

# 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.)



**Tomofumi Yoshida**  
President,  
General Products & Realty Company



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

## Company Strengths

- Well-established position and value chains in each business area
- Creation of synergy through collaboration between businesses
- Strengthening of the management foundation through the aggressive replacement of our asset portfolio

### Business Development

Percentage of Earnings from Domestic Business (image)

40%

#### Paper / Pulp / Hygiene

##### METSA FIBRE



- One of the world's largest manufacturers of commercial softwood pulp
- Production capacity: Approx. 3.2 million tonnes per year
- ◆ ITOCHU Pulp & Paper (Wholesale of paper, paper board, 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)
- ◆ ITOCHU CERATECH (Manufacture of ceramic raw materials and products)

#### Wood Products & Materials

##### North American construction materials business

##### Development of a robust value chain

- MASTER-HALCO (Manufacture and wholesale of fences)
- Alta Forest Products (Manufacture of wooden fences)
- CIPA LUMBER (Manufacture of veneer)
- Pacific Woodtech (Manufacture of laminated veneer lumber)



- ◆ ITOCHU KENZAI (Wholesale of wood products and building materials)
- ◆ DAIKEN (Manufacture and wholesale of building materials)

#### Development & Operation of Real Estate

- ◆ ITOCHU Property Development
- Development of condominiums (CREVIA series)
- Development of profit-earning real estate

- ◆ ITOCHU Urban Community (Management of condominiums, rental apartments, and office buildings)
- ◆ ITOCHU HOUSING (Real estate agent and property consultant)
- ◆ CENTURY 21 REAL ESTATE OF JAPAN (Real estate franchise operation)
- ◆ ITOHPIA HOME (Planning and construction of detached houses)
- ◆ CHUSETSU Engineering (Planning and construction of plants, logistics facilities, etc.)
- ◆ IZU-OHITO DEVELOPMENT (Golf course management)

- ##### REITs and funds
- ◆ AD Investment Management
  - ◆ ITOPIA Asset Management
  - ◆ ITOCHU REIT Management

##### Overseas businesses

- Saigon Sky Garden (Serviced apartments, Vietnam)
- Makati Sky Plaza Building (Office building, the Philippines)
- Harindhorn Building (Office building, Thailand)
- KARAWANG INTERNATIONAL INDUSTRIAL CITY (Indonesia)
- Resort hotel management business (Indonesia)
- Data center development business (China)
- Condominium leasing business (U.S.A.)

#### Logistics

##### ◆ ITOCHU LOGISTICS



- Comprehensive logistics services (Freight forwarding, warehousing, trucking, and distribution centers)
- ITOCHU LOGISTICS (CHINA) (Comprehensive domestic logistics services in China)
- Dateng Logistics (Shanghai) (Comprehensive domestic logistics services in China)

Region legend: ◆ Japan ■ North America ■ Europe ■ China and other Asian countries

### FYE 2021 Review (Specific Accomplishments)

$$\text{Corporate Value} = \frac{\text{Created Value}}{\text{Cost of Capital} - \text{Growth Rate}}$$

- 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)

$$\text{Corporate Value} = \frac{\text{Created Value}}{\text{Cost of Capital} - \text{Growth Rate}}$$

- 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, seizing 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)

$$\text{Corporate Value} = \frac{\text{Created Value}}{\text{Cost of Capital} - \text{Growth Rate}}$$

- 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 (ERP) 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.

Details of the action plans are available on our website: <https://www.itochu.co.jp/en/csr/itochu/activity/actionplan/>

- ④ Evolve Businesses Through Technological Innovation
- ③ Address Climate Change (Contribute to Realization of a Decarbonized Society)
- ⑤ Cultivate a Motivating Workplace Environment
- ① Respect Human Rights
- ② Contribute to Healthier and More Enriched Lifestyles
- ⑥ Ensure Stable Procurement and Supply
- ⑦ Maintain Rigorous Governance Structures

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



Aiming to ensure the widespread use of sustainable natural rubber by making procurement transparent

#### 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.



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