

July 24, 2014

This document is an English translation
of a statement written initially in Japanese.
The Japanese original should be considered
as the primary version.

ITOCHU Corporation
(Code No. 8001, Tokyo Stock Exchange, 1st Section)
Representative Director and President: Masahiro Okafuji
Contact: Tomoyuki Tanaka
General Manager, Corporate Communication Division
(Tel: +81-3-3497-7291)

**Announcement on Execution of Strategic Alliance Agreement with Charoen Pokphand Group,
Issuance of New Shares by Third-Party Allotment,
Acquisition of Shares of C.P. Pokphand Co. Ltd.,
and Related Matters**

ITOCHU Corporation (“**ITOCHU**”) decided at a meeting of its Board of Directors held on July 24, 2014 to implement a strategic business alliance (the “**Strategic Alliance**”), and executed an agreement on the Strategic Alliance (the “**Strategic Alliance Agreement**”) with Charoen Pokphand Group Company Limited (“**CPG**”), which is one of the major leading conglomerates in Asia, in order to promote collaboration in improving the corporate value of the ITOCHU Group and the group of companies led by CPG (collectively, the “**CP Group**”).

The agreed terms of the Strategic Alliance are as follows:

- (i) joint development of opportunities for business expansion in the non-resource sector including food, chemicals, IT, finance and other areas, mainly in Asian regions; and
- (ii) promotion of joint initiatives in animal feed, livestock and marine related areas, mainly in Asian regions such as Thailand, China and Vietnam, and establishment of systems for supplying raw materials to those regions.

As part of the initiatives to deepen the positive cooperative relationship between the ITOCHU Group and the CP Group, the following capital participations have also been agreed to:

- (i) capital contribution to ITOCHU by a wholly-owned subsidiary of CPG (“**CPG SPC**”), which was established for the purpose of the acquisition and holding of the shares of ITOCHU, and an investment partnership (“**En-CP Fund**”), to which a wholly-owned subsidiary of CPG and Development Bank of Japan Inc. (“**DBJ**”) substantially make contributions on a 50-50 basis and which was established for the purpose of the acquisition and holding of the shares of ITOCHU by a third-party allotment, through the subscription for the shares of ITOCHU allotted by a third-party allotment by ITOCHU, at the total ratio of approximately 4.9% (based on the number of issued shares before the capital increase by the third-party allotment) (the “**Third-Party Allotment**”); and
- (ii) acquisition by ITOCHU from Charoen Pokphand Foods Public Company Limited (“**CPF**”) (a core company of the CP Group dealing in agricultural products, animal feed, livestock products, aquatic products and other products) and CPF Investment Limited (“**CPFI**”) (a wholly-owned subsidiary of CPF engaging in investment business) of a 25% shareholding (based on the number of voting rights) in C.P. Pokphand Co. Ltd. (“**CPP**”) which is a subsidiary of CPF engaging in animal feed, livestock and aquatic product related business, in the China and Vietnam regions (the “**Share Purchase**”).

As announced in today’s press release “Notice Regarding Share Buyback Program,” ITOCHU has resolved to repurchase its own shares.

I. Strategic Alliance

1. Purpose of and reasons for the Strategic Alliance

The ITOCHU Group is engaged in fields such as trading in a wide variety of products, finance, logistics, and project planning and coordination, and has cultivated and possesses various functions and knowhow through its implementation of natural resource development investment, businesses investment and the like. Utilizing its comprehensive capabilities and global network with a wide range of industries, the six Division Companies of ITOCHU are engaged in multifaceted business activities in its consumer-related segments of textile, food, and ICT, General Products & Realty, resource-related segments of Metal and Mineral Resources and Energy Resources, and basic industry-related segments of Machinery, Chemicals, Petroleum Products, and Steel Products.

ITOCHU has achieved a level of earnings that places it in the top ranks of Japanese general trading companies especially in the non-resource sector, and ITOCHU intends to further strengthen and expand the businesses in the non-resource sector, which is ITOCHU's strength, in Asian growth regions and other various regions throughout the world.

CPG is, on the other hand, one of Asia's major leading business conglomerates especially with strengths in the non-resource sector with agribusiness and food as its core business, as well as telecommunications, logistics, finance, and pharmaceuticals. It has multiple subsidiaries such as CPF and CPP as its principal business companies, and is engaged in international business mainly in Thailand, China, and other countries.

In considering the expansion of its businesses in the non-resource sector in Asia, ITOCHU has focused on the strong network and wide recognition that the CP Group enjoys in Asia.

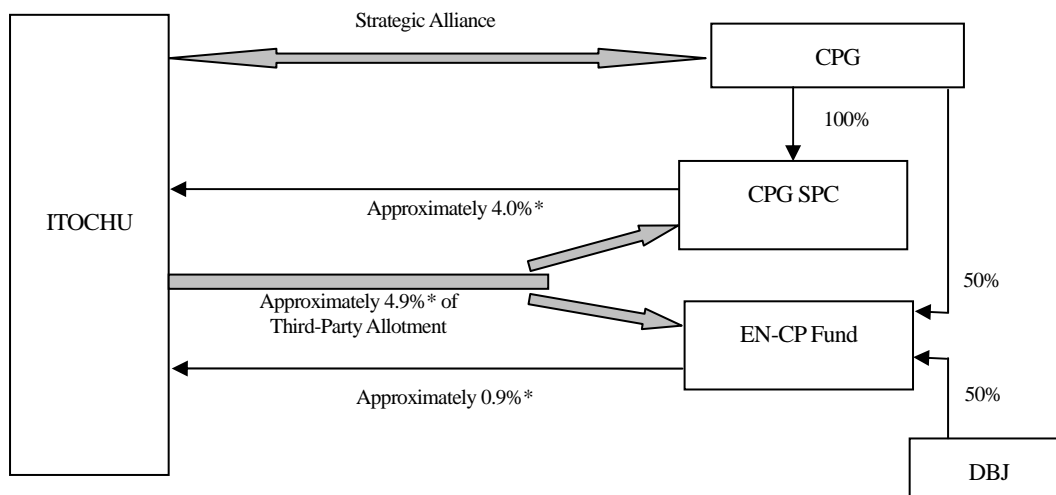
The CP Group, too, has been working to further develop its businesses in the non-resource sector including the food business in Asian regions, and in the course of such development the CP Group has focused on the business foundation that the ITOCHU Group has in the various areas of the non-resource sector.

With such background, ITOCHU and CPG have been engaged in discussions and examinations on a strategic business alliance including capital participation since November 2013. As a result, ITOCHU executed the Strategic Alliance Agreement determining that the Strategic Alliance will contribute to the ongoing development of the ITOCHU Group's business and the interests of its shareholders. In terms of the specific details of the business alliance, as set out in "2. Terms, etc. of the Strategic Alliance" below, as of today the two companies have agreed on the joint development of opportunities for business expansion in the non-resource sector including food, chemicals, IT, finance and other areas, mainly in Asian regions, and promotion of joint initiatives in the areas related to animal feed, livestock and marine business mainly in Asian regions such as Thailand, China and Vietnam, and establishment of systems for supplying raw materials to those regions. These initiatives, as the first step of the Strategic Alliance, aim at utilizing in Asia the functions of each group including the capabilities relating to procurement of raw materials, product supply and information collection in a mutually complementary manner, thereby realizing the synergies such as increase in sales, improvement of product competitiveness, and development of new markets contemplated by both the ITOCHU Group and the CP Group including CPF and CPP. In addition, the two companies have agreed on the capital contribution to ITOCHU by CPG SPC and En-CP Fund, and the capital participation in CPP by ITOCHU for the purpose of maximizing the effect of the Strategic Alliance.

En-CP Fund is a fund to which CPG and DBJ (all capital is funded by the Japanese government), will substantially contribute capital on a 50-50 basis, and as a result of discussions held at CPG's request, ITOCHU determined that part of the shares of ITOCHU to be issued by the Third-Party Allotment will be allotted to En-CP Fund.

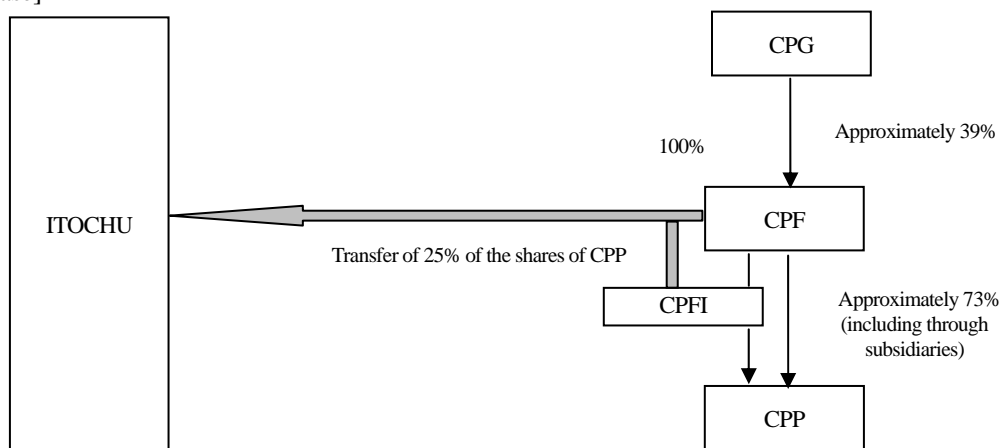
Reference: Capital relationship after the execution of the Strategic Alliance, the Third-Party Allotment and the Share Purchase (as of July 2014)

Capital contribution to ITOCHU by CPG SPC and En-CP Fund at the total ratio of approximately 4.9% (before capital increase)
 [The Third-Party Allotment]



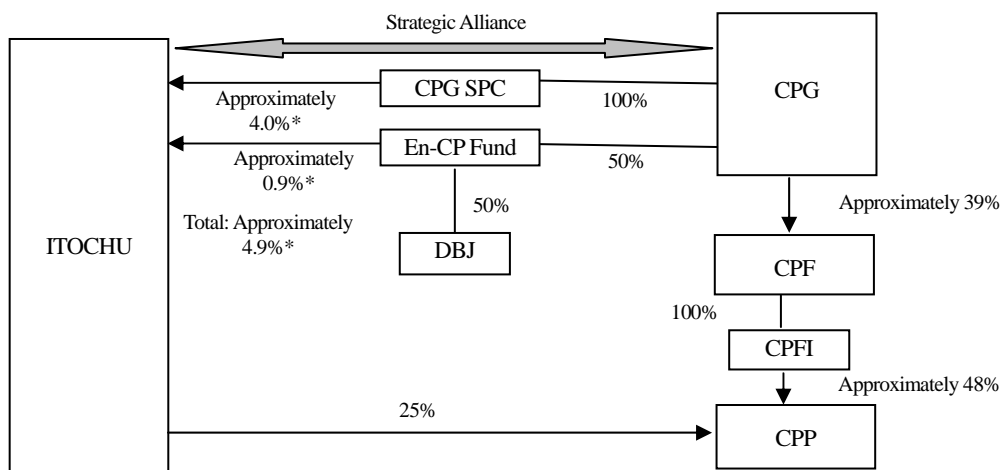
The structure of the contributions by CPG to CPG SPC and by CPG and DBJ to En-CP Fund are simplified in the chart above.
 (*) Based on the number of issued shares before the Third-Party Allotment

Acquisition by ITOCHU from CPF and CPFI of a 25% shareholding (based on the number of voting rights) in CPP
 [Share Purchase]



The shareholding ratio of CPG in CPF includes indirect shareholdings through subsidiaries.

Capital relationship after the completion of the Third-Party Allotment and the Share Purchase



The shareholding ratio of CPG in CPF includes indirect shareholdings through subsidiaries.

(*) Undertaking of the Third-Party Allotment (based on the number of issued shares before the Third-Party Allotment)

Note: The above capital relation charts are illustrated results utilizing the capital relationship as of July 24th, 2014 and taking into effect of the scheduled Third -Party Allotment and Share Purchase.

2. Terms, etc. of the Strategic Alliance

(1) Terms of alliance in relation to business

The following specific terms of the alliance in relation to business have been agreed to as of today:

- (i) joint development of opportunities for business expansion in the non-resource sector including food, chemicals, IT, finance and other areas, mainly in Asian regions; and
 - (ii) promotion of joint initiatives in the animal feed, livestock and marine related business areas mainly in Asian regions such as Thailand, China and Vietnam, and establishment of systems for supplying raw materials to those regions.
- (2) Terms of alliance in relation to capital participation

The following specific terms of the alliance have been agreed to as of today:

- (i) Capital contribution by CPG SPC and En-CP Fund to ITOCHU at the total ratio of approximately 4.9% (based on the number of issued shares before the Third-Party Allotment); and
 - (ii) Acquisition by ITOCHU from CPF and CPFI of a 25% shareholding (based on the number of voting rights) in CPP (Note).
- (Note) The purchase of shares set out in (ii) above will be executed on the same day as the date of the Third-Party Allotment.

3. Outline of counterparty to the Strategic Alliance (as of December 31, 2013)

(1)	Name	Charoen Pokphand Group Company Limited		
(2)	Address	313 C.P. Tower, 14 th & 16 th Floor, Silom Road, Silom Sub-District, Bankgrak District, Bangkok, Thailand		
(3)	Title and name of representative	Dhanin Chearavanont (Chairman)		
(4)	Description of business	Holding company of agriculture, food, food products, finance and other businesses		
(5)	Stated capital	17,616,500,000 baht (approximately 55,000,000,000 yen)		
(6)	Date of incorporation	September 23, 1976		
(7)	Major shareholders and shareholding ratios	Dhanin Chearavanont	12.96%	
		Sumet Jiaravanon	12.96%	
		Jaran Chiaravanont	12.76%	
		Montri Jiaravanont	12.63%	
(8)	Relationship between ITOCHU and the counterparty	Capital relationship	Not applicable.	
		Personnel relationship	Not applicable.	
		Business relationship	ITOCHU has transactions relating to food products with group companies of CPG.	
		Status as related party	Not applicable.	
(9)	Consolidated operating results and financial position for the past three years			
	Fiscal year	Year ended December 2011	Year ended December 2012	Year ended December 2013
	Shareholders' equity (Stand-alone)	4,117	5,195	4,917
	Shareholders' equity (Stand-alone)	6,004	7,291	6,870
	Total assets(combined)	16,930	24,548	32,713
	Net assets(Stand-alone) per share(USD)	2.34	2.95	2.79
	Net revenues	-	-	-
	Operating profit	-	-	-
	Recurring profit	-	-	-
	Current net income	-	-	-
	Current net income per share	-	-	-
	Dividend per share	-	-	-

(Unit: millions of dollars unless otherwise specifically indicated)

Note 1 The above Total Assets (Combined) is a simple total of the non-consolidated figures of CPG and those of each of CPG's major subsidiaries. As CPG has not prepared consolidated financial statements, some items above are left blank.

4. Schedule

(1)	Meeting of Board of Directors	July 24, 2014
(2)	Execution of the Strategic Alliance Agreement	July 24, 2014
(3)	Implementation of the Third-Party Allotment and the Share Purchase	Any day from August 15, 2014 to September 19, 2014
(4)	Date of commencement of the Strategic Alliance	the day immediately following the payment of the third-party allotment

5. Future prospects

ITOCHU will disclose any effects of the Strategic Alliance on the consolidated business results of ITOCHU for the fiscal year ending March 2015 once they become known.

II. Issuance of New Shares

1. Outline of offering

(1)	Period of payment	From August 15, 2014 to September 19, 2014
(2)	Number of shares to be newly issued	78,000,000 shares of common stock of ITOCHU
(3)	Issue price	1,313 yen per unit
(4)	Amount of proceeds	102,414,000,000 yen
(5)	Method of offering and allotment (allottee)	All of the shares are to be allotted to CPG SPC and En-CP Fund by way of third-party allotment.
(6)	Other matters	The matters set out in each item above are subject to certain conditions including that, the Share Purchase can be completed, as well as the registration taking effect under the Financial Instruments and Exchange Act of Japan. The Third-Party Allotment will be completed on the same day as the Share Purchase.

2. Purpose of and reasons for offering

The purpose of the Strategic Alliance is as described in “I. Strategic Alliance, 1. Purpose of and reasons for the Strategic Alliance.” In the process of the discussions on the Strategic Alliance, the ITOCHU Group and the CP Group determined that it is important to establish a stable relationship in the future by continuous cross-shareholdings in order to maximize the effect of the Strategic Alliance, and that it would be useful to establish a capital relationship with each other at the group level in combination with a business alliance.

Although it may be possible to establish the capital relationship described above by the CP Group acquiring the shares of common stock of ITOCHU in market transactions, ITOCHU has determined, after consultation with CPG, that the best way to make capital participation in ITOCHU by the CP Group is to deliver the shares of ITOCHU to the allottees by third-party allotment, in light of various factors such as the period necessary for the acquisition of the shares of common stock of ITOCHU in market transactions, certainty of the implementation of transactions and transaction costs, as well as the necessity for completing the acquisition by the allottees of the shares of ITOCHU and the acquisition by ITOCHU of the shares of CPP at the same time because the capital relationship between the two groups is to be established for implementing the Strategic Alliance.

ITOCHU will make capital participation in the CP Group by acquiring the shares of CPP from CPF and CPFI. ITOCHU will apply the funds raised by the Third-Party Allotment to the acquisition of the shares of CPP and other purposes.

ITOCHU considers that it is important to promptly strengthen its sustainable business base and improve its profit structure overseas, especially in Asia, in order to further promote the growth of the ITOCHU Group. Against this background, ITOCHU has determined that although the Third-Party Allotment involves a dilution of the value of ITOCHU’s shares due to the increase in the number of issued shares, the strengthened alliance relationship between the ITOCHU Group by enhancing the capital relationship with the CP Group including a third-party allotment to the allottees, will contribute to sales increases, improved product competitiveness and

development of new markets as contemplated by both groups by utilizing the functions of each group including the capabilities relating to procurement of raw materials, product supply and information collection in a mutually complementary manner, strengthen ITOCHU's sustainable business base and improve its profit structure in Asia, thereby contributing to the interests of the existing shareholders through the enhanced corporate value of ITOCHU that surpasses the dilution.

Since the Third-Party Allotment involves a dilution of the value of ITOCHU's shares due to the increase in the number of issued shares, ITOCHU has resolved at the meeting of its Board of Directors today matters relating to share repurchase whereby ITOCHU will be able to repurchase its own shares for purposes such as mitigating the effect of such dilution if it materializes (Note). However, ITOCHU may determine not to repurchase all or part of such shares in light of the trends in the market price of shares of common stock of ITOCHU, market environment, financial status of ITOCHU or other factors. Since the actual timing of, and the necessary amount to be paid for the share repurchase cannot be decided at the present time, no matter relating to the method of repurchase of shares has been decided at the present time. ITOCHU will procure optimal funds from sources such as its own funds or borrowings from financial institutions, taking into account the financial conditions of ITOCHU and other factors at the time of the share repurchase.

Note: Please see the "Notice Regarding Share Buyback Program" separately announced today.

3. Amount and use of proceeds and anticipated timing of use

(1) Amount of proceeds

Aggregate paid-in amount (yen)	Approximate amount of issuance and other expenses (yen)	Approximate net total amount
102,414,000,000	800,000,000	101,614,000,000

Note 1: The breakdown of the issuance and other expenses is registration-related expenses such as registration license tax, financial advisory fees, attorneys' fees and other expenses.

Note 2: No consumption taxes or other taxes are included in the approximate amount of issuance and other expenses.

(2) Specific use of proceeds

The above approximate net total amount of proceeds will be applied as follows:

Specific use	Amount (millions of yen)	Anticipated time of use
Expenses for acquisition of the equivalent of 25% of the shares of CPP, to be acquired by ITOCHU from CPF and CPFI	87,000	From August 15, 2014 to September 19, 2014 (but, the same day as the date of the Third-Party Allotment)
Funds for investment, lending, and general operation deemed to be necessary to promote collaboration with the CP Group mainly in Asia	14,614	From September 2014 to September 2016

As part of the promotion of collaboration with the CP Group mainly in Asia, ITOCHU agreed to joint development of opportunities for business expansion in the non-resource sector including food, chemicals, IT, finance and other areas, mainly in Asian regions, and promotion of joint initiatives in the animal feed, livestock and marine related business, mainly in Asian regions such as Thailand, China and Vietnam, and establishment of systems for supplying raw materials to those regions, and will implement those measures for a target period of approximately two years. The funds necessary for such promotion of collaboration is expected to exceed 14.6 billion yen. With respect to the funds necessary for such promotion of collaboration, although the method of procuring the funds exceeding 14.6 billion yen has not been decided at the present time, ITOCHU will use appropriate fund sources such as its own funds or bank loans by taking into account the situation at that time. From the perspective of efficient use of funds, the proceeds except for the expenses for acquisition of the shares of CPP will be managed at financial institutions such as banks until the specific investment or lending, etc. for such promotion of collaboration is executed.

In addition, although the details of the promotion of collaboration with the CP Group will be determined after the future specific examination and negotiation with the CP Group, if, as a result of such examination and negotiation, the amount of funds for investment, lending, and general operation necessary to promote the collaboration is less than the estimated amount shown above, ITOCHU will apply such remaining amount to the

funds for general investment, lending, and operation of the ITOCHU Group in order to make investments or strengthen the financial base for further growth of the ITOCHU Group. In such case, ITOCHU will make disclosures pursuant to relevant laws and regulations.

4. Views on reasonableness of use of proceeds

As outlined in “3.(2) Specific use of proceeds,” ITOCHU will apply the funds raised by the Third-Party Allotment to the payment of consideration for the acquisition of the shares of CPP, and to business operating funds such as funds for investment, lending, and general operation necessary for the collaboration to be pursued with the CP Group mainly in Asia. ITOCHU considers that as a result of such application, as well as by acquiring the equivalent of 25% of the shares of CPP which engages in animal feed, livestock and aquatic product related business in the China and Vietnam regions, the ITOCHU Group will be able to strengthen its business base and improve its profit structure in Asia, thereby leading to the enhanced corporate value of the ITOCHU Group, and by extension, benefits the existing shareholders. Therefore, ITOCHU believes that the use of proceeds from the Third-Party Allotment is reasonable.

5. Reasonableness of the terms and conditions of the issuance

(1) Basis and details for calculating the issue price

The issue price is 1,313 yen by reference to the simple average closing price of ITOCHU’s shares on the Tokyo Stock Exchange for the one month period ending on July 23, 2014, which is the business day immediately prior to the resolution date of the Board of Directors in relation to the Strategic Alliance.

Taking into consideration the effect of information disclosure, media reports and other similar matters regarding ITOCHU on the stock pricing, day- to- day changes in industry trends and market environment, and other factors, ITOCHU has determined that the average share price for a recent certain period of time properly represents the corporate value of ITOCHU, and has decided the issue price after the discussions with CPG by reference to the simple average share price for the last one month.

The issue price represents (i) a 0.5% discount from the closing price (1,320 yen) of ITOCHU’s shares of common stock on the Tokyo Stock Exchange as of July 23, 2014, which is the business day immediately prior to the resolution date of the Board of Directors of ITOCHU as described above, (ii) a 0.2% premium over the simple average closing price (1,311 yen) of such shares for the last one month until such date, (iii) a 5.8% premium over the simple average closing price (1,241 yen) of such shares for the last three months until such date, and (iv) a 6.2% premium over the simple average closing price (1,236 yen) of such shares for the last six months until such date.

ITOCHU has determined that because the concept described above complies with the “Guidelines of Treatment concerning Third-Party Allotment” stipulated by the Japan Securities Dealers Association, the issue price in the Third-Party Allotment is not an especially favorable issue price.

Five corporate auditors (including three outside statutory auditors) attending the meeting of the Board of Directors described above expressed their opinion that the decision of the issue price based on the calculation described above complies with the “Guidelines of Treatment concerning Third-Party Allotment” stipulated by the Japan Securities Dealers Association, and that the issue price in the Third-Party Allotment is not an especially favorable issue price.

(2) Basis for determination that the number of shares being issued and the level of share dilution are reasonable

The total number of shares to be newly issued by the Third-Party Allotment is 78,000,000 shares (the number of voting rights is 780,000 rights), and the ratio as against the total number of issued shares of ITOCHU as of March 31, 2014(i.e. 1,584,889,504 shares) is approximately 4.9% (the ratio as against the total number of voting rights as of March 31, 2014(i.e. 15,763,393 voting rights), is approximately 4.9%). Therefore, the per share value of common stock of ITOCHU will be diluted to a certain extent.

As outlined in “II. Issuance of New Shares, 2. Purpose of and reason for offering,” ITOCHU considers that the raising of funds by the Third-Party Allotment and the Strategic Alliance will contribute to the increased profitability and financial stability through business expansion, and to the enhanced corporate value of the ITOCHU Group, and that from the medium- and long-term perspective, they will contribute to the interests of the existing shareholders of ITOCHU. Therefore, ITOCHU has determined that the number of shares to be issued by the

Third-Party Allotment and the extent of dilution are reasonable.

As described above, ITOCHU has resolved at the meeting of its Board of Directors held today to repurchase its own shares on the conditions that the maximum number of shares to be acquired is 78,000,000 shares, the maximum acquisition amount is 110,000 million yen, and the acquisition period commences on July 25, 2014 and ends on July 24, 2015. However, ITOCHU may not repurchase all or part of such shares in light of the trends in the market price of shares of common stock of ITOCHU, market environment, financial status of ITOCHU or other factors. In this way, ITOCHU has taken measures for mitigating the dilutive effect on its share value if it materializes.

6. Reason for selecting allottees

(1) Outline of allottees (as of July 24, 2014)

(i) CPG SPC (Allottee 1)

(1) Name	CP Worldwide Investment Company Limited	
(2) Address	21/F FAR EAST FINANCE CTR 16, HARCOURT RD, HONG KONG	
(3) Title and name of representative	Soopakij Chearavanont (Chairman)	
(4) Description of business	Holding and management of securities	
(5) Stated capital	1 US dollar	
(6) Date of incorporation	June 11, 2014	
(7) Total number of issued shares	1 share	
(8) Fiscal year	December	
(9) Number of employees	-	
(10) Main customers and suppliers	-	
(11) Main banks	-	
(12) Major shareholders and shareholding ratios	CP Worldwide Investment Holdings Limited	100%
(13) Relationship between ITOCHU and the counterparty	Capital relationship	Not applicable.
	Personnel relationship	Not applicable.
	Business relationship	Not applicable.
	Status as related party	Not applicable.

Note 1: Since CPG SPC has just been incorporated and does not have relevant figures, the consolidated operating results and financial position are omitted.

Note 2: Outline of CP Worldwide Investment Holdings Limited which is a parent of CPG SPC

(1) Name	CP Worldwide Investment Holdings Limited	
(2) Address	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	
(3) Title and name of representative	Soopakij Chearavanont (Chairman)	
(4) Description of business	Holding and management of securities	
(5) Stated capital	1 US dollar	
(6) Date of incorporation	May 29, 2014	
(7) Total number of issued shares	1 share	
(8) Fiscal year	December	
(9) Number of employees	-	
(10) Main customers and suppliers	-	
(11) Main banks	-	
(12) Major shareholders and shareholding ratios	CPG Overseas Company Limited	100.00%

(13) Relationship between ITOCHU and the counterparty	Capital relationship	Not applicable.
	Personnel relationship	Not applicable.
	Business relationship	Not applicable.
	Status as related party	Not applicable.

*Since CP Worldwide Investment Holdings Limited has just been incorporated and does not have the relevant figures the consolidated operating results and financial position are omitted.

Note 3: Outline of CPG Overseas Company Limited which is a parent company of CP Worldwide Investment Holdings Limited

(1) Name	CPG Overseas Company Limited		
(2) Address	21/F FAR EAST FINANCE CTR 16, HARCOURT RD, HONG KONG		
(3) Title and name of representative	Soopakij Chearavanont (Chairman)		
(4) Description of business	Investment business		
(5) Stated capital	1,586,670,827 US dollars		
(6) Date of incorporation	November 10, 2010		
(7) Total number of issued shares	1,586,670,827 shares		
(8) Fiscal year	December		
(9) Number of employees	-		
(10) Main customers and suppliers	-		
(11) Main banks	-		
(12) Major shareholders and shareholding ratios	Charoen Pokphand Group Company Limited	100.00%	
(13) Relationship between ITOCHU and the counterparty	Capital relationship	Not applicable.	
	Personnel relationship	Not applicable.	
	Business relationship	Not applicable.	
	Status as related party	Not applicable.	
(14) Consolidated operating results and financial position for the past three years			
Fiscal year	Year ended December 2011	Year ended December 2012	Year ended December 2013
Stockholders' equity	908	1,706	-
Total assets	1,156	2,103	-
Stockholders' equity per share (US dollars)	0.99	1.38	-
Net revenues	3.4	511.5	-
Operating profit	-	-	-
Recurring profit	-	-	-
Current net income	(12.8)	470	-
Current net income per share (US dollars)	(0.014)	0.38	-
Dividend per share (US dollars)	-	-	-

(Unit: millions of US dollars unless otherwise specifically indicated)

* CPG Overseas Company Limited has not disclosed the financial statements for the year ended December 2013 as they are currently under audit.

(ii) En-CP Fund (Allottee 2)

(1) Name	En-CP Growth Investment L.P.
(2) Address	c/o Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-111, Cayman Island
(3) Basis of incorporation, etc.	Limited partnership under the Exempted Limited Partnership Law of the Cayman Islands
(4) Purpose of establishment	Acquisition and holding, etc. of shares of ITOCHU
(5) Date of establishment	July 4, 2014
(6) Total contribution	20,500,000,000 yen

(7) Contributor, contribution ratio and outline of contributor	En Fund L.P. 100.00% (scheduled)	
(8) Outline of general partner	Name	En Capital Co., Ltd.
	Address	c/o Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-111, Cayman Island
	Title and name of representative	Shigeyuki Shimizu (Director)
	Stated capital	250 US dollars
	Description of business	Management of an investment partnership
	Major contributors and contribution ratios	Dao Capital GP LLC. 50% DBJ 50%
(9) Relationship between the ITOCHU and the fund	Relationship between the listed company and the fund	Not applicable.
	Relationship between the listed company and the operating partner	Not applicable.

Note 1: En-CP Fund is an exempted limited liability partnership organized on July 4, 2014 under the laws of the Cayman Islands, British West Indies for the purpose of the acquisition and holding of the shares of ITOCHU by the Third-Party Allotment. The contributed amount to En-CP Fund as of today is 2 U.S. dollars. Before the execution of the Third-Party Allotment, the limited partner will contribute capital to En-CP Fund, by which the contributed amount will be increased to 20,500,000,000 yen. En Capital Co., Ltd., the general partner, is a company incorporated on July 4, 2014 under the laws of the Cayman Islands, British West Indies, and one of its contributors, Dao Capital GP LLC is an investment company wholly owned by the CP Group.

Note2: Outline of En Fund L.P., which is the contributor of En-CP Fund

(1) Name	En Fund L.P.	
(2) Address	c/o Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-111, Cayman Islands	
(3) Basis of incorporation, etc.	Limited partnership under the Exempted Limited Partnership Law of the Cayman Islands	
(4) Purpose of incorporation	Investment in securities	
(5) Date of establishment	July 14, 2014	
(6) Total contribution	40,000,000,000 yen (scheduled)	
(7) Contributor, contribution ratio and outline of contributor	CPG Pan Asia Investment Holdings Limited 50.00% DBJ 50.00%	
(8) Outline of general partner	Name	En Capital Co., Ltd.
	Address	c/o Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-111, Cayman Islands
	Title and name of representative	Shigeyuki Shimizu (Director)
	Stated capital	250 US dollars
	Description of business	Management of an investment partnership
	Major contributors and contribution ratios	Dao Capital GP, LLC. 50% DBJ 50%
(9) Relationship between the ITOCHU and the fund	Relationship between the ITOCHU and the fund	Not applicable.
	Relationship between the ITOCHU and the operating partner	Not applicable.

* En Fund L.P. is an investment partnership (an exempted limited liability partnership organized on July 4, 2014 under the laws of the Cayman Islands, British West Indies). The contributed amount to En Fund L.P. as of today is 2 U.S. dollars. Before the execution of the Third-Party Allotment, the limited partners will contribute capital to En Fund L.P., by which the contributed amount will be increased to 40,000,000,000 yen.

Note 3: Outline of CPG Pan Asia Investment Holdings Limited which is the major contributor of En Fund L.P.

(1)	Name	CPG Pan Asia Investment Holdings Limited	
(2)	Address	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	
(3)	Title and name of representative	Soopakij Chearavanont (Chairman)	
(4)	Description of business	Investment business	
(5)	Stated capital	1 US dollar	
(6)	Date of incorporation	May 23, 2014	
(7)	Total number of issued shares	1 share	
(8)	Fiscal year	December	
(9)	Number of employees	-	
(10)	Main customers and suppliers	-	
(11)	Main banks	-	
(12)	Major shareholders and shareholding ratios	CPG Overseas Company Limited	100.00%
(13)	Relationship between ITOCHU and the counterparty	Capital relationship	Not applicable.
		Personnel relationship	Not applicable.
		Business relationship	Not applicable.
		Status as related party	Not applicable.

*Since CPG Pan Asia Investment Holdings Limited has just been incorporated and does not have the relevant figures, the consolidated operating results and financial position are omitted.

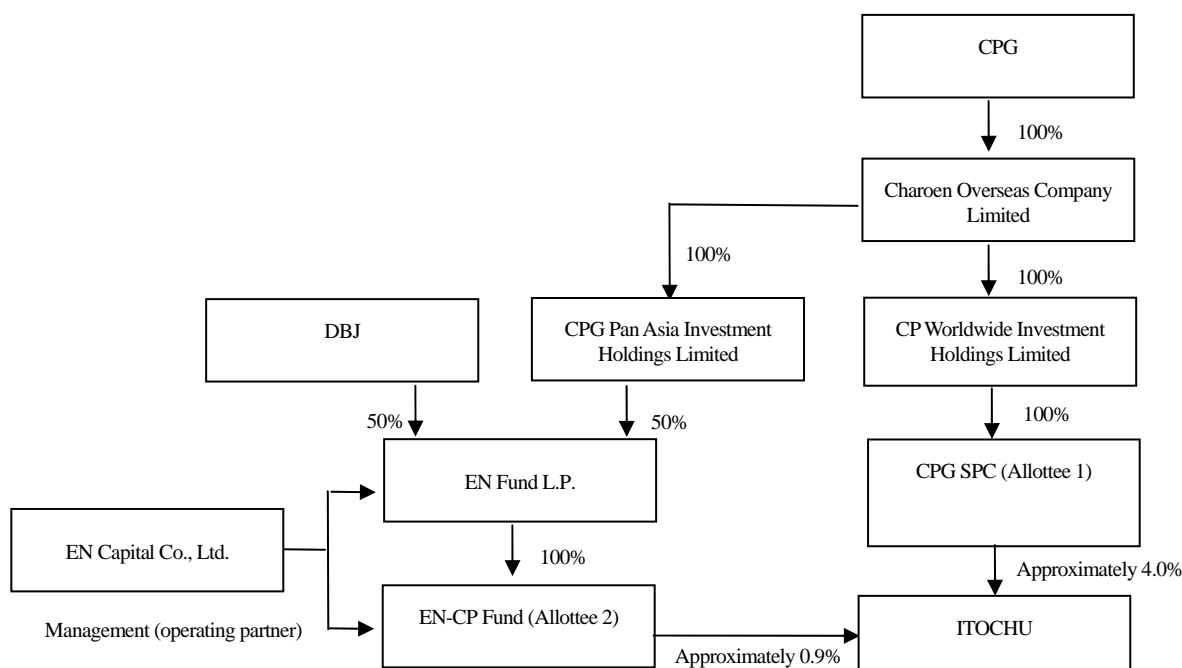
Note 4: Outline of DBJ which is a 50% contributor of En Fund L.P.

(1)	Name	Development Bank of Japan Inc.		
(2)	Address	1-9-6, Otemachi, Chiyoda-ku, Tokyo		
(3)	Title and name of representative	Tohru Hashimoto (President and Representative Director)		
(4)	Description of business	Finance and insurance business		
(5)	Stated capital	1,206,953,000,000 yen		
(6)	Date of incorporation	October 1, 2008		
(7)	Total number of issued shares	43,632,360 shares (as of the end of March 2014)		
(8)	Fiscal year	March		
(9)	Number of employees	1,189 employees (as of the end of March 2014) (non-consolidated)		
(10)	Main customers and suppliers	-		
(11)	Main banks	-		
(12)	Major shareholders and shareholding ratios	Minister of Finance	100.00% (all capital is funded by the Japanese government)	
(13)	Relationship between ITOCHU and the counterparty	Capital relationship	Not applicable.	
		Personnel relationship	Not applicable.	
		Business relationship	ITOCHU has transactions relating to borrowings with DBJ.	
		Status as related party	Not applicable.	
(14)	Consolidated operating results and financial position for the past three years			
	Fiscal year	Year ended March 2012	Year ended March 2013	Year ended March 2014
	Stockholders' equity (consolidated)	2,454,736,000,000	2,531,817,000,000	2,617,692,000,000
	Total assets (consolidated)	15,579,881,000,000	16,248,712,000,000	16,310,711,000,000
	Stockholders' equity (consolidated) per share	56,259.53	58,026.14	59,994.26

Net revenues (consolidated)	-	-	-
Ordinary revenue (consolidated)	318,775,000,000	340,098,000,000	361,610,000,000
Recurring profit (consolidated)	99,213,000,000	115,621,000,000	165,777,000,000
Current net income (consolidated)	77,313,000,000	71,337,000,000	124,303,000,000
Current net income (consolidated) per share	1,772.27	1,634.96	2,848.87
Dividend per share	856	808	706

(Unit currency: yen)

Capital relationship of the allottees:



(2) Reason for selecting the allottees

Please refer to “2. Purpose of and reasons for offering” above. Under the share allotment agreement executed between ITOCHU and the allottees, and the written confirmation obtained from CPG, representations and warranties have been made to ITOCHU to the effect that the allottees, and CPG and its subsidiaries, and their respective directors have no relationship with anti-social forces. In addition to the above, considering that the companies and persons subject to the investigation are located in multiple countries, ITOCHU retained an international third-party investigation agency (the “Agency”; for the actual investigation, the Japanese branch of the Agency served as coordinator and requested personnel in relevant countries to carry out investigations) to investigate CPG and its related parties (specifically, key directors and major shareholders of CPG, and CPF and CPP which are key subsidiaries or affiliates of CPG, and their key directors) by making inquiries to relevant persons and by other investigation methods as well as investigating public information. As a result of such investigation, ITOCHU received a report from the Agency that no facts were found suggesting any relationship of CPG or its related parties with crime organizations. Because the Agency is a foreign investigation agency and the investigation covered a broad range of matters such as ethical issues and reputation in the business community, including, but not limited to, whether the subject persons are related to “anti-social forces,” the report refers to “criminal organizations” instead of “anti-social forces.” Although it cannot be said that the scope of “criminal organizations” is the same as that of “anti-social forces,” ITOCHU determined, taking into consideration the explanations from the Agency and other factors, that the report can be treated as a report to ascertain whether the companies are related to “anti-social forces.”

The feature of the investigation method of the Agency is to investigate the target companies and persons by utilizing confidential access to, or source of, the relevant information such as utilizing all available connections held by the Agency and conducting interviews with leading figures in politics and economics who are generally inaccessible. ITOCHU believes that it was able to obtain highly reliable results from such investigation on the

target companies or persons. ITOCHU understands from the Agency that if the name of the Agency is indicated and published, (i) the credibility of the Agency regarding its confidential use of information would be materially damaged and it is likely to adversely affect the business of the Agency, (ii) because the Agency collected information from various sectors on the condition that the information should be strictly kept confidential, it is possible that the Agency or its concerned persons would incur harm from the persons providing information or others surrounding such persons, and (iii) it is not common to publish or disclose the name of research agencies that conduct international investigations, and ITOCHU has determined that the foregoing three concerns are sufficiently reasonable. Although ITOCHU continuously consulted with the Agency about whether the name of the Agency could be disclosed, since ITOCHU was unable to obtain the approval of the Agency, ITOCHU has determined to refrain from disclosing the name of the Agency. Although ITOCHU had no choice but to refrain from disclosing the name of the Agency, ITOCHU determined that it would ultimately be beneficial for ITOCHU and its shareholders to utilize its high investigative capabilities, and had decided to retain the Agency.

CPG SPC and CPG Pan Asia Investment Holdings Limited, an indirect contributor to En-CP Fund, were not subject to the investigation by the Agency because each is a special purpose company incorporated as a subsidiary wholly and indirectly owned by CPG whose only business is to hold the shares of ITOCHU (or the equity interests in EN Fund L.P.). Also, En-CP Fund was not subject to an investigation by the Agency since it is an investment partnership organized only for the purpose of the acquisition and holding of the shares of ITOCHU and managed and operated under the joint contribution by DBJ and CPG's subsidiary.

In addition, with respect to DBJ, ITOCHU confirmed the securities report filed on June 26, 2014 by DBJ with the Director General of the Kanto Local Finance Bureau that DBJ has designed the Basic Internal Control Policy and established a system to block relationships with anti-social forces that threaten the social order or safety, and also that the sole shareholder of DBJ is the Minister of Finance.

From the procedures as described above, ITOCHU has determined that the allottees, their directors, and their major shareholders and contributors do not have any relationships with anti-social forces. ITOCHU has submitted to the Tokyo Stock Exchange a written confirmation to that effect.

(3) Allottee's policy on holding shares

ITOCHU will obtain from the allottees a written commitment that for a period of two years from the payment date, if the allottees assign all or some of the shares of common stock of ITOCHU acquired by the allottees, the allottees will immediately report in writing to ITOCHU the name and address of the assignee, the number of shares assigned, assignment date, purchase price, reason for assignment, method of assignment and other matters, and that the allottees agree that ITOCHU will make a report to the Tokyo Stock Exchange based on that report, and the details of that report will be made available for public inspection.

ITOCHU and the allottees have agreed not to assign all or part of the shares acquired by ITOCHU and the allottees by the Third-Party Allotment and the Share Purchase (i.e., with respect to the ITOCHU Group, the shares of CPP acquired by ITOCHU, and with respect to the CP Group, the shares of ITOCHU acquired by the allottees) without prior written consent of the other party for a period from the acquisition date of those shares to March 31, 2019 (however, the pledge by the allottees of the shares of ITOCHU in favor of the lending financial institutions as part of financing the acquisition of the shares of ITOCHU, the foreclosure of such pledge and assignment of the relevant shares from En-CP Fund to CPG SPC are permitted).

(4) Confirmed facts regarding existence of assets necessary for payment by allottee

ITOCHU has obtained from CPG, which is the wholly-owning parent company of CPG SPC (the allottee 1) and which is substantially one of the 50% contributors of En-CP Fund (the allottee 2), a confirmation that the payment for the Third-Party Allotment is sufficiently possible and a report that there is no obstacle to securing necessary funds. Further, ITOCHU has obtained the financial statements of CPG and confirmed its overall financial position.

With respect to DBJ, which is substantially the other 50% contributor of En-CP Fund, as a result of the confirmation of the status of total assets, net assets and cash deposits as posted in the most recent securities report (filed on June 26, 2014) filed by DBJ with the Director General of the Kanto Local Finance Bureau, ITOCHU has determined that there is no problem in the payment capabilities for the Third-Party Allotment.

7. Major shareholders and shareholding ratios after offering

Before Offering (as of March 31, 2014)		After Offering	
Japan Trustee Services Bank, Ltd. (Trust Account)	5.08	Japan Trustee Services Bank, Ltd. (Trust Account)	4.84
The Master Trust Bank of Japan, Ltd. (Trust Account)	4.70	The Master Trust Bank of Japan, Ltd. (Trust Account)	4.48
Mizuho Bank, Ltd.	2.49	CP Worldwide Investment Company Limited	3.84
Mitsui Sumitomo Insurance Company, Limited	2.39	Mizuho Bank, Ltd.	2.37
Nippon Life Insurance Company	2.16	Mitsui Sumitomo Insurance Company, Limited	2.28
JP MORGAN CHASE BANK 385632 (Standing Proxy: Mizuho Bank, Ltd., Settlement Sales Department)	2.02	Nippon Life Insurance Company	2.06
STATE STREET BANK AND TRUST COMPANY (Standing Proxy: HSBC Services Japan Limited, Tokyo Branch, Custody Service Department)	1.89	JP MORGAN CHASE BANK 385632 (Standing Proxy: Mizuho Bank, Ltd., Settlement Sales Department)	1.93
Barclays Securities Japan Limited	1.59	STATE STREET BANK AND TRUST COMPANY (Standing Proxy: HSBC Services Japan Limited, Tokyo Branch, Custody Service Department)	1.80
Asahi Mutual Life Insurance Company	1.48	Barclays Securities Japan Limited	1.51
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1.39	Asahi Mutual Life Insurance Company	1.41

8. Future prospects

The effect of the Third-Party Allotment on the consolidated business results of ITOCHU for the fiscal year ending March 2015 will be disclosed once it becomes apparent.

9. Matters relating to procedures based on the Code of Corporate Conduct

The Third Party Allotment does not require the acquisition of an opinion from an independent third party nor require procedures for confirming the intent of shareholders, as set forth in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, because (1) the dilution ratio of the Third Party Allotment is less than 25% and (2) the Third Party Allotment does not involve a change in the controlling shareholder.

10. Status of business results and equity finance for the past three years

(1) Business results for the past three years (consolidated basis)

	Year ended March 2012	Year ended March 2013	Year ended March 2014
Revenues	11,904,749 million yen	12,551,557 million yen	14,566,820 million yen
Operating profit	272,620 million yen	244,219 million yen	279,094 million yen
Current net income before tax	341,174 million yen	311,112 million yen	373,808 million yen
Current net income attributable to ITOCHU's stockholders	300,505 million yen	280,297 million yen	310,267 million yen
Current net income attributable to ITOCHU's stockholders per share	190.13 million yen	177.35 million yen	196.31 million yen
Dividend per share	44 yen	40 yen	46 yen
Stockholders' equity per share	862.88 yen	1,117.01 yen	1,358.42 yen

(Unit: millions of yen unless otherwise specifically indicated)

(Note) The business results described above were prepared in accordance with U.S. Generally Accepted Accounting Principles.

- (2) Current status of the number of issued shares and the number of potential shares (as of March 31, 2014)

	Number of shares	Ratio to issued shares
Number of issued shares	1,584,889,504 shares	100%

Note: There are no dilutive shares as of March 31, 2014.

- (3) Recent share prices
 (i) Over the past three years

	Year ended March 2012	Year ended March 2013	Year ended March 2014
Opening price	870 yen	925 yen	1,125 yen
High price	966 yen	1,241 yen	1,568 yen
Low price	676 yen	755 yen	1,033 yen
Closing price	903 yen	1,131 yen	1,206 yen

- (ii) Over the past six months

	January	February	March	April	May	June
Opening price	1,302 yen	1,261 yen	1,254 yen	1,222 yen	1,145 yen	1,213 yen
High price	1,373 yen	1,321 yen	1,322 yen	1,223 yen	1,224 yen	1,310 yen
Low price	1,247 yen	1,172 yen	1,134 yen	1,118 yen	1,139 yen	1,210 yen
Closing price	1,265 yen	1,264 yen	1,206 yen	1,144 yen	1,203 yen	1,301 yen

- (iii) Share price on the business day immediately prior to the date of the resolution to conduct the issue

	July 23, 2014
Opening price	1,302 yen
High price	1,320 yen
Low price	1,302 yen
Closing price	1,320 yen

- (4) Status of equity finance for the past three years

Not applicable.

11. Summary of issuance

- (1) Type and number of shares: 78,000,000 shares of common stock of ITOCHU
- (2) Paid-in amount: 1,313 yen per share
- (3) Amounts by which stated capital and capital reserve are to be increased:
 Stated capital: 656.5 yen per share
 Capital reserve: 656.5 yen per share
- (4) Total amounts by which stated capital and capital reserve are to be increased:
 Stated capital: 51,207,000,000 yen
 Capital reserve: 51,207,000,000 yen
- (5) Allottee and number of shares allotted:
 CPG SPC: 63,500,000 shares
 En-CP Fund: 14,500,000 shares
- (6) Subscription period: From August 15, 2014 to September 19, 2014
- (7) Payment date: From August 15, 2014 to September 19, 2014

(8) Other matters:

The matters set out in each item above are subject to certain conditions including that the Share Purchase can be completed, as well as the registration taking effect under the Financial Instruments and Exchange Act of Japan. The Third-Party Allotment will be completed on the same day as the Share Purchase.

III. Acquisition of Shares of CPP

1. Reason for acquisition of shares

As described above, for the purpose of mutually improving corporate value through the promotion of joint initiatives in animal feed, livestock and marine related business in the Asian region and the establishment of systems for supplying raw materials to that region, ITOCHU, CPF and CPFI have executed the share sale and purchase agreement (the “**Share Purchase Agreement**”) as of today under which ITOCHU will purchase from CPF and CPFI the shares of CPP, a subsidiary of CPF that engages in animal feed, livestock and aquatic product related business in the China and Vietnam regions.

2. Method of the Share Purchase

Today, ITOCHU has agreed with CPF and CPFI that it will acquire from CPF and CPFI via off-market transaction, approximately 6,018 million shares of common stock of CPP (representing 25% the total number of the voting rights in CPP) at the total amount of approximately 6,620 million Hong Kong dollars (1.1 Hong Kong dollars per share) on the same day as the payment date of the Third-Party Allotment. The shares of CPP are listed on the Hong Kong Stock Exchange, and the closing price of such shares on the Hong Kong Stock Exchange as of July 23, 2014 is 0.96 Hong Kong dollars per share. The breakdown of shares of common stock of CPP acquired by ITOCHU is 4,639,853,337 shares from CPF and 1,378,105,971 shares from CPFI.

3. Outline of the company whose shares are to be purchased (as of December 31, 2013)

(1) Name	C.P. Pokphand Co. Ltd.		
(2) Address	Canon’s Court, 22 Victoria Street, Hamilton HM12, Bermuda		
(3) Title and name of representative	Shanlin Bai (Chief Executive Officer) Sooksunt Jiumjaiswanglerg (Chief Executive Officer) Thanakorn Seriburi (Chief Executive Officer)		
(4) Description of business	Compound animal feed business, livestock and aquatic product related business, and manufacture and sale business of food products		
(5) Stated capital	251,000,000 US dollars		
(6) Date of incorporation	October 16, 1987		
(7) Major shareholders and shareholding ratios	CPF Investment Limited 59.16% Charoen Pokphand Foods Public Company Limited 12.11%		
(8) Relationship between ITOCHU and the company	Capital relationship	Not applicable.	
	Personnel relationship	Not applicable.	
	Business relationship	Not applicable.	
	Status as related party	Not applicable.	
(9) Consolidated operating results and financial position for the past three years	(thousands of US dollars)		
Fiscal year	Year ended December 2011	Year ended December 2012	Year ended December 2013
Stockholders’ equity (consolidated)	828,512	918,659	1,069,122
Total assets (consolidated)	1,968,271	2,116,880	2,759,488
Stockholders’ equity (consolidated) per share (US cents)	4.51	3.81	4.28
Net revenues (consolidated)	3,623,230	4,959,059	5,414,290
Operating profit (consolidated)	255,182	276,386	236,952
Current net income before tax (consolidated)	261,861	303,190	249,418
Current net income attributable to ITOCHU’s stockholders	173,199	204,154	186,211

Current net income (consolidated) per share (US cents)	0.943	0.846	0.745
Dividend per share (US cents)	0.41	0.44	0.37

(Unit: millions of yen unless otherwise specifically indicated)

4. Outline of the sellers (as of December 31, 2013)

(i) Outline of CPF

(1) Name	Charoen Pokphand Foods Public Company Limited		
(2) Address	313 C.P. Tower Building, Silom Road, Bangrak, Bangkok 10500, Thailand		
(3) Title and name of representative	Adirek Sripratak (President, Chief Executive Officer)		
(4) Description of business	Compound animal feed business, livestock and aquatic product related business, and manufacture and sale business of food products		
(5) Stated capital	7,742,940,000 baht (approximately 24,000,000,000 yen)		
(6) Date of incorporation	January 17, 1978		
(7) Major shareholders and shareholding ratios	Charoen Pokphand Group Company Limited	25.00%	
	Charoen Pokphand Holding Co., Ltd.	11.38%	
(8) Relationship between ITOCHU and the company	Capital relationship	Not applicable.	
	Personnel relationship	Not applicable.	
	Business relationship	ITOCHU has transactions relating to food products with Flower.	
	Status as related party	Not applicable.	

(ii) Outline of CPF Investment Limited

(1) Name	CPF Investment Limited		
(2) Address	P.O. Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands		
(3) Title and name of representative	Min Tieworn (Director) Chingchai Lohawatanakul (Director) Adirek Sripratak (Director) Veeravat Kanchanadul (Director) Arunee Watcharananan (Director)		
(4) Description of business	Investment business		
(5) Stated capital	1,200,000,000 US dollars		
(6) Date of incorporation	August 29, 1995		
(7) Major shareholders and shareholding ratios	Charoen Pokphand Foods Public Company Limited	100%	
(8) Relationship between ITOCHU and the company	Capital relationship	Not applicable.	
	Personnel relationship	Not applicable.	
	Business relationship	Not applicable.	
	Status as related party	Not applicable.	

5. Schedule

(1) Meeting of Board of Directors	July 24, 2014
(2) Execution of the Share Purchase Agreement	July 24, 2014
(3) Implementation of the Share Purchase	Any day from August 15, 2014 to September 19, 2014

6. Future prospects

The effect of the Share Purchase on the consolidated business results of ITOCHU for the fiscal year ending March 2015 will be disclosed once it becomes apparent.

End.

Reference:

Forecasted consolidated business results for the current fiscal year (announced on May 1, 2014) and consolidated results of the previous fiscal year

(Unit: millions of yen)	Gross trading profit	Operating profit	Profit before tax	Net income attributable to ITOCHU's stockholders
<u>Forecasted consolidated business results for the current fiscal year</u> (Fiscal year ending March 2015)	1,110,000	300,000	438,000	300,000
Consolidated business results of the previous fiscal year (Fiscal year ended March 2014)	1,045,022	288,992	360,762	245,312

(Note) ITOCHU has voluntarily adopted International Financial Reporting Standards (IFRS) for the consolidated financial statements in its securities report for the fiscal year ended March 2014, and therefore the forecasted consolidated business results for the fiscal year ending March 2015 have been prepared in accordance with IFRS. The consolidated business results for the previous fiscal year described above have also been prepared in accordance with IFRS.