

Creating Synergies Infinitely – Vertically and Horizontally

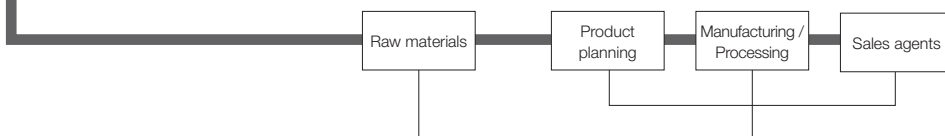
The ITOCHU Group is building and enhancing a value chain spanning upstream to downstream operations with the aim of maximizing earnings from the Convenience Store business. In addition to fortifying the food value chain, we are generating synergies among businesses by making The 8th Company the starting point and going beyond Division Companies' boundaries in such areas as daily necessities, financial services, system development, and construction materials.

Food Product and Peripheral Business Initiative Examples

ITOCHU coordinates food value chains to ensure the optimal form for all processes that take place before items arrive on store shelves, including formulation of raw material procurement schemes, product planning, manufacturing, processing, and procurement of containers and packaging materials.



Packages for ready-to-eat products, etc.	Rice ball wrapping films Boxed lunch containers, etc.	■ ITOCHU PLASTICS INC.
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	Raw Materials	Product Planning / Manufacturing, Processing / Sales Agents
Ready-to-eat products (rice balls, boxed lunches)	■ Japan Food Supply Co., Ltd. (NIPPON ACCESS Group) ■ ITOCHU Food Sales and Marketing Co., Ltd. ■ ITOCHU FEED MILLS CO., LTD., etc.	◆ Ready-to-eat producers
Fried chicken (FAMICHIKI)	◆ Chicken suppliers	▲ Fresh Food Department No. 2
Fried chicken (Spicy Chicken)	◆ CP Group	▲ Fresh Food Department No. 2
Counter coffee (FAMIMA CAFÉ)	■ UNEX (GUATEMALA), S.A., etc.	▲ Sugar, Confectionery Materials, Coffee & Dairy Products Department ▲ Food Products Marketing & Distribution Department
Eggs	■ I-hiyoko Co., Ltd (ITOCHU FEED MILLS Group)	■ ITS Farm Co., Ltd. (ITOCHU FEED MILLS Group)
Bananas	■ Dole	▲ Fresh Food Department No. 3



Non-Food Product Initiative Examples

The ITOCHU Group is working together to provide daily necessities that support lifestyles and supplies needed for everyday store operation.

Daily necessities	New Year's cards	■ ITOCHU Pulp & Paper Corporation
	FamilyMart collection daily necessities (detergent, plastic bags, cleaning sheets, etc.) and umbrellas	■ ITOCHU Retail Link Corporation ■ Sanipak Company Of Japan, Ltd.
Supplies (Store items supporting operation, etc.)	Chopsticks, individual-use hand towels, take-out item containers (coffee cups, etc.), plastic bags, cleaning supplies	■ ITOCHU Retail Link Corporation
	Uniforms	▲ Textile Company

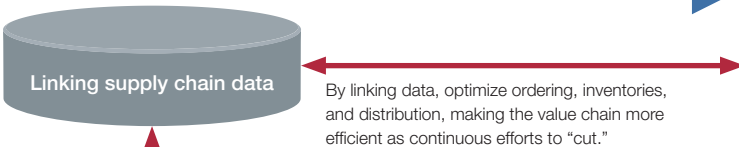
■ Subsidiary ● Affiliated company ▲ ITOCHU ◆ Business partner



Operational Support Initiative Examples

The ITOCHU Group cooperates to provide multifaceted support for the efficient operation of FamilyMart's domestic network of approximately 16,500 stores that goes beyond product sales, services, and routine store operations.

System development	■ ITOCHU Techno-Solutions Corporation Support operational efficiency through development of operational systems
Electricity supply	■ ITOCHU Plantech Inc. By supporting efficient procurement through a high-voltage receiving service, help stores reduce their electricity costs
Construction materials	■ ITOCHU KENZAI CORPORATION
3Rs+W service* * Reduce, reuse, recycle, and waste management	■ ITOCHU Metals Corporation Develop a nationwide network of partners to provide store fixture maintenance, reuse, recycle, and waste management services
Contact centers	● BELLSYSTEM24, Inc.
Leasing of store fixtures	● Tokyo Century Corporation



Intermediate Distribution Example

The ITOCHU Group is collaborating to handle logistics to individual stores.

Wholesale / Logistics	■ NIPPON ACCESS, INC. Provides the majority of logistics services for food and non-food products for FamilyMart stores through approximately 550 distribution locations around Japan
Delivery van	● NIPPON CAR SOLUTIONS CO., LTD (Tokyo Century Group)



NIPPON ACCESS, INC., supporting an industry-leading store network



Famima T Card, issued by POCKET CARD CO., LTD.

Service Initiative Examples

The ITOCHU Group is working in coordination to provide customers with a broad range of services closely related to their daily lives.

Financial / insurance services	Famima T Cards	■ POCKET CARD CO., LTD.
	Motorbike liability insurance, One-day automobile insurance	▲ ICT & Financial Business Company
Other services	POSA cards	■ CONEXIO Corporation
	Famiport coupons	▲ ICT & Financial Business Company

Areas of Focus in Joint Initiatives with FamilyMart

- Building a new convenience store model in response to changing lifestyles
- Promoting efforts to reduce food losses and amount of plastic used
- Taking advantage of new technologies to lower store and headquarters costs
- Boosting efficiency of the supply chain further through such moves as expanding the scope of data linkage
- Developing new businesses in areas such as advertising / marketing and financial services by leveraging purchasing information and customer contact points
- Accelerating development in China and other parts of Asia



Driving Force for Sustainable Value Creation