

**I will take on all challenges to maintain a sense of intensity,
quicken our pace, and put our plan into action.**

3. Anticipating social changes to create new business

We will also work on creating new business that is positioned to become the main source of our future profits. In view of changes in social and market environments, such as diversified lifestyles, technological innovation, declining birthrates, and an aging society, we have selected three core fields in which we develop new business: consumer business, healthcare & living services, and innovative technologies. To advance healthcare & living services, a new focus segment introduced in the current mid-term management plan, we set up a Strategic Business Development Department in April 2005. For the other two areas, we will enhance our cross-company efforts through existing organizations under the leadership of the Chief Operating Officer, Division Companies Operation, and our Function and Value (FV) Committee.

Realizing Sustainable Growth

For a corporation to realize sustainable growth, not only is a steady and sure implementation of business strategies necessary, but the support of stakeholders is also vital. Under the newly established CSR & Compliance Division in April 2005, we will increase our efforts to enhance Group compliance as well as CSR. By setting up a Disclosure Committee, we aim to strengthen our internal control over the disclosure of financial and other information, and to establish highly transparent corporate governance.

I strongly believe that ITOCHU should be a group of “good corporate citizens with humanity and high motivation to take on challenges.” Every employee should also have their own ambitions, growing and developing to achieve them, and ultimately, the Company as a whole can fulfill the expectations of all its stakeholders.

As president of ITOCHU, I will work with the Company’s employees to lead ITOCHU toward future growth by foreseeing changes, always seeking the Frontier, and pursuing the three principles of “Challenge, Create, and Commit.” I will take on all challenges to maintain a sense of intensity, quicken our pace, and put our plan into action.

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

July 2005

Eizo Kobayashi
President and Chief Executive Officer