

(Note) This document is an English translation of a statement written initially in Japanese, the Japanese original document should be considered as primary version.

February 10, 2017

Press Release

Company name: ITOCHU Techno-Solutions Corporation
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Notice Regarding Absorption-Type Merger (Short-Form Merger) of
CTC Life Science Corporation, a Consolidated Subsidiary

ITOCHU Techno-Solutions Corporation (the Company) hereby announces that a meeting of its Board of Directors held on February 10, 2017 resolved to absorb and merge CTC Life Science Corporation (hereinafter, CTC Life Science) which is a consolidated subsidiary of the Company as of April 1, 2017. Details are as follows.

This merger is a short-form merger because a consolidated and wholly owned subsidiary of the Company will be merged. Accordingly, certain of the matters and information are omitted from the disclosure.

1. Purpose of the merger

CTC Life Science, the merged company, has mainly engaged in the business of selling and maintaining management/analysis systems, etc. tailored to its major customers, namely the research and development departments of companies in the pharmaceutical and chemical industries. In recent years, these industries have seen progress in the use of artificial intelligence, the Internet of Things, and other technologies. As the Company has strength in these fields, it was decided to integrate the two companies through an absorption-type merger to maximize synergy and improve the management efficiency of the group.

2. Summary of the merger

(1) Schedule for the merger

Date of resolution by the board of directors: February 10, 2017

Date of execution of the merger agreement: February 10, 2017

Effective date of the merger: April 1, 2017 (scheduled)

(Note) This merger is a short-form merger pursuant to Paragraph 2, Article 796 of the Companies Act from the perspective of the Company and a short-form merger pursuant to Paragraph 1, Article 784 of the Companies Act from the perspective of CTC Life Science. Accordingly, both the Company and CTC Life Science will not hold the general meeting of shareholders for approval of the merger agreement.

(2) Method of the merger

The method of the merger is the absorption-type merger with the Company as the surviving company and CTC Life Science as the dissolving company. CTC Life Science will be dissolved.

(3) Allocation upon the merger

The Company has all the issued shares of CTC Life Science and thus there will be no issue or allocation of shares or other value, etc. upon the merger.

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(4) Treatment with respect to the subscription rights to shares and the bonds with subscription rights to shares of the dissolving company

There are no relevant matters.

3. Outline of the companies involved in the merger

(As of March 31, 2016)

(1)	N a m e	ITOCHU Techno-Solutions Corporation (merging company)	CTC Life Science Corporation (merged company)
(2)	A d d r e s s	3-2-5, Kasumigaseki, Chiyoda-ku, Tokyo	2-10-2, Higashigotanda, Shinagawa-ku, Tokyo
(3)	Title and name of the r e p r e s e n t a t i v e	President & CEO, Satoshi Kikuchi	President & CEO, Katsuyuki Shirota
(4)	Business description	Sales and maintenance of computer/network system, contracted development of software, information processing service, scientific/engineering information service, support and others	Sales and maintenance of management/analysis system for the pharmaceutical/chemical/food industries, sales and maintenance of computer/network system, contracted development of software and others
(5)	C o m m o n s t o c k	21,763 million yen	300 million yen
(6)	Date of foundation	July 11, 1979	October 1, 1989
(7)	Number of issued shares	120,000,000 shares	7,000 shares
(8)	F i s c a l y e a r e n d	March 31	March 31
(9)	Major shareholders and shareholding ratio	1. ITOCHU Corporation: 56.11% 2. Japan Trustee Services Bank, Ltd.: 2.80% 3. CTC employee shareholding association: 1.94% 4. The Master Trust Bank of Japan, Ltd.: 1.36% 5. STATE STREET BANK WEST CLIENT- TREATY 505234: 0.81% *In addition to the above, treasury stock held by the Company: 3.65%	ITOCHU Techno-Solutions Corporation: 100.00%
(10)	Operating results and financial condition for the latest fiscal year		
ITOCHU Techno-Solutions Corporation (merging company)		CTC Life Science Corporation (merged company)	
F i s c a l t e r m	Fiscal year ended March 31, 2016 (on a consolidated basis/IFRS)	F i s c a l t e r m	Fiscal year ended March 31, 2016 (on a non-consolidated basis/Japan GAAP)
Total equity attributable to owners of the Company	179,285 million yen	N e t a s s e t s	102 million yen
T o t a l a s s e t s	307,932 million yen	T o t a l a s s e t s	1,447 million yen

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Equity attributable to owners of the Company per share	1,550 yen 72 sen	Net assets per share	14,700 yen 32 sen
R e v e n u e	391,606 million yen	N e t S a l e s	3,955 million yen
Operating income	27,942 million yen	Operating income	-191 million yen
-	-	Ordinary income	-189 million yen
Profit attributable to owners of the Company	18,018 million yen	N e t i n c o m e	-186 million yen
Basic earnings per share for the year	155 yen 85 sen	Earnings per share for t h e y e a r	-26,658 yen 02 sen

4. State after the merger

There will be no change in the name, address, title/name of the representative, common stock and fiscal year end of the Company upon this merger.

5. Future outlook

This merger is to merge a consolidated and wholly owned subsidiary of the Company and thus will have an insignificant impact on the consolidated earnings of the Company.

End.