

as the policy direction of the Chinese economy, human networks, and the potential of various projects. Together with the overseas Chinese network of the CP Group, the intangible competitive advantage obtained through this strategic business alliance and capital participation has advanced ITOCHU's China strategy to a new level.

### Major Initiatives with an Impact on CITIC's Corporate Value

In this strategic business alliance and capital participation, ITOCHU and the CP Group invested a combined total of about ¥1,200.0 billion in CITIC on a 50:50 basis. The CP Group owns 4.7% of ITOCHU's stock, making the CP Group one of our major shareholders. ITOCHU holds 25% of the stock of C.P. Pokphand Co. Ltd., which is the core company in the CP Group and has feed, livestock, aquaculture, and food processing businesses in China and Vietnam. All three parties share the same destiny.

ITOCHU invested ¥600.0 billion, the largest single investment in the Company's history. To obtain a return commensurate with that level of investment we need to not only participate in the flow of commercial distribution and expand trade but also do our utmost to help increase the corporate values of

### We will carefully implement major initiatives with a view toward achieving the greatest possible increase in the corporate value of CITIC, a large corporate group.

Senior Managing Executive Officer Yuji Fukuda, who advanced the alliance negotiations  
CEO for Asia & Oceania Bloc;  
President & CEO, ITOCHU Singapore Pte Ltd.;  
Executive Advisory Officer for CP & CITIC Operations

the CITIC Group and the CP Group and strive to expand earnings and market capitalization.

Financial Service Business accounts for 80% of CITIC's earnings. Through growth in non-finance businesses, centered on consumer-related businesses, ITOCHU can contribute to the reform of CITIC's earnings structure. This will have a major impact on the corporate value of the CITIC Group. Synergies can be created in an extremely wide range of fields, such as retail, processed foods, livestock, grains and other foods, brands and other apparel-related areas, communications, and medicine. On the other hand, CITIC, a large corporate group with assets of about ¥110 trillion, generated net profit of about ¥800.0 billion in FYE 2015. Major initiatives suitable for this large scale will be required to influence CITIC's earnings structure. Accordingly, ITOCHU will not

rush forward in a hurry to achieve benefits from the tie-up. Rather, we will take a careful approach to projects from a long-term viewpoint.

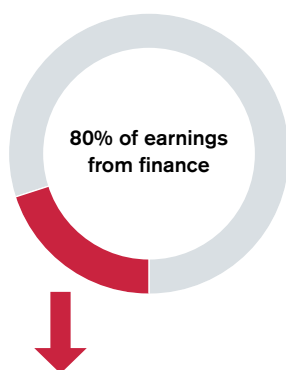
### Generating Synergies over the Long Term with a Commitment to Sampo Yoshi

We are moving forward with dispatches and exchanges of personnel from both short-term and long-term perspectives. Through meetings of the Strategic Cooperation Committee, the top management of ITOCHU, CITIC, and the CP Group coordinate the direction of cooperative initiatives. Moreover, management collaboration meetings are also conducted at the senior management level, where detailed discussions are held to foster the generation of full-scale synergies. The key to generating sustained synergies over the long term is the cultivation of relationships of trust at the level of the middle-rank employees, who will support the future. In addition to rigorous employee selection, we are creating opportunities for detailed discussions in a wide range of areas, such as mutual understanding of management policies, values, history, and principal businesses as well as the potential for generating synergies. In this way, the three corporate groups share the concept of working to increase each other's corporate value with a future orientation.

We believe that sustained growth in profits for ITOCHU will result from efforts to give concrete expression to *sampo yoshi* (Good for the seller, Good for the buyer, and Good for the society), which is the foundation of our business. Through these efforts, we will work to benefit all of our partners, including CITIC and the CP Group, and contribute to abundance for the people of China and Asia.



### Expanding the Non-finance Business of the CITIC Group through the Generation of Synergies



#### FYE 2015 Results

Consolidated Total Assets	Approx. ¥110 trillion
Consolidated Net Profit	Approx. ¥650.0 billion
Moody's Rating	A3

### Expanding non-finance businesses

