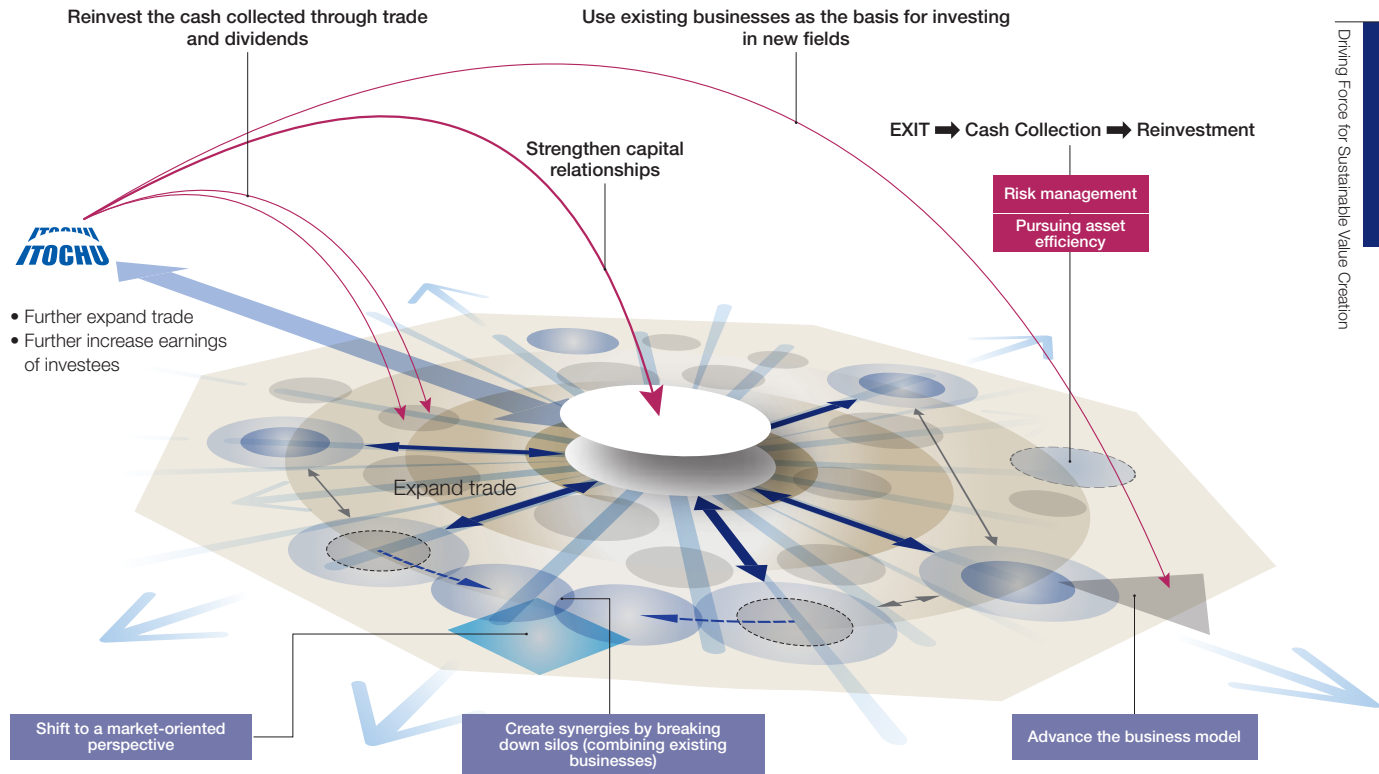
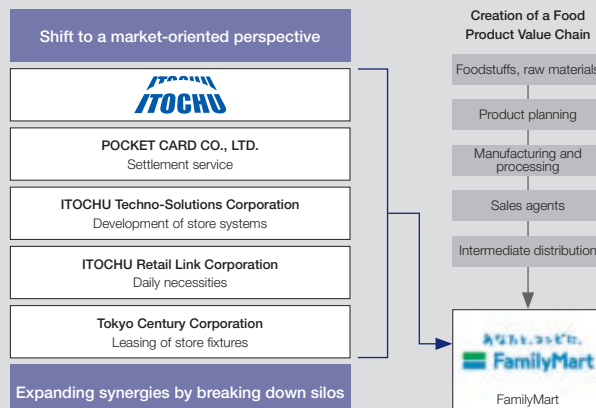


## Reinforcing Earning Power by Advancing (Upgrading) the Business Model and Strengthening Cross-Divisional Functionality, and Promoting Asset Replacement



### Creating a Value Chain in the Convenience Store Business

Centering on FamilyMart, we are creating and enhancing a value chain spanning upstream to downstream operations. At the same time, we are working to maximize Group synergies through the provision of business infrastructure involving such areas as non-food products, financial and insurance services, electricity supply, and system configuration. We are also collaborating with FamilyMart to utilize its data to develop new businesses and moving ahead with reinventing the value chain.



### How ITOCHU Differs from a General Private Equity Fund

As we consider business investment one of our major options, our business model is often compared to that of a private equity fund. There are certain similar aspects, such as the desire to contribute proactively to management and maximize the corporate value of investees. We view as different, however, the facts that we are also aiming to increase our own corporate value as we focus on generating synergy with existing businesses and enjoy returns (cash) centered on trading profits and dividends.

	General private equity fund	ITOCHU
Investee liquidity	In principle, unlisted	Either listed or unlisted
Investee ownership ratio	In principle, majority stake to 100%	Decided individually, based on business conditions and market environment
Investee ownership period	Buy and hold having an exit strategy	Buy and hold
Business synergies	In principle, none	Create synergies with existing businesses
Returns (cash)	Capital gains and dividends	In principle, trading profit and dividends