Business Development Based on Continued Evolution

Multifaceted Business Creation

As a general trading company, ITOCHU leverages business investment while maintaining a focus on trade that links demand and supply. The Company takes the lead in implementing a multifaceted approach to expanding the flow of commercial distribution and creating businesses, ranging from upstream areas to downstream and including peripheral and similar industries as well as other geographic regions.

Leveraging Our Distinctive Strengths to Expand Multifaceted Initiatives in a Linked Manner

I. Advancing into Areas Where We Can Leverage **Our Distinctive Strengths**

ITOCHU narrows down possible areas to those in which it can generate synergies with existing businesses and control risk on its own, and on that basis the Company advances into new businesses and markets. Accordingly, we select areas in which we can leverage our distinctive strengths. In particular, we focus on whether or not we can secure trade business. Business investment is a key method of entering a new area.

II. Establishing Market Positions

After advancing into a new area, we strive to accumulate business know-how. In addition, by applying the distinctive management resources of a general trading company, we take steps to increase the corporate value of the companies that we have invested in to establish a market position. At the same time, we are continually considering initiatives targeting the next business or market.

III. Multifaceted, Linked Business Development, and Flexible Exits

Starting from the areas in which we have established a presence, we leverage the business know-how that we have accumulated and the market positions that we have established. As we create new added value, we create new businesses in a multifaceted, linked manner with a view to further increasing earnings. In addition, from the viewpoint of asset efficiency, we recover funds by exiting from assets that have lost strategic significance.

Distinctive Strengths

- Securing natural resources / raw materials
- · Linking purchasers with producers
- · Providing value added that meets consumer needs
- Providing solutions

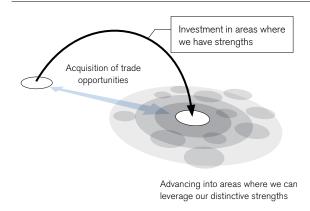
Six Points of View in Multifaceted **Business Development**

- 1 Expanding and diversifying sources
- 2 Participating in production activities
- 3 Expanding the range of success models
- 4 Pursuing economies of scale
- 5 Obtaining points of contact with
- 6 Cash collection from exits

I. Advancing into Areas Where We Can Leverage **Our Distinctive Strengths**



II. Establishing Market Positions



Creating added value Establishing market positions