

ITOCHU ENEX Announces the Establishment of WECARS Co. Ltd., a New Company

ITOCHU Corporation (headquartered in Minato-ku, Tokyo; hereinafter “ITOCHU”) and ITOCHU ENEX CO., LTD. (headquartered in Chiyoda-ku, Tokyo; hereinafter, “ITOCHU ENEX”) announced today that they have established WECARS Co. Ltd. (hereinafter, “WECARS” (former company name: JKH Co., Ltd.)) jointly with J-Will Partners Co., Ltd. (headquartered in Chiyoda-ku, Tokyo; hereinafter, “JWP”) and all businesses of BIGMOTOR Co., Ltd. (headquartered in Tama-shi, Tokyo) and its subsidiaries have transferred to WECARS through a company split.

The word, “WE” in the new company name, “WECARS,” includes not only customers and us, but all the people who live with automobiles. The aim is to contribute to creating the future of automobiles for each customer through connections that “we” build. Moreover, the aspiration is to help create a better future for used cars and a better world. These aspirations are reflected in the company name.

WECARS was established through a joint investment by three companies, ITOCHU, ITOCHU ENEX, and JWP. For the surviving company, BALM Co., Ltd. (former trade name: BIGMOTOR Co., Ltd.), JWP will be its sole shareholder and will pay compensation for damages caused by the acts of non-compliance, repay loans, and work on other tasks, using compensation for the company split, etc. as the source capital. ITOCHU ENEX will focus on management of the new company with the other two shareholder companies.

The concept of WECARS is putting customers first. The new shareholders and new management team will embody this concept of putting customers first by attaching the greatest importance to a solid governance system and compliance, aiming to rebuild the business and achieve its growth in the future. Further, from the viewpoint of breaking from the past, they will carefully select appropriate human resources as members of the Board of Directors and Corporate Auditors, who will supervise business execution, without including past management members, much less the founding family. Directors and Corporate Auditors, both internal and external, will execute management utilizing their own knowledge, experience, and specialized perspectives thus improving the transparency of decision making and responding appropriately to changes. Moreover, they will naturally ensure compliance, under sound corporate governance in an effort to establish a stable foundation for growth.

Further, ITOCHU and ITOCHU ENEX will deploy their human resources to all levels in WECARS, ranging from its management team to the front line personnel. With the ITOCHU Group’s comprehensive strength, they will work on business restructuring under the concept of putting customers first and taking a market-oriented perspective. In particular, ITOCHU has experience in successfully growing the car maintenance business in the United Kingdom and in the building products business in North America, among others. ITOCHU ENEX’s strength lies in knowing the market through its operation of gas stations and car rental businesses. Together, they will use the “hands-on” approach in this business. JWP will fulfill its role with a focus on business administration, compliance, and auditing field.

ITOCHU and ITOCHU ENEX believe that the establishment of WECARS will increase the transparency of the used car business and will restore trust in the industry. It should also provide a sense of security to customers, secure employment, and achieve the ITOCHU Group Corporate Philosophy: Sampo-yoshi.

WECARS will push forward with reforms with unflagging resolve, together with its shareholders, management team, and employees. It will thus make efforts to win trust from customers as an organization that puts customers first.