



Investors Meeting for Food Company

December 20, 2016

ITOCHU Corporation

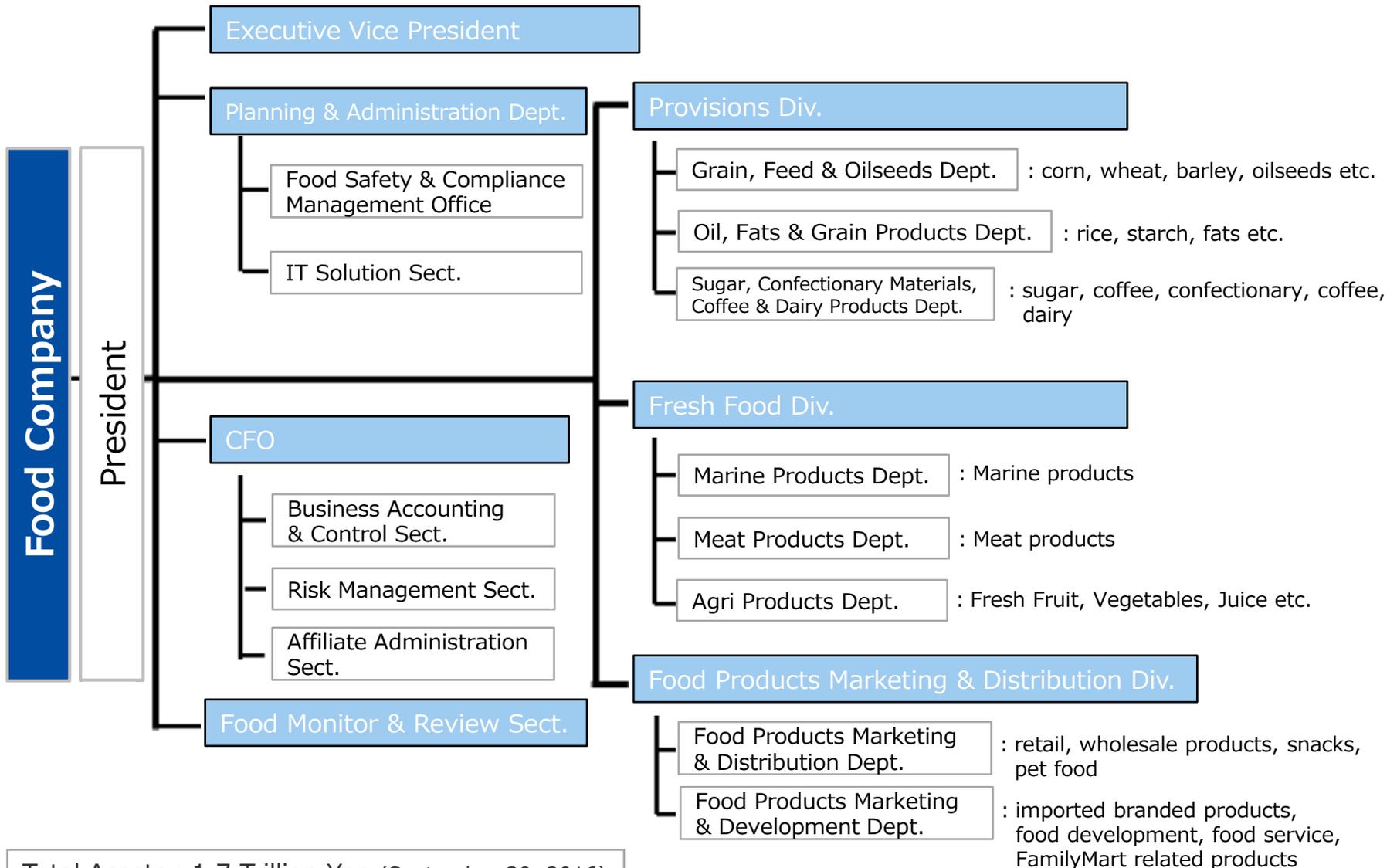
General Overview of Food Company

- Organization
- Management Policy
- Business Portfolio
- Financial Highlights

Introduction of each Division



General Overview of Food Company



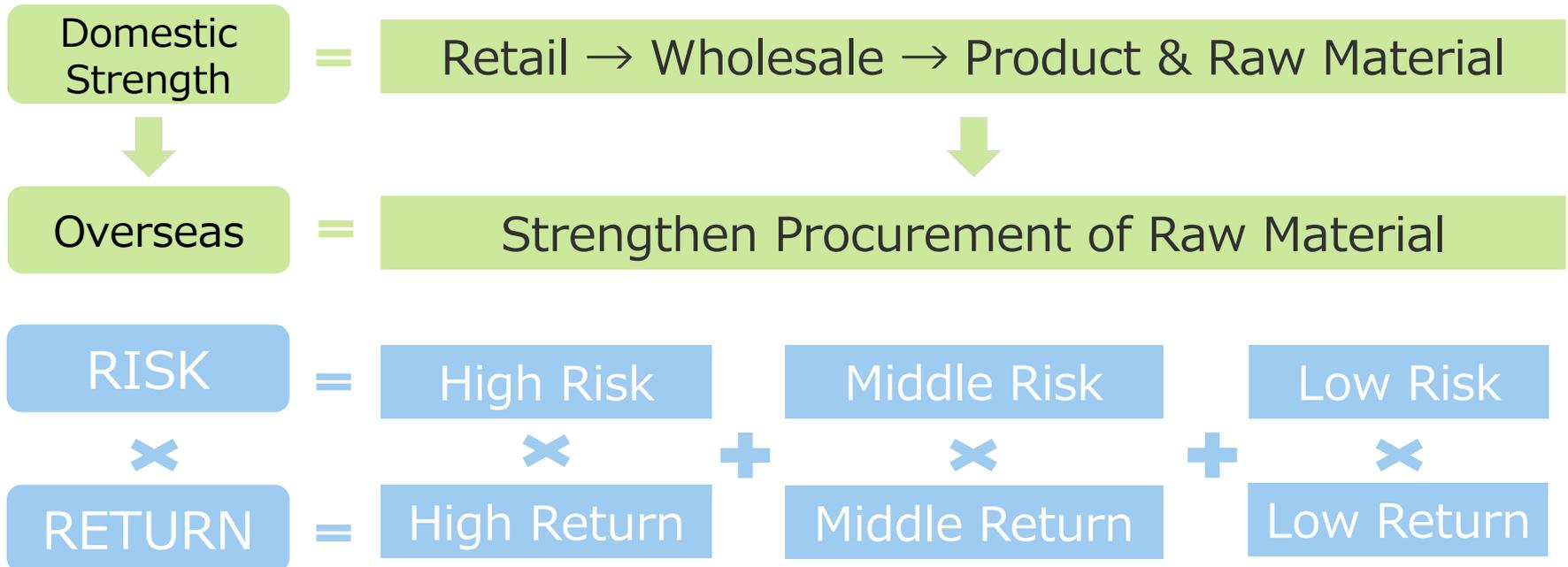
Total Assets : 1.7 Trillion Yen (September 30, 2016)
 No. of Employees : 535 (As of 1st of April, 2016)

Policy : Structuring a Strong and Tight Value Chain

Strategy : **“BOTTOM UP”** & **“PORTFOLIO”**

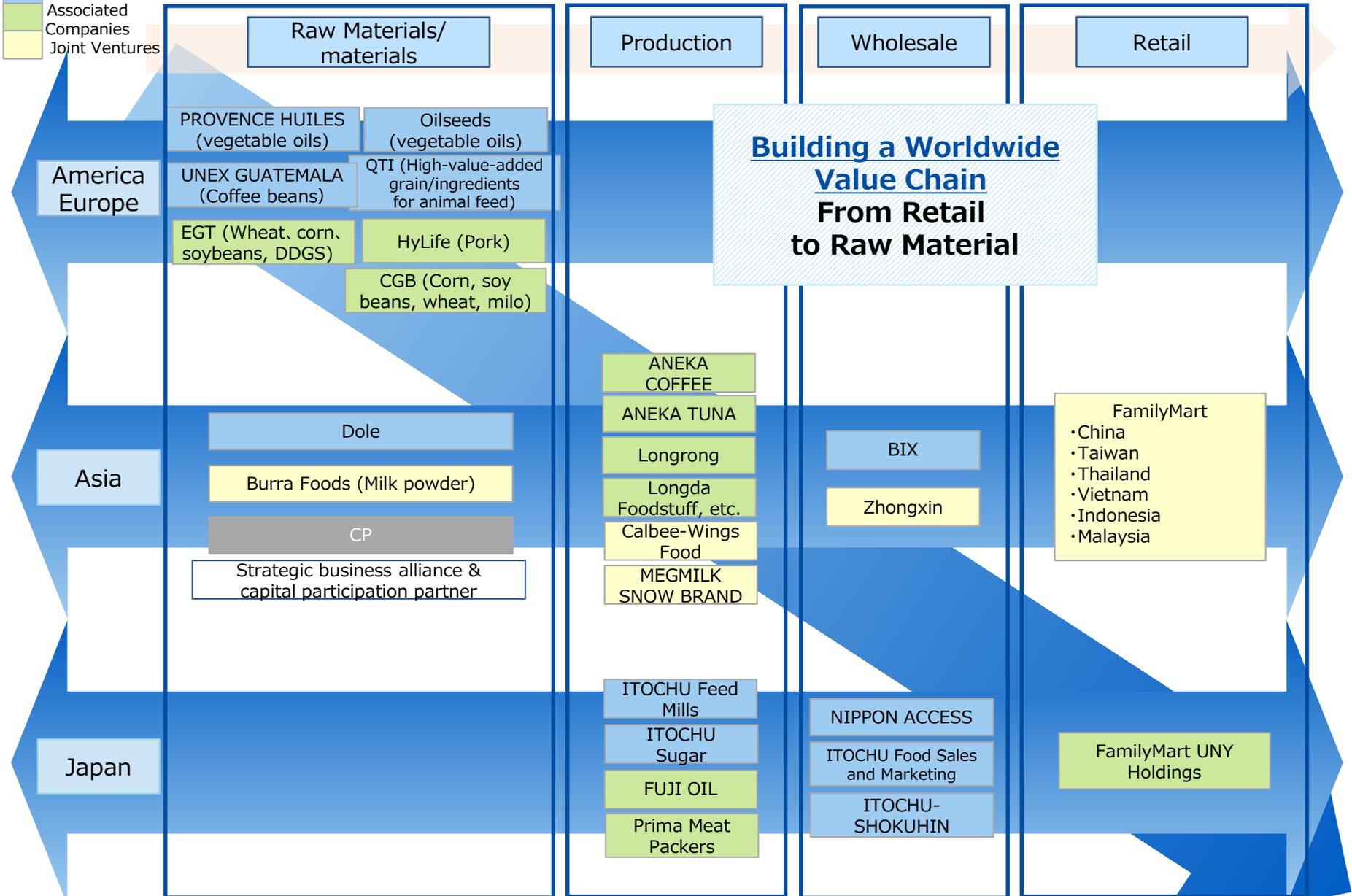
~From Downstream(Retail) to Upstream(Raw Material)!
From Domestic to Overseas!~

~Diversify RISK & Maximize RETURN ! ~



Business Portfolio

- Subsidiaries
- Associated Companies
- Joint Ventures

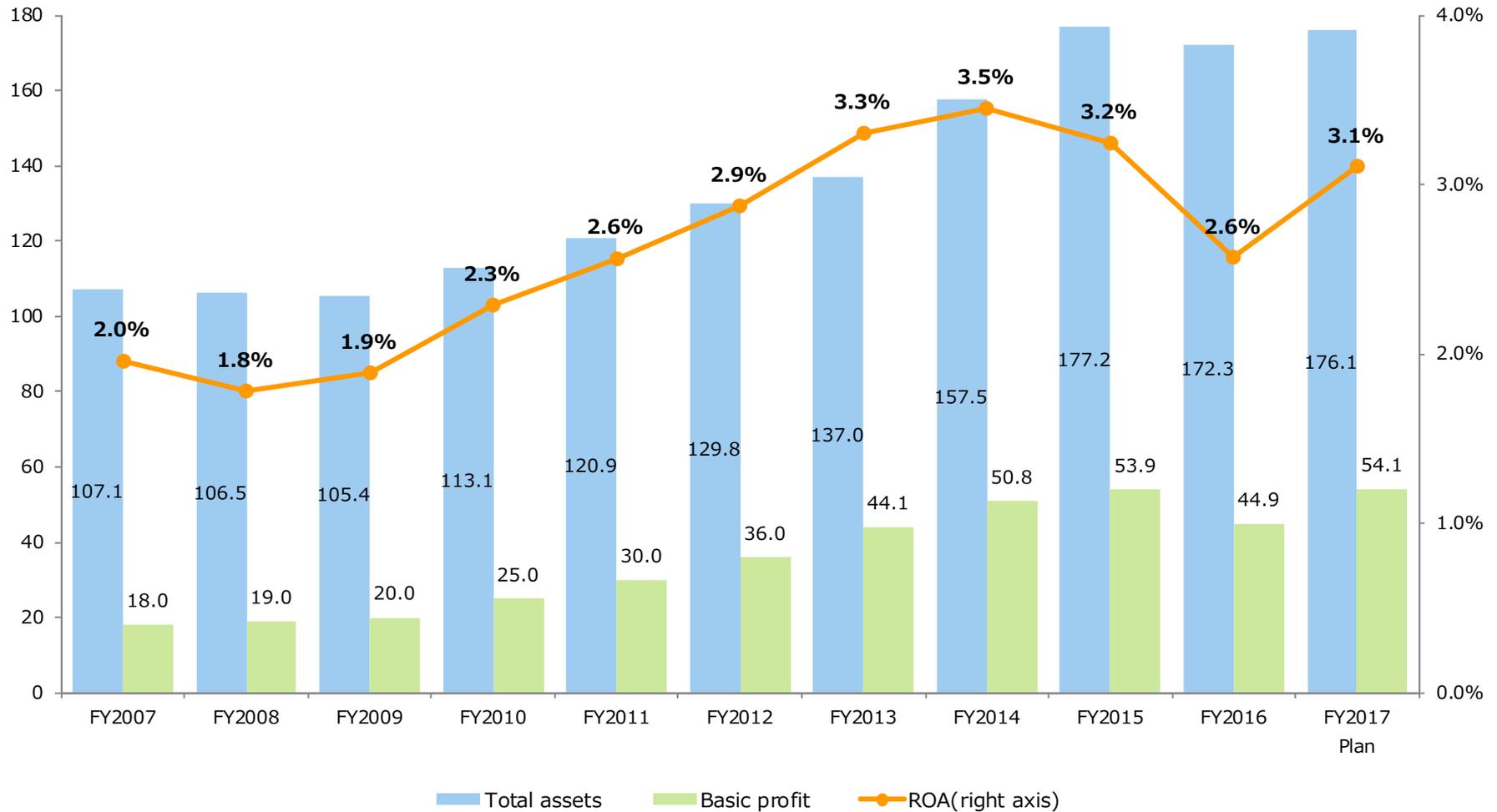


Financial Highlights (PAT/ROA)



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(Unit) Basic profit: billion yen,
Total assets :10 billion yen

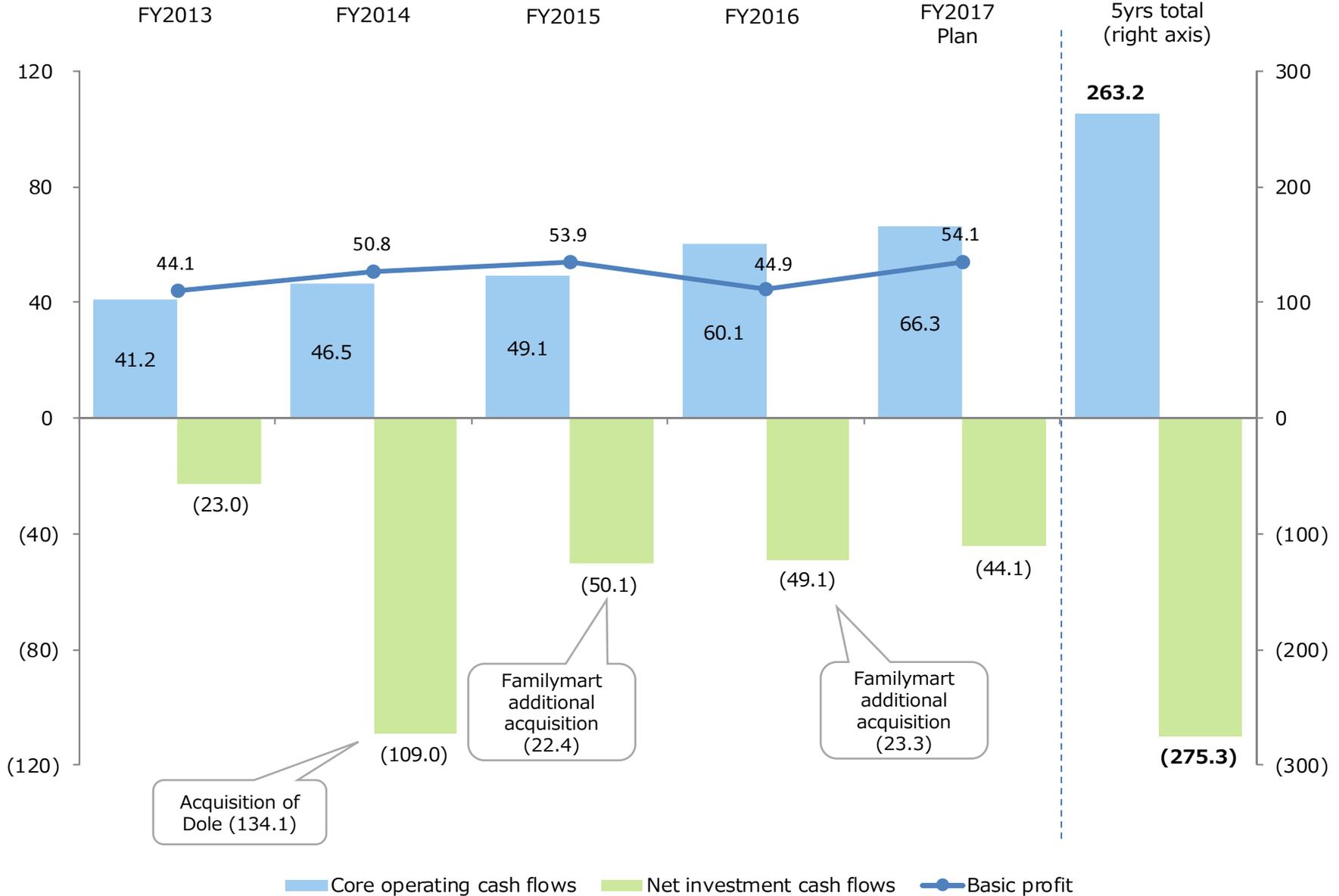


Financial Highlights (Cash Flows)



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(Unit : billion yen)

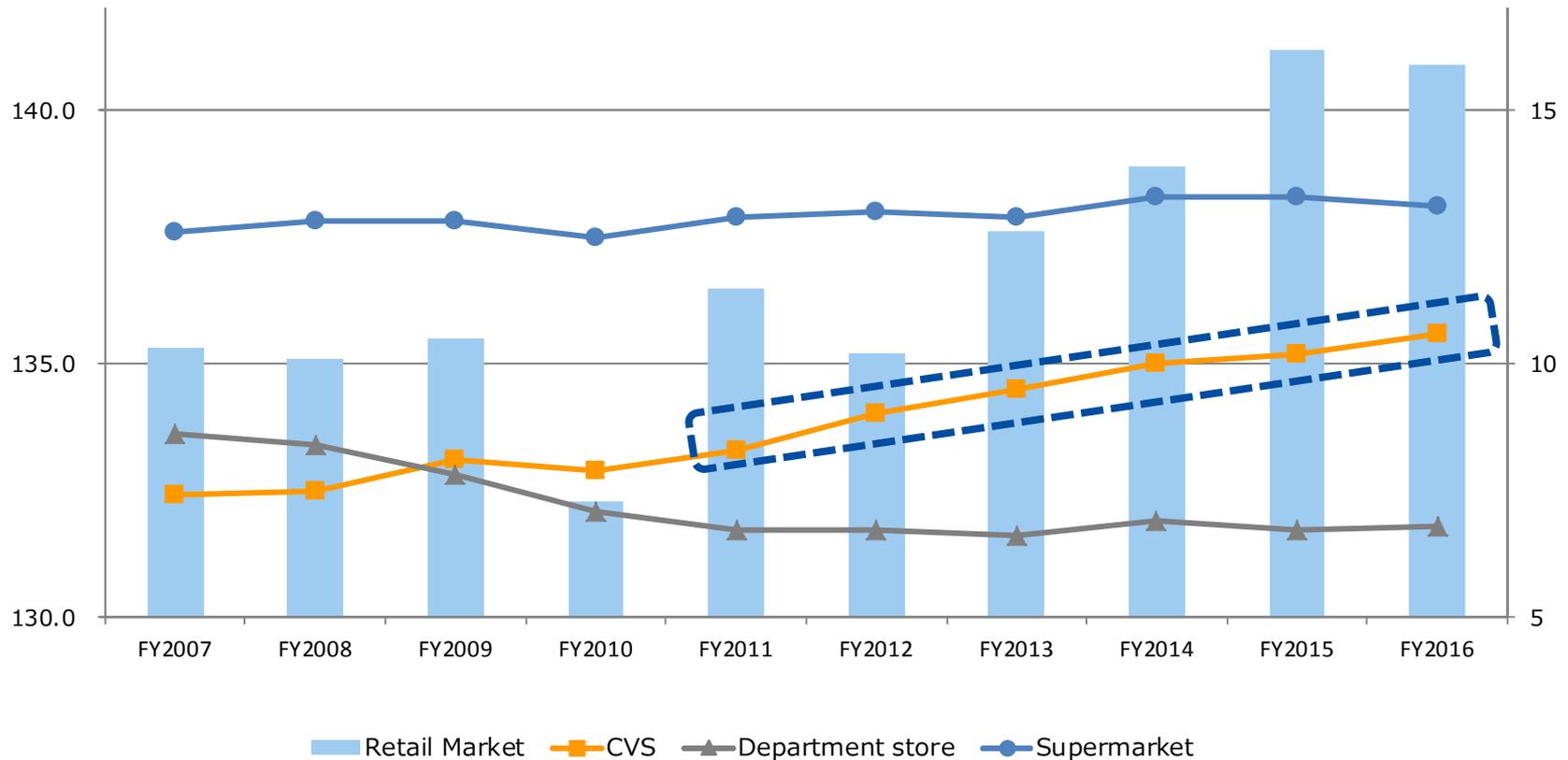


**In FY2016, Retail Market has grown +4% compared with FY2007.
CVS sector has led the market with +43% growth.**

Trend of the categories of retail market from FY2007 to 2016

Retail Market (Trillion yen)

each categories (Trillion yen)



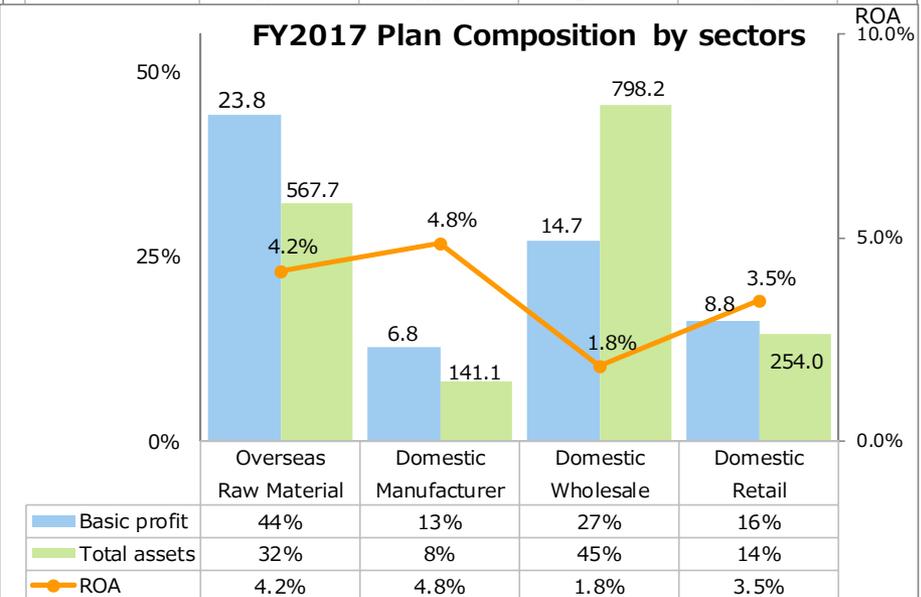
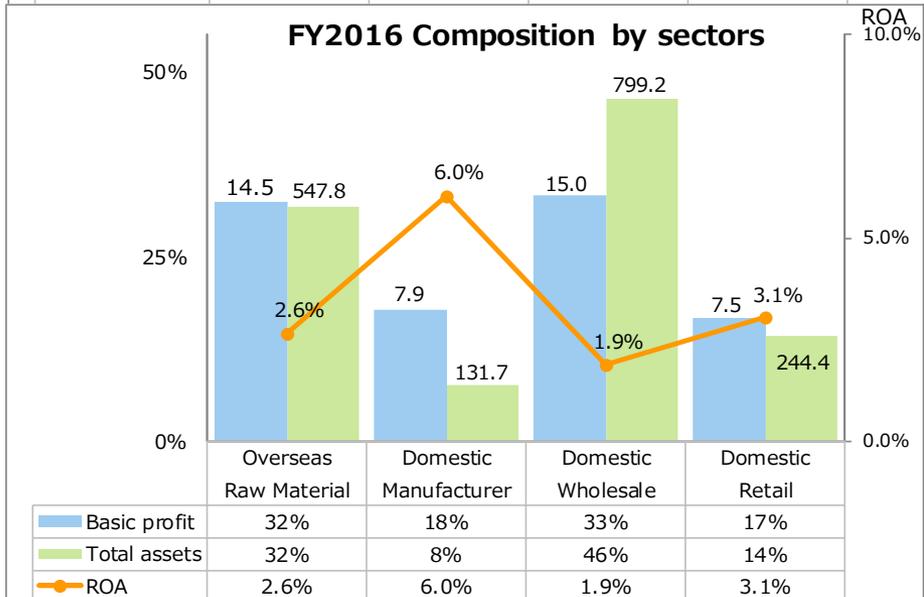
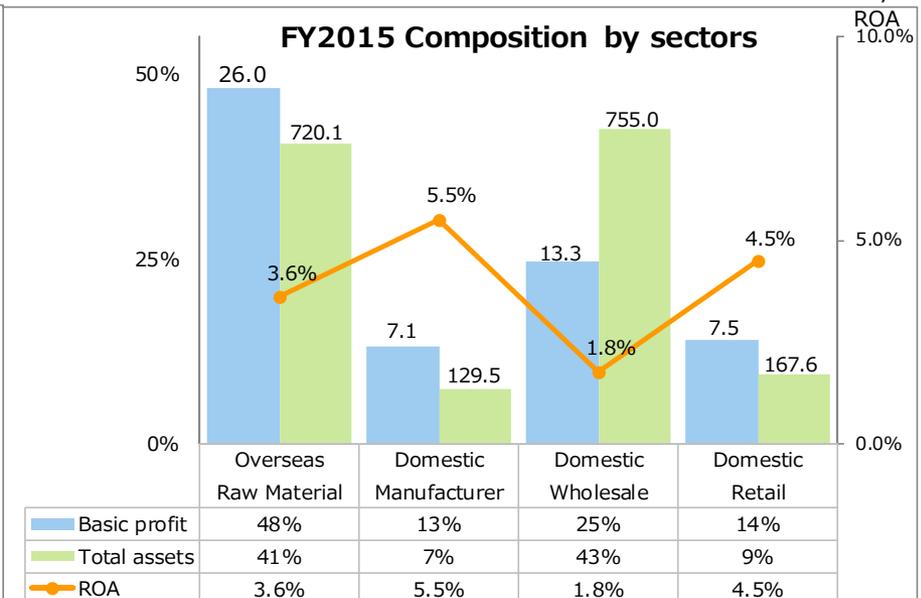
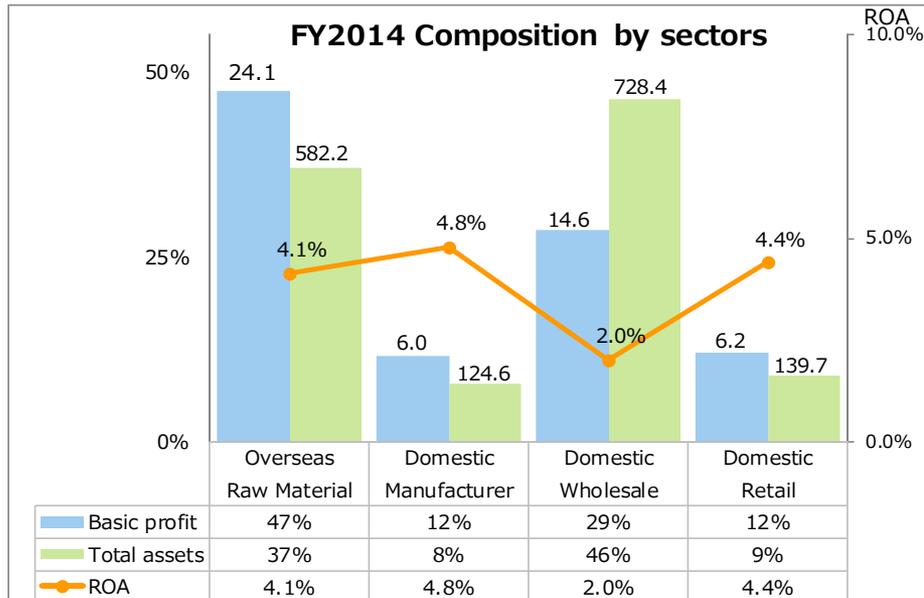
| Market | FY2013 - 2017 5 Year range | | FY2013 - 2017 5 Year average | | Overall |
|-----------------------|-------------------------------|------------|---------------------------------|----------------|------------------------------|
| | ROA | Volatility | ROA | Average Return | |
| Domestic Retail | 2.5 - 4.1% | Middle | 3.2% | Middle | Middle Risk Middle Return |
| Domestic Wholesale | 2.1 - 2.5% | Low | 2.3% | Low | Low Risk Low Return |
| Domestic Manufacturer | 3.9 - 4.6% | Low | 4.0% | High | Low Risk High Return |
| Overseas Raw Material | 1.9 - 4.2% | High | 2.7% | Middle | High Risk Middle Return |

Financial Highlights (Sector Analysis)



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(Unit : billion yen)





Introduction of each Division

Business : Retail & Wholesale business focusing on CVS and Supermarket.
Import and Distribution of Final Product.

| | |
|---|---|
| <ul style="list-style-type: none"> Business Area | Agent Business of Manufacturer, Retail Support, Food Product Development, Import and Distribution of Brand Products |
| <ul style="list-style-type: none"> Major Group Companies | FamilyMart UNY Holdings Co., Ltd., NIPPON ACCESS, ITOCHU-SHOKUHIN etc. |
| <ul style="list-style-type: none"> Strength | <p><u>Top class distribution network amongst Wholesale & Retail sector</u> Number one in store numbers within Top 3 metro areas (Tokyo, Osaka, Nagoya)</p> |
| <ul style="list-style-type: none"> Future measures | <ol style="list-style-type: none"> Swiftly create and solidify synergy from merger of UNY&FamilyMart. Expand revenue and efficiency from wholesalers of group companies. Strengthen the value adding function (business marketing related) |



Business : Production, Manufacturing and Distribution of Marine, Meat and Agri-products.

| | |
|---|--|
| <ul style="list-style-type: none"> Business Area | <p>Fresh Foods (Marine, Meat, Agri-products)</p> |
| <ul style="list-style-type: none"> Major Group Companies | <p>Dole, Prima Meat Packers, HyLife, Aneka Tuna etc.</p> |
| <ul style="list-style-type: none"> Strength | <p>Holding a worldwide value chain of fresh foods (Production, Manufacturing and Distribution) Top class share amongst each fields.</p> |
| <ul style="list-style-type: none"> Future measures | <p><u>“Becoming a Worldwide Leading Fresh Foods Integrator”</u></p> <ol style="list-style-type: none"> Expand the business of Dole (fresh business and packaged foods business) Consider new investment with the same scale as Dole. |



Business : Handle grain and other raw materials to provide stable supply to Japan and the Asian Market.

| | |
|---|---|
| <ul style="list-style-type: none"> Business Area | <p>Feedstuff, Coffee Beans, Dairy Products, Premium Oil, Sesame, Starch etc.</p> |
| <ul style="list-style-type: none"> Major Group Companies | <p>(Overseas) CGB, EGT, P.H. (Domestic) FUJI OIL, ITOCHU Food Sales and Marketing, ITOCHU Sugar, ITOCHU Feed Mills</p> |
| <ul style="list-style-type: none"> Strength | <p>Export business of U.S Grain. <u>Global supply chain of sesame, oil, coffee</u> and <u>Strong Domestic Distribution network.</u></p> |
| <ul style="list-style-type: none"> Future measures | <ol style="list-style-type: none"> 1. Structure Portfolio to reduce volatility. Consider investment to soft commodity sector. 2. Strengthen U.S. Grain business. 3. Strengthen Domestic Sales and Relationship with CP |





Forward-Looking Statements

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