

Earnings Opportunities for Growth

- Robust value chain in Japan
- Business expansion based on strategic business alliance with CITIC and CP Group
- Market expansion due to increasing population and rising income, centered on China and other parts of Asia
- Further increase in consumer awareness toward food safety and security



- Reinforcement of the structure to supply sustainable raw materials

IN DEPTH

Initiatives by HyLife, a Group Company in Canada



Pork processing at a HyLife factory

Management Resources

A fully integrated system to produce high-quality pork that is safe and secure

Creating Added Value

ITOCHU holds 49.9% of the shares of HyLife Group Holdings, a pork producer based in Manitoba, Canada. The company engages in integrated production, operating a pig-breeding farm, feed mill, and pork production plant. This arrangement provides traceability and ensures safe, secure, and high-quality products are provided in a stable manner. Furthermore, integrated production allows the company to receive and provide information about individual customers' needs to the hog farm, establishing a special program for Japan. The company enjoys market acclaim and is currently Canada's leading exporter of chilled pork to Japan. ITOCHU employees stationed locally ensure thorough control and supervision on a daily basis.

Challenges to Address

- Ensuring a stable supply of foodstuffs
- Configuring robust supply chains overseas
- Responding to the shrinking market in Japan caused by a falling birthrate and aging population
- Contributing to food safety and security in countries around the world, particularly in Asia



- Contributing to local communities



- Responding to the risk of climate change

IN DEPTH

Contributing to Local Communities: One Aspect of a Growth Strategy



Students with school supplies provided by Dole

Reason for Importance from a Strategic Perspective

Dole International Holdings, Inc. (Dole), a wholly owned subsidiary of ITOCHU, operates a fruit and vegetable business in Asia and a global packaged foods business. As it considers people, the environment, and society to be its most important resources in terms of business continuity and development, Dole contributes to local communities through a variety of CSR activities. The company positions these efforts as one aspect of its growth strategy.

Current and Future Actions

In FYE 2016, Doles spent approximately US\$2 million in various countries, including the Philippines, Sri Lanka, Japan, South Korea, China, and in North America, providing study materials, equipment, and meals to around 60 schools. The company offers approximately 300 scholarships; provides educational opportunities to children with disabilities; contributes housing, infrastructure equipment, and farm equipment; provides technical instruction on farming; sponsors regional events and undertakes other measures to invigorate local communities; provides additional resource recycling programs; protects waterways; monitors CO₂ emissions; and conducts other environmental protection activities.