

**Sustainable enhancement of corporate value is
the mission of management.
Drawing on our history and staying true to
the merchant philosophy we have developed over the years,
we will continue to strive for new heights.**

Under our Management Policy, “The Brand-new Deal,” we achieved record-high profits in FYE 2025. For FYE 2026, we are committed to lean management and deepening our growth investments, aiming to achieve record-high profits for a second consecutive year and secure the Triple Crown among general trading companies in market capitalization, consolidated net profit, and ROE.



Masahiro Okafuji
Chairman & Chief Executive Officer

The Japanese Dream

When we talk about the American Dream, we think of stories of people achieving great wealth and success in the United States. I'm sure everyone has dreamed of this at least once. But what does the Japanese Dream mean to you? In Japan, we sometimes hear stories of people who have successfully started businesses and amassed great wealth, but most people probably feel that this only applies to a very limited number of people. It may sound like a distant dream, especially to a typical company employee.

Not too long ago, a female employee visited me to say farewell upon her retirement. She joined ITOCHU Corporation in the mid-1970s after graduating from junior college and spent more than 40 years working in administrative roles in our Textile Company. Over those years, she steadily accumulated ITOCHU stock. There were times in the late 1990s when our stock price fell below ¥200. However, she continued to believe in the Company and kept investing. What surprised me about

her story was the number of shares she held at the time of retirement. The number of shares has now exceeded 100,000 with a market value of approximately ¥800 million, and dividend income alone reaching ¥20 million per year. She told me, “I will be able to enjoy a prosperous life for the rest of my days. Thank you so much.” Her facial expression remains vivid in my memory. At that moment, it suddenly occurred to me that this story could also be worthy of being called the Japanese Dream.

I have always believed that management's “scorecard” takes the form of how much it is able to enhance corporate value. I continue to believe that enhancing corporate value, or in other words increasing market capitalization and stock price, is my responsibility as CEO. Hearing this employee's words, I once again felt the weight and value of my responsibility. The sustainable growth and enhancement of ITOCHU's corporate value brings happiness not only to our employees, but also to all those



CEO MESSAGE

who hold our shares, including institutional investors. Currently, the Tokyo Stock Exchange and Japanese stocks are attracting global attention. This has only strengthened my resolve as CEO to share the fruits of our growth—in other words, the Japanese Dream—with our investors through our Company.

One development I am extremely pleased about is that the management capabilities of general trading companies were highly praised in Berkshire Hathaway Inc.'s shareholder letters in February 2025. In this letter, Berkshire Hathaway Inc. mentioned that it would moderately relax the previous 10% limit on its shares of the five major general trading companies, and that it would hold

those shares for long term in the future. I was greatly surprised when Mr. Warren Buffett announced he would retire as CEO at the shareholders' meeting in May, but it is truly an honor for Japanese general trading companies to be highly valued by one of the world's leading investors. Berkshire Hathaway Inc.'s investments in Japanese general trading company shares have been highly successful, and this too can be described as a part of the Japanese Dream. However, we have no intention of resting on our laurels. From the time I get up to the time I go to bed, I'm constantly thinking about management, and I strive each day to fulfill my mission of sustainably enhancing our corporate value.

Regaining the Top Position Among General Trading Companies

In the "My History" daily column I wrote for the *Nikkei* newspaper in January 2025, I looked back on my life, including my setbacks and hardships. What I wanted to convey through this series is my belief that if people persevere through hardships and continue to work hard, they can achieve steady growth. This also applies to corporate management.

The business environment rarely unfolds as initially expected. Just as a hang-glider must adapt to ever-changing wind directions in order to fly accurately to its destination, I believe it is the responsibility of management to do everything in its capacity to adapt flexibly and meet targets in any business environment. Under this type of "hang-glider management," ITOCHU has steadily achieved its targets and grown, year by year. In FYE 2021, we attained the Triple Crown among general trading companies in consolidated net profit, share price, and market capitalization, and were poised to solidify our position. However, the deterioration of the situation between Russia and Ukraine led to a surge in resource prices. As a result, given that the proportion of resource-related businesses in our portfolio is relatively low, we experienced a challenging period in our financial results. While waiting for the surge in resource prices to eventually subside, we steadily accumulated growth over the past four years, preparing to regain the top position. We have avoided investing large amounts in areas with high uncertainty and which will take time to contribute to profits. Just as we worked as one group in the past to expand FamilyMart's earnings base while increasing our shares in the company, we have continued to expand our investments in Group companies whose operations we understand deeply, and projects where synergies can be reliably predicted.

Some examples include CTC, DESCENTE LTD., and DAIKEN CORPORATION, which have been private, as well as our expanding business collaboration with Hitachi Construction Machinery Co., Ltd. and Nishimatsu Construction Co., Ltd. As a result of these steady initiatives, we achieved a record-high profit of ¥880.3 billion in FYE 2025, further solidifying our foundation for the next stage of growth. Recently, there are some headwinds in the current business environment, such as a repeated downward revision to economic growth forecasts triggered by the uncertainty surrounding the Trump administration. However, rather than adopting a passive, defensive approach with plans to reduce profits, we have set a target of ¥900 billion in profits for FYE 2026, which would be a record high for the second consecutive fiscal year, by evolving our hands-on management and the steady accumulation of growth investments. (● Page 28 CFO Interview)

As in the previous fiscal year, we intend to accumulate up to ¥1 trillion in growth investments under one of the pillars of our long-term Management Policy, "No growth without investments." The current state of uncertainty in the business environment also presents an investment opportunity for us. By discerning changes in the times and among customers, we will accelerate downstream-driven investments and further build on our strengths, in line with our long-term Management Policy's concept, "Profit opportunities are shifting downstream." In recent years, each Division Company has developed a good foresight and effective investment strategies in its respective field. We will make investments that raise the performance of the Group as a whole, leveraging each business field's strengths without concentrating on any specific area. (● Page 16 COO Message)

In addition to growth investments, there are key concepts we are rigorously instilling on the front lines to achieve record-high profits under the current management environment: lean management and a market-oriented perspective. These concepts, which emerged

through honest reflection on our history and past failures, are the core of my management philosophy. I would first like to explain the meaning of these two important concepts for our Company.

The Essence of Lean Management

Let me share a story from when I was young. When an overseas client visited Japan, they were so busy that I was asked to visit their hotel early in the morning. After having a cup of coffee at their breakfast table and finishing our conversation, I discovered that my subordinate had already paid for the client's meal. How would you feel about this? Some people may think it natural for us to pay, since the client traveled from overseas. However, being invited by the client for breakfast and then covering the cost seems inconsistent with the usual business practice that "the inviter pays." It is essential for those in charge of management to always have a sense for what is truly necessary to expand business. Conversely, everything else should be cut down as much as possible. This is the essence of lean management.

I often discuss my "Earn, Cut, Prevent" principles. The "Cut" is not merely about reducing costs, however. For example, we must always question whether entertainment or business trips are really necessary for business. We must also be sensitive to seemingly minor things like leaving chairs out in meeting rooms, lights left on, or previous visitors' teacups being left out in the reception area. If we are indifferent to such things, we will also be less sensitive to the accumulation of inventory and accounts

receivable in actual business. The same applies to organizational management. If we overhire in response to calls for more staff, we may later be forced into layoffs if performance deteriorates. We must always be proactive from a long-term perspective, streamlining organizations, optimizing personnel allocation, and leveraging AI for operational efficiency to maximize productivity.

While the "Earn" in "Earn, Cut, Prevent" principle requires specialized expertise and cannot be easily replicated, "Cut" is a basic management skill with very high reproducibility if the right mindset and methods are acquired. For all employees to become outstanding managers, I want them to master lean management through the "Cut" aspect of the "Earn, Cut, Prevent" principles. There are many cases of employees dispatched as managers to Group companies who have improved performance by applying ITOCHU's management approach. (● Page 91 Succession Plan)

From the perspective of strengthening Group management, most employees will be involved in managing Group companies, either now or in the future. The first thing they can do may not be "Earn," which is difficult, but rather practicing and learning sensitivity of lean management, which leads directly to enhanced corporate value.

The Sensitivity of a Market-Oriented Perspective

Recently, I met with the CEO of a leading Japanese financial group. He explained that, in preparing his management message for his company's integrated report, he used generative AI, trained on his past statements, lectures, and exemplary messages from other companies, to draft content on specified themes and points. As someone who racks his brain every year over what message to deliver, I was struck by the rapid progress of generative AI and the pace of societal change. In the coming age, if we fail to adapt to these revolutionary changes brought about by AI, we will not be able to survive. (● Page 54 CXO Interview ● Page 56 Digital Strategy for the Sustainable Enhancement of Corporate Value)

However, AI is merely a tool; for merchants, the most essential quality in business remains sensitivity to even the smallest customer needs and requirements.

Many hit products have originated from such sensitivity. For example, in Judaism, Shabbat, the day of rest, extends from Friday until sundown on Saturday. During this period, no work of any kind is permitted, and it is a practice strictly observed by devotees. "Work" includes using fire as well as electricity. As a result, even opening a refrigerator becomes an issue, as the interior light would come on every time you open the door to get food. Samsung Electronics Co., Ltd. addressed this by developing a refrigerator that can be set so the interior

light does not turn on during this period, a hit product born from such sensitivity. The key to creating popular products is to be sensitive to the issues customers face and devise ways to satisfy those needs. This is a good example of how a consumer issue can be addressed with just a little ingenuity, without the need for advanced development.

Today, consumers hold the initiative. The era in which companies succeed through a product-out approach, telling customers what they need and what to buy, is

over. We need to have a market-oriented sensitivity that allows us to carefully observe our customers, sense what their issues are, and proactively propose ideas that will help address these issues. As I often say, merchants need to be like water: the core of a merchant is to change shape like water to fit the vessel of customer needs. No matter how much technology advances, I maintain a strong sense of urgency that business in the future will not be possible without this kind of sensitivity.

The True Meaning of Corporate Brand Value

In April 2025, something happened that shocked me as a person who has been involved in the brand business for a long time. In the European (Paris) stock market, luxury brand companies dominate the top ranks by market capitalization. For the first time in 26 years, Hermès International SCA overtook LVMH Moët Hennessy Louis Vuitton (LVMH) for the top position. LVMH owns a wide range of brands, including Louis Vuitton, Moët Hennessy, Tiffany, and Dior. In contrast, Hermès International has focused exclusively on the HERMÈS brand, targeting the wealthy and emphasizing rarity over scale. While HERMÈS has many famous items that everyone desires, there are also some products that miss the mark. Even so, receiving something bearing the HERMÈS brand is universally welcome. It is likely due to the power of brand that HERMÈS has been able to stay on top.

I think the same can be said for companies in general. Business performance may fluctuate with the business environment, but once a brand—in other words, corporate value—is established, its value can be maintained

and enhanced through ongoing refinement, no matter the circumstances. Under our Management Policy, “The Brand-new Deal,” we have committed to continuously enhancing ITOCHU not only in quantitative but also qualitative terms. Strengthening ITOCHU’s qualitative aspects is core to our brand. For example, this year we were ranked first overall in six out of the seven major rankings of most desirable employment destinations, and first among general trading companies in all seven rankings. These rankings, based on reputation and corporate image as judged by students who have not yet joined the workforce, are a direct reflection of how society evaluates us. While high rankings directly help us secure outstanding talent, we place even greater value on them as indicators of our corporate brand value. Our efforts extend beyond recruitment to areas such as IR and sustainability, which are of strong interest to market participants. I am confident that the corporate brand value we have cultivated, like HERMÈS, is the very foundation of our corporate value. (● Page 40 CAO Interview)

Expanding Investment Opportunities through Trust

Corporate brand value can also be described as trust and credibility. When people hear that someone is from ITOCHU, they have confidence in doing business with us. When ITOCHU invests in a company, stakeholders expect us to enhance its corporate value through governance and leveraging our management resources. This is the image we strive to achieve. Conversely, if the poor behavior of even one person causes customers to have a negative impression of ITOCHU as a whole, it will damage the value of ITOCHU’s corporate brand. In other words, corporate brand value is the trust and credibility for which every member of the ITOCHU Group is responsible. Just as HERMÈS has honed its brand value, it is

essential for all of us in the ITOCHU Group to continue rigorously refining our brand value.

In contrast, some of the activities of certain activists that have become prevalent in recent years are contrary to the ideals we aim to achieve. For example, we are particularly concerned by excessively short-term-oriented and arguably self-centered activities, such as demands for short-term turnaround of business performance through restructuring and asset sales, and excessive shareholder returns by drawing down internal reserves. If once-excellent companies lose their strength and the competitive environment collapses due to restructuring-centered cost competition and the maximization of short-term profits, it

could lead to job loss, the shrinking of regional economies, a weakened supply chain, and the deterioration of products and services for customers, ultimately undermining the vitality of the Japanese economy. Just as the spirit of “*Sampo-yoshi*” (good for the seller, good for the buyer, good for society) has supported our sustainable growth for over 160 years, if we can create a shared understanding not only between our investee companies and ourselves, but also with our customers and society, then everyone connected with the investment and business can demonstrate their full potential. By improving our performance and building trust in ITOCHU through our business, we are actually expanding new business opportunities.

For example, our capital alliance with Hitachi Construction Machinery Co., Ltd., launched in 2022, was executed in response to the selection and concentration strategy of its parent company, Hitachi, Ltd. By leveraging our expertise to support the expansion of Hitachi Construction Machinery Co., Ltd.’s North American business and finance business, we aimed to become

their top partner. The positive reputation from this synergy has led to further alliances with Kawasaki Motors, Ltd. and AICHI CORPORATION, including building a retail finance business in the U.S. for Kawasaki Motors, Ltd. With Nishimatsu Construction Co., Ltd., where we invested in 2021 for relief from activists, we have built various synergies, including the construction of our company dormitory for female employees, and have reached an agreement to increase our equity share for even deeper collaboration. As a result, we are seeing more opportunities for investment based on trust in our Company. (● Page 60 Expanding Collaboration with Leading Domestic Companies by Leveraging “Trust and Credibility”)

In the business reconstruction of WECARS Co., Ltd., we are not only expanding our business platform as Japan’s largest used car marketplace but also contributing to employee retention and restoring trust across the industry. By steadily accumulating such results, we are simultaneously enhancing corporate brand value and expanding new investment opportunities.

Becoming a Company that Represents Japan

To be honest, when my columns for the “My History” series began, I was nervous about how readers would react. As the series progressed, I was relieved to receive much more positive feedback from the public than I had expected. I even received a letter from a young person who wrote, “You gave me courage.” If I have been able to encourage many people, nothing could make me happier.

People form impressions of companies based on their interactions with individuals. Regardless of title or position, every employee, including new hires, shapes ITOCHU’s brand. One reason I wrote “My History” was to take the lead as CEO in raising ITOCHU’s brand value.

The longer I have been involved in ITOCHU’s management, the more acutely I feel the challenge of competing with general trading companies associated with the former *zaibatsu* that have inherited vast assets. But I cannot make excuses. I am determined to win back the Triple Crown among general trading companies based on consolidated net profit, market capitalization, and ROE, and ultimately achieve ¥1 trillion in consolidated net profit. Beyond competing within the sector, I am committed to raising our market capitalization as soon as possible to consistently be among the top 10 companies on the Tokyo Stock Exchange. At Berkshire Hathaway Inc.’s shareholders’ meeting, Mr. Buffett remarked that investment in general trading companies would last more than 50 years. We must strive to be a

company that meets these long-term expectations. I want ITOCHU to be the type of company, with the type of management, that allows every investor and stakeholder to experience the Japanese Dream through the sustainable enhancement of corporate value. I will continue to devote myself every day to making this possible.



By honing our front-line capability and ability to make timely corrections through “cultivating human power and sensitivity,” we will carve out the future of ITOCHU.



Keita Ishii
President & Chief Operating Officer; CSO



Cultivating Human Power and Sensitivity

This phrase was one of the key messages I shared with new employees at welcome ceremony in April 2025. Each year, I reflect deeply on what I should convey in my own words to the next generation of “to-be merchants” who will help carve out the future of ITOCHU. Looking back on my career of over 40 years, from delivering chemicals and negotiating prices with overseas suppliers to managing organizations, I am reminded that regardless of position or geography, the foundation of all business is “human power”: integrity and character. Looking back at my younger days, there are many times when I wish I had done more, and with this in mind, I have reflected on myself and believe that this is something that we should acquire above all else as a merchant.

I must also mention another important thing: “sensitivity.” As the saying goes, “Merchants need to be like water,” in business, it is crucial to read the tides and winds of society and be adaptable to ever-changing customer needs. Refining one’s sensitivity enables one to discern the true nature of customer demands. Sensitivity is an indispensable quality for any merchant, and it

cannot be acquired solely by sitting at a desk or through AI; it must be honed in real-world front-line settings. For example, when visiting a customer, if we observe the office before beginning business negotiations, we can often get a sense of the atmosphere at the reception desk and the behavior of the other visitors. This doesn’t happen as much anymore, but in the past, we would sometimes meet customers at their desks, where a single photograph might reveal much about a person’s character, such as their family or hobbies. In other words, there is an abundance of information at the site, and the information that can be obtained from there is limitless. The basis of being a merchant is to be highly sensitive to the information obtained from the site, to digest it, and then to wholeheartedly engage with customers and the world of business.

Actions rooted in customer perspectives, derived from refined sensitivity, combined with the humanity that attracts others, together form the foundation for building trust with customers. Building a chain of trust such as “The new person in charge at ITOCHU is punctual,

seems honest, and considerate,” “They understand our company’s situation well, and come up with good proposals in a timely manner,” and “I’ll consult with ITOCHU again next time” leads to personal connections and

business opportunities. This philosophy serves as the foundation for not only new employees but also ITOCHU’s Companywide commitment to a market-oriented perspective.

Demonstrating the Ability to Make Timely Corrections

In fact, in my message to all employees, I talked about another skill that needs to be honed in addition to human power and sensitivity: the ability to make timely corrections. Recently, with the tariff policies implemented by the Trump administration in the United States and rising geopolitical risks around the world, unpredictable changes in the external environment are flooding the forefront of business one after another, and we are living in an era where the ability to make timely corrections is truly critical, and simply relying on an extension of previous thinking is no longer sufficient. The ability to quickly perceive changes in circumstances and move forward by flexibly adjusting plans and strategies is essential. There are different types of information; relatively open information that can be obtained

from television, the internet, or SNS, and closed information accessible only through trusted personal networks. We live in an era where open information can be instantly disseminated through digital technology and is accessible to everyone. Meanwhile, live information obtained from closed front-line networks derived from information networks based on relationships of trust with customers is essential for proactive crisis response. In other words, for demonstrating the ability to make timely corrections, which makes the difference in crucial situations.

FYE 2025 was not an easy fiscal year, with falling resource prices and weaker-than-expected operational performance at some projects. Despite the situation, we achieved 10% growth that was in line with our initial plan

COO MESSAGE

and achieved record-high profits. This success was driven by the Group's collective demonstration of the ability to make timely corrections, rooted in the front line. Many Group companies, deeply embedded in their respective fields, leveraged high-quality information networks to respond proactively, resulting in record-high Group company profits, with over 90% of companies reporting profits, and approximately 30% achieving record-high profits. We believe this is a case that truly demonstrates the high level of the ability to make timely corrections of our Group.

Flexibility in responding to external changes is equally necessary for ESG and decarbonization initiatives. Recently, we are seeing a reversal in global policies and a change in the timeline for the transition to a decarbonized society. However, the transition toward a

sustainable society is an irreversible trend in the long term, and when we look closely, we can see that the impact on individual businesses varies. It is essential that various ESG-related initiatives be adjusted to reflect reality and, move forward based on actual consumer needs. With the advancement of AI, there is an increase in global demand for electricity, and even in the current situation, there are areas where demand is growing, such as renewable energy and storage batteries that stabilize power supplies. Taking advantage of our sensitivity and flexible ability to make timely corrections we have honed in the field, we will continue to pursue sustainable initiatives in ESG and the decarbonization business with a grounded and realistic perspective. (● Page 50 Initiatives for Steadily Promoting Sustainability)

Creating New Businesses by Breaking Down Product Silos

Since the welcome ceremony in April 2025, I have also assumed the additional role of Chief Strategy Officer (CSO). Until April 2025, my responsibility was President & Chief Operating Officer (COO), which is the head of the front line. I now also lead the planning and strategic functions as CSO. To accommodate the additional responsibilities, my workplace has also been moved to a location closer to the site. A lot of information flows constantly on the floor every day, where many departments, including the Corporate Planning & Administration Division are located. Until last fiscal year, as COO, I was in a position to make decisions together with the Chairman & CEO on the plans and strategies drafted by the CSO and Corporate Planning & Administration Division. Now, I am able to feel the tone and passion of the Corporate Planning & Administration Division members' discussions firsthand, and we work together to consider measures and strategies to respond to issues that arise every day. This new perspective has offered many insights. For example, the Corporate Planning & Administration Division gathers a vast amount of information from all over the world. However, due to the nature of the Corporate Planning & Administration Division, there is an inherent tendency for it to become distant from the front line, and as a result, I was concerned that it would become a tally-up business that only pursues figures on business performance trends. I have many opportunities to visit front lines around the world, and it is my responsibility to communicate the changes in the business environment I have noticed there, and to further strengthen the sense of unity between business sites and management.

Another key mission as CSO is to break down product silos. The Corporate Planning & Administration Division

is staffed by talented personnel from all the Division Companies, but there is a tendency for their thinking to remain siloed according to their respective origins. However, new value expected by the market cannot be created through such ways of thinking. Today, as seen in partnerships between major telecom carriers and financial institutions, the trend is to combine strengths across industries to create entirely new value and markets. I believe it is precisely the role of a general trading company to lead and pioneer such endeavors. In FYE 2025, we proactively advanced projects such as WECARS Co., Ltd. and PASCO Corporation, which involved combining value across traditional business domains. As we set a flag of ¥1 trillion in growth investments this fiscal year, we will maximize our comprehensive capabilities and downstream perspective to realize growth investments on a large scale. Utilizing my network as the Company's representative and my oversight position as President, I see it as another key responsibility to facilitate cross-company collaboration and create new businesses beyond existing Division Companies boundaries. (● Page 58 Creating and Expanding Businesses by Utilizing FamilyMart's Business Platform)

We have been steadily growing earnings and are in a position to aim for our second consecutive year of record-high profits in FYE 2026. However, I would like to mention a few concerns I have from my standpoint, as well as some challenges I believe we are facing. These are "strengthening our overseas expansion" and "utilizing digital technology and AI." In FYE 2025, I visited many Group companies and overseas offices. For example, in Thailand, where I previously served as head of the office, I sensed a decline in Japan's presence due to the weaker

yen and other factors. Furthermore, changes in communication post-COVID-19 have increased direct interaction between headquarters and overseas clients, sometimes weakening cross-functional thinking and networks within local offices. Although we have a robust business foundation, particularly in Japan and the non-resource areas, there is still significant potential for expansion overseas, and capturing business opportunities abroad remains one of our key challenges. In many countries, especially in the Global South, personal relationships are critical to business success. By engaging directly and building a relationship of trust, unexpected business opportunities often open up, and by taking the initiative as President to visit key figures and top executives in various countries who are difficult to reach through employees on front line, I want to open new gateways for overseas business expansion.

Digital utilization is another challenge we face. AI is

evolving rapidly and fundamentally transforming our business and society, as everyone is aware. However, compared to countries such as India and the United States, there is a difference in awareness regarding the use of AI, and I feel a great sense of crisis. My message is clear, "First, get in touch with cutting-edge technology and experience it for yourself." I see digitalization not as a cost, but as an investment for the future. By learning from cutting-edge digital and AI use cases overseas and quickly bringing them to Japan, we have unlimited potential to create higher value-added business for our customers and consumers. Digital utilization also makes it possible to connect businesses that were previously considered separate. We will continue to refine our market-oriented sensitivity, maintain a high level of awareness, and promote digital and AI utilization with agility and an open mindset. (● Page 56 Digital Strategy for the Sustainable Enhancement of Corporate Value)

ITOCHU Group's Underlying Strength

Breaking down product silos, overseas expansion, and digital utilization represent the areas where we strive for the next stage of advance, or in other words our potential. There is another important growth potential that I would like to share with our stakeholders. It is our Group companies that I referred to as "treasures" in my message last year.

In December 2024, we held our first "Prestige Lunch," inviting outstanding employees from major Group companies. The purpose of the event was to convey gratitude to employees who have achieved outstanding results over multiple years at Group companies that support the ITOCHU Group. I wasn't sure what kind of atmosphere would be created with people from various Group companies of different industries and scales gathering together, but the conversation flowed so naturally that it was hard to believe it was our first time meeting. Subsequently, we organized visits to our founding sites, and new connections continue to be formed among the participants. It was a valuable opportunity to keenly feel the strength of the human powers that define our entire Group. What also impressed me deeply was how our management philosophies, such as the "Earn, Cut, Prevent" principles and commitment-based management, have become remarkably ingrained among front-line employees. These concepts, repeatedly communicated across the organization, are now naturally included in conversations, and fully understood and practiced by employees. Over time, the philosophies have permeated the front lines and taken root as part of our Group's Management

Philosophy. I believe that this is precisely where ITOCHU's strength lies.

Four years have passed since I became President & COO, and through financial results briefings and small meetings, I have built up opportunities for dialogue with market participants. To have our potential for growth understood better, I will continue this fiscal year to take the lead at the front lines to maximize our Group's underlying strength and further enhance corporate value.

