

Further Promotion of "Frontier-2006" in Its Final Year, the Fiscal Year Ending March 2007

ITOCHU Group has decided to continue and reinforce the basic policies of our mid-term management plan, "Frontier-2006." With the banner of the "Accelerate the shift to aggressive business," ITOCHU will develop an optimum management system to support "aggressive business" and "solid management" in order to accelerate the shift to aggressive business as well as to continue the enhancement of solid management.

1) In order to expand earnings, ITOCHU will strengthen the vertical linkage and enhance earnings by accelerating resource allocation into core segments/areas with the initiatives by each Division Company. ITOCHU will also reinforce a promotion framework for company-wide projects involving all the group companies and strengthen the horizontal integration in the Consumer Related sector, a strong business domain of ITOCHU, and the Natural Resource Development sector where demand increase is expected. Furthermore, ITOCHU will plan to expand earnings from priority overseas markets of North America, China, and the rest of Asia.

2) In order to promote the creation of new businesses, ITOCHU will expand the consumer business in response to the falling birthrate and the aging population as well as diversifying consumer needs, strengthen the fields in medical treatment, senior care, hobbies

and travel, etc., for the healthcare and living service area especially targeted at senior citizens, and take the initiative utilizing our global strategic alliances and aim at promptly making profits from projects in the innovative new technologies area.

3) In order to further promote solid management, ITOCHU will continue to strictly control the amount of interest-bearing debt and achieve continuous improvement of its financial position while upgrading risk management methods further to reinforce risk control. ITOCHU is also making efforts to steadily improve the internal controlling system and working on CSR on an ongoing basis by better communication with stakeholders. ITOCHU will continuously make every effort to establish highly transparent corporate governance.

4) In order to establish a management system that supports both "aggressive business" and "solid management," ITOCHU will promote a business reorganization project, "ITOCHU DNA Project ~Designing New Age~." In HR area, ITOCHU will promote and maximize the diversity of employees, regardless of gender, nationality, or age, based on "Promotion Plan on Human Resource Diversification" which was formulated in December 2003.

