

# Food Company

## Business Fields

- Resources / Materials
- Product processing (fresh food, provisions)
- Midstream distribution (food wholesaling)
- Retail (CVS)



**Hiroyuki Kaizuka**

President, Food Company



From left:

**Shuichi Miyamoto,**  
Chief Operating Officer, Provisions Division

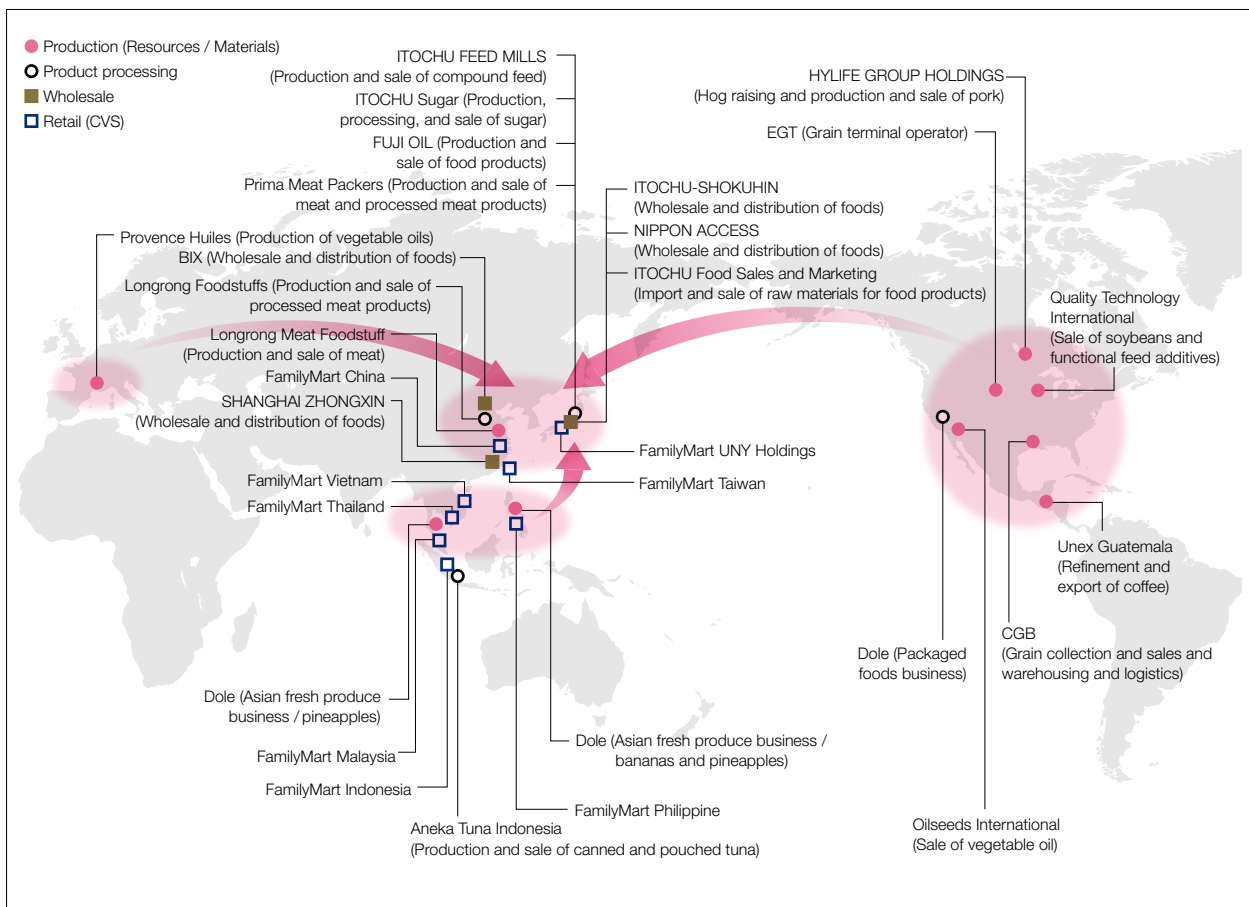
**Kenichi Tai,**  
Chief Operating Officer, Fresh Food Division

**Takeshi Hagiwara,**  
Chief Operating Officer, Food Products Marketing & Distribution Division

**Makoto Kyoda,**  
Chief Financial Officer

**Kuniaki Abe,**  
General Manager, Planning & Administration Department

## Business Development



# STRENGTHS Company Strengths

- An industry-leading midstream distribution and retail network
- Possession of a worldwide production, distribution, and sales value chain for fresh foods (marine, meat, and agricultural products)
- Ownership of a global supply chain for food resources

# OPPORTUNITIES Growth Opportunities

		Strategies (Specific Measures)
Revolution in distribution which makes existing business model obsolete	•••	Promotion of a retail business that combines the Group's wide range of products, functions, expertise, and new technologies
More diverse and sophisticated diets around the world	•••	Expansion of business foundations of overseas raw materials operating base and increase of domestic trade, centering on value-added products
Rising consumer awareness of food safety and security	•••	Assurance of safe and secure food supplies and establishment of stable supply chain networks

# RISKS Obstacles to Medium- to Long-Term Growth from an ESG Perspective

		Responses
Problems with business continuity due to labor shortages caused by a shrinking population	•••	Enhancement of convenience to society through the introduction and use of new technologies in the retail and surrounding fields, where labor shortages are growing particularly acute
Supply risk stemming from damage to agricultural production and food production plants due to droughts, flooding, typhoons, hurricanes, and other extreme weather events	•••	Securement of stable supply of agricultural products through diversification of production regions
Distribution of products containing substances that pose health hazards	•••	Increase in number of employees holding Food Safety Management Systems (FSMS) international certificate

(⇔ Page 50 Sustainability)

## Initiatives for Reducing ESG Risks

### Biogas Power Generation Using Pineapple Residue

Dole Philippines Inc. (Dolefil) concluded a long-term energy sale and purchase contract with Surallah Biogas Ventures Corp. (SBVC), an affiliate of Metro Pacific Investments Corp. Under this contract, Dolefil will supply pineapple residue generated during the manufacturing process of Dole products to SBVC as a biogas ingredient, and will purchase the generated biogas as electricity from SBVC.

On the island of Mindanao in the Philippines, where Dolefil's pineapple plantation is located, soaring electricity costs pose an issue for management. However, Dolefil will reduce its electricity costs by receiving gas and electricity at a fixed price following the construction of a biogas generation facility that will start operations in 2020. By leveraging renewable energy, we will reduce our environmental impact and help create a recycling society.



Groundbreaking ceremony for the biomass power generation facility

# Financial Summary

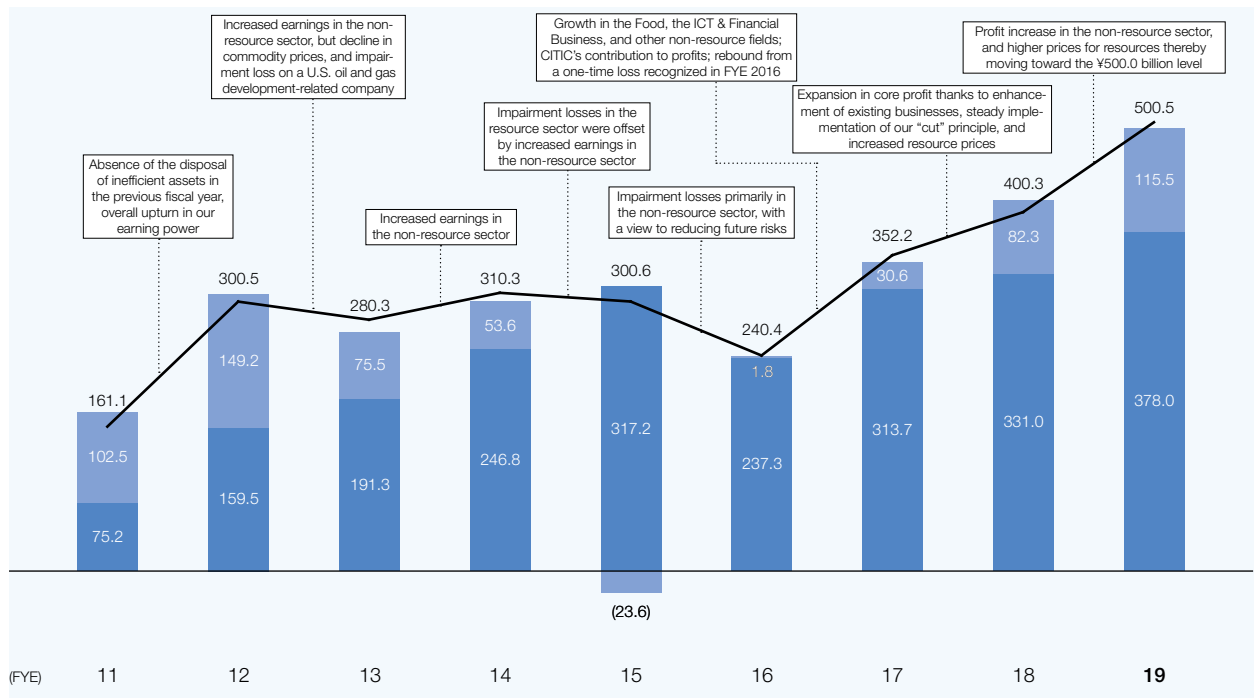
## Segment Overview

Percentage of the Total for ITOCHU (3-year average)			
Core profit	Total assets	Core Operating Cash Flows	Number of employees (Consolidated)



Non-Resource	82.1%	89.3%	72.8%	93.7%
Resource	17.9%	10.7%	27.2%	6.3%

Consolidated Net Profit (Loss) (Non-Resource / Resource) (Billions of Yen)



— Consolidated net profit ■ Earnings from the non-resource sector ■ Earnings (loss) from the resource sector  
 \* Others, Adjustments & Eliminations is not included in earnings from the non-resource / resource sectors.

Consolidated Net Profit (Loss) by Operating Segment (Billions of Yen)



(FYE)	11	12	13	14	15	16	17	18	19
Extraordinary Gains and Losses	(57.5)	20.0	0	0	(5.0)	(75.0)	(18.0)	(16.5)	28.5

(FYE)	11	12	13	14	15	16	17	18	19
Core Profit	218.6	280.5	280.3	310.3	305.6	315.4	370.2	416.8	472.0

■ Textile ■ Machinery ■ Metals & Minerals ■ Energy & Chemicals ■ Food ■ ICT, General Products & Realty (until FYE 2015)  
 ■ General Products & Realty (from FYE 2016) ■ ICT & Financial Business (from FYE 2016) ■ Others, Adjustments & Eliminations

\* In April 2016, the ICT, General Products & Realty Company was reorganized into the General Products & Realty Company and the ICT & Financial Business Company.

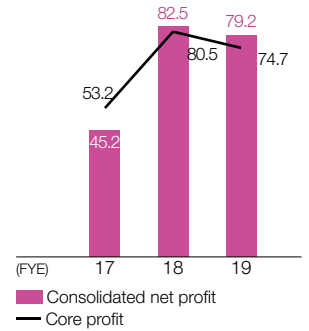
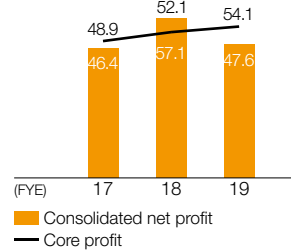
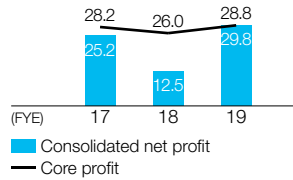
# Performance Trends by Segment

## Textile Company

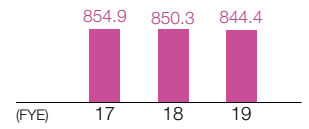
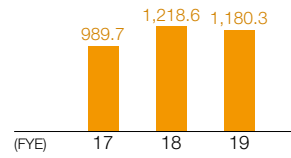
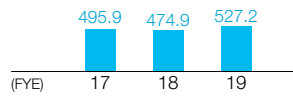
## Machinery Company

## Metals & Minerals Company

### Consolidated Net Profit Core Profit (Billions of Yen)

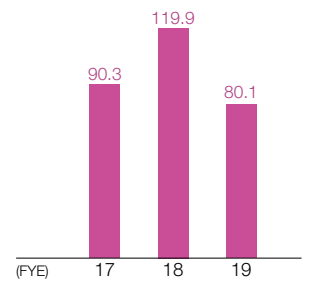
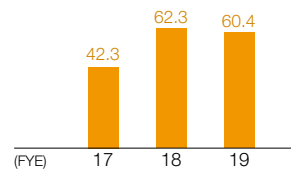
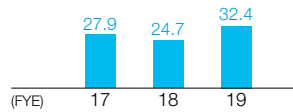


### Total Assets (Billions of Yen)

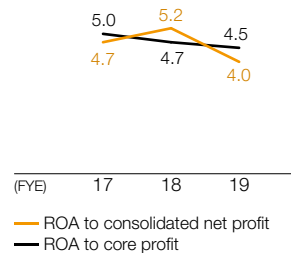
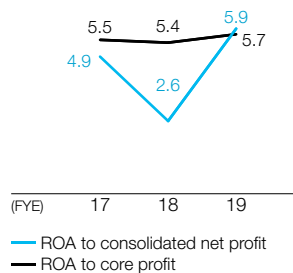


### Core Operating Cash Flows\* (Billions of Yen)

\* "Operating cash flows" minus "changes of working capital"



### ROA (%)

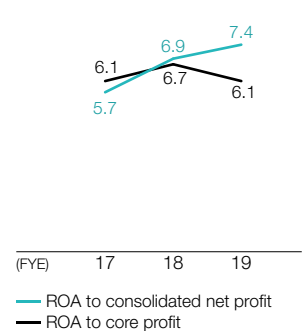
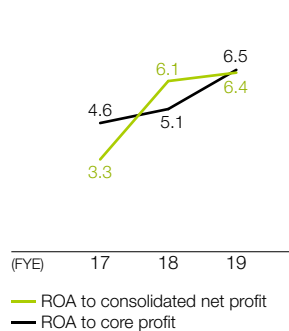
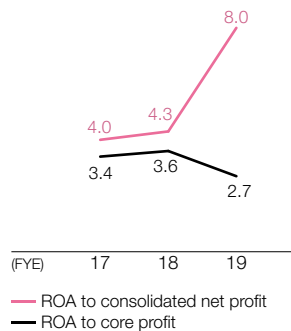
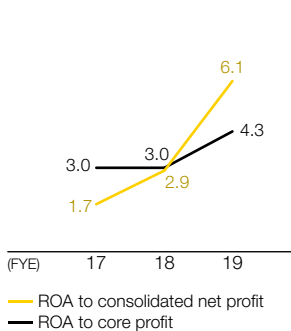
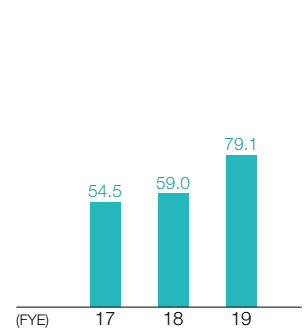
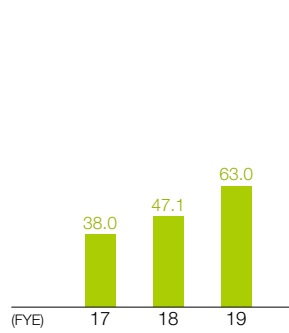
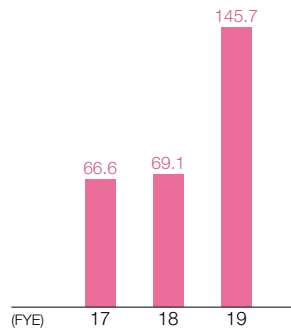
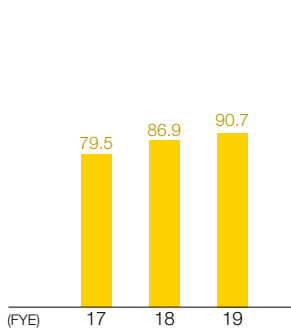
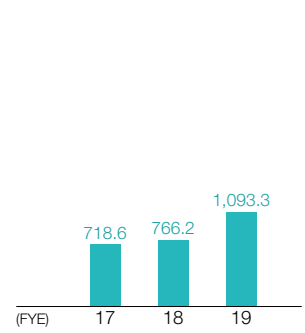
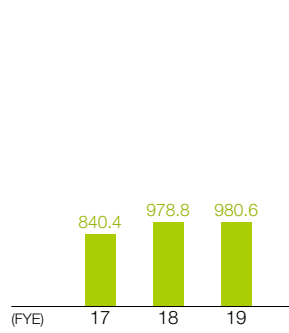
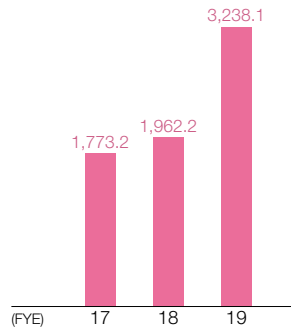
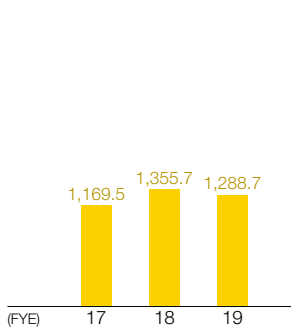
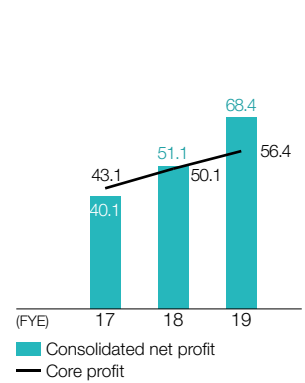
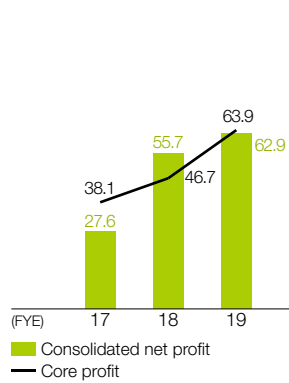
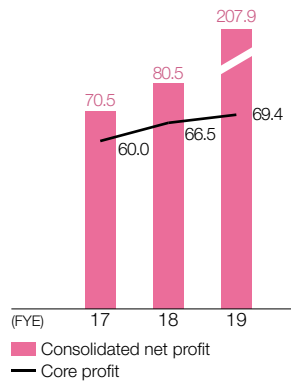
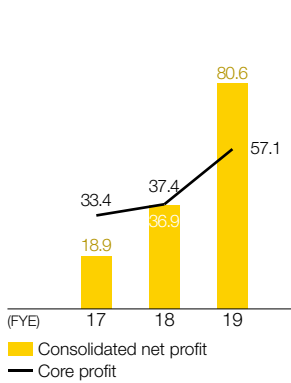


Energy & Chemicals Company

Food Company

General Products & Realty Company

ICT & Financial Business Company



## Net Profit (Loss) by Major Group Companies

### Textile Company

(Billions of Yen)

	Shares*2	FYE 2017	FYE 2018	FYE 2019	FYE 2020 (Forecast)*1
<b>Consolidated Net Profit (Loss)</b>		25.2	12.5	29.8	33.0
<b>Breakdown of Net Profit (Loss) by Major Group Companies</b>					
JOI'X CORPORATION	100.0%	1.4	1.5	1.2	1.4
DESCENTE LTD.	40.0%	1.5	1.4	1.2	2.1
Sankei Co., Ltd.	100.0%	2.0	0.1	1.9	2.1
ITOCHU Textile Prominent (ASIA) Ltd.	100.0%	0.8	0.2	1.1	1.3
ITOCHU TEXTILE (CHINA) CO., LTD.	100.0%	0.9	1.0	1.1	1.1

### Machinery Company

(Billions of Yen)

	Shares*2	FYE 2017	FYE 2018	FYE 2019	FYE 2020 (Forecast)*1
<b>Consolidated Net Profit (Loss)</b>		46.4	57.1	47.6	61.0
<b>Breakdown of Net Profit (Loss) by Major Group Companies</b>					
Tokyo Century Corporation	25.2%	10.2	12.5	12.6	13.6
I-Power Investment Inc.	100.0%	1.0	5.3	(5.8)	2.1
I-ENVIRONMENT INVESTMENTS LIMITED	100.0%	0.8	1.9	1.0	1.0
JAMCO Corporation	33.4%	0.4	0.6	0.6	0.9
YANASE & CO., LTD.	66.0%	2.7	3.7	1.1	5.6
ITOCHU TC CONSTRUCTION MACHINERY CO., LTD.*	100.0%	0.7	0.6	0.6	0.6
ITOCHU MACHINE-TECHNOS CORPORATION	100.0%	1.1	0.8	1.4	1.3
Century Medical, Inc.	100.0%	0.5	0.5	0.7	0.8

\* On July 1, 2019, ITOCHU CONSTRUCTION MACHINERY CO., LTD., changed its name to ITOCHU TC CONSTRUCTION MACHINERY CO., LTD.

### Metals & Minerals Company

(Billions of Yen)

	Shares*2	FYE 2017	FYE 2018	FYE 2019	FYE 2020 (Forecast)*1
<b>Consolidated Net Profit (Loss)</b>		45.2	82.5	79.2	96.0
<b>Breakdown of Net Profit (Loss) by Major Group Companies</b>					
ITOCHU Minerals & Energy of Australia Pty Ltd (IMEA)	100.0%	42.8	62.3	60.1	70.7
Brazil Japan Iron Ore Corporation (CSN Mineração)	75.7%	(2.9)	3.3	1.7	—
ITOCHU Coal Americas Inc. (Drummond)	100.0%	(2.6)	2.9	2.0	—
Marubeni-Itochu Steel Inc.	50.0%	7.6	9.2	12.1	—
ITOCHU Metals Corporation	100.0%	1.1	1.6	1.6	1.3*3

### Energy & Chemicals Company

(Billions of Yen)

	Shares*2	FYE 2017	FYE 2018	FYE 2019	FYE 2020 (Forecast)*1
<b>Consolidated Net Profit (Loss)</b>		18.9	36.9	80.6	55.0
<b>Breakdown of Net Profit (Loss) by Major Group Companies</b>					
ITOCHU Oil Exploration (Azerbaijan) Inc. (ACG Project)	100.0%	0.7	2.3	3.3	5.1
ITOCHU PETROLEUM CO., (SINGAPORE) PTE. LTD.	100.0%	1.8	(1.8)	0.5	0.9
ITOCHU ENEX CO., LTD.	54.0%	5.5	6.0	6.5	6.4
Japan South Sakha Oil Co., Ltd. (Eastern Siberia Project)	25.2%	1.1	4.0	9.1	—
Dividend from LNG Projects (PAT)	—	3.2	4.4	6.2	5.2
ITOCHU CHEMICAL FRONTIER Corporation	100.0%	3.1	3.7	5.2	4.5
ITOCHU PLASTICS INC.	100.0%	4.2	4.0	3.8	2.4*3
C.I. TAKIRON Corporation*	51.2%	5.4	3.0	2.9	6.9

\* On April 1, 2017, TAKIRON Co., Ltd., and C.I. Kasei Co., Ltd., merged to form C.I. TAKIRON Corporation. Accordingly, C.I. TAKIRON's consolidated contribution for FYE 2017 is represented as the sum of consolidated contributions for the two companies.

## Food Company

(Billions of Yen)

	Shares <sup>2</sup>	FYE 2017	FYE 2018	FYE 2019	FYE 2020 (Forecast) <sup>*1</sup>
<b>Consolidated Net Profit (Loss)</b>		70.5	80.5	207.9	61.0
<b>Breakdown of Net Profit (Loss) by Major Group Companies</b>					
FamilyMart UNY Holdings Co., Ltd.	50.2%	7.4	11.8	17.3	0.0 <sup>*3</sup>
Dole International Holdings, Inc.	100.0%	8.3	3.2	7.8	10.0
NIPPON ACCESS, INC.	100.0%	12.2	9.8	11.6	8.1 <sup>*3</sup>
FUJI OIL HOLDINGS INC.	34.0%	2.7	4.2	3.0	5.2
Prima Meat Packers, Ltd.	39.8%	3.7	4.1	3.2	3.7
ITOCHU-SHOKUJIN Co., Ltd.	52.2%	1.7	2.2	1.7	2.1
HYLIFE GROUP HOLDINGS LTD.	49.9%	2.7	3.7	2.7	—

## General Products & Realty Company

(Billions of Yen)

	Shares <sup>2</sup>	FYE 2017	FYE 2018	FYE 2019	FYE 2020 (Forecast) <sup>*1</sup>
<b>Consolidated Net Profit (Loss)</b>		27.6	55.7	62.9	70.0
<b>Breakdown of Net Profit (Loss) by Major Group Companies</b>					
European Tyre Enterprise Limited (Kwik-Fit)	100.0%	(5.2)	5.8	4.2	5.1
ITOCHU FIBRE LIMITED (METSА FIBRE)	100.0%	4.3	9.9	16.1	—
Japan Brazil Paper and Pulp Resources Development Co., Ltd. (CENIBRA)	33.3%	2.9	4.2	7.3	—
ITOCHU KENZAI Corp.	100.0%	2.6	2.7	2.9	2.9
DAIKEN CORPORATION	35.0%	1.8	1.6	1.3	2.1
ITOCHU Property Development, Ltd.	100.0%	2.6	2.4	2.9	2.7
ITOCHU LOGISTICS CORP.	100.0%	2.4	2.7	3.1	2.8 <sup>*3</sup>

## ICT & Financial Business Company

(Billions of Yen)

	Shares <sup>2</sup>	FYE 2017	FYE 2018	FYE 2019	FYE 2020 (Forecast) <sup>*1</sup>
<b>Consolidated Net Profit (Loss)</b>		40.1	51.1	68.4	61.0
<b>Breakdown of Net Profit (Loss) by Major Group Companies</b>					
ITOCHU Techno-Solutions Corporation	58.2%	12.6	13.6	14.2	15.7
BELLSYSTEM24 Holdings, Inc.	40.8%	1.4	1.2	1.2	2.8
CONEXIO Corporation	60.3%	3.9	4.1	4.0	—
ITOCHU Fuji Partners, Inc. (SKY Perfect JSAT Holdings)	63.0%	2.2	(0.2)	1.4	1.6
POCKET CARD CO., LTD.	63.1%	0.6	1.3	3.9	2.1 <sup>*3</sup>
Orient Corporation	16.5%	5.0	4.2	4.2	—

## The 8th Company

(Billions of Yen)

	Shares <sup>2</sup>	FYE 2017	FYE 2018	FYE 2019	FYE 2020 (Forecast) <sup>*1</sup>
<b>Consolidated Net Profit (Loss)</b>		—	—	—	30.0
<b>Breakdown of Net Profit (Loss) by Major Group Companies</b>					
FamilyMart UNY Holdings Co., Ltd.	50.2% <sup>*3</sup>	—	—	—	25.1
NIPPON ACCESS, INC.	40.0% <sup>*3</sup>	—	—	—	5.4
ITOCHU PLASTICS INC.	40.0% <sup>*3</sup>	—	—	—	1.6
POCKET CARD CO., LTD.	30.9% <sup>*3</sup>	—	—	—	2.0*
ITOCHU Metals Corporation	30.0% <sup>*3</sup>	—	—	—	0.5
ITOCHU LOGISTICS CORP.	5.0% <sup>*3</sup>	—	—	—	0.2

\* Includes net profit from FamilyMart UNY Holdings Co., Ltd.

<sup>\*1</sup> The "FYE 2020 (Forecast)" was revised on August 2, 2019 to reflect the establishment of The 8th Company.

<sup>\*2</sup> Share percentages indicated are as of March 31, 2019.

<sup>\*3</sup> A portion of net profit was transferred to The 8th Company in tandem with that company's establishment. See the share percentage indicated for The 8th Company for details on the percentage transferred.