

As of March 31, 2005

Number of Employees

Consolidated*	7,330
Non-consolidated	452

*The number of consolidated employees is based on actual working employees excluding temporary staff.

Number of Subsidiaries and Associates

Domestic	43
Overseas	48

Products & Services

- Logs & Lumber • Pulp & Paper • Natural rubber and tires • Ceramic products • Basic chemicals • Fine chemicals • Pharmaceutical products • Inorganic chemicals • Plastics • Various consumer products

Organization (As of April 1, 2005)

Chemicals,
Forest Products &
General Merchandise
Company

Planning & Coordinating Department
Accounting, Affiliates Administration & Credit Control Department
Life & Living Department
Forest Products & General Merchandise Division
Wood Products & Materials Department
Paper Materials & Products Department
Tire & Rubber Department
General Merchandise Department
Chemicals Division
Organic Chemicals Department No.1
Organic Chemicals Department No.2
Inorganic Chemicals Department
Plastics Department

Decision to Increase Production Capacity for Cenibra Pulp Operations

This Division Company maintains an investment in Celulose Nipo-Brasileira S.A. (Cenibra) in Brazil through Japan Brazil Paper and Pulp Resources Development Co., Ltd. Cenibra's eucalyptus forestation has achieved the world's top-class growth volumes due to Brazil's warm climate and abundant rainfall. Cenibra's pulp is the most cost competitive in the world due to the advantage of raw material costs. Cenibra is also practicing sustainable forestry management. With 100% of its logs obtained from the forestation, Cenibra has established an environmentally friendly operation.

In order to make an effective use of the abundant forest resources, we have decided to invest an additional ¥26.0 billion by 2007, boosting annual production from the current 1.0 million tons to 1.2 million tons. We will also promote sales to China and Asia, as well as Europe and other markets, in



Cenibra Pulp Mill (Minas Gerais, Brazil)

which we anticipate a continuing increase in demand.

With Cenibra as our core operation, the Division Company is targeting the number one position worldwide in terms of volume handled for pulp trading. With Cenibra's increased capacity and expanded procurement from other existing supply sources, we are targeting sustained profit increases by actively expanding sales to Asian markets, such as Japan and China, as well as to the European and North American markets.

generic drugs. In the upstream field, we decided to double the capacity of the manufacturing facilities for P.T. Aneka Bumi Pratama, a natural rubber-manufacturing subsidiary in Indonesia. In addition, we are considering participating in a major petrochemical project in Asia, and construction is also progressing as scheduled for our PTA (high purity terephthalic acid) business in Daxie, China, in which we decided upon an investment in fiscal year 2004.

The above operations resulted in gross trading profit totaling ¥105.9 billion in fiscal year 2005, with a ¥14.0 billion year-on-year increase. Net income registered an ¥8.7 billion increase to ¥20.3 billion and ROA rose 1.4 percentage points to 3.5%.

Net Income from Major Group Companies*

Years ended March 31 (Billions of yen)	2004	2005
• ITOCHU Kenzai Corp.	¥1.0	¥1.5
• ITOCHU Pulp & Paper Corp.	0.6	0.5
• ITOCHU CHEMICAL FRONTIER Corporation	1.2	1.0
• ITOCHU PLASTICS INC.	1.7	1.8
• Prime Source Building Products, Inc.	3.2	7.5
• CIPA Lumber Co., Ltd.	0.3	0.9

*ITOCHU's share of net income

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