

Review and Evaluation

Twice each year, Compliance Officers throughout the Group, the Compliance Office, and the CCO individually review the compliance situations, report on them to the Board of Directors, propose necessary improvements, and reflect them in the implementation plan for the following fiscal year. Moreover, our personnel assessments and individual performance evaluations also include sections for evaluating compliance and observance of the ITOCHU Corporation Code of Conduct.

Security Trade Control

To prevent the proliferation of weapons of mass destruction and conventional weapons, Japan maintains strict control of trade based on the Foreign Exchange and Foreign Trade Law. To observe such laws and to make sure we do not take part in business transactions that

threaten international peace and security, we have formulated our own management regulations (trade control program) for security trade control. Through security management, we are putting forth efforts to fulfill our social responsibility to the international community.

Personal Information

The Personal Information Protection Law took effect on April 1, 2005. To ensure compliance with this law, ITOCHU developed internal Company rules on information management and held in-house workshops and other educational activities. To enhance our information management system, we have identified departments possessing databases on personal information prescribed by this law and appointed a chief administrator in those departments to follow our strict management standards.

Proactively Tackling Environmental Issues

In addition to providing diverse products and services in Japan and overseas, ITOCHU has been putting forth efforts in resource development. Because some of our works may greatly influence the environment, we consider tackling environmental issues to be one of the most important aspects of our management policy.

Environmental Management Systems

ITOCHU has built an Environmental Management System based on an Environmental Policy that conforms to the ISO14001 standard, and set specific environmental goals and targets to be pursued on a company-wide basis. The Global Environment Committee headed by a member of the Board of Directors makes policy decisions, and the environmental manager in each department provides guidance and oversees operations. We will continue to

encourage overseas offices and group companies in Japan and overseas, in addition to our main offices (Tokyo and Osaka headquarters and five branches), to obtain ISO 14001 certification.

Environmental Risk Management

We manage the environmental risk of the products we handle by using our own Life Cycle Assessment-based procedures to analyze the flow from raw materials to disposal. We also evaluate in advance, as a preventive measure, the environmental impacts of all new investments and development projects. Furthermore, we select group companies annually whose operations pose a potential risk to the environment, and provide them with preventive guidance against environmental degradation.