

Energy & Chemicals Company

Business Fields

- Energy projects and trading (crude oil, petroleum products, LPG, LNG, natural gas, hydrogen and ammonia, renewable fuel, etc.)
- Chemical products business and trading (basic petrochemical products, synthetic resins, household goods, fine chemicals, pharmaceuticals, electronic materials, eco-friendly materials, etc.)
- Power and environmental solutions business and trading (renewable energy power generation, power trading, heat supply, solar panels, energy storage systems (ESS), solid biomass fuel, and other related materials)

Company Strengths

- Development and trading of eco-friendly energy through collaborations with blue-chip business partners
- Business development capabilities in the chemicals field that leverage robust Group companies and overseas locations
- Comprehensive value chain in the next-generation power sector consisting of both business investments and trade businesses



Masaya Tanaka

President, Energy & Chemicals Company



From left:

Tetsuya Yamada	Chief Operating Officer, Energy Division
Nobuyuki Tabata	Chief Operating Officer, Chemicals Division
Yasuhiro Abe	Chief Operating Officer, Power & Environmental Solution Division
Masamichi Kanatomi	Chief Financial Officer
Haruo Maeda	General Manager, Planning & Administration Department

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



Renewable diesel made from components such as waste cooking oil and other raw materials

Building of Value Chains for Renewable Fuels

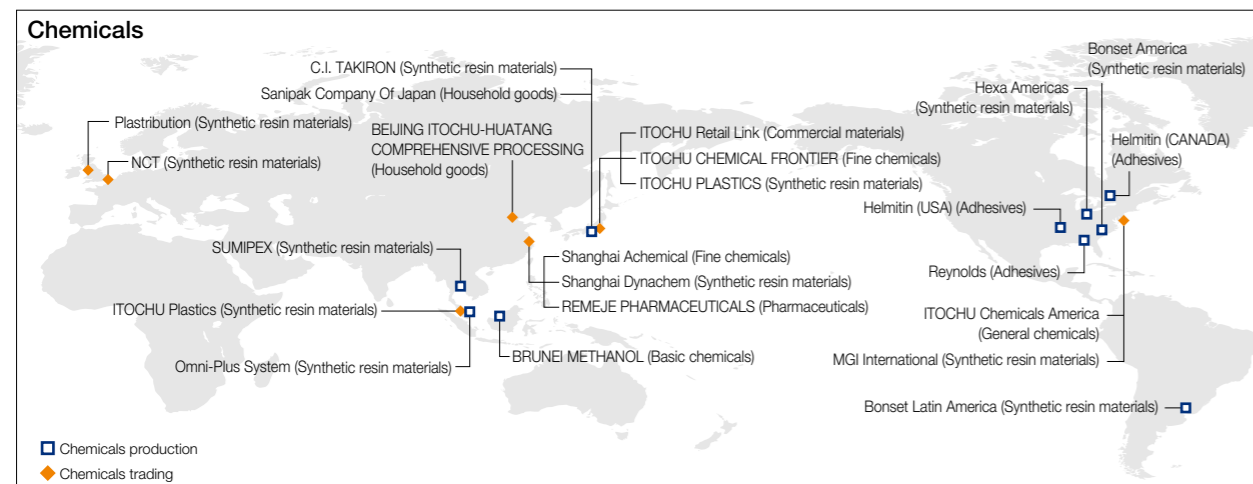
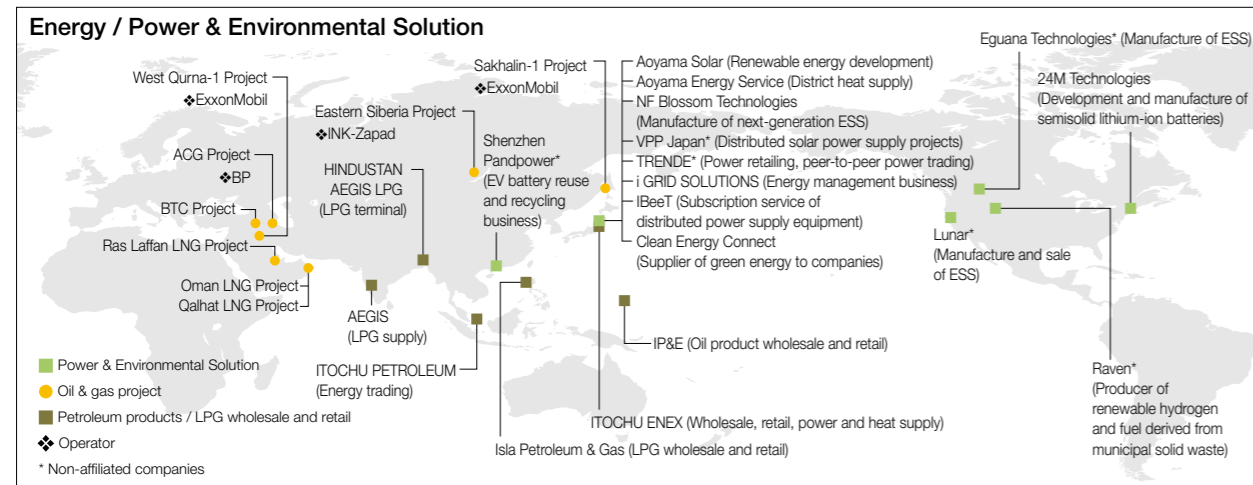
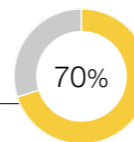
We aim to help realize a decarbonized society by building value chains for renewable fuels, including sustainable aviation fuel (SAF) and renewable diesel (RD). Having concluded an exclusive agreement for the import of sustainable aviation fuel to and its sale in Japan with NESTE OYJ (NESTE) based in Finland, we are increasing sales of the fuel to airlines in Japan. We are also importing and selling renewable diesel produced by NESTE, and we have begun operating Japan's first facility for refueling trucks with renewable diesel. NESTE's renewable fuels are made from materials such as waste cooking oil, etc. Compared to petroleum-based fuels, SAF and RD reduce GHG emissions by up to 80% and roughly 90%, respectively, based on life cycle assessments. ITOCHU will continue leveraging its comprehensive strength to advance renewable fuel-related initiatives, thereby enhancing our contribution to and engagement with SDGs even further.



Wataru Tsuda
Petroleum Trading Department

Business Development Quantitative information Page 136-143

Percentage of Earnings from Domestic Business (image)



FYE 2022 Review (Specific Accomplishments)



- Began operating Japan's first facility for refueling commercial trucks with renewable diesel
- Concluded an exclusive agreement for the import of sustainable aviation fuel to and its sale in Japan with NESTE OYJ based in Finland
- Rolled out food containers partly made from biomass plastic and advanced the building of a nylon recycling scheme with Aquafil S.p.A., which owns a regenerated nylon brand, based in Italy
- Developed large-scale industrial and commercial energy storage systems using reused batteries and promoted capital and business alliances with blue-chip partners in businesses for next-generation batteries such as semi-solid batteries
- Promoted business for corporate power purchase agreements to supply power from both on-site (rooftop) and off-site locations (building in field) through Group companies and strengthened initiatives for renewable energy that has "additionality"

Growth Opportunities (Sustainable Growth)



- Working with Group companies to build a sustainable fuel value chain, including for hydrogen and ammonia
- Stepping up CCUS-related projects by utilizing our expertise and collaborating with leading partners
- Expanding the business model to help resolve social issues, such as through the joint development of eco-friendly materials and the recycling business
- Strengthening initiatives for next-generation battery businesses and recycling businesses through collaborations with blue-chip partners in energy storage system-related businesses
- Realizing the stable supply of renewable energy through the development, possession, and operation of renewable energy power plants; expanding electric power and solid biomass fuel trade in line with the needs of the SDGs
- Participating in the Clean H2 Infra Fund.S.L.P., the world's first investment fund for large-scale hydrogen businesses

Risk Responses (Lower Cost of Capital)



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

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