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## Finance, Realty, Insurance & Logistics Services Company

**The Finance, Realty, Insurance & Logistics Services Company's primary businesses are retail finance, housing, insurance intermediation, and third-party logistics (3PL). In each of these businesses, we have a leading position among general trading companies.**

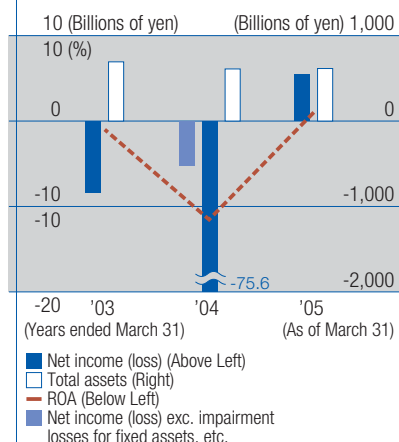
For the retail finance business, our Division Company has a particularly strong position. In February 2005, we decided to become the primary shareholder in Orient Corporation (Orico), securing 21% of the voting rights through a capital investment of approximately ¥70 billion. This marks the first full-scale entry by a general trading company into this sector. Our goal is to actively support Orico's affiliated retail outlets and increase its corporate value. Support will not only come from our Financial Services Division, but will instead be provided by all ITOCHU's business units.

Another strength of our Division Company lies in its

businesses expansion by way of cross-divisional collaboration. For example, the Division Company has been active in real estate securitization due to closer cooperation between the Construction & Realty Division and the Financial Services Division.

We are also actively expanding operations across the entire Asian region, including China. To facilitate our distribution, we have established both a main-line distribution and terminal delivery networks that cover all regions of China. This system of networks will strongly support ITOCHU's China Strategy, which focuses on downstream fields such as the consumer and retail-related sectors. In the insurance sector, we have established a tie-up with Ingosstrakh Insurance Company, Ltd., the third largest Russian insurance company. This partnership will provide insurance support for the anticipated rapid increase of Japanese companies entering the Russian market.

### Financial Highlights



### Business Performance and Priority Policies in Fiscal Year 2005

The business environment was comparatively strong in fiscal year 2005. Housing construction starts continued to improve and demand for the 3PL market has expanded substantially due to a greater need for distribution cost reductions.

In such an environment, we have secured a profit base in our retail finance business by forming the alliance with Orico as a starting point, while simultaneously expanding our businesses offering high asset efficiency, such as the securitization business. We have also placed a priority on profit growth in the insurance and logistics services sectors.