Steadily Reinforced Strengths

Special Feature

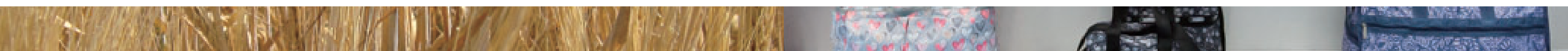
Aiming to be the No. 1 the Non-Resource Sec

A Foundation of Steadily Reinforced Strengths

Our results in fiscal 2013 demonstrate the true value of our earning power in the non-resource sector, centered on the consumer-related sector.

In fiscal 2013, the European debt crisis deepened, economic growth in China and other emerging countries slowed, and earnings in the natural resource / energy-related sector declined significantly. In this environment, we could achieve initial plans in fiscal 2013, thanks mainly to the non-resource sector, in which net income attributable to ITOCHU increased 20% year on year, from ¥159.5 billion in fiscal 2012 to ¥191.3 billion in fiscal 2013, to set a new record high.

Within the non-resource sector, we are the No. 1 trading company in earnings from the consumer-related sector, which accounted for 35% of net income attributable to ITOCHU, ¥93.9 billion, in fiscal 2013. Under “Brand-new Deal 2014,” our new medium-term management plan, we are aiming to become the No. 1 trading company in the



Accelerating the Transition to a Global Business Model Driven by Brands

Acquisition of Dole Food Company's Asian Fresh Produce Business and Worldwide Packaged Foods Business P36

Trading Company in
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non-resource sector. The key to achieving this goal will be our steadily reinforced strengths in the consumer-related sector. ITOCHU traces its origins to the textile business, and we have a history of expanding our business by building on consumer-related areas. On that basis, we have been taking a lead in the establishment of a business foundation and the accumulation of know-how. Also, when commodity prices were rising steeply in 2000s, we carefully planted seeds for future growth. Our current strengths are not something that can be reproduced overnight. Rather, they are the result of a steady process of reinforcement over an extended period of time.

This special feature provides detailed explanations of our strengths in the consumer-related sector, using the food and textile businesses as examples. In addition, we introduce a key initiative that represents the direction that we will take in the future as we strive to become the No. 1 trading company in the non-resource sector.

Steadily Reinforced Strengths 01:

Added Value Creation by Advancing the SIS Strategy

One of Largest Value Chains in the Food Industry

Over the past 10 years, the Food Company has recorded growth averaging 14% a year in net income attributable to ITOCHU, and in fiscal 2013 set a new record high for earnings. With consumer spending in Japan remaining sluggish, the Food Company has achieved solid growth in its earnings, which now place it in the top ranks of Japanese general trading companies. The driving force behind this achievement has been the Strategic Integrated System (SIS) strategy.

The SIS strategy targets maximizing earnings through the establishment and reinforcement of the value chain that extends from upstream procurement of food resources to mid-stream product processing, and distribution and marketing and through to downstream retail businesses. This section explains the framework for expanding earnings through this value chain in accordance with three key words—trade, investment, and added value.

First, we make investments and build a value chain on the basis of our trade capabilities, which are among the largest in the industry and also a major pillar of our earnings in the food business. Starting with the 1998 investment in FamilyMart Co., Ltd., a major convenience store chain, we have steadily fortified our position. At the mid-stream level, in addition to strengthening our food manufacturing and product processing businesses, we also have a presence in the food distribution and marketing area through NIPPON ACCESS, INC., and ITOCHU-SHOKUHIN Co., Ltd., which are in the top ranks of the industry in terms of business scale and comprehensive capabilities. At the upstream level, we have established a grain export base in North America and are moving ahead with initiatives to secure food resources in Asia, Oceania, and other regions. By proactively opening stores in Japan and overseas, FamilyMart, discussed above, has built the No. 2 convenience store network in the world, centered on Japan and Asia. Next, we will explain added value in more detail.

ITOCHU's Capabilities in the Food Value Chain

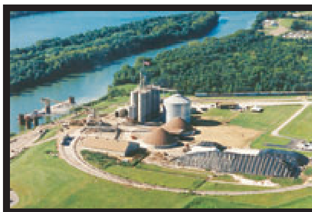
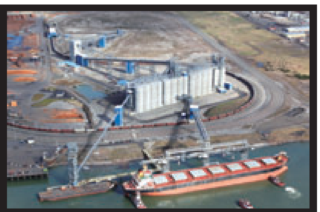
Against a background of strong trade capabilities, we make investments and build a value chain.

Wholesale

Retail

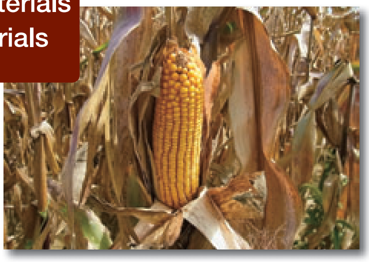
FamilyMart: FamilyMart has built the No. 2 convenience store network in the world, centered on China and Asia. As the starting point of the SIS strategy, FamilyMart reflects consumer needs to the upstream level.

Food resources

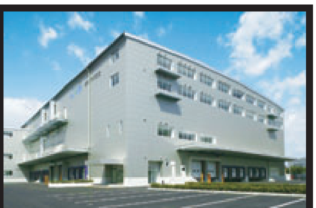
Inland grain handling and logistics companies and export grain terminal of the United States: We have established a food resource supply base in one of the world's leading grain supply regions, and are providing a stable supply to meet demand in Japan as well as growing demand in Asia.

Raw materials / materials



Production

By leveraging capabilities and strengthening cooperative initiatives with affiliates and partners, we increase added value throughout the entire value chain.



NIPPON ACCESS: Through mergers, NIPPON ACCESS has realized one of the largest operational scales in the industry and has built a competitive business foundation for the integrated provision of the three main groups of fresh food products through a distribution network that can handle all temperature ranges.

Increasing Added Value in Businesses by Leveraging Capabilities

ITOCHU adds value to the businesses of the companies it invests in by drawing on the wide range of a general trading company's distinctive management resources and capabilities. These include raw material supply bases, sales channels, coordination capabilities, and management know-how. A representative example of our capabilities is the "optimization of raw material procurement" using our global procurement sources. For example, through stable procurement of high-quality raw materials from one of our overseas partners we contribute to the development of fried chicken, a major hit product for FamilyMart. Also, in private-brand confectionary, we took the lead in the establishment of a confectionary vendor dedicated to meeting the needs of FamilyMart, and that company is now handling product development.

We are supporting product development in a wide range of product areas, centered on fried chicken and other fast foods, rice balls, boxed lunches, sandwiches and other deli items, and private-brand products. This support includes not only raw material procurement but also the selection of manufacturers and product processors, as well as the procurement of containers and packaging materials. In this way, we reflect downstream consumer needs in upstream areas and provide support for the stable procurement of competitive raw materials. In addition, we support product development that addresses market needs in cooperation with wholesalers, manufacturers, and product processors, including Group companies. This framework embodies the true value of the SIS strategy.

NIPPON ACCESS handles almost all of the distribution of food products to FamilyMart stores, and consequently is responsible for the reflection of the consumer needs FamilyMart grasps back to the upstream level. ITOCHU turned NIPPON ACCESS into a subsidiary in 2006. Then we took the lead in promoting a merger among NIPPON ACCESS and three other food distribution and marketing companies in stages, resulting in one of the largest operational scales in the industry as mergers and capital / business alliances are accelerated in the retail and wholesale industries. In this initiative, we acted as a "coordinator," using our capabilities to bring together companies with diverse capabilities and assemble a business. The added value that results from this merger is not limited to increased operational efficiency from expanded scale. NIPPON ACCESS has a distribution network that can handle all temperature ranges—ambient, frozen, and chilled. By taking advantage of the network, it can offer integrated provision of the three main groups of fresh food products—marine products, livestock products, and agricultural products, which was a specialty of the former ITOCHU Fresh Corporation Inc. Consequently, NIPPON ACCESS can offer higher value added services through consolidated product distribution.

By the geographical diversification of procurement sources, we can increase the stability of raw material supply to manufacturers. This is also an important source of added value for the upstream food resource procurement. In summer 2012, the most severe drought in approximately 60 years affected the Midwest of the United States, which is one of the world's top grain production belts. As a result, the grain production there fell significantly. Nonetheless, ITOCHU was able to continue the stable supply of feed grains and oilseeds and other grains to customers in the Asian markets including Japan and China. The reason was that our grain handling and logistics bases are dispersed across the Corn Belt, and through our affiliates we purchased such grains from farmers located across a vast area.

Continual Increases in Earnings through Vertical Integration and Lateral Development of Success Models

By fully leveraging our capabilities in the value chain, including the companies that we invest in, and strengthening cooperative initiatives with affiliates and partners, we increase added value throughout the entire value chain and promote trade within the Group. A good example of increasing added value in both directions in the value chain is the framework that the establishment of procurement sources for food resources leads to increased competitiveness in the retail area, as mentioned above. This framework also works in the other direction, where response to midstream and downstream needs lead to the expansion and diversification of food resources procurement sources. For ITOCHU, the strengthening of the value chain enables us to expand trade volumes and increase investment returns through growth in the earnings of affiliates. The Food Company's net income attributable to ITOCHU has increased 3.8 times, from ¥11.9 billion

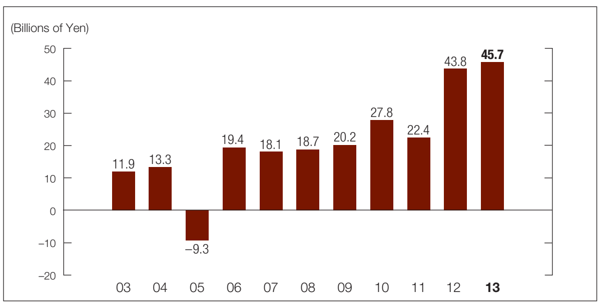
Expanding Earnings through the SIS Strategy

in fiscal 2003 to ¥45.7 billion in fiscal 2013. In addition, the amount of grain handled by the ITOCHU Group including its affiliates has risen from about 10 million tons in fiscal 2010 to about 20 million tons in fiscal 2013.

We are now advancing the global SIS strategy. Under this strategy, we are conducting lateral development of this domestic success model to Asia, centered on China, and to other markets around the world. We are steadily reinforcing our strengths in new markets as well. In China, we have taken a lead in deepening our relationships with partners, the key to overseas development by non-Chinese companies. For example, we have entered strategic alliances with many leading companies, such as TING HSIN (CAYMAN ISLANDS) HOLDING CORP., which is the holding company for a major food and distribution group. These relationships have been made possible by the business know-how and personal relationships that ITOCHU has cultivated in the Chinese market over more than 40 years. That know-how and those relationships are one of our major strengths.

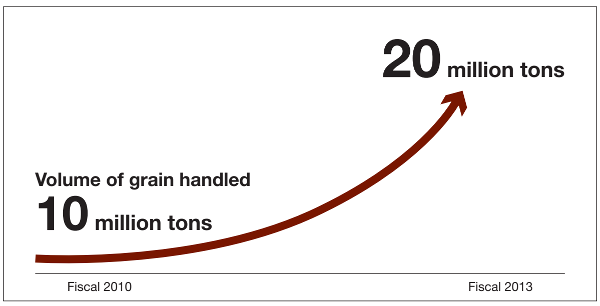
Master Kong Chef's Table (Ting Hsin Group)

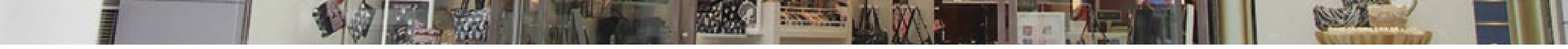
Food Company's Net Income (Loss) Attributable to ITOCHU



Years ended March 31

Expanding Volume of Grain Handled by Expanding Supply Sources and Sales Channels





BRAND

Steadily Reinforced Strengths 02:

Targeting the No. 1 Position in the Industry through Continuous Innovation of Business Models

Pursuing Value Added Propositions for Customers—the Source of Our Competitiveness in the Textile Business

The textile business is the founding business of ITOCHU. Today, more than 150 years since its foundation, the textile business still makes a significant contribution to our earnings and plays a key role in the consumer-related sector.

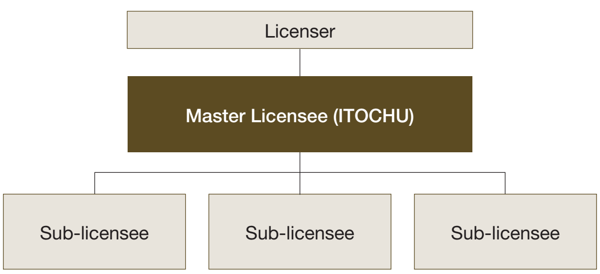
In the 1970s, against a backdrop of voluntary restraints on exports to the United States, the appreciation of the yen, and the rise of textile industries in emerging countries, the structure of Japan's textile industry shifted from an export-oriented model to a domestic demand driven model. Under these circumstances, ITOCHU took a strong initiative in the brand business as we started importing men's fabrics under the YSL brand. Since then, ITOCHU has focused on making value-added propositions from customers' perspectives, and has consistently updated its business models to meet the changes of trends in the market. This approach is the source of our strength in the textile business. ITOCHU is the only general trading company that still maintains the textile business as an independent segment, and we have steadily held a leading position in the domestic textile industry.

The brand business, arguably, is the source of our rapid growth for the Textile Company. ITOCHU has implemented aggressive measures to diversify its sources of earnings since the 1980s, when Japan entered an economic bubble and the market for luxury brands expanded. One such measure was our entry into the licensing business. We acquired master licensing rights and developed sub-licensing alliances with leading manufacturers of apparel, fashion goods, and accessories. We expanded our brand portfolio by adding sports brands, brands targeted for general merchandise stores, and major import brands such as GIORGIO ARMANI. Through our experiences in the licensing businesses, branding has become our key value-added approach which allows us to take initiatives in the industry. Since 2000, we have upgraded our approach into the next level to create more sophisticated business models.

Leveraging Investment for More Sophisticated Business Models

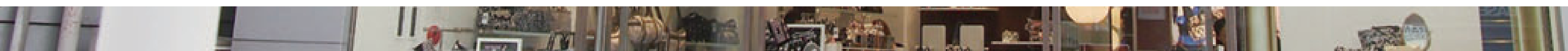
For the past 10 years up to March 2013, the size of the domestic textile industry shrank. However, the Textile Company was able to perform annual growth at a rate of 12% over the same period, and the Textile Company's net income attributable to ITOCHU grew to approximately three times the figure 10 years ago. One source of the Textile Company's success was the acquisition of trademark rights and the implementation of direct investments in brand-holding companies. The purpose of these measures was to achieve long-term stability in commercial rights as ITOCHU was facing tremendous risks of losing its existing licensing rights when many overseas brand holders decided to establish independent operations in Japan and otherwise often requested changes in contract terms. Hence, we acquired numerous leading global brands, such as HUNTING WORLD, LeSportsac, and mila schön, acquired the trademark rights in Japan for CONVERSE, and invested in Paul Smith Group Holdings Limited.

Licensing Business Model



HUNTING WORLD

CONVERSE



LeSportsac

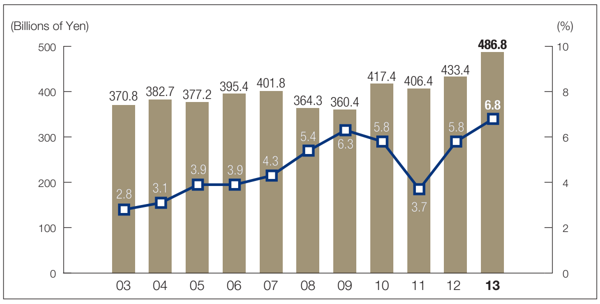

Paul Smith

While proactively making numerous investments, ITOCHU focused on maximizing returns by increasing brand values. One of our criteria in selecting brands was to focus solely on brands that had already earned high consumer awareness. Also, once we ensured we had an accurate grasp of the brand's positioning, we applied our comprehensive brand management processes for merchandising including sales channels, product development, and promotions. Thus, these processes allowed continuous increases in the brand's value.

Realigning Our Business Portfolio for Stronger Earnings

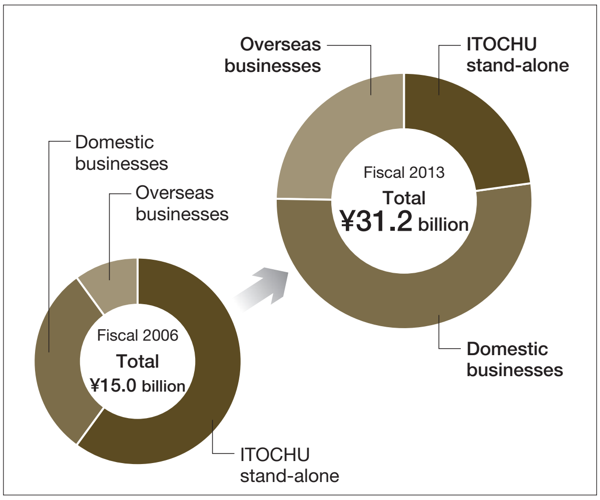
Over the past 10 years, the total assets of the Textile Company have been about ¥400.0 billion. On the other hand, ROA in fiscal 2013 marked a record-high 6.8%, compared with 2.8% in fiscal 2003. This improvement is mainly due to our decision to strategically shift our asset portfolio to downstream areas of the textile industry. Since 2000, we have made substantial progress in withdrawing from certain upstream and midstream assets such as spinning, weaving, and sewing plants as their roles gradually diminished. On the other hand, while aggressively investing in brands, we have also increased our equity positions in leading retail companies in the area of women's apparel, such as LEILIAN CO., LTD., and JAVA HOLDINGS CO., LTD. We have also invested in companies in the midstream market that we strongly believed could generate synergies with our investments in the downstream market. One of the examples is SANKEI CO., LTD., the largest garment materials company in Japan. The substantial improvement in asset efficiency that resulted from this shift toward downstream areas in our asset portfolio has been one of the major factors supporting our progress. Also, as a result of the investments in brands and domestic and overseas businesses, and of the proactive overseas business developments, we have shifted our earnings structure from ITOCHU stand-alone trade businesses to globally consolidated businesses and thus we have achieved high asset efficiency.

Increasing Asset Efficiency through a Shift to Downstream Areas (Textile Company: Total Assets and ROA)



■ Total assets (left) ROA (right)
Years ended March 31

Shifting Earnings Structure from ITOCHU Stand-alone Trade Businesses to Globally Consolidated Businesses



Domestic businesses: Earnings of domestic subsidiaries / associated companies
Overseas businesses: Earnings of overseas subsidiaries / associated companies

Leveraging Our Strengths to Expand Our Business Domains

We have applied our downstream-oriented approach that we have developed in the fashion industry to a wider range of categories and, as a result, we have solidified our position as the industry leader in both business scope and earnings. Our current brand businesses are not limited to just fashion and apparel. Rather, we have expanded our business opportunities to the entire area of lifestyle categories, such as DEAN & DELUCA, a premium gourmet store from New York. In addition, we have taken advantage of our proven expertise and know-how to generate new opportunities abroad.


Le Pain Quotidien

In China, which has emerged as the second largest consumer market in the world, we are implementing initiatives in order to face changes in Chinese consumers' needs, which are undergoing a transition from quantity to quality. We have conducted a capital and business tie-up with Shanshan Group Co., Ltd., which is the parent company of the NINGBO SHANSHAN Group, a leader in apparel and brand retailing. We have also acquired shares in Shandong Ruyi Science & Technology Group Co., Ltd., a major textile-related corporate group. These partnerships were made possible by the relationships of trust that we have cultivated over many years, as well as the strong credentials that we have achieved in Japan. Based on these partnerships, we have reinforced our foothold in the Chinese market.

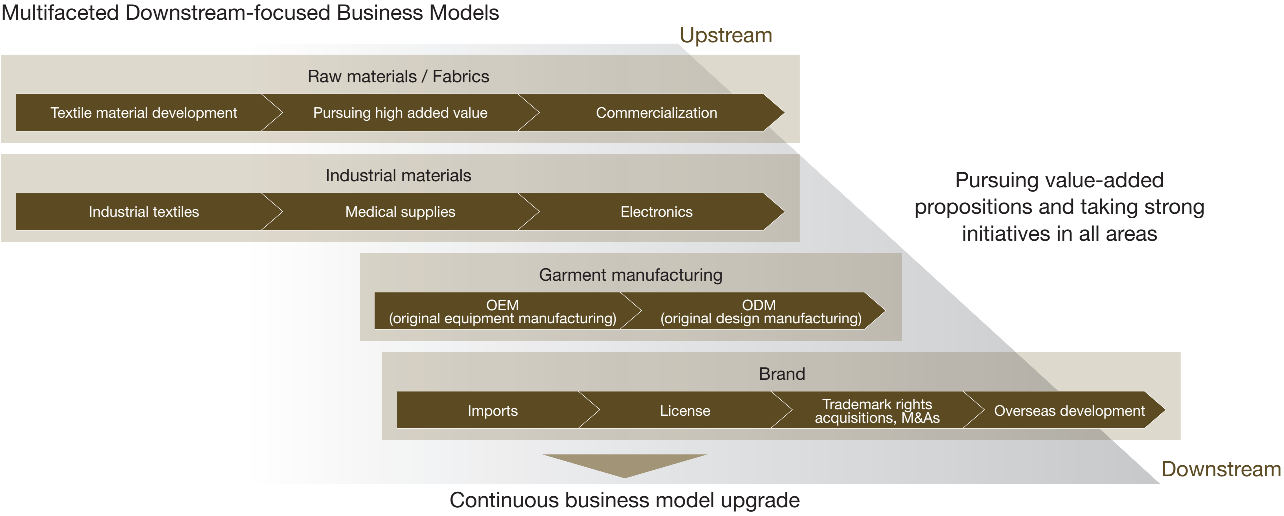
We are also accelerating overseas brand development, especially targeting emerging countries with strong growth potential. In fiscal 2013, we acquired trademark rights for OUTDOOR PRODUCTS, the leading daypack brand from the United States, and secured the rights for 19 countries and regions in Asia, including Japan, as well as the Middle East and South America.

OUTDOOR PRODUCTS

We are also further improving our production networks in Asia. In fiscal 2013, we acquired Bramhope Group Holdings Ltd., a major U.K.-based manufacturer and wholesaler of apparel products. The Bramhope Group is one of the top suppliers to Marks & Spencer in the United Kingdom. This acquisition holds strategic significance for ITOCHU. Through this acquisition, we will be able to secure a new ASEAN-based production network with superior quality and cost competitiveness as well as establish a strong sales network in Europe.

Bramhope

Multifaceted Downstream-focused Business Models



Aiming to be the No. 1 Trading Company in the Non-Resource Sector

Under our new medium-term management plan, "Brand-new Deal 2014," our policy is to reinforce our earnings platform in the non-resource sector, in which we have strengths. The sector is resistant to economic fluctuations and can offer comparatively stable growth in earnings. In the consumer-related sector, which includes not only Textile and Food but also ICT, General Products & Realty, we will be able to capture consumer spending in China and ASEAN nations, where growth is expected, as well as new business opportunities in Japan. In the basic industry-related sector, we have taken steps to expand our platform for stable earnings. To that end, in Machinery we have acquired shares in Toyo Advanced Technologies Co., Ltd. We have also invested in the Bristol Water supply business in the United Kingdom and accumulated IPP assets. In addition, Marubeni-Itochu Steel Inc. and ITOCHU ENEX CO., LTD., have steadily boosted their earning power and grown into leaders in their respective industries. In the future, we will continue aiming to be the No. 1 trading company in the non-resource sector. To that end, we will solidify our No. 1 position in the consumer-related sector and steadily boost our earnings in the basic industry-related sector. We took a major step toward those goals with our acquisition of the Asian fresh produce business and the worldwide packaged foods business of Dole Food Company, Inc., which is described in more detail in the following section. This initiative will enable us to fully demonstrate our strengths as the leader in the consumer-related sector through combining our management resources, such as the business foundation that we have established under the global SIS strategy described on the previous pages and the know-how that we have accumulated in the brand business.

Accelerating the Transition to a Global Business Model Driven by Brands

—Acquisition of Dole Food Company's Asian Fresh Produce Business and Worldwide Packaged Foods Business

The Dole Brand: Maintaining Strong Support around the World

Bananas can be found at every produce stand in the world. Their nutritional value and stable prices have earned bananas' strong and lasting popularity. Unlike other fruits, consumption of bananas in Japan is increasing, and since 2004 bananas have occupied the No. 1 spot in Japan in terms of consumption of fresh fruits*1. Japan imports more than one million tons of bananas a year, with the Philippines accounting for more than 90% of that total*2. Bananas from Dole Food Company, Inc., make up about 30% of Japan's imports of bananas from the Philippines. Moreover, the Dole brand accounts for more than half of Japan's pineapple imports, as well as about 70% of the celery and 80% of the Romaine lettuce that Japan imports from the United States. Even in Asia as a whole, Dole has the No. 1 sales share in bananas and pineapples.

In the packaged foods business, Dole has a wide variety of No. 1 sales products, especially in the North American market. In canned pineapple, pineapple juice, fruit cups, and fruit jars, Dole has market shares of around 50%. In April 2013, ITOCHU acquired the Asian fresh produce business and the worldwide packaged foods business of Dole Food Company, the world's largest producer and marketer of fresh fruits and vegetables.

*1 Source: Ministry of Internal Affairs and Communications, Family Income and ExpenditureS urvey
*2 Source: Ministry of Finance, Trade Statistics of Japan

No. 1 Share in Asia as a Whole in Bananas and Pineapples

Country	Product	Market share (sales basis)
Japan	Bananas	31%
	Pineapples	53%
South Korea	Bananas	30%
	Pineapples	26%
China	Bananas	12%
	Pineapples	48%

Results for 2011

No. 1 Position in North America in Fresh Produce and Packaged Foods Markets

Product	North American market share (sales basis)
Canned pineapple	56%
Pineapple juice	57%
Fruit cups	49%
Fruit jars	54%

Results for 2011

Solid Foundation: A Relationship of Trust Cultivated for Nearly Half a Century

In May 2012, Dole Food Company released a strategic business review dealing with measures to further increase shareholder value. One of the options in the review was to find a partner, and ITOCHU was selected to fill that role. The fact is that Dole Food Company and ITOCHU have already had a deep business relationship for many years.

In the 1960s, Japan's imports of bananas were increasing after imports were liberalized in 1963. These bananas

came not only from Taiwan, which had previously been a source of imports, but also from Ecuador and other South American countries. Castle and Cooke, the predecessor of Dole Food Company, focused on the Philippines as a stable production base and began talks with ITOCHU as an importer and seller for the Japanese market. Subsequently, Dole Food Company pursued production technologies and produced high-quality bananas, and ITOCHU carved out new sales routes. Through this exceptional teamwork, the Dole brand expanded its share in the Japanese market. Bananas from the Philippines took the No. 1 spot in Japan in 1973[*3], only seven years after Dole Food Company and ITOCHU began working together in this alliance. The two companies then developed a close cooperative relationship, with ITOCHU handling the entire volume of imports to Japan of fruits and vegetables from Asia. For nearly 50 years Dole Food Company and ITOCHU have worked together and nurtured their relationship of trust as they developed the Dole brand into one of the leading food brands in Japan. That relationship is the reason why Dole Food Company selected ITOCHU for the recent acquisition.

*3 Source: Ministry of Finance, Trade Statistics of Japan

Leveraging Valuable Management Resources to Generate Substantial Synergies

ITOCHU established a new wholly owned subsidiary, Dole International Holdings, Inc., which then acquired the businesses from Dole Food Company.

Dole Food Company had production bases in the two largest production centers of bananas and pineapples in Asia—the Philippines and Thailand. Asia is expected to be the largest center of consumption, and these two bases make it possible to meet growing demand as well as to hedge risk through the dispersion of production sites. This was one of the major strengths of the Dole Food Company's Asian fresh produce business and a clear advantage over other large fresh produce companies. On the other hand, the fresh produce business in other regions, centered on North America has important centers of production in Central and South America, and the synergies with ITOCHU's existing businesses are limited. Consequently, we decided to focus on the fresh produce business in Asia. However, we decided

to enter the packaged foods business on a worldwide basis. We believe that we can further increase the high share in North America, the world's largest market, and that we can increase sales in regions outside North America through the use of our global supply chain.

Through this investment, ITOCHU has acquired a wide range of valuable management resources. We now have plantations mainly in the Philippines and Thailand, as well as 24 processing plants in operation, centered on directly operated plants—two in the Philippines, two in Thailand, and three in North America. In addition, we have about 400 packing plants and about 80 cold storage facilities. We also have exclusive wharf facilities and exclusive contracted vessels, as well as forced-ripening*, processing, and distribution facilities in more than 50 locations. Moreover, our sales network extends to more than 70 countries. More than anything else, however, the biggest management resource is the Dole brand, which is loved by people around the world.

In addition to this global supply chain and the Dole brand, about 34,000 employees who work with pride have been a major plus for the operation of this business since the acquisition.

After the investment, we are aiming to create substantial synergies and significantly increase corporate value of Dole International Holdings by combining these management resources with our business foundation.

* Processing to increase sweetness, soften the pulp, and ripen fruits to the point where they are ready to eat

Reason for Decision to Invest 1

Production Sites in Largest Consumer Markets

the Philippines: approximately 32,000 ha
Thailand: approximately 12,000 ha,
Sri Lanka, others

- Able to meet growing demand
- Able to hedge risk through dispersion of production sites

Reason for Decision to Invest 2

Global Supply Chain

- Processing plants: Two in the Philippines, two in Thailand, three in North America, cooperating plants
- Packing plants: Approximately 400; cold storage facilities: approximately 80
- Exclusive wharf facilities, exclusive contracted vessels
- Force-ripening, processing, and distribution facilities: More than 50 locations
- Sales network: More than 70 countries

Reason for Decision to Invest 3

Brand

Dole

In addition to 1-3 reasons for investment decision

Reason for Decision to Invest 4

Able to Generate Synergies through Integration with Our Business Foundation

Accelerating the Transition to a Global Business Model through the Generation of Synergies

Following the acquisition, ITOCHU will now be able to proactively advance strategic investments, including expanding agricultural land by leveraging our financial resources; implement joint procurement, such as of canning and packaging materials in conjunction with suppliers and affiliates in Japan and overseas; and integrate logistics operations. However, the most significant synergy that we are targeting is increasing sales of Dole products by the use of our logistics infrastructure and value chain. While Dole Food Company has reinforced its foothold in China and Asia—where growth in consumer spending is expected to lead to increased consumption of bananas and pineapples—we believe that there is still plenty of room to expand the share of the Dole brand through alliances with our partners, who have sales networks and are well versed in local dietary culture and business practices.

Through the SIS strategy, ITOCHU has deepened its market knowledge while extending its value chain from Japan to China and Asia. In markets such as China, Indonesia, the Philippines, and Thailand, ITOCHU has partnered with companies that have a substantial market presence and established business infrastructure, such as sales channels and logistics networks. Moreover, FamilyMart, which represents a point of direct contact with consumers, is working to expand its store network in China and Asia.

Moving forward, we will combine this business foundation with Dole-brand products. For example, in China consumers are increasingly focused on quality and concerned with food safety and security. In this setting, high-quality products with guaranteed security, such as Sweetio bananas, which have a high sugar content, are highly competitive. In addition to alliances with our partners, we will also work to expand our Dole business by establishing new logistics frameworks, such as distribution to mass retailers. In addition to China, we can expand sales of Dole-brand products throughout Asia by leveraging our abundant sales channels while making alliances with partners in each country and strengthening the Group's distribution capabilities. At the same time, we will also be able to make further progress in the local markets (retail / downstream) that we have advanced in each country.

The use of Dole Food Company's sales network in more than 70 countries will further expand those possibilities. The sales channels for the products that we handle will be extended to new regions and the SIS strategy immediately will be expanded to global markets. This represents a major step forward in the transition from our previous "import to meet domestic demand in Japan" business model, where products for Japan were procured overseas and then sold in Japan, to a truly global business model that targets local markets around the world.

Transition from the Previous "Import to Meet Domestic Demand" Business Model to a Truly Global Business Model that Targets Local Markets around the World

Immediately Advancing in the Global Market through Brand Power

Moving forward, ITOCHU will assemble strong teams of experts in fruits and vegetables, packaged foods, and brand businesses. These teams will advance the brand strategy to increase the corporate value of Dole International Holdings.

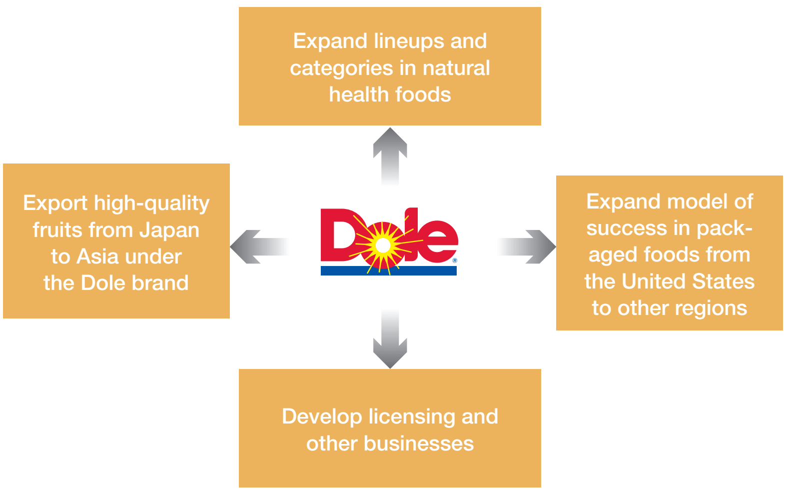
"We have built this company on quality, on quality, and on quality." As expressed in the motto of founder James Dole, Dole Food Company followed a quality-first philosophy and implemented rigorous quality control from production to processing, distribution, and sales. This focus on quality was the key to the success of the Dole brand, which will be the driving force behind our acceleration of the transition to a global business model in the food business.

ITOCHU has been successful in the brand business, and much like Dole Food Company, ITOCHU has the know-how to build and advance a brand-based business model. We will strive to leverage global brand value and expand business opportunities as we add value to products. The concept is "health and nutrition."

From its origins in canned foods, the packaged foods business in North America has developed an extensive product lineup that includes fruit cups, juices, dried fruits, and frozen fruits. In addition, it has also created new food categories, such as Fruit Smoothie Shakers (fruit and yogurt kits) and Banana Dippers (frozen banana slices covered in chocolate). Consequently, the sales of North American packaged foods operations are now about three times the level of 10 years ago. We will extend this example of success to other regions. In addition, we will expand product lineups and categories that are aligned with the "health and nutrition" concept. For example, we will move beyond the current focus on pineapple-based products to offer vegetable- and fruit-based natural health foods targeted for breakfast, such as berry smoothies.

In the Asian fresh produce business, we will leverage the network that we have cultivated with agricultural producers

Brand Strategy Based on the Concept of "Health and Nutrition"



in Japan. We are now considering exporting high-quality fruits produced by farmers with advanced cultivation technologies under the Dole brand to Asia, where the brand is penetrating. For example, we can substantially expand our opportunities by adding guarantees of safety and security to such products as Japan's apples, persimmons, and peaches, for which there is strong and lasting demand among high income groups in Asia. Another possibility is the expansion of sales of Dole-branded vegetables in Japan. The Dole brand also has the potential to help support the invigoration of Japanese agriculture.

In advancing our strategy, the know-how that we have cultivated in the brand business will be a key strength. For example, in surveying and analyzing consumers' expectations for the Dole brand, which are the starting point of the brand strategy, we can draw on our know-how in such areas as brand positioning analysis. In the licensing business, our knowledge in the area of brand management, which entails integrated management of such elements as sales channel strategy, pricing strategy, and advertising strategy, will be a competitive edge.

In expanding product lineups, such as the lineup of natural health foods, we will draw on the technologies cultivated at the Dole Food Company's laboratories and on the networks of manufacturers in Japan, which have advanced technologies.

The two owners of the Dole brand—Dole Food Company and ITOCHU—will leverage their management resources and increase the value of the Dole brand around the world.

Deepening Relationships with Producing Regions and Reducing Weather Risk

With consideration for the distinctive characteristics of agribusiness, we will also focus on business sustainability. The relationship between Dole International Holdings and its workers, especially the workers at its production bases in the Philippines and Thailand, will have a major influence on business sustainability as well as on elements of competitiveness, such as productivity and quality. Heretofore, the Dole Food Company has not only created jobs but also taken other steps to support the development of the local communities where it operates, such as raising living standards and contributing to lifestyle stability through improvement of such social infrastructure as schools. The employees are proud to work at Dole Food Company. The tradition of commitment to "Dole" together with these communities is behind the fact that Dole Food Company has been continuing its business for nearly half a century. To respect such tradition, we have established a management system centered on the managers who have a thorough knowledge of the Dole Food Company.

From the viewpoint of business sustainability, we are also taking steps to handle weather risk. Over the long term, Philippine banana plantations face little risk from typhoons and provide stable production volume. However, in 2012 these plantations were damaged by a typhoon for the first time since operations were commenced there. We will take steps to reduce weather risk by dispersing production sites, including the expansion of banana production in Sri Lanka and the opening up of new production centers, such as through trial cultivation and consigned cultivation in Vietnam and Indonesia.

Dole's banana plantation

Dole's pineapple plantation

Aiming to be an Asia-based Leading Global Food Company

We are making steady progress in transitioning to a global business model through Dole International Holdings as its platform. We have already begun to consider alliances with various companies in Japan and overseas in addition to those with existing partners. We are already beginning to see the anticipated results in opening new sales channels, and have also been approached by producers in Japan interested in exports.

Moving forward, we will accelerate the implementation of initiatives to become the largest integrated agricultural product (fresh food and product processing) company in Asia and then an Asia-based leading global food company.