

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)

Quantitative information (FYE 2024 results) ▶ Pages 99–101, 128–131

Consolidated Net Profit	Core Profit	Percentage of Earnings from Business in Japan (image)
¥226.1 billion	¥224.6 billion	<div><div>10%</div></div>
ROA*1	CAGR*2	
17%	6%	

\*1 ROA based on core profit.  
\*2 Compound annual growth rate of consolidated net profit from FYE 2011 to FYE 2024

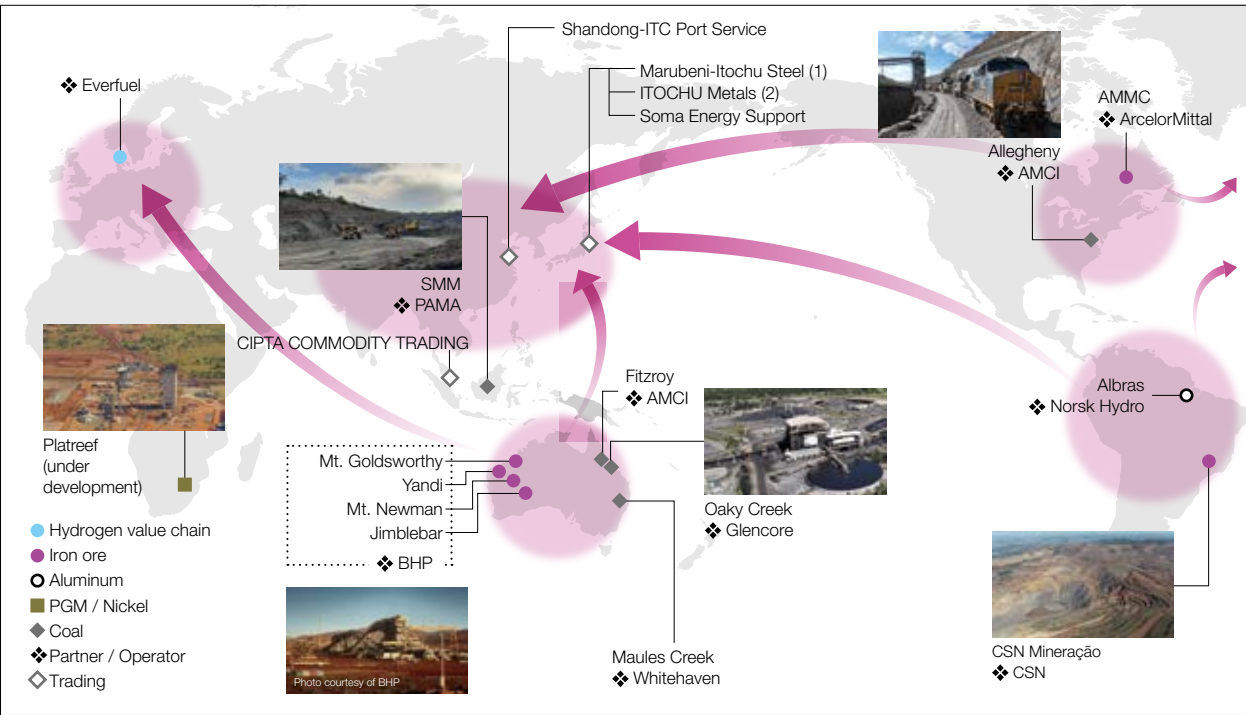


Jun Inomata  
President, Metals & Minerals Company



From left:

Daisuke Inoue	Chief Operating Officer, Metal & Mineral Resources Division
Katsunori Sato	Chief Financial Officer
Kotaro Suzuki	General Manager, Planning & Administration Department
Masakatsu Murayama	General Manager, Steel Business Coordination Department



**(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
- Invested in a major U.S. scrap metal recycling company to expand the procurement scope

Initiative for Sustainable Enhancement of Corporate Value through a Market-Oriented Perspective  
Participation in One of the World's Largest Green Hydrogen Value Chains in Northern Europe

ITOCHU and a subsidiary of Osaka Gas Co., Ltd. have jointly invested in Everfuel A/S, which is one of the world's largest hydrogen producers. Everfuel A/S is advancing a green hydrogen\*3 local production and consumption project in Denmark. The commercial operations of Everfuel A/S's first project, which will be one of the world's largest green hydrogen production projects, are scheduled to begin in 2024. By selling hydrogen to the industrial and mobility sectors, the company will build a value chain for local production and consumption. The company also plans to supply hydrogen via pipeline to Germany, which is expected to become a major consumption area of hydrogen. We aim to help realize a decarbonized society and strengthen our business foundations by rapidly monetizing this green hydrogen project and horizontally developing similar projects in Japan, other Asian countries, the United States, and Europe and by participating in businesses engaged in the manufacturing business of hydrogen-derived products, such as ammonia and e-fuel (synthetic fuel), for which demand is expected to grow in the future.

\*3 Hydrogen produced through water electrolysis using renewable energy, which does not emit CO<sub>2</sub> during its production



Carbon Neutral Management Section  
From left:  
Ken Kurihara, Kenny Nakanishi, Carlos Tanaka

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

Items related to Sustainability Action Plans are indicated with a mark for the corresponding material issues.

- Evolve Businesses through Technological Innovation
- Develop a Rewarding Work Environment
- Contribute to Healthier and More Affluent Lifestyles
- Maintain Rigorous Governance Structures
- Address Climate Change (Contribute to a Decarbonized Society)
- Respect and Consider Human Rights
- Ensure Stable Procurement and Supply

**Expand Created Value (FYE 2024 Review)**

- Sought to create a supply chain of low-carbon direct reduced iron by promoting detailed feasibility studies jointly with JFE Steel Corporation; Emirates Steel Arkan, the largest steel company in the United Arab Emirates; and others, in parallel with procuring rare, high-grade iron ore, the main raw material for direct reduced iron, from Brazil's CSN Mineração S.A.
- Began commercial production at the Allegheny coking coal mine in the United States to ensure a stable supply of high-quality raw materials for steelmaking
- Invested in PNW Metal Recycling, LLC, a major U.S. scrap metal recycling company, to ensure the stable procurement of steel scrap, for which demand is expected to increase
- Invested in Denmark's Everfuel A/S, a company promoting the construction of the green hydrogen value chain, and advanced the construction of one of the world's largest hydrogen production and distribution plants as a green hydrogen project with commercial operation

**Increase 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 direct reduced iron and other low-carbon raw materials that help realize a decarbonized society, carbon dioxide capture, utilization, and storage (CCUS), 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 (recycling, appropriate waste treatment, etc.)
- Developing businesses that respond to structural changes in society (EVs and FCVs, energy storage systems (ESS), lighter-weight materials that improve energy efficiency, etc.)

**Lower Cost of Capital**

- 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 and other non-ferrous metals and rare metals)
- 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

The list of major subsidiaries and associated companies is available on ITOCHU's website.  
[https://www.itochu.co.jp/en/files/ar2024E\\_12.pdf](https://www.itochu.co.jp/en/files/ar2024E_12.pdf)

Details on the Sustainability Action Plans are available on ITOCHU's website.  
<https://www.itochu.co.jp/en/csr/itochu/actionplan/>