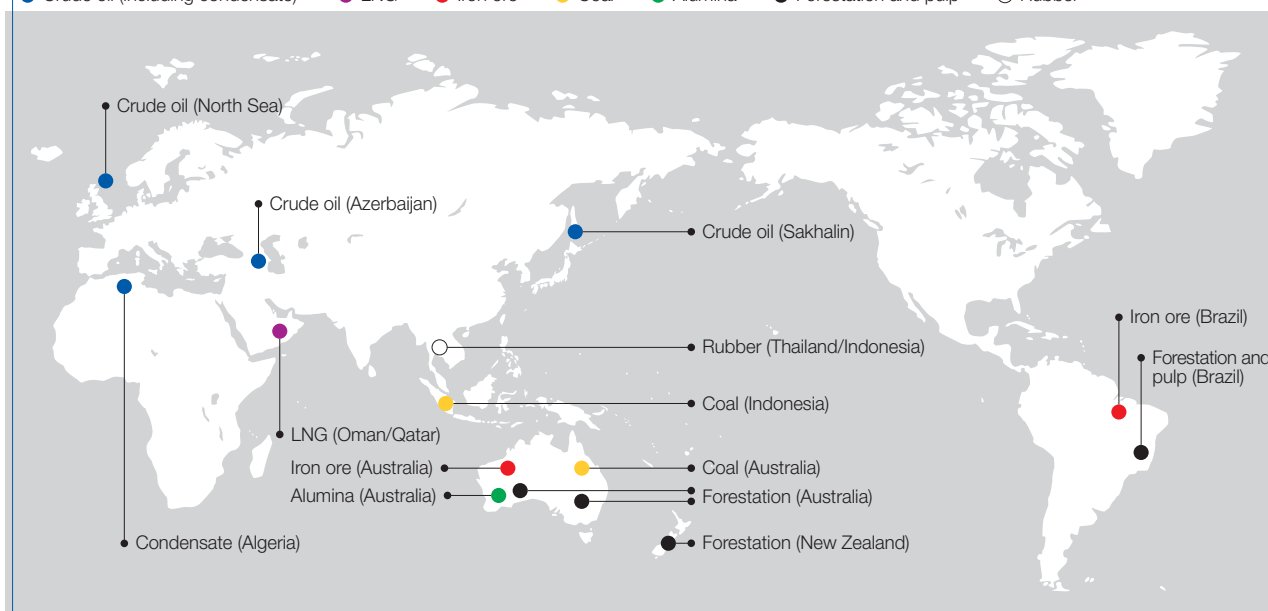


Natural Resource Development Sector

● Crude oil (including condensate) ● LNG ● Iron ore ● Coal ● Alumina ● Forestation and pulp ○ Rubber



- Production from full field development will be started in Azerbaijan and Sakhalin (Phase 1) during the Frontier-2006 period
- Pulp, iron ore and coal, for which increased production is being considered to meet demand increases in China, etc.

Priority Measure 2: New Business Creation

Changes in social and market trends such as the diversification of lifestyles, low birthrates, the aging of society, and technological innovation have a major impact on business. A key priority in Frontier-2006 is to anticipate these changes and embark on the exploration of new business areas that can serve as profit mainstays for our Company.

New business exploration and development will focus on three priority segments. One is the consumer business, where our comprehensive lateral strengths will be used to create new value-added products and services based on consumer businesses handled at each Division Company. Another is the field of healthcare & living services, which promises a strong market for future growth. The third is innovative technologies where a cornerstone has already been laid through strategic alliances. One of the areas identified as a field for new focus in the current mid-term management plan is that of healthcare & living services, which includes such segments as health, health care, and medical treatment, and a new business aimed at active seniors.

Priority Measure 3: Maintaining Solid Management

Frontier-2006 maintains a firm position toward not only an aggressive business approach but also the enhancement of solid management. As mentioned above, we will increase interest-bearing debts by shifting gears to an offensive business approach, and also reinforce our financial position by continuing to improve net DER. Risk management capabilities at the consolidated level will be strengthened through a comprehensive examination of the risks our Company bears and the use of methods such as risk maps, which are tools for assessing risk in terms of the importance and frequency of occurrence.

We will also establish a highly transparent system of corporate governance based on the appointment of corporate auditors. A Disclosure Committee was established to strengthen internal controls relating to information disclosure, with a particular focus on financial reports.

In addition, positive steps will be taken toward the issue of corporate social responsibility (CSR), such as strengthening Group compliance and promoting dialogue with stakeholders. The CSR Compliance Committee as well as the CSR & Compliance Division will be the principal administrators of these efforts.