



Financial Highlights

(Billions of yen)

Years ended March 31	'02	'03	'04	'05	'06
Gross trading profit	34.4	33.8	16.0	39.3	46.0
Net income (loss)	(9.8)	(8.4)	(75.6)	5.4	9.9
Identifiable assets at March 31	773.4	692.7	609.7	615.3	600.9
ROA (%)	—	—	—	0.9	1.6

Net Income from Major Group Companies*1

(Billions of yen)

Years ended March 31	'04	'05	'06
ITOCHU Finance Corporation*2	4.1	2.7	3.2
CENTURY 21 REAL ESTATE OF JAPAN LTD.	0.2	0.2	0.3
i-LOGISTICS CORP.	0.2	0.4	0.6
kabu.com Securities Co., Ltd.*2	0.7	0.9	2.1
Orient Corporation	—	—	3.1

*1 ITOCHU's share of net income

*2 The net income of ITOCHU Finance Corporation includes that of kabu.com Securities Co., Ltd.

The Finance, Realty, Insurance & Logistics Services Company provides the structuring and sales of financial products as well as insurance and reinsurance agency and consulting services. We are also undertaking warehousing, trucking, international intermodal transport, construction and real estate development and management services.

Key operating subsidiaries and associates in the Company include ITOCHU Finance Corporation, CENTURY 21 REAL ESTATE OF JAPAN LTD., kabu.com Securities Co., Ltd., Orient Corporation, and i-LOGISTICS CORP.

Business Overview

We have four divisions: 1) Financial Services: total financial service business mainly focusing on financial market and retail finance; 2) Construction & Realty: creation and promotion of "lifestyle values"; 3) Insurance Services: strengthening of risk solutions functions; and 4) Logistics Services: offering of high value-added distribution functions linking "people, goods, money and information."

Strengths

Among general trading companies, we are at the forefront of each sector. As the basic strategy for each sector to underpin our leading position, in the Financial Services Division, we will focus on four strategic areas ("market business," "capital investment," "midsize and small company business" and "retail finance") and seek to boost overseas business bases in order to seek higher profits from operations abroad. Giving top priority to "retail finance" among the four strategic areas, we will seek to maximize the synergy effect of the business and capital tie-up with Orient Corporation (Orico), the core company in the retail finance business, to enhance

its corporate value, and also seek to build a portfolio of assets geared to consumer-oriented businesses. In the Construction & Realty Division, we will seek to further broaden the scope of businesses, including real estate securitization, on top of the existing core business area of housing development and management. We will enhance the management of our subsidiaries and affiliates to achieve higher profits as a group for a higher degree of consolidated management. The major challenge in the Insurance Services Division is to maximize our consolidated income earlier possible through producing profitable retail insurance business models. Our basic strategy in the Logistics Services Division calls for 1) higher profits from existing businesses through enhanced consolidated management and extensive global operations; and 2) strengthening of domestic logistics solutions services, China business and chartering.

Each division has its unique strength. The Financial Services Division has high operational compatibility with other business divisions in different industries. For example, the division is extending its operations horizontally, a distinct feature of a general trad-