



**Kenji Seto**  
President, Metals & Minerals Company



From left:

<b>Jun Inomata</b>	Chief Operating Officer, Metal & Mineral Resources Division
<b>Kazuyoshi Sato</b>	Chief Financial Officer
<b>Osamu Tano</b>	General Manager, Planning & Administration Department
<b>Masakatsu Murayama</b>	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.)

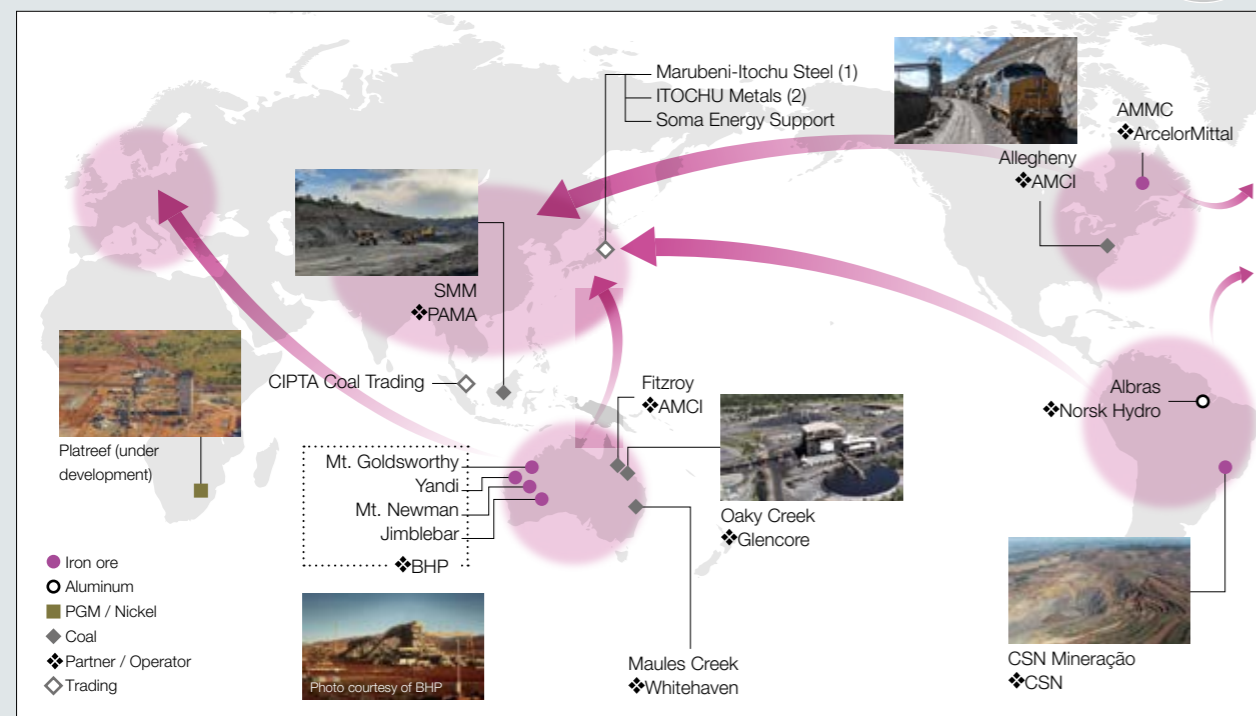
### Company Strengths

- 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



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

### 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)

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

- 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)

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

- 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)

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

- 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