

## THE HEADQUARTERS

ITOCHU has appointed a Chief Operating Officer, Division Companies Operation as well as a Chief Administrative Officer. These two Chief Officer-level positions will add lateral functionality across the entire Company to ITOCHU's operational structure, in contrast to the typical vertical organization of Division Companies divided by business area or product. The Chief Operating Officer, Division Companies Operation provides, as necessary, instruction and guidance from a

### Chief Operating Officer, Division Companies Operation



**ITOCHU is accelerating efforts to develop various new businesses through cross-divisional collaboration and integration, putting priorities on the three business areas identified in Frontier-2006 as pillars of future earnings: consumer business; life care and human care-related business; and innovative technology business. The Chief Operating Officer, Division Companies Operations, is responsible for adding a horizontal and cross-divisional aspect to each Division Company's new business development, thereby creating a better combined strength and an added value for the ITOCHU Group.**

**The Function and Value (FV) Committee will promote these activities together with the Corporate Development Office, the Innovative Technology Business Development Office, and the Strategic Business Development Department (established in April 2005), which collectively serve as the corporate development group.**

#### • Function and Value (FV) Committee

Capitalizing on its activities from the previous fiscal year, this committee, chaired by the Chief Operating Officer, Division Companies Operation, continues to operate to enhance the combined strength of the ITOCHU Group. Its specific tasks are to consolidate and strengthen the ITOCHU Group's functions in the above three areas and to create more value within the ITOCHU Group.

#### • Corporate Development Office

This office supports the development of cross-divisional and long-term strategic projects in the consumer business sector. In addition, it promotes business related to small and medium-sized enterprises that involve alliances with local governmental bodies and investment funds such as the Gambare Japanese Company Fund. The office also conducts CO<sub>2</sub> emissions trading.

#### • Innovative Technology Business Development Office

This office focuses on such businesses as functional food, biopharmaceuticals, security, and nanotechnology. For example, it promotes investment in genetic based drug discovery and development ventures and joint development of environmental technology, through strategic alliances with the National Institute of Advanced Industrial Science and Technology (AIST) of Japan and MPM Capital in the U.S., the world's largest biotech venture capital firm.

#### • Strategic Business Development Department (Established in April 2005)

This office promotes business in areas new to ITOCHU and untapped by ITOCHU, including projects requiring cross-divisional integration and long term strategic projects. The office also creates new markets for life care and human care-related business, meeting such societal changes as the aging population. It also takes actions to accelerate revenue generation in the innovative technology business through joint ventures as well as mergers and acquisitions.

Makoto Kato  
Chief Operating Officer, Division Companies Operation

cross-company point of view to Division Company presidents in order to exploit fully ITOCHU's comprehensive strengths, maximize profit, and integrate and optimize our businesses policies as a whole. The Chief Administrative Officer oversees all administrative divisions and provides overall administrative coordination for individual divisions to ensure smooth and sophisticated administrative operations in support of ITOCHU's overall management policy and achievement of targets.

## Chief Administration Officer

**The Chief Administrative Officer assumes responsibility for safeguarding the goals in relation to solid management under Frontier-2006, namely to improve the financial position and enhance risk management, reinforce internal controls and pursue corporate social responsibility, and establish highly transparent corporate governance.**

**We instituted the following organizational changes in April 2005 to strengthen ITOCHU's administrative functions.**



- **Enhance Risk Management**

To enhance risk management, we consolidated the Risk Management Division and the Affiliate Administration Division to create the Affiliate Administration & Risk Management Division. We will continue to enhance risk management on a consolidated basis by utilizing a "risk map," which helps to evaluate and fully control risks based on an assessment of their importance and frequency of occurrence.

- **Pursue Corporate Social Responsibility**

To pursue corporate social responsibility, we established the CSR & Compliance Division to consolidate all functions pertaining to corporate social responsibility and compliance. We also created the CSR Promotion Office within the division and will, henceforth, be even more active in promoting corporate social responsibility. In addition, we changed the name of the Business Ethics and Compliance Committee to the CSR Compliance Committee, making it clear that the new committee's principal mission is to promote corporate social responsibility. The CSR Compliance Committee and the CSR & Compliance Division are considering publishing a CSR report in the near future to improve our level of accountability to ITOCHU's stakeholders.

- **Establish Highly Transparent Corporate Governance**

To ensure highly transparent corporate governance, we have established a Disclosure Committee for which the CFO Office will serve as the administrative bureau. This committee will work to ensure that internal controls are established for the ITOCHU Group by examining internal control policies and disclosure measures for financial reports, and verifying the accuracy of financial statements.

Sumitaka Fujita  
 Chief Administration Officer,  
 Chief Financial Officer,  
 Chief Compliance Officer