

The 8th Company

- Business Fields**
- Developing and evolving downstream businesses closer to consumers through collaboration with other seven Division Companies
 - Promoting business that leverages FamilyMart's customer contact points
 - Expanding consumer-related businesses by combining physical and digital customer bases

- Company Strengths**
- An organizational culture that creates businesses flexibly with a market-oriented perspective
 - An amoeba-like organization with high mobility, characterized by a diverse composition of personnel who have accumulated experience in various Division Companies and mutual personnel dispatch with Group companies
 - Physical and digital customer bases that are founded on FamilyMart's store network

Quantitative information (FYE 2024 results) ▶ Pages 99–101, 128–131

Consolidated Net Profit	Core Profit	Percentage of Earnings from Business in Japan (image)
¥35.8 billion	¥33.8 billion	100%
ROA*1	CAGR*2	
2%	18%	

*1 ROA based on core profit.

*2 Compound annual growth rate of consolidated net profit from FYE 2011 to FYE 2024



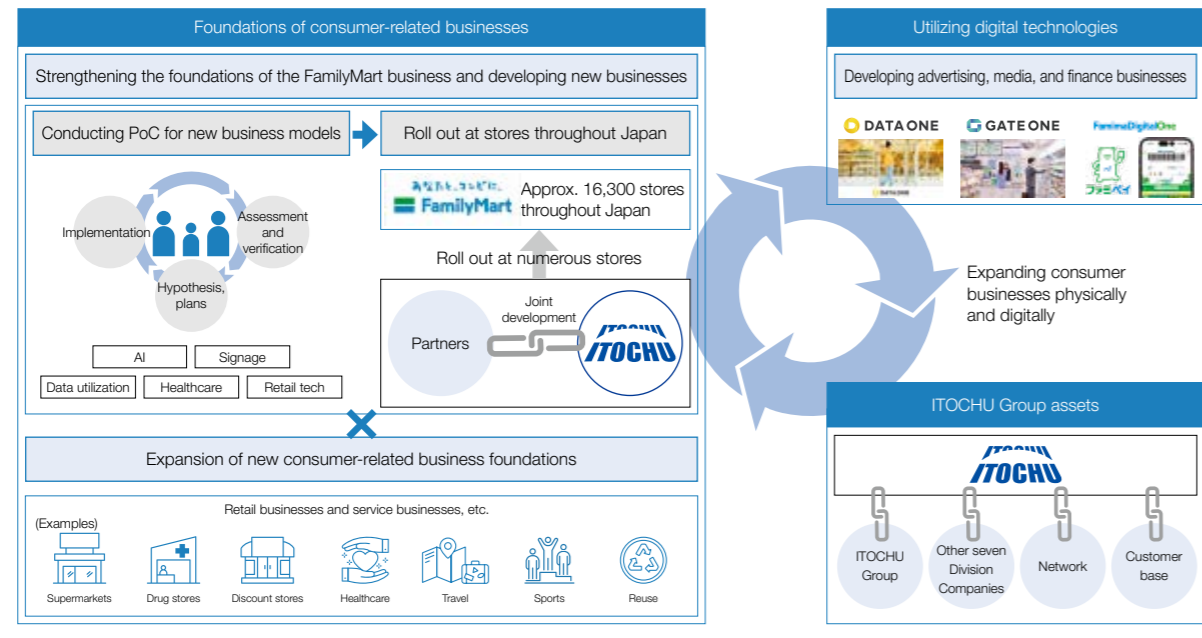
Tatsuo Odani
President, The 8th Company



From left:
Manabu Nishimura Chief Financial Officer
Toru Oka General Manager, Planning & Administration Section

By capturing the diversifying needs through a market-oriented perspective and leveraging our various business foundations with strengths in the consumer sector, we will develop new services and business models utilizing digital technologies and AI.

- We will create new business models that reflect customer needs and which utilize FamilyMart's data, store network, and ability to attract customers. After conducting proof-of-concept (PoC) tests for these business models, we will roll them out at FamilyMart stores throughout Japan. Further, we will expand business foundations by rolling out these new services and technologies in other retail businesses and service businesses.
- We will increase data volume and customer contact points to maximize the profits of advertising, media, and finance businesses. In addition, we will utilize digital technologies to expand consumer businesses physically and digitally. In the consumer-related sector, we will actively advance investment projects that promise significant growth going forward.
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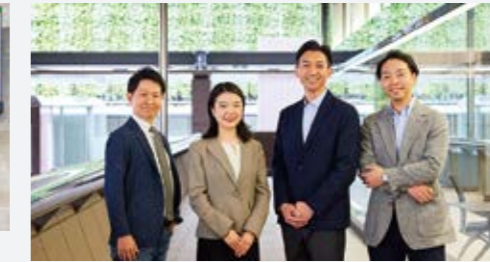


Initiative for Sustainable Enhancement of Corporate Value through a Market-Oriented Perspective Building the Largest Retail Media Network in Japan

ITOCHU is promoting a retail media collaboration with FamilyMart, Data One Corp., and Gate One Corp. In March 2024, we installed digital signage in approximately 10,000 FamilyMart stores nationwide, establishing the largest-scale retail media in Japan, capable of reaching roughly 64 million people per week. Stores serve as broadcasting hubs, creating enjoyable in-store experiences through the distribution of various contents, including not only advertisements but also news, music, and more. In addition, by utilizing around 33 million distributable licensed advertising IDs and purchasing data from FamilyMart and other retailers, we are providing integrated solutions from in-store advertisements and content distribution to digital marketing outside the store. This allows us to provide services that meet the diverse needs of various advertisers in a media that is diversifying to include SNS and platforms. Moving forward, we will expand the number of target stores and enhance functionalities to grow our business as a top runner in the retail media field.



FamilyMartVision digital signage



From left:
The 8th Company
Hiroshi Iwamoto
Data One Corp.
Airi Mitsumoto (Dispatched)
FamilyMart
Fuyuki Kokuryu (Dispatched)
Gate One Corp.
Go Matsuoka (Dispatched)

$$\text{Corporate Value} = \frac{\text{Created Value}}{\text{Cost of Capital} - \text{Growth Rate}}$$

- Items related to Sustainability Action Plans are indicated with a mark for the corresponding material issues.
- Evolve Businesses through Technological Innovation
 - Develop a Rewarding Work Environment
 - Contribute to Healthier and More Affluent Lifestyles
 - Maintain Rigorous Governance Structures
 - Address Climate Change (Contribute to a Decarbonized Society)
 - Respect and Consider Human Rights
 - Ensure Stable Procurement and Supply

Expand Created Value (FYE 2024 Review)

Achieved record-high core operating profit by strengthening the competitiveness of merchandise and marketing capabilities at FamilyMart, capitalizing on the recovery in foot traffic.

- Increased downloads of the FamiPay smartphone app, which is as a digital customer contact point (approximately 20 million downloads)
- Expanded digital initiatives aimed at improving operational capabilities and labor-saving at FamilyMart stores (stores that introduced humanoid AI assistants: approximately 5,000; Touch To Go unmanned payment stores: approximately 40)
- Increased installation of FamilyMartVision digital signage at FamilyMart stores through Gate One Corp. (approximately 10,000 stores across all 47 prefectures in Japan)
- Began collaboration in the retail media business with Pan Pacific International Holdings Corporation, which operates Don Quijote and other retail stores
- Advanced effective digital marketing that links consumers and retail stores in the line-side areas of Nagoya Railroad Co., Ltd.

Increase Growth Rate

- Expanding FamilyMart's earnings base by continuously strengthening the convenience store business and increasing the sophistication of the entire supply chain
 - Creation and expansion of new businesses leveraging FamilyMart's business foundation
 - Enlarging our data infrastructure and increasing the earnings of advertising, media, and financial services that leverage digital technologies
- In the consumer-related sector, actively advancing investment projects that promise significant growth going forward

Lower Cost of Capital

- Strengthening supply chain risk management in response to such factors as fluctuations in raw material prices
- Responding to such issues as the shortage of workers and the 2024 problem—the cap on truck drivers' overtime hours starting from 2024—in the Japanese logistics industry by leveraging AI and digital technologies

The list of major subsidiaries and associated companies is available on ITOCHU's website.
https://www.itochu.co.jp/en/files/ar2024E_12.pdf

Details on the Sustainability Action Plans are available on ITOCHU's website.
<https://www.itochu.co.jp/en/csr/itochu/actionplan/>