

Foundation for Proactive Management

Withdrawal from Low-efficiency Assets and Pursuit of Asset Efficiency

From the late 1990s to the early 2000s, ITOCHU was burdened by large amounts of interest-bearing debt and unprofitable assets. We faced a crisis which threatened our continued existence. From FYE 2000 to FYE 2005, we sold, scaled down, or withdrew from inefficient and unprofitable businesses. In addition, we focused the allocation of our limited management resources on the consumer-related sector and reformed our earnings model. Moreover, in FYE 2000 we introduced risk capital management (RCM), and began to implement quantitative risk management and control. That framework for rigorous management of asset efficiency has since become our current asset strategies, which comprise “investment in areas where we have strengths,” “risk management,” and “pursuit of asset efficiency.” Also, our stable financial foundation, which was strengthened through a rigorous focus on financial discipline up to FYE 2014, has been the foundation for our proactive management from FYE 2011.



In the late 1990s and early 2000s, we focused our investment of management resources on fields in which we have strengths, such as the acquisition of FamilyMart in 1998, which marked the start of our full-scale entry into the retail field. This focus later became the foundation for our overwhelming competitive edge in the consumer-related sector.

Improving Financial Position: FYE 1999–2011

