

February 10, 2005  
ITOCHU Corporation  
Code Number 8001  
1-3, Kyutaromachi, 4-chome,  
Chuo-ku, Osaka  
(Tokyo) Corporate Communications Division  
81-3-3497-6927 Mr. Yoshiharu Matsumoto

This document is an English translation of a statement written initially in Japanese. The Japanese original should be considered the primary version.

## Strategic Capital Alliance with Orient Corporation

ITOCHU Corporation (ITOCHU) and Orient Corporation (Orient) have agreed to form a strategic capital alliance to bolster the both companies' businesses by mutually utilizing both groups' management resources.

### 1.Objectives

ITOCHU has been focusing on consumer and retail related business as the most important area under Attractive & Powerful Strategy. In financial services area as well, it established an advanced foothold by starting earlier than the other Japanese trading companies to form alliances with credit-card and consumer-loan companies, and thus accumulating know-how. Through the strategic capital alliance with Orient, ITOCHU has great expectations of jointly creating new values by integrating its products, IT, information, and logistics functions with Orient's 600,000 affiliated retail outlets.

On the other hand, Orient is a leading company in retail financing industry with total assets of four trillion yen and has an excellent business model; it holds the overwhelming shares of auto-loan and installment-sales finance businesses, of which customer networks in turn are used to develop products such as credit cards, etc. In addition, in July 2004, Orient has entered into a comprehensive business alliance with Mizuho Corporate Bank and thus become a core company for Mizuho Financial Group's retail strategy. Concerning Orient's management issues, ITOCHU regards that Orient is completing its balance sheets restructuring by the early application of impairment accounting for fixed assets, etc. within this fiscal year; and is embarking on an aggressive business strategy with higher speed under its mid-term management plan, of which the main pillars are "Evolution of business models," "Thorough utilization of the alliance," "Policy for stockholder's equity," and "Further reinforcement of business structure."

By taking advantage of big changes such as industrial reorganization led by mega banks and Orient's management shift toward an aggressive strategy, ITOCHU will become the first Japanese trading company participating in a leading retail financing company, and thus will enjoy a greater scale of business in this field. ITOCHU is aiming at establishing a solid position in retail financing industry by working on a company-wide basis to maximize the unique synergies among three different business categories of a retail financing company, a bank, and a trading company; and to enhance their competitive power. The details of the business alliance will be determined through discussions by the joint project team.

## 2. Details of the Capital Alliance

- (1) Subscription for new shares allocated to a third party (equivalent to 10.4% of shares issued and outstanding)  
Number of shares: 86,210,000 (Ordinary shares)  
Acquisition cost: 24.3 billion yen
- (2) Acquisition of issued shares (equivalent to 10.6% of shares issued and outstanding)  
Number of shares: 87,950,000 (Ordinary shares)  
Acquisition cost: Approximately 24.0 billion yen
- (3) Acquisition of preferred shares  
Number of shares: 40,000,000 shares (Class A preferred shares)  
Total face value: 20.0 billion yen

Note: Regarding the above (2) and (3), ITOCHU will acquire the shares from banks, etc. ITOCHU has not yet decided whether or when the preferred shares should be converted into ordinary shares.

(Schedule)

- Feb.10, 2004: Conclusion of the agreement on the acquisition of issued and outstanding shares, and preferred shares
- Late March 2005: Payment for the purchase of preferred shares (preliminary)
- Early April 2005: Payment for the purchase of issued and preferred shares (preliminary)  
Payment for the purchase of new shares allocated to a third party (preliminary)

## 3. Summary of the Alliance Company

- (1) Company name: Orient Corporation
- (2) Address: 2-1, Kojimachi 5-chome, Chiyoda-ku, Tokyo
- (3) Established: March 15, 1951
- (4) Capital: 208,047 million yen (as of December 31, 2004)
- (5) Number of employees (non-consolidated basis): 3,599
- (6) Net income (non-consolidated basis): 25,847 million yen (for the fiscal year ended March 2004)