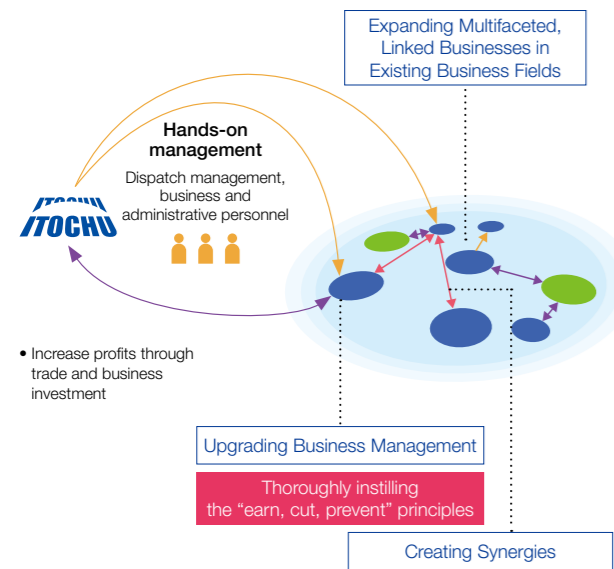


Our Business Model, as Seen through Business Development

ITOCHU leverages the accumulated capital and strengths to expand its business. By utilizing our organizational capabilities, business know-how, and client and partner assets, we drive the expansion of trade through value creation and promote business management based on our expertise. Through the dual approach of trade and business investment, we enhance the overall profitability of the Group. We also strengthen our earnings base by making timely strategic

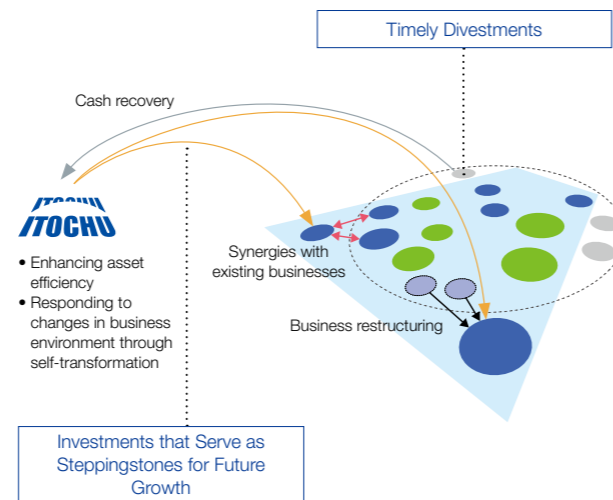
(1) Trade x Business Investment

We drive our business with trade and business investment as dual pillars, leveraging our accumulated financial and non-financial capital. We enhance the Group profitability by creating multifaceted, linked businesses through the acquisition of new trades and the generation of synergies, while simultaneously upgrading business management by thoroughly instilling the “earn, cut, prevent” principles and embracing hands-on management.



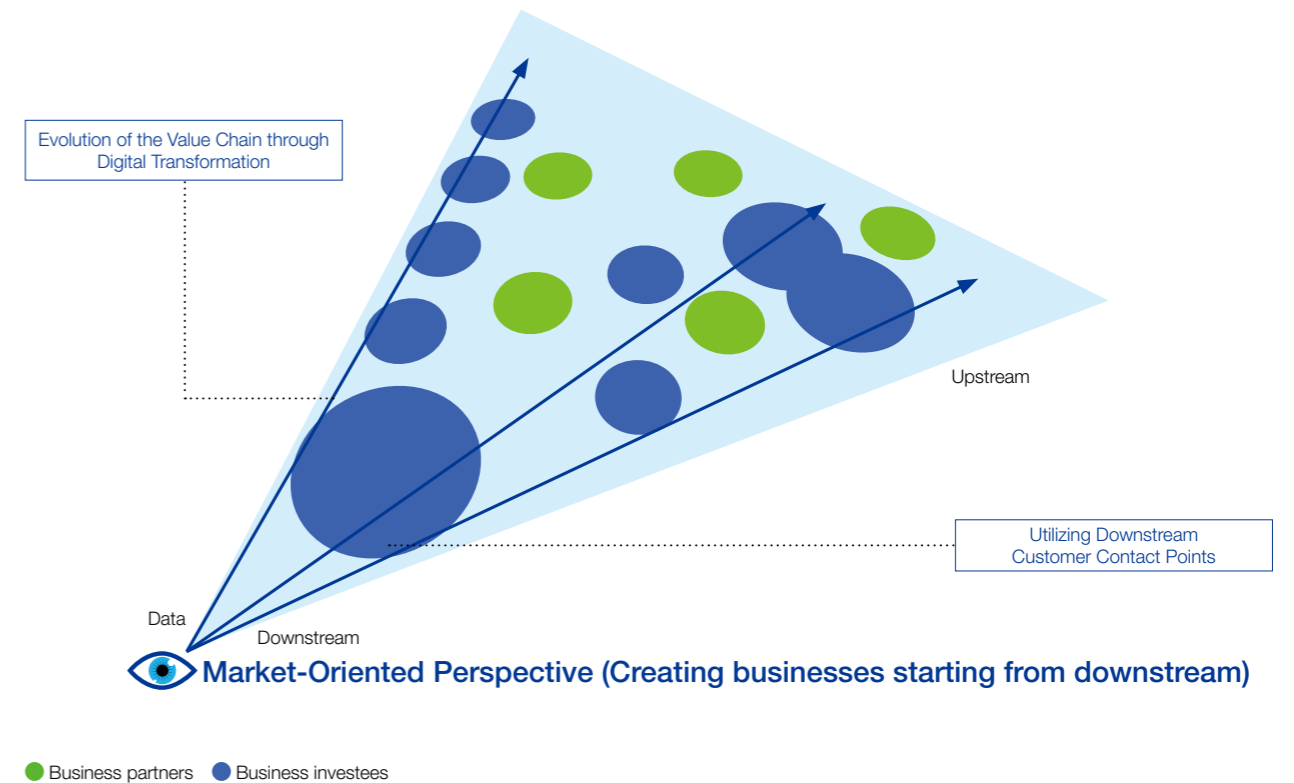
(2) Timely Asset Replacement

We precisely assess changes in the business environment and, from the standpoint of asset efficiency and risk management, we restructure or divest investments whose strategic significance has diminished. The funds recovered through these actions are reinvested into new strategic areas, building a more robust earnings base.

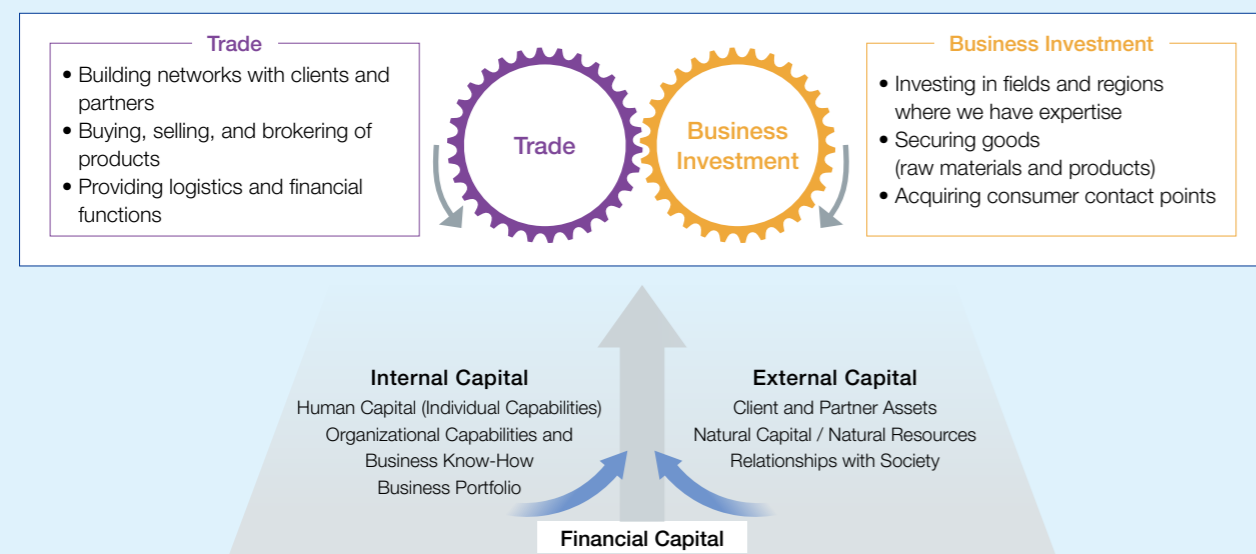


(3) Upgrading Our Business Model from a Market-Oriented Perspective

In all our businesses, we incorporate a market-oriented perspective, building a downstream-driven business model capable of responding to consumer needs and social demands. Furthermore, we aim to expand our earnings base and improve asset efficiency through optimization of the value chain by fully utilizing our real and digital customer contact points, and new technologies and data.



Expansion of Trading and Business Investment by Utilizing Financial and Non-Financial Capital



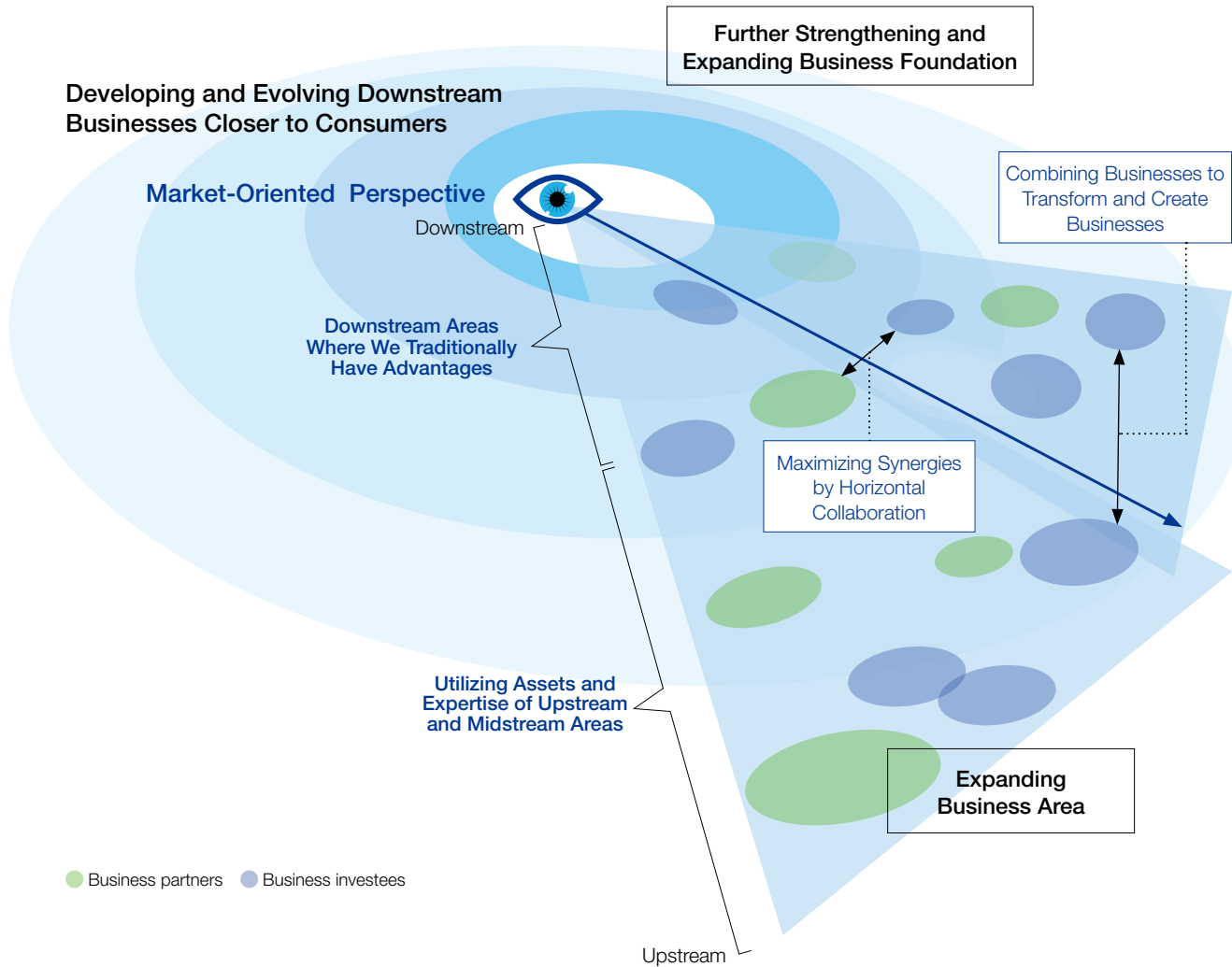
Differences between Typical Private Equity Funds, Typical Commodity Trading Companies, and ITOCHU

	Typical Private Equity Funds	ITOCHU
Investee Liquidity	In principle, unlisted	Either listed or unlisted
Investee Ownership Ratio	In principle, majority stake up to 100%	Decided individually, based on business conditions and market environment
Investee Ownership Period	Around five years with an exit strategy	Buy and hold
Personnel Secondment to Investee	Outside managers dispatched	ITOCHU personnel dispatched to management or frontline operations (Hands-on management style)
Synergies	In principle, none	Create synergies with existing businesses and expand business areas
Returns	Capital gains and dividends	Enhancing Group profitability including trading profits and dividends

	Typical Commodity Trading Companies	ITOCHU
Products Handled	In principle, upstream market-sensitive commodities	All types of products, from upstream to downstream
Nature of Trading	Trading for speculative purposes and / or based on actual demand	In principle, trading based on actual demand
Volatility of Returns	High	Low
Personnel Attributes	In principle, expertise in a single product	In addition to expertise in a single product, knowledge of peripheral businesses
Synergies	In principle, none	Creation of synergies through broad value chains

NEW Growth Strategy through Cross-Company Collaboration and Business Integration

To achieve further growth, we will develop and evolve downstream businesses that are closer to consumers, based on a market-oriented perspective. We will not only focus on the downstream areas where we traditionally have advantages but also fully utilize assets and expertise in the upstream and midstream areas. By maximizing synergies through horizontal collaborations among Division Companies and integrating different businesses, we will drive business transformation and creation. With these goals in mind, we aim to accelerate growth investments that contribute to medium- to long-term profit and expand synergies beyond our investment targets. This will enable us to expand our business domains and further strengthen and enhance our business foundation.



From the Management Policy: “No Growth without Investments”

(▶ Page 28 Management Policy)



Our Management Policy emphasizes accelerating growth investments to enhance our earnings base to the next level. We will leverage the capabilities and expertise within our Group, while collaborating with our business partners to explore investments in areas adjacent to our existing businesses. Additionally, we will pursue investments not only in downstream areas but also those that address societal needs, as well as in upstream and midstream areas that foster the growth of our downstream businesses.