

Japanese Market Opportunities and Partnership

Innovative Technology Business Development Office
ITOCHU Corporation

Menu

Introduction

ITOCHU, a general trading company

Trends, Demands, and Opportunities of Japanese Food Market

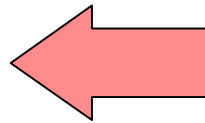
Working with Japanese Firms to Promote Your Products

Introduction

Why We Deal Foods

Food self-sufficiency rate

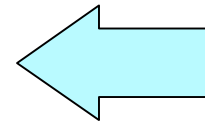
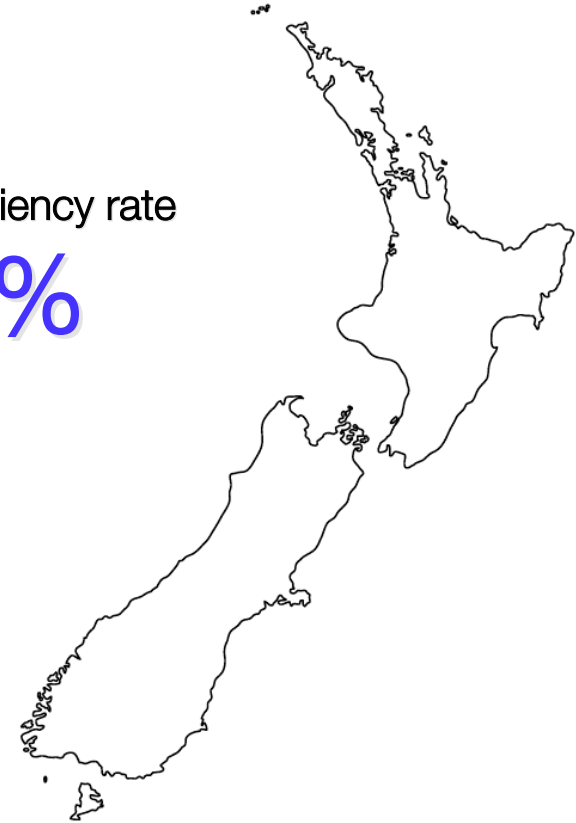
40%



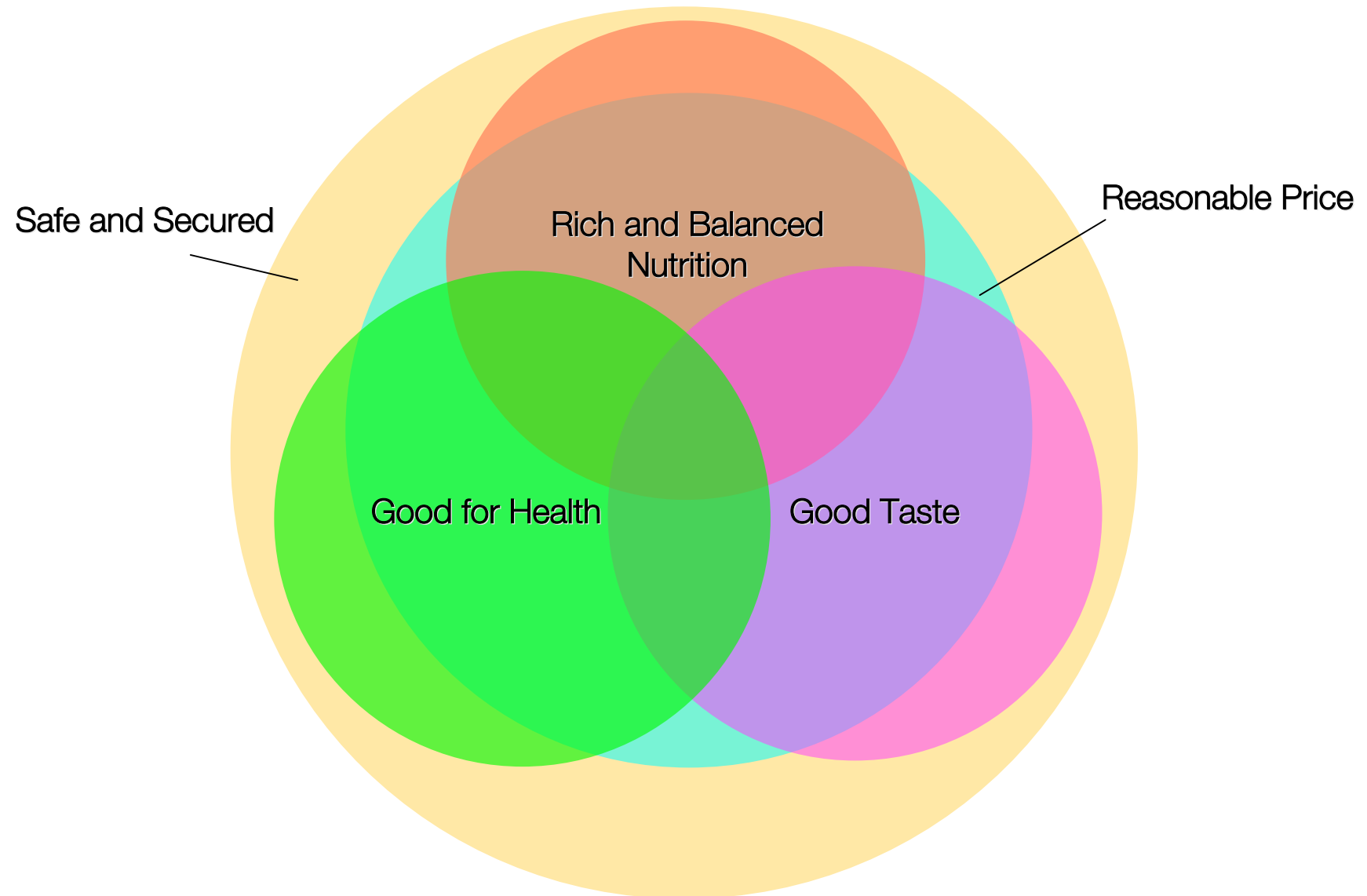
Imported foods fill the shortage

Food self-sufficiency rate

300%



Foods exporting is one of the key industry



ITOCHU,
a general trading company

Company Overview

■ Company Name	: ITOCHU Corporation
■ Founded	: 1858
■ Incorporated	: December 1, 1949
■ Common Stock	: 202,241 million JPY
■ Total trading transaction	: 10,306.8 billion JPY (FY2010)
■ Net income attributable to ITOCHU	: 128.2 billion JPY (FY2010)
■ Number of Employees	: Consolidated 62,379 / Non-consolidated 4,259
■ Website	: http://www.itochu.co.jp

*As of March 31, 2010

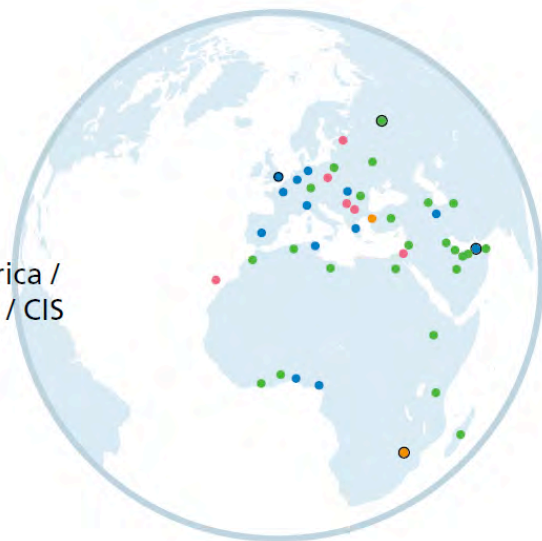
ITOCHU, one of the leading *sogo shosha*, is engaging in domestic trading, import/export, and overseas trading of various products such as textile, machinery, information and communications technology, aerospace, electronics, energy, metals, minerals, chemicals, forest products, general merchandise, food, finance, realty, insurance, and logistics services, as well as business investment in Japan and overseas.

Company Overview

North America /
Latin America



Europe / Africa /
Middle East / CIS



Overseas Offices	: 136
Domestic Offices	: 15
Group Companies (Including overseas offices)	: 413

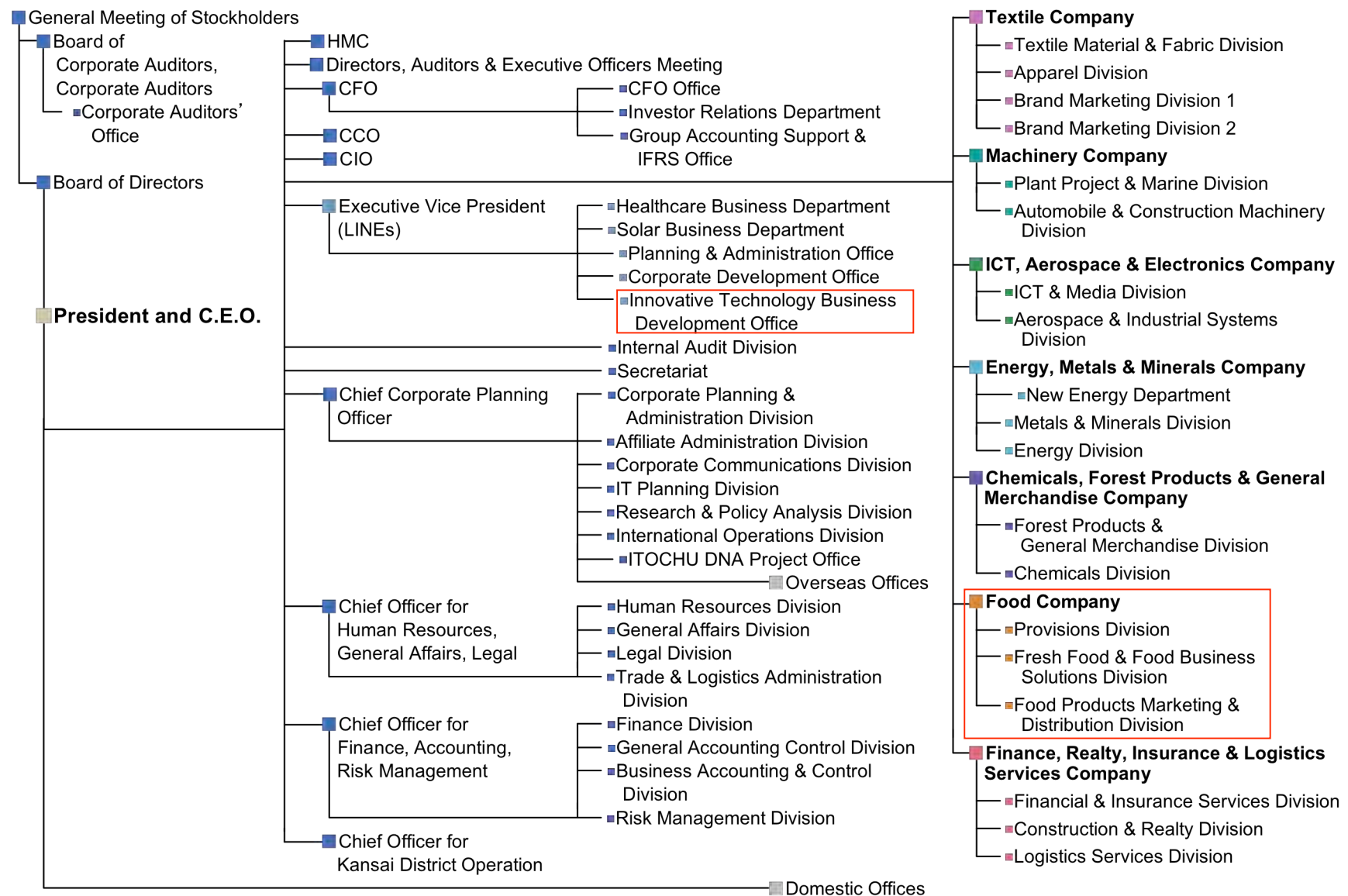
*As of March 31, 2010

- Overseas Regional Headquarters
- Overseas Trading Subsidiaries
and their Branches / Offices
- Overseas Branches
- Overseas Liaison Offices
- Others

Oceania / China / Asia / Japan

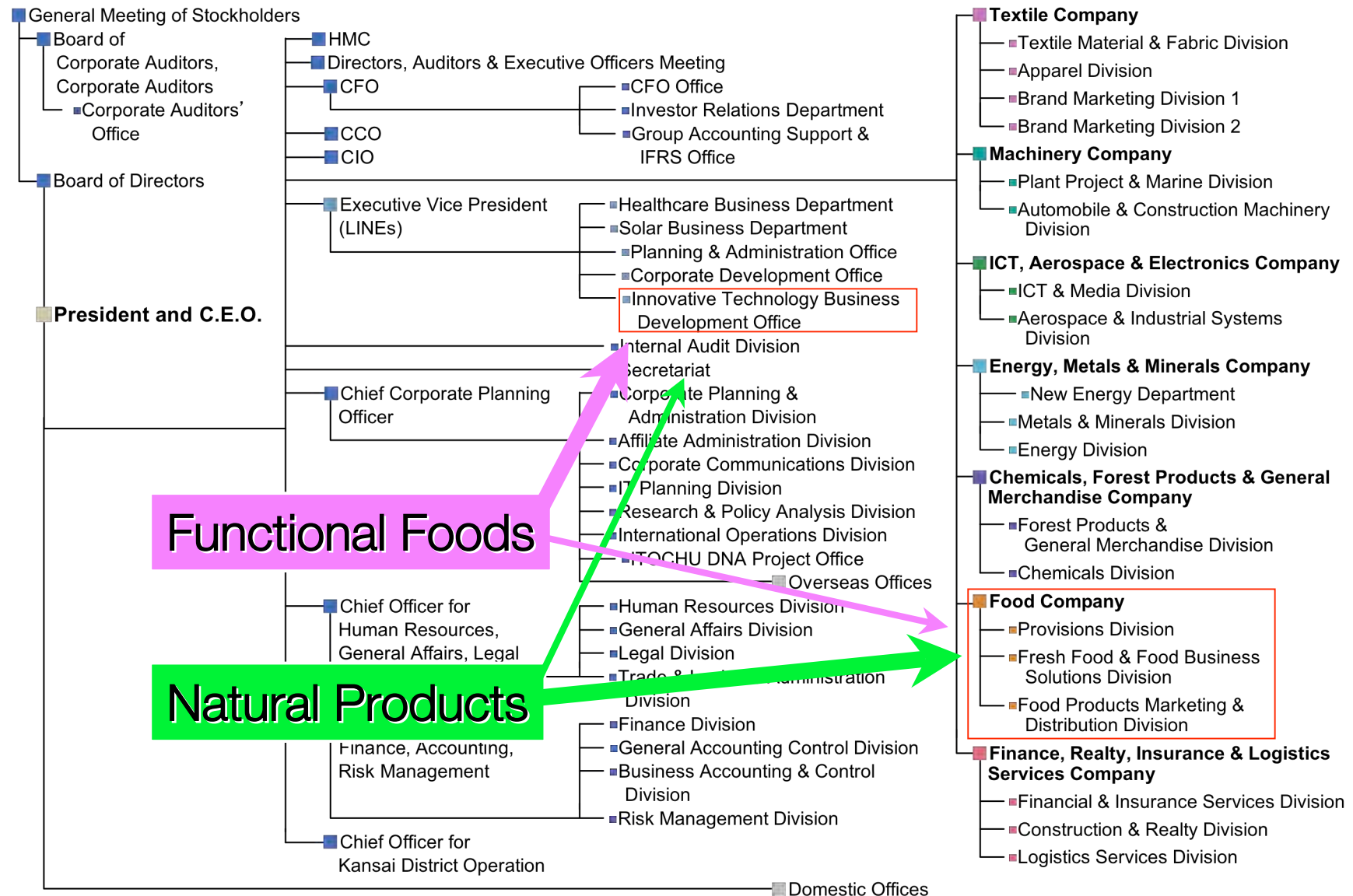


Company Overview



*As of April 1, 2010

Company Overview

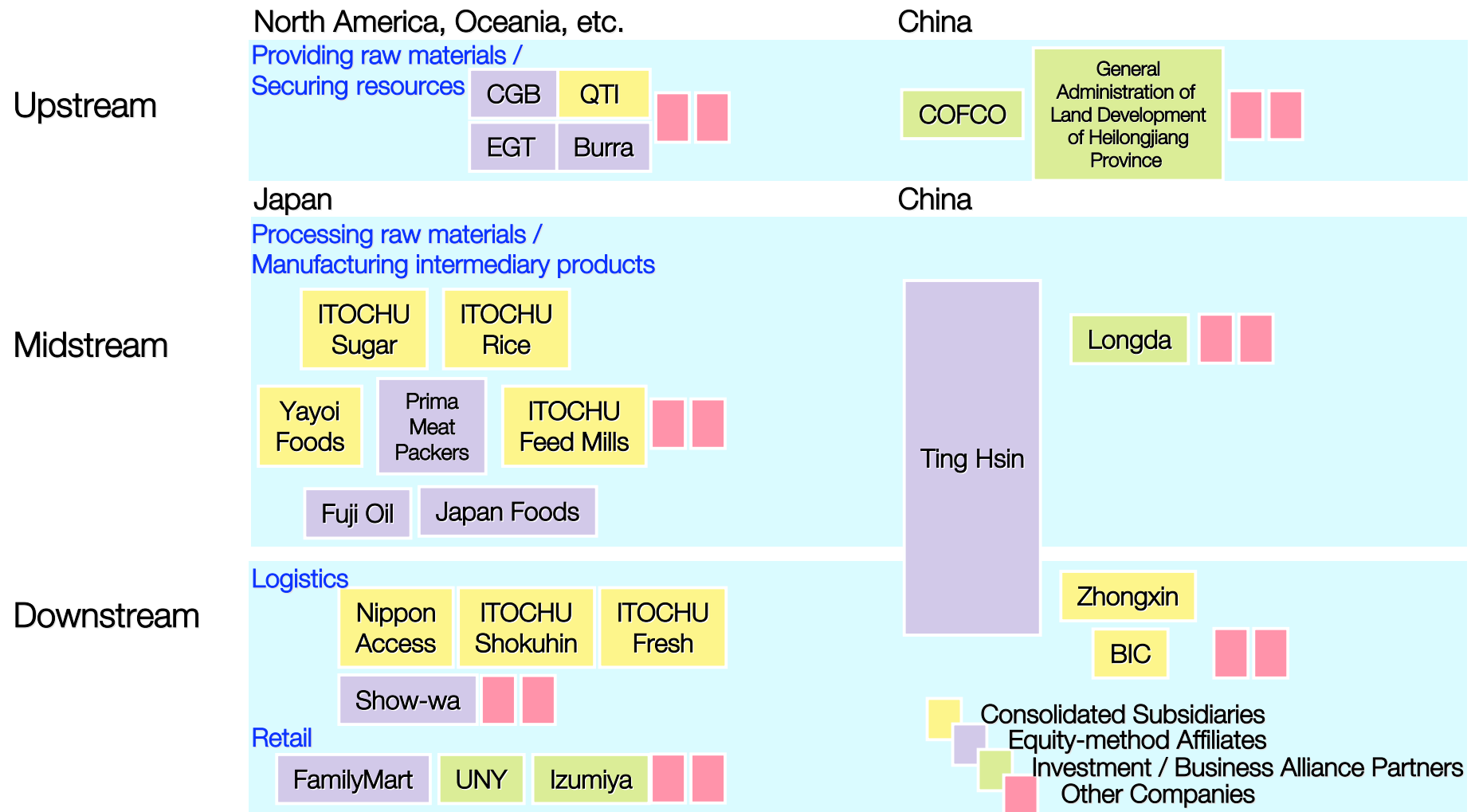


*As of April 1, 2010

Our Food Business

Current Food Business is based on ITOCHU Strategic Integrated System.

- Vertically integrated business function for supply chain with high efficacy



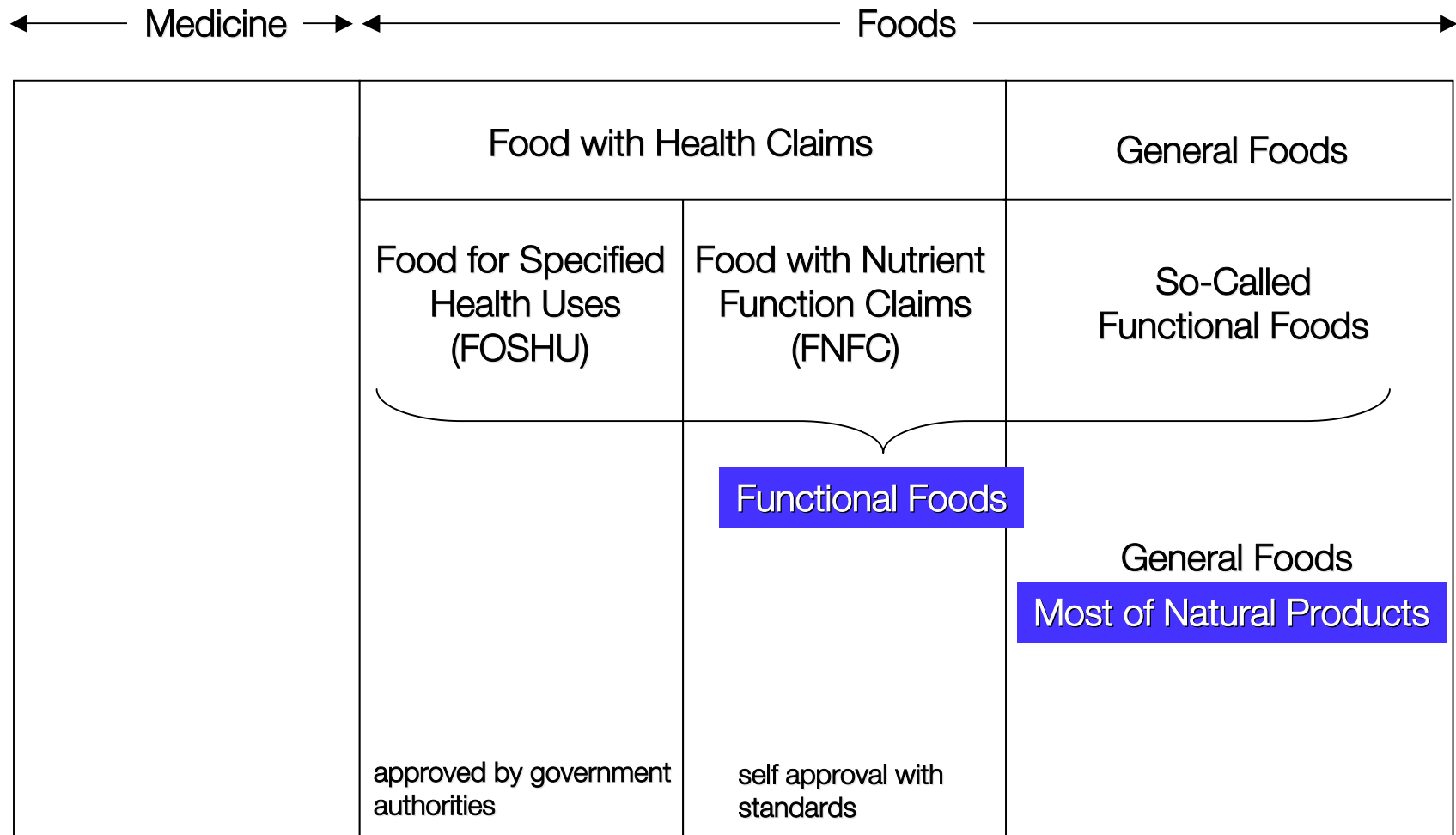
Summary

- *ITOCHU, one of the general trading companies, covers wide variety of industries including food business.*
- *Div. Co. and ITBDO are responsible for current and future business, respectively.*
- *Huge numbers of customers, subsidiaries, and partners within our strategic integrated system allow us to collect the needs and to optimize the business models.*
- *Strategic Integrated System is established in China and other countries; consequently, it will be easy to transfer the business globally.*

*Trends, demands, and opportunities
of Japanese food market*

Market Overview

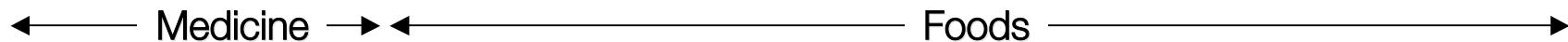
Categories of Foods in Japan



Market Overview

Market Size of Functional Foods: ~23.5 billion USD / year

Market Size of Natural Products: ~14.1 billion USD / year

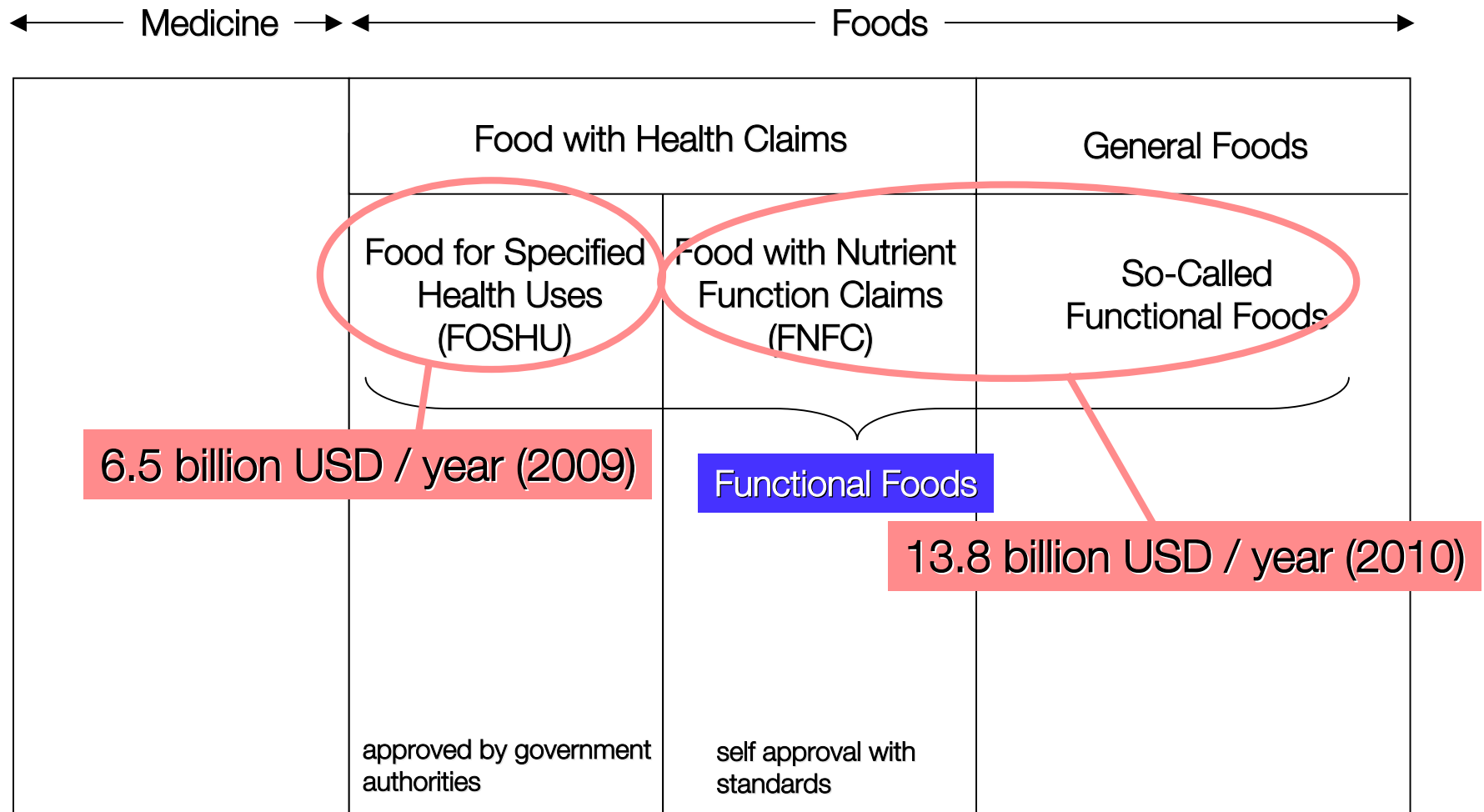


	Food with Health Claims		General Foods
	Food for Specified Health Uses (FOSHU)	Food with Nutrient Function Claims (FNFC)	So-Called Functional Foods
	Functional Foods ~23.5 billion USD / year		General Foods Most of Natural Products ~14.1 billion USD / year
	approved by government authorities	self approval with standards	

Market Overview

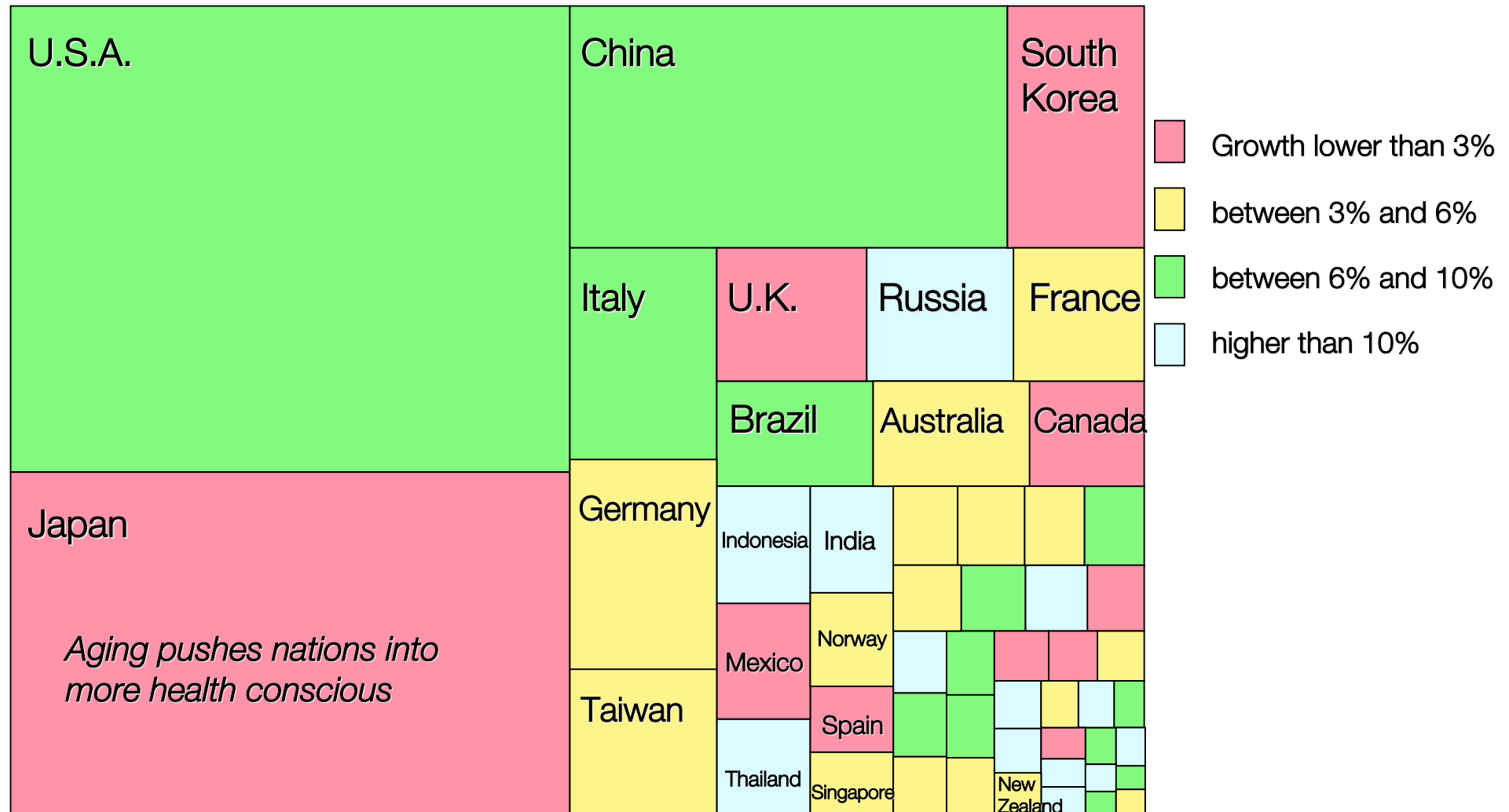
FOSHU: 6.5 billion USD / year (2009)

Functional Foods except for FOSHU: 13.8 billion USD / year (2010)



Characteristics of Japanese Market

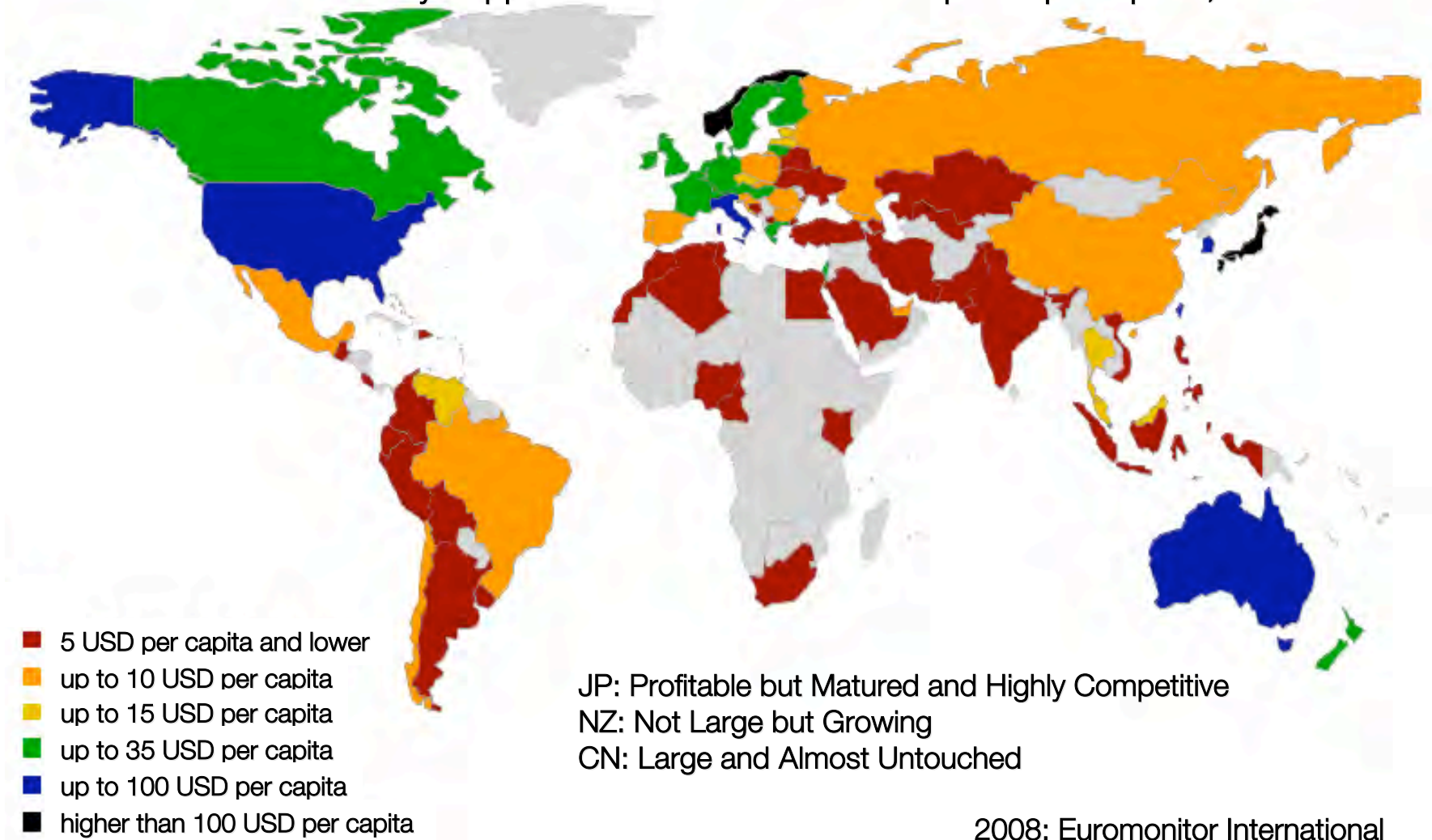
::: Japan as No.2 Market of Global Vitamin & Dietary Supplements Sales :::



Characteristics of Japanese Market

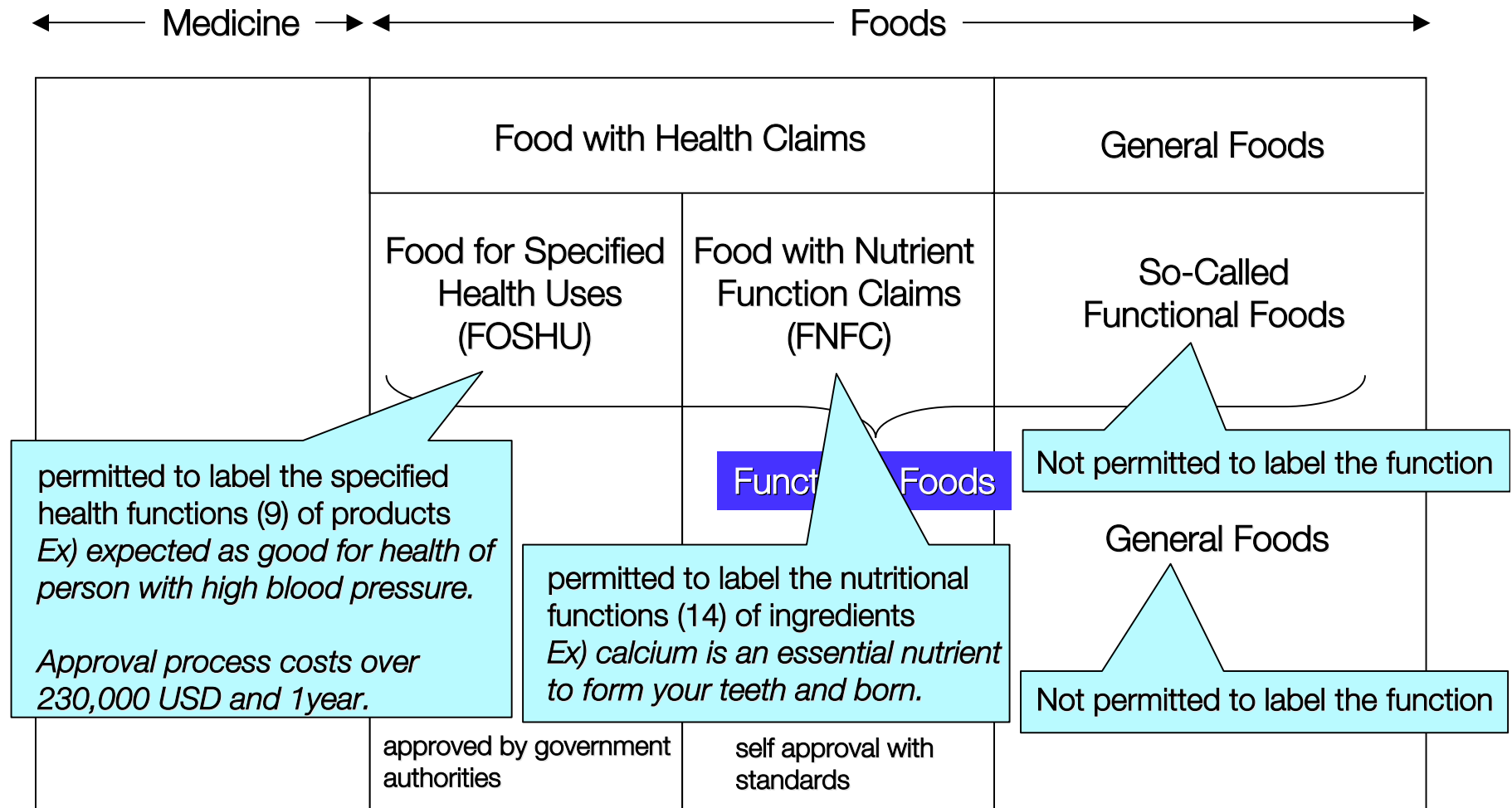
:::: Profitable but Matured and Highly Competitive :::

- Vitamin and Dietary Supplements Penetration: Global per Capita Spend, 2008 -



Labeling

Functional labeling is allowed for FOSHU and FNFC.



Administrative Regulations

Health Promotion Act:

- *requires the evidence of the function.*
- *prohibits intentional / non-intentional misleading.*

Food Sanitation Act:

- *prohibits the labeling of function except for FOSHU and FNFC.*
- *prohibits the use of ingredients with risk.*

Pharmaceutical Affairs Act:

- *prohibits the use of medicine for foods.*
- *prohibits the labeling of medicinal function for foods.*

Act Against Unjustifiable Premiums and Misleading Representations:

- *prohibits the labeling which mislead the goodness of the products.*