

#### (4) Promotion of the establishment of a management system to underpin “aggressive business” and to enhance “solid management”

ITOCHU has launched a business reorganization project, “ITOCHU DNA Project ~Designing New Age~,” in order to augment our “power and ability of organization,” that is organizational power and the force of every single employee while pursuing optimization of the Group as a whole, and to build up ever stronger consolidated management with a view to ITOCHU ten years from now. In the human resources (HR) area, ITOCHU will go forward with proactive utilization of a wealth of human resources regardless of gender, nationality, and age based on the Promotion Plan on Human Resource Diversification. We will also work to upgrade the human resources portfolio system for the entire ITOCHU Group.

In the fiscal year ending March 2007 ITOCHU will aim for ¥155 billion in consolidated net income, even higher than the figure for the fiscal year ended March 2006. As part of our efforts to further accelerate our shift toward aggressive business we have prospects of consolidated total assets of ¥5.2 trillion, approximately ¥400 billion increase from the end of the fiscal year ended March 2006, and net interest-bearing debt of ¥1.95 trillion, an increase of approximately ¥200 billion. At the same time we are continuing our policy to control interest-bearing debt and further improve NET DER from the figure of the fiscal year ended March 2006.

#### Frontier-2006 Plan, Results, Forecast

(Billions of Yen)

	Frontier-2006 Initial Plan		Results, Forecast	
	fiscal year ended March 2006 (plan)	fiscal year ending March 2007 (plan)	fiscal year ended March 2006 (results)	fiscal year ending March 2007 (Forecast)
Net Income .....	100.0	110.0	145.1	155.0
Total Assets .....	4,700.0	5,000.0	4,797.0	5,200.0
NET DER .....	3.3 times	Below 3.0 times	2.4 times	2.3 times

As I stated above, ITOCHU will continue to tackle the “Shift to aggressive business” and the “Enhancement of solid management” of our mid-term management plan “Frontier-2006” under the banner of the “Acceleration of the shift to aggressive business” in the fiscal year ending March 2007. ITOCHU Group will enhance its corporate value to reward its stakeholders not to mention, we intend to contribute to regional and global societies including proactive measures to tackle global environmental issues.

It is my code of conduct and conviction that ITOCHU should be a group of “good corporate citizens with humanity and high motivation to take on challenges.” I am also convinced that every employee should have their own ambitions, growing and developing to achieve them and that ultimately ITOCHU as a whole can fulfill the expectations of all its stakeholders. As president of ITOCHU, I will share the spirit of “Challenge, Create, and Commit” with all of our employees and will make concerted efforts together toward future growth.

Thank you for your continued support and understanding of ITOCHU and our Group companies.

July 2006

**Eizo Kobayashi**

President and Chief Executive Officer