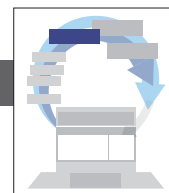




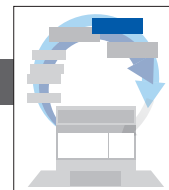
FYE 2020 Review (Achievement of Short-Term Targets)

- Built grounds for us to shift our focus more on our priority fields in the coming years through reviews conducted on our energy trading strategy and pursuits of asset replacements at our Group companies
- Promoted the configuration of a recycling platform with brand owners by participating in the reuse and recycling business in line with the move away from plastic
- Expanded sales channels in the storage battery business, established a joint venture with NF Corporation, and entered capital and business alliances with excellent partners
- As one initiative in the area of renewable energy trading, promoted the handling of CO₂-free electricity by making use of non-fossil certificates



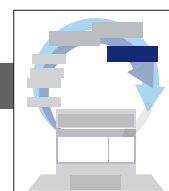
Steppingstones to Medium- to Long-Term Value Creation

- Agile asset replacement measures for better asset utilization efficiencies and acquisitions of new assets to expand the earnings base
- Establishing strong working ties with reputable partners in the upstream sector, along with making continuous investments to secure more efficient operations base and to expand our asset base in the efforts to sustain our access to the competitive and secure energy supply source
- Expand initiatives leveraging breadth of the business domain, ranging from energy solutions and renewable energy to optimal charging and discharging services utilizing the energy storage system



Initiatives Supporting Sustainable Growth

- Efforts made and measures taken in our businesses to reduce GHG emissions and to pursue businesses with low environmental impact, such as renewable energy and hydrogen
- Engaging in pharmaceutical and leading-edge medical businesses in the life science domain and promoting agribusiness initiatives such as trading in methionine (a feed additive)
- Expanding the business model to help resolve social issues, such as through the joint development of eco-friendly materials and the recycling business



➡ Please refer to "Significant Risks to Be Managed on a Consolidated Basis" in the Risk Management section on Page 47.

Specific Example of Steppingstones to Medium- to Long-Term Value Creation

Establishment of the Power & Environmental Solution Division

In FYE 2021, ITOCHU established the Power & Environmental Solution Division.

The power sector has undergone significant change in recent years. On the generation side, renewable energy has made inroads, and the market for distributed power generation has expanded due to solar power generation and storage batteries utilizing household or industrial roofs. Power trading has changed as well. Trading in CO₂-free electricity (through the use of non-fossil certificates) has begun, evincing a rapid shift from the conventional business model driven by electric power producers to one led by customers and consumers. In addition, consumption of electricity is expected to grow in line with proliferation of the fifth-generation mobile telecommunications system (5G). Given this situation, we established the new division to provide broad-ranging power and storage battery solutions in Japan and overseas based on a market-oriented perspective. By stepping up our initiatives in the electric power and storage battery business, we will contribute toward the more stable power supply as well as the realization of a society that utilizes distributed energy resources.



Oita Hiyoshibaru Solar Park, Japan

Please also see the Sustainability Action Plan on our website for initiatives supporting sustainable growth.

<https://www.itochu.co.jp/en/csr/itochu/activity/actionplan/>

