

## Appendix (1)

# Supplementary Information on FY2019 Business Results Summary & FY2020 Management Plan

(Unit : billion yen)

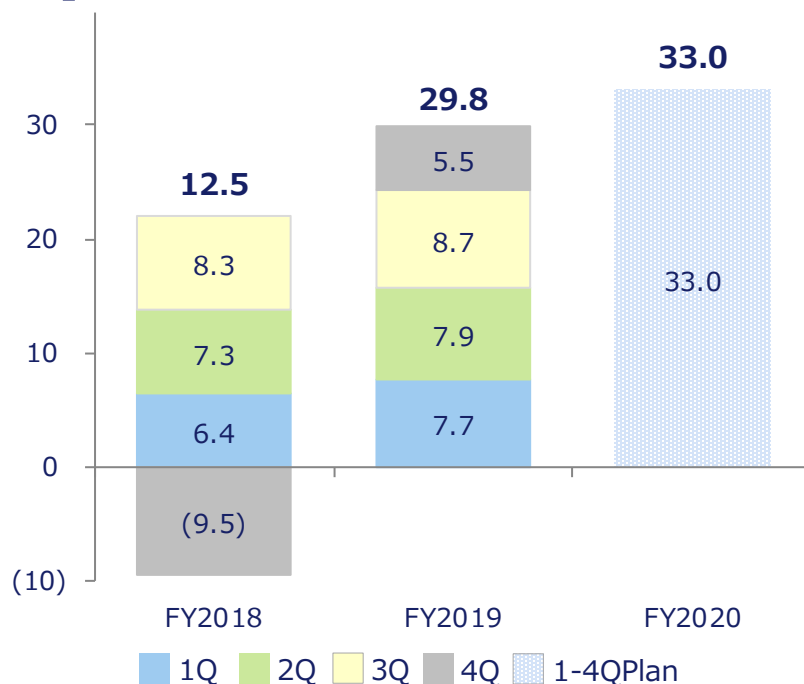
## Summary of FY2020 Plan (Net profit attributable to ITOCHU)

	FY2018 Result a	FY2019 Result b	Increase/ Decrease b-a	FY2020 Plan c	Increase/ Decrease c-b
Gross trading profit	122.0	118.9	(3.1)	122.0	+3.1
Equity in earnings of associates and joint ventures	7.0	8.4	+1.4		
<b>Net profit attributable to ITOCHU</b>	<b>12.5</b>	<b>29.8</b>	<b>+17.3</b>	<b>33.0</b>	<b>+3.2</b>
Core Profit	26.0	28.8	+2.8		
Core Operating Cash Flows	24.7	32.4	+7.7		

Increase due to higher core profit from trading income of ITOCHU and apparel-related companies, in addition to starting to recognize profit from the prior investments, etc.

	Mar. 2018 Result	Mar. 2019 Result	Increase/ Decrease
Total assets	474.9	527.2	+52.3

## Net profit attributable to ITOCHU



## Profits/Losses from Major Group Companies

	Shares	FY2018 Result	FY2019 Result	FY2020 Plan
JOI'X CORPORATION	100.0%	1.5	1.2	1.4
DESCENTE LTD.	40.0%	1.4	1.2	2.1 <sup>(*)</sup>
SANKEI COMPANY LIMITED	100.0%	0.1	1.9	2.1
ITOCHU Textile Prominent (ASIA) Ltd. [IPA] (Hong Kong)	100.0%	0.2	1.1	1.3
ITOCHU TEXTILE (CHINA) CO., LTD. [ITS] (China)	100.0%	1.0	1.1	1.1

(\*) The figure is the company's plan multiplied by ITOCHU shares, excluding IFRS adjustment.

# Machinery



(Unit : billion yen)

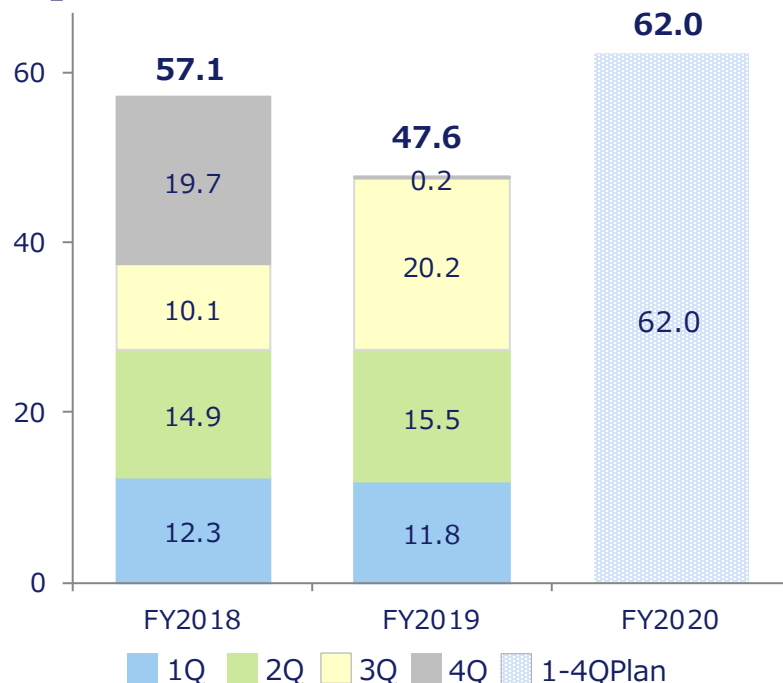
Summary of FY2020 Plan  
(Net profit attributable to ITOCHU)

	FY2018 Result a	FY2019 Result b	Increase/ Decrease b-a	FY2020 Plan c	Increase/ Decrease c-b
Gross trading profit	171.9	193.8	+21.9	211.0	+17.2
Equity in earnings of associates and joint ventures	25.1	30.1	+5.0		
<b>Net profit attributable to ITOCHU</b>	<b>57.1</b>	<b>47.6</b>	<b>(9.4)</b>	<b>62.0</b>	<b>+14.4</b>
Core Profit	52.1	54.1	+2.1		
Core Operating Cash Flows	62.3	60.4	(2.0)		

Increase due to the growth of core profit through the recovery in trading income of YANASE and steady performance of plant-related companies, in addition to the absence of the extraordinary losses recognized in FY2019, etc.

	Mar. 2018 Result	Mar. 2019 Result	Increase/ Decrease
Total assets	1,218.6	1,180.3	(38.3)

## Net profit attributable to ITOCHU



## Profits/Losses from Major Group Companies

	Shares	FY2018 Result	FY2019 Result	FY2020 Plan
Tokyo Century Corporation	25.2%	12.5	12.6	13.6 <sup>(*)</sup>
I-Power Investment Inc. (U.S.A.)	100.0%	5.3	(5.8)	2.1
I-ENVIRONMENT INVESTMENTS LIMITED [IEI] (U.K.)	100.0%	1.9	1.0	1.0
IMECS Co., LTD.	100.0%	1.2	1.6	1.0
JAMCO Corporation	33.4%	0.6	0.6	0.9 <sup>(*)</sup>
JAPAN AEROSPACE CORPORATION	100.0%	0.7	1.2	1.3
YANASE & CO., LTD.	66.0%	3.7	1.1	5.6
Auto Investment Inc. [AII] (U.S.A.)	100.0%	0.8	0.3	0.5
ITOCHU CONSTRUCTION MACHINERY CO., LTD.	100.0%	0.6	0.6	0.6
ITOCHU MACHINE-TECHNOS CORP.	100.0%	0.8	1.4	1.3
ITOCHU SysTech Corporation	100.0%	0.3	0.3	0.3
Century Medical, Inc.	100.0%	0.5	0.7	0.8
MULTIQUIP INC. (U.S.A.)	100.0%	2.3	2.8	2.5

<sup>(\*)</sup> The figure is the company's plan multiplied by ITOCHU shares, excluding IFRS adjustment.

# Metals & Minerals



(Unit : billion yen)

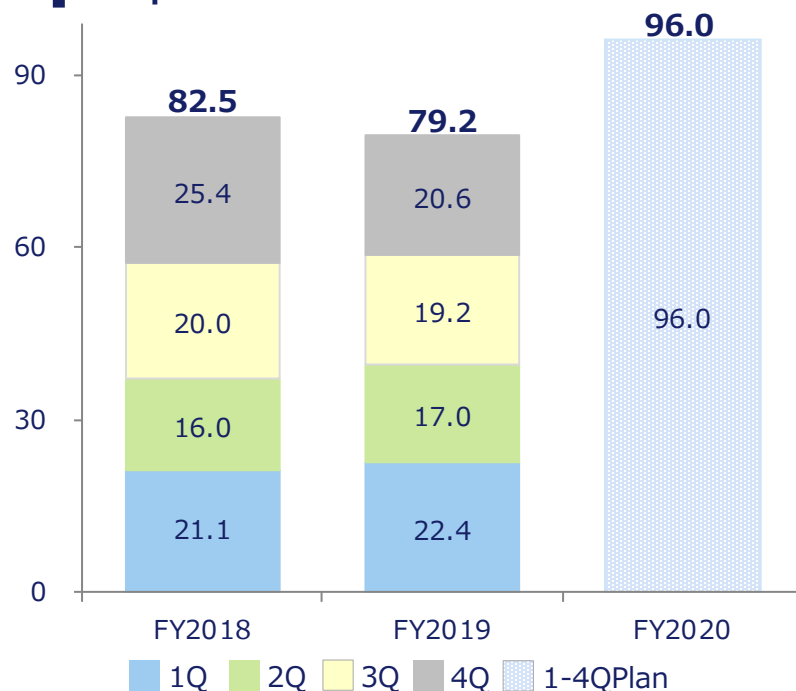
## Summary of FY2020 Plan (Net profit attributable to ITOCHU)

	FY2018 Result a	FY2019 Result b	Increase/ Decrease b-a	FY2020 Plan c	Increase/ Decrease c-b
Gross trading profit	93.5	82.8	(10.6)	95.0	+12.2
Equity in earnings of associates and joint ventures	20.8	20.1	(0.7)		
<b>Net profit attributable to ITOCHU</b>	<b>82.5</b>	<b>79.2</b>	<b>(3.2)</b>	<b>96.0</b>	<b>+16.8</b>
Core Profit	80.5	74.7	(5.7)		
Core Operating Cash Flows	119.9	80.1	(39.8)		

Increase due to the fluctuation of market prices and the improvement in volume and cost, etc. of IMEA iron ore business, in addition to the improvement of ICA (coal business in Columbia).

	Mar. 2018 Result	Mar. 2019 Result	Increase/ Decrease
Total assets	850.3	844.4	(5.9)

## Net profit attributable to ITOCHU



## Profits/Losses from Major Group Companies

	Shares	FY2018 Result	FY2019 Result	FY2020 Plan
ITOCHU Minerals & Energy of Australia Pty Ltd [IMEA] (Australia)	100.0%	62.3	60.1	70.7
Iron ore	N.A.	49.7	43.0	-(*)
Coal	N.A.	11.5	13.5	-(*)
Brazil Japan Iron Ore Corporation	75.7%	3.3	1.7	-(*)
ITOCHU Coal Americas Inc. [ICA] (U.S.A.)	100.0%	2.9	2.0	-(*)
Marubeni-Itochu Steel Inc.	50.0%	9.2	12.1	-(*)
ITOCHU Metals Corporation	100.0%	1.6	1.6	1.8

(\*) Due to the relationship with investees and partners, "FY2020 Plan" are not presented.

# Energy & Chemicals



(Unit : billion yen)

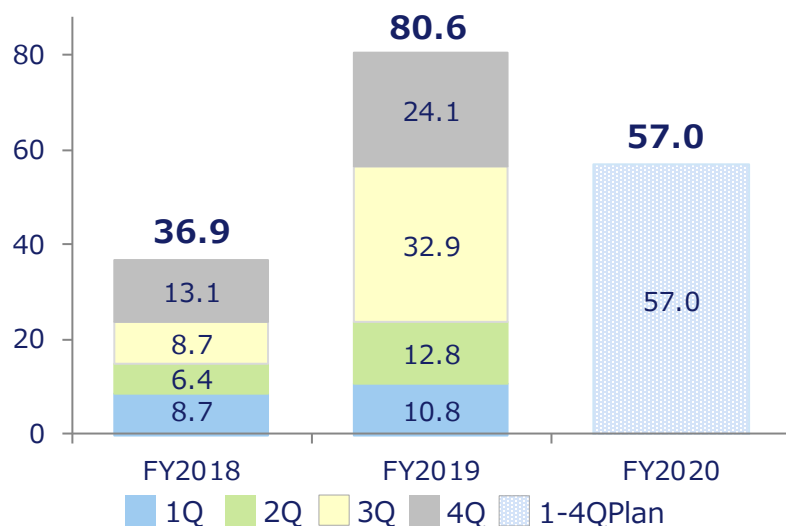
## Summary of FY2020 Plan (Net profit attributable to ITOCHU)

Decrease due to the absence of the extraordinary gain recognized in FY2019 and the fall in crude oil prices, etc. in Energy Division, despite the steady growth of core profit by realizing profit in the pharmaceuticals field and the extraordinary gains from asset replacements in Chemical Division.

	FY2018 Result a	FY2019 Result b	Increase/ Decrease b-a	FY2020 Plan c	Increase/ Decrease c-b
Gross trading profit	206.8	216.6	+9.8	221.0	+4.4
Energy	99.6	107.5	+7.9	107.0	(0.5)
Chemicals	107.2	109.1	+1.9	114.0	+4.9
Equity in earnings of associates and joint ventures	6.2	13.4	+7.2		
<b>Net profit attributable to ITOCHU</b>	<b>36.9</b>	<b>80.6</b>	<b>+43.8</b>	<b>57.0</b>	<b>(23.6)</b>
Energy	11.4	55.4	+44.0	29.0	(26.4)
Chemicals	25.5	25.2	(0.2)	28.0	+2.8
Core Profit	37.4	57.1	+19.8		
Core Operating Cash Flows	86.9	90.7	+3.8		

	Mar. 2018 Result	Mar. 2019 Result	Increase/ Decrease
Total assets	1,355.7	1,288.7	(67.0)
Energy	762.2	706.0	(56.1)
Chemicals	593.5	582.7	(10.9)

## Net profit attributable to ITOCHU



## Profits/Losses from Major Group Companies

	Shares	FY2018 Result	FY2019 Result	FY2020 Plan
ITOCHU Oil Exploration (Azerbaijan) Inc. [CIECO Azer] (Cayman Islands)	100.0%	2.3	3.3	5.1
ITOCHU PETROLEUM CO., (SINGAPORE) PTE. LTD. [IPC SPR] (Singapore)	100.0%	(1.8)	0.5	0.9
ITOCHU ENEX CO., LTD.	54.0%	6.0	6.5	6.4 <sup>(*)</sup>
Japan South Sakha Oil Co., Ltd.	25.2%	4.0	9.1	- <sup>(*)</sup>
Dividends from LNG Projects	N.A.	4.4	6.2	5.2
ITOCHU CHEMICAL FRONTIER Corporation	100.0%	3.7	5.2	4.5
ITOCHU PLASTICS INC.	100.0%	4.0	3.8	4.0
C. I. TAKIRON Corporation	51.2%	3.0	2.9	6.9 <sup>(*)</sup>

(\*) The figure is the company's plan multiplied by ITOCHU shares, excluding IFRS adjustment.

(\*\*) Due to the relationship with investees and partners, "FY2020 Plan" is not presented.

# ITOCHU's Equity Share (Sales Result)



	FY2018					FY2019					FY2020	
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	Plan	Increase/Decrease
<b>Oil &amp; Gas</b> (1,000BBL/day*)					<b>32</b>					<b>41</b>	<b>42</b>	<b>+0</b>

\* Natural Gas converted to crude oil is equivalent to 6,000cf = 1BBL

<b>Iron ore (million t)</b>	<b>5.8</b>	<b>5.2</b>	<b>5.9</b>	<b>5.6</b>	<b>22.6</b>	<b>5.8</b>	<b>5.7</b>	<b>5.5</b>	<b>5.4</b>	<b>22.4</b>	<b>23.8</b>	<b>+1.3</b>
IMEA	5.3	4.7	5.3	5.0	20.3	5.3	5.2	4.9	4.7	20.0	21.3	+1.3
Brazil Iron Ore Corporation [CM]	0.5	0.6	0.6	0.6	2.3	0.5	0.6	0.6	0.7	2.5	2.5	+0.0

<b>Coal (million t)</b>	<b>2.7</b>	<b>3.0</b>	<b>2.9</b>	<b>2.9</b>	<b>11.5</b>	<b>2.6</b>	<b>2.9</b>	<b>2.9</b>	<b>2.5</b>	<b>11.0</b>	<b>9.7</b>	<b>(1.2)</b>
IMEA	1.1	1.3	1.3	1.3	5.0	1.1	1.3	1.4	1.0	4.9	3.2	(1.7)
ICA (Drummond)	1.6	1.7	1.6	1.6	6.5	1.5	1.6	1.5	1.5	6.1	6.5	+0.4

【Reference】 IMEA Profit Result

<b>IMEA (billion yen)</b>	<b>15.7</b>	<b>13.1</b>	<b>15.7</b>	<b>17.8</b>	<b>62.3</b>	<b>15.8</b>	<b>13.5</b>	<b>13.8</b>	<b>16.9</b>	<b>60.1</b>	<b>70.7</b>	<b>+10.6</b>
Iron ore	12.8	10.1	12.3	14.6	49.7	12.2	9.1	10.3	11.5	43.0	N.A.	-
Coal	2.7	2.9	3.4	2.6	11.5	3.6	4.4	3.5	2.0	13.5	N.A.	-

※ CM : CSN Mineracao S.A.

(Unit : billion yen)

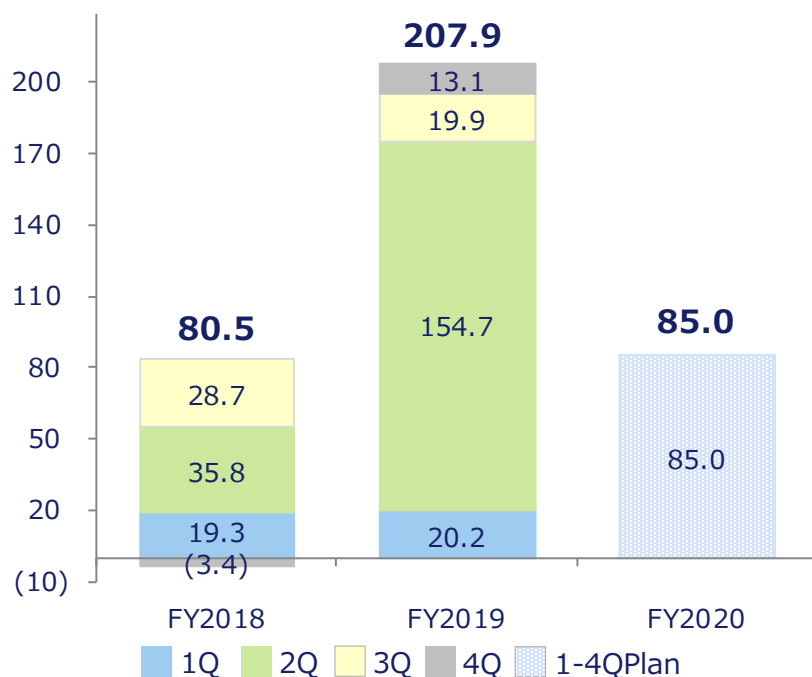
## Summary of FY2020 Plan (Net profit attributable to ITOCHU)

	FY2018 Result a	FY2019 Result b	Increase/ Decrease b-a	FY2020 Plan c	Increase/ Decrease c-b
Gross trading profit	278.3	583.6	+305.4	817.0	+233.4
Equity in earnings of associates and joint ventures	33.6	30.8	(2.7)		
<b>Net profit attributable to ITOCHU</b>	<b>80.5</b>	<b>207.9</b>	<b>+127.4</b>	<b>85.0</b>	<b>(122.9)</b>
Core Profit	66.5	69.4	+2.9		
Core Operating Cash Flows	69.1	145.7	+76.6		

Increase due to the recovery in trading income of fresh food businesses such as Dole, etc., the growth of core profit from NIPPON ACCESS and other core companies, and the extraordinary gains from asset replacements, excluding the absence of the extraordinary profit (139.5 billion yen) accompanying the conversion of FamilyMart UNY and POCKET CARD into consolidated subsidiaries.

	Mar. 2018 Result	Mar. 2019 Result	Increase/ Decrease
Total assets	1,962.2	3,238.1	+1,276.0

## Net profit attributable to ITOCHU



## Profits/Losses from Major Group Companies

	Shares	FY2018 Result	FY2019 Result	FY2020 Plan
FamilyMart UNY Holdings Co., Ltd. [UFHD] <sup>(*1)</sup>	50.2%	11.8	17.3	25.1 <sup>(*2)</sup>
Dole International Holdings, Inc.	100.0%	3.2	7.8	10.0
NIPPON ACCESS, INC.	100.0%	9.8	11.6	13.5
FUJI OIL HOLDINGS INC.	34.0%	4.2	3.0	5.2 <sup>(*2)</sup>
Prima Meat Packers, Ltd.	39.8%	4.1	3.2	3.7 <sup>(*2)</sup>
ITOCHU-SHOKUHIN Co.,Ltd.	52.2%	2.2	1.7	2.1 <sup>(*2)</sup>
JAPAN FOODS CO., LTD.	36.4%	0.1	(0.1)	0.2 <sup>(*2)</sup>
HYLIFE GROUP HOLDINGS LTD. (Canada)	49.9%	3.7	2.7	- <sup>(*3)</sup>

(\*1) The figures include net profit from POCKET CARD. FamilyMart UNY became a subsidiary of ITOCHU in the second quarter of FY2019. As a result of remeasuring ITOCHU's previously held equity interests of the company at its fair value, ITOCHU recognizes the revaluation gain, which is ¥141.2 bil., net of tax, but the figure in the "FY2019 Result" doesn't include the revaluation gain.

(\*2) The figure is the company's plan multiplied by ITOCHU shares, excluding IFRS adjustment.

(\*3) Due to the relationship with investees and partners, "FY2020 Plan" is not presented.

# General Products & Realty



(Unit : billion yen)

## Summary of FY2020 Plan (Net profit attributable to ITOCHU)

	FY2018 Result a	FY2019 Result b	Increase/ Decrease b-a	FY2020 Plan c	Increase/ Decrease c-b
Gross trading profit	152.4	164.1	+11.7	162.0	(2.1)
Forest Products & General Merchandise	109.1	111.3	+2.2	(*)	
Construction, Realty & Logistics	43.3	52.8	+9.5		
Equity in earnings of associates and joint ventures	18.1	30.9	+12.8	<b>70.0</b>	<b>+7.1</b>
<b>Net profit attributable to ITOCHU</b>	<b>55.7</b>	<b>62.9</b>	<b>+7.2</b>		
Forest Products & General Merchandise	43.7	44.7	+1.1	(*)	
Construction, Realty & Logistics	12.0	18.2	+6.2		
Core Profit	46.7	63.9	+17.2		
Core Operating Cash Flows	47.1	63.0	+15.9		
	Mar. 2018 Result	Mar. 2019 Result	Increase/ Decrease		
Total assets	978.8	980.6	+1.8		
Forest Products & General Merchandise	677.1	685.3	+8.2		
Construction, Realty & Logistics	301.6	295.3	(6.3)		

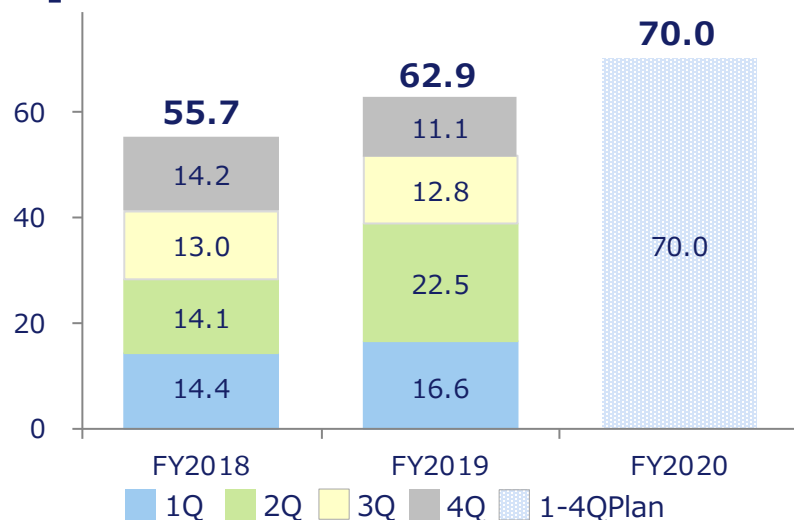
Increase due to the growth of core profit by enhancing existing companies and the extraordinary gains from asset replacements, despite the absence of the higher transaction volume in domestic logistics-facility-development-projects and higher pulp prices for foreign pulp-related companies in FY2019.

### (\*) FY2020 Divisional Plan

	FY2019 Result	FY2020 Plan	Increase/ Decrease
Gross trading profit	164.1	162.0	(2.1)
Forest Products, General Merchandise & Logistics	114.7	114.0	(0.7)
Construction & Real Estate	49.4	48.0	(1.4)
<b>Net profit attributable to ITOCHU</b>	<b>62.9</b>	<b>70.0</b>	<b>+7.1</b>
Forest Products, General Merchandise & Logistics	44.1	56.0	11.9
Construction & Real Estate	18.9	14.0	(4.9)

\*"Forest Products & General Merchandise Division" and "Construction, Realty & Logistics Division" will be reorganized into "Forest Products, General Merchandise & Logistics Division" and "Construction & Real Estate Division" from FY2020

## Net profit attributable to ITOCHU



## Profits/Losses from Major Group Companies

	Shares	FY2018 Result	FY2019 Result	FY2020 Plan
European Tyre Enterprise Limited [ETEL] (U.K.)	100.0%	5.8	4.2	5.1
ITOCHU FIBRE LIMITED [IFL] (U.K.)	100.0%	9.9	16.1	-(*)
Japan Brazil Paper & Pulp Resources Development Co., Ltd.	33.3%	4.2	7.3	-(*)
ITOCHU PULP & PAPER CORPORATION	100.0%	1.0	0.9	0.9
ITOCHU KENZAI CORPORATION	100.0%	2.7	2.9	2.9
DAIKEN CORPORATION	35.0%	1.6	1.3	2.1 (*)
ITOCHU PROPERTY DEVELOPMENT, LTD.	100.0%	2.4	2.9	2.7
ITOCHU LOGISTICS CORP.	100.0%	2.7	3.1	3.0

(\*) Due to the relationship with investees and partners, "FY2020 Plan" are not presented.

(\*) The figure is the company's plan multiplied by ITOCHU shares, excluding IFRS adjustment.



# ICT & Financial Business



(Unit : billion yen)

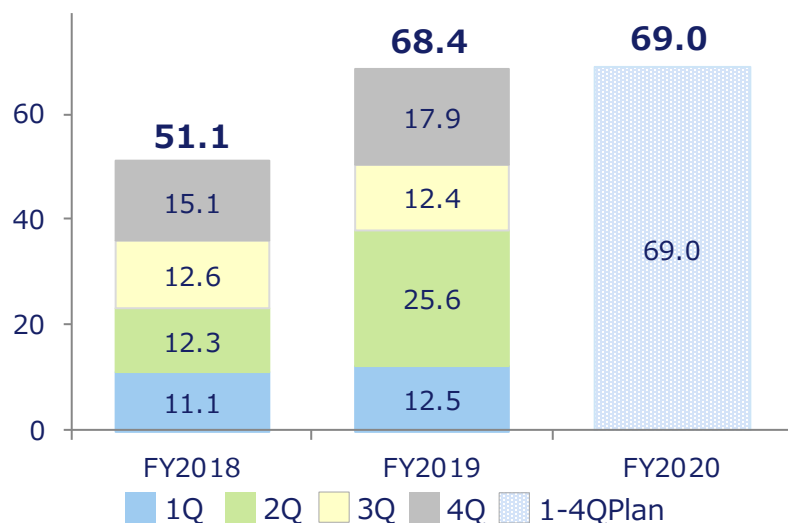
## Summary of FY2020 Plan (Net profit attributable to ITOCHU)

	FY2018 Result a	FY2019 Result b	Increase/ Decrease b-a	FY2020 Plan c	Increase/ Decrease c-b
Gross trading profit	178.7	207.8	+29.1	238.0	+30.2
ICT	166.8	172.9	+6.1	183.0	+10.1
Financial & Insurance Business	11.9	35.0	+23.0	55.0	+20.0
Equity in earnings of associates and joint ventures	37.4	42.1	+4.8		
<b>Net profit attributable to ITOCHU</b>	<b>51.1</b>	<b>68.4</b>	<b>+17.3</b>	<b>69.0</b>	<b>+0.6</b>
ICT	35.2	43.0	+7.8	46.0	+3.0
Financial & Insurance Business	15.9	25.5	+9.5	23.0	(2.5)
Core Profit	50.1	56.4	+6.3		
Core Operating Cash Flows	59.0	79.1	+20.2		

Increase due to the core profit growth of core businesses such as domestic ICT-related companies and POCKET CARD, etc. with favorable business environment, in addition to the extraordinary gains from asset replacements, etc.

	Mar. 2018 Result	Mar. 2019 Result	Increase/ Decrease
Total assets	766.2	1,093.3	+327.1
ICT	600.2	648.6	+48.4
Financial & Insurance Business	165.9	444.6	+278.7

## Net profit attributable to ITOCHU



## Profits/Losses from Major Group Companies

	Shares	FY2018 Result	FY2019 Result	FY2020 Plan
ITOCHU Techno-Solutions Corporation	58.2%	13.6	14.2	15.7 (*1)
BELLSYSTEM24 Holdings, Inc.	40.8%	1.2	1.2	2.8 (*1)
CONEXIO Corporation	60.3%	4.1	4.0	- (*2)
ITOCHU Fuji Partners, Inc. (*3)	63.0%	(0.2)	1.4	1.6
eGuarantee, Inc.	24.1%	0.3	0.4	0.5 (*1)
POCKET CARD CO., LTD. (*4)	63.1%	1.3	3.9	4.1
Orient Corporation (*4)	16.5%	4.2	4.2	- (*5)
First Response Finance Ltd. [FRF] (U.K.)	100.0%	1.7	1.1	1.4
ITOCHU FINANCE (ASIA) LTD. [IFA] (Hong Kong)	100.0%	0.9	2.7	3.7

(\*1) The figure is the company's plan multiplied by ITOCHU shares, excluding IFRS adjustment.

(\*2) "FY2020 Plan" has not been announced as of May 14.

(\*3) "FY2018 Result" includes impairment loss on investment in SKY Perfect JSAT Holdings Inc. accounted for by the equity method. "FY2020 Plan" is the company's plan multiplied by ITOCHU shares, excluding IFRS adjustment.

(\*4) "FY2019 Result" and "FY2020 Plan" include net profits through FamilyMart UNY.

(\*5) Not disclosed because a substantial discrepancy may occur between ITOCHU's plan of the company's profit after IFRS adjustment and the company's plan multiplied by ITOCHU's share due to the difference in accounting rules.

# Others, Adjustments & Eliminations



(Unit : billion yen)

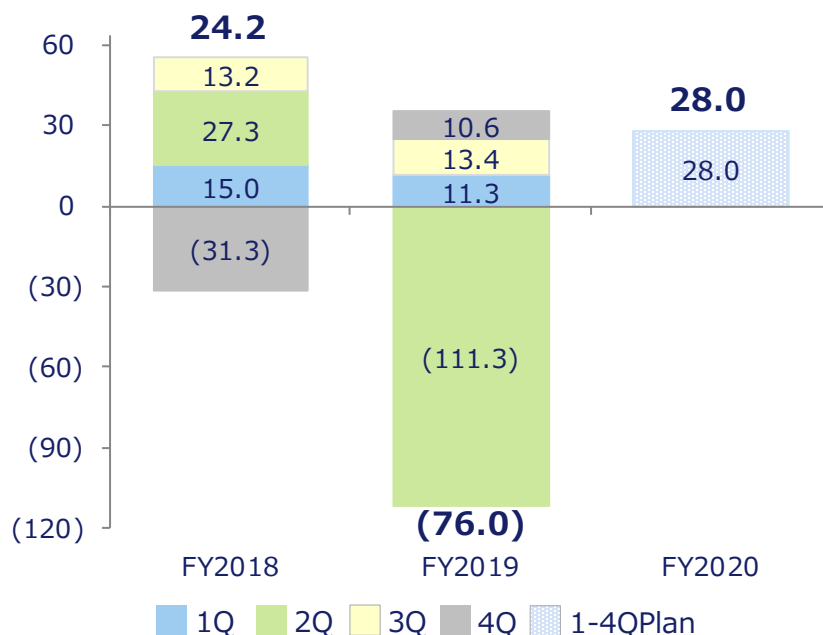
Summary of FY2020 Plan  
(Net profit attributable to ITOCHU)

	FY2018 Result a	FY2019 Result b	Increase/ Decrease b-a	FY2020 Plan c	Increase/ Decrease c-b
Gross trading profit	6.9	(3.9)	(10.8)	(2.0)	+1.9
Equity in earnings of associates and joint ventures	68.1	(77.8)	(145.9)		
<b>Net profit attributable to ITOCHU</b>	<b>24.2</b>	<b>(76.0)</b>	<b>(100.2)</b>	<b>28.0</b>	<b>+104.0</b>
Core Profit	57.7	67.5	+9.8		
Core Operating Cash Flows	(7.9)	(37.2)	(29.3)		

Improve due to the absence of an impairment loss on the investment in CITIC Limited etc., despite the increase of costs and tax expenses, and setting a buffer for unexpected losses.

	Mar. 2018 Result	Mar. 2019 Result	Increase/ Decrease
Total assets	1,057.4	946.1	(111.3)

## Net profit attributable to ITOCHU



## Profits/Losses from Major Group Companies

	Shares	FY2018 Result	FY2019 Result	FY2020 Plan
Orchid Alliance Holdings Limited <sup>(*)1</sup> (Virgin Islands)	100.0%	67.9	(85.0)	60.0
C.P. Pokphand Co. Ltd. (Bermuda)	23.8%	(29.8) <sup>(*)2</sup>	5.5	- <sup>(*)3</sup>
Chia Tai Enterprises International Limited [CTEI] (Bermuda)	23.8%	0.4	(2.9) <sup>(*)4</sup>	- <sup>(*)3</sup>

(\*)1 Figures are "CITIC related profit" which includes related tax effects, etc. and the figure in "FY2019 Result" includes impairment loss on the investment in CITIC Limited accounted for by the equity method.

(\*)2 The figure includes impairment loss on the investment accounted for by the equity method.

(\*)3 Not presented because plans are not disclosed by the companies.

(\*)4 The figure includes impairment loss on the investment accounted for by the equity method.

## (Reference) Overseas Trading Subsidiaries

	Shares	FY2018 Result	FY2019 Result
ITOCHU International Inc. (U.S.A.)	100.0%	20.0	12.9
ITOCHU Europe PLC (U.K.)	100.0%	5.3	6.9
ITOCHU (CHINA) HOLDING CO., LTD. (China)	100.0%	21.9	4.6
ITOCHU Hong Kong Ltd. (Hong Kong)	100.0%	6.1	6.1
ITOCHU Singapore Pte. Ltd. (Singapore)	100.0%	2.5	2.9

(\*) Net profits of each overseas trading subsidiary included in each segment are presented for reference.

## FY2018 Result

### Major New Investments

Consumer-related Sector	<ul style="list-style-type: none"> <li>◆ FamilyMart UNY additional investment</li> <li>◆ FUJI OIL HOLDINGS additional investment</li> <li>◆ POCKET CARD additional investment</li> <li>◆ Acquisition of Alta Forest Products etc.</li> </ul>	<b>185.0</b>
Basic Industry-related Sector	<ul style="list-style-type: none"> <li>◆ US Gas-Fired Thermal Power Generation Project (Empire)</li> <li>◆ Acquisition of YANASE</li> <li>◆ Acquisition of Panama Automobile Distributor etc.</li> </ul>	<b>125.0</b>
<b>Non-Resource</b>		<b>310.0</b>
Resource-related Sector	<ul style="list-style-type: none"> <li>◆ IMEA capital expenditure</li> <li>◆ ACG capital expenditure</li> <li>◆ West Qurna 1 Oil Field in Iraq etc.</li> </ul>	<b>85.0</b>
<b>Resource</b>		<b>85.0</b>
<b>Total of Major New Investments</b>		<b>395.0</b>
EXIT		<b>(110.0)</b>
<b>Net Investment Amount</b>		<b>285.0</b>

## FY2019 Result

### Major New Investments

[4Q]

Consumer-related Sector	<ul style="list-style-type: none"> <li>◆ Acquisition of FamilyMart UNY</li> <li>◆ FamilyMart UNY / Dole fixed asset investment</li> <li>◆ Investment in Taipei Financial Center Corporation</li> <li>◆ DESCENTE additional investment etc.</li> </ul>	<b>385.0</b>	<b>85.0</b>
Basic Industry-related Sector	<ul style="list-style-type: none"> <li>◆ North America Hickory Run gas thermal power generation business additional investment</li> <li>◆ ITOCHU ENEX / C. I. TAKIRON fixed asset investment etc.</li> </ul>	<b>80.0</b>	<b>20.0</b>
<b>Non-Resource</b>		<b>465.0</b>	<b>105.0</b>
Resource-related Sector	<ul style="list-style-type: none"> <li>◆ IMEA capital expenditure</li> <li>◆ ACG capital expenditure etc.</li> </ul>	<b>35.0</b>	<b>10.0</b>
<b>Resource</b>		<b>35.0</b>	<b>10.0</b>
<b>Total of Major New Investments</b>		<b>500.0</b>	<b>115.0</b>
EXIT		<b>(480.0)</b>	<b>(280.0)</b>
<b>Net Investment Amount</b>		<b>20.0</b>	<b>(165.0)</b>

(Note 1) The above figures are approximate.

(Note 2) Payments and collections for substantive investment and capital expenditure. "Investment Cash Flows" plus "Equity transactions with non-controlling interests" minus "increase/decrease of loan receivables", etc.

# Core Free Cash Flows and EPS



(Unit : billion yen)

		FY2017 Result	FY2018 Result	FY2019 Result	FY2020 Image
	Core Operating Cash Flows <sup>(Note 1)</sup>	420.0	460.0	515.0	<b>Over 580.0 as target</b>
	Net Investment Cash Flows <sup>(Note 2)</sup>	(120.0)	(285.0)	(20.0)	<b>Actively promote investments and asset replacements</b>
a	Core Free Cash Flows	approx. 300.0	approx. 175.0	approx. 495.0	Maintain positive
b	Shareholders Return	Dividend <sup>(Note 3)</sup> Annual ¥55/share (86.6)	Annual ¥70/share (108.7)	Annual ¥83/share (127.5)	<b>Steady implementation of Medium to Long Term Shareholders Return Policy</b> (Annual ¥85/share Minimum Dividend)
	Share buyback	(16.2)	(27.9)	(68.0)	
a+b	Core Free Cash Flows after deducting Shareholders Return	approx. 200.0	approx. 40.0	approx. 300.0	Utilize Core Free CFs of FY2019 (approx. 300.0) for growth investments and shareholders return <b>Maintain positive</b>
Note 1: "Operating Cash Flows" minus "increase/decrease of working capital" Note 2: Payments and collections for substantive investment and capital expenditure. "Investment Cash Flows" plus "Equity transactions with non-controlling interests" minus "increase/decrease of loan receivables", etc. Note 3: The sum of the interim dividend and the year-end dividend each year.					
	EPS	224 yen	258 yen	324 yen	<b>Over 329 yen</b>

# Consolidated Statement of Comprehensive Income



	FY2018 Result	FY2019 Result	Increase/ Decrease	Main reasons for changes	(Unit : billion yen)
Revenues	5,510.1	11,600.5	+ 6,090.4	Increase mainly due to the effects of the application of new accounting standards	
<b>Gross trading profit</b>	<b>1,210.4</b>	<b>1,563.8</b>	<b>+ 353.3</b>		
Total of selling, general and administrative expenses	(890.3)	(1,193.3)	(303.0)	Personnel expenses (85.0) [(453.5)→(538.4)]: Pension cost (2.8) [(18.4)→(21.2)] Service charge, distribution costs (22.7) [(154.2)→(176.8)] Rent, depreciation and amortization (140.6) [(115.2)→(255.8)]	
Provision for doubtful accounts	(3.2)	(9.0)	(5.7)	Increase due to the conversion of POCKET CARD into a consolidated subsidiary	
<b>Trading income</b>	<b>316.9</b>	<b>361.5</b>	<b>+ 44.6</b>	Refer to "Operating Segment Information (Trading income/Total assets)"	
Gains on investments	7.1	203.0	+ 196.0	Increase due to the revaluation gain accompanying the conversion of FamilyMart UNY into a consolidated subsidiary and the gain on sales of a North Sea oil fields development company, despite the absence of the gain accompanying the partial sales of a Chinese fresh-food-related company in the previous fiscal year	
Losses on property, plant, equipment and intangible assets	(29.6)	(12.0)	+ 17.6	Improvement due to the absence of impairment losses in an apparel-related company and Dole in the previous fiscal year, despite impairment losses in an apparel-related company	
Other-net	(0.3)	10.7	+ 11.0	Improvement due to the absence of a provision for the specific overseas project in the previous fiscal year	
Net interest expenses	(6.7)	(14.3)	(7.5)	Increase in interest expenses accompanying the rise in the U.S. dollar interest rates	
Dividends received	34.3	48.4	+ 14.1	Increase in dividends from oil and LNG projects and iron ore-related investments	
Equity in earnings of associates and joint ventures	216.2	98.1	(118.2)	Others (145.9) [68.1→(77.8)]: General Products & Realty +12.8 [18.1→30.9]: Energy & Chemicals +7.2 [6.2→13.4]: Impairment loss on investment in CITIC Limited Increase due to the higher equity in earnings of IFL (European pulp-related company) and Japan Brazil Paper & Pulp Resources Development resulting from the higher pulp prices Increase due to the rise in oil prices and the higher production volume of crude oil in an Eastern Siberia oil-exploration-related company and the increase in shares of Japan South Sakha Oil which invests in the company, and the higher equity in earnings of petrochemical-related companies	
<b>Profit before tax</b>	<b>537.9</b>	<b>695.4</b>	<b>+ 157.5</b>		
Income tax expense	(106.1)	(149.7)	(43.6)	Increase due to the stable growth in profits, the increase resulting from the revaluation gain accompanying the conversion of FamilyMart UNY into a consolidated subsidiary and the absence of the positive effects of the U.S. tax reform, despite the decrease in finance-related companies	
Net Profit	431.7	545.7	+ 114.0		
<b>Net profit attributable to ITOCHU</b>	<b>400.3</b>	<b>500.5</b>	<b>+ 100.2</b>		
<b>Total comprehensive income attributable to ITOCHU</b>	<b>390.0</b>	<b>464.8</b>	<b>+ 74.8</b>		

# Performance of Group Companies attributable to ITOCHU



(Unit : billion yen)

## Components of Consolidated Net profit attributable to ITOCHU

[Years ended March 31, 2019 and 2018]

	FY2018 Result	FY2019 Result	Increase/ Decrease
Parent company	109.3	286.5	+ 177.2
Group companies including overseas trading subsidiaries (*1)	392.3	(*1) 437.9	+ 45.6
Consolidation adjustments	(101.2)	(223.8)	(122.6)
Net profit attributable to ITOCHU	400.3	500.5	+ 100.2

(\*1) The revaluation gain accompanying the conversion of FamilyMart UNY into a consolidated subsidiary (¥141.2 bil. (net of tax)) is included.

## Profits/Losses of Group Companies

	FY2018 Result	FY2019 Result	Increase/ Decrease
Profits of Group Companies	452.9	(*1) 545.3	+ 92.4
Losses of Group Companies	(60.6)	(107.4)	(46.8)
Total	392.3	437.9	+ 45.6

## Number/Share of Group Companies Reporting Profits (\*2)

		FY2018			FY2019			Increase/Decrease		
		Profits	Losses	Total	Profits	Losses	Total	Profits	Losses	Total
Subsidiaries	Number	189	17	206	192	11	203	+ 3	(6)	(3)
	Share	91.7%	8.3%	100.0%	94.6%	5.4%	100.0%	+ 2.8%	(2.8%)	
Associates and joint ventures	Number	84	10	94	70	18	88	(14)	+ 8	(6)
	Share	89.4%	10.6%	100.0%	79.5%	20.5%	100.0%	(9.8%)	+ 9.8%	
Total	Number	273	27	300	262	29	291	(11)	+ 2	(9)
	Share	91.0%	9.0%	100.0%	90.0%	10.0%	100.0%	(1.0%)	+ 1.0%	

(\*2) Investment companies which are directly invested in by ITOCHU and its Overseas trading subsidiaries are included in the above-mentioned number of companies.

Investment companies which are considered as part of the parent company are not included.

# Operating Segment Information (Quarterly Information)



(Unit : billion yen)

		FY2018					FY2019				
		1 Q	2 Q	3 Q	4 Q	Yearly	1 Q	2 Q	3 Q	4 Q	Yearly
Textile	Gross trading profit	30.0	31.2	34.5	26.3	122.0	27.2	29.3	32.1	30.3	118.9
	Trading income	4.0	4.6	7.6	2.2	18.4	4.5	5.4	8.1	7.0	25.0
	Net profit attributable to ITOCHU	6.4	7.3	8.3	(9.5)	12.5	7.7	7.9	8.7	5.5	29.8
Machinery	Gross trading profit	25.0	49.9	47.5	49.5	171.9	43.6	48.1	52.0	50.2	193.8
	Trading income	6.2	11.3	9.1	12.1	38.6	3.1	8.1	11.8	10.0	33.0
	Net profit attributable to ITOCHU	12.3	14.9	10.1	19.7	57.1	11.8	15.5	20.2	0.2	47.6
Metals & Minerals	Gross trading profit	24.4	20.0	21.7	27.4	93.5	24.6	19.4	20.5	18.4	82.8
	Trading income	20.1	15.4	17.1	22.5	75.2	20.2	14.6	15.6	13.3	63.6
	Net profit attributable to ITOCHU	21.1	16.0	20.0	25.4	82.5	22.4	17.0	19.2	20.6	79.2
Energy & Chemicals	Gross trading profit	51.6	47.9	52.2	55.1	206.8	52.7	56.8	55.7	51.4	216.6
	Trading income	12.8	8.6	13.7	14.5	49.6	14.6	18.2	16.8	10.9	60.4
	Net profit attributable to ITOCHU	8.7	6.4	8.7	13.1	36.9	10.8	12.8	32.9	24.1	80.6
Energy	Gross trading profit	25.4	21.2	23.7	29.3	99.6	25.6	29.6	26.7	25.5	107.5
	Trading income	4.3	(0.1)	3.7	7.0	15.0	5.9	9.4	6.6	3.5	25.4
	Net profit attributable to ITOCHU	3.4	(1.8)	2.6	7.2	11.4	5.2	6.6	25.0	18.6	55.4
Chemicals	Gross trading profit	26.2	26.7	28.5	25.8	107.2	27.1	27.1	29.0	25.9	109.1
	Trading income	8.5	8.7	10.0	7.5	34.7	8.8	8.8	10.2	7.3	35.0
	Net profit attributable to ITOCHU	5.3	8.2	6.1	5.9	25.5	5.6	6.3	7.9	5.5	25.2
Food	Gross trading profit	69.9	71.7	74.1	62.5	278.3	69.2	71.5	243.3	199.6	583.6
	Trading income	17.5	16.1	16.7	9.4	59.7	15.0	14.2	35.7	21.3	86.2
	Net profit attributable to ITOCHU	19.3	35.8	28.7	(3.4)	80.5	20.2	154.7	19.9	13.1	207.9

# Operating Segment Information (Quarterly Information)



(Unit : billion yen)

		FY2018					FY2019				
		1 Q	2 Q	3 Q	4 Q	Yearly	1 Q	2 Q	3 Q	4 Q	Yearly
General Products & Realty	Gross trading profit	36.6	37.5	36.5	41.8	152.4	40.9	47.3	35.1	40.8	164.1
	Trading income	8.9	9.7	8.0	12.9	39.6	11.4	18.0	5.5	10.0	44.8
	Net profit attributable to ITOCHU	14.4	14.1	13.0	14.2	55.7	16.6	22.5	12.8	11.1	62.9
Forest Products & General Merchandise	Gross trading profit	26.5	27.5	28.6	26.6	109.1	30.2	28.3	26.2	26.6	111.3
	Trading income	6.9	7.7	8.3	6.6	29.5	8.7	7.4	4.9	5.6	26.6
	Net profit attributable to ITOCHU	10.2	12.3	11.6	9.6	43.7	13.7	12.5	11.8	6.7	44.7
Construction, Realty & Logistics	Gross trading profit	10.1	10.0	7.9	15.2	43.3	10.7	19.0	8.9	14.2	52.8
	Trading income	2.0	2.0	(0.3)	6.3	10.1	2.7	10.6	0.6	4.4	18.2
	Net profit attributable to ITOCHU	4.2	1.8	1.4	4.6	12.0	2.9	10.0	1.0	4.4	18.2
ICT & Financial Business	Gross trading profit	37.4	43.5	43.6	54.2	178.7	39.2	44.2	54.8	69.7	207.8
	Trading income	5.3	10.7	10.5	19.6	46.0	5.1	10.4	13.1	25.2	53.8
	Net profit attributable to ITOCHU	11.1	12.3	12.6	15.1	51.1	12.5	25.6	12.4	17.9	68.4
ICT	Gross trading profit	34.6	40.6	40.7	50.8	166.8	36.1	41.1	41.6	54.0	172.9
	Trading income	5.1	10.5	10.2	18.9	44.8	4.6	10.2	10.7	21.3	46.8
	Net profit attributable to ITOCHU	7.6	9.4	8.0	10.2	35.2	8.1	12.4	9.1	13.4	43.0
Financial & Insurance Business	Gross trading profit	2.8	2.8	2.9	3.4	11.9	3.1	3.0	13.2	15.6	35.0
	Trading income	0.2	0.2	0.2	0.7	1.2	0.4	0.2	2.4	3.9	7.0
	Net profit attributable to ITOCHU	3.5	2.9	4.7	4.8	15.9	4.4	13.2	3.4	4.5	25.5
Others, Adjustments & Eliminations	Gross trading profit	1.4	1.0	2.5	2.1	6.9	3.0	2.7	(4.8)	(4.7)	(3.9)
	Trading income	(3.7)	1.1	0.3	(7.9)	(10.2)	(2.2)	4.0	(0.0)	(7.2)	(5.4)
	Net profit attributable to ITOCHU	15.0	27.3	13.2	(31.3)	24.2	11.3	(111.3)	13.4	10.6	(76.0)
Consolidated	Gross trading profit	276.3	302.6	312.6	318.8	1,210.4	300.4	319.3	488.5	455.6	1,563.8
	Trading income	71.1	77.5	83.0	85.3	316.9	71.7	92.9	106.5	90.5	361.5
	Net profit attributable to ITOCHU	108.2	134.3	114.7	43.2	400.3	113.4	144.6	139.5	103.0	500.5



# Operating Segment Information (Trading income/Total assets)

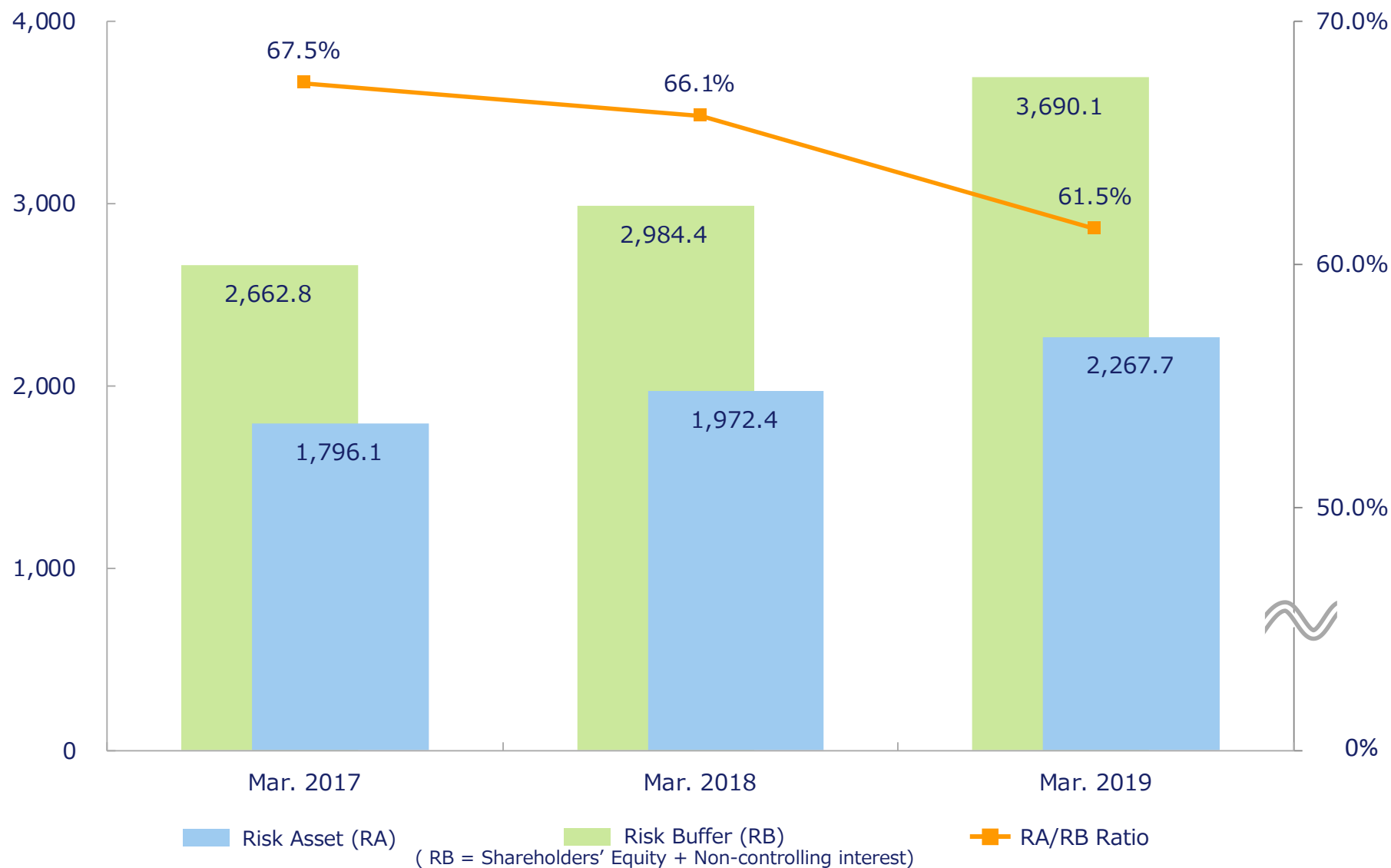
Trading income	FY2018 Result	FY2019 Result	Increase/ Decrease	Main reasons for changes	(Unit : billion yen)
Textile	18.4	25.0	+ 6.6	Increase due to the stable performance in apparel-related companies such as SANKEI, despite the de-consolidation of an apparel-related subsidiary in the previous fiscal year	
Machinery	38.6	33.0	(5.5)	Decrease due to the temporary deterioration of profitability in used car sales in YANASE, despite the stable performance in automobile-related transactions	
Metals & Minerals	75.2	63.6	(11.6)	Decrease accompanying the change of the structure for investment in certain stakes of iron ore in IMEA, despite the increase due to the higher coal prices	
Energy & Chemicals	49.6	60.4	+ 10.8	Increase due to the higher production volume of crude oil and the improvement in profitability in self-developed crude oil transactions accompanying the rise in oil prices	
Food	59.7	86.2	+ 26.5	Increase due to the conversion of FamilyMart UNY into a consolidated subsidiary, despite the lower sales prices in packaged foods in Dole	
General Products & Realty	39.6	44.8	+ 5.2	Increase due to the higher transaction volume in domestic logistics-facility-development-projects	
ICT & Financial Business	46.0	53.8	+ 7.8	Increase due to the conversion of POCKET CARD into a consolidated subsidiary	
Others, Adjustments & Eliminations	(10.2)	(5.4)	+ 4.8		
<b>Consolidated</b>	<b>316.9</b>	<b>361.5</b>	<b>+ 44.6</b>		

Total assets	Mar. 2018 Result	Mar. 2019 Result	Increase/ Decrease	Main reasons for changes
Textile	474.9	527.2	+ 52.3	Increase due to the additional investments in DESCENTE
Machinery	1,218.6	1,180.3	(38.3)	Decrease due to the collection of trade receivables in aircraft-related companies, despite the acquisition of a Latin American automobile-related subsidiary
Metals & Minerals	850.3	844.4	(5.9)	Nearly at the same level
Energy & Chemicals	1,355.7	1,288.7	(67.0)	Decrease due to the decreased trade receivables in energy trading transactions
Food	1,962.2	3,238.1	+ 1,276.0	Increase due to the conversion of FamilyMart UNY into a consolidated subsidiary (approx. ¥1,200.0 bil.)
General Products & Realty	978.8	980.6	+ 1.8	Nearly at the same level
ICT & Financial Business	766.2	1,093.3	+ 327.1	Increase due to the conversion of POCKET CARD into a consolidated subsidiary (approx. ¥250.0 bil.)
Others, Adjustments & Eliminations	1,057.4	946.1	(111.3)	
<b>Consolidated</b>	<b>8,663.9</b>	<b>10,098.7</b>	<b>+ 1,434.8</b>	

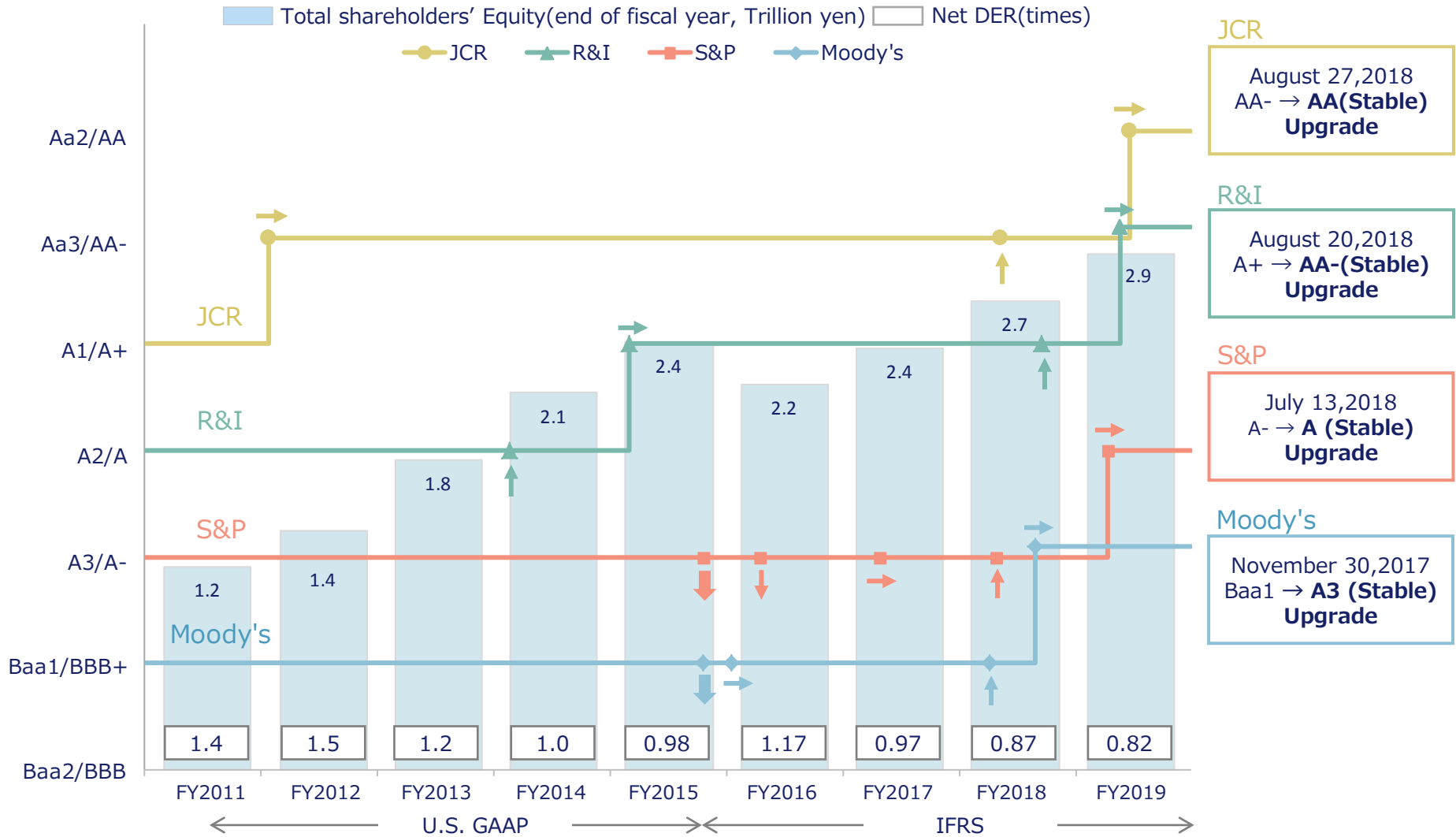
# Consolidated Statement of Cash Flows (Major items)



	FY2018 Result	Major items	FY2019 Result	Major items	(Unit : billion yen)
Net profit	431.7		545.7		
Non-cash items in net profit	12.0	Depreciation and amortization +114.1 Textile +4.9, Machinery +14.3, Metals & Minerals +19.8, Energy & Chemicals +29.8, Food +21.2, General Products & Realty +8.9, ICT & Financial Business +11.8, Others, Adjustments & Eliminations +3.4	(17.1)	Depreciation and amortization +154.9 Textile +4.0, Machinery +20.8, Metals & Minerals +14.8, Energy & Chemicals +29.6, Food +58.6, General Products & Realty +10.9, ICT & Financial Business +12.2, Others, Adjustments & Eliminations +3.9	
Changes in assets and liabilities, other-net	(72.8)	Trade receivables /payables (14.3), Inventories (53.4), Others (5.1)	(37.7)	Trade receivables /payables (41.7), Inventories (32.3), Others +36.2	
Others	17.3	Dividends received from associates and joint ventures +74.5	(14.3)	Dividends received from associates and joint ventures +87.1	
<b>Cash flows from operating activities</b>	<b>388.2</b>		<b>476.6</b>		
Net change in investments accounted for by the equity method	(125.1)	Additional investments in FamilyMart UNY (51.0) Investments in IPP-related companies (32.1) Additional investment in FUJI OIL HOLDINGS (18.3) Additional investment in POCKET CARD (8.3)	(106.1)	Investment in Taipei Financial Center Corp. (72.5) Additional investments in DESCENTE through TOB (20.4) Additional investments in FamilyMart UNY (9.8)	
Net change in other investments	(56.8)	Increase in cash resulting from the conversion of Takiron into a consolidated subsidiary as a result of its merger with C. I. Kasei +16.0 Sale of an energy-related security +5.4 Increase in cash resulting from the conversion of YANASE into a consolidated subsidiary (net of additional consideration paid) +3.2 Acquisition of the stake of Iraqi oil fields (37.9) Investment in a North American facility-materials-related company (20.2) Investments and collections in natural-resource-development-related companies (17.7)	353.0	Sale of UNY +166.0 Increase in cash resulting from the conversion of FamilyMart UNY into a consolidated subsidiary (net of additional consideration paid) +131.2 Sale of the security of TING HSIN +48.8 Sale of a North Sea oil fields development company +42.2 Investment in a North American facility-materials-related company (4.2)	
Net change in property, plant, equipment and intangible assets	(87.0)	Purchase by energy-related companies (14.4) Additional capital expenditures in IMEA (13.6) Purchase by Dole (11.4) Purchase by YANASE (6.2) Purchase by food-distribution-related companies (5.9) Purchase by ETEL (European tire-related company) (5.3) Purchase by domestic ICT-related companies (4.5)	(95.7)	Purchase by FamilyMart UNY (19.0) Additional capital expenditures in IMEA (16.0) Purchase by energy-related companies (13.7) Purchase by Dole (9.9) Purchase by plastic-related companies (7.2) Purchase by domestic ICT-related companies (5.3) Purchase by food-distribution-related companies (4.7)	
Others	12.6		49.9		
<b>Cash flows from investing activities</b>	<b>(256.4)</b>		<b>201.1</b>		
<b>Cash flows from financing activities</b>	<b>(296.1)</b>	Cash dividends (92.8) Repurchase of own shares (Shareholders Return) (27.9)	<b>(538.3)</b>	Cash dividends (116.4) Repurchase of own shares (Shareholders Return) (68.0), BIP, etc. (0.7)	



# Credit Ratings



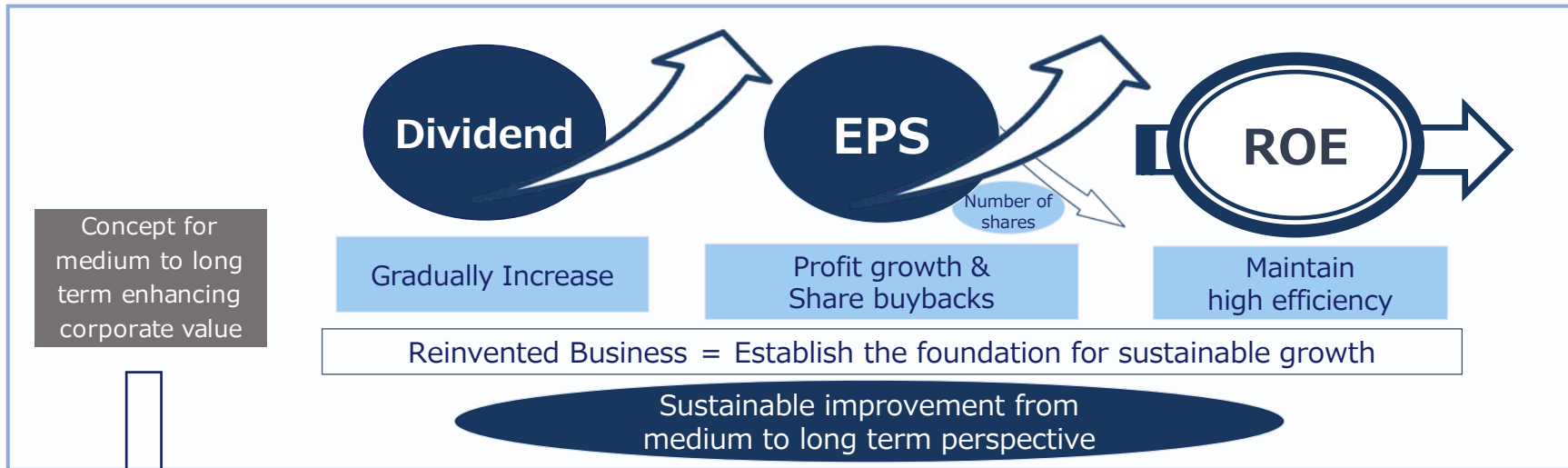
↑↓ Potential direction of short-term trends (Positive/Negative)

↑↓→ Potential direction over the intermediate term (Positive/Negative/Stable)

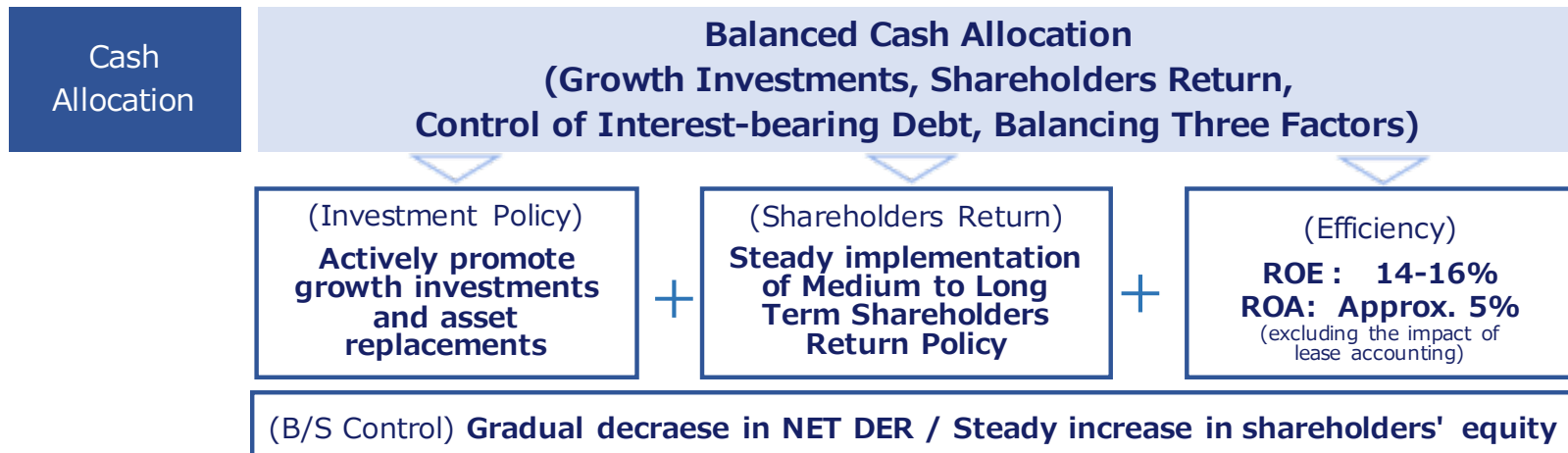
## Appendix (2)

# Supplementary Information on Progress of Medium-Term Management Plan

# Concept for Enhancing Corporate Value



Concept during the medium-term management plan



## FY2019 Investments for Reinventing Business

### Consumer Sector Value Chain

Investment scale:  
¥19.0 billion

- Fintech (*Paidy*)
- Advertising and marketing (*FreakOut*)
- Data utilization (*WingArc 1st*)
- Cross-border e-commerce (*Inagora*)

### Next-Generation Mobility & Electricity

Investment scale:  
¥6.0 billion

- EV truck logistics (*DST:地上鉄*)
- Passenger EVs (*Singulato:奇点汽車*)
- Ride/Car sharing (*Via/Hiyacar*)
- Storage battery optimization Ais (*Moixa*)
- Next-generation storage batteries (*24M*)

### Other New Technologies

Investment scale:  
¥5.0 billion

- New materials / plastic-free (*TBM*)
- Regenerative medicine (*Organ/Promethera*)
- Operating site IoT/digitization (natural rubber traceability)

Total Investment: Approx. ¥30.0 billion  
(Of which, investments in next-generation : ¥10.0 billion)

## Evolution to Next-Generation Growth Models in FY2020

### ■ Implementation of strategies for further building upon previously laid foundations

- Development of strategic businesses from foundations established in FY2019
- Ongoing investment for accelerating reinvention of existing businesses

### ■ Expansion of business model integration and cross-company investment

- Reinforcement of new cross-divisional functions through Next-Generation investment budget
- Growth investments that respond to rapid structure changes at the facing industries

## Development of Foundations for Sustainable Growth

In areas of strength

Actively promote evolution and transformation of existing businesses and investments in new growth

### Evolution and Transformation of Existing Businesses

- Capital expenditures for reinventing existing businesses
- Reinforcement of existing businesses
- Proactive replacement of assets in inefficient and peaked out businesses

### Investments in New Growth

- New and next-generation growth investments based on sector-specific growth strategies
- Investments for steadily realizing profits and for forming foundations for business model evolution

Balanced investments in new and existing business

+

Optimally timed investments and exits

Ratio of growth investments

5

:

5

Next-generation growth investments: Approx. ¥70.0 billion  
(Ongoing upfront foundation construction and acceleration of strategic business development and business model integration)

“Investments in next-generation”: Approx. ¥30.0 billion



# Growth Strategies - Priority Measures by Sector

- Evolve to next-generation business models through evolution and transformation of existing businesses and investments in new growth

		Evolution and Transformation of Existing Businesses	Investments in New Growth
Non-Resource	Consumer-related	<ul style="list-style-type: none"> <li>■ Acceleration of investment in next-generation retail models                             <ul style="list-style-type: none"> <li>• Reinforcement of physical stores (FM, etc.)</li> </ul> </li> <li>■ Enhancement of consumer value chain                             <ul style="list-style-type: none"> <li>• Transformation and streamlining of retail, wholesale, and distribution functions</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ Utilization of connections with customers to develop new fintech business and advertising and marketing businesses</li> <li>■ Full-fledged entry into Chinese retail market</li> </ul>
	Basic Industry-related	<ul style="list-style-type: none"> <li>■ Evolution of existing business foundations through strengthening of connections with customers (YANASE, ITOCHU ENEX, etc.)</li> <li>■ Augmentation of operations in the water, environment, and renewable energy sectors from an ESG perspective</li> </ul>	<ul style="list-style-type: none"> <li>■ Multifaceted development of next-generation mobility businesses</li> <li>■ Reinforcement of next-generation electricity fields centered on storage batteries</li> <li>■ Development of healthcare-related businesses in China and other parts of Asia</li> </ul>
Resource	<ul style="list-style-type: none"> <li>■ Acquisition of quality assets in promising resource fields (LNG, etc.)</li> </ul>		

“Earn, Cut, Prevent” + Reinvention

## Development of Foundations for Sustainable Growth

Improvement of productivity by thoroughly establishing efficient and healthy work-styles

### Evolution of Work-Style Reforms Supporting Smart Management

- Further efficiency of work-styles and office spaces following reconstruction and temporary relocation of the Tokyo Headquarters building
- Development of human resource platform, in order to carry out business model evolution, through morning-focused working system and other distinctive ITOCHU work-style reforms

#### <Example Measures>

- Thorough business automation and optimization measures through RPA, etc.
- Implementation of paperless documentation and in-house procedures
- Coordination of ITOCHU morning seminars and other trainings that promote Next-Generation growth

### Evolution of Industry-Leading Health Management

- Enhancement of programs for supporting employees working while treating illnesses or providing nursing care, and realization of strong organization encouraging employees to focus on their work with peace of mind and pursue mutual cooperation
- Enhancement of individual health through promotion of voluntary health management using health technologies

#### <Example Measures>

- Support measures for balancing cancer care and work
- Establishment of complete nursing care helpdesk for resolving issues
- Enhancement of health management support for employees stationed overseas

## Development of Foundations for Sustainable Growth

- Steady advancement of sustainability initiatives and acceleration of initiatives for resolving social issues and creating social value to achieve targeted sustainable growth
- Focus on enhancing measures for addressing climate change (environment), cultivating workplace environments (society), and maintaining rigorous governance structures (governance) in FY2020

Area	Material Sustainability Issues and Example Measures (FY2020)
Environment	<ul style="list-style-type: none"> <li>■ <u>Address climate change (contribute to realization of low-carbon society)</u> <ul style="list-style-type: none"> <li>• Steadily implement coal business policies and increase focus on renewable energy businesses</li> <li>• Set target for reducing CO2 emissions throughout the Group and across its supply chain</li> </ul> </li> </ul>
Society	<ul style="list-style-type: none"> <li>■ <u>Cultivate a motivating workplace environment</u> <ul style="list-style-type: none"> <li>• Accelerate work-style reforms by utilizing IT to improve work efficiency and labor productivity</li> <li>• Promote industry-leading health management by enhancing programs for supporting employees working while treating illnesses or providing nursing care</li> </ul> </li> </ul>
Governance	<ul style="list-style-type: none"> <li>■ <u>Maintain rigorous governance structures</u> <ul style="list-style-type: none"> <li>• Continue to implement fair and well balanced directors compensation systems with a revised balance between compensation linked to short- and medium- to -long-term performance</li> <li>• Increase the number of female directors to improve Board of Directors diversity</li> </ul> </li> </ul>

## Other Initiatives for Addressing Material Sustainability Issues (FY2019)

<p><b>Reinvent businesses through technological innovation</b></p>	<ul style="list-style-type: none"> <li>■ Accelerated growth strategies for further building upon previously laid foundations and business model integration primarily in consumer value chains and next-generation mobility and electricity fields* * Please refer to slide 37 of this presentation for example measures.</li> <li>■ Deployed LIMEX, a new material anticipated to replace plastic, through business and capital alliance with TBM</li> </ul>
<p><b>Respect human rights</b></p>	<ul style="list-style-type: none"> <li>■ Continued increasing portion of products with third-party certification with the aim of handling only palm oil with RSPO※ and other certifications by FY 2026 to ensure traceability (※ Roundtable on Sustainable Palm Oil)</li> </ul>
<p><b>Contribute to healthier and more enriched lifestyles</b></p>	<ul style="list-style-type: none"> <li>■ Contributed to improved lifestyles for local residents by cultivating local industries and creating employment and by providing lifestyle support and employee welfare programs in the Dole business; engaged in biogas power generation initiatives utilizing pineapple residue to contribute to the realization of a recycling-oriented society</li> <li>■ Implemented regular, large-scale onsite audits of nearly 250 overseas suppliers under the guidance of the dedicated Food Safety and Compliance Management Section to procure safe and reliable food products</li> </ul>
<p><b>Ensure stable procurement and supply</b></p>	<ul style="list-style-type: none"> <li>■ As exclusive distributor for the Asian market, stably supplied pulp produced using sustainable forestry resources by investee Metsa Fibre</li> <li>■ Commenced pilot production for realizing stable supply of cellulose fibers, an eco-friendly material through ITOCHU's global textile value chain</li> </ul>