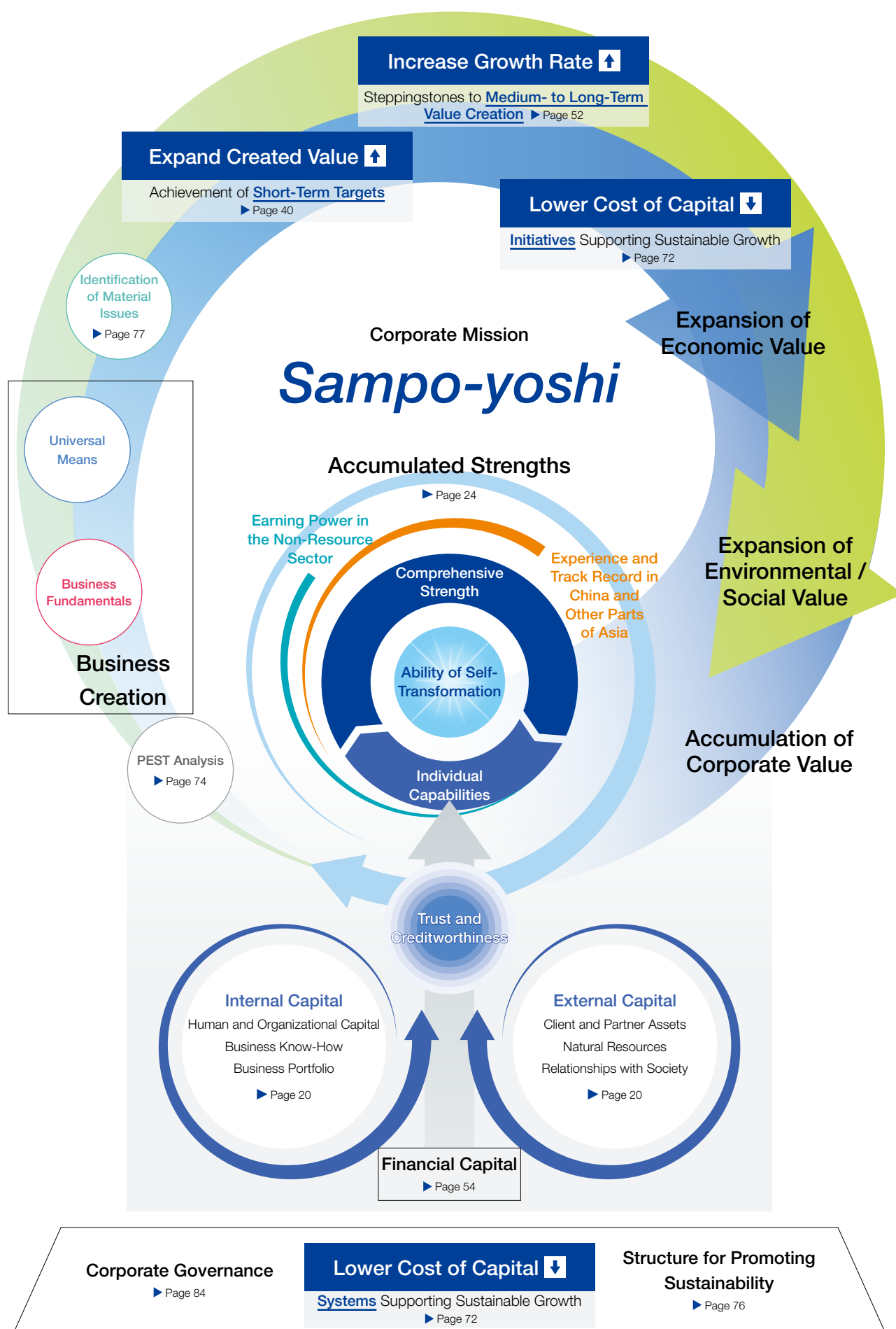
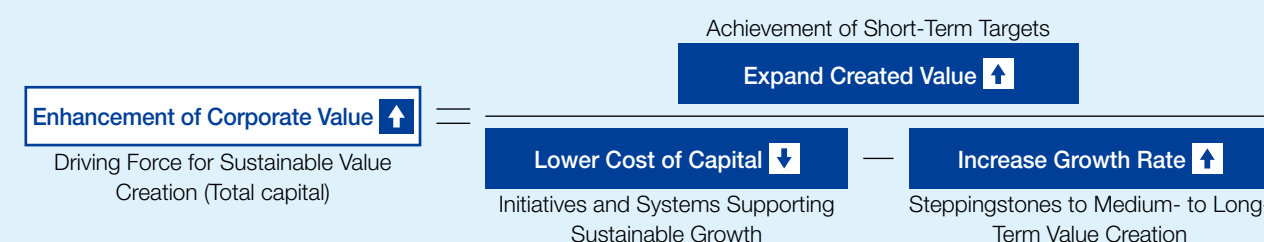


# The “Merchant” Business Model



## A Value Creation Model Centered on “Sampo-yoshi”

In enhancing corporate value, we must use capital and our four strengths to drive the growth of our economic value and environmental / social value. Specifically, we are working to expand created value (Achievement of Short-Term Targets), increase the growth rate (Steppingstones to Medium- to Long-Term Value Creation), and lower the cost of capital (Initiatives and Systems Supporting Sustainable Growth). As a result, we will continue realizing a virtuous cycle that further reinforces capital and our four strengths, which are the driving forces for sustainable value creation.



### What is ITOCHU focusing on?

To enhance corporate value, we aim to expand created value, increase growth rate, and lower cost of capital. We are therefore conducting management with a focus on the following points.

#### Enhancement of Corporate Value ↑

##### “Sampo-yoshi,” “Earn, Cut, Prevent,” and Commitment-Based Management

We will promote our management strategies and policies with speed and flexibility, while always keeping in mind our corporate mission of “Sampo-yoshi” and “Earn, Cut, Prevent.” Through our unwavering practice of commitment-based management where we deliver on our promises, we will achieve sustained value creation.

#### Increase Growth Rate ↑

##### Focusing on Fields and Sectors Where We Can Demonstrate Our Strengths

In order to adapt to the volatile business environment and diversifying consumer needs, we will achieve sustained value creation by steadily laying the steppingstones in fields and sectors where we can demonstrate our strengths.

#### Expand Created Value ↑

##### Building a Track Record, Enhancing Our Trust and Creditworthiness

We will build a track record by continuously and soundly achieving our short-term goals. We will attain sustained value creation by leveraging our track record to further enhance our trust and creditworthiness.

#### Lower Cost of Capital ↓

##### Preparations with Foresight

While mitigating future risks early based on the PEST analysis as well as other factors, we will continuously review our structure including for corporate governance, thereby achieving sustained value enhancement.

#### Business Fundamentals “Earn, Cut, Prevent”

##### “Earn”

Conduct trade aligning with changes in the world and customer needs

##### “Cut”

Reduce expenses that are not cost effective, reduce unnecessary meetings and documents, etc.

##### “Prevent”

Prevent outflows due to losses on receivables and impairment losses

#### Universal Means Creating Added Value / Asset Strategies

##### Creating Added Value

By leveraging our unique ability as a general trading company to act as a coordinator, upgrade business management, and create synergies, we continuously create added value from customers’ point of views, stabilize commercial rights, expand trade, and increase the overall value of businesses, including investees.

##### Asset Strategies

With the strategic importance of business investment increasing, we are emphasizing investment in our areas of strength while building and steadily implementing asset strategies that entail thorough risk management and the pursuit of asset efficiency.