

# Headquarters

## Organization Directly Under the President and C.E.O.

The Secretariat and the Internal Audit Division directly report to the President and C.E.O.

The Secretariat provides secretarial functions to top management including the president and facilitates smooth communication amongst top management both inside and outside of the Company.

The Internal Audit Division focuses on contributing to management by providing 1) a monitoring function to ensure that internal control continues to operate effectively and 2) consulting activities designed to add value and improve management operations. It evaluates the effectiveness of

## Finance, Accounting, Credit & Human Resources



### Contents of Operations

The executive vice president for finance, accounting, credit and human resources leads four divisions at Headquarters: Finance; General Accounting Control; Risk Management; and Human Resources. His responsibilities for the entire Group include devising financial strategies and raising funds in the Finance area; financial reporting in the Accounting area; maintaining and monitoring the risk management system in the Risk Management area; and making plans and proposals for the overall human resources system and hiring and training personnel in the Human Resources area.

In addition, subsidiaries that support the above operations include ITOCHU Shared Management Services, Inc. a spinoff which handles finance and accounting functions previously administrated by headquarters, and ITOCHU Human Resource Services, Inc., a company which provides human resource consulting and personnel management services to group companies.

### Policies

In the financial area, we are reinforcing the consolidated financial management system through our Group Finance Committee. In particular, we are implementing a financial strategy that focuses on reinforcing the system for managing interest-rate volatility risk, diversifying fund raising sources by setting commitment lines, and further reducing financing costs. In addition, we enhanced stockholders' equity by ¥54.8 billion through a public offering in July 2002. Further, by introducing the enterprise resource planning package SAP, we completed restructuring of basic operating system of the entire organization. In addition to speeding up financial results announcement by introducing an SAP system throughout the organization, we promoted tax saving measures such as introduction of a consolidated income tax return.

One of the key issues of our A&P-2002 was enhancing risk management. In this regard, we aim to reinforce risk management for the entire Group by thoroughly bringing risk capital management methods to our subsidiaries including those overseas and reviewing our country risk management system.

In the human resources area, we promoted a strategy of matching human resources to each Division Company's business, enriched training programs such as our Asian Leadership Program for developing future managers for the Asian region, and revitalized human resources with a "right person in the right place" approach. In addition, we fundamentally revised our retirement and severance plan (please see page 17) by introducing effective measures such as the defined contribution pension plan, which lead to the minimization of risks on management of rising retirement benefit costs.

### Organization

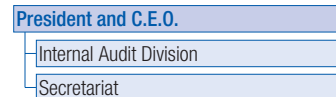


Sumitaka Fujita  
Executive Vice President, C.F.O. and C.C.O.

internal control and management resources, and reports important subjects and recommendations to top management by auditing of business divisions which include subsidiaries, overseas regional operations, headquarter administrative divisions and the entire organization's specific themes.

In addition, it is striving to cooperate with corporate auditors, exchange information with independent external auditors, and enhance its function to the ITOCHU Group through collaboration with the internal audit section of the group companies. It also develops professionalism and expertise through internal staff recruiting.

## Organization



## Corporate Planning, Affiliate Administration, General Affairs & Legal



### Contents of Operations

The managing director for corporate planning, affiliate administration, general affairs and legal leads six divisions at Headquarters: Corporate Planning & Administration; Corporate Communications; IT Planning; Affiliate Administration; General Affairs; and Legal. His responsibilities for the entire Group include devising management plans, allocating management resources, monitoring the progress of management plans and evaluating performance in the Corporate Planning and Administration area; Public relations for inside and outside organization in the Corporate Communications area; devising IT strategy and establishing infrastructure in Information System area;

devising group company strategy and monitoring and evaluating group company management in the Affiliate Administration area; operation and management of corporate infrastructure, and implementing measures for environmental issues and social contributions in the General Affairs area; handling contracts and lawsuits and coordinating international trade security policy in the Legal area.

In addition, as subsidiaries for supporting the above operations, there are ITOCHU Management Consulting Co., Ltd., which researches and supports overseas operations, and ITOCHU General Services Inc., which provides general affairs-related services.

### Policies

In regard to the group company strategy that supports our profitability on a consolidated basis, we are using our Group Profits Improvement Committee to promote the reform of subsidiary expense structure. Furthermore, we are using GMC (Group Management Committee) to devise strategies to expand profit from the group companies mainly by further reinforcing profitable companies.

ITOCHU takes very seriously its social responsibility as a corporation for global environmental problems and is involved in various related projects. In June 2002, ITOCHU Taiwan Corporation received ISO14001 certification, following our Headquarters and domestic branches. As evidenced by such efforts to win certification by our overseas subsidiaries and our promotion of environmental conservation-oriented businesses, it is our policy to contribute to the realization of a sustainable society and construction of a recycling-oriented society. Further, as part of our efforts to contribute to society and coexist with the local communities, in addition to the ITOCHU Foundation's activities for "the sound upbringing of children," we have a broad range of involvement supporting employees' volunteer efforts to contribute to local communities. Furthermore, as a member of international society, in addition to conducting international trade in conformance with international agreements, we are reinforcing our management system and educating employees in order to be in full compliance with laws and regulations.

In addition, our Corporate Development Office, Innovative Technology Business Development Office, and China Market Global Development Office are laying the groundwork for long-term or cross-company involvement in promising business areas. Going forward, in addition to further enhancing corporate functions and building a management system characterized by flexibility and speed and infrastructure to support the new ITOCHU Group, we will endeavor to enhance corporate disclosure and be fully accountable.

Eizo Kobayashi  
Managing Director and C.I.O.

### Organization

