



Notice of Conclusion of a Strategic Alliance with Charoen Pokphand Group

July 24th, 2014
ITOCHU Corporation

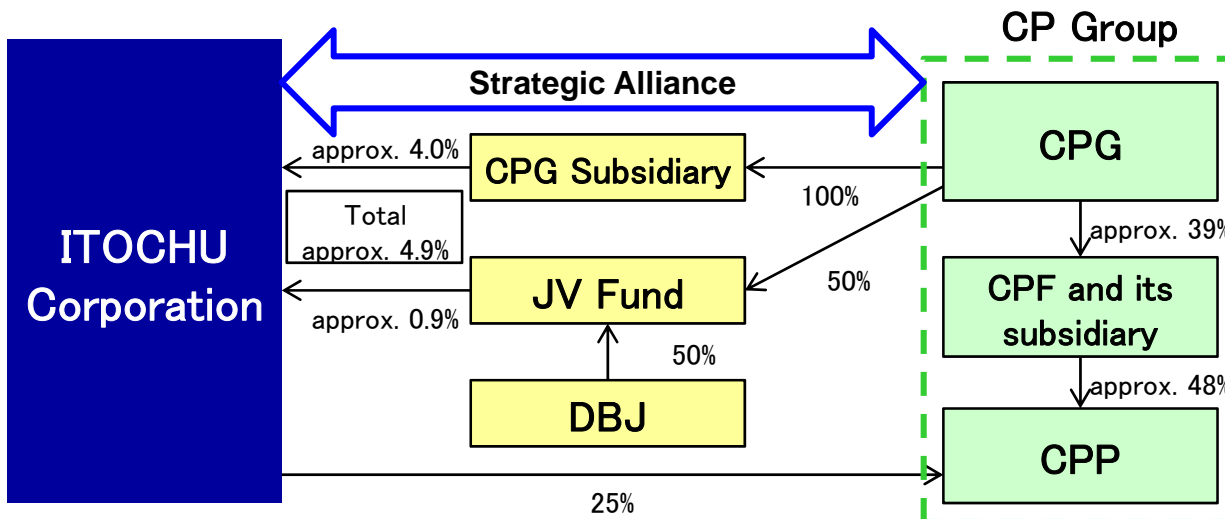


Contents of Our Public Announcement



1. **Strategic Alliance with Charoen Pokphand Group**
Concluded a Strategic Alliance Agreement with one of Asia's leading conglomerates
2. **25% capital investment of ITOCHU in C.P. Pokphand Co. Ltd.**
Invest in feed, livestock and aqua products business in China and Vietnam
3. **Approx. 4.9% capital investment of Charoen Pokphand Group in ITOCHU**
Third-party allotment of shares for maximizing effects of the alliance
4. **Share buy-back of ITOCHU**
Execution of a flexible capital strategy to avoid dilution of existing share value

Summary of the strategic alliance and capital investment



【Relevant CP Group companies and abbreviation】

Charoen Pokphand Group Company Limited (“CPG”)
Group Holding Company
Charoen Pokphand Foods Public Company Limited (“CPF”)
Feed, Livestock, Aqua Products, Food related business in Thailand
(Listed in the Stock Exchange of Thailand)
C.P. Pokphand Co. Ltd. (“CPP”)
Feed, Livestock, Aqua Products, Food related business in China and Vietnam
(Listed in the Stock Exchange of Hong Kong)

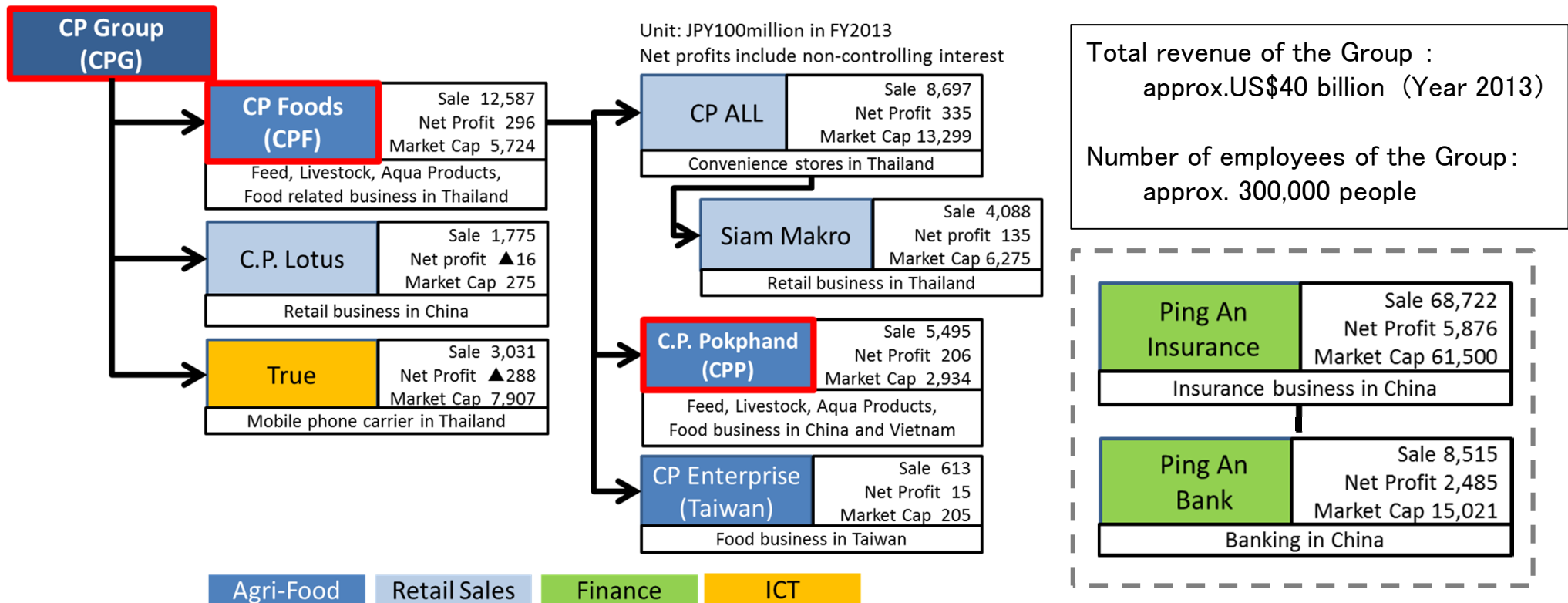


1. Strategic Alliance with CP Group ① Organization



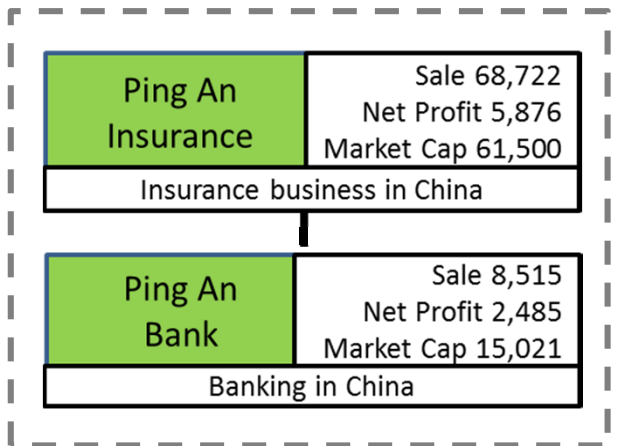
■ Organization Chart of Charoen Pokphand Group (“CP Group”)

- CPG has developed a diversified business portfolio in Thailand, China, Vietnam and other markets including food related, retail, Information Communication and Technology (“ICT”), insurance and financial services. Especially in the feed business which is one of the core operations of the group, is amongst the largest in the world.



Total revenue of the Group :
approx.US\$40 billion (Year 2013)

Number of employees of the Group :
approx. 300,000 people



*CPG has share participation of approx. 16% in Ping An Insurance.



1. Strategic Alliance with CP Group ② History



- Owned by Mr. Dhanin Chearavanont and his family, CP Group was founded in early 1920's and started its business from vegetable seeds trading. The group expanded its domestic business in Thailand, and developed manufacturing/processing of feed, livestock and aqua products business, establishing an integrated value chain covering manufacturing, processing to retail sales.
- In late 1970's, the group, as one of the first foreign enterprises to invest in China, stepped into China and developed manufacturing/processing of feed, livestock and aqua products business and retail business. In late 1990's, the group diversified its business portfolio into ICT and retail business (convenience stores), recently accelerating further expansion through large acquisitions.

■ History of the CP Group

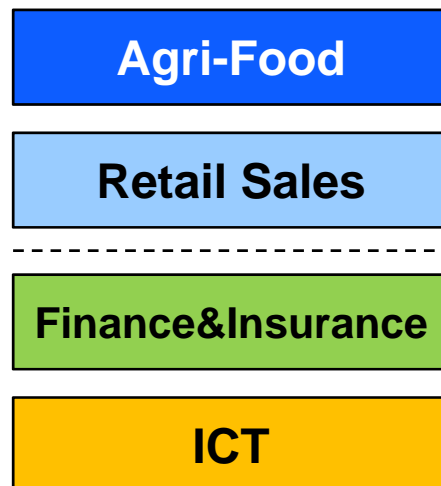
Track of Growth	1920's	▪ Founded in Thailand and started from vegetable seeds business
	~ 1960's	▪ Developed domestic business in Thailand
	1980's	▪ Diversified its business and expanded into China and other markets
	1990's	▪ Growth in retail and ICT businesses, and further expansion
	~ 2000's	
<hr/>		
Recent Topics	2013	▪ Share purchase of Ping An Insurance in China
		▪ Acquisition of Siam Makro, a retailer in Thailand



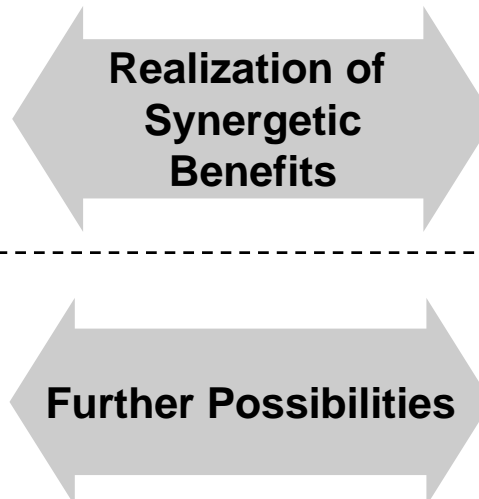
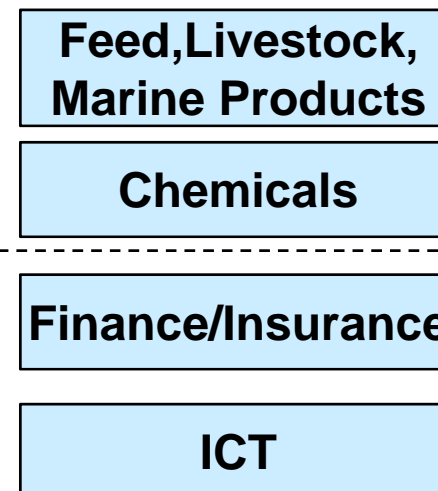
1. Strategic Alliance with CP Group ③ Purpose

- To pursue new opportunities globally and to further expand revenue in the non-resource sector by partnering and strengthening our cooperation with CP Group.
- As a first step, we will cooperate in feed, livestock and marine related business and seek joint investment to establish a system for sourcing raw materials to the Asian regions. This is an area where we believe synergetic benefits can be obtained quickly.
- Further, we will seek to enhance other businesses synergies in areas such as finance, insurance and ICT and resource sector business.
- With all of the above, we will seek to establish and stabilize our position as the No.1 trading company in the non-resource sector.

■ CP Group's Business Area



■ ITOCHU's Non-Resource Sector Business





2. Investment of ITOCHU in CPP of 25%



- As a part of the strategic alliance, ITOCHU will acquire approx. 6,018 mil common shares (25% of voting rights) of C.P. Pokphand Co. Ltd. (“CPP”) from Charoen Pokphand Foods Public Company Limited (“CPF”) and its subsidiary at a price of approx. HK\$6,620 mil (HK\$1.1per share). CPP will become an associated company of ITOCHU, consolidated under the equity method.
- CPP is one of the core subsidiaries within the CP Group that engages in feed, livestock and aqua related business in China and Vietnam. CPP is one of the leading companies in feed and livestock production in China and Vietnam.

■ CPP Overview

Name	C.P. Pokphand Co. Ltd.
Incorporation	1987
Listing	The Hong Kong Stock Exchange
Employees	Approx. 37,000 employees
Sales	US\$5,414 Million (fiscal year ending December 2013)
Net profit	US\$186 Million (same as above)
Gross Asset	US\$2,759 Million (same as above)
Primary Business	▪ feed, livestock and aqua related business in China and Vietnam ▪ vertically integrated business of manufacturing and sales of feed, livestock and aqua products



3. CP Group to Invest Approx. 4.9% in ITOCHU



- We have agreed to a capital participation by CP Group in ITOCHU, for the purpose of maximizing the effect of the business alliance.

■ Summary of the Third Party Allotment of Shares

Number of Allotment Shares	Common Stock 78,000,000 Shares
Payment Amount	1,313 yen per share
Payment Period	From August 15, 2014 to Sep 19, 2014
Way of Allotment Shares	Third Party Allotment to following parties: ① CP Worldwide Investment Company Limited 63,500,000 Shares ② En-CP Growth Investment L.P. 14,500,000 Shares



4. Share Buy-Back of ITOCHU



- ITOCHU has passed resolution on the possible actions regarding buy-back of its shares as a countermeasure to absorb any negative effects if any, due to the dilution of shares from the third party allotment of new shares under the strategic alliance with CP Group, with a condition of an upper ceiling whichever higher, 78 million shares or 110 billion yen.

■ Content of Buy-Back of Shares

Kind of Shares	Common Share
Maximum number of shares to be acquired	Maximum of 78 mil shares (approximately 4.9% of number of shares outstanding excluding treasury shares)
Aggregate Purchase Amount	Maximum of 110 billion yen
Term of Purchase	From July 25, 2014 to July 24, 2015
Way of Purchase	Purchase from stock market through a security company

【Note】 Number of Treasury Shares held as of March 31st, 2014

Outstanding shares (excluding Treasury Shares)	1,581,730,823 Shares
Treasury Shares	3,158,681 Shares
Total Number of Shares Issued	1,584,889,504 Shares