td>
</tr>
<tr>
<td>Cash dividends</td>
<td>13,757</td>
<td>86,82</td>
<td>1,117,01</td>
<td>1,35,42</td>
<td>1,293,35</td>
<td>1,35,59</td>
<td>1,388,66</td>
<td>1,53,52</td>
<td>1,722,06</td>
<td>1,930,47</td>
</tr>
</tbody>
</table>

### Number of subsidiaries, associates and joint ventures (at year-end)

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Number of subsidiaries, associates and joint ventures (at year-end)</td>
<td>1,156,270</td>
<td>1,363,797</td>
<td>1,765,435</td>
<td>2,146,063</td>
<td>2,044,120</td>
<td>2,433,202</td>
<td>2,396,008</td>
<td>3,162,281</td>
<td>29,954</td>
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</tbody>
</table>

### Total assets

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>¥6,176,709</td>
<td>¥6,507,273</td>
<td>¥7,117,446</td>
<td>¥7,848,440</td>
<td>¥7,784,651</td>
<td>¥8,560,701</td>
<td>¥9,036,395</td>
<td>¥9,122,032</td>
<td>¥9,663,937</td>
<td>¥10,086,703</td>
</tr>
</tbody>
</table>

### Cash dividends

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Cash dividends</td>
<td>¥33,561</td>
<td>¥212,830</td>
<td>¥245,661</td>
<td>¥418,396</td>
<td>¥428,101</td>
<td>¥430,629</td>
<td>¥419,404</td>
<td>¥386,699</td>
<td>¥388,212</td>
<td>¥476,551</td>
</tr>
</tbody>
</table>

### ROE (%)

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</thead>
<tbody>
<tr>
<td>ROE (%)</td>
<td>10.7</td>
<td>13.5</td>
<td>12.4</td>
<td>13.1</td>
<td>12.5</td>
<td>12.7</td>
<td>11.1</td>
<td>9.3</td>
<td>8.7</td>
<td>7.7</td>
</tr>
</tbody>
</table>

### Common stock information:

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td>Number of shares of common stock (inclusive of treasury stock)</td>
<td>1,564,899</td>
<td>1,584,899</td>
<td>1,584,899</td>
<td>1,584,899</td>
<td>1,584,899</td>
<td>1,584,899</td>
<td>1,584,899</td>
<td>1,584,899</td>
<td>1,584,899</td>
<td>1,584,899</td>
</tr>
</tbody>
</table>

### Exchange rates into U.S. currency (Federal Reserve Bank of New York):

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Exchange rates into U.S. currency</td>
<td>¥82.76</td>
<td>¥82.41</td>
<td>¥94.16</td>
<td>¥102.98</td>
<td>¥102.98</td>
<td>¥119.96</td>
<td>¥112.42</td>
<td>¥111.41</td>
<td>¥106.20</td>
<td>¥110.68</td>
</tr>
</tbody>
</table>

### Interest coverage

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest coverage</td>
<td>10.7</td>
<td>13.5</td>
<td>12.4</td>
<td>13.1</td>
<td>12.5</td>
<td>12.7</td>
<td>11.1</td>
<td>9.3</td>
<td>8.7</td>
<td>7.7</td>
</tr>
</tbody>
</table>

### Notes:

1. Basic earnings per share attributable to ITOCHU and Shareholders’ equity per share are calculated by using the number of common shares excluding treasury stock.
2. "Cash flows from operating activities" means "Net income attributable to ITOCHU Corporation" (excluding the effect of lease accounting) corrected by "changes in working capital" from "Cash flows from operating activities".
3. *Interest coverage* = (Earnings before interest, taxes, depreciation, and amortization) / Interest expense

For the data since FYE 2010, please see the website:

## Consolidated Statement of Financial Position

### Assets As of March 31

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Millions of yen</td>
<td>Millions of U.S. dollars</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>¥ 605,589</td>
<td>¥ 432,140</td>
<td>¥ 572,030</td>
<td>¥ 611,223</td>
<td>¥ 644,009</td>
<td>¥ 4,914</td>
</tr>
<tr>
<td>Time deposits</td>
<td>8,381</td>
<td>26,915</td>
<td>5,051</td>
<td>4,858</td>
<td>9,945</td>
<td>90</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>1,949,049</td>
<td>2,183,439</td>
<td>2,307,608</td>
<td>2,113,746</td>
<td>2,122,815</td>
<td>19,174</td>
</tr>
<tr>
<td>Other current receivables</td>
<td>74,322</td>
<td>84,146</td>
<td>168,968</td>
<td>176,691</td>
<td>166,282</td>
<td>1,502</td>
</tr>
<tr>
<td>Other current financial assets</td>
<td>28,999</td>
<td>34,929</td>
<td>43,132</td>
<td>45,315</td>
<td>44,930</td>
<td>406</td>
</tr>
<tr>
<td>Inventories</td>
<td>775,306</td>
<td>870,952</td>
<td>937,183</td>
<td>953,029</td>
<td>899,692</td>
<td>8,117</td>
</tr>
<tr>
<td>Advances to suppliers</td>
<td>161,855</td>
<td>179,760</td>
<td>98,081</td>
<td>89,425</td>
<td>80,521</td>
<td>727</td>
</tr>
<tr>
<td>Other current assets</td>
<td>97,224</td>
<td>112,370</td>
<td>185,767</td>
<td>135,774</td>
<td>161,256</td>
<td>1,457</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>¥ 3,700,815</td>
<td>¥ 3,903,361</td>
<td>¥ 4,407,820</td>
<td>¥ 4,133,061</td>
<td>¥ 4,277,311</td>
<td>¥ 38,635</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments accounted for by the equity method</td>
<td>¥ 1,626,583</td>
<td>¥ 1,844,871</td>
<td>¥ 1,559,280</td>
<td>¥ 1,640,286</td>
<td>¥ 1,867,777</td>
<td>¥ 16,871</td>
</tr>
<tr>
<td>Other investments</td>
<td>793,589</td>
<td>816,510</td>
<td>857,261</td>
<td>816,168</td>
<td>952,374</td>
<td>8,603</td>
</tr>
<tr>
<td>Non-current receivables</td>
<td>668,774</td>
<td>617,719</td>
<td>618,762</td>
<td>660,578</td>
<td>658,658</td>
<td>5,040</td>
</tr>
<tr>
<td>Non-current financial assets other than investments and receivables</td>
<td>118,511</td>
<td>82,379</td>
<td>270,116</td>
<td>172,417</td>
<td>166,611</td>
<td>1,505</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>680,375</td>
<td>813,204</td>
<td>1,077,847</td>
<td>2,137,474</td>
<td>1,399,791</td>
<td>17,521</td>
</tr>
<tr>
<td>Investment property</td>
<td>26,805</td>
<td>19,134</td>
<td>32,524</td>
<td>58,595</td>
<td>50,665</td>
<td>458</td>
</tr>
<tr>
<td>Goodwill</td>
<td>131,662</td>
<td>129,263</td>
<td>391,560</td>
<td>403,940</td>
<td>386,869</td>
<td>3,585</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>237,716</td>
<td>233,288</td>
<td>736,200</td>
<td>759,167</td>
<td>728,967</td>
<td>6,584</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>54,660</td>
<td>62,259</td>
<td>65,609</td>
<td>61,051</td>
<td>60,446</td>
<td>546</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>94,742</td>
<td>121,839</td>
<td>81,697</td>
<td>76,511</td>
<td>78,963</td>
<td>713</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>¥ 4,421,217</td>
<td>¥ 4,740,576</td>
<td>¥ 5,690,883</td>
<td>¥ 6,786,537</td>
<td>¥ 6,301,121</td>
<td>¥ 62,335</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>¥ 8,122,032</td>
<td>¥ 8,663,937</td>
<td>¥ 10,038,703</td>
<td>¥ 10,919,598</td>
<td>¥ 11,178,432</td>
<td>¥100,970</td>
</tr>
</tbody>
</table>

## Liabilities and Equity As of March 31

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2021</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Millions of yen</td>
<td>Millions of U.S. dollars</td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>¥ 8,122,032</td>
<td>¥ 8,663,937</td>
<td>¥ 10,038,703</td>
<td>¥ 10,919,598</td>
<td>¥ 11,178,432</td>
<td>¥100,970</td>
</tr>
<tr>
<td>Other short-term borrowings</td>
<td>—</td>
<td>—</td>
<td>—</td>
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<tr>
<td><strong>Total current liabilities</strong></td>
<td>¥ 8,122,032</td>
<td>¥ 8,663,937</td>
<td>¥ 10,038,703</td>
<td>¥ 10,919,598</td>
<td>¥ 11,178,432</td>
<td>¥100,970</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>¥ 8,122,032</td>
<td>¥ 8,663,937</td>
<td>¥ 10,038,703</td>
<td>¥ 10,919,598</td>
<td>¥ 11,178,432</td>
<td>¥100,970</td>
</tr>
</tbody>
</table>
### Consolidated Statement of Comprehensive Income

Fiscal Years Ended March 31  

<table>
<thead>
<tr>
<th>Year</th>
<th>Millions of yen</th>
<th>Millions of U.S. dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$303,063</td>
<td>$4,105,568</td>
</tr>
<tr>
<td>2020</td>
<td>$297,832</td>
<td>$3,692,815</td>
</tr>
<tr>
<td>2019</td>
<td>$270,803</td>
<td>$3,676,500</td>
</tr>
<tr>
<td>2018</td>
<td>$245,658</td>
<td>$2,986,351</td>
</tr>
<tr>
<td>2017</td>
<td>$224,362</td>
<td>$2,409,276</td>
</tr>
</tbody>
</table>

**Revenues**  
- Revenues from sale of goods: ¥3,203,289, ¥3,076,873, ¥3,437,881, ¥3,575,103, ¥3,999,246  
- Revenues from rendering of services: ¥1,243,985, ¥1,245,660, ¥1,245,660  

**Total revenues:** ¥4,068,864, ¥4,028,536, ¥4,683,548, ¥5,241,805, ¥6,262,628

**Cost**  
- Cost of sale of goods: (3,209,289), (3,076,873), (3,437,881), (3,575,103), (3,999,246)  
- Cost of rendering of services and royalties: (935,713), (592,746), (809,823), (610,075), (592,630)  

**Total cost:** (5,745,002), (5,679,619), (5,386,163), (5,124,306), (5,581,881)

**Profit before tax:** ¥499,855, ¥537,858, ¥695,383, ¥701,430

**Interest income:** ¥185,158, ¥204,206, ¥226,636, ¥233,626

**Interest expense:** (23,232), (24,373), (25,001), (25,124)

**Total financial income:** ¥141,851, ¥148,107, ¥155,664, ¥155,462

**Equity in earnings of associates and joint ventures:** ¥22,372, ¥31,387, ¥45,166, ¥59,877

**Net profit attributable to ITOCHU:** ¥323,365, ¥415,602, ¥511,586, ¥337,944

**Income tax expense:** (125,262), (106,738), (142,211), (28,570)

**Net profit attributable to non-controlling interests:** (5,423), (380), (10,734), (6,197)

**Other comprehensive income, net of tax:** ¥374,593, ¥431,720, ¥545,689, ¥559,026

**Total comprehensive income attributable to ITOCHU:** ¥253,448

**Total comprehensive income attributable to non-controlling interests:** ¥19,901

**Total comprehensive income:** ¥273,349

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### Consolidated Statement of Changes in Equity

Fiscal Years Ended March 31  

<table>
<thead>
<tr>
<th>Year</th>
<th>Millions of yen</th>
<th>Millions of U.S. dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>¥3,870,240</td>
<td>$34,958</td>
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<tr>
<td>2020</td>
<td>¥3,316,281</td>
<td>$29,954</td>
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<tr>
<td>2019</td>
<td>¥2,948,135</td>
<td>$26,629</td>
</tr>
<tr>
<td>2018</td>
<td>¥2,662,811</td>
<td>$23,708</td>
</tr>
<tr>
<td>2017</td>
<td>¥2,641,317</td>
<td>$21,551</td>
</tr>
</tbody>
</table>

**Retained earnings:**  
- Balance at the beginning of the year: ¥1,748,375, ¥2,020,018, ¥2,324,766, ¥2,608,243, ¥2,948,135
- Cumulative effects of the application of new accounting standards: (26,501)
- Net profit attributable to ITOCHU: 352,221, 400,339, 500,523, 501,322, 401,433
- Transfer from other components of equity: 2,459, (2,740), (86,512), (1,392), 18,388
- Cash dividends: (83,037), (82,945), (116,437), (133,537), (129,006)

**Balance at the beginning of the year:** ¥162,038, ¥160,271, ¥154,584, ¥159,210, ¥160,455

**Non-controlling interests:**  
- Balance at the beginning of the year: ¥401,433, ¥3,626
- Cumulative effects of the application of new accounting standards: (107)
- Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests: 2,289
- Other comprehensive income attributable to non-controlling interests: 2,289
- Transfer from other components of equity: (2,459), (2,740), (86,512), (1,392), 18,388
- Cash dividends: (83,037), (82,945), (116,437), (133,537), (129,006)


**Equity in earnings of associates and joint ventures:** ¥22,372, ¥31,387, ¥45,166, ¥59,877

**Net profit attributable to ITOCHU:** 323,365, 415,602, 511,586, 337,944

**Net change in sale (purchase) of subsidiary shares to (from) non-controlling interests:** (2,459), (2,740), (86,512), (1,392), 18,388

**Balance at the beginning of the year:** ¥2,662,811, ¥2,984,351, ¥3,690,116, ¥3,840,609, ¥3,870,240

**Non-controlling interests:**  
- Balance at the beginning of the year: ¥74,320, ¥671
- Cumulative effects of the application of new accounting standards: (27,832)
- Transfer from other components of equity: (133,357), (133,357), (133,357), (133,357), (133,357)

**Balance at the end of the year:** ¥2,641,317, ¥2,948,135, ¥3,690,116, ¥3,840,609, ¥3,870,240

---

**Common stock:**  
- Balance at the beginning of the year: ¥253,448
- Balance at the end of the year: ¥253,448

**Capital surplus:**  
- Balance at the beginning of the year: 156,688, 162,038, 160,271
- Balance at the end of the year: 156,688, 162,038, 160,271

**Treasury stock:**  
- Balance at the beginning of the year: ¥2,662,811
- Balance at the end of the year: ¥2,641,317

**Issuance of common stock:**  
- Balance at the beginning of the year: —
- Balance at the end of the year: —

**Cancellation of treasury stock:**  
- Balance at the beginning of the year: —
- Balance at the end of the year: —

---

**Consolidated Financial Statements Data Section**

**Treasury stock:**  
- Balance at the beginning of the year: ¥2,662,811
- Balance at the end of the year: ¥2,641,317

**Issuance of common stock:**  
- Balance at the beginning of the year: —
- Balance at the end of the year: —

**Cancellation of treasury stock:**  
- Balance at the beginning of the year: —
- Balance at the end of the year: —
Consolidated Statement of Cash Flows

Fiscal Years Ended March 31 2017 2018 2019 2020

<table>
<thead>
<tr>
<th>Description</th>
<th>Millions of yen</th>
<th>Millions of U.S. dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net profit</td>
<td>¥ 374,593</td>
<td>$ 4,445,863</td>
</tr>
<tr>
<td>Adjustments to reconcile net profit to net cash provided by operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>107,046</td>
<td>1,055,374</td>
</tr>
<tr>
<td>(Gain)/loss on investments</td>
<td>(30,144)</td>
<td>(29,465)</td>
</tr>
<tr>
<td>(Gain)/loss on property, plant, equipment and intangible assets</td>
<td>16,606</td>
<td>157,524</td>
</tr>
<tr>
<td>Financial (in)nal loss</td>
<td>(16,275)</td>
<td>(14,141)</td>
</tr>
<tr>
<td>Equity in earnings of associates and joint ventures</td>
<td>(185,158)</td>
<td>(205,969)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>125,262</td>
<td>17,582</td>
</tr>
<tr>
<td>Provision for doubtful accounts and other provisions</td>
<td>5,199</td>
<td>154,594</td>
</tr>
<tr>
<td>Changes in assets and liabilities, other-net</td>
<td>(30,042)</td>
<td>(23,574)</td>
</tr>
<tr>
<td>Proceeds from interest</td>
<td>26,693</td>
<td>24,412</td>
</tr>
<tr>
<td>Proceeds from dividends</td>
<td>88,458</td>
<td>144,732</td>
</tr>
<tr>
<td>Payments for interest</td>
<td>(27,757)</td>
<td>(27,526)</td>
</tr>
<tr>
<td>Payments for income taxes</td>
<td>(81,318)</td>
<td>(12,793)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>389,693</td>
<td>895,900</td>
</tr>
</tbody>
</table>

Cash flows from investing activities
Net change in investments accounted for by the equity method  (117,116)  (20,694)
Net change in other investments (5,277) (50,913)
Net change in loans receivable  29,150 23,300
Net change in property, plant, equipment and intangible assets (76,844) (152,583)
Net change in time deposits (11,220) (18,492)
Net cash provided by (used in) investing activities (81,316) (207,196)

Cash flows from financing activities
Net change in debtors and loans payable (226,547) (251,206)
Repayments of lease liabilities  (267,193) (277,493)
Cash dividends (83,037) (116,437)
Net change in treasury stock (16,706) (14,265)
Other (9,056) (559,606)
Net cash provided by (used in) financing activities (335,296) (287,767)

Net cash provided by operating activities 389,693 895,900
Net cash provided by investing activities (81,316) (207,196)
Net cash provided by financing activities 358,377 688,604
Net increase in cash and cash equivalents (82,782) (15,839)
Cash and cash equivalents at the beginning of the year 363,871 605,589
Effect of exchange rate changes on cash and cash equivalents (279) (4,391)
Cash and cash equivalents included in assets held for sale  508 14,692
Cash and cash equivalents at the end of the year ¥ 605,589 ¥ 432,140

Major Indicators

Interest-Bearing Debt, Shareholders' Equity, and Net Debt-to-Shareholders' Equity Ratio

Fiscal Years Ended March 31 2017 2018 2019 2020

<table>
<thead>
<tr>
<th>Description</th>
<th>Billions of yen</th>
<th>Billions of U.S. dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest-bearing debt</td>
<td>2,918.1</td>
<td>26,785</td>
</tr>
<tr>
<td>Total interest-bearing debt</td>
<td>2,944.7</td>
<td>29,025</td>
</tr>
<tr>
<td>Adjusted total interest-bearing debt (A)</td>
<td>2,944.7</td>
<td>29,025</td>
</tr>
<tr>
<td>Total interest-bearing debt (B)</td>
<td>2,918.1</td>
<td>26,785</td>
</tr>
<tr>
<td>Net debt-to-shareholders' equity ratio (A/B) (%)</td>
<td>0.97</td>
<td>0.92</td>
</tr>
<tr>
<td>Sharesholders' equity</td>
<td>2,401.9</td>
<td>21,143</td>
</tr>
<tr>
<td>Net debt-to-shareholders' equity ratio (A/B) (%)</td>
<td>0.97</td>
<td>0.92</td>
</tr>
</tbody>
</table>

Risk Buffer and Risk Assets

Fiscal Years Ended March 31 2017 2018 2019 2020

<table>
<thead>
<tr>
<th>Description</th>
<th>Billions of yen</th>
<th>Billions of U.S. dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk buffer</td>
<td>5,004.7</td>
<td>43,986</td>
</tr>
<tr>
<td>Risk assets</td>
<td>1,759.1</td>
<td>15,268</td>
</tr>
</tbody>
</table>

Risk assets

Selling, General and Administrative (SG&A) Expenses, Provision for Doubtful Accounts, and Expense Ratio

Fiscal Years Ended March 31 2017 2018 2019 2020

<table>
<thead>
<tr>
<th>Description</th>
<th>Billions of yen</th>
<th>Billions of U.S. dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selling expenses</td>
<td>2,330.7</td>
<td>21,143</td>
</tr>
<tr>
<td>SG&amp;A expenses</td>
<td>2,024.3</td>
<td>17,462</td>
</tr>
<tr>
<td>Total SG&amp;A expenses (A)</td>
<td>2,354.6</td>
<td>23,625</td>
</tr>
<tr>
<td>Other SG&amp;A expenses</td>
<td>2,918.1</td>
<td>26,785</td>
</tr>
<tr>
<td>Expense ratio (A) / (B) (%)</td>
<td>0.78</td>
<td>0.75</td>
</tr>
</tbody>
</table>

Selling, General and Administrative (SG&A) Expenses, Provision for Doubtful Accounts, and Expense Ratio

Fiscal Years Ended March 31 2017 2018 2019 2020

<table>
<thead>
<tr>
<th>Description</th>
<th>Billions of yen</th>
<th>Billions of U.S. dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selling expenses</td>
<td>2,354.6</td>
<td>23,625</td>
</tr>
<tr>
<td>SG&amp;A expenses</td>
<td>2,918.1</td>
<td>26,785</td>
</tr>
<tr>
<td>Total SG&amp;A expenses (A)</td>
<td>5,278.7</td>
<td>47,410</td>
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<tr>
<td>Other SG&amp;A expenses</td>
<td>2,024.3</td>
<td>17,462</td>
</tr>
<tr>
<td>Expense ratio (A) / (B) (%)</td>
<td>0.78</td>
<td>0.75</td>
</tr>
</tbody>
</table>
On July 1, 2019, ITOCHU established The 8th Company and changed its organizational structure from seven Division Companies to eight Division Companies. The amounts under FYE 2018, FYE 2019 and the 1st quarter of FYE 2020 are presented post reclassification.

### Performance Trends by Segment

#### Core Operating Cash Flows

<table>
<thead>
<tr>
<th></th>
<th>FYE 17</th>
<th>FYE 18</th>
<th>FYE 19</th>
<th>FYE 20</th>
<th>FYE 17</th>
<th>FYE 18</th>
<th>FYE 19</th>
<th>FYE 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Textile Company</td>
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<tr>
<td>Machinery Company</td>
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<tr>
<td>Metals &amp; Minerals Company</td>
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<tr>
<td>Energy &amp; Chemicals Company</td>
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<tr>
<td>Food Company</td>
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<tr>
<td>General Products &amp; Realty Company</td>
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<tr>
<td>ICT &amp; Financial Business Company</td>
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<tr>
<td>The 8th Company</td>
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#### ROA

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<tr>
<th></th>
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<th>FYE 18</th>
<th>FYE 19</th>
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<tbody>
<tr>
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<td>Machinery Company</td>
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<td>Food Company</td>
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### Consolidated Net Profit & Core Profit

<table>
<thead>
<tr>
<th></th>
<th>FYE 17</th>
<th>FYE 18</th>
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### Total Assets

<table>
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<th>FYE 18</th>
<th>FYE 19</th>
<th>FYE 20</th>
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<th>FYE 18</th>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICT &amp; Financial Business Company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The 8th Company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Notes:
- *Operating cash flows* minus “changes in working capital” (excluding the effect of lease accounting)
- All data are presented in yen (¥)
- All data are presented post reclassification
- On July 1, 2019, ITOCHU established The 8th Company and changed its organizational structure from seven Division Companies to eight Division Companies. The amounts under FYE 2018, FYE 2019 and the 1st quarter of FYE 2020 are presented post reclassification.
### Segment Information by Operating Segment

#### Fiscal Years Ended March 31

<table>
<thead>
<tr>
<th>Segment</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues from external customers</td>
<td>¥528.1 billion</td>
<td>¥522.4 billion</td>
<td>¥539.6 billion</td>
<td>¥537.4 billion</td>
<td>¥435.0 billion</td>
</tr>
<tr>
<td>Gross trading profit</td>
<td>132.4%</td>
<td>122.0%</td>
<td>118.9%</td>
<td>107.5%</td>
<td>89.5%</td>
</tr>
<tr>
<td>Core profit</td>
<td>25.2%</td>
<td>25.2%</td>
<td>29.8%</td>
<td>9.1%</td>
<td>16.1%</td>
</tr>
<tr>
<td>Core operating cash flows</td>
<td>29.2%</td>
<td>28.0%</td>
<td>28.8%</td>
<td>18.6%</td>
<td>18.6%</td>
</tr>
<tr>
<td>Core operating cash flows</td>
<td>29.2%</td>
<td>27.7%</td>
<td>29.4%</td>
<td>19.1%</td>
<td>19.1%</td>
</tr>
<tr>
<td>Total assets as of March 31</td>
<td>¥495.9 billion</td>
<td>¥474.9 billion</td>
<td>¥527.2 billion</td>
<td>¥461.9 billion</td>
<td>¥418.7 billion</td>
</tr>
<tr>
<td>ROA (%)</td>
<td>4.9%</td>
<td>3.6%</td>
<td>3.9%</td>
<td>1.8%</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

#### Revenues from external customers (Cont.)

<table>
<thead>
<tr>
<th>Segment</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>¥209.3 billion</td>
<td>¥223.9 billion</td>
<td>¥661.7 billion</td>
<td>¥643.9 billion</td>
<td>¥657.2 billion</td>
</tr>
<tr>
<td>Gross trading profit</td>
<td>46.2%</td>
<td>82.0%</td>
<td>76.7%</td>
<td>111.4%</td>
<td>104.1%</td>
</tr>
<tr>
<td>Core profit</td>
<td>19.5%</td>
<td>30.0%</td>
<td>74.9%</td>
<td>106.8%</td>
<td>118.1%</td>
</tr>
<tr>
<td>Core operating cash flows</td>
<td>29.5%</td>
<td>17.9%</td>
<td>50.7%</td>
<td>35.6%</td>
<td>35.6%</td>
</tr>
<tr>
<td>Total assets as of March 31</td>
<td>¥854.9 billion</td>
<td>¥850.3 billion</td>
<td>¥844.4 billion</td>
<td>¥800.0 billion</td>
<td>¥913.6 billion</td>
</tr>
<tr>
<td>ROA (%)</td>
<td>5.2%</td>
<td>9.6%</td>
<td>9.3%</td>
<td>13.5%</td>
<td>12.1%</td>
</tr>
</tbody>
</table>

#### Metals & Minerals

<table>
<thead>
<tr>
<th>Segment</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues from external customers</td>
<td>¥1,426.4 billion</td>
<td>¥1,576.8 billion</td>
<td>¥3,124.2 billion</td>
<td>¥2,603.2 billion</td>
<td>¥2,180.4 billion</td>
</tr>
<tr>
<td>Gross trading profit</td>
<td>183.1%</td>
<td>206.8%</td>
<td>216.6%</td>
<td>217.9%</td>
<td>228.2%</td>
</tr>
<tr>
<td>Core profit</td>
<td>4.6%</td>
<td>6.2%</td>
<td>11.1%</td>
<td>11.1%</td>
<td>9.1%</td>
</tr>
<tr>
<td>Core operating cash flows</td>
<td>8.0%</td>
<td>5.0%</td>
<td>8.4%</td>
<td>7.6%</td>
<td>6.7%</td>
</tr>
<tr>
<td>Total assets as of March 31</td>
<td>¥1,169.0 billion</td>
<td>¥1,360.7 billion</td>
<td>¥1,286.7 billion</td>
<td>¥1,207.2 billion</td>
<td>¥1,279.2 billion</td>
</tr>
<tr>
<td>ROA (%)</td>
<td>4.1%</td>
<td>5.1%</td>
<td>4.9%</td>
<td>2.9%</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

#### Energy & Chemicals

<table>
<thead>
<tr>
<th>Segment</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues from external customers</td>
<td>¥1,071.3 billion</td>
<td>¥1,149.2 billion</td>
<td>¥3,770.3 billion</td>
<td>¥3,828.3 billion</td>
<td>¥3,975.3 billion</td>
</tr>
<tr>
<td>Gross trading profit</td>
<td>145.9%</td>
<td>152.4%</td>
<td>164.1%</td>
<td>150.7%</td>
<td>147.4%</td>
</tr>
<tr>
<td>Core profit</td>
<td>17.7%</td>
<td>18.1%</td>
<td>30.9%</td>
<td>5.1%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Core operating cash flows</td>
<td>27.6%</td>
<td>55.4%</td>
<td>62.7%</td>
<td>55.0%</td>
<td>21.3%</td>
</tr>
<tr>
<td>Total assets as of March 31</td>
<td>¥784.0 billion</td>
<td>¥798.8 billion</td>
<td>¥806.0 billion</td>
<td>¥1,007.5 billion</td>
<td>¥1,089.7 billion</td>
</tr>
<tr>
<td>ROA (%)</td>
<td>4.0%</td>
<td>4.3%</td>
<td>2.8%</td>
<td>2.9%</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

#### Food

<table>
<thead>
<tr>
<th>Segment</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Products &amp; Realty</td>
<td>¥548.1 billion</td>
<td>¥594.4 billion</td>
<td>¥850.1 billion</td>
<td>¥808.1 billion</td>
<td>¥755.4 billion</td>
</tr>
<tr>
<td>Revenues from external customers</td>
<td>127.7%</td>
<td>181.6%</td>
<td>30.9%</td>
<td>5.1%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Gross trading profit</td>
<td>145.9%</td>
<td>152.4%</td>
<td>164.1%</td>
<td>150.7%</td>
<td>147.4%</td>
</tr>
<tr>
<td>Core profit</td>
<td>17.7%</td>
<td>18.1%</td>
<td>30.9%</td>
<td>5.1%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Core operating cash flows</td>
<td>27.6%</td>
<td>55.4%</td>
<td>62.7%</td>
<td>55.0%</td>
<td>21.3%</td>
</tr>
<tr>
<td>Total assets as of March 31</td>
<td>¥784.0 billion</td>
<td>¥798.8 billion</td>
<td>¥806.0 billion</td>
<td>¥1,007.5 billion</td>
<td>¥1,089.7 billion</td>
</tr>
<tr>
<td>ROA (%)</td>
<td>4.0%</td>
<td>4.3%</td>
<td>2.8%</td>
<td>2.9%</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

#### General Products & Realty

<table>
<thead>
<tr>
<th>Segment</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICT &amp; Financial Business</td>
<td>¥689.7 billion</td>
<td>¥672.7 billion</td>
<td>¥728.0 billion</td>
<td>¥751.1 billion</td>
<td>¥751.2 billion</td>
</tr>
<tr>
<td>Gross trading profit</td>
<td>171.6%</td>
<td>197.8%</td>
<td>207.8%</td>
<td>249.7%</td>
<td>280.6%</td>
</tr>
<tr>
<td>Core profit</td>
<td>30.9%</td>
<td>30.7%</td>
<td>42.1%</td>
<td>40.7%</td>
<td>39.1%</td>
</tr>
<tr>
<td>Core operating cash flows</td>
<td>40.1%</td>
<td>50.7%</td>
<td>66.8%</td>
<td>62.5%</td>
<td>68.1%</td>
</tr>
<tr>
<td>Total assets as of March 31</td>
<td>¥718.6 billion</td>
<td>¥760.8 billion</td>
<td>¥1,003.3 billion</td>
<td>¥1,208.3 billion</td>
<td>¥1,238.8 billion</td>
</tr>
<tr>
<td>ROA (%)</td>
<td>5.7%</td>
<td>6.9%</td>
<td>7.2%</td>
<td>5.3%</td>
<td>4.8%</td>
</tr>
</tbody>
</table>
# Quarterly Information

## Quarterly Financial Information

### Fiscal Years Ended March 31

<table>
<thead>
<tr>
<th>Fiscal Year Ended March 31</th>
<th>1st Quarter</th>
<th>2nd Quarter</th>
<th>3rd Quarter</th>
<th>4th Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2017</td>
<td>1Q 2017</td>
<td>2Q 2017</td>
<td>3Q 2017</td>
<td>4Q 2017</td>
</tr>
<tr>
<td>Revenues</td>
<td>¥2,362.8 B</td>
<td>¥25.1 B</td>
<td>¥2,135.4 B</td>
<td>¥119.3 B</td>
</tr>
<tr>
<td>Revenue from sale of goods</td>
<td>¥2,135.4 B</td>
<td>¥119.3 B</td>
<td>¥2,362.8 B</td>
<td>¥25.1 B</td>
</tr>
<tr>
<td>Trading profit</td>
<td>¥17.8 B</td>
<td>¥1.8 B</td>
<td>¥17.8 B</td>
<td>¥1.8 B</td>
</tr>
<tr>
<td>Gains (loss) on investments</td>
<td>¥6.1 B</td>
<td>¥0.1 B</td>
<td>¥6.1 B</td>
<td>¥0.1 B</td>
</tr>
<tr>
<td>Gains (loss) on property, etc.</td>
<td>¥1.8 B</td>
<td>¥0.1 B</td>
<td>¥1.8 B</td>
<td>¥0.1 B</td>
</tr>
<tr>
<td>Net trading profit</td>
<td>¥16.8 B</td>
<td>¥1.6 B</td>
<td>¥16.8 B</td>
<td>¥1.6 B</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>¥91.3 B</td>
<td>¥6.3 B</td>
<td>¥91.3 B</td>
<td>¥6.3 B</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>¥2.4 B</td>
<td>¥0.2 B</td>
<td>¥2.4 B</td>
<td>¥0.2 B</td>
</tr>
<tr>
<td>Income before extraordinary items</td>
<td>¥88.9 B</td>
<td>¥6.1 B</td>
<td>¥88.9 B</td>
<td>¥6.1 B</td>
</tr>
<tr>
<td>Net profit attributable to ITOCHU</td>
<td>¥88.9 B</td>
<td>¥6.1 B</td>
<td>¥88.9 B</td>
<td>¥6.1 B</td>
</tr>
</tbody>
</table>

## Quarterly Segment Information by Operating Segment

### Fiscal Years Ended March 31

<table>
<thead>
<tr>
<th>Fiscal Year Ended March 31</th>
<th>1st Quarter</th>
<th>2nd Quarter</th>
<th>3rd Quarter</th>
<th>4th Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2017</td>
<td>1Q 2017</td>
<td>2Q 2017</td>
<td>3Q 2017</td>
<td>4Q 2017</td>
</tr>
<tr>
<td>Textile</td>
<td>¥19.7 B</td>
<td>¥20.3 B</td>
<td>¥19.7 B</td>
<td>¥20.3 B</td>
</tr>
<tr>
<td>Net profit (loss) attributable to ITOCHU</td>
<td>¥19.7 B</td>
<td>¥20.3 B</td>
<td>¥19.7 B</td>
<td>¥20.3 B</td>
</tr>
<tr>
<td>Machinery</td>
<td>¥22.6 B</td>
<td>¥24.0 B</td>
<td>¥22.6 B</td>
<td>¥24.0 B</td>
</tr>
<tr>
<td>Net profit (loss) attributable to ITOCHU</td>
<td>¥22.6 B</td>
<td>¥24.0 B</td>
<td>¥22.6 B</td>
<td>¥24.0 B</td>
</tr>
<tr>
<td>Metals &amp; Minerals</td>
<td>¥25.6 B</td>
<td>¥27.6 B</td>
<td>¥25.6 B</td>
<td>¥27.6 B</td>
</tr>
<tr>
<td>Net profit (loss) attributable to ITOCHU</td>
<td>¥25.6 B</td>
<td>¥27.6 B</td>
<td>¥25.6 B</td>
<td>¥27.6 B</td>
</tr>
<tr>
<td>Energy &amp; Chemicals</td>
<td>¥26.5 B</td>
<td>¥28.8 B</td>
<td>¥26.5 B</td>
<td>¥28.8 B</td>
</tr>
<tr>
<td>Net profit (loss) attributable to ITOCHU</td>
<td>¥26.5 B</td>
<td>¥28.8 B</td>
<td>¥26.5 B</td>
<td>¥28.8 B</td>
</tr>
<tr>
<td>Food</td>
<td>¥27.7 B</td>
<td>¥29.9 B</td>
<td>¥27.7 B</td>
<td>¥29.9 B</td>
</tr>
<tr>
<td>Net profit (loss) attributable to ITOCHU</td>
<td>¥27.7 B</td>
<td>¥29.9 B</td>
<td>¥27.7 B</td>
<td>¥29.9 B</td>
</tr>
<tr>
<td>General Products &amp; Realty</td>
<td>¥28.8 B</td>
<td>¥31.2 B</td>
<td>¥28.8 B</td>
<td>¥31.2 B</td>
</tr>
<tr>
<td>Net profit (loss) attributable to ITOCHU</td>
<td>¥28.8 B</td>
<td>¥31.2 B</td>
<td>¥28.8 B</td>
<td>¥31.2 B</td>
</tr>
<tr>
<td>ICT &amp; Financial Business</td>
<td>¥29.9 B</td>
<td>¥32.4 B</td>
<td>¥29.9 B</td>
<td>¥32.4 B</td>
</tr>
<tr>
<td>Net profit (loss) attributable to ITOCHU</td>
<td>¥29.9 B</td>
<td>¥32.4 B</td>
<td>¥29.9 B</td>
<td>¥32.4 B</td>
</tr>
</tbody>
</table>

## Analysis

- **Revenue:** The company's revenue is primarily from the sale of goods, trading profits, and gains on investments. The revenue from sale of goods increased significantly from FY 2016 to FY 2017, reflecting the company's growth in sales volume.

- **Gross Profit:** Gross trading profit increased from FY 2016 to FY 2017, indicating a higher profit margin on sales. The gains (losses) on investments also contributed positively to the overall gross profit.

- **Net Profit:** The company's net profit attributable to ITOCHU increased from FY 2016 to FY 2017, due to higher gross trading profit and lower expenses. The net profit attributable to non-controlling interests also showed a positive trend.

- **Quarterly Segment Information:** The analysis shows that the company's segments in the textile, machinery, metals & minerals, energy & chemicals, food, general products & reality, ICT & financial business, and the 8th company have contributed to the overall performance. The net profit attributable to ITOCHU for these segments remained positive across all quarters, indicating a steady performance in these areas.
### Profits / Losses from Major Group Companies

#### Textile Company

<table>
<thead>
<tr>
<th>Ownership %</th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021 (Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITOCHU Corporation</td>
<td>100.0%</td>
<td>1.2</td>
<td>0.8</td>
</tr>
<tr>
<td>DESCENTE LTD.</td>
<td>40.0%</td>
<td>1.2</td>
<td>1.6</td>
</tr>
<tr>
<td>EDWIN CO., LTD.</td>
<td>98.0%</td>
<td>1.3</td>
<td>1.7</td>
</tr>
<tr>
<td>Sanex Co., Ltd.</td>
<td>100.0%</td>
<td>1.5</td>
<td>0.3</td>
</tr>
<tr>
<td>ITOCHU Textile Prominent (ASIA) Ltd.</td>
<td>100.0%</td>
<td>1.1</td>
<td>1.9</td>
</tr>
<tr>
<td>ITOCHU TEXTILE (CHINA) CO., LTD.</td>
<td>100.0%</td>
<td>1.1</td>
<td>1.2</td>
</tr>
</tbody>
</table>

#### Machinery Company

<table>
<thead>
<tr>
<th>Ownership %</th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021 (Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITOCHU Machinery Company</td>
<td>55.7%</td>
<td>2.9</td>
<td>6.4</td>
</tr>
<tr>
<td>TOKYO CENTURY CORPORATION</td>
<td>52.2%</td>
<td>1.7</td>
<td>2.0</td>
</tr>
<tr>
<td>ITOCHU MACHINE-TECHNOS CORPORATION</td>
<td>100.0%</td>
<td>1.4</td>
<td>1.4</td>
</tr>
<tr>
<td>ITOCHU PLASTICS INC.*3</td>
<td>60.0%</td>
<td>2.3</td>
<td>2.5</td>
</tr>
</tbody>
</table>

#### Metals & Minerals Company

<table>
<thead>
<tr>
<th>Ownership %</th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021 (Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITOCHU Metals Company</td>
<td>10.0%</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>ITOCHU LOGISTICS CORP.*3</td>
<td>4.8%</td>
<td>0.2</td>
<td>0.1</td>
</tr>
<tr>
<td>MARUBENI-Itochu Steel Inc.*3</td>
<td>30.0%</td>
<td>0.5</td>
<td>0.6</td>
</tr>
<tr>
<td>POCKET CARD CO., LTD.<em>3</em>5</td>
<td>38.0%</td>
<td>1.9</td>
<td>2.1</td>
</tr>
</tbody>
</table>

#### Energy & Chemicals Company

<table>
<thead>
<tr>
<th>Ownership %</th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021 (Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITOCHU Energy &amp; Chemicals Company</td>
<td>80.1%</td>
<td>14.2</td>
<td>13.5</td>
</tr>
<tr>
<td>JAPAN NITTO ENERGYSYS CORPORATION</td>
<td>100.0%</td>
<td>1.8</td>
<td>2.5</td>
</tr>
<tr>
<td>ITOCHU Metals Corporation</td>
<td>100.0%</td>
<td>1.5</td>
<td>1.6</td>
</tr>
</tbody>
</table>

#### Food Company

<table>
<thead>
<tr>
<th>Ownership %</th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021 (Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITOCHU Food Company</td>
<td>100.0%</td>
<td>7.8</td>
<td>8.8</td>
</tr>
<tr>
<td>NIPPON ACCESS, INC.*3</td>
<td>30.0%</td>
<td>7.0</td>
<td>8.4</td>
</tr>
<tr>
<td>FUJI OIL HOLDINGS, INC.*3</td>
<td>40.0%</td>
<td>7.0</td>
<td>8.4</td>
</tr>
<tr>
<td>ITOCHU SKEUGH INC. LTD.*3</td>
<td>52.0%</td>
<td>7.0</td>
<td>8.4</td>
</tr>
</tbody>
</table>

### General Products & Realty Company

<table>
<thead>
<tr>
<th>Ownership %</th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021 (Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITOCHU Real Estate Co., Ltd.<em>3</em>4</td>
<td>94.7%</td>
<td>17.3</td>
<td>17.5</td>
</tr>
<tr>
<td>ITOCHU Techno-Systems Corporation</td>
<td>40.8%</td>
<td>14.2</td>
<td>16.6</td>
</tr>
<tr>
<td>CONEXIO Corporation</td>
<td>40.3%</td>
<td>14.2</td>
<td>16.6</td>
</tr>
<tr>
<td>ITOCHU Full Partners, Inc. (SKY Perfect JSAT Holdings)</td>
<td>66.0%</td>
<td>1.4</td>
<td>1.9</td>
</tr>
</tbody>
</table>

### ICT & Financial Business Company

<table>
<thead>
<tr>
<th>Ownership %</th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021 (Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITOCHU TC CONSTRUCTION MACHINERY CO., LTD.*3</td>
<td>50.0%</td>
<td>0.6</td>
<td>0.7</td>
</tr>
<tr>
<td>ITOCHU PLASTICS INC.*3</td>
<td>40.0%</td>
<td>1.5</td>
<td>1.6</td>
</tr>
<tr>
<td>ITOCHU Metals Corporation</td>
<td>30.0%</td>
<td>0.5</td>
<td>0.6</td>
</tr>
</tbody>
</table>

### The 8th Company

<table>
<thead>
<tr>
<th>Ownership %</th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021 (Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FamilyMart Co., Ltd.*4</td>
<td>94.7%</td>
<td>17.3</td>
<td>17.5</td>
</tr>
<tr>
<td>ITOCHU Finance (ASIA) LTD.</td>
<td>100.0%</td>
<td>2.7</td>
<td>3.5</td>
</tr>
</tbody>
</table>

### Others, Adjustments & Eliminations

<table>
<thead>
<tr>
<th>Ownership %*1</th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021 (Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITOCHU Property Development, Ltd.*2</td>
<td>100.0%</td>
<td>2.9</td>
<td>2.4</td>
</tr>
</tbody>
</table>

---

*1 Indicated ownership percentages are as of June 30, 2021.
*2 "FYE 2022 (Plan)" indicates initial plans disclosed on May 10, 2021.
*3 Ownership has been partially transferred to The 8th Company. Accordingly ownership percentages and profits / losses are shown for each Division Company.
*4 The figures include net profits through FamilyMart Co., Ltd.
*5 Data Section
IR Activities

ITOCHU engages in communication with analysts, institutional investors, individual investors, and all other stakeholders. While explaining our thinking to those stakeholders, we proactively report the valuable opinions received through the communications to the management team in order to facilitate increases in corporate value.

Major IR Activities

Evaluations of External Credit Ratings

As of July 2021

Activities

Gold Award
Integrated Report Award 2020
WICI Japan
Highly-Improved Integrated Report
Outstanding Integrated Report
Government Pension Investment Fund (GPIF)
Annual Report and institutional investors
Investor briefing on financial results for analysts
* To prevent the spread of COVID-19, the scale has been reduced.

Activities

S&P Global Ratings
A / Stable
A-1

Japan Credit Rating Agency (JCR)
A+ / Stable
A+1

Morningstar Japan K.K.
By-sector Ranking (Wholesale Trade): AAA Grade

Morningstar Japan K.K.
Grand Prize (1st Place)

Daiwa Investor Relations Co. Ltd.
2020 Internet IR Award

Daiwa Investor Relations Co. Ltd.
Grand Prize (1st Place)

WICI Japan
Integrated Report Award 2020

Nikko Investor Relations Co., Ltd.
All Japanese Listed Companies’ Website Ranking 2020

Number of Shareholders
187,392
176,284
103,948

Number of Shareholders
2,696
2

* To prevent the spread of COVID-19, overseas travel has been suspended since February 2020, and individual meetings have been held online.

Message from the Investor Relations Division

We would like to express our gratitude to the readers of Annual Report 2021. We hope that it has contributed to understanding of the relationship between ITOCHU’s business management continuity and corporate value enhancement. Going forward, we will continue proactively engaging in dialogue with all of our stakeholders, ensuring timely, appropriate disclosure, and sincerely advancing investor relations activities aimed at increasing corporate value even further.

Stock and Shareholder Information (As of March 31, 2021)

Basic Information About Our Stock

<table>
<thead>
<tr>
<th>Stock Rating</th>
<th>Category</th>
<th>Stock code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tokyo Stock Exchange</td>
<td>Wholesale, Trade</td>
<td>8001</td>
</tr>
</tbody>
</table>

Minimum number of stocks allowed per trade: 100

Fiscal year: From April 1 to March 31

Shareholder fixed day for dividend payment: March 31

Minimum number of stocks allowed per trade: 100

Stock code: 8001

Stock listing: Tokyo

Basic Information About Our Stock

<table>
<thead>
<tr>
<th>Category</th>
<th>Fiscal Year</th>
<th>Minimum Number of Stocks Allowed per Trade</th>
<th>Stock Code</th>
<th>Stock Listing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tokyo Stock Exchange</td>
<td>Wholesale, Trade</td>
<td>100</td>
<td>8001</td>
<td>Tokyo</td>
</tr>
</tbody>
</table>

Breakdown of Shareholders

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Master Trust Bank of Japan, Ltd. (trust account)</td>
<td>140,530</td>
</tr>
<tr>
<td>MITSUI TRUST BANK, LTD.</td>
<td>85,097</td>
</tr>
<tr>
<td>THE CHASE MANHATTAN BANK</td>
<td>81,265</td>
</tr>
<tr>
<td>CP WORLDWIDE INVESTMENT COMPANY LIMITED</td>
<td>65,300</td>
</tr>
<tr>
<td>Nippon Life Insurance Company</td>
<td>34,958</td>
</tr>
<tr>
<td>YOKOHAMA MITSUI BANK, LTD.</td>
<td>31,431</td>
</tr>
<tr>
<td>Mizuho Bank, Ltd.</td>
<td>31,200</td>
</tr>
<tr>
<td>Aso 1 Mutual Life Insurance Company</td>
<td>23,100</td>
</tr>
<tr>
<td>CP WORLDWIDE INVESTMENT COMPANY LIMITED</td>
<td>21,108</td>
</tr>
<tr>
<td>STATE STREET BANK STREET CLIENT - TREATY 10504</td>
<td>20,773</td>
</tr>
</tbody>
</table>

For more information about IR, please visit our Investor Relations website.
https://www.itochu.co.jp/en/inr/

- Financial statements
- TSE filings
- Shareholders and stock information
- Operating results and financial position, etc.

For more information about IR, please visit our Investor Relations website.
https://www.itochu.co.jp/en/inr/