

# Portfolio Management

As ITOCHU operates businesses across various industries, it is essential to set target levels for asset efficiency that consider the unique characteristics and trends of each sector. To sustain highly efficient management in any business environment, it is crucial not only to incrementally accumulate high-quality business investments but also to steadily improve asset efficiency within each segment. We conduct an annual analysis of key management indicators by Division Company to assess asset efficiency in each segment, analyzing trends over past years and comparing them with benchmark companies. Furthermore, we are discussing measures aimed at improving asset efficiency in the future, including detailed management of assets such as accounts receivable and inventory, and close monitoring of rapid asset increases resulting from accelerated growth investment. These topics are discussed in the DMC\*1 of each Division Company and are reported to the ALM\*2 Committee, driving more effective initiatives. (▶ Page 30 CFO Message)

\*1 DMC: Division Company Management Committee

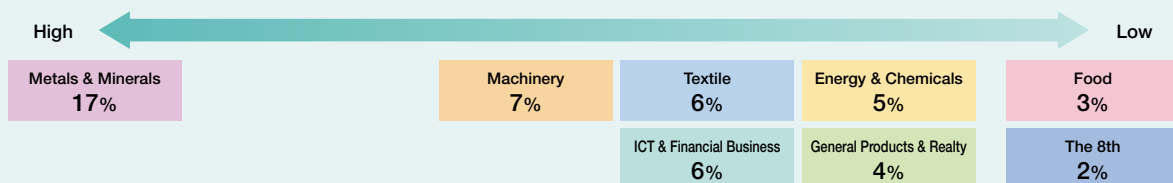
\*2 ALM: Asset Liability Management

## Analysis of Key Management Indicators

### Key Topics

- Analysis of asset efficiency (ROA, etc.) and operating cash flows by segment according to the characteristics of each Division Company
- Countermeasures based on changes in the external environment (geopolitical risks, increases in resource and raw material prices, interest rate increases, and inflation, etc.)
- Issues and improvement measures for low-margin trades and low-efficiency businesses
- Profit growth and profitability improvement strategies, along with measures for enhancing asset efficiency (ROA, etc.) at major Group companies

### Segment ROA (FYE 2024 Results, Based on Core Profit)



(▶ Page 100 Performance Trends by Segment)

## (Reference) Macroeconomic Factors Impacting Division Company Performances

	Sensitivity		National Macroeconomy		
	Exchange Rate	Commodity Prices	China	North America	Japan
Textile					
Machinery	US\$				
Metals & Minerals	US\$ - AU\$	Iron ore, Coal, etc.			
Energy & Chemicals	US\$	Crude oil, LNG, etc.			
Food		Pork, Feed, etc.			
General Products & Realty	US\$	Pulp, etc.			
ICT & Financial Business					
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Others, Adjustments & Eliminations	US\$	Pork, etc.			

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