

**Financial Highlights**

(Billions of yen)

Years ended March 31	'02	'03	'04	'05	'06
Gross trading profit	50.2	48.6	51.1	58.0	69.5
Net income (loss)	1.3	2.4	3.9	10.5	13.7
Identifiable assets at March 31	588.1	490.1	433.6	451.4	489.0
ROA (%)	0.2	0.4	0.8	2.4	2.9

Net Income from Major Group Companies*

(Billions of yen)

Years ended March 31	'04	'05	'06
ITOCHU Sanki Corporation	0.3	0.3	0.4
Century Medical, Inc.	0.2	0.3	0.1
MCL Group Ltd.	0.5	0.2	0.4
ITOCHU Automobile America, Inc.	0.6	1.1	1.1
Century Leasing System, Inc.	1.0	1.1	1.3

*ITOCHU's share of net income

The Machinery Company is engaged in infrastructure-related projects such as automobiles, ships, construction machinery, industrial machinery, plants, railways, highways and bridges and offers associated services.

Major affiliates include ITOCHU Construction Machinery Co., Ltd., Century Medical, Inc., MCL Group Ltd., ITOCHU Automobile America Inc., and Century Leasing System, Inc.

Business Overview

The Plant & Project Division undertakes projects in gas, petrochemicals, power, transport related infrastructure, ships, environment and other areas. These projects are carried out through project financing schemes, leasing and other methods. In addition to supplying and installing the infrastructure of conventional plants, ships, and rolling stock and financial transactions related to these, the division has aggressively sought resource development and ship transportation projects, and business investments around the world, including structured finance in crude oil production plant in Brazil, LNG ship transportations using own LNG carriers, and water, steam and electricity supplying business in Saudi Arabia. At home and abroad, the Plant & Project Division constantly strives to provide high-level, value-added services with the aim of meeting customer needs starting from project development to post-construction plant operation and maintenance.

The Automobile Division started its operations in the 1950s to coincide with the commencement of Japanese automobile exports. Capitalizing on ITOCHU's worldwide network, the division has

grown its business globally, serving local customers. It has also been aggressively developing various automobile-related businesses in major North American, European and Asian countries. These include retail, auto financing, logistics and wholesaling. The division's team of professionals utilizes the expertise garnered from active involvement and experience in global automobile businesses as well as widespread contacts that span the entire automobile industry, including major Japanese, U.S. and European auto manufacturers. It is continuously upgrading its quality of services to meet customer's needs at every stage of life with automobile.

The Industrial Machinery & Solution Division has expanded business in an attempt to become a high-skilled group that will shoulder industrial growth globally. In the high-precision processing and new energy field, handling of electric semiconductors and LCD panels, solar batteries and lithium ion battery-related development and business expansion are being performed mainly in Europe, the U.S., and Asia. In the medical field, the division supplies and distributes medical materials to hospitals in Japan while