

# Machinery Company

## Business Fields

- Urban environment and power infrastructure (water and environmental business, IPP, infrastructure, renewable energy, and petrochemical plants)
- Marine and aerospace (brokerage of new vessels and secondhand vessels, ship ownership, sales of commercial aircraft, aircraft leasing, satellite information services, and drones)
- Automobile (sales of passenger cars and commercial vehicles in the domestic and international markets, and business investments)
- Construction machinery, industrial machinery, and medical devices (sales in domestic and international markets, business investments)

## Company Strengths

- Diverse businesses in developed countries and business development in emerging countries while minimizing country risk
- Solid business relationships with blue-chip partners in the waste treatment / renewable energy areas and advanced project development capabilities
- Broad business portfolio encompassing both trading (in automobile and other areas) as well as business investment in areas such as wholesale, retail, and finance businesses, widely spread in Japan and overseas



**Hiroyuki Tsubai**  
President, Machinery Company



From left:

<b>Naohiko Yoshikawa</b>	Chief Operating Officer, Plant Project, Marine & Aerospace Division
<b>Hiroshi Ushijima</b>	Chief Operating Officer, Automobile, Construction Machinery & Industrial Machinery Division
<b>Masato Sakuragi</b>	Chief Financial Officer
<b>Toshio Okudera</b>	General Manager, Planning & Administration Department

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



Progress of the construction of an energy-from-waste plant in Dubai

### Start of Construction in Dubai on One of the World's Largest Energy-from-Waste Plants

ITOCHU is currently building one of the world's largest Energy-from-Waste plants in Dubai and will operate the facility for 35 years after commencement of commercial operation, which is slated for 2024. Once built, the plant will incinerate roughly 45% (1.9 million tons per year) of all general waste produced in Dubai and generate electricity from the heat that is produced during incineration.

Through this project, ITOCHU will contribute to the achievement of Dubai policy goals with regard to the environment and health, including reducing landfill disposal volume, contributing to sustainable and ecologically friendly waste management, and promoting the development of alternative energy sources not reliant on fossil fuels.

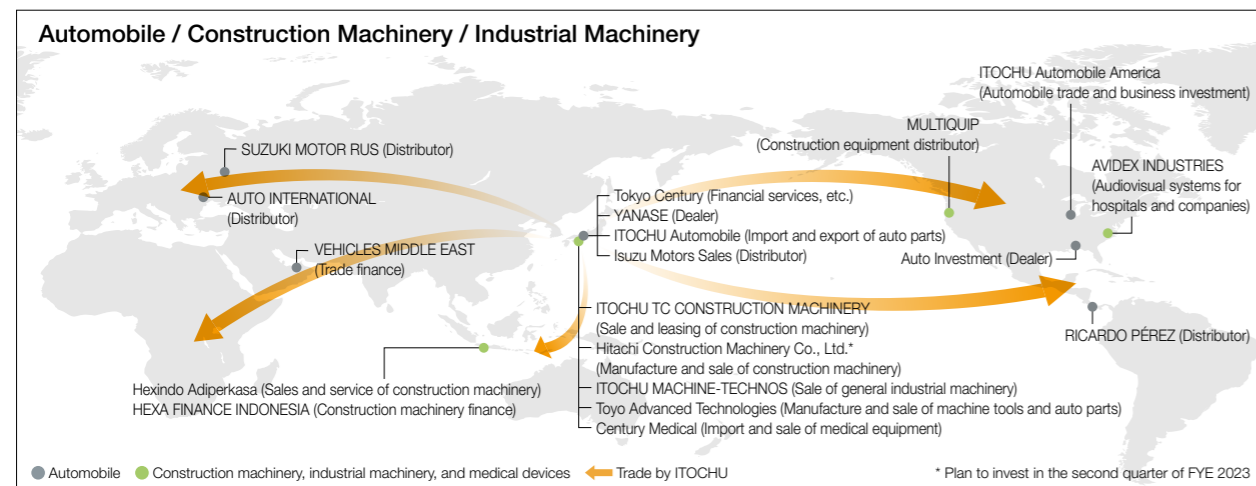
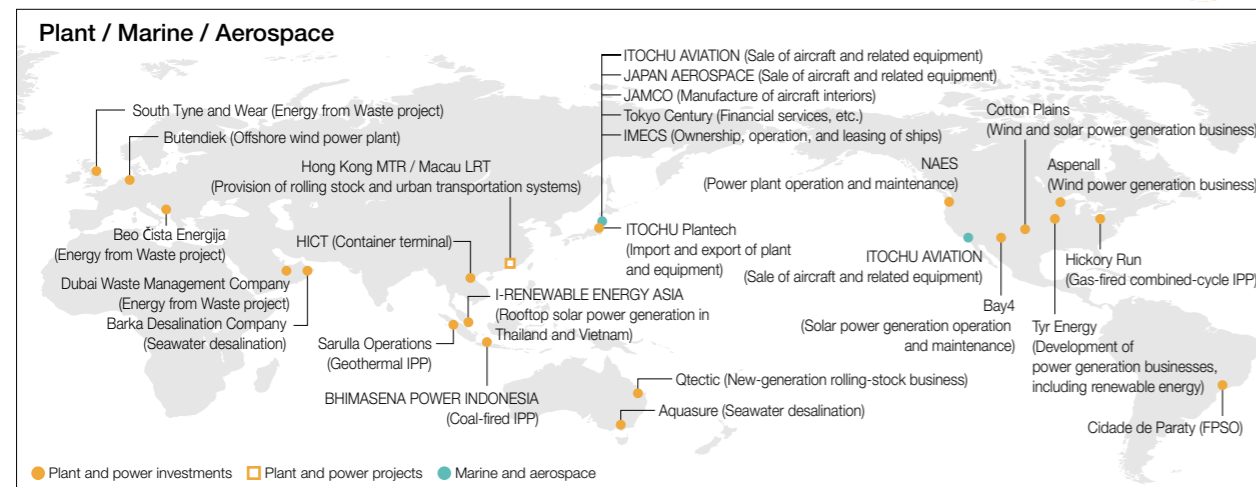


**Belinda Knox**  
Director Investment  
I-ENVIRONMENT INVESTMENTS LIMITED

## Business Development Quantitative information Page 136-143

Percentage of Earnings from Domestic Business (image)

50%



## FYE 2022 Review (Specific Accomplishments)



- Concluded a capital alliance agreement with Hitachi Construction Machinery Co., Ltd., through a special-purpose corporation jointly established with Japan Industrial Partners, Inc.
- Accelerated renewable energy businesses in North America through such measures as the establishment of a company in the United States that is dedicated to the development of renewable energy
- Sought to develop ammonia-fueled ships and aim for practical application by leading the establishment of a council comprising 34 companies and organizations, which has been adopted as qualifying for support from the Green Innovation Fund of the New Energy and Industrial Technology Development Organization
- Formed a capital and business alliance and concluded a sales partner agreement with drone development and manufacturing company Wingcopter GmbH based in Germany
- Commenced a proof-of-concept test in Japan with the aim of rolling out in overseas markets the business model of Dishangtie (DST), which provides leasing business for commercial EVs for use in logistics networks throughout China

## 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 / owning 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 (Lower Cost of Capital)



- Complying with policies related to coal-fired power generation and promoting renewable energy power generation projects accounting for national / regional energy situations
- Reducing environmental impact by expanding mobility services and promoting EVs, autonomous cruising vehicles, and aircraft electrification, etc.
- Conducting due diligence on environmental / social safety for suppliers and business investees, etc., in all new development projects

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/>

- Evolve Businesses through Technological Innovation
- Address Climate Change (Contribute to a Decarbonized Society)
- Develop a Rewarding Work Environment
- Respect and Consider Human Rights
- Contribute to Healthier and More Affluent Lifestyles
- Ensure Stable Procurement and Supply
- Maintain Rigorous Governance Structures