

operating new businesses related to thermal coal or conducting new development of coal-fired power generation. In addition, we participated in the TCFD Consortium, which was jointly established by the Ministry of Economy, Trade and Industry, the Ministry of the Environment, and the Financial Services Agency and provides a forum for TCFD-supporting companies to conduct discussions.

Furthermore, we are implementing a variety of advanced initiatives, including coal business analyses using a number of scenarios based on the recommendations of TCFD.

**Kobayashi:** As we steadily respond to social issues, I believe that human resources in the “S” (in “ESG”) will play a central role in continuously expanding ITOCHU’s corporate value. ITOCHU maintains that its creation of company environments that are strict but rewarding to work in leads to labor productivity befitting the No. 1 general trading company. We also aim to become a good company for society as a whole by returning the results that this labor productivity produces to our employees and shareholders. We aim to create cycle in which students searching for work upon graduation will look at us more favorably, enabling us to continuously hire more superior graduates. I want to keep this cycle turning steadily as we move forward. ITOCHU was selected as the top company in all industries or as the No. 1 general trading company in a variety of employment rankings. I believe that this is evidence of our status as a sustainable company that students have called “worth betting your life on.” Furthermore, from an ESG perspective, I think that sustainability is precisely what makes a “good company.”

**Kawana:** Currently, many traditional companies are facing pressure to implement major reforms in the face up unprecedented technological innovation. In the past, students may have felt secure if they could enter a large company, but I think that students are now selecting companies based on a stricter point of view that considers whether or not they can adapt to a variety of changes moving forward. The perception of ITOCHU as a company with a clear vision

that is capable of change under these conditions is likely what leads to these kinds of assessments.

**Muraki:** In terms of change, I would have to say that the evolution of our corporate governance is most striking. ITOCHU’s approach of listening to people’s opinions, including those of its outsider Directors, has become particularly strong over the last few years. Systems that allow change, including changes to nominations and compensation, to be triggered from outside the Company are firmly built in. I believe that outside Directors like us need to play a major role during times like the present, when a company is being led by strong leadership. I will continue to exert pressure when necessary to ensure that those working within the Company do not become “yes men.”

**Kawana:** I agree. Moving forward, I want to continue to act as a liaison that enables senior management to properly absorb the opinions of its employees.

**Kobayashi:** You have shared opinions for our sustainable development, focusing primarily on people. Our corporate message, “I am One with Infinite Missions,” is a modernization of *sampo yoshi* (good for the seller, good for the buyer and good for society), the management philosophy of Ohmi merchants. Believe it or not, the term *sampo yoshi*, which is the cornerstone of sustainable growth at ITOCHU, is said to have been created when later scholars rephrased the business philosophy of Chubei Itoh I, ITOCHU’s founder. We can confidently say that it is our original philosophy that describes the spirit upon which we were founded. (⇔ Page 20 Commentary: The Merchants of ITOCHU) ITOCHU already makes determinations regarding material issues based on this philosophy of *sampo yoshi* and uses these determinations to establish concrete goals. Moving forward, I would like to aim for sustainability by instilling this spirit, which has been continuously passed down since our founding for more than 160 years, in each of our employees and ensuring that they share it with each other and apply it in their work. Thank you for taking the time out of your busy schedules to participate today.

**“We can confidently say that *sampo yoshi* is our original philosophy that describes the spirit upon which we were founded.”**

**Fumihiko Kobayashi**  
Member of the Board  
Senior Managing Executive Officer, CAO

