



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)

70%

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)

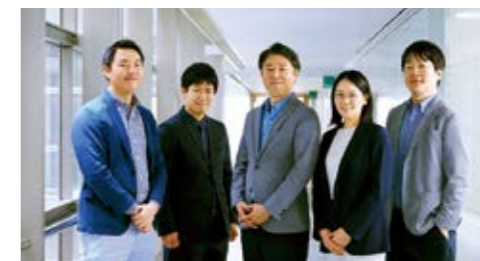
Specific Example of Enhancing Our Contribution to and Engagement with the SDGs

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)

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

- Began supplying sustainable aviation fuel (SAF) produced by Neste Oyj of Finland to Japan Airlines Co., Ltd. and Etihad Airways PJSC
- 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
- Invested in growth to further strengthen the business foundations of the synthetic resins business and expanded its business network
- 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
- 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
- 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)

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

- Building a sustainable fuel value chain for products including hydrogen and ammonia
- Stepping up CCUS-related projects utilizing our expertise in the oil and gas exploration business, and collaboration with leading partners
- 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
- 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
- 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)

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

- Accelerating initiatives to strengthen the environment-related businesses, such as sustainable fuels, chemicals recycling services, and renewable energy, which contribute to decarbonization across society
- 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. 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

* Non-affiliated companies

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

