The Brand-new Deal

Strategic Alliance with Dentsu Group Companies

ITOCHU Corporation

・Senior Managing Executive Officer, President, ICT & Financial Business Company; Deputy COO / **Shunsuke Noda**
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・Member of the Board, Senior Executive Officer, CFO; CXO / **Hiroyuki Naka**

Thank you very much for joining us today.
I am Hosomi from the 8th Company.

Creating a New Earnings Pillar through a Strategic Partnership with Dentsu Group

Evolving into a total solutions provider for the AI era through a strategic alliance with Dentsu Group

IT Services Area

CTC × DENTSU SOKEN

- ITOCHU's subsidiary will invest in DENTSU SOKEN **up to ¥215.2bn (38% Stake)**
- CTC and DENTSU SOKEN plan to enter into a **business alliance agreement**

Retail Media Area

DATA ONE / GATE ONE × dentsu tokyo/osaka/nagoya

- DATA ONE, GATE ONE and Dentsu entered into a **business alliance agreement**
- **Accelerating media-related revenue growth** across ITOCHU Group

Accelerating data-driven value creation by combining Dentsu Group's expertise and network with ITOCHU Group's strengths

Aiming for ROI of over 8% across the entire framework in the long term

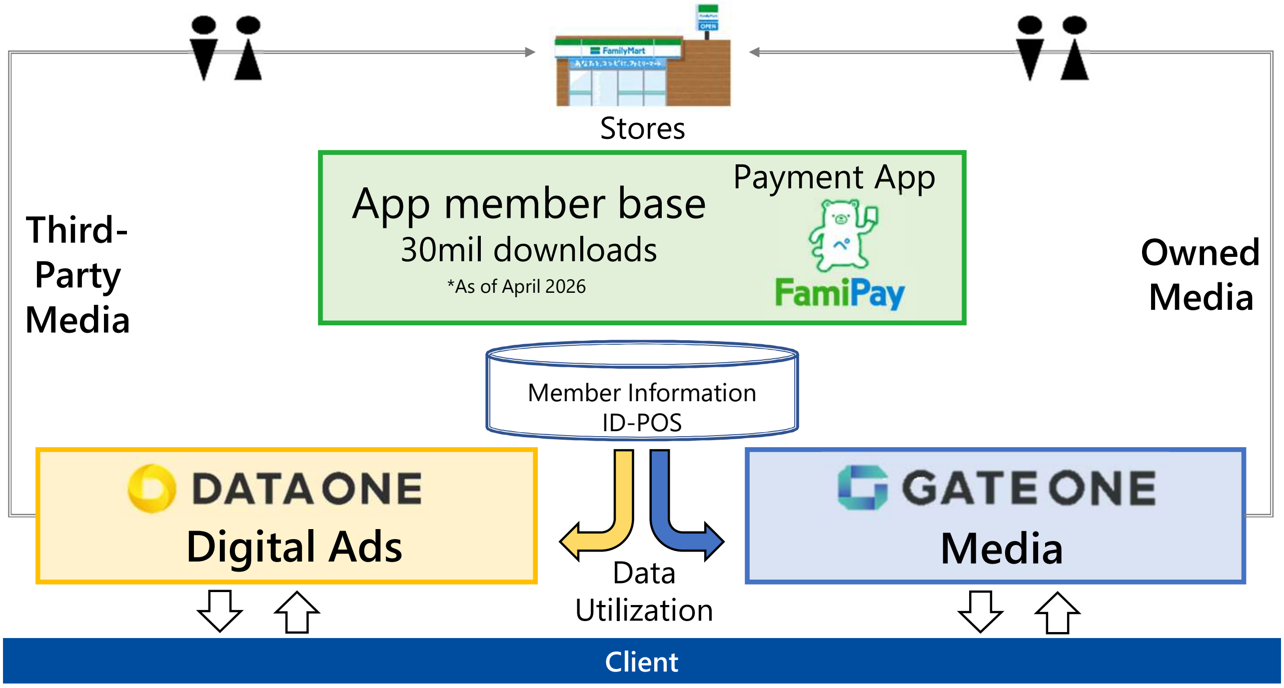
(*) "CTC" refers to ITOCHU Techno-Solutions Corporation.

Today, I would like to explain our strategic alliance with the Dentsu Group.

I will explain how we view the retail media and data area, why we see significant potential in this area, and what we aim to achieve by combining our strengths with the expertise of the Dentsu Group, focusing on these key points. Noda will later explain the specific areas of collaboration and expected synergies in the IT services domain.

This project is an extremely important step for the ITOCHU Group as we work to expand our medium- to long-term earnings base. For the 8th Company in particular, we see it as an initiative that will take the business foundation we have built —centered on consumer touchpoints, purchase data, and in-store media mainly through FamilyMart— to the next stage of growth in a transformative way.

Overview of Retail Media Business



Let me first explain once again what retail media is.

At the top of the page, you can see our store network. FamilyMart has approximately 16,000 stores nationwide and receives around 15 million customer visits per day. Famima Digital One operates the FamiPay app, which includes payment functionality and has now reached 30 million downloads. In other words, this means we hold 30 million advertising IDs. Using this member information, Data One, shown on the left-hand side, delivers advertisements through third-party media, such as social media. In addition to the 30 million FamiPay IDs, through partnerships with NTT DOCOMO and other retailers, we currently hold approximately 60 million advertising IDs. We are developing our digital advertising business while analyzing this purchase data.

On the right-hand side, Gate One operates a media business that delivers advertisements through the digital signage installed in FamilyMart stores—in other words, our owned media. By effectively utilizing the 60 million IDs we hold, we can deliver advertisements across both third-party media and owned media.

Retail Media Sector | (1) Trends in the United States

The value of advertising shifts from “Browsing History” to “Actual Purchase Data.”

Past: Based on “Browsing History”	From Here: Based on “Actual Purchase Data”
Ads targeted to people who searched for health foods online	Ads delivered directly to daily salad-chicken buyers
Tighter privacy rules limit behavioral tracking	Retailers' actual purchase data is rising in value

In the U.S., major retailers like Walmart are fully entering the advertising business.
- the company's annual advertising revenue is rapidly expanding.

2023		2024		2025
$3.4 billion	▶	$4.4 billion	▶	$6.4 billion

Source: Walmart Inc. full-year results materials

Then, let me explain a simple question: why retail media now?

Six years ago, when I was President of the 8th Company, I studied developments in the United States as a successful case. In the U.S., tighter privacy regulations made it extremely difficult to track individuals’ online browsing histories and deliver advertisements through social media. As a result, the value of a business model based on analyzing retailers’ actual purchase data and using it to deliver advertisements through apps and social media rose sharply. For example, rather than targeting people who simply searched online, advertisers can directly reach health-conscious consumers who actually purchase salad chicken and OIKOS every morning. That results in materially higher recognition rates. In other words, advertising value has shifted significantly toward clear, verified data based on actual purchasing behavior.

In the U.S., Walmart has entered the advertising business in earnest, leveraging the Walmart Connect app and in-store signage. Over the past three years, its annual advertising revenue has grown rapidly, from $3.4 billion in 2023 to $4.4 billion in 2024 and $6.4 billion in 2025.

Retail Media Sector | (2) Target Areas and Business Scale

ITOCHU's retail media business has grown significantly since its launch in 2021.

Retail Media-Related Business Profit

Reached ¥5.0 billion business profit in 3 years (2 years ahead of the initial plan)

FY2024	FY2028	FY2030
¥5.0 billion	¥10.0 billion (Plan)	¥15.0 billion (Plan)

We believed this trend would also take hold in Japan, and the ITOCHU Group, including FamilyMart, has invested approximately ¥50.0 billion in this area. Those investments have been made in payment apps, signage, and data accumulation and analysis.

As a result, business profit in this area expanded rapidly to ¥5.0 billion in FY2024. Through this alliance with Dentsu, we now see ¥15.0 billion by FY2030 as achievable.

Retail Media Sector | (2) Target Areas and Business Scale

The target is not in-store promotional spending, but the client company's "marketing budget."

Annual ad spend, three major industries (2025)

Industry	Annual ad spend	Of which, TV ads
Automobile	¥82.6bn	¥70.3bn
Finance & Insurance	¥135.7bn	¥118.7bn
Food	¥196.3bn	¥149.6bn
Total	Approx. ¥410.0bn	Approx. ¥340.0bn

A strategy that prioritizes three industries with large advertising budgets as key targets, with the aim of capturing overall marketing budgets.

Source: Dentsu, Advertising Expenditures in Japan 2025

Our target is companies' marketing budgets, not in-store promotional spending used to fund discounts. Industries with large advertising budgets, such as automobiles, financial services, and food, are especially important targets for us.

For example, in 2025, these three industries are expected to spend approximately ¥410.0 billion on advertising, of which roughly ¥340.0 billion is still allocated to TV, or so-called old media. Through our alliance with Dentsu, which has strong relationships with advertisers, we believe there is a high probability of achieving our plan by redirecting a portion of those budgets toward retail media.

Retail Media Sector | (2) Target Areas and Business Scale

As Asia's first successful retail media business case,

One of Asia's largest retail conferences in 2025
"NRF Retail's Big Show Asia Pacific"

FamilyMart to present at the keynote speech

Through business alliance with the Dentsu Group,
we will further accelerate a business that has already achieved
solid profitability and a proven track record.

In fact, our initiatives have already attracted global attention. In 2025, we were invited by the National Retail Federation, or NRF, to deliver a keynote speech showcasing our initiative as one of Asia's first successful retail media cases.

In other words, this initiative is not a business we are building from scratch. We are entering a phase where we will further accelerate a business that has already achieved solid profitability and a proven track record, by leveraging our business alliance with the Dentsu Group.

Retail Media Sector | (3) The Role of CVS in the Digital Age

Redefining the store network, which attracts 15 million visitors daily, as brand, information, and experience touchpoints

(1) Understanding consumers through stores + apps

- **16,500** Physical touchpoints in stores
- **30mil** FamiPay member base
- **60mil IDs** Purchase data

Fresh data updated daily

(2) Role as a SHOWCASE

- **List price** No discounts
- **Show** → Try → Buy Flow
- **Advertising** as a monetized function

Essential Features for Manufacturers

(3) IP Conversion of CVS Space

- **Store space** into advertising slots
- **11,580** stores of the FamilyMart TV network
- **Patents** Signage distribution methods, etc.

One of the largest in-store media networks in Japan

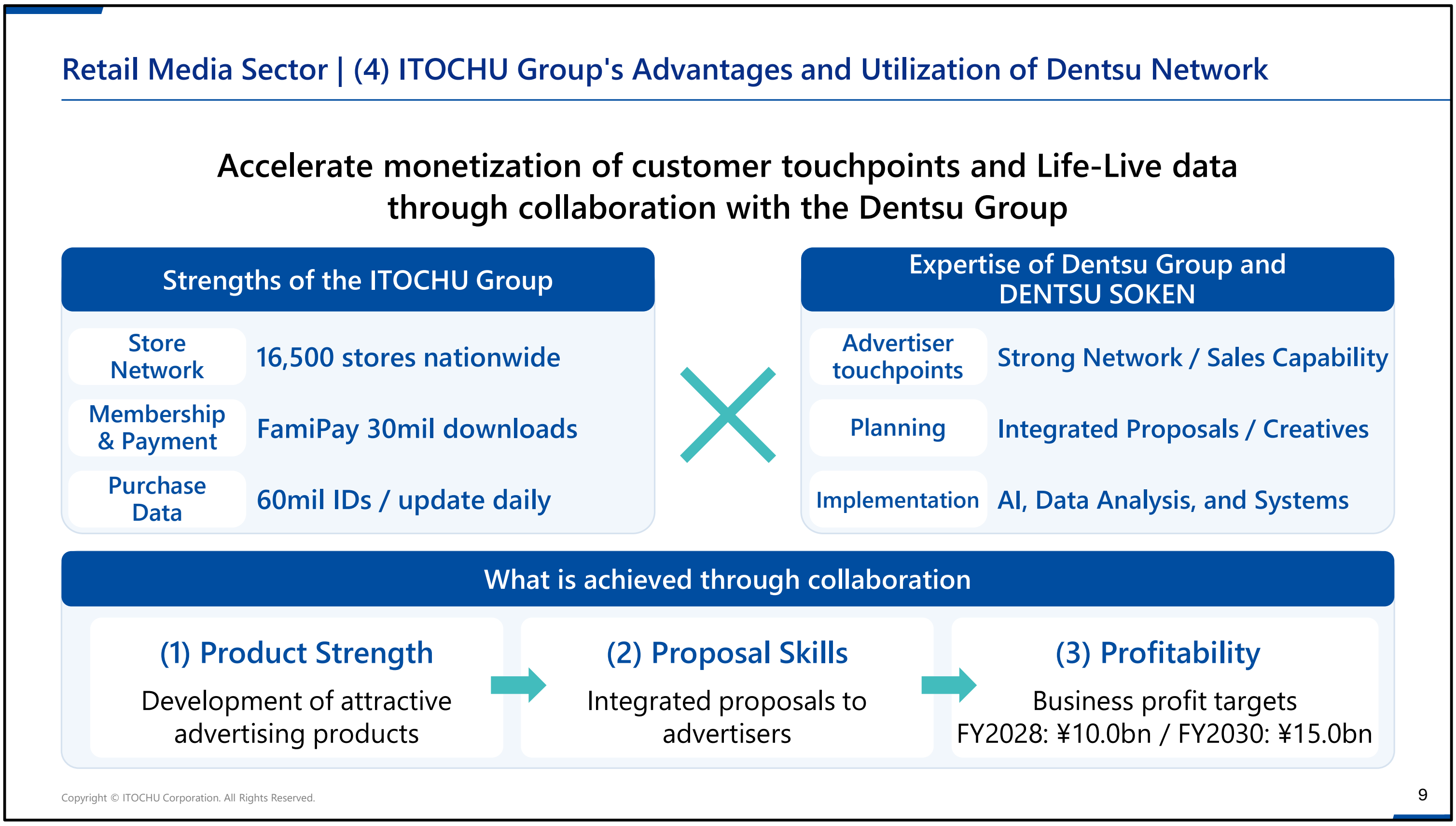
Transforming Stores from "Places to Sell Goods" into "Giant Media Experiencing Brands"

The retail media business will have a major spillover effect on FamilyMart by transforming its store network into a giant media platform. There are three key points.

First, we have daily consumption data on the scale of ¥10 trillion, based on 60 million IDs. This captures approximately one-third of all purchase data in this sector in Japan.

Second, convenience stores (CVS) in Japan play a unique role in supporting the retail price (list price) structure of the industry, especially for food manufacturers. Without convenience stores, Japan's consumer ecosystem would not function as it does today. In addition, the nationwide network of about 60,000 convenience stores serves as a substitute for various functions in shrinking regional areas. Today, convenience stores go beyond selling food and even offer cars.

Third, by turning the convenience store space into an "IP platform," we can expect to further improve profitability. Even a small increase in the profit margin of the CVS business would have a significant impact: for example, a 1% increase in margin could result in ¥30 billion in additional operating profit. This demonstrates the substantial growth potential in this area.



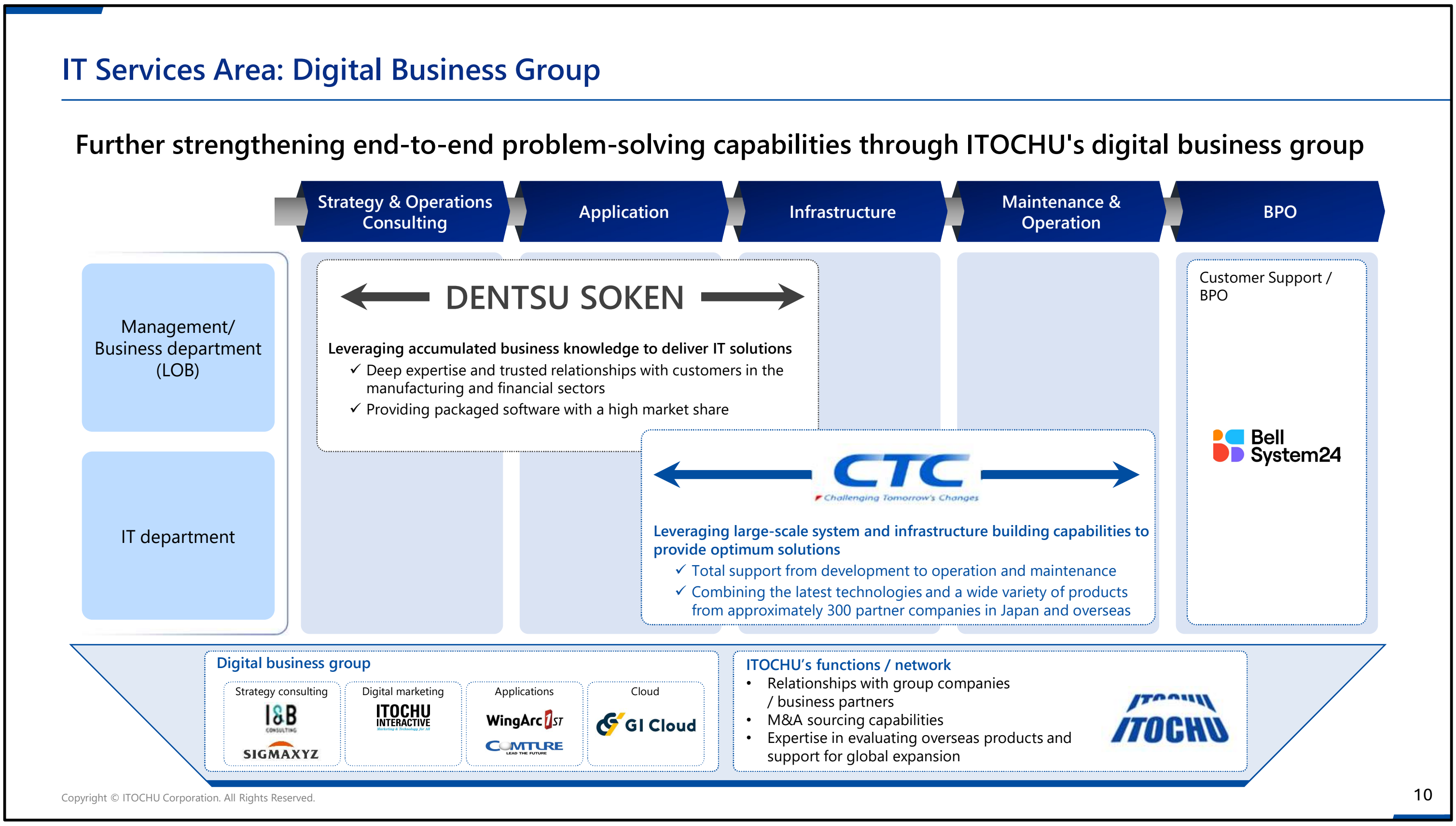
As I have explained, we have overwhelming consumer touchpoints centered on FamilyMart, together with a vast volume of highly fresh purchase data accumulated through those touchpoints every day. This unique data, which we call “Life-Live Data,” is the source of a competitive advantage that other companies cannot replicate.

However, no matter how strong the data or the platform may be, simply owning them does not create value. They must be developed into products that advertisers can use easily, proposed effectively, and converted into recurring earnings. That is where the Dentsu Group’s world-class network and expertise become indispensable.

The Dentsu Group brings strong relationships with advertisers, as well as broad sales capabilities and deep expertise in integrated proposals, creative development, and marketing. DENTSU SOKEN also has strong capabilities in AI, data analysis, and system implementation. The ITOCHU Group’s overwhelming consumer touchpoints and Life-Live Data can therefore be refined into high-value solutions for advertisers and translated into reliable earnings. That is the principal objective of this alliance with Dentsu.

The 8th Company does not view the retail media and data business area as merely a peripheral business. We intend to develop it into a powerful new core business with the potential to demonstrate global competitiveness originating from Japan. This alliance with Dentsu is an extremely important strategic step that will enable us to achieve a transformative leap in our growth trajectory.

That concludes my presentation.



I am Noda from ICT & Financial Business Company.

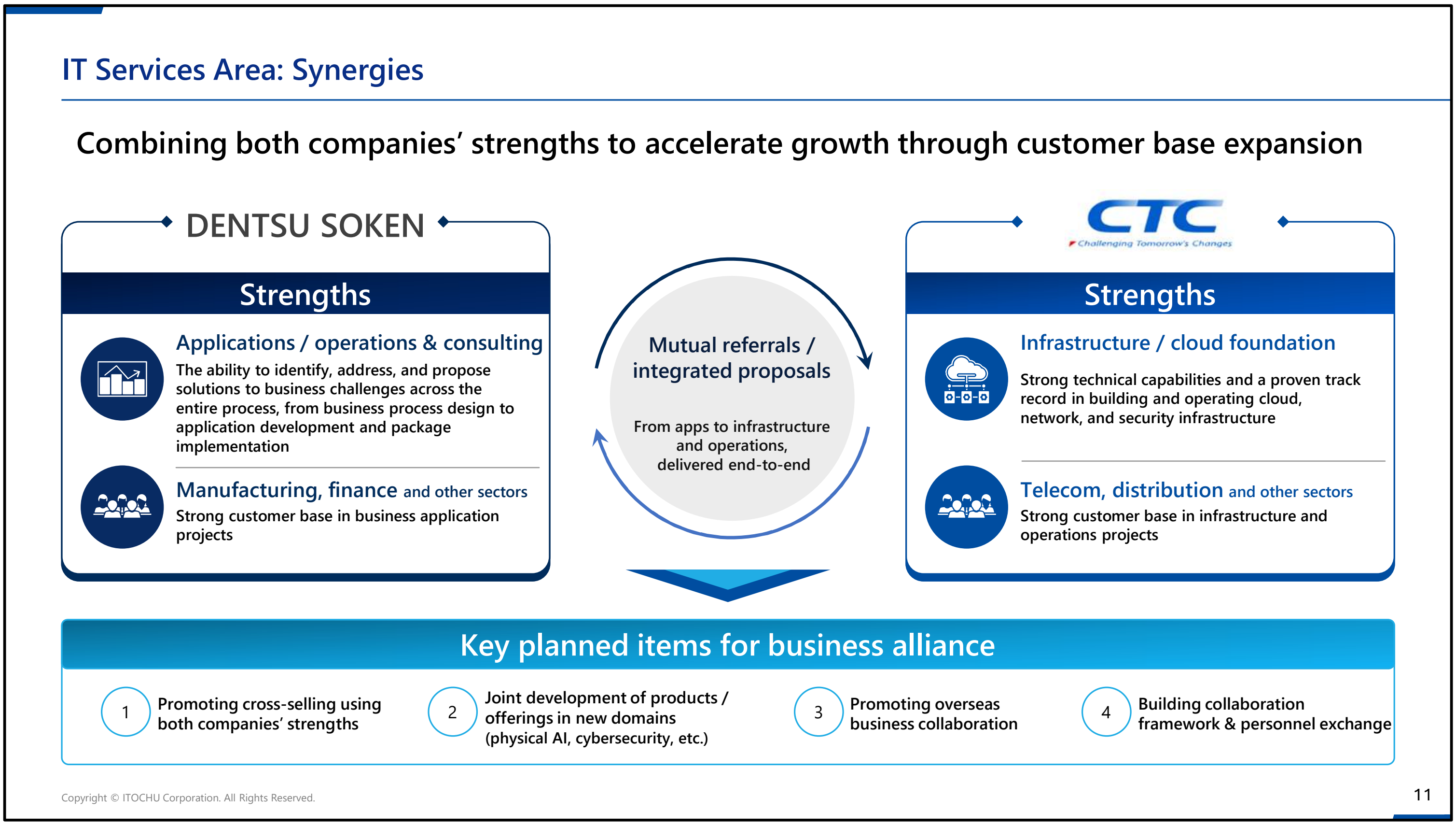
In FY2023, we privatized ITOCHU Techno-Solutions Corporation ("CTC"), a system integrator. Since the early days of the Internet, CTC has built network infrastructure for major telecommunications carriers. Its strong position in the industry, established through its advanced IT infrastructure capabilities, remains one of its core strengths today.

In addition, we have been advancing a "digital value chain strategy" centered on CTC, while building a digital value chain that enables us to serve customers' IT needs end to end, from upstream consulting through downstream BPO.

DENTSU SOKEN was originally established as a joint venture between Dentsu and GE and has provided IT services to customers in the manufacturing and financial sectors for many years. Leveraging the deep domain expertise it has built over time, DENTSU SOKEN has developed strong consulting capabilities for business functions, robust system development capabilities, and proprietary software products with high market share.

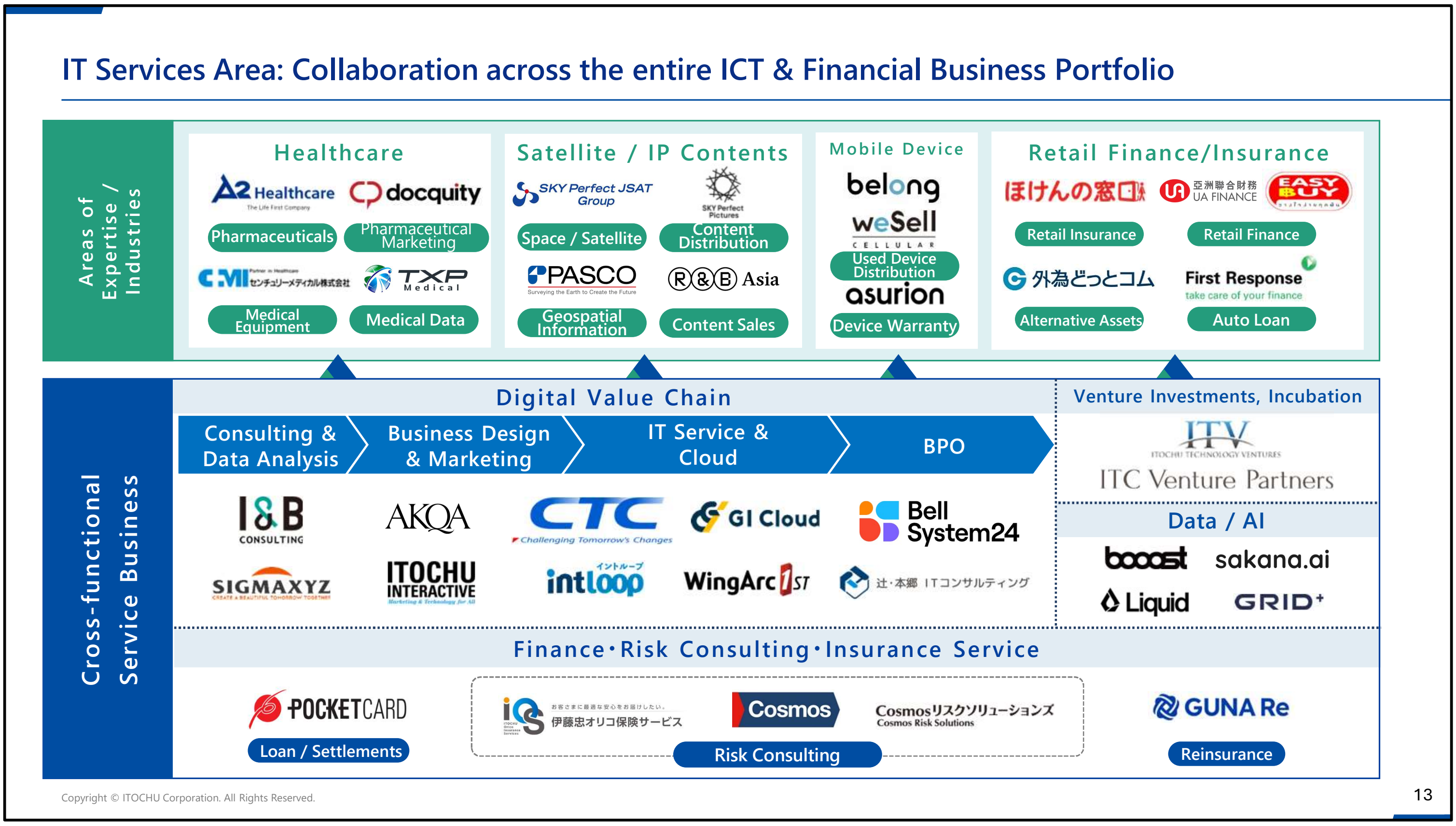
Although both CTC and DENTSU SOKEN are IT service providers, their businesses have evolved along different paths, resulting in limited overlap in their customer bases and service offerings. As a result, the two companies are highly complementary.

By adding DENTSU SOKEN to ITOCHU Group's digital value chain and strengthening collaboration across the group, including CTC, we believe we can generate more than ¥50.0 billion in additional annual revenue within five years.

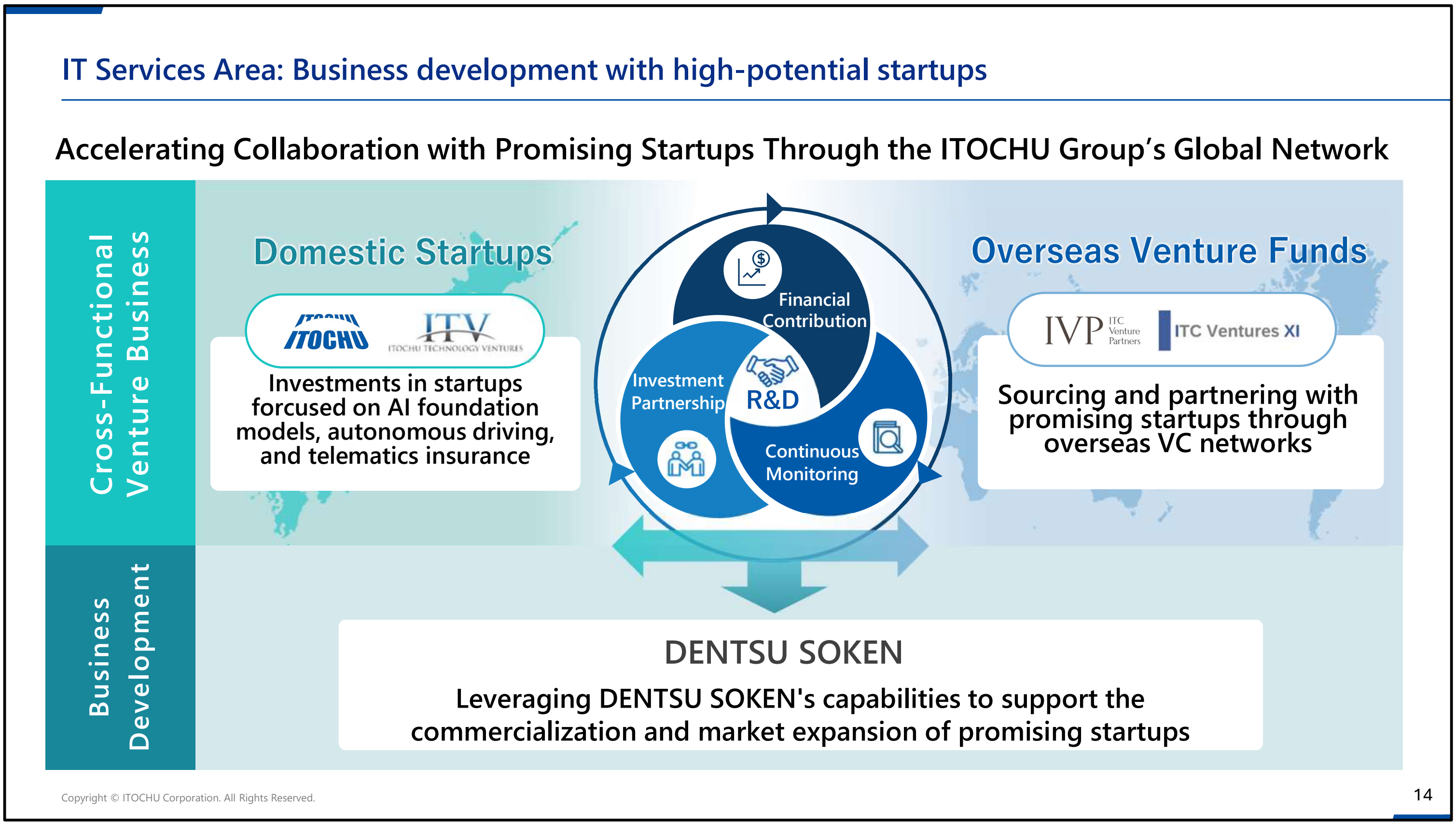


Going forward, DENTSU SOKEN and CTC plan to establish a business alliance.
As explained earlier, by leveraging the complementary strengths of the two companies, we intend to create business opportunities in three main areas.
The first is cross-selling. We will cross-sell each company's strengths to the other company's customers, including CTC's IT infrastructure capabilities and DENTSU SOKEN's deep domain expertise.
The second is joint product development in new technology domains. More specifically, we will combine the expertise of both companies in growth areas such as physical AI and cybersecurity.
The third is closer collaboration in overseas markets. With a focus on ASEAN and North America, where both companies already have operations, we aim to further expand overseas revenue.
To capture these synergies, we plan to put in place the necessary structures to support collaboration and personnel exchanges.
By combining the strengths of both companies and delivering competitive one-stop solutions from upstream to downstream, we are confident that this alliance will lead to further business expansion for both companies.

Our overseas collaboration with DENTSU SOKEN will extend beyond CTC to include other businesses as well, particularly in ASEAN.
CTC has operating bases in Singapore, Malaysia, Indonesia, and Thailand. In addition, we also have multiple businesses operating across ASEAN, including the BELLSYSTEM24 Group in BPO, as well as cloud solution businesses.
DENTSU SOKEN already has a presence in Thailand, Indonesia, and Singapore. We intend to deepen collaboration in these markets, while also discussing potential expansion into Vietnam and Malaysia, which are experiencing particularly strong market growth.
By combining CTC's strengths in infrastructure with DENTSU SOKEN's capabilities in system development, we intend to further expand digital transformation support, particularly for the overseas subsidiaries of Japanese companies.



The next slide outlines the overall business portfolio of the ICT & Financial Business Company.
In addition to the digital value chain, we will also pursue collaboration with DENTSU SOKEN across a broad range of areas, including retail finance and insurance, mobile device, satellite and IP content, and healthcare.
For example, DENTSU SOKEN has particular strengths in system development for the financial and insurance sectors, and we believe there is significant potential to support the digital transformation and system development needs of our group companies and partner companies.
We also see a range of other opportunities, including collaboration in communications areas leveraging IP content, as well as the use of satellite, geospatial, and healthcare data.
In addition, by leveraging the network of promising startups we have cultivated through our venture investments, we will pursue new business development in advanced technology fields, including AI.



Let me explain a bit more about our collaboration with promising startups.
We have invested in top-tier overseas venture capital firms since the 1980s. As part of our business development efforts, we have introduced the products of promising startups backed by these venture capital firms to the Japanese market through CTC. As technological change has accelerated, particularly in areas such as AI, there has been a growing need for broader development resources and deeper domain expertise.
Through this alliance, we believe we can now pursue new market development strategies by leveraging DENTSU SOKEN's system development capabilities and deep domain expertise. As a result, we believe we can now engage with promising startups that had previously been difficult to collaborate with within our digital value chain. We also intend to further expand collaboration with startups in new areas, including specialized AI solutions and security products.
In addition to the strong synergies expected with CTC, the ICT & Financial Business Company as a whole will work closely with DENTSU SOKEN across a broad range of areas. Through these efforts, we aim to accelerate the realization of the business plan and further increase profit contributions.
That concludes my remarks. Thank you very much for your attention.