

Business Portfolio

Section Highlights

- ✓ Strategies of the Division Companies Comprising ITOCHU's Business Portfolio
- ✓ Strengths and, Risks and Opportunities in Each Business Field and How They Relate to Materiality

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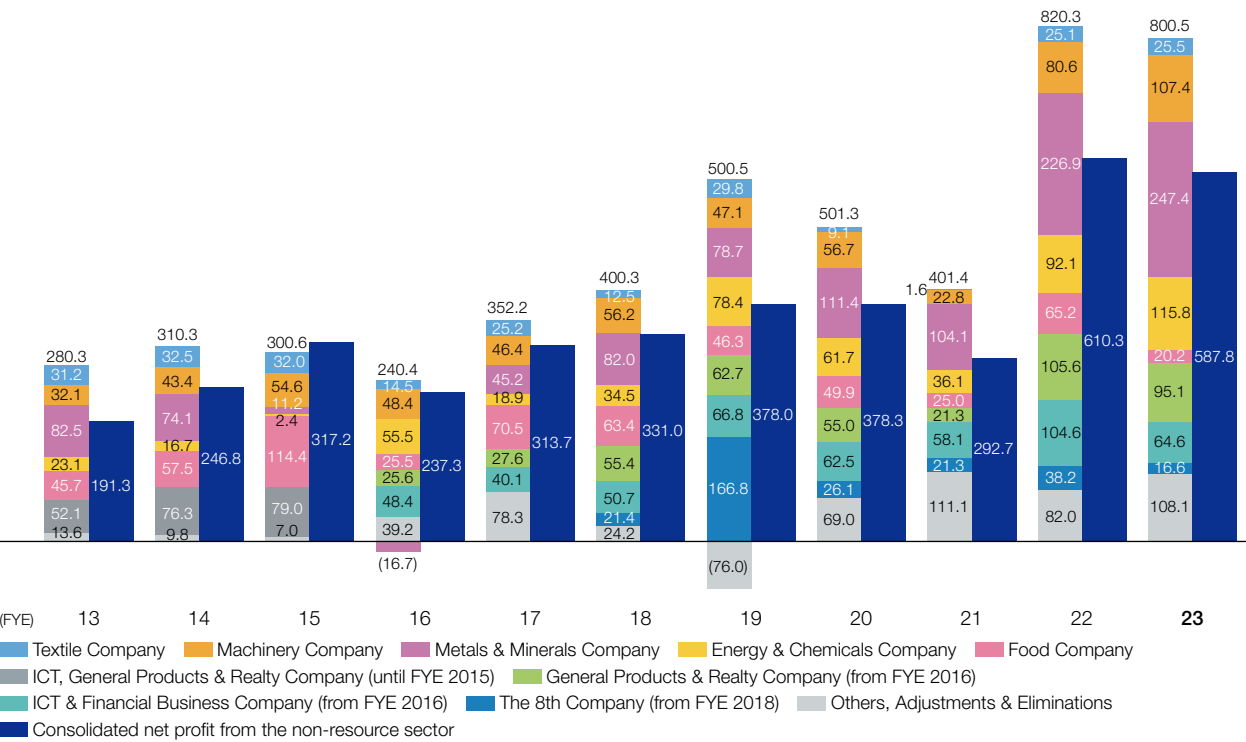
Financial Summary

Segment Overview



*1 In calculating average ROA, core profit has been used.
*2 On July 1, 2019, The 8th Company was established, and ITOCHU began mutual holdings in which The 8th Company was the minority shareholder and the other Division Companies were the majority shareholders. On October 1, 2022, ITOCHU dissolved such mutual holdings. Therefore, the results from FYE 2022 to FYE 2023 have been calculated based on the dissolution of the mutual holdings.

Consolidated Net Profit (Loss) by Segment / Consolidated Net Profit (Non-Resource)
* Based on U.S. GAAP through FYE 2014, IFRS from FYE 2015 (Billions of yen)



*1 In April 2016, the ICT, General Products & Realty Company was reorganized into the General Products & Realty Company and the ICT & Financial Business Company.
*2 On July 1, 2019, The 8th Company was established, and ITOCHU began mutual holdings in which The 8th Company was the minority shareholder and the other Division Companies were the majority shareholders. On October 1, 2022, ITOCHU dissolved such mutual holdings. Therefore, the results from FYE 2018 to FYE 2021 have been presented based on the mutual holdings, while the results from FYE 2022 to FYE 2023 have been presented based on the dissolution of the mutual holdings.

| (FYE) | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------------------------|-------|-------|--------|--------|--------|--------|-------|-------|--------|-------|-------|
| Consolidated net profit | 280.3 | 310.3 | 300.6 | 240.4 | 352.2 | 400.3 | 500.5 | 501.3 | 401.4 | 820.3 | 800.5 |
| Non-resource | 191.3 | 246.8 | 317.2 | 237.3 | 313.7 | 331.0 | 378.0 | 378.3 | 292.7 | 610.3 | 587.8 |
| Resource | 75.5 | 53.6 | (23.6) | 1.8 | 30.6 | 82.3 | 115.5 | 126.8 | 107.9 | 221.6 | 215.6 |
| Core profit | 280.3 | 310.3 | 305.6 | 315.4 | 370.2 | 416.8 | 472.0 | 485.3 | 452.4 | 690.3 | 787.5 |
| Extraordinary gains (losses) | 0.0 | 0.0 | (5.0) | (75.0) | (18.0) | (16.5) | 28.5 | 16.0 | (51.0) | 130.0 | 13.0 |

| | Sensitivity | | National Macroeconomy | | | Rebound from decline caused by COVID-19 |
|------------------------------------|-----------------------|----------------------------------|-----------------------|---------------|-------|---|
| | Foreign Exchange Rate | Market-Sensitive Commodities | China | North America | Japan | |
| Textile Company | | | | | | |
| Machinery Company | US\$ | | | | | |
| Metals & Minerals Company | US\$ · AU\$ | Iron ore price, coal price, etc. | | | | |
| Energy & Chemicals Company | US\$ | Crude oil price, LNG price, etc. | | | | |
| Food Company | | Pork price, feed price, etc. | | | | |
| General Products & Realty Company | US\$ | Pulp price, etc. | | | | |
| ICT & Financial Business Company | | | | | | |
| The 8th Company | | | | | | |
| Others, Adjustments & Eliminations | US\$ | Pork price, etc. | | | | |

Impact
High
Low



Hideto Takeuchi

President, Textile Company



From left:

| | |
|------------------------|--|
| Hideo Nakanishi | Chief Operating Officer, Apparel Division |
| Manabu Fukugaki | Chief Operating Officer, Brand Marketing Division |
| Katsushi Adachi | Chief Financial Officer |
| Ryoma Omuro | General Manager, Planning & Administration Department |

Textile Company

Business Fields

- Brand business (import and licenses for garments, fashion accessories, lifestyle brands, etc.)
- Apparel (raw materials, textile fabrics, garment materials, textile products, etc.)
- Industrial materials (fiber materials for industrial and manufacturing use, lifestyle-related products, etc.)

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
- Solid business relationships with blue-chip partners in each business area in Japan and overseas

Business Development Quantitative information ▶ Page 126–133

Percentage of Earnings from Domestic Business (image)

70%

Apparel

Products: Raw materials, textile fabrics, garment materials, and textile products, etc.

Product planning and sales base
for the European market

- ITOCHU Europe

Product planning and sales base
for the North American market

- ITOCHU Prominent U.S.A.

Production bases spreading
throughout China and
other parts of Asia

Product planning, production, and sales
bases for markets in China and other
parts of Asia / Production base for the
Japanese, European, U.S., and global
markets

- ITOCHU TEXTILE (CHINA)
- ITOCHU Textile Prominent (ASIA)

Product planning, production, and
sales bases targeting Japanese,
Chinese, Asian, and global markets

- ITOCHU • EDWIN
- Sankei • DESCENTE
- DOME • UNICO
- ROYNE



Industrial Materials

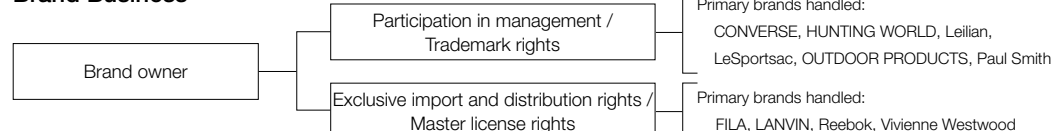
Products: Fiber materials used for
hygiene, automobile interior materials,
electronics materials, building and civil
engineering materials for industry and
manufacturing, and lifestyle-related
products, etc.

Establishment of local supply chains that
match customer needs and locations
(Focus region: China and other parts of Asia)



Spreading the business model established
in Japan, China, and other parts of Asia
throughout the world

Brand Business



CONVERSE

FILA

Reebok

Leilian

Paul Smith

Vivienne Westwood

LESPORTSAC

The list of major subsidiaries and associated companies
is available on ITOCHU's website.
https://www.itochu.co.jp/en/files/ar2023E_12.pdf



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

Acquisition of Marketing Rights and License Rights for Reebok in Japan

ITOCHU has acquired the marketing rights and license rights for Reebok in Japan, a brand that boasts outstanding designs and advanced functions that has earned it strong brand recognition and popularity worldwide. ITOCHU, which has extensive expertise and networks in the brand business, and JADE GROUP, Inc., which offers retail know-how centered on e-commerce, have jointly established RBKJ Corporation, a domestic business management company that began its operations in October 2022. By marketing a broad lineup of merchandise and strengthening promotional activities, we will further enhance the value of the Reebok brand in Japan.

ITOCHU will cater to market and consumer needs through the adoption of a market-oriented perspective to further strengthen the earnings base for business activities in the footwear-related business, which is a key component of the Textile Company.



"Instapump Fury," a signature Reebok shoes



Brand Marketing Section 5,
Brand Marketing Department 1
From left:

Megumi Mitsugi (Dispatched),
Rie Mori,
Keisuke Muraoka (Right end)

RBKJ Corporation

Third from left:

Yuya Nishikawa (Dispatched)

FYE 2023 Review (Specific Accomplishments)

Corporate Value

Created Value

Cost of Capital

Growth Rate

Acquired marketing rights and licensing rights for Reebok in Japan and jointly established a company managing domestic business operation in collaboration with JADE GROUP, Inc.



Accelerated efforts in sustainability through investments in ECOMMIT Co., Ltd., which provides textile collection services, and RePEaT Co., Ltd., which licenses chemical recycling technologies for polyester products collected in Japan and overseas

Expanded the earnings base of the brand business through measures including acquisition of sales rights and master license rights in Japan for the U.S. fast fashion brand "FOREVER 21," and acquisition of exclusive rights to import and sell the British lifestyle brand "Barbour"

Growth Opportunities (Sustainable Growth)

Corporate Value

Created Value

Cost of Capital

Growth Rate

In addition to further developing a hands-on management at DESCENTE LTD., which is positioned as the core of our sports-related business, and strengthening collaboration through the China business of French sports brand "le coq sportif," etc.

Expanding business that caters to growing market of the sports-related business by making DOME CORPORATION, which is the exclusive distributor in Japan of the U.S. sports brand "UNDER ARMOUR," a subsidiary

Expanding cross-divisional initiatives related to production and sales of the footwear-related business, which handles multiple leading brands

Increasing the number of new commercial products handled such as cosmetics and lifestyle products by leveraging our brand business know-how cultivated over many years



Expanding the recycled polyester material "RENU" and other products as a means of promoting initiatives that contribute to the sustainability of the textile industry

Expanding our overseas business foundation in the industrial materials field through collaboration with blue-chip partners

Risk Responses (Lower Cost of Capital)

Corporate Value

Created Value

Cost of Capital

Growth Rate



Using RFID, IT, and data to visualize and optimize value chain, including the production and sales functions



Respecting human rights throughout supply chains and promoting trade with companies that engage in sustainable practices



Establishing stable operational infrastructure by updating the backbone systems (ERP) of Group companies, etc.

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 ITOCHU's website: <https://www.itochu.co.jp/en/csr/itochu/actionplan/>

① Evolve Businesses through Technological Innovation ② Address Climate Change (Contribute to a Decarbonized Society)

③ Develop a Rewarding Work Environment ④ Respect and Consider Human Rights ⑤ Contribute to Healthier and More Affluent Lifestyles

⑥ Ensure Stable Procurement and Supply ⑦ Maintain Rigorous Governance Structures



Hiroyuki Tsubai
President, Machinery Company



| | |
|--------------------------|---|
| From left: | |
| Naohiko Yoshikawa | Chief Operating Officer, Plant Project, Marine & Aerospace Division |
| Hiroshi Ushijima | Chief Operating Officer, Automobile, Construction Machinery & Industrial Machinery Division |
| Masato Sakuragi | Chief Financial Officer |
| Toshio Okudera | General Manager, Planning & Administration Department |

Machinery Company

Business Fields

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

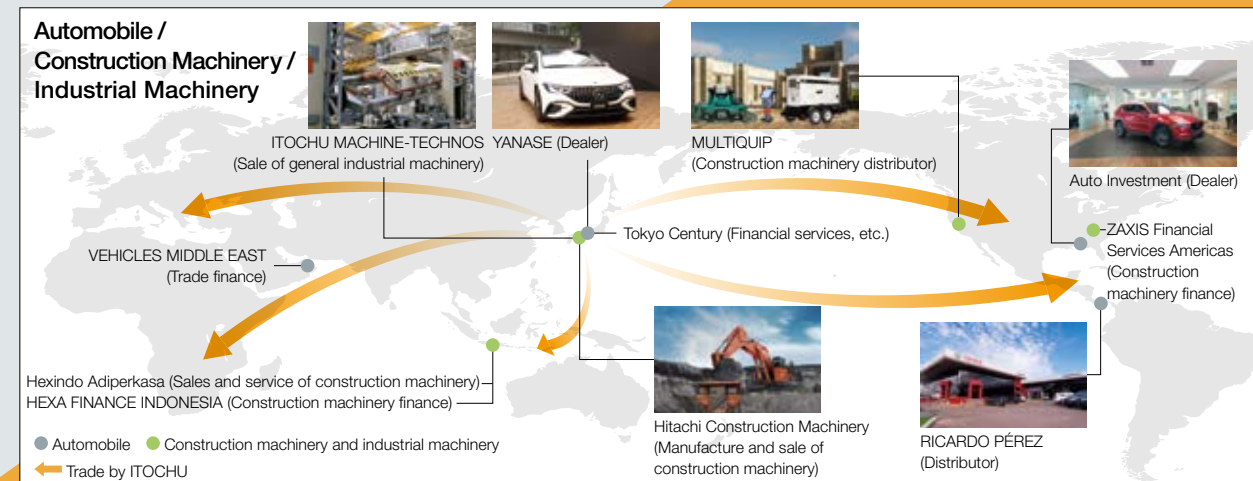
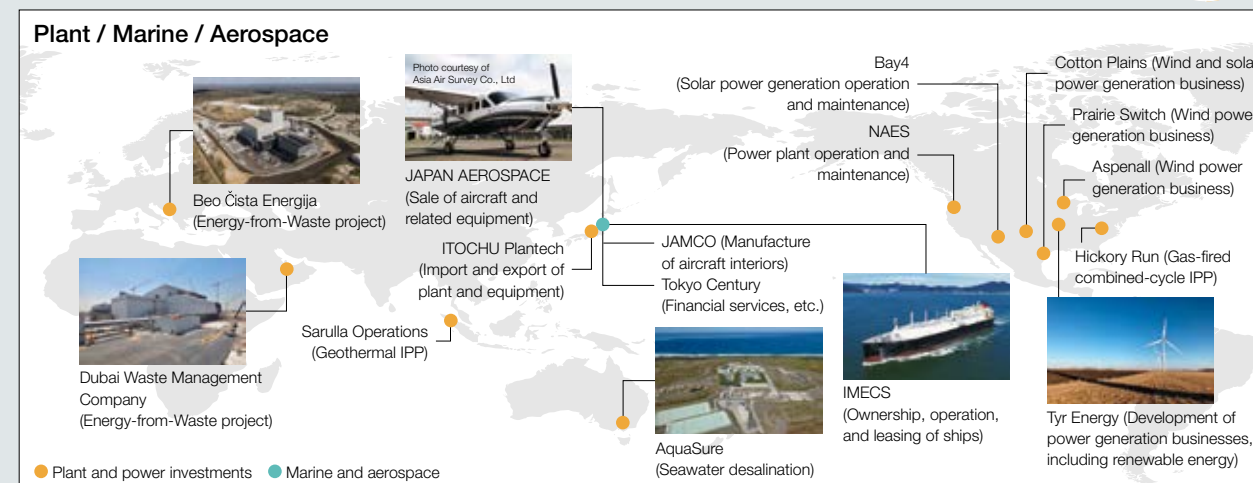
Company Strengths

- 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, construction machinery, and other areas) as well as business investment in areas such as wholesale, retail, and finance businesses, widely spread in Japan and overseas

Business Development Quantitative information ▶ Page 126–133

Percentage of Earnings from Domestic Business (image)

50%



The list of major subsidiaries and associated companies is available on ITOCHU's website.
https://www.itochu.co.jp/en/files/ar2023E_12.pdf



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

Solving Complex and Interlinked Environmental, Decarbonization, Waste Management, and Energy Conversion Problems through Business

Beo Čista Energija d.o.o., in which ITOCHU has invested through I-ENVIRONMENT INVESTMENTS LIMITED in the United Kingdom, is engaged in an integrated Energy-from-Waste business in Belgrade, the capital of the Republic of Serbia. The company has already begun providing certain services, including the operation of managed landfill sites and construction demolition waste recycling. Once the Energy-from-Waste facility is completed, the company will begin supplying clean electricity and heat to up to 10% of the households in the metropolitan area of the Republic of Serbia in 2023. The business will make a multifaceted contribution to the achievement of the SDGs. In addition to addressing the country's long-standing environmental and waste problems, the business will help realize energy conversion, decarbonization, and European Union accession, which are high priority national policies. ITOCHU will continue to help address social issues by leveraging its accumulated expertise and competence in the development, design, construction, and operation of businesses to realize high-value-added infrastructure projects.



The Republic of Serbia's first leading-edge integrated Energy-from-Waste business



Left picture
Project Development Section No.3,
Urban Environmental & Power Infrastructure
Department
From left:
Tsuneharu Hibino, Taisei Hisano

Right picture
Beo Čista Energija d.o.o.
From left:
**Vladimir Milovanović, Mitsuaki Harada
(Dispatched), Lea Markštajn Stojanović**

FYE 2023 Review (Specific Accomplishments)

| | | |
|-----------------|---|-------------------------------|
| Corporate Value | = | Created Value |
| | | Cost of Capital — Growth Rate |

In addition to the investment in Hitachi Construction Machinery Co., Ltd., a joint venture finance company for construction machinery was then established in North America by the three companies—Hitachi Construction Machinery Co., Ltd., Tokyo Century Corporation, and ITOCHU—as the first collaboration

- Received certification of carbon credit from Gold Standard, an international certification organization in Switzerland, in the Energy-from-Waste business in the Republic of Serbia
- Concluded an agreement for an investment in a new wind power plant (Prairie Switch) in Texas, the United States, to accelerate the renewable energy business in North America
- Received an approval in principle from Nippon Kaiji Kyokai (ClassNK) for the design of an ammonia-fueled ship, together with partner companies that have been jointly selected by the Green Innovation Fund Projects of the New Energy and Industrial Technology Development Organization (NEDO)
- Established a system that provides charging solutions as well as providing battery leasing services that reflect battery degradation projections as a partner of the "EVision" total solution program for users of electric trucks of Isuzu Motors Limited
- Strengthened the earnings base by hands-on management approach along with an increase in our ownership in YANASE & CO., LTD.

Growth Opportunities (Sustainable Growth)

| | | |
|-----------------|---|-------------------------------|
| Corporate Value | = | Created Value |
| | | Cost of Capital — Growth Rate |

- Expanding peripheral functions, such as the operation and maintenance of plants and the provision of demand and supply balancing services, in addition to strengthening business development capabilities in the renewable energy field
- Developing / owning zero-emission ships, which use ammonia as fuel, and promoting the fuel supply business with the goal of reducing marine GHG emissions
- Expanding value-added businesses in the water and environmental businesses, both in terms of geographies and functions, to meet social needs and spur the transition to a circular economy
- Expanding the value chain to include leasing, rental, after-sales services, used vehicle sales, etc., and promoting the introduction of EVs in the automobile and construction machinery fields
- Expanding the value chain for the construction machinery business through our capital alliance with Hitachi Construction Machinery Co., Ltd.

Risk Responses (Lower Cost of Capital)

| | | |
|-----------------|---|-------------------------------|
| Corporate Value | = | Created Value |
| | | Cost of Capital — Growth Rate |

- Complying with policies related to coal-fired power generation and promoting renewable energy power generation projects in consideration of national and regional energy situations
- Reducing environmental impact by expanding mobility services and promoting EVs, autonomous cruising vehicles, and aircraft electrification, etc.

Notes: Items related to Sustainability Action Plans are indicated with a mark for the corresponding material issues.
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- ① Evolve Businesses through Technological Innovation
- ② Address Climate Change (Contribute to a Decarbonized Society)
- ③ Develop a Rewarding Work Environment
- ④ Respect and Consider Human Rights
- ⑤ Contribute to Healthier and More Affluent Lifestyles
- ⑥ Ensure Stable Procurement and Supply
- ⑦ Maintain Rigorous Governance Structures



Kenji Seto
President, Metals & Minerals Company



From left:

| | |
|---------------------------|---|
| Jun Inomata | Chief Operating Officer, Metal & Mineral Resources Division |
| Kazuyoshi Sato | Chief Financial Officer |
| Osamu Tano | General Manager, Planning & Administration Department |
| Masakatsu Murayama | General Manager, Steel Business Coordination Department |

Metals & Minerals Company

Business Fields

- Development of metal & mineral resource projects (iron ore, coal, non-ferrous metals, rare metals, etc.)
- Trading of raw materials for steelmaking (iron ore, coal, etc.), fuel for power generation (coal and uranium), non-ferrous raw materials and products (aluminum, etc.), and recycling business (metal scrap, waste treatment, etc.)
- Decarbonization-related business (hydrogen; ammonia; carbon dioxide capture, utilization, and storage (CCUS); emissions trading, etc.)
- Steel-related business (import and export to / from Japan, trading in non-Japanese markets, processing, etc.)

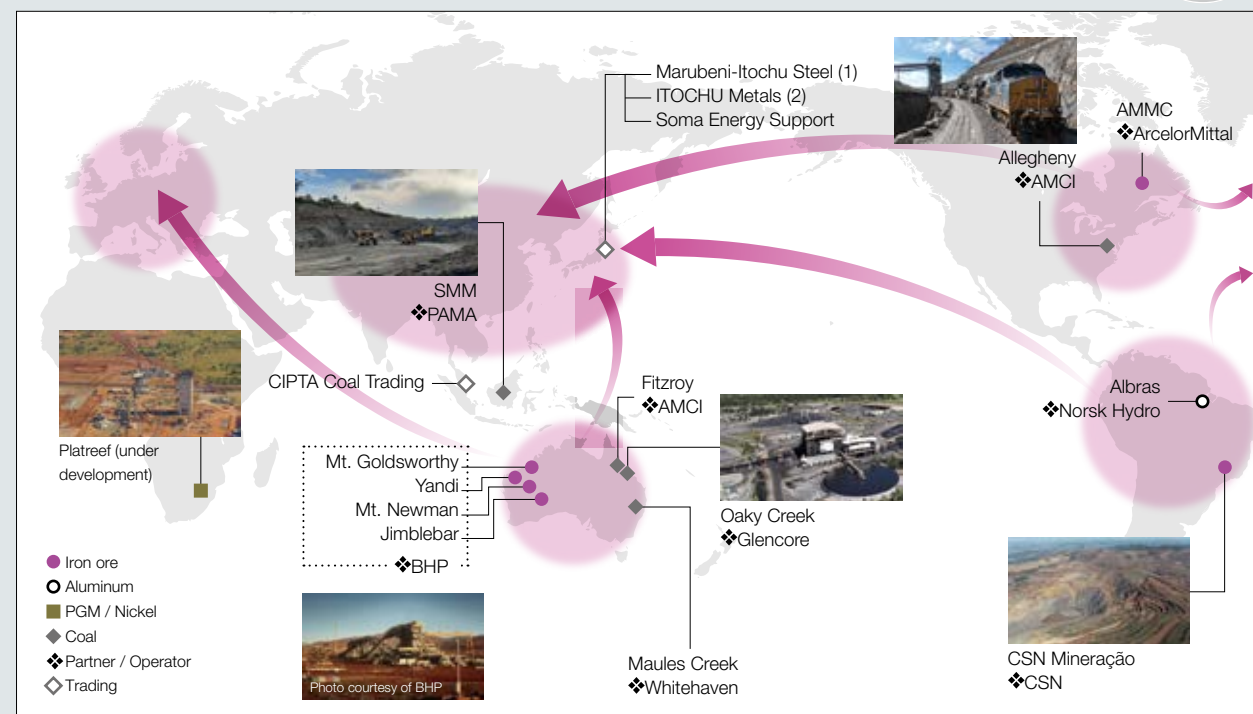
Company Strengths

- Strong relationships with blue-chip business partners in each business area
- Ownership of superior natural resource assets, in particular iron ore and coking coal
- Broad-ranging trade flows that run from upstream (metal & mineral resources and metal materials) to downstream (steel / non-ferrous products)

Business Development Quantitative information ▶ Page 126–133

Percentage of Earnings from Domestic Business (image)

10%



(1) Marubeni-Itochu Steel

- Trading company that specializes in the steel distribution business and has business foundations in regions worldwide
- Provision of high-value-added services related to steel and other products, including import, export, sale, processing, supply chain management, and investment in steel-related industries



(2) ITOCHU Metals

- Trading company that specializes in non-ferrous metals and recycling, operates from raw material supply to resource recycling with a worldwide network
- Raw material supply, product distribution, and proactive advancement of a comprehensive recycling business that is helping build a circular economy



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https://www.itochu.co.jp/en/files/ar2023E_12.pdf



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

Acquisition of a Partial Interest in an Iron Ore Project in Canada (AMMC)

Through ITOCHU Minerals & Energy of Australia Pty Ltd, ITOCHU has acquired a partial interest in the AMMC iron ore project in Canada, which is operated by the major steel companies ArcelorMittal of Europe, Posco Holdings Inc. of South Korea, and China Steel Corporation of Taiwan.

AMMC has a steady output of 25 million tons of iron ore and pellets annually, and conducts integrated operations through its ownership of mines, railway, a port, and pellet production facilities in eastern Quebec, Canada. The high-grade iron ore produced by AMMC is an essential raw material for direct reduced iron (DRI), which contributes to lower carbon emissions of the steel industry.

In addressing the need to respond to climate change, we have added this interest to our existing portfolio of iron ore businesses to strengthen our ability to provide stable supplies of high-grade iron ore, which is seeing increasing demand worldwide. Together with its partners, ITOCHU will continue to contribute to reducing carbon emissions of the steel industry.



One of the largest open-pit iron ore mines in Canada, which is operated by AMMC

Source: <https://northamerica.arcelormittal.com/our-operations/arcelormittal-mines-and-infrastructure-canada>



IMEA CANADA INC.
Front row, left:
Hiroshi Akiba (Dispatched)

Iron Ore Section No.2,
Iron Ore & Steelmaking
Resources Department
Front row, right:
Makoto Oishi
Back row, from left:
Momoko Kunisada, Tetsu Yamanishi, Kouhei Watanabe

FYE 2023 Review (Specific Accomplishments)

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

- Invested in the AMMC iron ore project in Canada to secure stable supply of high-grade iron ore that helps reduce carbon emissions of the steel industry
- Sought to expand our business platform for the next generation by steadily advancing the development of the Allegheny coking coal mine in the United States and concluding an agreement on the acquisition of a partial interest in the Fitzroy coking coal project in Australia
- Became the first company in Japan to procure and sell environment-friendly raw materials for aluminum produced through the use of solar power
- Began the full-scale operation of U.S. company GE Digital's operation and asset management efficiency improvement system, which contributes to the promotion of digitalization, at the iron ore mine of CSN Mineração S.A. in Brazil

Growth Opportunities (Sustainable Growth)

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

- Increasing interests in and realizing stable supplies of metal resources, which underpin the base of economic activities and are indispensable for the transition to a decarbonized society
- Leveraging our solid relationships with steel manufacturers and power companies to strengthen our initiatives related to DRI and other low-carbon raw materials that help realize a decarbonized society, CCUS projects, emissions rights, and hydrogen and ammonia projects
- Steadily promoting initiatives for "venous industries" (industries where wastes are turned into reusable resources) to help build a circular economy, that entails recycling and appropriate waste treatment
- Developing businesses that respond to structural changes in society, such as EVs and FCVs, energy storage systems (ESS), and lighter-weight materials that improve energy efficiency

Risk Responses (Lower Cost of Capital)

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

- Pursuing efforts to completely withdraw from thermal coal mine investments and promoting technological development that contributes to GHG emissions reductions
- Promoting businesses that facilitate weight reduction of vehicles and EVs (including wider use of aluminum, rare metals, and other materials)
- Optimizing our asset portfolio to support stable supply of raw materials and fuels to meet social needs
- Complying with our Environment, Health, and Safety (EHS) Guidelines, continuing employee education on these Guidelines, and contributing to local communities where we do business through the provision of healthcare, education, donations, and assistance in the establishment of regional infrastructure
- Promoting increases in efficiency through mining operations and facility management utilizing digital transformation, and conversion to automated operation of mining equipment

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 ITOCHU's website: <https://www.itochu.co.jp/en/csr/itochu/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



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 |
| Hajime Sakanashi | General Manager, Planning & Administration Department |

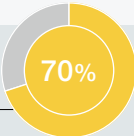
Energy & Chemicals Company

- 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, functional food ingredients, 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, 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

Business Development Quantitative information ▶ Page 126–133

Percentage of Earnings from Domestic Business (image)



Energy

Oil & Gas project

- ACG Project (BP / Azerbaijan)
- BTC Project (BP / Azerbaijan)
- West Qurna-1 Project (ExxonMobil / Iraq)
- Eastern Siberia Project (INK-Zapad / Russia)
- Sakhalin-1 Project* (Russia)
- Ras Laffan LNG Project* (Qatar)
- Oman LNG Project* (Oman)
- Qalhat LNG Project* (Oman)

❖ Operator

Petroleum / LPG wholesale and retail

- ITOCHU ENEX (Wholesale, retail, power and heat supply)
- ITOCHU PETROLEUM (Energy trading / Singapore)
- Isla Petroleum & Gas (LPG wholesale and retail / Philippines)

Renewable fuel business

- Raven* (Producer of renewable fuel derived from municipal solid waste / the U.S.)
- Chomp* (Manufacturer and distributor of biogas production equipment / the U.S.)

Chemicals

Production

- C.I. TAKIRON (Synthetic resin materials)
- Sanipak Company Of Japan (Household goods)
- BRUNEI METHANOL (Basic chemicals / Brunei)

Retail & Trading

- ITOCHU CHEMICAL FRONTIER (Fine chemicals)
- ITOCHU PLASTICS (Synthetic resin materials)
- MGI International (Synthetic resin materials / the U.S.)
- ITOCHU Retail Link (Commercial materials)
- REMEJE PHARMACEUTICALS (Pharmaceuticals / China)

Sustainable business

- Aquafil* (Nylon recycling / Italy)
- TerraCycle* (Recycling / the U.S.)

Power & Environmental Solution

Renewable energy

- Aoyama Solar (Renewable energy development)
- i GRID SOLUTIONS (Distributed renewable energy business)
- Clean Energy Connect* (Supplier of green energy to companies)

Energy storage systems (ESS) / Next-generation business

- GridShare Japan (Battery optimal control AI)
- NF Blossom Technologies (Manufacture of next-generation ESS)
- 24M Technologies* (Development and manufacture of semisolid lithium-ion batteries / the U.S.)

Smart city / Energy solution

- TRENDE (Peer-to-peer power trading)

* Non-affiliated companies

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

Expansion of Renewable Energy-Based Electricity Supply Business

Since beginning capital participation in Clean Energy Connect, Inc. (CEC), in November 2021, ITOCHU has been supporting the rapid promotion and expansion of the renewable energy-based electricity supply business. We have been helping CEC realize its plan to introduce approximately 5,000 locations of solar power generating facilities in Japan with a cumulative total output of 500 MW by FYE 2026, without relying on feed-in tariffs (FIT). As part of these efforts, we have concluded power purchase agreements (PPA) through CEC to supply renewable energy to the Amazon Group, and other companies in Japan on a long-term basis. These agreements are helping the Amazon Group to reach its goal of operating its own business entirely on renewable energy by 2025. Through its initiatives with CEC, ITOCHU seeks to become one of the largest off-site Corporate PPA (Power Sales Contracts for Industries) operators in Japan. With these and other efforts, we will help promote the further introduction of renewable energy.



Off-site solar power generation that uses idle land



Renewable Energy Business Section,
Sustainable Energy Business Department
From left:
Kento Tanaka, Takashi Mino,
Yoichi Murakami,
Hiroka Tsubaki, Shinji Arai

FYE 2023 Review (Specific Accomplishments)

Corporate Value = Created Value

Cost of Capital — Growth Rate

- ④⑤ Began supplying sustainable aviation fuel (SAF) produced by Neste Oyj of Finland to Japan Airlines Co., Ltd. and Etihad Airways PJSC
- ④⑤ Participated in a demonstration project promoted by the Ministry of Land, Infrastructure, Transport and Tourism's Civil Aviation Bureau, became the first Japanese importer of "neat SAF," which has significant GHG emission reduction effect, blended SAF and jet fuel in Japan, and began supplying the blend to commercial airlines in Japan and overseas
- ④⑤ Invested in growth to further strengthen the business foundations of the synthetic resins business and expanded its business network
- ④⑤ Worked with excellent partners to develop applications and products for environment-friendly materials, which included packing materials that use 100% naturally derived, biodegradable resins, and stationery products made from recycled ocean plastic waste
- ④⑤ Partnered with electricity retailers and utilized GridShare Japan Corporation's Energy Storage Systems AI service to begin proof-of-concept tests to make adjustments to the electricity supply-demand balance
- ④⑤ Expanded Corporate PPA business for both on-site (rooftop) and off-site (building in field) location services through Group companies including CEC, and began sales to major companies such as the Amazon Group

Growth Opportunities (Sustainable Growth)

Corporate Value = Created Value

Cost of Capital — Growth Rate

- ④⑤ Building a sustainable fuel value chain for products including hydrogen and ammonia
- ④⑤ Stepping up CCUS-related projects utilizing our expertise in the oil and gas exploration business, and collaboration with leading partners
- ④⑤ Strengthening and expanding the handling of medical packing materials, medical-related goods, generic pharmaceuticals, and other applications, in the healthcare field, as well as increasing the development of supplements and the handling of raw materials in the food science field
- ④⑤ Promoting joint ventures with global suppliers of automotive parts to establish life cycles and ecosystems for automotive batteries and in relation to their use in energy management
- ④⑤ Utilizing advanced and highly economical recycling technologies developed in Europe, which leads the large-scale introduction of solar power generation, and promoting the establishment of a recycling chain for solar panels

Risk Responses (Lower Cost of Capital)

Corporate Value = Created Value

Cost of Capital — Growth Rate

- ④⑤ Accelerating initiatives to strengthen the environment-related businesses, such as sustainable fuels, chemicals recycling services, and renewable energy, which contribute to decarbonization across society
- ④⑤ Enhancing activities to further minimize the environmental impact of our existing business portfolio

Notes: Items related to Sustainability Action Plans are indicated with a mark for the corresponding material issues.
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④ Evolve Businesses through Technological Innovation ⑤ Address Climate Change (Contribute to a Decarbonized Society)
④ Develop a Rewarding Work Environment ⑤ Respect and Consider Human Rights ⑤ Contribute to Healthier and More Affluent Lifestyles
④ Ensure Stable Procurement and Supply ⑤ Maintain Rigorous Governance Structures



Masatoshi Maki
President, General Products & Realty Company



| | |
|--------------------|--|
| From left: | |
| Tsutomu Yamauchi | Chief Operating Officer, Forest Products, General Merchandise & Logistics Division |
| Yusuke Takasaka | Chief Operating Officer, Construction & Real Estate Division |
| Tetsuya Sebe | Chief Financial Officer |
| Yasuhiro Takahashi | General Manager, Planning & Administration Department |

General Products & Realty Company

Business Fields

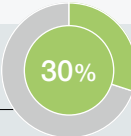
- Paper and pulp (pulp, paper products, hygiene materials, new wood-based materials, wood chips, etc.)
- Goods and materials (natural rubber, tires, cement, slag, ceramics, etc.)
- Wood products and materials (logs, lumber, fences, wooden structural materials and components, wood fiberboard, etc.)
- Logistics (3PL, domestic logistics, international logistics, logistics systems, etc.)
- Development and operation of real estate (housing, logistics facilities, commercial facilities, etc.)

Company Strengths

- Construction materials-related companies that constitute an excellent value chain in North America
- Competitive pulp manufacturing business and a worldwide network for pulp sales
- The No. 1 tire retailer network and brand in the United Kingdom and a vertically integrated logistics network extending from wholesale to post-consumer car tires recycling
- Stable real estate development by leveraging the distinctive and diverse networks of a general trading company

Business Development Quantitative information ▶ Page 126–133

Percentage of Earnings from Domestic Business (image)



Paper / Pulp / Hygiene

■ METSA FIBRE (Finland)

- One of the world's largest manufacturers of commercial softwood pulp
- Pulp production capacity: Approx. 3.2 million tons 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 / Indonesia)

◆ ITOCHU CERATECH
(Manufacture of ceramic raw materials and products)

Wood Products & Materials

North American construction materials business

- Development of a robust value chain
- ITOCHU Building Products Holdings
 - MASTER-HALCO
(Manufacture and wholesale of fences)
 - Alta Forest Products
(Manufacture of wooden fences)
 - US Premier Tube Mills (Manufacture of pipes for 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)

◆ ITOCHU REIT Management
(Management of REITs and funds)

◆ 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)

◆ Paraca*
(Business and operational management of parking lots)

◆ Nishimatsu Construction* (Construction business, real estate-related business, etc.)

◆ Oriental Shiraishi* (Maintenance and repair of bridges, etc.)

Overseas businesses

- Saigon Sky Garden (Serviced apartments / Vietnam)
- KARAWANG INTERNATIONAL INDUSTRIAL CITY (Indonesia)
- Resort hotel management business (Indonesia)
- Condominium leasing business (the U.S.)

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)

* Non-affiliated companies
Region legend: ◆ Japan ■ North America ■ The U.K. and Europe
■ China and other Asian countries

The list of major subsidiaries and associated companies is available on ITOCHU's website.
https://www.itochu.co.jp/en/files/ar2023E_12.pdf



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

Acquisition of North American Engineered Wood Products (Posts and Beams) Business

Pacific Woodtech Corporation acquired the engineered wood products (posts and beams) manufacturing business in North America. With the acquisition of the business, three manufacturing plants in California and North Carolina in the United States, and British Columbia in Canada have been added, the company established engineered wood product manufacturing capabilities that cover the whole of North America. With its reinforced manufacturing capabilities, the company is focusing on the decking market, where further market growth is expected, and has begun the development and sales of structural materials for decking in addition to existing applications for engineered wood products. Following on from initiatives in our fence business, we will continue to increase the resilience of the value chain in the engineered wood products business with a view to further strengthening the earnings base of our North American construction materials business.



Engineered wood products made of laminated veneer lumber manufactured by Pacific Woodtech Corporation



Pacific Woodtech Corporation
From left:
Yasuhiro Terashita (Dispatched),
Kotaro Yamamoto (Dispatched),
Jim Enright, Heather Dillard,
Dan Milfred, Shuhei Kawano
(Dispatched)

FYE 2023 Review (Specific Accomplishments)

Corporate Value = Created Value / (Cost of Capital × Growth Rate)

- Strengthened the value chain of the construction materials business in North America by acquiring an engineered wood products (posts and beams) business in the region
- Implemented capital investment and sales system development with the aim of increasing softwood pulp production at METSA FIBRE OY of Finland
- Unified management through capital restructuring of the construction materials business in North America and the logistics business in China
- Steadily created synergies in real estate development projects and others, with Nishimatsu Construction Co., Ltd., and Paraca Inc.
- Promoted a public-private partnership business by arranging a general gymnasium which functions as a shelter in times of a disaster

Growth Opportunities (Sustainable Growth)

Corporate Value = Created Value / (Cost of Capital × Growth Rate)

- Enhancing profitability of new business fields such as decking materials 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
- Establishing an earnings base by offering customers solutions that optimize their logistics operations and advancing an M&A to strengthen the logistics functions
- Strengthening and expanding alliances in businesses peripheral to the construction and construction materials realms, including capital and business alliances with Nishimatsu Construction Co., Ltd., and Oriental Shiraishi Corporation, and promoting measures that address societal needs such as road infrastructure
- Expanding operations in the North American real estate business through strategic alliances and joint investments with leading U.S. real estate companies

Risk Responses (Lower Cost of Capital)

Corporate Value = Created Value / (Cost of Capital × Growth Rate)

- Promoting the effective use of sustainable by-products (slag) as a cement alternative and creating sustainable and stable distribution channels
- 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 improve efficiency in analysis operations ("cut") and reduce security risk ("prevent")

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🔍 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



Tatsushi Shingu

President, ICT & Financial Business Company



From left:

| | |
|----------------------------|---|
| Hiroshi Kajiwara | Chief Operating Officer, ICT Division |
| Tadayoshi Yamaguchi | Chief Operating Officer, Financial & Insurance Business Division |
| Kenichiro Soma | Chief Financial Officer |
| Atsushi Hashimoto | General Manager, Planning & Administration Department |

ICT & Financial Business Company

Business Fields

- Information technology (IT solutions, BPO, digital marketing, venture capital, healthcare, etc.)
- Communications (mobile devices, related equipment and services, space and satellite, media and content, etc.)
- Finance (retail finance, corporate finance, etc.)
- Insurance (insurance shop, retail insurance, corporate insurance brokerage, reinsurance, credit guarantee, etc.)

Company Strengths

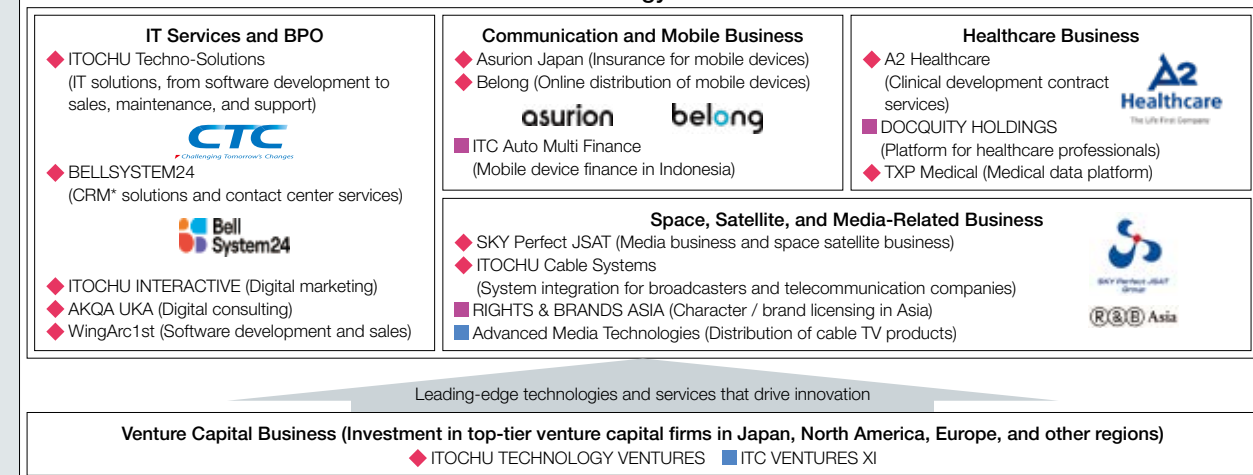
- Earnings base and synergies, driven by Group companies with leading scale and presence in the domestic ICT field
- Development of retail businesses together with market-driving core Group companies in the financial and insurance business
- Network of start-ups and leading-edge companies in Japan and overseas through relationships with top-tier venture capital firms in North America, Europe, and other regions

Business Development Quantitative information ▶ Page 126–133

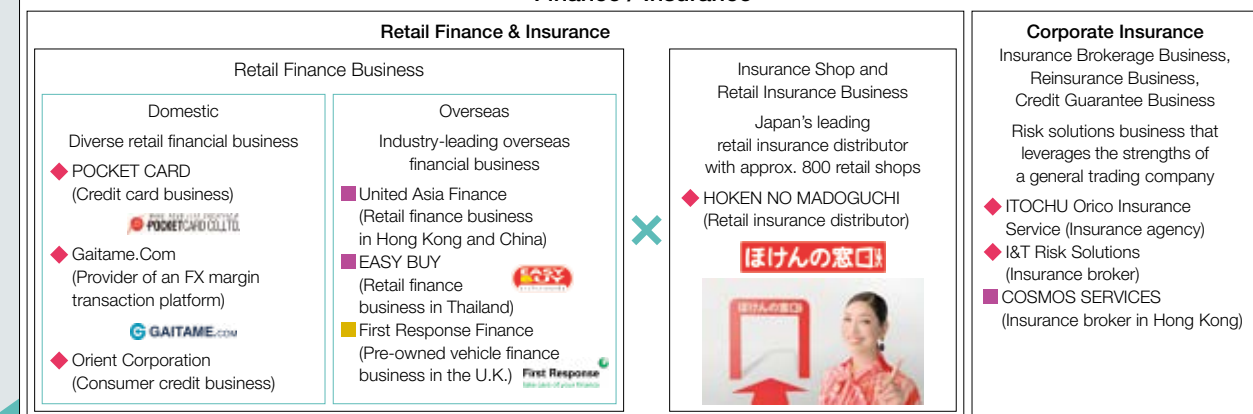
Percentage of Earnings from Domestic Business (image)

80%

Information Technology / Communications



Finance / Insurance



Region legend: ◆ Japan ■ North America ■ The U.K. and Europe
■ China and other Asian countries

* Customer Relationship Management

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

Conversion of Major Provider of a Foreign Exchange Margin Transactions (FX) Platform, Gaitame.Com Co., Ltd. into an Affiliate

In September 2022, the major provider of an FX margin transaction platform, Gaitame.Com Co., Ltd. (Gaitame.Com), became an affiliate of ITOCHU. The FX market continues to grow steadily, posting record-high trading volumes in 2022. With its customer-first philosophy, Gaitame.Com's strengths lie in its ability to provide thoroughly customer-centric services that offer one of the lowest fee levels in the industry, savings-type services that allow customers to build their assets over the long term, and high-quality FX-related information. Based on these strengths, Gaitame.com has grown its number of accounts to approximately 590 thousands as of March 2023, and is continuing to expand its number of users.

ITOCHU will support the further expansion of Gaitame.Com's customer base through collaboration with ITOCHU's retail finance business in relation to loans and payments. At the same time, we are developing services in the field of asset management that cater to consumer needs.



Delivering high-quality FX-related information



Financial Business Section No.2,
Financial Business Department
From left:
Takuma Fukumitsu,
Shunnosuke Yoshihara,
Mayu Sato, Kei Harada,
Akihiro Suzuki,
Rento Suga (Dispatched),
Yuko Usui, Hideaki Sato

FYE 2023 Review (Specific Accomplishments)

- Established AKQA UKA Inc., a joint venture with the United Kingdom's WPP Group, which is one of the world's largest advertising agencies, to develop a consulting business specializing in customer experience
- Made DOCQUITY HOLDINGS PTE. LTD., of Singapore, a company that manages a platform for healthcare professionals in Southeast Asia, an affiliate
- Conversion of major provider of a foreign exchange margin transactions (FX) platform, Gaitame.Com into an affiliate
- Implemented recapitalization through a share consolidation of HOKEN NO MADOGUCHI GROUP INC.

Growth Opportunities (Sustainable Growth)

- Finding and forming alliances with start-up companies, and leveraging new technologies to create and promote next-generation businesses
- Fostering overseas development of business models cultivated in Japan in the mobile and ICT business sectors
- Building a digital value chain through the utilization of our group of digital businesses, establishing an earnings base in the innovative and highly convenient digital transformation business based on a market-oriented perspective, and strengthening the establishment of synergies with existing businesses, such as Bellsystem24, Inc., and CTC
- Concluded a comprehensive business alliance between Belong Inc., which is engaged in the used mobile device distribution business, and Uber Eats Japan, Inc., for the development of an initiative to advance the sustainability of the food delivery business
- Expanding our business foundations both inside and outside of Japan by leveraging new retail finance services
- Creating an insurance business value chain in the retail sector

Risk Responses (Lower Cost of Capital)

- Reducing negative environmental impact caused by the frequent replacement of new mobile devices, by procuring and distributing used mobile devices
- Reducing health-related risks by supporting the development of pharmaceutical products and distributing and selling advanced medical equipments
- Enhancing the quality of people's lives through the retail finance business in Japan and overseas
- Reducing the risk of business disruptions by realizing a highly robust ICT environment, backed up by reliable telecommunication infrastructure

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- 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



Tatsuo Odani
President, The 8th Company



From left:
Nobuhiro Suga Chief Financial Officer
Tetsuya Mukohata General Manager, Planning & Administration Section

The 8th Company

Business Fields

- Creating new business and collaborating with the other seven 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

Company Strengths

- FamilyMart's store network and physical and digital customer contact points
- Human resources from diverse backgrounds and a highly fluid, ameba-like organizational structure
- An organizational culture that creates businesses flexibly with a market-oriented perspective not bound by product lines
- Cross-divisional personnel exchanges for the creation and strengthening of synergies and collaborations that transcend Division Company boundaries

Business Development Quantitative information ▶ Page 126–133

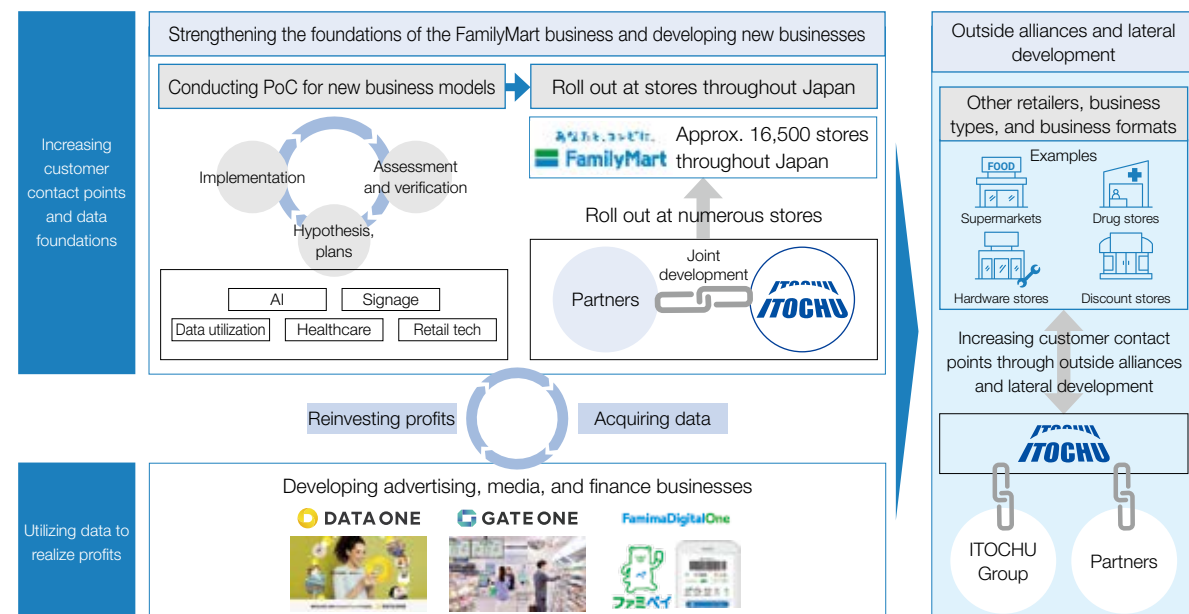
Percentage of Earnings from Domestic Business (image)

100%

With the transformation in consumer behavior accompanying the COVID-19 pandemic, adaptation to changes in consumer needs 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

- 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 (PoC) tests 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, media, and finance businesses; reinvesting new profits in the convenience store business to heighten stores' ability to attract customers even further



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

Further Development and Expansion of the Digital Advertising Distribution Business

In October 2020, ITOCHU established Data One Corp. with FamilyMart Co., Ltd., NTT DOCOMO, INC., and CyberAgent, Inc. Leveraging the advantages of the purchasing data of FamilyMart together with approximately 29 million licensed advertisement IDs, one of the largest collection of such IDs in Japan, Data One Corp. is developing a unique advertising business that offers end-to-end services from digital advertisement distribution to effectiveness verification.

For example, beginning with the partnership with Pan Pacific International Holdings Corporation started in April 2023, we will increase data collaborations in the retail media field with retailers and other companies. At the same time, we will combine digital advertising with digital signage to be installed at 10,000 FamilyMart stores by 2023, with the aim of integrating physical and digital media and further evolving the advertising business.

We will accelerate growth of the advertising business and improve the customer experience by delivering information that customers want in a timely manner.



Improving customer experience through advertisement distribution based on purchasing data



Media and Advertisement Alliance Team
From left:
Hitomi Kaneko, Shorei Muta, Yuma Kubo, Akiko Enya, Airi Mitsumoto, Yoshimi Oyama

FYE 2023 Review (Specific Accomplishments)

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

Achieved year-on-year growth in daily sales throughout the year by strengthening the competitiveness of FamilyMart merchandise, and successfully implementing the "FAMIMARU" private brand 1st Anniversary thanks sale and various other measures at FamilyMart stores

- ⌚ Began the full-fledged introduction of humanoid AI assistants to improve management capabilities and reduce manpower requirements at FamilyMart stores
- ⌚ Gate One Corp. installed "FamilyMartVision" digital signage at approximately 3,000 stores
- ⌚ Data One Corp. provided a digital advertising distribution platform utilizing purchasing data
- ⌚ Formed a capital and business alliance with Idein Inc., which has sophisticated technological capabilities including the ability to develop software that executes advanced AI-based analysis while operating on low-cost devices

Growth Opportunities (Sustainable Growth)

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

- ⌚ Expanding FamilyMart's earnings base by strengthening the convenience store business (product sales and services) and increasing the sophistication of the entire supply chain
- ⌚ Increasing customer contact points and business revenues by adding media center functions to FamilyMart stores
- ⌚ Enlarging our data infrastructure and developing new businesses, such as advertising, media, and financial services that leverage customer data
- ⌚ Developing retail solutions through alliances with companies that have advanced technological capabilities
- ⌚ Expanding our business domains by forming alliances with other retailers, companies in other sectors, and other business formats

Risk Responses (Lower Cost of Capital)

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

- ⌚ Strengthening supply chain risk management in response to such factors as fluctuations in raw material prices
- ⌚ Responding to the shortage of workers by leveraging digital technologies

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- ⌚ Evolve Businesses through Technological Innovation
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