

INPUT

Human Resources who Support “Infinite Missions”

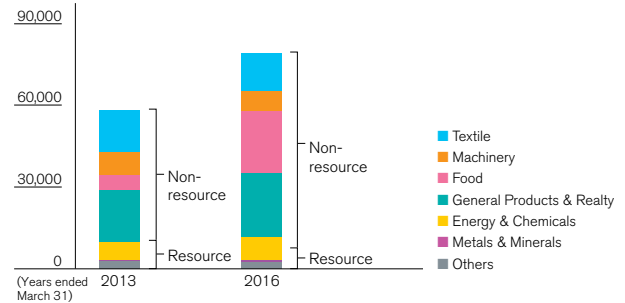
ITOCHU has the smallest number of employees among the other general trading companies (non-consolidated), and we have traditionally taken on the challenge of intense competition with a small group of highly capable people. Accordingly, we strive to employ people who are good matches for our corporate culture, which has been compared to that of a merchant band that creates business through “individual capabilities.” On that basis, we hire people regardless of gender, nationality, or age.

Optimal Allocation of Human Resources

Asset diversification reduces the risks associated with long-term changes in economic structure. At headquarters, which plays a central role in consolidated management, we disperse our human resources by field. For example, we allocate a certain number of employees to resource-related fields, even though market conditions are poor at this time. On the other hand, as we strengthen our operations in non-resource businesses, the number of employees in non-resource fields is increasing each year on a consolidated basis.

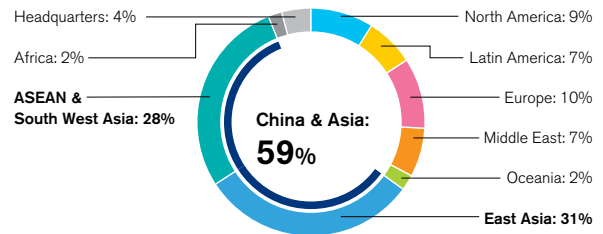
By region, we have allocated 59% of our global workforce to China and Asia, where we need to expand our earnings base further.

Consolidated: Number of employees by Division Company



Number of Overseas Employees by Region, FYE 2016

* excluding subsidiaries and associated companies



VALUE-UP

A high level of competitiveness based on the maximum utilization of the abilities of each employee will be indispensable to lead a new era for general trading companies, and accordingly we are implementing initiatives from a variety of directions.

Implementing Reforms by “Strengthening Our Front-Line Capabilities”

To further advance the goal of “strengthening our front-line capabilities,” which will enable us to lead a new era for general trading companies, we are moving forward with reforms of the working styles and awareness of all employees.

1. Working-style reform through morning-focused working system

In FYE 2014, ITOCHU introduced a morning-focused working system as part of working-style reforms intended to increase efficiency and productivity. The introduction of this system has had results, both in the timing of when employees come and leave the office and in the hours of overtime they work. Two years since the program's introduction, and it continues to make steady progress.

This groundbreaking initiative has had a major influence not only on industry but also on national and local government

Results of morning-focused working system

		Before introduction	Six months after introduction	Two years after introduction
Leaving*	8:00 p.m. or after	30%	7%	6%
	(of which, 10:00 p.m. or after)	10%	nearly 0%	nearly 0%
Entering*	8:00 a.m. or before	20%	34%	40%
Hours of overtime work (compared to before introduction)		—	−10%	−12%

*% of people in the headquarters

institutions, and it has changed attitudes in Japan in regard to working styles.

2. Increasing employees' awareness of participation in management

To increase corporate value, it is essential to enhance employees' awareness of participation in management.

In FYE 2016, we introduced the “Managers of the Future” reward scheme, under which employees at the rank of Section Head or above, who will be the key people responsible for the future growth of ITOCHU, to receive shares of the Company when they retire.

On the other hand, for the stock ownership plan that can be joined by all employees, from FYE 2016 the incentive award rate has been doubled, and the participation rate has increased