

CEO MESSAGE

In this era of uncertainty, we need to remain keenly aware of our business fundamentals. As we secure a firm foundation for our business, we will steadily lay the steppingstones for our rise to the next profit stage.

In FYE 2023, we achieved more than ¥800.0 billion in consolidated net profit for the second year in a row, and worked diligently to establish a firm foothold for our target level of ¥800.0 billion in consolidated net profit. FYE 2024 will mark the final year of “Brand-new Deal 2023.” With an eye to the eventual normalization of natural resource prices and foreign exchange rates, we will further enhance our superiority as we steadily prepare and implement strategies for the next profit stage.



Masahiro Okafuji

Chairman & Chief Executive Officer

Full Steam Ahead

Speeches by leaders can sometimes be less than inspiring. I believe one reason for this is that people just read the materials prepared by secretariat staff, making it hard to emotionally connect with the audience and so they get bored.

When I communicate with someone, I want them to remember what I say, even if it is just a little bit. Therefore, I do not just ask the secretariat to prepare my speeches, and instead pay special attention and take the time to thoroughly think each story through, while at the same time also listening to the opinions of various people. For example, in order to get people interested during shareholder and investor meetings, or at our General Meeting of Shareholders, and even in this annual report, I prepare throughout the year by writing down comments in my personal journal regarding events and insights that strike me as notable, and carefully review my comments for use in my various communications.

I believe that the words and attitudes of a company's top management can set the tone for the entire company and its overall image. As an example, I carefully turn off the electricity in my office when not needed, and neatly organize chairs in our meeting rooms, not just the one in which I sat. Some people may question the need for a company's CEO to put so much thought and effort into such details. However, I have a growing sense of urgency

to fully immerse myself in my management role and pay close attention to details, particularly as ITOCHU expands in scale. And while ITOCHU is not a privately held company, I, as the leader of the Company's management, maintain a mindset that I am responsible for all of the various aspects of our business with a resolution as strong as that of an owner of a privately held company.

In March 2023, ITOCHU's credit rating was upgraded to A2 by Moody's, which is one of the most influential credit rating agencies, thus achieving the highest rating among general trading companies from all agencies. This in itself was of course very positive, but we must not forget our past experience of being downgraded, which caused us to feel like we were tumbling down a hill toward a pit full of uncertainty. In February 1999, our rating from Moody's was downgraded to Ba1, which is below investment grade, and then a step further to Ba2 in October, and then to Ba3 in December. Thus, our rating sank like a stone in the course of less than a year. Furthermore, it took almost 20 years for our rating to recover to A in November 2017. We could in an instant lose the high acclaim and solid business performance we have established over many years if we rest on our laurels. And while I am well aware of my tendency to worry excessively, I am determined to move full steam ahead at all times.