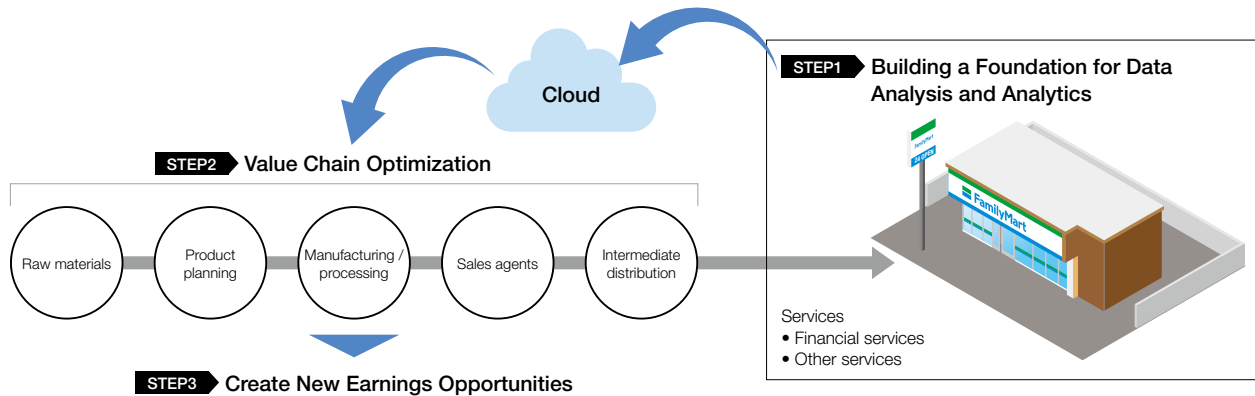


An Example of “Enhancement of Value Chain in the Consumer Sector”



STEP1 Building a Foundation for Data Analysis and Analytics



We will work with FamilyMart UNY Holdings (UFHD) to put in place an IT infrastructure, converting the data on purchasing and customer trends it gleans from daily customer visits to its group stores to big data and building a next-generation ID foundation for multifaceted analysis and analytics.

As a first step, to further increase the number of customer contact points we will build a customer base by introducing specialized apps and accumulate data. In November 2017, ITOCHU and the FamilyMart group conducted a joint tender offer of POCKET CARD Co., Ltd. as one of the initiatives to strengthen consumer contact points.

UFHD is working to increase the efficiency of its business operations by leveraging AI, IoT, and other new information technologies. Meanwhile, ITOCHU and UFHD have established UFI FUTECH Co., Ltd., which will promote cashless transactions and fintech-related businesses.

STEP2 Value Chain Optimization



We will push forward with optimizing our entire value chain by utilizing data analysis and analytics results. Understanding customer needs and behavior will help mitigate opportunity loss; curtail procurement, storage, disposal, and distribution costs; and reduce labor required for store operation. Additionally, by building a common platform that integrates transaction data from NIPPON ACCESS and other Group companies in our value chain, we will reduce inventory in intermediate distribution, manage manufacturer production volume, and conduct product development. Additionally, in terms of NIPPON ACCESS, we will raise competitiveness by reinventing our distribution systems and cultivate customers on a wide-ranging scale.

STEP3 Create New Earnings Opportunities



For the future, we are considering various possibilities. These include one-to-one marketing, such as high-precision advertising that utilizes results obtained from common-platform data analysis and analytics. We are also considering retail financial services and loan services for smaller businesses based on transaction history.