



**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

## 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)

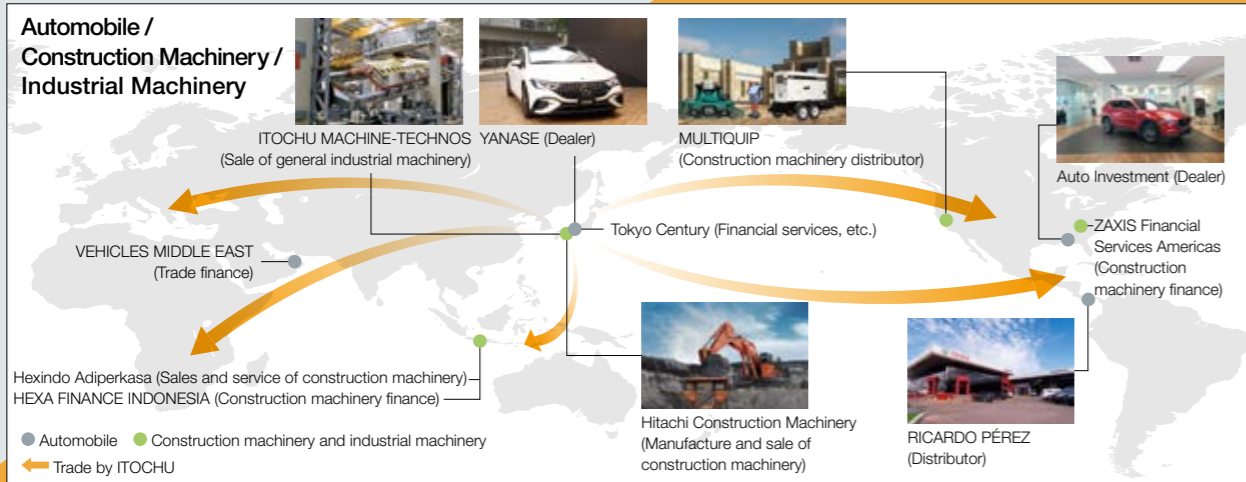
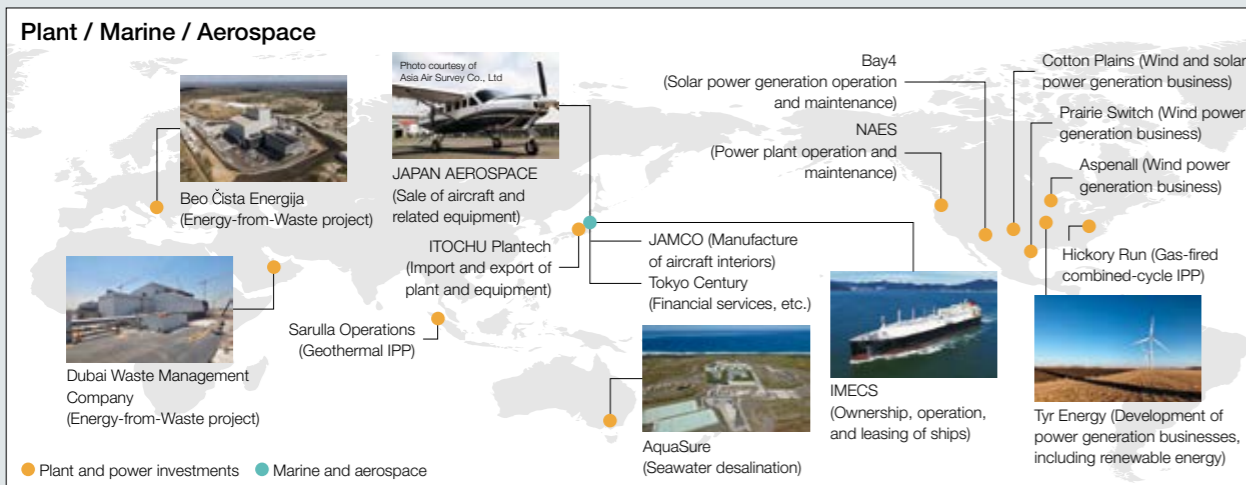
### Company Strengths

- 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](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)

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

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)

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

- 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)

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

- 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. 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