

## Would you tell us your strategy and efforts for the Consumer Related sector, a strength of ITOCHU?

Our mid-term management plan, Frontier-2006, has sought to boost ITOCHU's revenues by reinforcing our vertical strengths, that is having the textile company and the food company to take initiative and to lead the Consumer Related sector. For example, in the area of brand business, we have acquired FILA's master license, invested in Paul Smith Ltd. of Britain, and acquired LeSportsac Inc. of the United States. In food related business, ITOCHU acquired NIPPON ACCESS INC. in June 2006 as its subsidiary to seek its total optimization and information scale expansion in the domestic food distribution market, an important business segment for ITOCHU.

ITOCHU has also been seeking to boost its profits by reinforcing lateral coalitions where ITOCHU can exercise its comprehensive strengths as a general trading company and develop business over several sectors which will generate

synergy. As a part of such coalitions, ITOCHU has invested in Orient Corporation (Orico), established Excite Credit Co., Ltd., an Internet-based financing company, and Asclass LSA Inc., a housing improvement support company, for synergy in broader areas.

ITOCHU concluded a memorandum of understanding on business cooperation with general merchandise retailer UNY Co., Ltd. in January 2006. With this MoU, we will enhance our efforts to expand our transaction (mainly wholesale of foods), promote joint product development and sales, and product distribution. We also intend to facilitate collaboration in the area of real estate development.

ITOCHU is determined to extend businesses and increase profits in the Consumer Related sector by expanding brand business further and reinforcing cooperation with Orico and UNY.

## Would you tell us about the progress in Orico-related business and its future plan?

ITOCHU has three principles for coalition with Orico; 1) establishment of new businesses, 2) promotion of support to Orico member merchants, and 3) support to Orico's operation. Under these principles, over 200 business projects have been discussed so far among Orico Business Integrated Department, our division that seeks business synergy with Orico, Orico's ITOCHU Coalition Division, and Alliance Promotion Division II. At present, some 100 business projects are listed for examination on a steady basis, which will be materialized one after another when feasible.

Among others, the following coalition business projects have already been implemented:

### – Housing Improvement Support Business

Orico foresees that housing improvement is one of Orico's key businesses in the following generation. Based on the concept of "safe and secure housing improvement service," ITOCHU and Orico established Asclass LSA Inc. in April 2006. The subsidiary will provide good local builders with the brand power and proposal tools that are needed to promote housing improvement service.

### – Financing Business with Excite Japan Co.

Excite Japan Co., Ltd., a portal site operator, Orient Corporation, and ITOCHU Corporation have jointly established Excite Credit Co., Ltd., a financing service company on the Internet. The joint venture started operation in April 2006.

ITOCHU will continue to increase and accelerate collaboration projects in seeking greater synergy with Orico.



Q&A WITH MR. EIZO KOBAYASHI,  
PRESIDENT AND CHIEF EXECUTIVE OFFICER