

Further Advancing ITOCHU's Growth Model through Its Consumer-Related Business

At ITOCHU, the consumer-related field is our key area of expansion. One of our most important growth models involves making use of our comprehensive vertical strengths. This means diverse shifts in consumer needs are correctly grasped downstream, products that meet those needs are manufactured efficiently and at a low cost upstream, and these products are supplied in a timely fashion through our midstream operations.

In addition to using our comprehensive vertical strengths, we are also pursuing a new growth model that is based on comprehensive lateral strengths. This approach goes beyond our traditional vertical framework of sectionalized Division Companies to provide products and services that satisfy consumers under a comprehensive cross-company system.

Our third growth model is designed to develop these two models together on a global scale to expand the business foundation itself.

ITOCHU strives to combine these three business models to establish an advanced growth model that is unique to our Company. Further explanation is given below, using our food business as an example.

1. Developing Comprehensive Vertical Strengths Centered on Our FamilyMart Business

In the food segment, we have established a consistent product development process as a general trading company, which is carried through our downstream, midstream, and upstream operations as well as a nationwide system of procurement and supply having conven-

ience store FamilyMart at the forefront of the retail area. We maximize our Group's comprehensive strengths by establishing such value chains in cooperation with FamilyMart and by enhancing their individual functions.

One specific example of a successful model is the development of FamilyMart's growing product category of fast foods and original snack brand. Together with

FamilyMart, we quickly grasp consumer needs to develop ideas for new products. At the same time, we use the procurement capabilities of our Group to propose the most suitable raw materials and packaging. Developing products and procuring raw materials in cooperation with ITOCHU's worldwide network of suppliers has allowed us to supply competitive products at a fast pace. In this

Vertical and Lateral Comprehensive Strengths across the Group with FamilyMart at the Forefront of the Retail Area

