

# ITOCHU Corporation — Our Present and Future

This section explains ITOCHU's potential for sustained growth in profit in the future by describing the background to the formation of ITOCHU's current approach as well as the true strengths ITOCHU inherited from earlier eras and the turning points the Company faced.

## True Strength ❶

### Front-line Capabilities and Individual Capabilities

General trading companies can be divided roughly into the *Zaibatsu* affiliated companies, which have strong ties to heavy industry, and the non-*Zaibatsu* affiliated companies, which principally trace their origins to the textile industry, one of Japan's leading industries in the Meiji period. ITOCHU, which was established in 1858 with textiles as its founding industry, is a non-*Zaibatsu* affiliated general trading company. As Japan's industrial structure shifted towards heavy industry, we expanded from our roots in the textile industry and broadened the scope of our operations to include a wide range of fields. The individual capabilities that we cultivated through business activities in fields close to consumers formed ITOCHU's corporate culture, which was compared to that of a merchant band.



Founder — Chubei Itoh I  
Chubei Itoh I, the founder of ITOCHU, placed a high value on *sampo yoshi*, the management philosophy of the Ohmi merchants. After more than a century, this philosophy was incorporated into ITOCHU's Corporate Message — I am One with Infinite Missions — which was formulated in 2015, and it has become the foundation of the Company's sustainable growth.



## True Strength ❷

### Competitive Edge in Textiles, Food, and General Products (Consumer-Related Sector)

At one point, general trading companies were primarily involved in intermediate distribution linking sellers and buyers, but this position was continually threatened by disintermediation. In the 1970s, ITOCHU created a new business model in the textile business that entailed the addition of value in the form of "branding" to the existing business of import and sales of woolen fabrics. This led to a major change in the business models of general trading companies. This pursuit of added value and leveraging of initiative became the driving forces for the transformation of our strengths in areas close to consumers into strengths in the consumer-related sector.



The Company built solid positions in the consumer-related sector. In the textile business, we continue to create added value, and in the food business we have built a value chain that organically extends from food resources to retail. In the forest products & general merchandise business, we have the world's No. 1 pulp trading business.

