

Mid-to-Long Term Challenges and Strategies

Regarding the Mid-to-Long Term challenges and strategies, we will strive to foster a core operating company that will follow ITOCHU Techno-Solutions Corporation and ITC NETWORKS CORPORATION. Another Mid-to-Long Term challenge is to create new core businesses, which will drive additional growth for the future. For instance, we engage web portal, Excite Japan, business process outsourcing ("BPO") in the areas of IT, temporary office staff agency and healthcare industry.

Policies and Outlook for the Fiscal Year Ending March 2007

In the fiscal year ending March 2007, the final year of our "Frontier-2006" mid-term management plan, we will take steps to ensure a future increase in consolidated net income by continuing to make sustained efforts to steadily carry out the concentration of management resources and integration of business operations within our Division Company in a whole range of sectors including aerospace, IT solutions, and mobile & contents.

Number of Employees

Consolidated*	7,794
Non-consolidated	321

*The number of consolidated employees is based on actual working employees excluding temporary staff.

Number of Subsidiaries and Associate

Domestic	67
Overseas	13

Major products & Services

- Broadcasting and communication business
- Electronics systems • Equipment for broadcasting and communication systems
- Programming supply and entertainment business • Mobile telecommunication equipment and services • Systems and related equipment for computer and information processing • Semiconductor equipment
- Aircraft and in-flight equipment
- Air Transportation Management Systems
- Space-related equipment
- Security equipment

ITC NETWORKS CORPORATION:

Listed on the Second Section of the Tokyo Stock Exchange in March 2006

ITC NETWORKS CORPORATION provides, as its core business, mobile phone contract and sales services at NTT DoCoMo shops and mass-market discount outlets. The company is now also into the solutions business, providing mobile phone-based marketing support services.



A handset outlet shop operated by ITC NETWORKS

On Demand TV, Inc. extends coverage to the whole of Japan

On Demand TV, Inc., which provides the broadband TV service, "On-Demand TV," for users of FLET'S in the business area of Nippon Telegraph and Telephone West Corp. (NTT West), extended coverage to the business area of Nippon Telegraph and Telephone East Corp. (NTT East), launching its services across Japan.