



**We will work to maintain supply chains in each field by steadily carrying out operations and contribute to the stability of society as a whole.**

Regarding the upgrade of business models through venture investments or by using new technologies, we have completed the development of forward-looking foundations and the identification of key fields. From FYE 2021, we will enter a phase where we strive to expand business under the initiative of our Division Companies centering on mobility, power, and retail businesses. In particular, the power field combined the downstream fields of next-generation power and storage batteries and established the new Power & Environmental Solution Division. Our brand of storage batteries equipped with AI functions has sold a cumulative total of roughly 30,000 units across Japan as of March 31, 2020, giving it the No. 1 share in Japan on a capacity basis. Our strengths in this area include our sales network and a business foundation that has evolved over more than a decade. We are steadily expanding our business by taking full advantage of our investees handling a variety of next-generation businesses, such as Sunnova Energy International Inc., 24M Technologies, Inc., and Shenzhen Pandpower Co., Ltd. (➡ Page 60 Realizing Our “*Sampo-yoshi*” Philosophy through the Largest Multifaceted Development in Japan)

Amid the current crisis, which has been called the greatest since World War II, let us recall the words of President John F. Kennedy during the Cuban Missile Crisis: “In the Chinese language, the word ‘crisis’ is composed of two characters, one representing danger and the other, opportunity.” For example, COVID-19 is obviously spurring retailers to more quickly move online and fostering greater online engagement with customers of services. During this time, the ITOCHU Group has also launched new initiatives, such as HOKEN NO MADOGUCHI (an insurance agency with walk-in stores) starting online consultations. Even during the COVID-19 crisis, we will continue to precisely sense changes in customers and industry structure, attune our senses to the seeds of change, and seize good opportunities.

We are also monitoring the effect of COVID-19 overseas. By thoroughly managing risks and polishing our existing businesses, our “earn, cut, prevent” principles will serve as a base. Through the “earn” principle, we strive to expand our business through collaboration with powerful partners. For example, the Energy-from-Waste (EfW) project in Serbia started construction in FYE 2020, and it is a collaborative initiative with SUEZ S.A., a major French company for water and environmental utilities. Annually 340,000 tons of waste, equivalent to 66% of the waste emitted by the city of

Belgrade, is incinerated to produce electricity and supply heat. This is Serbia’s first large-scale Public Private Partnership (PPP) using project finance. The project is of paramount importance to the Serbian government, which aims to meet the European Union (EU)’s waste disposal standards and join the EU. ITOCHU also operates similar EfW facilities in the United Kingdom. Leveraging the business development and operational know-how we have cultivated to date, we will collaborate with strong partners in each region and business field to enhance the quality of our projects, thereby making steady progress. (➡ Page 59 Viewing Environmental Issues as Business Opportunities)

### Aiming to Sustainably Enhance Corporate Value

To achieve major accomplishments with very few employees relative to other general trading companies on a non-consolidated basis, ITOCHU has rolled out its distinctive advanced measures to enhance every employee’s productivity. Specifically, we have made operations more efficient by going paperless for meetings and applications and by utilizing IT including robotic process automation (RPA). We also promoted workstyle reforms through the “Morning-Focused Working System” and “Dress-down Days,” as well as health management through such measures as “Support Measures for Balancing Cancer Care and Work.”

Going forward, by providing opportunities for advancement as a “strict but rewarding company,” ITOCHU will continue to ensure its employees can truly experience growth and feel the appeal of creation, through cultivating new customers and developing business models on their own.

In April 2020, to achieve further growth as we adapt to the rapid changes in the business environment in the industries that we are facing and to establish values that resonate with the strengths that set ITOCHU apart, we amended our corporate mission to be “*Sampo-yoshi*,” our management philosophy that has been in place since our founding, which also aligns with the principles behind the SDGs. We will continue to increase the unified strength of the entire Group as we aim to enhance our corporate value.

Going forward, we will work reliably to support the diligent efforts of our subsidiaries, affiliates, and customers even amid the COVID-19 crisis. We will work to maintain supply chains in each field by steadily carrying out operations and contribute to the stability of society as a whole.