

We continue to take measures to expand profit in the A&P areas of consumer and retail related businesses (particularly textiles and foods), natural resource development, and chemical products. Within Asia, ITOCHU has a strong focus on China and we will continue to promote the development of business in this crucial market by expanding local trade and investing in local businesses through alliances with powerful Chinese corporations (see page 13 for our China strategy).

In addition, we promote local trade and investment by enhancing personnel and developing national staff members in Thailand, Singapore, Indonesia, India, and Vietnam.

Other Regions

In Europe, ITOCHU Europe PLC. is expanding basic profitability by concentrating on the main sales groups of textiles, chemicals, general merchandise, and food. We aim to further enhance profitability by expanding our regional market trade through core companies such as Prominent (Europe) Ltd. (textiles), Stapleton's (Tyre Services) Ltd., and Reifen Gundlach GmbH (tire-related businesses), and by cultivating the Central and Eastern European markets that will be encompassed in an expanded European Union.

In Oceania, we are sharply expanding profit in the nat-

ural resource field through ITOCHU Coal Resources Australia Pty., Ltd. (coal) and CI Minerals Australia Pty., Ltd. (iron ore). We also aim to grow profit in the areas of wool, food, and general merchandise.

Human Resource Strategies for Regional and Market Strategies

In order to promote regional and market strategies, the human resources capable of achieving those goals must be secured and developed. To promote local businesses, we will develop and place human resources in accordance with the characteristics of each region and market. We will carry this out by strengthening the abilities of our employees through overseas on-the-job training, utilizing retired employees through our system for posting specialists overseas, and enhancing the quality of national staff through our training system. In Asia in fiscal year 2002, we introduced the Asian Leadership Program (ALP) as a training system for the prospective national staff executives and began promoting the Asian Scholarship Program (ASP) as a training system for future mid-level managers of national staff. In fiscal year 2003, six national staff personnel participated in ALP and 14 in ASP. Going forward, we will further reinforce the development and education of our national staff, particularly in Asia.

