

Accumulation of Non-Financial Capital

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.

	Explanation of Each Capital (Importance)	Influential PEST Factors	Examples of KPI and Monitoring Indicators	Examples of Strengthening Measures
Internal Capital	Human and Organizational Capital We increase individual capabilities through our human resource strategies and enhance labor productivity. In addition, our business divisions have powerful backing from our administrative divisions, which have rapid decision-making systems and high-level expertise, therefore practicing the "earn, cut, prevent" principles.	<ul style="list-style-type: none"> Greater disparity in economic growth among emerging countries Cultivating a workplace environment Increasing awareness on health and quality of life Strengthening a rigorous governance structure Changes in business models caused by technological innovation 	<ul style="list-style-type: none"> Labor productivity of employees Engagement Survey Average training cost per employee Number of employees with Chinese-language qualifications Monthly average overtime hours Annual paid leave acquisition rate Company ranking among job-seekers 	<ul style="list-style-type: none"> Realization of ITOCHU Mission and Guideline of Conduct Promotion of Morning-Focused Working System and working from home system Health management (Support Measures for Balancing Cancer Care and Work, etc.) Business support and checking function of administrative divisions Changing work system flexibly during the COVID-19 pandemic <p>→ Page 80 Human Resource Strategy</p>
	Business Know-How With eight Division Companies operating businesses in diverse industries, ITOCHU has accumulated extensive and advanced business know-how. This is a vital intangible asset for creating new businesses and expanding into new regions.	<ul style="list-style-type: none"> Economic policy trends Changes in the tax code and regulations Economic stagnation in developed countries Dollar appreciation Change in investment environment Accelerating response to climate change (decarbonization) Cultivating a workplace environment Increasing awareness on health and quality of life Changes in business models caused by technological innovation 	<ul style="list-style-type: none"> Number of new businesses formed Number of years of business with existing customers Number of contact points with consumers and volume of data 	<ul style="list-style-type: none"> Creating synergies and new businesses by utilizing ITOCHU's comprehensive strength Using The 8th Company to break down product silos and strengthen collaboration among Division Companies Transforming business models based on a market-oriented perspective Acquiring new knowledge through venture investments
	Business Portfolio ITOCHU's business portfolio is flexible, wide-ranging, and well-balanced. Leveraged in combination with our comprehensive strength and ability of self-transformation, this business portfolio enables us to adapt quickly to a volatile business environment and diversifying consumer demand.	<ul style="list-style-type: none"> Political trends Economic policy trends Economic stagnation in developed countries Dollar appreciation Change in investment environment Accelerating response to climate change (decarbonization) Increasing awareness on health and quality of life Strengthening a rigorous governance structure Changes in business models caused by technological innovation 	<ul style="list-style-type: none"> Ratio of Group companies reporting profits Management efficiency indicators 	<ul style="list-style-type: none"> Pursuit of highly efficient management (rigorously selected investments and continuous asset replacement) Improving profitability of existing businesses (thoroughly instilling the "earn, cut, prevent" principles) Implementation of ITOCHU's Policy on the Governance of Its Listed Subsidiaries <p>→ Page 91 Policy on the Governance of Listed Subsidiaries</p>

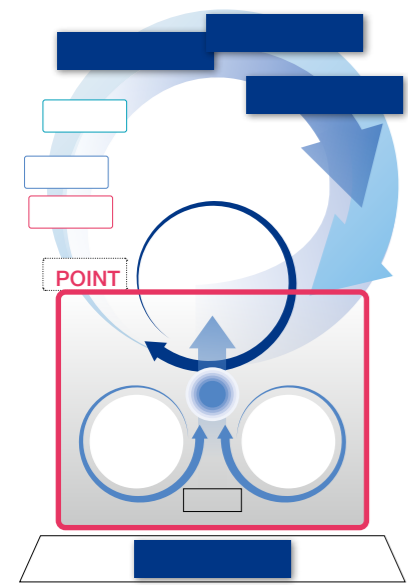
Financial Capital

Trust and Creditworthiness

Leveraging strengths to maximize capital utilization

Reinvesting capital

Accumulation of corporate value



	Explanation of Each Capital (Importance)	Influential PEST Factors	Examples of KPI and Monitoring Indicators	Examples of Strengthening Measures
External Capital	Client and Partner Assets We maintain win-win relationships with our clients and partners, which include a large number of leading companies. This is vital to our ability to rapidly expand into new domains and constantly capture and expand trade. It is our abundant client and partner assets that enable us to realize sustainable earnings growth.	<ul style="list-style-type: none"> Political trends Economic stagnation in developed countries Greater disparity in economic growth among emerging countries Unstable asset (stocks, real estate) and resource prices Accelerating response to climate change (decarbonization) Respecting human rights Increasing awareness on health and quality of life Ensuring stable procurement and supply Changes in business models caused by technological innovation 	<ul style="list-style-type: none"> Profits from initiatives with good partners Number of clients and partners Expenses reduced and decrease in losses on bad debts 	<ul style="list-style-type: none"> Selection and securing of good partners Use of cutting-edge technologies and services and business model transformation Complying with Environment, Health, and Safety (EHS) Guidelines Building of safe, reliable supply chains
	Natural Resources Through our business in the non-resource and resource sectors, we meet social demand for stable procurement and supply of natural resources, while capturing new business opportunities in responding to social issues outlined in the SDGs.	<ul style="list-style-type: none"> Changes in the tax code and regulations Unstable asset (stocks, real estate) and resource prices Accelerating response to climate change (decarbonization) Respecting human rights Ensuring stable procurement and supply 	<ul style="list-style-type: none"> Renewable energy ratio GHG emissions Electricity consumption Water usage Waste volume 	<ul style="list-style-type: none"> Withdrawing completely from thermal coal interests Continuing to review projects based on engagement Strengthening of value chains and business investment management based on a sustainability point of view Stepping up contribution to and engagement with the SDGs through eco-friendly businesses, etc. <p>→ Page 64 Business Expansion in Accordance with a Decarbonized Society</p> <p>→ Page 76 Initiatives to Promote Sustainability</p>
	Relationships with Society We practice continuous and constructive communication with our stakeholders, ascertaining their expectations and demands of the Company and resolving them. Through this effort, we promote stable business activities in Japan and overseas and realize further increases in corporate value.	<ul style="list-style-type: none"> Changes in the tax code and regulations Accelerating response to climate change (decarbonization) Respecting human rights Increasing awareness on health and quality of life Strengthening a rigorous governance structure 	<ul style="list-style-type: none"> Number of engagements with stakeholders Number of companies participating in sustainability surveys Number and percentage of employees participating in sustainability and compliance-related internal trainings External evaluation by ESG rating agencies, etc., and additions to indices Shareholder returns (dividends and share buybacks) and EPS Number of compliance violation incidents 	

→ Page 72 PEST Analysis (Macroeconomic Factors Through 2030)

→ Page 116 Data Section