

## THE HEADQUARTERS

ITOCHU has appointed a Chief Operating Officer, Division Companies Operation as well as a Chief Administrative Officer. These two Chief Officer-level positions will add lateral functionality across the entire Company to ITOCHU's operational structure, in contrast to the typical vertical organization of Division Companies divided by business area or product. The Chief Operating Officer, Division Companies Operation provides, as necessary, instruction and guidance from a

### Chief Operating Officer, Division Companies Operation



**ITOCHU is accelerating efforts to develop various new businesses through cross-divisional collaboration and integration, putting priorities on the three business areas identified in Frontier-2006 as pillars of future earnings: consumer business; life care and human care-related business; and innovative technology business. The Chief Operating Officer, Division Companies Operations, is responsible for adding a horizontal and cross-divisional aspect to each Division Company's new business development, thereby creating a better combined strength and an added value for the ITOCHU Group.**

**The Function and Value (FV) Committee will promote these activities together with the Corporate Development Office, the Innovative Technology Business Development Office, and the Strategic Business Development Department (established in April 2005), which collectively serve as the corporate development group.**

#### • Function and Value (FV) Committee

Capitalizing on its activities from the previous fiscal year, this committee, chaired by the Chief Operating Officer, Division Companies Operation, continues to operate to enhance the combined strength of the ITOCHU Group. Its specific tasks are to consolidate and strengthen the ITOCHU Group's functions in the above three areas and to create more value within the ITOCHU Group.

#### • Corporate Development Office

This office supports the development of cross-divisional and long-term strategic projects in the consumer business sector. In addition, it promotes business related to small and medium-sized enterprises that involve alliances with local governmental bodies and investment funds such as the Gambare Japanese Company Fund. The office also conducts CO<sub>2</sub> emissions trading.

#### • Innovative Technology Business Development Office

This office focuses on such businesses as functional food, biopharmaceuticals, security, and nanotechnology. For example, it promotes investment in genetic based drug discovery and development ventures and joint development of environmental technology, through strategic alliances with the National Institute of Advanced Industrial Science and Technology (AIST) of Japan and MPM Capital in the U.S., the world's largest biotech venture capital firm.

#### • Strategic Business Development Department (Established in April 2005)

This office promotes business in areas new to ITOCHU and untapped by ITOCHU, including projects requiring cross-divisional integration and long term strategic projects. The office also creates new markets for life care and human care-related business, meeting such societal changes as the aging population. It also takes actions to accelerate revenue generation in the innovative technology business through joint ventures as well as mergers and acquisitions.

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