

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

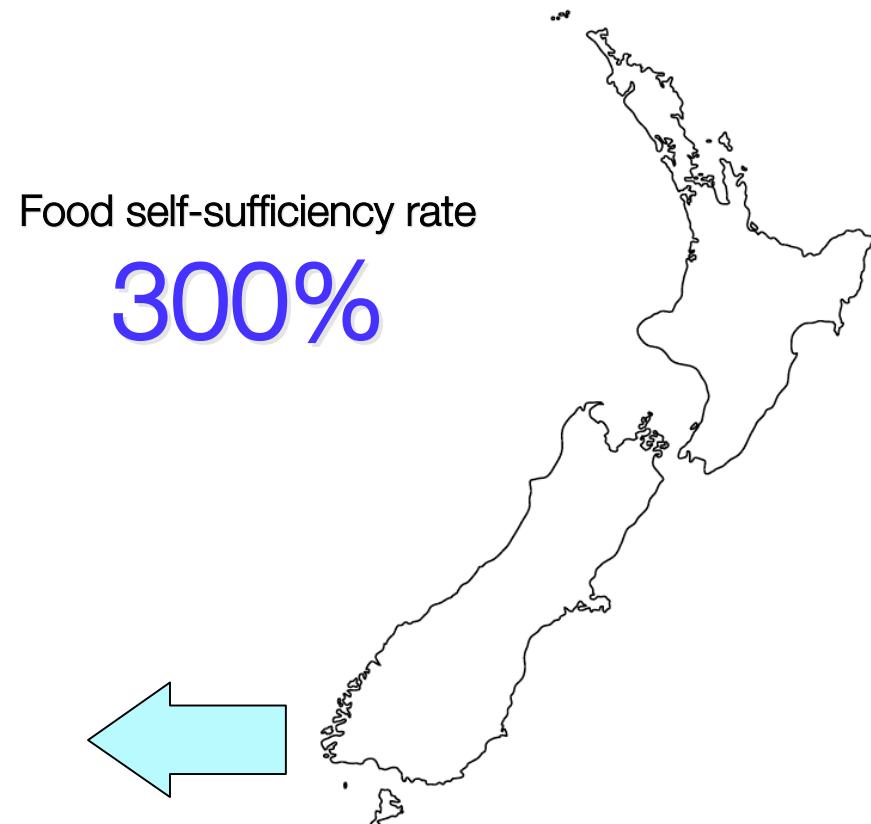
Working with Japanese Firms to Promote Your Products

Introduction

Why We Deal Foods

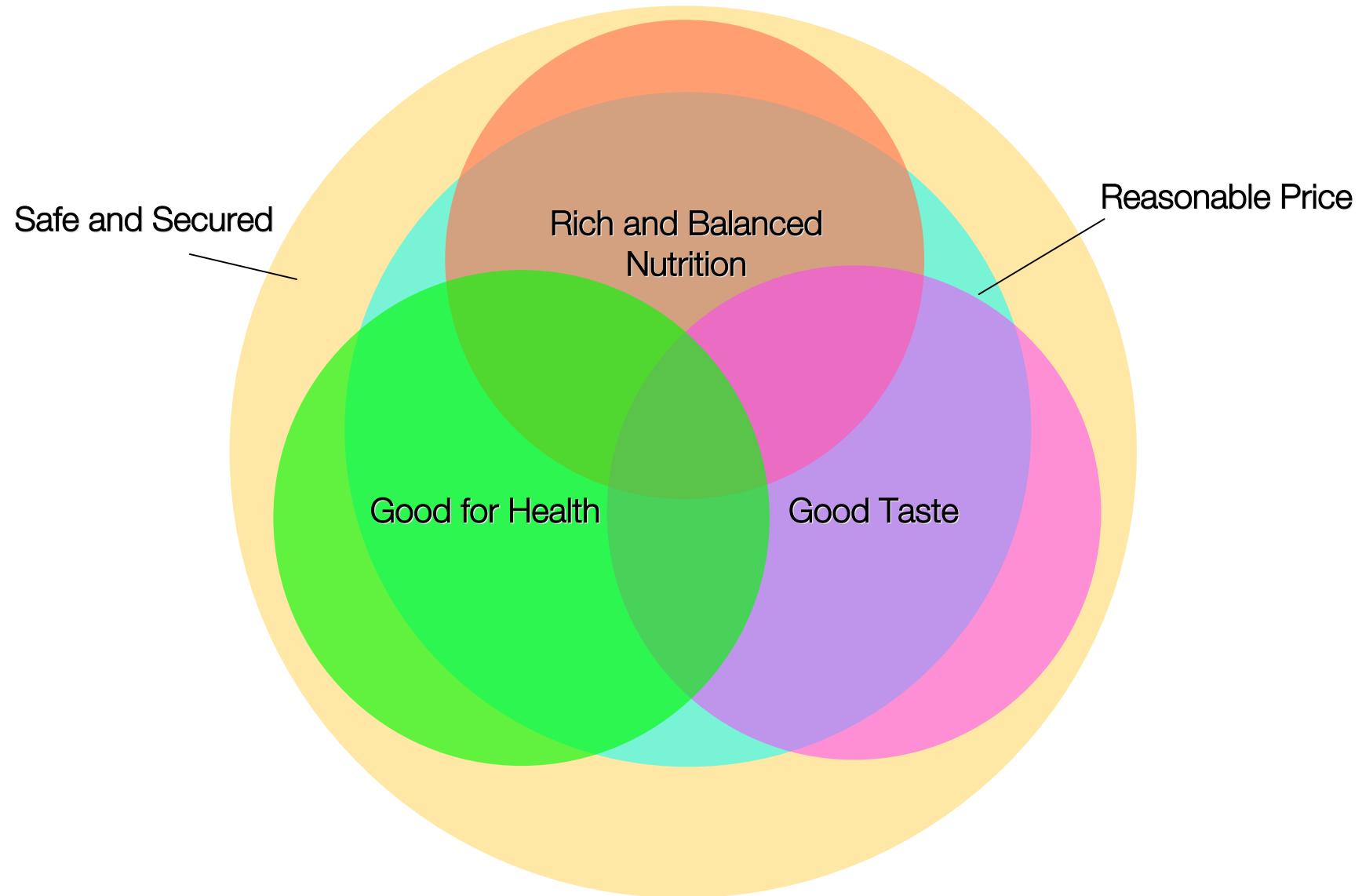


Imported foods fill the shortage



Foods exporting is one of the key industry

Social Demands for Foods



*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

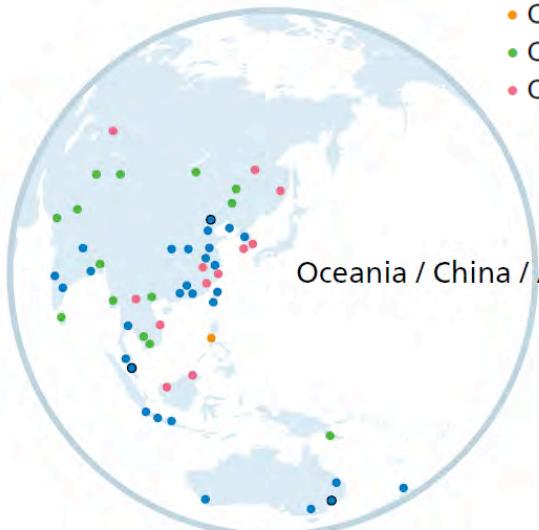


Europe / Africa /
Middle East / CIS

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

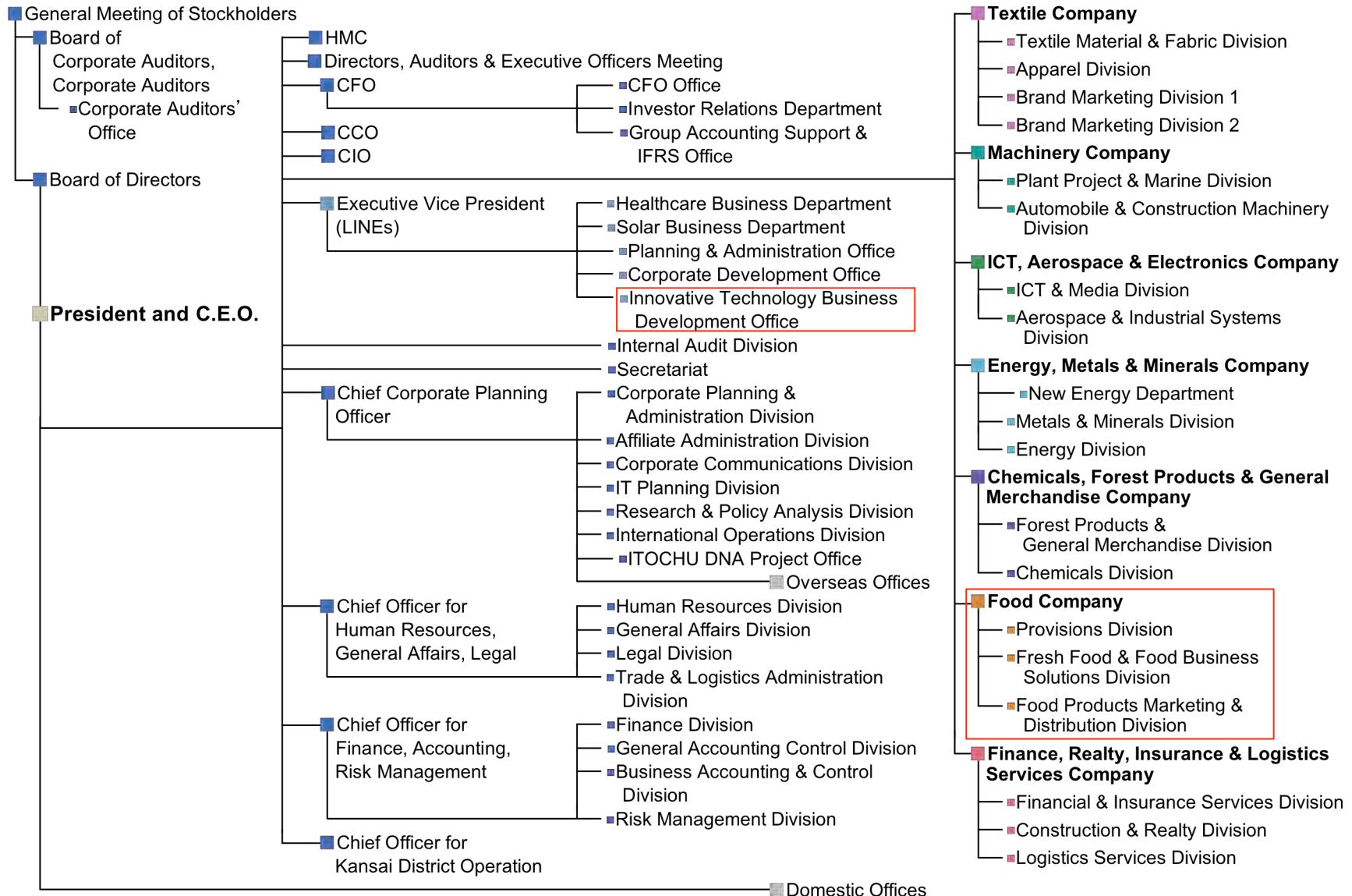
*As of March 31, 2010

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



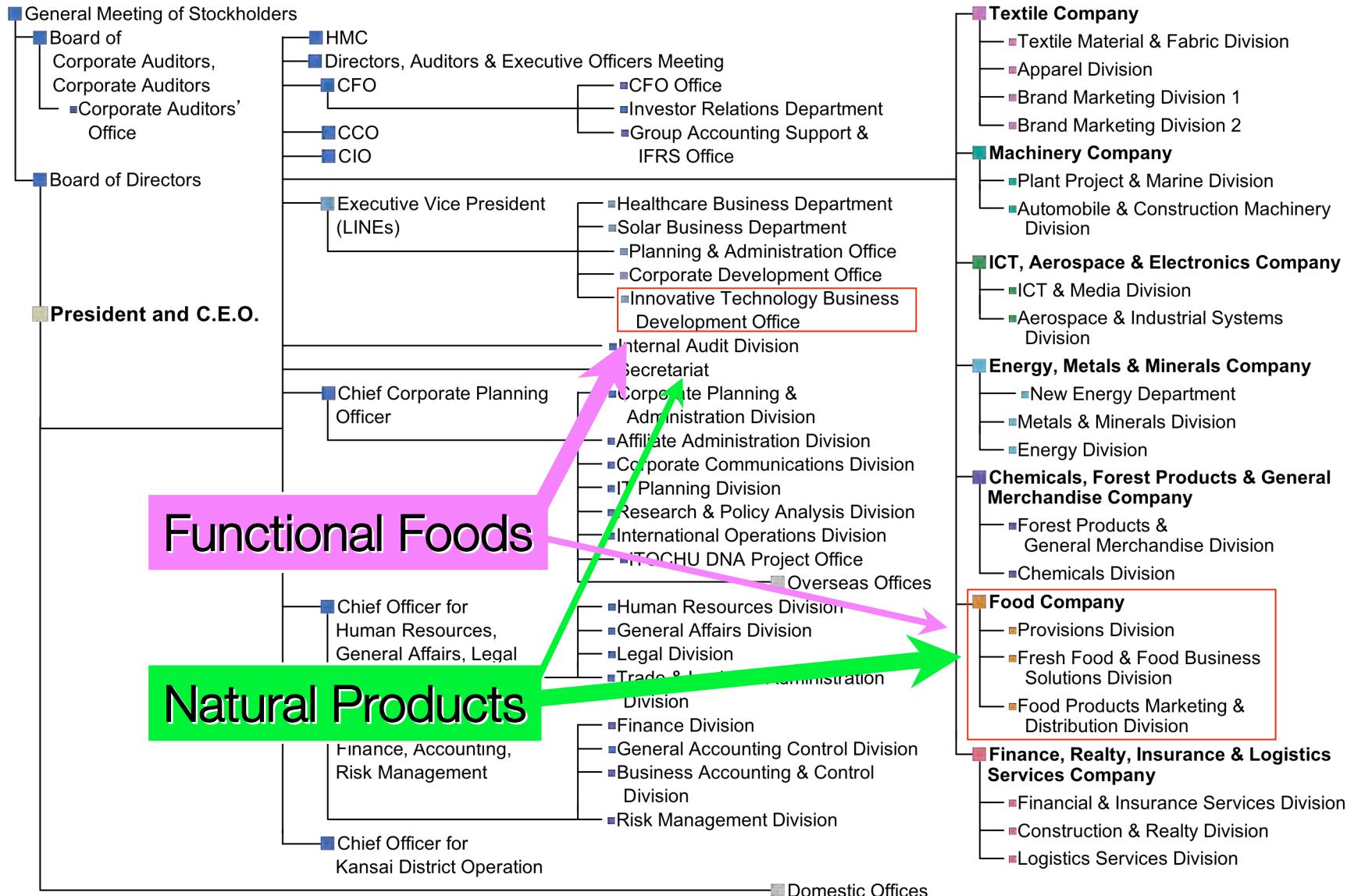
Oceania / China / Asia / Japan

Company Overview



*As of April 1, 2010

Company Overview

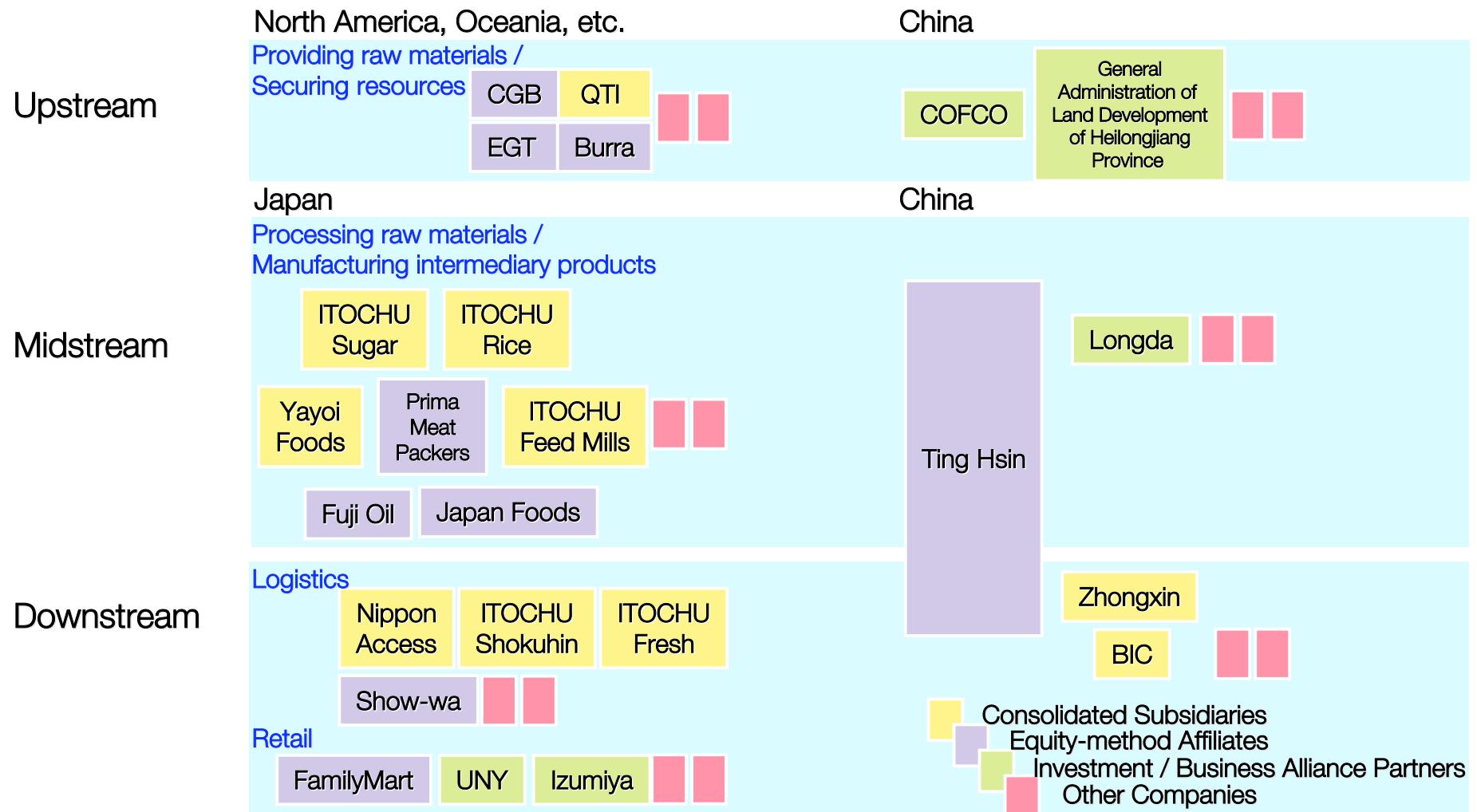


*As of April 1, 2010

Our Food Business

Current Food Business is based on ITOCHU Strategic Integrated System.

- Vertically integrated business function for supply chain with high efficacy



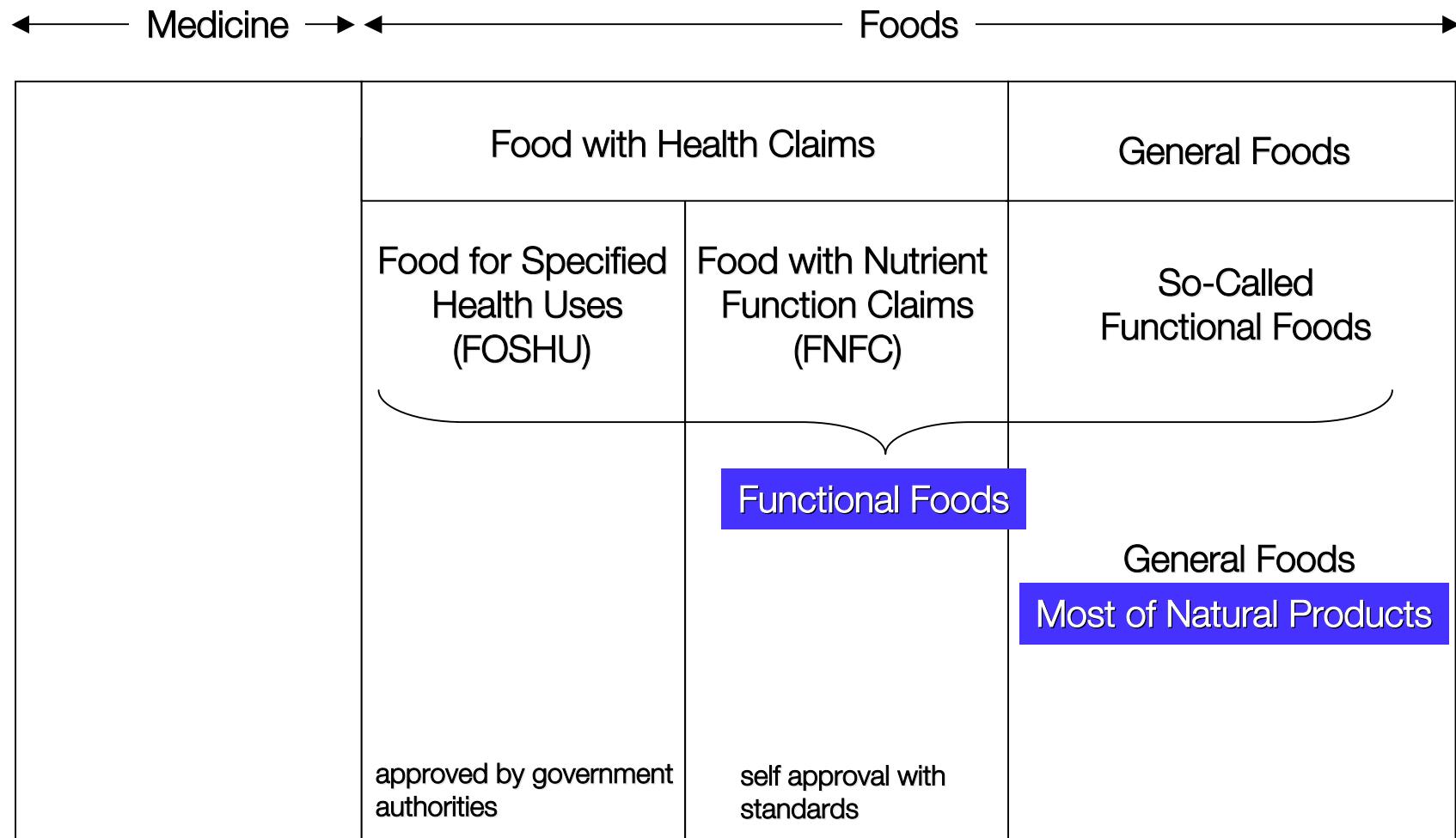
Summary

- *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

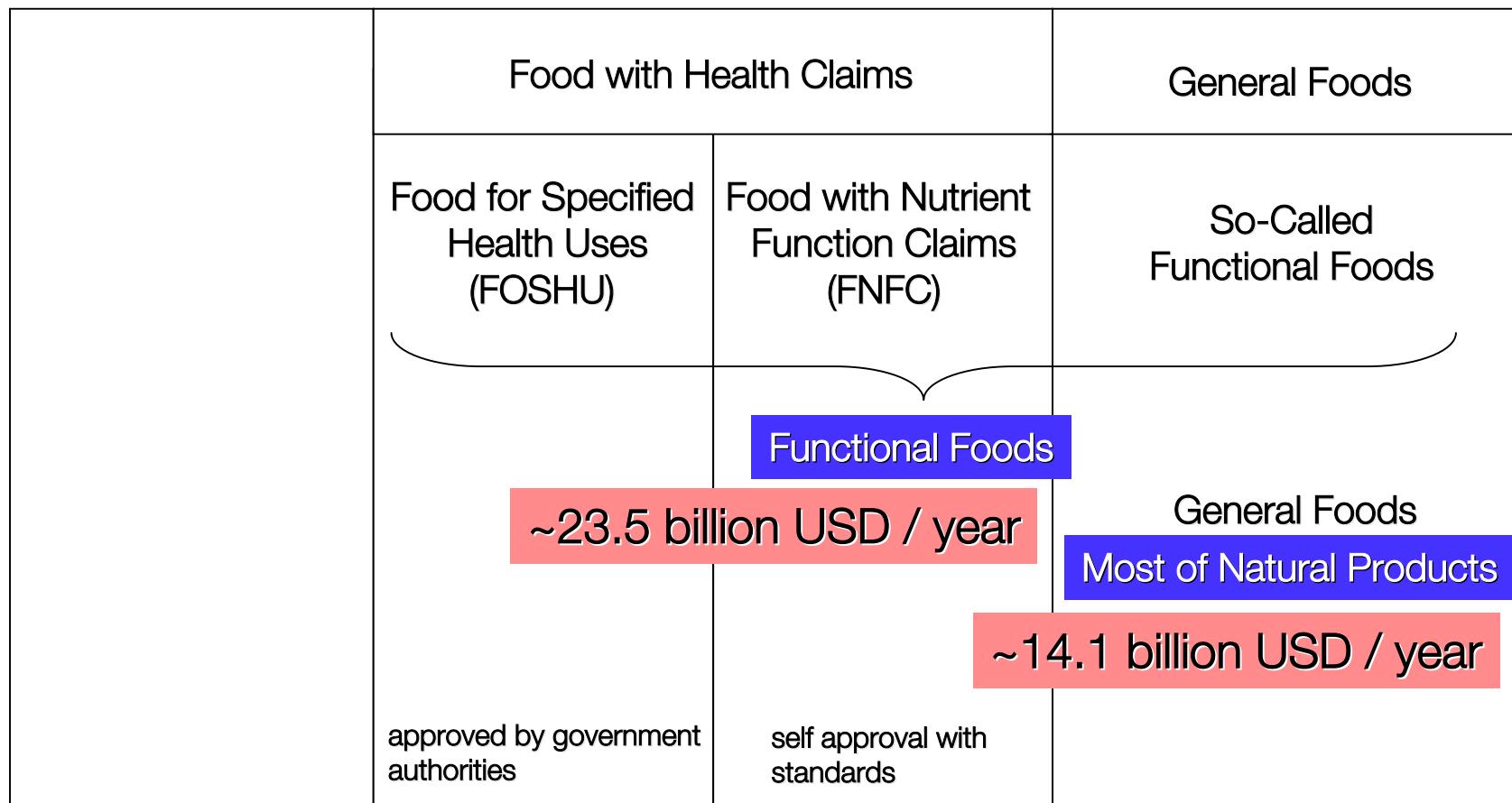


Market Overview

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

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

← Medicine → Foods →

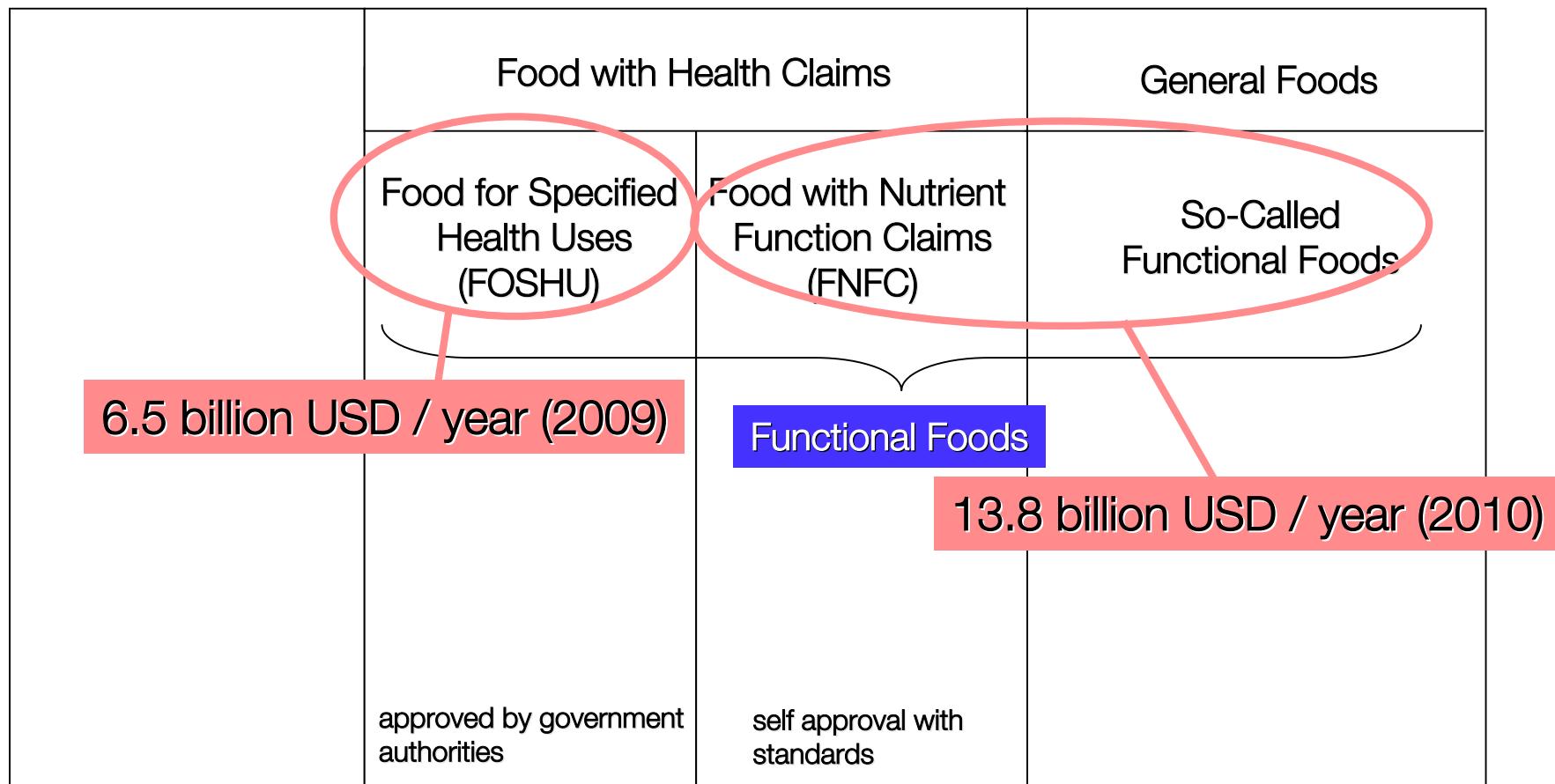


Market Overview

FOSHU: 6.5 billion USD / year (2009)

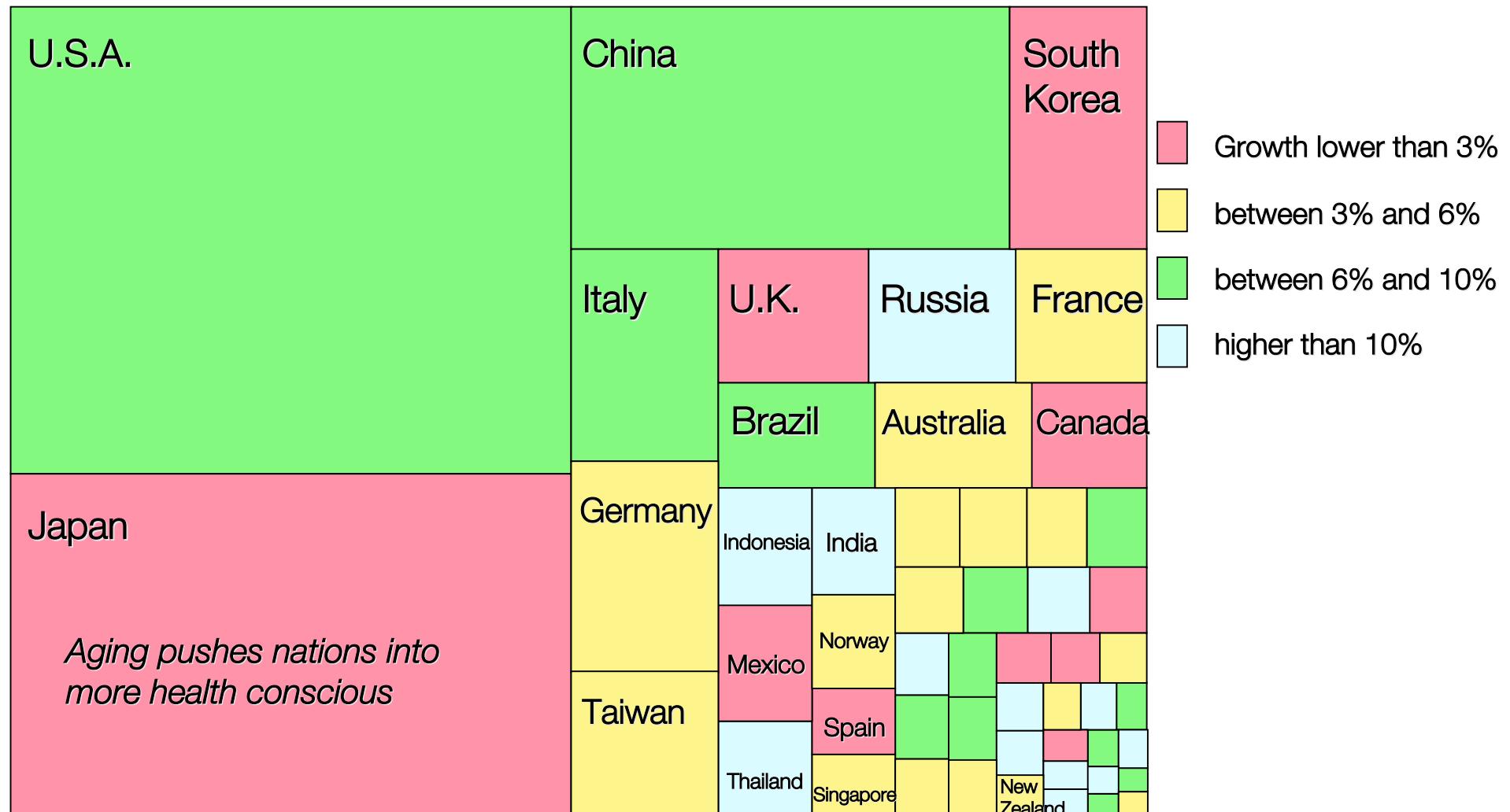
Functional Foods except for FOSHU: 13.8 billion USD / year (2010)

← Medicine → Foods



Characteristics of Japanese Market

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

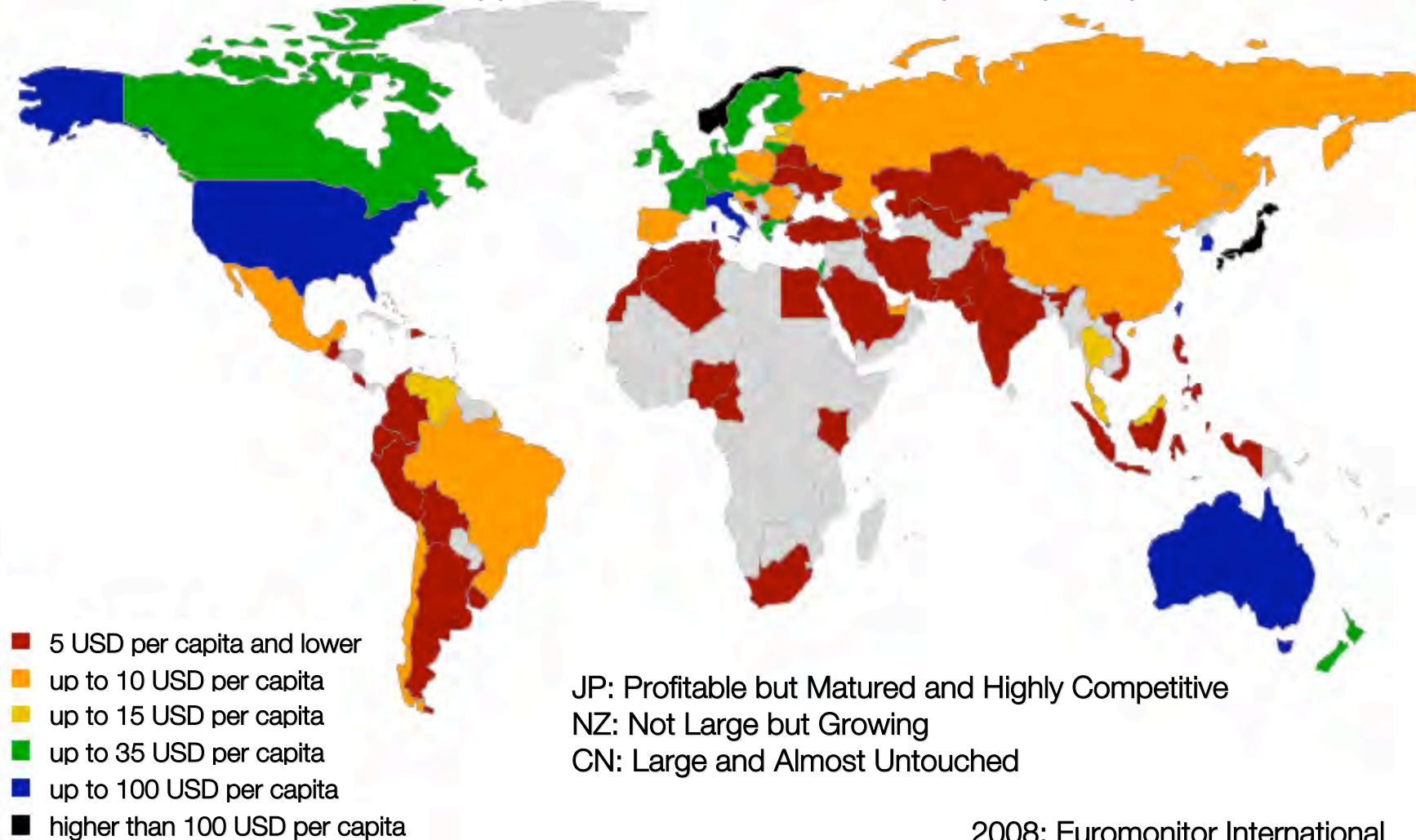


2007-2008: Euromonitor International

Characteristics of Japanese Market

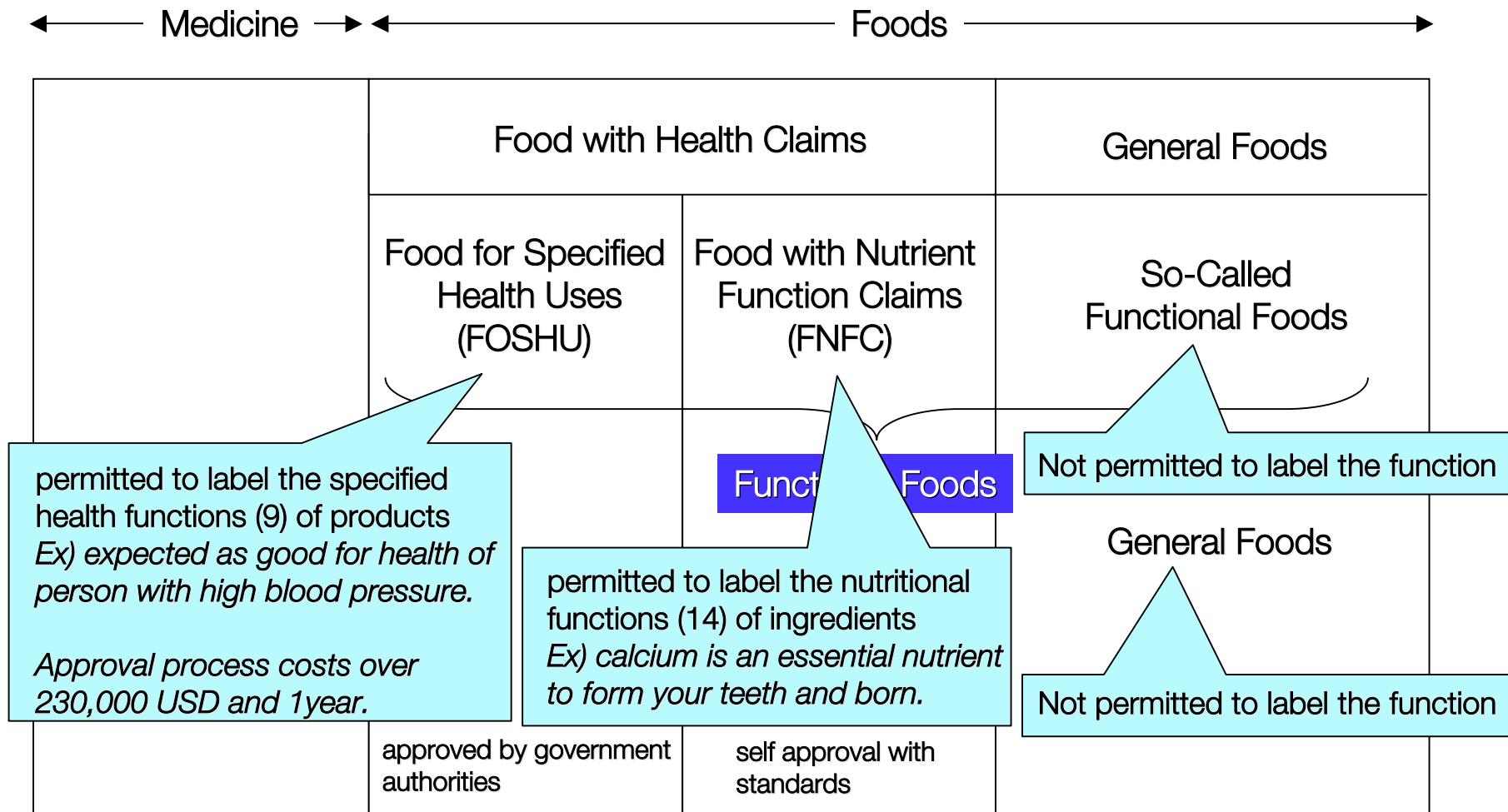
::: Profitable but Matured and Highly Competitive :::

- 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.*