

And then, we moved on to “*Brand-new Deal 2017.*”

STEP 2

Toward No. 1 in the Non-resource Sector

Brand-new Deal 2014

(FYE 2014–2015)

Aiming to be the No. 1 Trading Company in the Non-Resource Sector

Our next step as one of the top three general trading companies, was the target in “Brand-new Deal 2014”—to become No. 1 in the non-resource sector. Investment was approximately ¥880.0 billion on a gross basis, of which two-thirds was invested in the non-resource sector. We also advanced cash flow management. Moreover, in addition to the consumer-related sector, we also took steps to raise the earnings base in the basic industry-related sector, such as machinery and chemicals. We implemented a range of initiatives during the period covered by this plan, such as making the Dole business and Edwin subsidiaries, implementing an additional acquisition of FamilyMart, and concluding a strategic business alliance and capital participation with CP Group. These initiatives were focused on the next step. In FYE 2014, we once again set a new historical record for profits, and in FYE 2015, despite a significant decline in resource prices, we solidified our position as one of the top general trading companies from the result of our growth in the non-resource sector.



True Strength ③

Leading Japanese Trading Company in China

More than 40 years have passed since 1972, when ITOCHU became the first general trading company ratified to resume trade between Japan and China. ITOCHU has continued to lead Japanese companies and has developed such strengths as business infrastructure, human relations networks, and business know-how. Through strategic business alliance and capital participation agreements with CITIC and the CP Group, we have established a foundation for strengthening our position as the leading Japanese trading company in China.



Business Opportunities

Increase in Consumer Spending in China and Asia

We are trying to leverage our strengths in order to grasp two business opportunities. The first is consumer spending in China, where the driving force of economic growth has shifted from investment/exports to internal demand, leading to a transformation in consumer spending from quantity to quality. The second is consumer spending in Asia, where purchasing power is expected to increase substantially against a background of economic growth.

Population of Affluent and Upper Middle Class Consumers

ASEAN
160 million
in 2020

↑ Average annual growth rate of **8.4%**

70 million
in 2010

China
500 million
in 2020

↑ Average annual growth rate of **9.8%**

200 million
in 2010

Source: Ministry of Economy, Trade and Industry, White Paper on International Economy and Trade 2013

