Becoming a Stronger Marubeni

Annual Report 2010

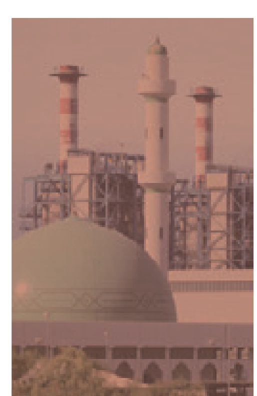
For the fiscal year ended March 31, 2010

To Our Stakeholders

Becoming a

In fiscal 2009, the year ended March 31, 2010, the economic environment turned towards an eventual recovery, led by China, India and other emerging markets. Many countries worldwide also enacted aggressive fiscal and financial policies, helping to ease turbulence that had gripped the world's financial and stock markets. Elsewhere, the year saw a resurgence in primary commodity prices, which had declined sharply, coupled with signs of a rebound in production activities. However, concerns of a possible economic crisis continued to linger in Europe, leaving considerable uncertainty surrounding the course of economic recovery in developed markets.

We positioned fiscal 2009 as the year to embark on our primary task—building strong earnings and a solid financial base. On the earnings front, we surpassed initial forecasts by achieving consolidated net income of ¥95.3 billion. Excluding impairment measures and other temporary factors affecting income, we clearly demonstrated Marubeni has amassed the ability to generate over ¥100



Stronger Marubeni

billion in consolidated net income. On the financial side, in addition to expanding consolidated net assets from profit accumulation, we secured free cash flows of more than double the positive ¥100 billion targeted for the year. Our consolidated net D/E ratio improved to 2.13, the lowest in Marubeni history.

Fiscal 2010 marks the start of SG-12, our new medium-term management plan. We will reinforce our earnings power and financial position, and redouble our efforts to achieve sustainable growth.

In this year's annual report, I personally discuss and analyze the key points and strategies found in our new medium-term management plan. We have also added several pages to enhance readability. At the front of the report is a two-page spread offering a summary of financial data and segment information. The feature section, meanwhile, provides an intuitive look at Marubeni's present status and strategies in the four fields we have chosen for priority allocation of management resources.

I am confident that this report provides a clear picture of the situation at Marubeni today, where we are bringing more depth to our management structure, while confronting a variety of risks and meeting the challenges of bigger business opportunities than ever before. At the same time, the report also captures the momentum with which we are forging ahead as a unified whole, and our determination to become a stronger Marubeni.

As we go forward, I invite you to expect great things of Marubeni, and would like to express my appreciation for your continued support and guidance.

August 2010

T. Asada

TERUO ASADA President and CEO

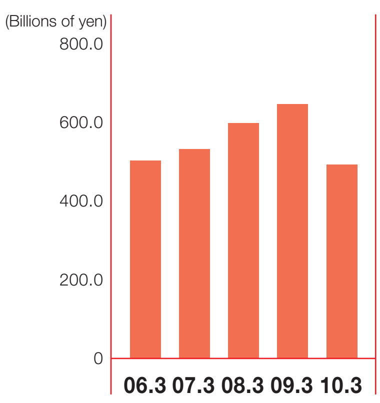
Consolidated Financial Highlights

Marubeni Corporation Years ended March 31

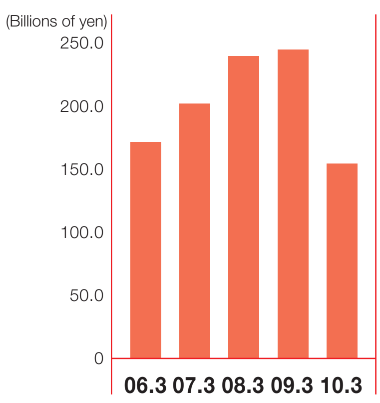
Five-Year Summary	2010.3	2009.3	2008.3	2007.3	2006.3	2010.3
	Millions of Yen					Millions of U.S. dollars
For the year:						
Revenues:						
Revenues from trading and other activities	**¥3,110,736**	¥ 3,807,480	¥ 3,958,276	¥3,467,925	¥2,949,058	**$33,449**
Commissions on services and trading margins	**169,233**	194,819	207,950	190,930	190,787	**1,820**
Total	**3,279,969**	4,002,299	4,166,226	3,658,855	3,139,845	**35,268**
Total volume of trading transactions	**7,965,055**	10,462,067	10,631,616	9,554,943	8,686,532	**85,646**
Gross trading profit	**491,673**	644,803	596,916	531,171	502,024	**5,287**
Equity in earnings of affiliated companies—net	**28,864**	21,973	55,661	44,880	31,602	**310**
Net income attributable to Marubeni	**95,312**	111,208	147,249	119,349	73,801	**1,025**
Core earnings (Billions of yen)	**154.4**	245.0	239.6	202.1	171.3	**1,660**
At year-end:						
Total assets	**¥4,586,572**	¥ 4,707,309	¥ 5,207,225	¥4,873,304	¥4,587,072	**$49,318**
Net interest-bearing debt	**1,706,397**	1,911,607	2,001,977	1,843,445	1,876,350	**18,348**
Total equity	**799,746**	623,356	860,581	820,839	710,786	**8,599**
Total Marubeni shareholders' equity	**745,297**	567,118	779,764	745,454	663,787	**8,014**
Amounts per share (¥, US$):						
Basic earnings	**¥ 54.89**	¥ 64.04	¥ 84.93	¥ 72.41	¥ 48.34	**$ 0.59**
Diluted earnings	**—**	—	—	68.85	40.46	**—**
Cash dividends	**8.50**	10.00	13.00	10.00	7.00	**0.09**
Cash flows (for the year):						
Net cash provided by operating activities	**¥ 280,610**	¥ 343,618	¥ 235,290	¥ 152,075	¥ 133,408	**$ 3,017**
Net cash used in investing activities	**(35,207)**	(387,069)	(306,855)	(135,147)	(193,781)	**(379)**
Free cash flow	**245,403**	(43,451)	(71,565)	16,928	(60,373)	**2,639**
Net cash provided by (used in) financing activities	**(254,655)**	257,608	65,865	24,819	(46,037)	**(2,738)**
Cash and cash equivalents at end of year	**570,789**	573,924	402,281	414,952	368,936	**6,138**
Ratios:						
Return on assets (%)	**2.1**	2.2	2.9	2.5	1.7	
Return on equity (%)	**14.5**	16.5	19.3	16.9	13.3	
Marubeni shareholders' equity to total assets (%)	**16.2**	12.0	15.0	15.3	14.5	
Net D/E ratio (times)	**2.1**	3.1	2.3	2.3	2.6	

Notes: 1. In the recognition of revenue, the Company and its consolidated subsidiaries ("the Companies") generally present transactions as net. This is done both in instances in which the Companies legally act as principal, or when the Companies are not the primary obligor and do not have general inventory risk.
2. For the convenience of investors in Japan, the presentation of total volume of trading transactions is consistent with customary accounting practices in Japan.
3. Core earnings is a management indicator that expresses the earning power of the main business of a general trading house. Core earnings is calculated as follows: Gross trading profit + SGA expenses (excluding restructuring costs up to FY2006 or prior) + Interest expense—net + Dividend income + Equity in earnings of affiliated companies—net
4. U.S. dollar amounts above and elsewhere in this report are converted from yen, for convenience only, at ¥93 to US$1, the prevailing rate as of March 31, 2010.
5. Although dilutive effects existed for the Company's Class I preferred stock issued in December 2003, the conversion of all preferred stock to shares of common stock was completed on March 19, 2007. Consequently, diluted earnings per share data have been omitted from earnings per share of common stock data since fiscal 2007.

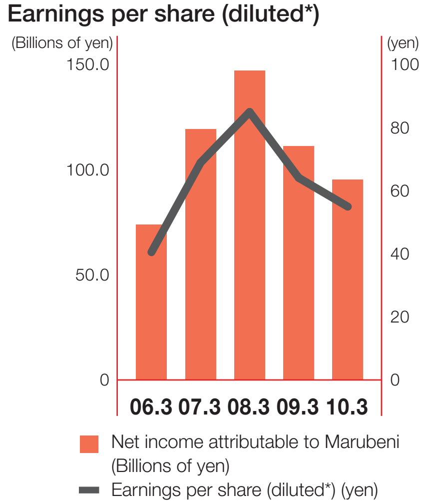
Gross trading profit



Core earnings



Net income attributable to Marubeni/ Earnings per share (diluted*)



* Prior to fiscal year ended March 2008

Overview of Consolidated Business Performance

Analysis of Management Results:

Total volume of trading transactions	In fiscal 2009, the total volume of trading transactions declined a substantial ¥2,497.0 billion (23.9%) from the previous fiscal year to ¥7,965.1 billion. This outcome reflected decreases in all business segments due to sharp drops in commodity prices, the effects of a strong yen, and lower trading volume.
Gross trading profit	Gross trading profit fell ¥153.1 billion (23.7%) year on year, to ¥491.7 billion, due to lower gross trading profit in all segments as a result of the significant decline in trading transactions.
Equity in earnings of affiliated companies—net	Equity in earnings of affiliated companies—net improved by ¥6.9 billion year on year to ¥28.9 billion, as earnings growth in the Company's Chilean copper business and a decrease in impairment losses posted for retail-related affiliate companies (approximately ¥14.0 billion) overcame deterioration in steel product-related operations.
Net income attributable to Marubeni	Net income attributable to Marubeni declined by ¥15.9 billion (14.3%) year on year to ¥95.3 billion. Net income decreased despite a decline in the impairment loss on investment securities, recognition of income by the Group* from a refund of royalties claimed in the petroleum development business, and improvement in equity in earnings of affiliated companies—net, and was largely due to lower operating profit.

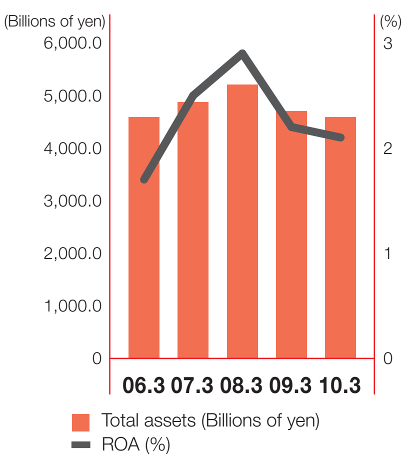
* The Marubeni Group consists of 272 consolidated subsidiaries and 156 affiliates accounted for by the equity method, for a total of 428 companies.

Analysis of Financial Position:

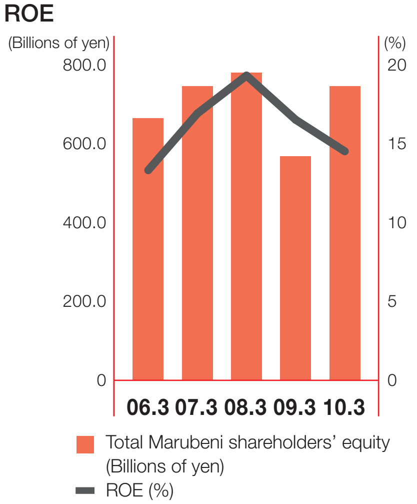
Assets, liabilities and total equity	Consolidated total assets were ¥4,586.6 billion, down ¥120.7 billion from the end of the previous fiscal year. This decrease was mainly attributable to the sale of an overseas power generation business. Consolidated net interest-bearing debt was ¥1,706.4 billion, down ¥205.2 billion from a year earlier. Total equity rose ¥176.4 billion from the previous fiscal year-end, to ¥799.7 billion, mainly reflecting steady accumulation of profits, the effects of recovering stock markets, and a strong Australian dollar. As a result, the consolidated net D/E ratio was 2.13 times.
Cash flows	Cash and cash equivalents at the end of fiscal 2009 were ¥570.8 billion, a decrease of ¥3.1 billion compared with the end of the previous fiscal year. Free cash flow* was ¥245.4 billion.

* Free cash flow = Cash flow from operating activities + Cash flow from financing activities

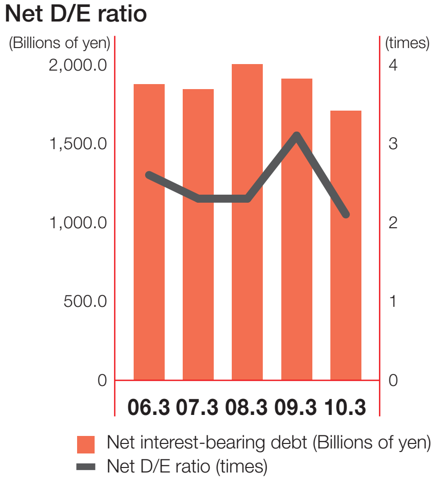
Total assets/ROA



Total Marubeni shareholders' equity/ ROE



Net interest-bearing debt/ Net D/E ratio



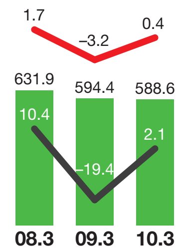
Segment Information

Food Division

Financial Results for Fiscal 2009:

Billions of yen

Gross trading profit	108.8
Equity in losses	(8.2)
Segment net income	2.1
Segment assets	588.6



Change Factors in Fiscal 2009:

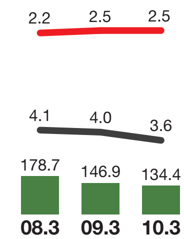
Despite the decrease in gross trading profit due to lower beverage transactions, net income rose because of improvements in equity in earnings, due mainly to reductions in impairment losses for retail-related affiliate companies.

Lifestyle Division

Financial Results for Fiscal 2009:

Billions of yen

Gross trading profit	30.7
Equity in losses	(0.1)
Segment net income	3.6
Segment assets	134.4



Change Factors in Fiscal 2009:

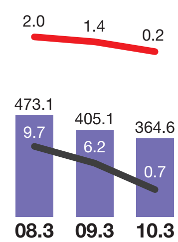
Lower transactions related to natural rubber and apparel products led to a decline in gross trading profit, with net income ending lower due to impairment losses recognized on listed investment securities.

Forest Products Division

Financial Results for Fiscal 2009:

Billions of yen

Gross trading profit	33.3
Equity in earnings	0.3
Segment net income	0.7
Segment assets	364.6



Change Factors in Fiscal 2009:

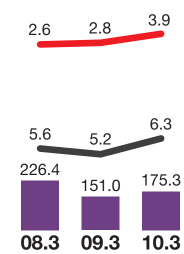
Transactions in businesses related to building materials, printing paper, and chips all decreased due to worsening market prices, leading to lower profits in the pulp business. The result was declines in both gross trading profit and net income.

Chemicals Division

Financial Results for Fiscal 2009:

Billions of yen

Gross trading profit	22.6
Equity in earnings	3.0
Segment net income	6.3
Segment assets	175.3



Change Factors in Fiscal 2009:

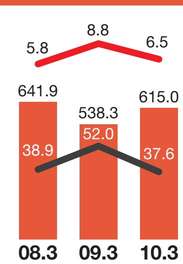
Gross trading profit declined on transactions in basic and inorganic chemicals due to falling product prices. Net income rose, however, atop a decrease in impairment losses on listed investment securities.

Energy Division*

Financial Results for Fiscal 2009:

Billions of yen

Gross trading profit	44.7
Equity in earnings	0.7
Segment net income	37.6
Segment assets	615.0



Change Factors in Fiscal 2009:

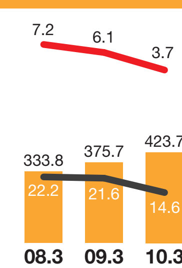
Gross trading profit was down sharply due to a drop in oil and gas prices. Gross trading profit and net income also ended lower despite profits from the refund of royalties paid.

Metals & Mineral Resources Division

Financial Results for Fiscal 2009:

Billions of yen

Gross trading profit	19.9
Equity in earnings	13.6
Segment net income	14.6
Segment assets	423.7



Change Factors in Fiscal 2009:

Gross trading profit declined on lower prices for steel raw materials. The drop in gross trading profit negated an increase in equity in earnings mainly for a Chilean copper mining project, resulting in lower net income.

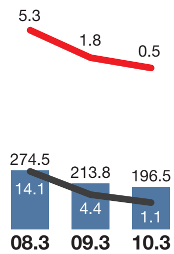
* This segment has been reconfigured as Energy Division-I and Energy Division-II from fiscal 2010.

Total assets (Billions of yen)
Net income (loss) (Billions of yen)
ROA (%)

Transportation Machinery Division

Financial Results for Fiscal 2009:

	Billions of yen
Gross trading profit	33.1
Equity in earnings	2.1
Segment net income	1.1
Segment assets	196.5



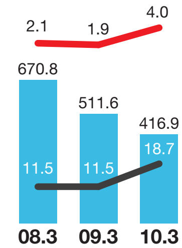
Change Factors in Fiscal 2009:

In addition to lower gross trading profit due largely to the decrease in transactions related to construction machinery and automobiles, net income declined on an increase in impairment loss on investment securities.

Power Projects & Infrastructure Division

Financial Results for Fiscal 2009:

	Billions of yen
Gross trading profit	26.4
Equity in earnings	16.0
Segment net income	18.7
Segment assets	416.9



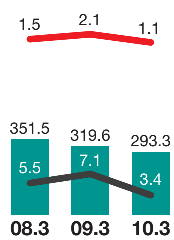
Change Factors in Fiscal 2009:

Gross trading profit fell mainly due to the Caribbean integrated power business becoming an affiliate at the previous fiscal year-end. Net income increased on gains on the sale of an overseas power business and growth in equity in affiliate earnings.

Plant, Ship & Industrial Machinery Division*

Financial Results for Fiscal 2009:

	Billions of yen
Gross trading profit	21.7
Equity in earnings	0.8
Segment net income	3.4
Segment assets	293.3



Change Factors in Fiscal 2009:

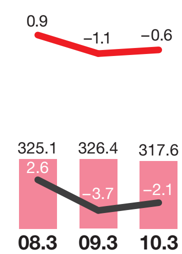
Gross trading profit declined on lower earnings from domestic operating companies. Net income also declined, as a decrease in equity in earnings was offset by a decrease in impairment loss on investment securities and gains on the sale of listed securities.

* Segment name changed to Plant & Industrial Machinery from fiscal 2010.

Real Estate Development Division

Financial Results for Fiscal 2009:

	Billions of yen
Gross trading profit	22.6
Equity in losses	(0.5)
Segment net loss	(2.1)
Segment assets	317.6



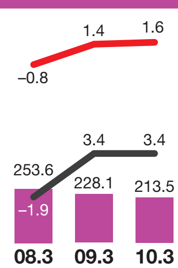
Change Factors in Fiscal 2009:

While gross trading profit fell slightly, the net loss decreased due to a decrease in expenses, namely selling, general and administrative expenses, and asset impairment of long-term assets.

Finance, Logistics & IT Business Division

Financial Results for Fiscal 2009:

	Billions of yen
Gross trading profit	45.9
Equity in losses	(0.1)
Segment net income	3.4
Segment assets	213.5



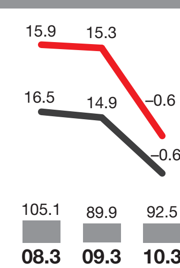
Change Factors in Fiscal 2009:

Gross trading profit declined on lower transactions at a domestic IT-related operating company. Net income was consistent with the previous fiscal year, owing to improvements in expenses and impairment losses on listed stocks.

Iron & Steel Strategies and Coordination Department*

Financial Results for Fiscal 2009:

	Billions of yen
Gross trading profit	0.5
Equity in earnings	0.6
Segment net loss	(0.6)
Segment assets	92.5



Change Factors in Fiscal 2009:

Worsening market prices for steel products and equity in earnings in affiliated companies resulted in a net loss for the year.

* This segment was transferred to the Metals & Mineral Resources Division in fiscal 2010.

Marubeni's Company Creed:
"(正) Fairness, (新) Innovation, (和) Harmony"

(formulated in 1949. calligraphy by Shinobu Ichikawa, first president of Marubeni Co., Ltd., now Marubeni Corporation)

The Marubeni Management Philosophy

(formulated in 2003, revised 2008)

In accordance with the spirit grounded in "Fairness, Innovation and Harmony," Marubeni Group is proudly committed to contribute to social and economic development and to safeguard global environment by conducting fair and upright corporate activities.

Marubeni's Corporate Principles

(formulated in 1998)

Marubeni Corporation, as a business enterprise, will actively pursue its business interests through the exercise of fair and legal competition. As a company, Marubeni will also continue to play its part in the enlargement of the global economy, while always striving to enrich the society within which it operates. In order to achieve all the elements of the aforementioned goal, Marubeni is committed to the following six basic principles of business:

1. Conduct Fair and Open Business Activities
2. Develop a Globally-Connected Company
3. Create New Value Through Business Vision
4. Respect and Encourage Individuality and Originality
5. Promote Good Corporate Governance
6. Safeguard Ecological and Cultural Diversity

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Disclaimer Regarding Forward-Looking Statements

This report contains forward-looking statements about the performance and management plans of Marubeni Corporation and its Group companies based on management's assumptions in light of current information. The following factors may therefore influence actual results: consumer trends in Japan and in major global markets, private capital expenditure, currency fluctuations, notably against the U.S. dollar, materials price changes and political turmoil in certain countries and regions.

Feature

Becoming a Stronger Marubeni

For Marubeni, achieving stronger earnings power is an equally important theme along with enhancing its financial base.

To reach this goal, Marubeni has identified four fields for priority allocation of management resources under the three-year SG-12 medium-term management plan: infrastructure, natural resources, essential living commodities, and environment. In each of these areas, the Company is aiming to forge a more robust presence. In this section we highlight businesses in these four fields that are spearheading Marubeni's performance, as well as operations where success is just on the horizon. The following examples demonstrate the reasons for Marubeni's confidence, both in these fields and in its own future viability.

The first business we examine is water projects, which have been the topic of much attention in recent years. Marubeni has a long history of involvement in water projects worldwide, spanning the supply of fresh water and creation of water resources, to the operation of businesses that supply water to ordinary households. Marubeni has comprehensive functions and practical skill that have enabled it to build a list of achievements in this field that stand out among those of other Japanese companies. Armed with these advantages, we have built a list of achievements in this field that surpass those of other Japanese companies. In the overseas Independent Power Producer (IPP) business, which is advancing rapidly worldwide, Marubeni has staked out a solid position through a strong track record in total power generation capacity and its own net generation capacity. Together with a geographically well-balanced asset portfolio, this business can be viewed as one of the core operations that will lead business performance. Elsewhere, Marubeni is throwing its weight behind a copper mining project in Chile as one of several operations that will help ensure a stable supply of resources for Japan. Similarly, Marubeni's grain trading operations, which boast a massive distribution volume rivaling that of the world's largest grain traders, ensure a stable supply of grain for Japan, and contribute to stable supplies for the whole world. Then there is paper and pulp, a traditional stronghold where Marubeni's powerful capacity to execute is evident at every stage from upstream to downstream sectors. These are just some of the operations that Marubeni is developing on a global scale. At the same time, these businesses have close ties to people and the lives they lead every day. At the conclusion of this section, we offer an introduction to several Marubeni businesses that are enabling better coexistence with the natural environment, one of the most important themes of our day.

Through this feature section, we invite you to join us in looking ahead towards a Marubeni future.

SG-12 Priority Business Fields for Allocation of Management Resources

Infrastructure P9-11

Natural resources P12-13

Essential living commodities and Environment P14-17

The Global Water Business Challenge

—Water Business

Marubeni's Strengths in the Water Business: Since beginning work in this field in 1997, Marubeni has established a solid track record and rich expertise in these projects. We entered new projects in Peru and China in fiscal 2009, and are now operating five flagship water projects in four countries (Chile, Mexico, Peru and China).

Fundamental Strategy: By encouraging growth in business scale, our goal is to become one of the top ten entities in the world for supplying water to populations within three years.


Water purification facility in Valdivia, Chile

Water is a resource essential to all living things on the planet. Aside from direct consumption, massive volumes of water are used in many indirect ways not immediately obvious, such as producing grain and livestock, and for industrial purposes across a wide range of business sectors. The market for water resources today is valued at over ¥30 trillion. But with the global population rising, the scale of this market is expected to grow to ¥100 trillion by 2025, making it a very promising market going forward.

Marubeni has staked out a pivotal position among Japanese trading companies as one of the first to turn its attention to water projects. We are developing projects in Chengdu, China, and other places largely outside of Japan. In Lima, Peru, Marubeni is involved in water supply operations on a Build-Transfer-Operate (BTO) basis. In Mexico, we are processing salt water into fresh water using a reverse osmosis (RO) membrane that removes chloride ions to supply water for industrial use to the country's national petroleum firm. In all three countries, Marubeni's water projects involve supplying water to public institutions based on long-term contracts, resulting in an extremely stable business. In Chile, our water operations take on a concession format, whereby Marubeni owns the water supply infrastructure in the region and is contracted to perform fully integrated water operations. This business involves infrastructure operation and maintenance, as well as addition of facilities to meet increased demand and the collection of water utility charges from residential and commercial facilities. Our operations in Chile are a highly public lifeline providing vital service to the 140,000 residents of the city of Valdivia.

Marubeni has positioned water projects as an important business that is fundamentally linked to the priority fields of infrastructure, natural resources, essential living commodities, and the environment named in SG-12. Focusing on this business will remain our policy going forward.

Marubeni's Water Business

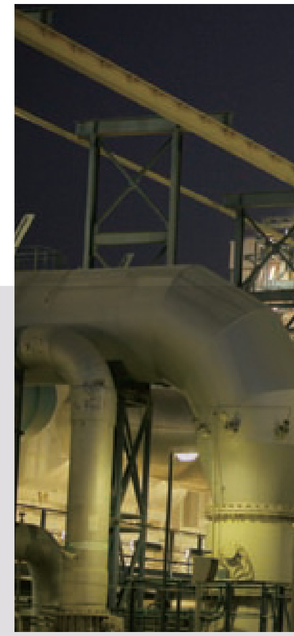
Marubeni Group strengths

Production of materials, components and equipment	Construction and design	Upkeep management and business operation	Billing

- Salina Cruz, Mexico: Desalination BOT — Aquasistema Salina Cruz S.A. de C.V.
- Chengdu, China: Water BOT — Chengdu Générale des Eaux-Marubeni Waterworks Co., Ltd.
- Lima, Peru: Water BTO — Consorcio Agua Azul S.A.
- Valdivia, Chile: Water and wastewater concession — Aguas Décima S.A
- Anhui Province, China: Wastewater treatment — Anhui Guozhen Environment Protection Science and Technology Joint Stock Co., Ltd.

Supporting the World's Lifelines

—Infrastructure



The TAWEELAH B power station in the U.A.E. began commercial operations in October 2008

Marubeni's Strengths in the Overseas I(W)PP* Business: In terms of power generation assets, Marubeni has a commanding lead among Japanese trading companies, with total power generation capacity of 25,782 MW and its own net generation capacity of 7,559 MW as of June 2010. This capacity places Marubeni on a par with some domestic regional power companies.

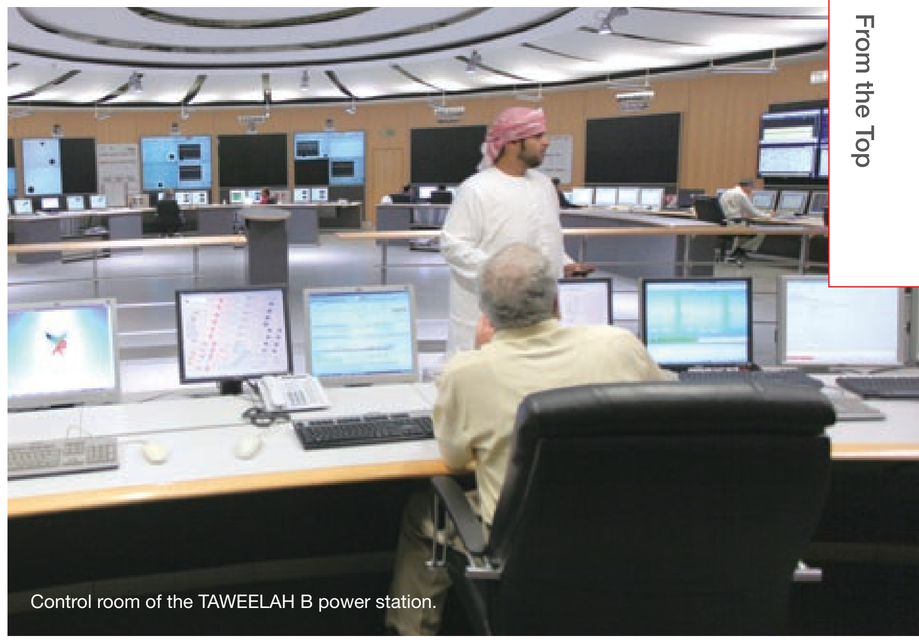
Fundamental Strategy: Marubeni will continue to invest in the overseas I(W)PP field, with the aim of achieving steady growth by grooming this business into a stable earnings source.

Growth in Marubeni's Own Net Generation Capacity

End of FY2007	End of FY2009	End of FY2010 and Beyond
6,586 MW	7,229 MW	Pursue a policy of continuous expansion as a priority field. Aim for **10,000 MW** over the medium term.

* I(W)PP is an abbreviation for Independent (Water) & Power Producer, and refers to electric power wholesalers, some of whom operate water desalination facilities.


The TAWEELAH B power station in the U.A.E. (pictured at night) began commercial operations in October 2008

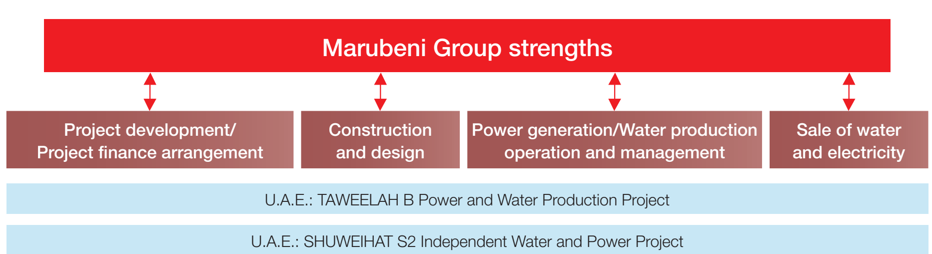

Control room of the TAWEELAH B power station.

The field of infrastructure is home to the development and operation of electric power, water and sewage systems, and other lifelines that support daily life. Growth is expected in this field over the medium to long term, reflecting demand not only from emerging economies, where populations are growing rapidly, but also for infrastructure replacement in economically developed nations. One characteristic of business in the infrastructure field is that most projects are based on 10-year to 20-year contracts, making them highly resistant to economic fluctuations. As such, business in this field is garnering attention for its potential to generate long-term, stable earnings.

In infrastructure, Marubeni has been a pioneer in its promotion of the overseas I(W)PP business. Since first entering this business in the mid-1990s, we have built up power generation assets through our participation in numerous projects. These assets have earned Marubeni an unrivalled position among Japanese trading companies, with total power generation capacity of 25,782 MW and its own net generation capacity of 7,559 MW as of June 2010. This capacity places Marubeni on an equal level with some Japanese regional power companies. Furthermore, these power generation assets are distributed across 21 countries worldwide, an advantage that has allowed Marubeni to successfully form a well-balanced portfolio in this regard. Of these countries and regions, we have built an especially robust track record in the Middle East. Starting with the TAWEELAH B project (U.A.E.), Marubeni over the past several years has acquired power generation assets from the RABIGH project (Saudi Arabia), the MESAIEED project (Qatar), the TAWEELAH A2 project (U.A.E.), the FUJAIRAH F2 project (U.A.E.), and the SHUWEIHAT S2 (U.A.E.). The combined power generating capacity of these six projects has risen to 8,580 MW. Another focal point for Marubeni is the accumulation of IPP assets in Asia. In 2008, we joined with several partners to purchase all shares in Senoko Energy Pte. Ltd., a power company responsible for some 32% of total electric power generating capacity in Singapore, with Marubeni involved in the operation and management. Similarly in Taiwan, Marubeni invested in Ever Power IPP Co., Ltd. and Hsin Tao Power Corporation.

Under SG-12, Marubeni is prioritizing investment in the field of infrastructure and targeting business expansion. Particularly in the overseas I(W)PP business, our mission is to expand business scale to a level comparable to that of the world's major IPP operators by quickening the pace with which we gather and replace assets.

Marubeni's Overseas I(W)PP Business (Example)



Stably Supplying Resources to the World

— Copper Business

Processing site for the Esperanza copper mine currently under construction

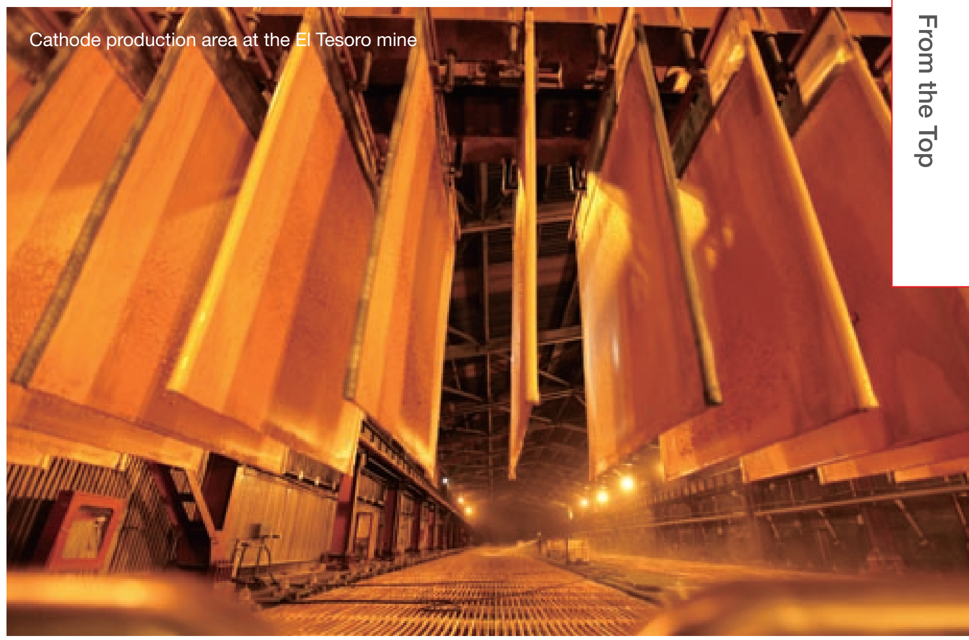
Marubeni's Strengths in the Copper Business: Marubeni has a 30% stake in two copper mines—Esperanza and El Tesoro, which boast the world's preeminent copper reserves. The Esperanza copper mine, which is currently under development, is scheduled to commence production in the fourth quarter of 2010. After completion of the development phase, Marubeni's total payable copper production is projected to reach approximately 125,000 tons per annum.

Fundamental Strategy: Going forward, Marubeni will acquire more prime assets in this priority field, expanding the scope to include projects in the pre-development phase including the initial exploration phase.

Growth in Marubeni Copper Interests

Copper interests		Marubeni's share of copper production (payable copper)		
		End of FY2007	End of FY2009	End of FY2010 (planned)
Los Pelambres	Acquired in fiscal 1997	30,000	35,000	35,000
El Tesoro	Acquired in fiscal 2008		30,000	30,000
Esperanza	Acquired in fiscal 2008			60,000
Total		**30,000**	**65,000**	**125,000**

Mining area at the Esperanza copper mine



Cathode production area at the El Tesoro mine

Stable resource supplies are critical to the sustainable growth of the global economy. For this reason, natural resources comprise a field with high medium- to long-term growth potential. Marubeni has advantages in this field, with a current focus most specifically on copper. Copper is an important base metal used in a broad array of applications. Particularly after processing into copper wire, copper is considered by some to be the "veins and arteries of industry", present in all fields from electrical cables, electrical devices, and automobiles to building materials. Copper prices, meanwhile, are expected to trend at much higher levels over the medium to long term, as demand expands led by economic growth in China and other emerging markets. As such, the importance of this resource will increase further in the coming years.

For Japan, as a resource-poor country, ensuring a stable supply of materials is a constant concern in terms of resource security. Japan today is completely reliant on imports for its supply of copper concentrates, and has a strong desire to secure stable supply sources. Chile in 2009 produced some 34% of the world's entire supply of copper by volume, and accounted for roughly 43% of Japan's total copper imports in the same year. Today in Chile, Marubeni has 30% stakes in both the Esperanza and El Tesoro copper mining projects, the outcome of a total of around ¥200 billion in investment. The mines boast total copper reserves topping over 1.9 billion tons. Marubeni not only holds interests in both projects, but has sent executives, engineers and other staff to the sites to actively develop and conduct operations on the ground. Development work for the Esperanza copper project is proceeding as planned towards the start of production in the fourth quarter of fiscal 2010. Once full-scale operations commence in 2011, Marubeni's share of copper production from its interests in the mines is projected to expand to 125,000 tons per annum on a payable copper basis.

Marubeni's Copper Business

Marubeni Group strengths

Business investment	Trade	Resource and materials procurement	Insurance
Management Finance (Metals & Minerals Resources Division, corporate staff departments)	**Marketing Logistics** (Metals & Minerals Resources Division)	**Sulfuric acid sales** (Chemicals Division) **Sale of vehicles for mining operations** (Transportation Machinery Division)	**Business insurance arrangement and contracts** (Finance, Logistics & IT Business Division)

Answering Global Market Needs

—Pulp and Paper and Grain Businesses

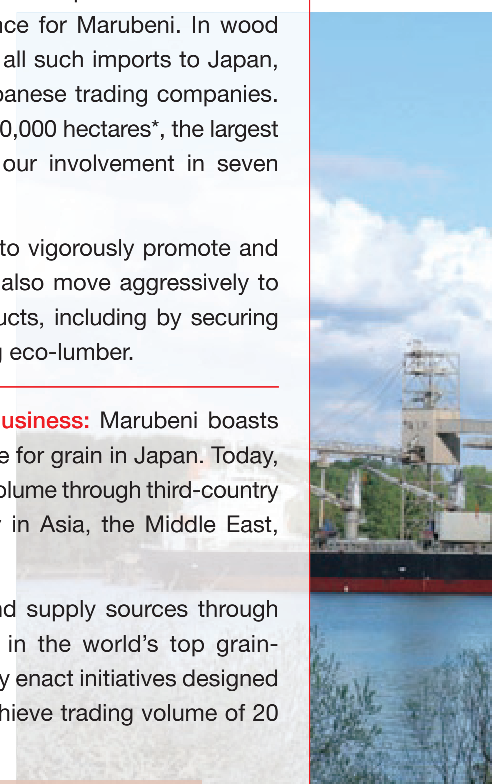
Afforestation site at PT. Musi Hutan Persada in Indonesia

Marubeni's Strengths in Pulp and Paper: Marubeni invests across the entire pulp and paper business, and is involved in the promotion and development of both production and trade. In each product segment, we aim to generate specific added value and to embed a commanding presence for Marubeni. In wood chips, Marubeni accounts for 20% of all such imports to Japan, earning it the top position among Japanese trading companies. We also have forest assets covering 390,000 hectares*, the largest of any Japanese company, through our involvement in seven projects in five countries worldwide.

Fundamental Strategy: Our policy is to vigorously promote and expand overseas operations. We will also move aggressively to address environmentally friendly products, including by securing renewable forest resources and selling eco-lumber.

Marubeni's Strengths in the Grain Business: Marubeni boasts the strongest record for trading volume for grain in Japan. Today, we are expanding trading transaction volume through third-country grain transactions worldwide, namely in Asia, the Middle East, North Africa and Europe.

Fundamental Strategy: We will extend supply sources through alliances with prominent companies in the world's top grain-producing regions. We will also steadily enact initiatives designed to boost trading volume, aiming to achieve trading volume of 20 million tons in fiscal 2010.

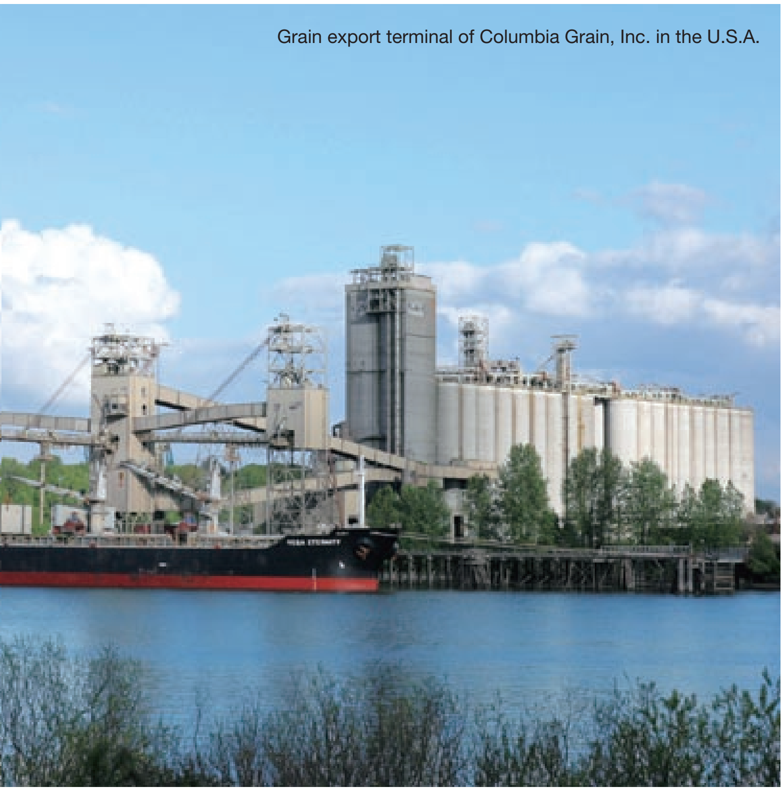


Marubeni's Lifestyle-Related Business

- Production and trade of food-related products, including livestock feed, soybeans, wheat, sugar, processed foods and beverages and related ingredients, commercial-use food materials, and agro, marine and livestock products
- Ownership of prominent distributors of agricultural materials in the U.S. and U.K., and handling of sulfur as well as nitrogen- and phosphorus-based fertilizers in the field of fertilizers and agrochemicals
- Trade in a wide range of products in the lifestyle field, including apparel, footwear, interior goods, general merchandise, office equipment, fitness equipment and tires
- Production and sale of raw materials for paper, printing paper, and paperboard; participation in afforestation businesses and sale of housing materials
- Export, import, wholesale and retail sales of transportation machinery such as aircraft, defense systems, automobiles, construction machinery, and agriculture machinery, as well as automotive production systems

* The figure of 390,000 hectares includes all active and possible afforestation sites affiliated with the Marubeni Group.

The global population is growing, and living standards are on the rise alongside the rapid economic growth in newly emerging markets. These trends are likely to spur medium- to long-term expansion in demand for consumer commodities. Meanwhile, growth in the consumer population is sparking changes in consumption patterns, which is altering global market needs for consumer goods of every kind. For Marubeni, addressing these changes is the essence of our mission as a general trading company, and we view these changes as perfect opportunities for growth. Our policy under SG-12 is to pursue further business expansion in fields like grain and agricultural materials, the latter including fertilizer and agrochemicals, and in the distribution and trade of food products, pulp and paper, lifestyle products and transportation machinery.



Grain export terminal of Columbia Grain, Inc. in the U.S.A.

[Pulp and Paper Business]

Japan is the world's third largest market in terms of demand for paper and paperboard, behind the United States and China. In this domestic market and also globally, Marubeni invests and trades across the entire pulp and paper business, covering afforestation, wood chips, pulp, paper, paperboard, and recycled wastepaper, as we work to create an earnings base that can cope with market changes. Marubeni possesses businesses up and down the value chain, including wood chip and pulp supply sources, manufacturers of printing paper and raw materials for cardboard and paper sales companies in downstream sectors. Utilizing these advantages, our sights are on achieving sustainable earnings expansion by flexibly selecting the markets and commercial goods for which additional growth is anticipated.

To secure renewable forest resources, Marubeni has been active in seven afforestation projects spanning Australia, New Zealand, Indonesia, China and Brazil since the late 1990s. As of March 31, 2010, the total area of these forest resources owned and under proper management by Marubeni covered 390,000 hectares, the largest such area of any Japanese company.

We also operate a pulp making company in the district adjacent to our afforestation business company in Sumatra, Indonesia, PT. Musi Hutan Persada. Through these companies we are conducting an environmentally friendly pulp business that uses only plantation wood, and none harvested from natural forests.

Japan's paper and paperboard market is unlikely to experience significant growth going forward. For this reason, Marubeni is turning to China, where per capita paper and paperboard consumption remains roughly one-third that of Japan, and to India, where the one-thirtieth level of demand currently seen is expected to grow dramatically in the coming years. With access to wood resources from our own afforestation projects as a solid foundation, we will take optimal advantage of Marubeni's wide-reaching value chain to promote global business development in step with market and customer needs.

Marubeni's Pulp and Paper Business

Marubeni Group strengths

Afforestation business	Pulp	Paper business	Product trading
Amapa Florestal e Celulose S.A. (Brazil) PT. Musi Hutan Persada (Indonesia) WA Plantation Resources Pty. Ltd. (Australia)	Daishowa-Marubeni International Ltd. (Canada) PT. Tanjungenim Lestari Pulp & Paper (Indonesia)	Marusumi Paper Co., Ltd. Koa Kogyo Co., Ltd. Fukuyama Paper Co., Ltd. Long Chen Paper (China) Holdings Co., Ltd. (China)	Marubeni Pulp & Paper Sales Co., Ltd. Intragrated Resources Holdings, Inc. (U.S.A.) Marubeni Office Supply Co., Ltd. Marubeni Paper Recycle Co., Ltd.

Loading facilities at Pacific Grain Terminal Co., Ltd.'s branch in southern Japan

[Grain Business]

Grain is a field in which Marubeni has distinct strengths, and where we boast the top trading transaction volume in Japan. Centered on Pacific Grain Terminal Co., Ltd. and Marubeni Nisshin Feed Co., Ltd., Group companies are building a business complex based on an integrated, nationwide network of grain import sites and processing facilities. In tandem with promoting logistical rationalization, these companies work to ensure the stable supply of grain to Japan. Backed by this sales strength in the Japanese market, Marubeni is striving to expand its share in rapidly growing China, ASEAN, and other overseas grain-consumer markets. In 2009, we established a firm foothold in China, the world's biggest grain importer in terms of market scale, by entering a comprehensive alliance with Sinograin Oil & Fats Corporation, a subsidiary of China's largest grain company, the Sinograin Group. The ability to establish a presence in the world's first- and second-largest grain importers, China and Japan, is fueling a virtuous cycle culminating in renewed sales strength by giving rise to immense buying power and heightened cost competitiveness. As for measures targeting production sites, Marubeni is moving to develop a framework for stable worldwide procurement of grain built on a multifaceted network of production sites. In 2010, for example, Marubeni inked comprehensive alliances in the grain trade with influential grain-collection company Amurzerno and export terminal operator Fetexim, two firms based in eastern Russia. We signed a similar partnership agreement with Senalia Union, a European export terminal operator that has the largest silo capacity in Europe.

In addition to these grain operations, Marubeni also has strengths in the food distribution and retail areas, where it is focusing on building and expanding its distribution and retail network including wholesale and distribution businesses centered on The Daiei Inc. and The Maruetsu Inc.

Marubeni's Food-Related Businesses

Marubeni Group strengths

Procurement of raw materials	Production and processing	Wholesale and distribution	Retail sector
Columbia Grain, Inc. (U.S.A.)	Marubeni Nisshin Feed Co., Ltd.	Yamaboshiya Co., Ltd.	The Daei, Inc.
Pacific Grain Terminal Co., Ltd.	Marubeni Chikusan Corporation	Benirei Corporation	The Maruetsu, Inc.
Cia. Iguaçu de Café Solúvel (Brazil)	The Nisshin OilliO Group, Ltd.	Nacx Nakamura Corporation	Tobu Store Co., Ltd.
		Marubeni Foods Corporation	

Contributing to the Sustainable Growth of Our World

— Environmental Business

Marubeni's Strengths in the Environmental Business: Marubeni is assertively promoting an environmental business that touches everything from emission trading and provision of environmentally friendly products to the development of clean forms of energy emitting very little carbon or hazardous substances. To do this, we are capitalizing on insights honed across business operations over the years to approach the environmental business from a variety of different angles.

Fundamental Strategy: We will seek to create new environmental business models and concentrate on identifying and promoting new projects that will encourage eco-conscious approaches by business type, all from a medium- to long-term perspective.

Marubeni's Environmental Business

Efforts to Address Climate Change

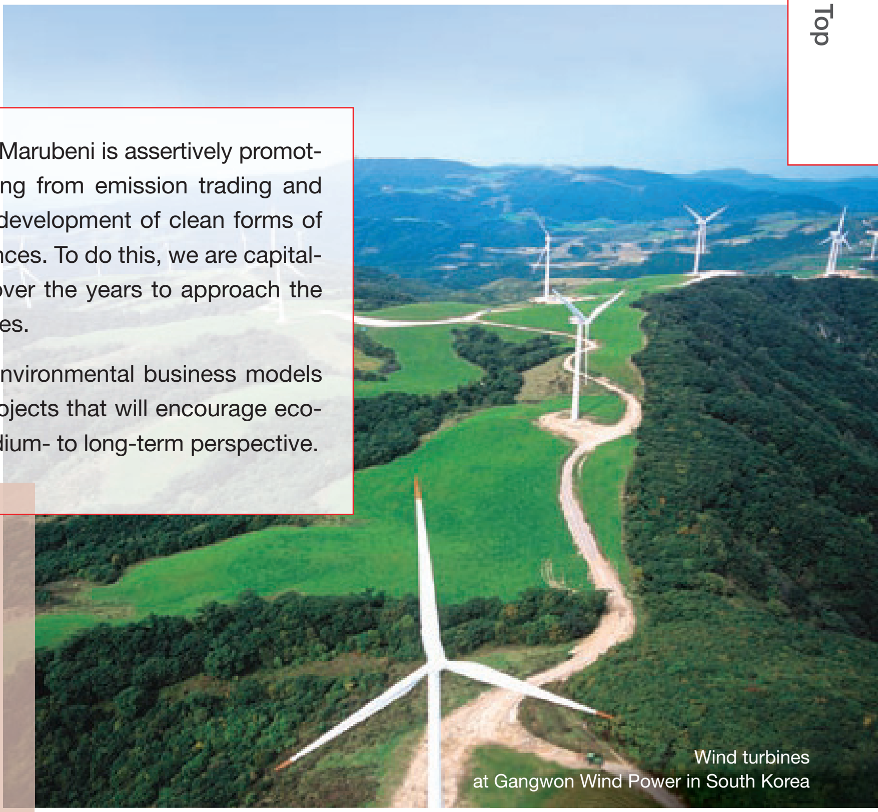
- Joint development of a greenhouse gas reduction project with the Environmental Protection Ministry of Kazakhstan
- Greenhouse gas recovery and dissolution project and CDM initiatives in China
- The only general trading company to have sold emissions credits to the government of Japan
- The only Japanese company to participate in European Climate Exchange
- First Japanese trading company to participate in a wind power CDM project: the Gangwon Wind Power project in South Korea
- Carbon stock from expanding worldwide forest ownership
- Promoting the world's first commercial project to create ethanol from waste materials

Efforts to Create a Society that Recycles

- Recycling of confidential documents
- Recycling of used uniforms

Forest Preservation and Respect for Biodiversity

- Afforestation business
- Acquisition of forestry certification for wood chip business in Brazil and Australia



Wind turbines at Gangwon Wind Power in South Korea

Amid growing environmental awareness across the globe, stricter environmental regulations are giving rise to new environment-related business needs in a host of areas. In the environmental field, Marubeni is taking steps to create business models that will promote medium- to long-term expansion in its environmental business. In addition to CO_2 reduction projects, our efforts will target solar, wind, hydro and other forms of clean energy, recycling, and new technologies.

One example of where Marubeni's comprehensive strengths in the environmental business have emerged is small-scale hydropower. This form of clean energy features not only superior environmental performance, but minimizes the environmental impact stemming from power plant construction. Today, many are taking notice of small-scale hydropower in Japan as a power business that can effectively utilize mountainous regions, farming villages and other local resources. Perhaps the best known such domestic project is the Mibugawa No. 4 Power Plant, a 480-kW, small-scale hydropower plant operated by wholly owned Marubeni subsidiary Mibugawa Power Company. Developed from insight and knowhow cultivated by Marubeni through its long involvement in infrastructure operations, a key feature of the No. 4 Power Plant is that it reuses effluent from the No. 1 Power Plant (22,100 kW), resulting in lower environmental impact. The water can also be channeled to help with local rice irrigation. These are just some of the many features that make possible a power business that effectively utilizes multiple aspects of the plant's location and local environment. Marubeni, for its part, will assertively promote more environmentally sound, value-added clean energy businesses of this type in the future.

Marubeni's President and CEO Talks Strategy

By implementing the policies laid out in the current medium-term management plan, SG-12, we are becoming a "Stronger Marubeni" with a strong earnings base and a solid financial base.

Teruo Asada, President and CEO

Question 1

Please tell us about business conditions in fiscal 2009, and the activities that Marubeni undertook as part of SG2009.

Following the collapse of Lehman Brothers, in September 2008, the global economy entered a period of dramatic change and recession. This forced Marubeni to revise some of the targets contained in our SG2009 management plan, and adopt a defensive stance focused on solidifying the earnings structure and improving the financial base. These measures proved to be successful, as we met all of the revised targets for fiscal 2009 and laid the groundwork for an ambitious new medium-term management plan entitled SG-12.

In April 2008, we embarked on the two-year management plan SG2009, which derived its name from the previous medium-term plan—the "G" PLAN—that ran from fiscal 2006 to fiscal 2007. The underlying concept was to solidify the gains made under the "G" PLAN and take further steps toward strengthening the earnings base and financial structure. However, the global financial crisis that followed the collapse of Lehman Brothers triggered dramatic corrections in major commodities and stock markets, and plunged the global economy into recession. The harsh business climate that the company faced in fiscal 2008 caused Marubeni to post a decline in profits for the first time in seven fiscal years. Prospects for fiscal 2009 were also extremely uncertain, and we responded by focusing our efforts on measures to improve profitability and strengthen the financial base.

Countries around the world took steps to address the economic crisis with unprecedented fiscal and monetary policy measures. These actions, and the momentum provided by emerging markets like China, have slowly moved the global economy back onto a recovery track, and this is elevating market prices for oil, copper and other key raw materials (see Fig.1 Fig.2).

Marubeni benefitted from this more favorable economic trend, **posting consolidated net income of ¥95.3 billion in fiscal 2009. Though this represented a decline of 14% year on year, it surpassed both the company's initial forecast of ¥80 billion and the revised projection of ¥90 billion which we issued along with third-quarter results. Despite the dramatic changes that took place during the period covered by the SG2009 plan, cumulative consolidated net income for the two years amounted to ¥206.5 billion—a testament to the company's continued strengths in portfolio management and risk management.**

Efforts to improve Marubeni's financial position included current measures to control the balance sheet by accumulation of retained earnings. These efforts were aided by market trends such an improved stock market and an ongoing weakening of the yen. As a result, equity rose by ¥176.4 billion year on year, to

Fig.1 GROWTH RATE IN KEY COUNTRIES AND REGIONS

	2008	2009	2010 (Pros.)
United States	0.4%	–2.4%	3.3%
Euro area	0.6%	–4.1%	1.0%
Developing Asia	7.7%	6.9%	9.2%
China	9.6%	9.1%	10.5%
Japan	–1.2%	–5.2%	2.4%
Western Hemisphere	4.2%	–1.8%	4.8%
World output	3.0%	–0.6%	4.6%

As of July 2010 (Source: IMF)

Fig.2 TRENDS IN CRUDE OIL AND COPPER PRICES

(Source: Compiled by Marubeni based on Bloomberg data)

¥799.7 billion at the end of fiscal 2009, far exceeding the target level of ¥730.0 billion. **Free cash flow for the period was more than double the target level—we set an initial goal of generating a ¥100.0 billion net inflow, and the actual inflow was ¥245.4 billion. The balance of net interest-bearing debt was reduced by ¥205.2 billion over the course of the year, to ¥1,706.4 billion. The combination of increased assets and a reduction in interest-bearing debt allowed Marubeni to improve its debt/equity ratio by 0.94 points year on year to 2.13 times—the lowest in Company history** (see Fig.3).

In summary, even though we were forced to revise the targets of the SG2009 management plan, we succeeded in meeting all of the targets that were established at the start of fiscal 2009. This has laid the groundwork for Marubeni to pursue even more ambitious goals in our new management plan, SG-12.

Fig.3 **TARGETS OF THE SG2009 MEDIUM-TERM MANAGEMENT PLAN**

	SG2009 Original Targets (March 31, 2010)	SG2009 Revised Targets (March 31, 2010)	SG2009 Results (March 31, 2010)
Consolidated Net Income (2-year total)	¥350.0billion	¥190.0 billion	¥206.5 billion
Consolidated Net Debt-to-Equity (D/E) Ratio*	2.00–2.50 times	Approx. 2.50 times*	2.13 times*
Risk Assets	Less than Shareholders' Equity	Less than Equity	¥635.6 billion
ROA	More than 3%	Approx. 2%	2.05%
Equity	More than ¥1 trillion (Shareholders' Equity)	Over ¥730.0 billion	¥799.7 billion
ROE	Approx. 18%	Approx. 12%	14.5%

*Consolidated Net Debt to Equity Ratio = (Consolidated Net Interest-Bearing Debt) / Equity

Question 2

Please give us a summary of the objectives of the new medium-term plan, SG-12.

Under SG-12, the Company will try to implement the major plans swiftly, and in meeting the numerical targets set out in the plan, will strengthen the Company's earnings structure and solidify the financial base by meeting the original objectives of SG2009. In this way, Marubeni hopes to establish itself in the eyes of stakeholders as a partner that always transcends expectations. We aim to make Marubeni a strong organization (see Fig.4).

In the new medium-term management plan SG-12, the letters "SG" represent the ultimate objective of this plan—to achieve Sustainable Growth. **The title is pronounced "SG dash twelve" to imply that Marubeni intends to implement its plans swiftly.**

The SG2009 plan also adopted the catchphrase "Marubeni as a partner that transcends all of our stakeholders' expectations." **The underlying objective of the plan is to win the trust of stakeholders, starting with the customers whose business is the very lifeblood of a trading company such as Marubeni.** We aim to make Marubeni a stronger organization which can achieve sustainable growth that commands trust and surpasses the expectations of all our stakeholders.

Looking ahead to the business conditions Marubeni can expect in fiscal 2010, the IMF projects a global economic growth rate of 4%, driven mainly by emerging countries such as China. These countries will generate a growing need for natural resources and social infrastructure. Moreover, the growth of these countries has diminished the relative prominence of advanced countries on the world stage, altering the global balance of power. Impact on the global stage has grown in importance, as that of the leading industrialized countries gradually weakens, altering the global balance of power.

Four Policies for Becoming a Stronger Marubeni

The changes in the global economic structure are proceeding at a rapid pace, and they have strong implications for Marubeni and its effort to diversify its business model. In order to achieve sustainable growth, the company recognizes that it will have to implement the following four policies:

- **Top Management-Led Human Resources Strategy**
  Establish an "HR Strategy Committee" chaired by the CEO to strengthen the human resources of the entire Group to better deal with the changing business environment and diversified business models.
- **Priority Allocation of Management Resources**
  In contributing to the world's economic and social needs, Marubeni will allocate its management resources in 4 priority fields; "Natural Resources," "Infrastructure," the "Environment" and "Essential Living Commodities."
- **Accelerate Business in Overseas Market**
  Reinforce overseas operations to realize growth in overseas markets, especially in emerging countries.
- **Strengthen Financial Base and Upgrade Risk Management**
  Strengthen our financial base and upgrade risk management to stabilize Group management, especially given the current rapidly changing business environment.

Fig.4 **SG-12 PRINCIPLES**

Principles

The Marubeni Group, even in this turbulent world economy, will build strong earnings and a solid financial base to become a "Stronger Marubeni" who challenges sustainable growth beyond all our stakeholders' expectations.

Marubeni's medium-term management plan will focus in particular on the realization of the following numerical targets:

Quantitative Targets

Consolidated Net Income	**FY2010 ¥125.0 billion**
Consolidated Net Debt-to-Equity (D/E) Ratio	**Approx. 1.8 times**
Risk Assets	**Less than Equity**
ROE	**Over 15% stably**

Assumptions for FY2010

• Currency Exchange Rate	**90yen/US$**
• US$ LIBOR (Three months)	**0.6%**
• Yen TIBOR (Three months)	**0.5%**
• LME Copper	**US$6,500/t**
• Crude Oil (Brent)	**US$75/bbl**

Since the business environment is changing rapidly, we have set a target for consolidated net income for fiscal 2010 only. However, barring any major changes in commodities market prices and other key business conditions, Marubeni intends to increase net income as quickly as possible to a level that exceeds its historical peak of ¥147.2 billion (recorded in fiscal 2007).

Executives and employees will work together in a coordinated effort to meet these goals, and develop a solid earnings structure and financial base. In this way we aim to make Marubeni a stronger organization, and demonstrate to stakeholders that Marubeni is a partner that can transcend expectations.

Question 3

Please talk a bit about human resources strategy, which is one of the key measures under SG-12.

As a key measure of SG-12, Marubeni is committed to the pursuit of a "top management-led human resources strategy." To this end, we are adopting tripartite measures that integrate "assessment/incentives" and "training" with systematically acquired "experience through practice," to ensure our workforce can respond effectively to a changing operating environment and increasingly diverse business models. We are deploying these initiatives to enhance human resources across the entire Marubeni Group.

On April 1, 2010, Marubeni launched the HR Strategy Committee to handle policies and measures relating to human resources. I serve as chair of this committee, which has a total of eight members, including Corporate Management Committee members, the General Manager of the Corporate Staff Division, and the general managers of operating divisions. Through extensive discussion we hammer out the direction of the major policies, philosophy, vision and other issues concerning human resource strategy for the entire Marubeni Group, powerfully advancing the Group's HR strategy with a top management-led approach.

An important part of enacting HR strategy is ensuring practical implementation at each business site. We have assigned personnel responsible for HR to each operating division, individual Corporate Staff Division department, and overseas business region. These HR specialists take the lead in drafting and promoting HR measures tailored to the unique features of the various organizations, including operating companies, and regions where we operate. The HR personnel also provide the HR Strategy Committee with feedback from each organization and region on the promotion status of measures taken and issues that arise, to aid the formulation and advancement of more effective HR initiatives.

Question 4

Under the SG-12 management plan, what areas of concentration will be the focus for new investment?

In order to achieve sustainable growth, Marubeni plans to invest some ¥750 billion over the next three years in new businesses. The investments will emphasize sectors that we expect to expand over the medium-to-long-term, such as natural resources, infrastructure, the environment, and essential living commodities. In this way, Marubeni expects to further solidify its earnings base.

To accelerate growth in the company's earnings base, Marubeni is adopting an aggressive stance once more, and plans to invest ¥750 billion over the next three years (see Fig.5). **These new investments will focus specifically on four business sectors. In the "natural resources" sector, we plan to focus mainly on metals and energy resources, which are expected to experience growth in the future. In the "infrastructure" business, Marubeni will focus on overseas independent power producers (IPPs) and water-related businesses. We intend to make large investments in the "environment" sector, focusing on specific areas such as afforestation projects, clean energy and greenhouse gas emissions credits. In the "essential living commodities" sector, we will focus on areas where Marubeni has already established a strong reputation, such as grain, agricultural products, trade and distribution** (see Fig.6).

The medium-term plan also includes continued measures to improve Marubeni's financial position, and **efforts to accelerate asset turnover. For the past few years, asset turnover has averaged about ¥50 billion per year. Under the SG-12 plan the Company aims to maintain that pace, for an asset turnover of around ¥150 billion over the three-year period. This will make the net total for new investments around ¥600 billion.** This figure does not include capital investments in existing ventures, but only net new investment. We think that these outlays, under the SG-12 plan, will be adequate to support continued growth.

Fig.5 SG-12 NEW INVESTMENT PLAN

New Investment Plan

Emphasize the allocation of our management resources to fields with high potential for growth.
Also, to build a financial and earnings base able to cope with a rapidly changing business environment, Marubeni will push the divestiture of assets and replace them with new investments.

	FY2010-2012 (3-year total)
New Investment (Gross)	Approx. ¥750.0 billion
Strategic Divestiture of Assets	Approx. ¥150.0 billion
New Investment (Net)	Approx. ¥600.0 billion

Fig.6 PRIORITY BUSINESS FIELDS

	Outlook	Priority Fields
Natural Resources	The stable supply of natural resources is still essential for the sustainable growth of the world economy. Furthermore, medium- to long-term demand growth is expected in this field.	• Metals and Mineral Resources • Energy Resources, etc.
Infrastructure	Marubeni's rich experience in this field gives it an advantage. The number of business opportunities in this field is expected to grow, especially in the emerging countries.	• Overseas I(W)PP Projects • Water-related Projects • Industrial and Social Infrastructure Projects, etc.
Environment	The emergence of new business can be expected with the raising of environmental consciousness and tightening of environment-related regulations.	• Forestation Projects • Clean Energy Projects • Emission Credits, etc.
Essential Living Commodities	Demand for essential living commodities is expected to increase as living standards in emerging countries rise.	• Grain, Agriculture-related Materials (fertilizer, agrichemicals, etc.) • Trade/Distribution (including food products, pulp and paper, lifestyle products, motor vehicles), etc.

Question 5

Please tell us about overseas initiatives under SG-12.

In order to strengthen our efforts overseas, we have identified priority regions and established Business Strategy Committees. Moreover, in order to foster staff who can work around the world, we are actively dispatching staff to other countries.

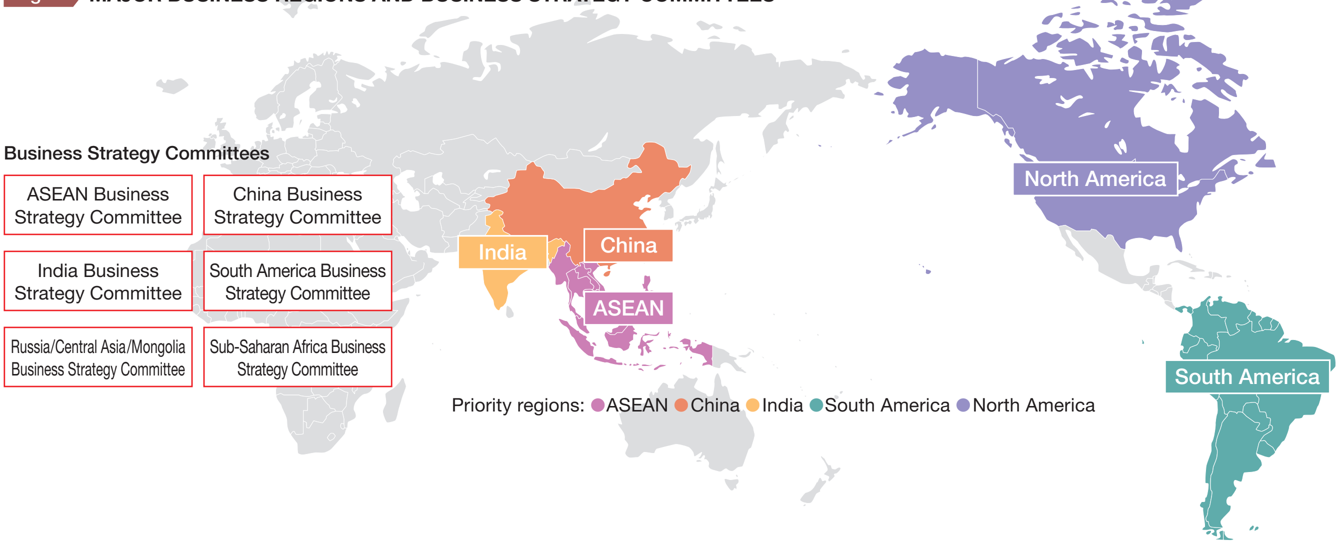
As I explained earlier, we expect to see ongoing strong growth in overseas markets in the medium- to long-term, particularly in emerging economies. **Under SG-12, we have set priority regions, mainly these high-potential emerging economies, in ASEAN, China, India, South America and North America, and will work to strengthen Group-wide initiatives and personnel.** Although North America is not an emerging economy, it is the greatest source of revenue for Marubeni, and we therefore established it as a priority region where we will build new pillars of profitability alongside oil and gas, agricultural materials, grain, and other key business where we have built up experience over the years.

In terms of human resources, we are working to grow in overseas markets by cultivating staff who are able to do business globally. One way in which we are accomplishing this is by actively dispatching overseas, including trainees. As of April 2010, the number of overseas staff had risen to 652, up from 617 two years earlier at the start of SG2009, and the number of trainees had more than doubled, from 25 to 53. Going forward, we will continue to focus on priority regions and sectors, and on markets where Marubeni is strong, to strengthen our overseas workforce.

In addition, Marubeni has established "Business Strategy Committees" centered on the priority regions listed above and other regions with strong future growth potential in order to promote cross-divisional initiatives. Chaired by members of the Corporate Management Committee, Business Strategy Committees have the responsibility to set policies on products and customers in each area, as well as generate concrete projects (see Fig.7).

Our personnel policy, overseas business strategy and financial strategy will support sustained growth.

Fig.7 MAJOR BUSINESS REGIONS AND BUSINESS STRATEGY COMMITTEES



Question 6

Please summarize Marubeni's current financial position and the financial strategy laid out under SG-12.

At the end of fiscal 2009, the debt/equity ratio stood at 2.13 times—the lowest level ever registered by the company. Under the SG-12 medium-term management plan, we aim to promote sustainable growth over the longer term, and also to strengthen our financial position by reducing the debt/equity ratio to 1.8, at an early stage.

In the latter half of fiscal 2008, the strong yen and declining stock prices caused consolidated net assets to decline. In order to address this situation, in fiscal 2009, Marubeni began implementing Group-wide efforts to improve our financial position. We also began to introduce stronger risk management measures, including hedge positions to minimize the impact of currency translation adjustments. Improvements in the stock market and commodities prices also had a positive impact, **improving the consolidated net debt/equity ratio by 0.94 points, to 2.13, at the end of the fiscal year—the lowest level in Marubeni's history. This far surpassed our initial goal, set at the start of fiscal 2009, to lower the debt/equity ratio to around 2.5 times** (see Fig.8). The previous year—fiscal 2008—brought a sudden deterioration in the debt/equity ratio due to sharp declines in global commodities markets and a consequent drop in the value of consolidated net assets. The ratio rose by 0.74 points, from 2.33 in March 2008 to 3.07 in March 2009. However, our efforts to improve the financial position more than made up for this deterioration.

Under the SG-12 management plan, Marubeni plans to return to a growth-oriented stance during fiscal 2010, **in order to promote sustainable medium-to-long-term growth not only during the plan, but into the future. However, along with an aggressive growth-oriented stance, we intend to maintain a relatively defensive stance on financial conditions.** Marubeni also recognizes the need to pursue more effective management systems, and will adopt measures to improve the speed and flexibility of management in responding to rapid changes in business conditions. **Marubeni will carefully monitor and manage balance sheet and cash flow items to meet our goal of "reducing the debt/equity ratio to 1.8 at the earliest possible date," establish a firm financial base, and enhance internal control systems to strengthen integrated risk management capabilities with a**

variety of improved risk management tools and policies.

The Company intends to continue governing the control of risk assets, keeping the balance of risk assets to a level below that of equity. Marubeni has also adopted a policy of securing low- and no-risk assets, to develop a sizeable "risk buffer" (a safety margin between the value of risk assets and consolidated net assets (see Fig.9).

Fig.8 **EQUITY, NET INTEREST-BEARING DEBT AND NET D/E RATIO**

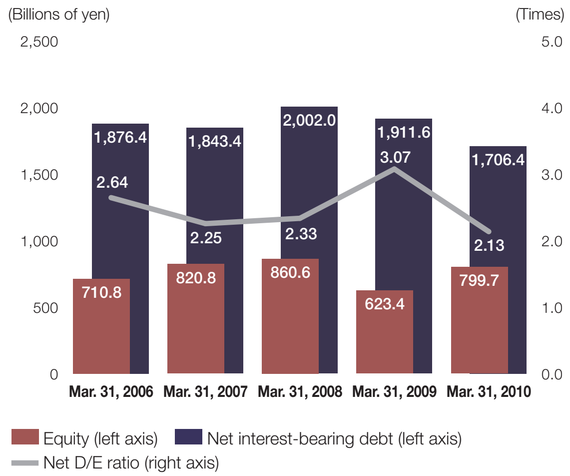
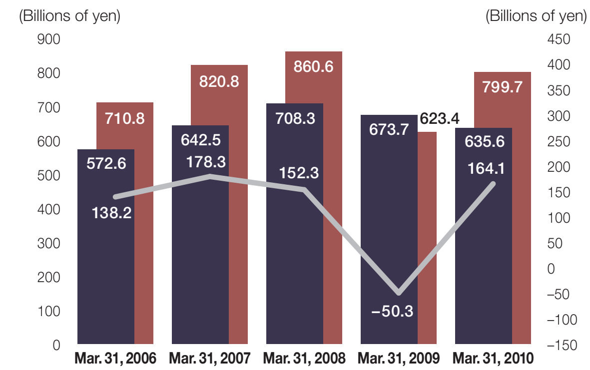


Fig.9 **EQUITY, NET RISK ASSETS AND RISK BUFFER**



	Mar. 31, 2006	Mar. 31, 2007	Mar. 31, 2008	Mar. 31, 2009	Mar. 31, 2010
Equity (left axis)	710.8	820.8	860.6	623.4	**799.7**
Net risk assets (left axis)	572.6	642.5	708.3	673.7	**635.6**
Risk buffer (right axis)	138.2	178.3	152.3	−50.3	**164.1**

Question 7

What businesses do you expect to drive future growth in each market sector?

During the four years from 2006 covered by the "G" PLAN and "SG2009" plan, Marubeni made approximately ¥1 trillion worth of new investments (see Fig.10). Going forward, these investments will contribute to our earnings as part of our earnings base for supporting sustainable growth.

Under the SG2009 plan, which ran from fiscal 2008 to 2009, Marubeni made ¥376 billion in new investments; combined with the amount invested under the preceding "G" PLAN, total spending over the past four years has amounted to some ¥1 trillion. **Under the SG-12 plan these investments will contribute to results, helping to support Marubeni's sustained growth.**

In the Metals & Mineral Resources business, Marubeni made the largest single investment in Company history in fiscal 2008, acquiring mining rights to the El Tesoro and Esperanza copper mines located in Chile. At the start of the SG2009 plan, Marubeni's total copper production volume amounted to just 30,000 tons—the Company's equity-method share of production at Los Pelambres. Increased production at Los Pelambres, as well as the acquisition of a stake in the El Tesoro mine (which has already begun operations) and Esperanza mine (which is due to commence operations), will increase output fourfold, to 125,000 tons in fiscal 2011. In the Coal business, Marubeni increased its share of the Australian affiliate Resource Pacific Holdings Pty Limited, and also initiated production at Australia's Lake Vermont mine. This has increased the Company's equity method share of coal production from around 3 million tons in fiscal 2008 to a current level of around 5.7 million tons. We plan to expand production operations at both the Lake Vermont mine and the Jellinbah East mine, and this will steadily increase Marubeni's production volume (on an equity-method share basis) in the years to come.

The overseas I(W)PP business will receive a boost from Marubeni's participation in the Shuweihat S2 Independent Water and Power Project, in the U.A.E., and the Hallett 4 Wind Farm Project in Australia. Overseas acquisitions in this business included the purchase of Singapore's Senoko Energy Pte. Ltd., Taiwan's Hsin Tao Power Corporation, as well as an equity-method stake in Invenergy Thermal Financing, LLC, in the United States. The contributions of these newly acquired businesses helped increase total power output at Marubeni-owned facilities (calculated on an equity-method share basis) from 6,586 MW to 7,229 MW over the two-year course of the SG2009 plan. We intend to continue seeking out new opportunities for development or acquisitions in this business, and also seek opportunities to sell off some power

Fig.10 NEW INVESTMENTS CONDUCTED DURING THE FOUR YEARS FROM 2006 COVERED BY THE "G" PLAN AND "SG2009" PLAN

Investment Results			
Business Fields		Major Projects	Amount
Energy & Natural Resources Overseas I(W)PP	Fields in which the Group will accumulate assets by concentrating fund allocation from medium- and long-term perspectives	Copper: Esperanza/El Tesoro Copper Mines (Chile) Coal: Resource Pacific Holding Pty Limited (Australia) LNG: Participation in projects in Qatar, Equatorial Guinea and Peru I(W)PP: Qatar, U.A.E., Taiwan, SIngapore, etc. Water: Consorcio Agua Azul S.A. (Peru), Anhui Guozhen Environment Protection Science and Technology Joint Stock Co., Ltd. (China)	¥550.0 billion
Distribution & Trading	Fields in which the Group will expand and develop its solid earnings base through value chain development	Grain: Acquisition of assets by Columbia Grain International, Inc., a subsidiary in North America, Tokachi livestock feed production business Domestic Distribution: Invest in food distribution (The Daiei, Inc., etc.) Overseas Distribution: Bakery business in China Various sales businesses: Construction machinery (Russia, Vietnam, etc.), Automobiles (Australia, United States)	¥300.0 billion
Environment, Financial Services & Innovative Business	Fields in which the Group will target the creation of new business models	Leasing: Freight cars (United States, Australia), Various machinery (United States), etc. Other: Multiple real estate development (China), Call-center operations, Biomass electricity generation (United States)	¥150.0 billion
Total			**¥1 trillion**

generation facilities. In this way we will continue developing and adjusting our assets to strengthen and improve earnings.

In the Water business, Marubeni was one of the first Japanese general trading companies to invest in a water works project, taking part in a development project in Mexico in 1997. Under the SG2009 medium-term management plan, water-related operations were identified as a priority target for new investment. Under this plan, Marubeni invested in a water purification project in Lima, Peru, and participated in a wastewater treatment business in China's Anhui Province. The growth potential of water supply operations is attracting attention worldwide. At present, Marubeni operates five such businesses in four overseas countries, but in the future this business is likely to become increasingly important to Company strategy. Over the next three years, as we begin to channel more management resources into the sector, Marubeni expects to become one of the ten largest international water suppliers in terms of the population served.

In the Grain business, Marubeni has joined forces with China's largest grain storage company, Sinograin, and we are developing similar relationships with leading companies in other major grain-producing regions, such as with Brazil's Amaggi Exportação e Importação Ltda. and Molino Cañuelas S.A.C.I.F.I.A. of Argentina. During fiscal 2008, the total volume of grain handled by Marubeni's affiliates was 14 million tons, but a sharp increase in import sales of soybeans to China, in fiscal 2009, raised this volume to 18 million tons. In fiscal 2010 Marubeni aims to further increase the volume to around 20 million tons, and will try to develop the most appropriate policies regarding the markets and production regions with which the Company conducts business.

Question 8

With respect to CSR, what is Marubeni's fundamental approach and what types of measures do you pursue as a general trading company?

Under SG-12, we have again positioned our Company Creed of "Fairness, Innovation and Harmony" as the common measure of value for the Marubeni Group. The spirit behind this creed has shone in each generation since Marubeni was founded, and in fact is the basis of the Group's fundamental approach to CSR initiatives. All corporate officers and employees understand what this creed entails, and are asked to put it into practice each day in the tasks they perform.

"Employees shall aspire to coexistence and co-prosperity." This declaration is one of the Five Articles of the Marubeni Spirit*[1] from the 1930s—the time of Marubeni's 75th anniversary. In this way, Marubeni has consistently sought to keep a spirit of coexistence built on profit for itself and others at the forefront of corporate activities for over 150 years.

Today, guided by a Company Creed of "Fairness, Innovation and Harmony" that embodies this spirit, Marubeni has become an intimate part of daily life for many people. Our involvement extends to the development of social infrastructure, the promotion of afforestation, clean energy and other environmental businesses, and the trading of grain, food products and a host of merchandise common to daily life. At the same time, we have worked diligently to broaden our contribution to society. The Marubeni Foundation has provided a total of ¥3.5 billion in assistance for some 1,985 social welfare projects. Our overseas scholarship funds, meanwhile, have contributed some $3 million to students in six countries. We have also donated funds for disaster relief and other causes.

Public approval of our CSR work has led to Marubeni's inclusion in several Socially Responsible Investment (or SRI) indexes, among them the FTSE4Good Global Index and Dow Jones Sustainability World Index (DJSI). Furthermore, Sustainable Asset Management AG (SAM), a global CSR survey and rating company that rates some 2,500 companies worldwide, has named Marubeni to its "SAM Gold Class," an exclusive honor bestowed on just around 100 of those companies*2.

A vigorous stance with respect to CSR simultaneously raises both corporate value and the value that a company has to society itself. Marubeni will seek to further refine its approach to CSR, and is committed going forward to promoting measures to this end.

*1 Principles written in 1933 amid organizational growth and to improve employee morale as Marubeni Shoten (as the Company was known at the time) moved to extend its business scope.
*2 The award ceremony was held in June 2010, with only four Japanese companies selected for this honor in fiscal 2009.

FTSE4Good Global Index

Dow Jones Sustainability World Index (DJSI World)

SAM Sector Leader

SAM Gold Class

Question 9

What is Marubeni's policy on providing financial returns to shareholders, and how do you approach the issue of shareholder value?

Our management policies and shareholders' value structure under the new medium-term plan are identical to those adopted under SG2009. We have set an ROE target of 15% or higher, to ensure a stable increase in shareholder value. In fiscal 2010 we once again plan to pay dividends equal to 15% of consolidated net profit, but if our efforts under the SG-12 management plan proceed as expected, we intend to increase the consolidated dividend payout ratio to a higher percentage in the future.

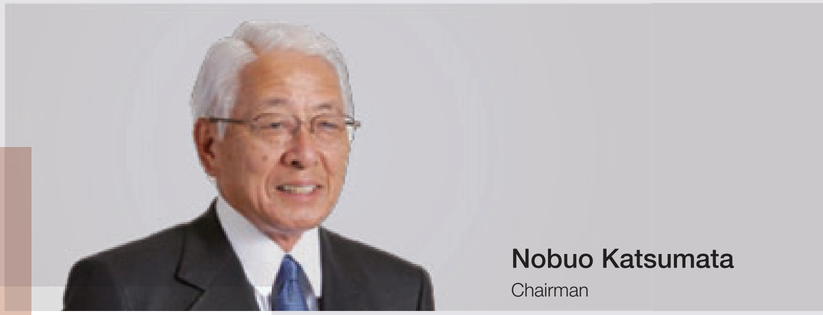
Our management policies place priority on improving capital efficiency and building shareholder value. One of the numerical targets of the SG-12 management plan is to generate a stable return on equity of 15% or above.

Our dividend policy for fiscal 2010 is the same as in fiscal 2009: "In order to clearly fulfill its policy of returning value to shareholders, Marubeni will tie consolidated dividends directly to earnings for each fiscal year, with the dividend payout ratio set at around 15% of consolidated net income." Based on our consolidated net income forecast for fiscal 2010 of ¥125.0 billion, this would suggest an annual dividend of ¥11 per share (including a midterm dividend of ¥5.5 per share), ¥2.5 per share higher than in fiscal 2009.

Our dividend policy for fiscal 2011 and beyond is based on the assumption that consolidated net income will reach a new record high next year, surpassing the previous peak of ¥147.2 billion. If the SG-12 management plan proceeds on course, as we anticipate, the Company will consider increasing its consolidated dividend payout ratio in fiscal 2011.

Corporate Governance and CSR

A Message from the Chairman



Nobuo Katsumata
Chairman

Working to Enhance Trust and Corporate Value

Marubeni is engaged in diverse businesses and sectors in regions worldwide. We pursue corporate activities in line with our Company Creed of "Fairness, Innovation and Harmony" and Marubeni's Corporate Principles, seeking to enhance corporate value through sustainable growth.

To realize this goal, Marubeni has put in place a robust compliance framework that includes internal controls, and is reinforcing corporate governance. In this way, we strive to maintain the kind of management fairness, transparency, efficiency and appropriateness essential to corporate viability. In two areas vital to effective corporate governance—management monitoring functions and separation of management from business execution—Marubeni has two outside directors and three outside auditors. These individuals each offer input from their respective standpoints in order to bolster the oversight functions of the Board of Directors.

Elsewhere, Marubeni is striving for greater coexistence with society and the environment by strengthening proactive communication with shareholders and other stakeholders, and through a firm stance with respect to timely and appropriate information disclosure.

When it comes to corporate governance, no system or mechanism is foolproof.

For this reason, Marubeni maintains constant vigilance regarding the status and operation of its corporate governance structure, as part of its commitment to enhancing trust with stakeholders and sustainable corporate value.

Corporate Governance

Approach to Corporate Governance

Marubeni operates under a corporate audit governance system, adhering closely to the Corporation Law of Japan, with a control structure designed to facilitate a clearly defined decision-making process, business execution system and supervisory system. A diagram of the structure is described below.

Our Board of Directors comprises 13 directors (two externally appointed) who deliberate on overall corporate policy and major issues while monitoring the performance of individual directors. Each director's term of office is one year, and the Board is led by a chairman who has no representation rights and no authority for business execution to ensure a clear distinction between management and execution.

The five auditors (including three outside auditors) who comprise the Board of Corporate Auditors are responsible for implementing the auditing policies and plans set by the Board of Corporate Auditors, as well as for overseeing directors in the execution of their duties, by attending important meetings of the Board of Directors and the Board of Executive Officers, monitoring business activities and financial conditions. The Corporate Auditors have monthly meetings with the independent accounting auditors to exchange information and opinions on auditing plans, progress of auditing activities at Marubeni and its subsidiaries, audit results, key points and considerations on earnings results, and trends of accounting audit.

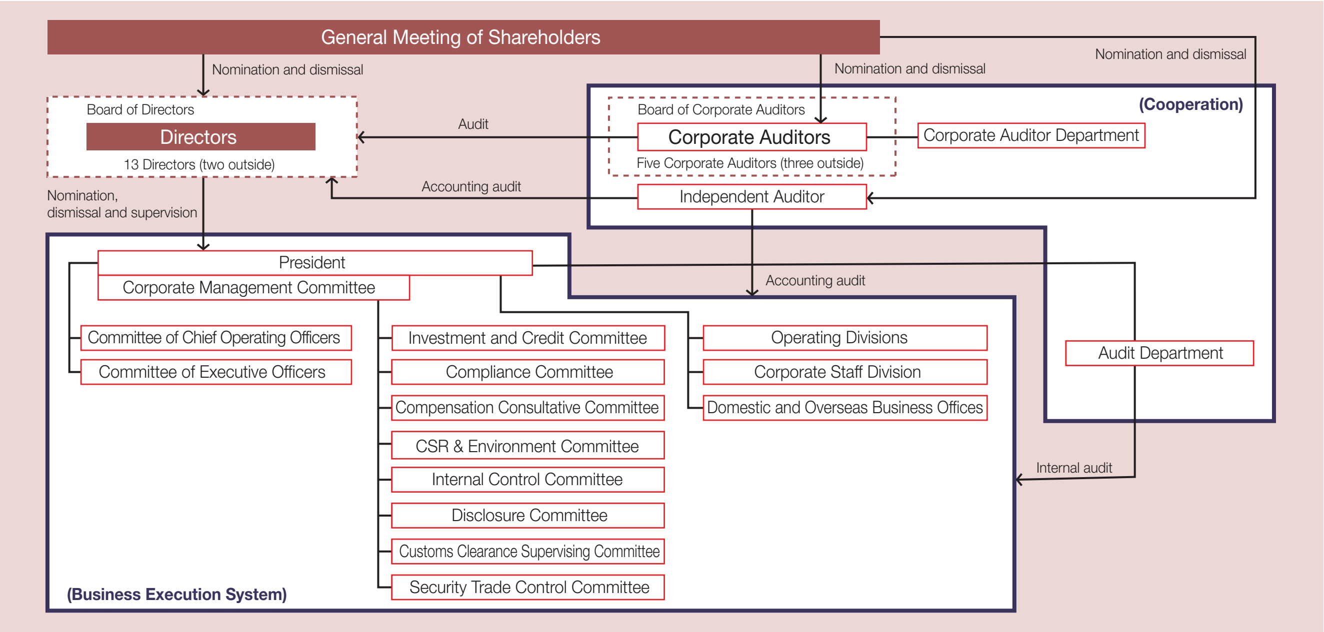
In fiscal 2009, remuneration amounted to ¥828 million for the 15 directors (including 2 directors retired in June 2009) and ¥100 million for the 6 auditors (including 2 auditors retired in June 2009).

The Corporate Management Committee, which reports directly to the President, comprises the President and nine directors to deliberate substantive matters related to management and operations. To enhance corporate governance, another six committees have been established: the Investment and Credit Committee, the Compliance Committee, the Compensation Consultative Committee, the CSR & Environment Committee, the Internal Control Committee and the Disclosure Committee. In addition, individual committees are established to address specified issues (such as the Customs Clearance Supervising Committee and the Security Trade Control Committee).

Marubeni's Executive Officer System

To clearly separate supervisory and executive functions, and to define authority and responsibility, Marubeni has introduced an executive officer system. Each executive officer is assigned authority to manage the operations of their division and full responsibility for implementing policies while the relevant advisors to the President will monitor and support the executive officers. The Committee of Executive Officers comprises 38 executive officers (10 of whom are also directors) and holds monthly meetings, in principle, to announce management policies issued by the President and to discuss financial performance, the results of internal audits and other issues that affect business execution, and to facilitate the exchange of information between the oversight function and the implementation function. Keeping communication lines open between the directors and officers, outside directors also attend these meetings. Executive officers are selected by the Board of Directors and appointed to one-year terms of office.

Corporate Governance Structure



Committee Roles and Functions

Marubeni has established various committees designed to enhance corporate governance. To build a highly effective governance structure, committee members are selected from across the Company based on the role and function of each committee. A brief description of the principal committees and their respective governance roles is given below.

Investment and Credit Committee

Along with a committee chairman, vice chairman, and an advisor to the President from one of the business divisions, this committee is composed of general managers from Corporate Planning & Strategy, Corporate Accounting, Finance, Risk Management, Legal, and other corporate staff departments. When Marubeni makes an investment, this committee performs an analysis of business viability and examines business plans from a specialist standpoint, using indicators such as PATRAC* and IRR (Internal Rate of Return) to quantitatively evaluate profitability, and makes qualitative evaluation of the investment's significance and strategic importance. Projects pending approval, such as investments, are discussed by the Investment and Credit Committee prior to appearing on the Corporate Management Committee's agenda. For highly important projects, a mechanism is also in place whereby the committee deliberates such projects prior to receiving the Board of Directors' approval. The Investment and Credit Committee deliberated a total of 154 projects pending approval in fiscal 2009.

*PATRAC = Profit After Tax less Risk Asset Cost

Compliance Committee

The organizational function of this committee, supervised directly by the Company President, is to support and raise compliance awareness, thereby ensuring that Group officers and employees are able to act in full compliance. Specifically, the committee strives to enhance and promote the Company's compliance structure. Tasks here include compliance structure development, maintenance, and management, drafting and maintenance of the Marubeni Group Compliance Manual, providing various training seminars and other compliance knowledge and awareness-raising activities, research and response formulation when compliance issues emerge, and operation of the "Door of Courage"—a compliance reporting and consultation hotline for Marubeni and Group company officers and employees.

Key Activities

- Distribution of the revised Compliance Manual and posting on the Company intranet and website
- Visits by the Chairman of the Compliance Committee and the Chairman of the Secretariat to operating companies in Japan and overseas to conduct training and discussion sessions
- Implementation of compliance e-Learning for national staff at overseas offices
- Provide feedback to each workplace about the results of a third-party compliance monitoring questionnaire conducted in fiscal 2008 in order to assess the current state of compliance and formulate future improvement activities, and conduct workplace discussions about issues and response measures
- Review of the business law management system (starting in fiscal 2010, collect lists of process flow and applicable business laws from each division, and confirm with each corporate staff department).

Board of Directors

Frequency of meetings	Once per month in principle, and on an ad hoc basis as needed
Number of meetings in fiscal 2009	22
Attendance by Outside Directors (2)	100%

Board of Corporate Auditors

Frequency of meetings	Twice per month in principle, and on an ad hoc basis as needed
Number of meetings in fiscal 2009	10
Attendance by Outside Corporate Auditors (2)	100%

Frequency of Various Management Committee Meetings

Investment and Credit Committee	Once per week in principle (23 times in fiscal 2009)
Compliance Committee	Twice per year in principle
Compensation Consultative Committee	On an ad hoc basis (3 times in fiscal 2009)
CSR & Environment Committee	Once per year in principle, and on an ad hoc basis as needed (1 time in fiscal 2009)
Internal Control Committee	On an ad hoc basis (5 times in fiscal 2009)
Disclosure Committee	Four times per year in principle, and on an ad hoc basis as needed (6 times in fiscal 2009)

Compensation Consultative Committee

Under advice from the Company President, this committee deliberates the full range of decisions regarding officer compensation made by the President, including salaries, rewards and sanctions, in order to enhance the transparency and objectivity of the decision-making processes involved.

Committee members serve one-year terms, and in fiscal 2009 included a Senior Executive Vice President and seven other members. In addition, an outside corporate auditor serves as a committee member each year, helping to maintain the transparency and objectivity of the committee.

CSR & Environment Committee

In order for the Group to grow sustainably and co-exist in harmony with society and the environment, this committee proposes prioritized action items and plans, as well as monitoring the Group's activity status and offering awareness-raising activities in the areas of CSR and environmental preservation.

Key Activities

- Introduce strict compliance with environment-related laws such as the "Waste Management and Public Cleansing Law," the "Law Concerning the Rational Use of Energy," and the "Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture," etc.
- Deployment of an ISO 14001 standards-based environmental management system
- Issue CSR report to publicize the Marubeni Group's CSR activities both within and outside of the Group
- Provide CSR-related information to SRI index research firms, etc.

Internal Control Committee

Until the establishment of the Internal Control Committee in April 2008, internal control system improvement and management was conducted on a voluntary basis mainly through the Internal Control System Promotion Task Force. The new committee's purpose is to add functionality and strength to the Company's internal control system on an ongoing basis. Committee activities are designed to improve internal control systems across the entire Group, and rest largely on compliance with mandates pertaining to the "Internal Control Report System" under Japan's Financial Instruments and Exchange Law, as well as the basic policy on internal control systems stipulated by Japan's Corporation Law.

Key Activities

- Ensure the creation and implementation of the basic policy on internal control systems, conduct reviews and prepare proposed revisions
- Formulate policy for addressing internal control reporting system
- Deliberate on the formal internal control reports that state the Company directors' evaluation

Disclosure Committee

The purpose of this committee, newly established in April 2008, is to develop a more robust disclosure framework and further enhance the various initiatives regarding proper information disclosure that the Company has promoted over the years. Composed of a committee chair appointed by the Company President as well as general managers from corporate staff departments, the committee ensures that internal systems concerning legally mandated and timely disclosure are in place, and decides the importance and appropriateness of the information targeted for disclosure. When necessary, issues from this committee may be referred to the Corporate Management Committee or Board of Directors.

The committee convened six times in fiscal 2009, deliberating on items in the securities report, the business report, the financial statements, the quarterly reports, and in extraordinary reports, among other matters. The committee will convene as needed in fiscal 2010 as well.

Details of Executive Compensation

Position	Number of People	Amount of Compensation
Directors	15	¥828 million
Corporate Auditors	6	¥100 million
Total	21 (including 7 outside executives)	¥928 million (¥45 million)

Notes: 1. Rounded to the nearest million
2. Limits to the amount of executive compensation determined by a resolution of the General Meeting of Shareholders are as follows: "¥85 million to directors monthly (including ¥2.5 million for outside directors)" and "¥10 million to corporate auditors monthly" (both resolutions of the 83rd General Meeting of Shareholders held on June 22, 2007).

Members of the Board and Corporate Management

Members of the Board

Nobuo Katsumata
Chairman

1966 Joined Marubeni-Iida Co., Ltd.*
1996 Director, Marubeni Corporation, Member of the Board
1999 Corporate Vice President
2001 Senior Vice President
2002 Corporate Executive Vice President
2003 President and CEO
2008 Chairman

Teruo Asada
President and CEO

1972 Joined Marubeni Corporation
2002 Corporate Vice President
2004 Corporate Senior Vice President
2005 Corporate Senior Vice President, Member of the Board
2006 Corporate Executive Vice President
2008 President and CEO

Mamoru Sekiyama
Senior Executive Vice President

1974 Joined Marubeni Corporation
2002 Corporate Vice President
2005 Corporate Senior Vice President
2006 Corporate Senior Vice President, Member of the Board
2007 Corporate Executive Vice President
2008 Senior Managing Executive Officer
2009 Senior Executive Vice President

Masaru Funai
Senior Executive Vice President

1972 Joined Marubeni Corporation
2003 Corporate Vice President
2005 Corporate Senior Vice President, Member of the Board
2007 Corporate Executive Vice President
2008 Senior Managing Executive Officer
2009 Senior Executive Vice President

Michihiko Ota
Senior Managing Executive Officer

1975 Joined Marubeni Corporation
2005 Corporate Vice President
2008 Managing Executive Officer
2009 Managing Executive Officer, Member of the Board
2010 Senior Managing Executive Officer

Takafumi Sakishima
Managing Executive Officer

1974 Joined Marubeni Corporation
2006 Corporate Vice President
2008 Managing Executive Officer, Member of the Board

Kenichi Hatta
Managing Executive Officer

1974 Joined Marubeni Corporation
2006 Corporate Vice President
2009 Managing Executive Officer
2010 Managing Executive Officer, Member of the Board

Shinji Kawai
Managing Executive Officer

1976 Joined Marubeni Corporation
2006 Corporate Vice President
2009 Managing Executive Officer, Member of the Board

Shigemasa Sonobe
Managing Executive Officer

1975 Joined Marubeni Corporation
2006 Corporate Vice President
2009 Managing Executive Officer
2010 Managing Executive Officer, Member of the Board

Shigeru Yamazoe
Managing Executive Officer

1978 Joined Marubeni Corporation
2006 Corporate Vice President
2009 Managing Executive Officer
2010 Managing Executive Officer, Member of the Board

Mitsuru Akiyoshi
Managing Executive Officer

1978 Joined Marubeni Corporation
2007 Corporate Vice President
2009 Managing Executive Officer
2010 Managing Executive Officer, Member of the Board

* Marubeni-Iida Co., Ltd. was renamed Marubeni Corporation in 1972
** Outside director as stipulated under Article 2, Item 15 of the Corporation Law of Japan

Toshiyuki Ogura**

Outside Director

1965	Joined The Fuji Bank, Limited
1991	Director, The Fuji Bank, Limited
1998	Deputy President, The Fuji Bank, Limited
1998	Senior Managing Director, The Fuji Bank, Limited
1999	Deputy President, The Fuji Bank, Limited
2000	Deputy President, Representative Director, Mizuho Holdings, Inc.
2002	President & CEO, Fuyo General Lease Co., Ltd.
2008	Chairman, Representative Director, Fuyo General Lease Co., Ltd.
2009	Outside Director, Member of the Board

Shigeaki Ishikawa**

Outside Director

1968	Joined National Police Agency
2002	Superintendent General, Tokyo Metropolitan Police Department
2004	Retired from Superintendent General, Tokyo Metropolitan Police Department President, Japan Road Traffic Information Center
2007	Retired from Japan Road Traffic Information Center
2008	Lawyer
2009	Outside Director, Member of the Board

Corporate Management (As of June 25, 2010)

Members of the Board

Chairman

Nobuo Katsumata

President and CEO

Teruo Asada

Senior Executive Vice Presidents

Mamoru Sekiyama

Advisor to the President for Machinery Group (Power Projects & Infrastructure Div.), and Finance, Information & Real Estate Group; Chief Operating Officer, Overseas Strategy & Coordination Dept., and Research Institute

Masaru Funai

Senior Operating Officer, Audit Dept.; Chairman of Investment and Credit Committee; Chairman of Compensation Consultative Committee; Chairman of Disclosure Committee

Senior Managing Executive Officer

Michihiko Ota

Chief Operating Officer, General Affairs Dept., and Human Resources Dept.; Advisor to the President for Living Essentials Group, and Supply Chain Management

Managing Executive Officers

Takafumi Sakishima

CIO; Chief Operating Officer, Information Strategy Dept., Risk Management Dept., Legal Dept., and Trade Compliance Management Dept.; Chairman of Compliance Committee

Kenichi Hatta

Advisor to the President for Forest Products & Chemicals Group

Shinji Kawai

Advisor to the President for Energy, Metals & Mineral Resources Group

Shigemasa Sonobe

Chief Operating Officer, Corporate Accounting Dept., Business Accounting Dept.-I, Business Accounting Dept.-II, Business Accounting Dept.-III, and Finance Dept.; Chief Operating Officer, Investor Relations; Vice Chairman of Investment and Credit Committee

Shigeru Yamazoe

Advisor to the President for Machinery Group (Transportation Machinery Div. and Plant & Industrial Machinery Div.); Vice Chairman of Investment and Credit Committee

Mitsuru Akiyoshi

Chief Operating Officer, Secretariat, Corporate Communications Dept., and Corporate Planning & Strategy Dept.; General Manager, Secretariat; Chairman of CSR & Environment Committee; Chairman of Internal Control Committee; Vice Chairman of Investment and Credit Committee

Outside Directors

Toshiyuki Ogura

Shigeaki Ishikawa

Corporate Auditors

Hideyuki Yasue

Masanori Sasaki

Hiroshi Kudo

Takao Kitabata

Norimasa Kuroda

Executive Officers

Senior Managing Executive Officer

Fumiya Kokubu

Regional CEO for the Americas; President and CEO, Marubeni America Corporation; President and CEO, Marubeni Canada Ltd.

Managing Executive Officers

Chihiro Shikama

Regional CEO for China; President, Marubeni (China) Co., Ltd.; General Manager, Beijing Branch

Masahiro Enoki

Senior Operating Officer, Corporate Accounting Dept., Business Accounting Dept.-I, Business Accounting Dept.-II, and Business Accounting Dept.-III

Yutaka Nomura

Regional CEO for Europe; Managing Director and CEO, Marubeni Europe plc

Daisuke Okada

Chief Operating Officer, Food Div.

Keizo Torii

Chief Operating Officer, Energy Div.-I

Executive Officers

Shingo Tsuda

Regional CEO for Middle East & North Africa

Shoichi Ikuta

Senior Operating Officer, Overseas Strategy & Coordination Dept.; Vice Chairman of CSR & Environment Committee

Yukichi Nakamura

Chief Operating Officer, Forest Products Div.

Tsutomu Yamamoto

General Manager, Nagoya Branch

Shoji Kuwayama

Chief Operating Officer, Metals & Mineral Resources Div.

Kazuaki Tanaka

Chief Operating Officer, Energy Div.-II

Hidenao Yoichi

Deputy Regional CEO for China; President, Marubeni (Shanghai) Co., Ltd.

Ikuo Yoshida

Chief Operating Officer, Real Estate Development Div.

Yukihiko Matsumura

General Manager, Finance Dept.

Ryusuke Konto

Regional COO for the Americas; Senior Executive Vice President, COO, Regional General Manager of Western Region, Marubeni America Corporation

Hiroshi Ikuno

Regional CEO for ASEAN; Managing Director, Marubeni ASEAN Pte. Ltd.

Kaoru Iwasa

Chief Operating Officer, Transportation Machinery Div.

Naoya Iwashita

Chief Operating Officer, Chemicals Div.

Kaoru Kuzume

General Manager, Human Resources Dept.

Motoo Uchiyama

Chief Operating Officer, Plant & Industrial Machinery Div.

Hikaru Minami

Chief Operating Officer, Finance, Logistics & IT Business Div.

Katsuhisa Yabe

Chief Operating Officer, Lifestyle Div.

Yutaka Ienaga

General Manager, Osaka Branch

Yasuyuki Amakusa

Senior Operating Officer, Forest Products Div.; General Manager, TEL Dept.

Masumi Kakinoki

Chief Operating Officer, Power Projects & Infrastructure Div.

Akira Terakawa

General Manager, Corporate Planning & Strategy Dept.

Yoshiaki Mizumoto

Senior Operating Officer, Food Div.; General Manager, China & ASEAN Market Development Dept.

Outside Officer System

The Roles and Functions of Outside Directors

To enhance management transparency and the effectiveness of its Board of Directors, Marubeni ratified two external appointments in June 2005. Outside directors offer opinions on business management drawn from their broad experience and high-level perspective, and give advice to better implement corporate governance. We currently employ two outside directors; one has served as an officer for a bank, and the other as Superintendent General, Tokyo Metropolitan Police Department.

Outside directors attend the meetings of the Board of Directors and the Committee of Executive Officers including on an ad hoc basis, making active contributions from the perspective of internal control. Their attendance rate at meetings for the Board of Directors and Committee of Executive Officers in fiscal 2009 was 100 percent. (See page 30 for details on the number of times each type of meeting was convened.) Prior to meetings, outside directors are provided with agendas and fully briefed on management issues and project execution status.

Outside Director

Toshiyuki Ogura

Career

Deputy President of The Fuji Bank, Limited in 1998; Deputy President, Representative Director of Mizuho Holdings, Inc. in 2000; President & CEO of Fuyo General Lease Co., Ltd. in 2002, Chairman, Representative Director in 2008; appointed outside director of Marubeni in 2009

Vigorous Internal Debate and the Chairman's Leadership Vitalize Corporate Governance

I believe that corporate governance at Marubeni is functioning adequately: it brings about positive conclusions and improves what needs to be improved. This fact is apparent in documents drawn up for board meetings. The many employees involved in a given matter participate in creating these documents, which are clearly the result of transparent and vigorous discussion and debate that take into consideration from every possible angle. At board meetings, where we closely review all these documents, internal and outside directors alike debate in good faith from Marubeni's standpoint and make responsible management decisions with respect to all stakeholders. One of the reasons I believe that the Board of Directors is functioning properly as a deliberative body is the robust leadership of our chairman, Nobuo Katsumata. As a non-representative chairman who is completely independent of business execution, his leadership at meetings and his precision in identifying points of debate make the Board of Directors a truly deliberative body for managerial affairs. As an outside director I intend to continue contributing to Marubeni's sustained growth through appropriate managerial decision making.

Outside Director

Shigeaki Ishikawa

(Independent Officer)

Career

Superintendent General, Tokyo Metropolitan Police Department 2002–2004; Lawyer in 2008; appointed as outside director of Marubeni in 2009

Emphasizing CSR and Compliance as a Socially Responsible Company

As an outside director formerly affiliated with the National Police Agency, not a private-sector company, my role in Marubeni's corporate governance is to straightforwardly express my opinions from the standpoint of an independent officer with an outside perspective and help lead Marubeni's management in an appropriate direction. This requires a deep understanding of the Company's business. Marubeni has well-developed systems for sharing information, so there is an appropriate foundation for informed comments by outside directors. Based on this, I expect that Marubeni will not only pursue its own profit as a general trading company that conducts business activities around the globe, but also act as a socially responsible company. Therefore, at board meetings I participate in discussions with an emphasis on CSR and compliance. I intend to continue helping Marubeni to grow as a corporation and fulfill its responsibilities to stakeholders by involving myself in management with a constant awareness of CSR and compliance.

Greater Number of Outside Auditors Results in Enhanced Roles and Functions

Marubeni's Board of Corporate Auditors is comprised of five members, including three outside corporate auditors, one more than in fiscal 2009. Outside corporate auditors monitor the directors' execution of duties and draw upon their wealth of professional expertise to offer various recommendations and advice to enhance corporate audits. The current outside corporate auditors have experience as executives of an insurance company and a bank, and as Vice-Minister of the Ministry of Economy, Trade and Industry respectively. In fiscal 2009, the outside corporate auditors attended every meeting of the Board of Directors, Committee of Executive Officers, and Board of Corporate Auditors. (See page 30 for details on the number of times each type of meeting was convened.) In addition, the corporate auditors meet with the president on a bimonthly basis, as well as with the Audit Department, Corporate Accounting Department, and independent Accounting Auditors on a monthly basis for an exchange of opinions. They receive audit-related information from the standing corporate auditors which they use in the execution of their auditing duties. One of the outside corporate auditors is also a member of the Compensation Consultative Committee.

Good Corporate Governance With Constant Risk Awareness

The role of an outside auditor is to present objective opinions from a third-party perspective and provide forward-looking advice in order to further advance Marubeni's corporate governance and contribute to the Company's sustained growth. The responsibilities of corporate auditors are the same for outside auditors and full-time auditors, and I feel that an understanding of Marubeni's current situation and its business activities is most important in fulfilling my duties responsibly. On this point, Marubeni has an extremely well developed auditing framework, and I receive detailed written and verbal reports on onsite audits of subsidiaries and affiliates conducted by full-time auditors and other audit procedures. I intend to continue to help the Company further develop its auditing framework, a framework by which the multinational Marubeni Group can continue taking on business challenges while remaining constantly aware of business management and related risks.

Outside Corporate Auditor

Hiroshi Kudo

Career

Managing Executive Officer of Sompo Japan Insurance Inc. in 2005; Chairman of Sompo Japan Commercial Line Services Inc. in 2009; appointed outside corporate auditor of Marubeni in 2009

Introduction to the Newly Appointed Outside Corporate Auditors

Outside Corporate Auditor

Takao Kitabata
(Independent Officer)

Career Overview

Deputy Vice-Minister of Ministry of Economy, Trade and Industry (2002)
Director-General of Economic and Industrial Policy Bureau (2004)
Vice-Minister of Economy, Trade and Industry (2006–2008)
Appointed outside corporate auditor and independent officer, Marubeni in 2010

Outside Corporate Auditor

Norimasa Kuroda

Career Overview

Managing Executive Officer of Mizuho Corporate Bank, Ltd. (2002)
Deputy President of Mizuho Corporate Bank, Ltd. (2007)
Chairman of Mizuho Trust & Banking Co., Ltd. (2010)
Appointed outside corporate auditor, Marubeni in 2010

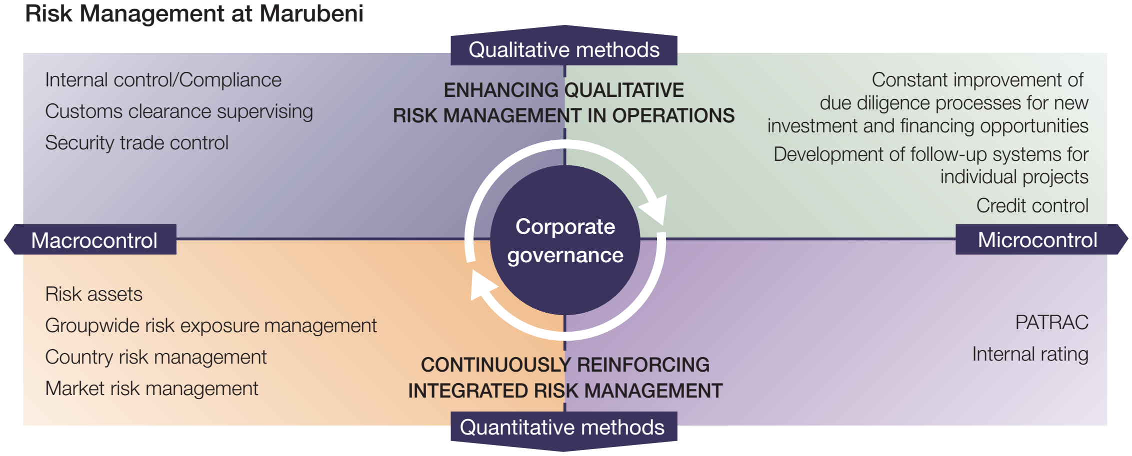
Reason for election:
We have decided that Mr. Kitabata is able to enhance the Corporate Auditor's auditing through his profound knowledge accumulated through extensive experience in government service.

Reason for election:
We have decided that Mr. Kuroda is able to enhance the Corporate Auditor's auditing through his profound knowledge accumulated through his extensive experience as an executive of a financial institution.

Risk Management

In the course of its diversified business activities, Marubeni conducts risk management activities which address risk from a variety of perspectives: macro and micro, qualitative and quantitative. In preparation for dramatic changes to the economic environment, as seen in the recent global financial crisis, the Company is promoting integrated risk management, measuring the maximum level of risk on a consolidated basis and limiting it to within the scope of net assets, set aside as a provision for potential losses. By conducting thorough screening and follow-up for individual projects and further enhancing internal control systems, the Company has established a structure that minimizes losses due to unforeseen events.

Risk Management at Marubeni



In fiscal 2009, Marubeni implemented strict screening of investments and portfolio adjustments in order to achieve a reduction of maximum risk (risk assets). Consequently the Company has held a risk buffer high enough to focus on new projects. In response to increased credit risk and heightened country risk, the Company dynamically reviewed lines of credit and individual country management standards. In order to enhance the accuracy of individual project analysis, the Company is promoting risk assessment methods to identify and evaluate major risk factors and introduce probability analyses of risk scenarios. By further enhancing post-implementation monitoring and follow-up, Marubeni will build a business portfolio with an appropriate balance of risk and return.

Internal Control

Marubeni seeks to steadily increase and maximize corporate value while conducting business activities that are in accordance with our company doctrine and management philosophy. To this end, Marubeni has established internal control systems, which serve as a rational process to ensure improvement of efficiency of business activities, accurate reporting of earnings results to stakeholders, maintenance of compliance with applicable laws and regulations, and safeguarding of assets. The Company regularly reviews this internal control system policy to respond to changes in social conditions and the business environment.

In accordance with the Corporation Law of Japan and its implementation guidelines, Marubeni has established a basic internal control system policy which helps to ensure that all business activities are conducted appropriately. Each year, the Company confirms the content and implementation of this policy, and implements improvements when necessary. With regard to the internal control report system mandated under the Financial Instruments and Exchange Law, the Internal Control Committee conducts evaluations as stipulated in the practical standards. In the reports on internal controls in fiscal 2009, the committee again concluded that "internal controls are effective."

* For further information on the basic internal control system policy, please refer to the Company's website: http://www.marubeni.com/csr/005455.html

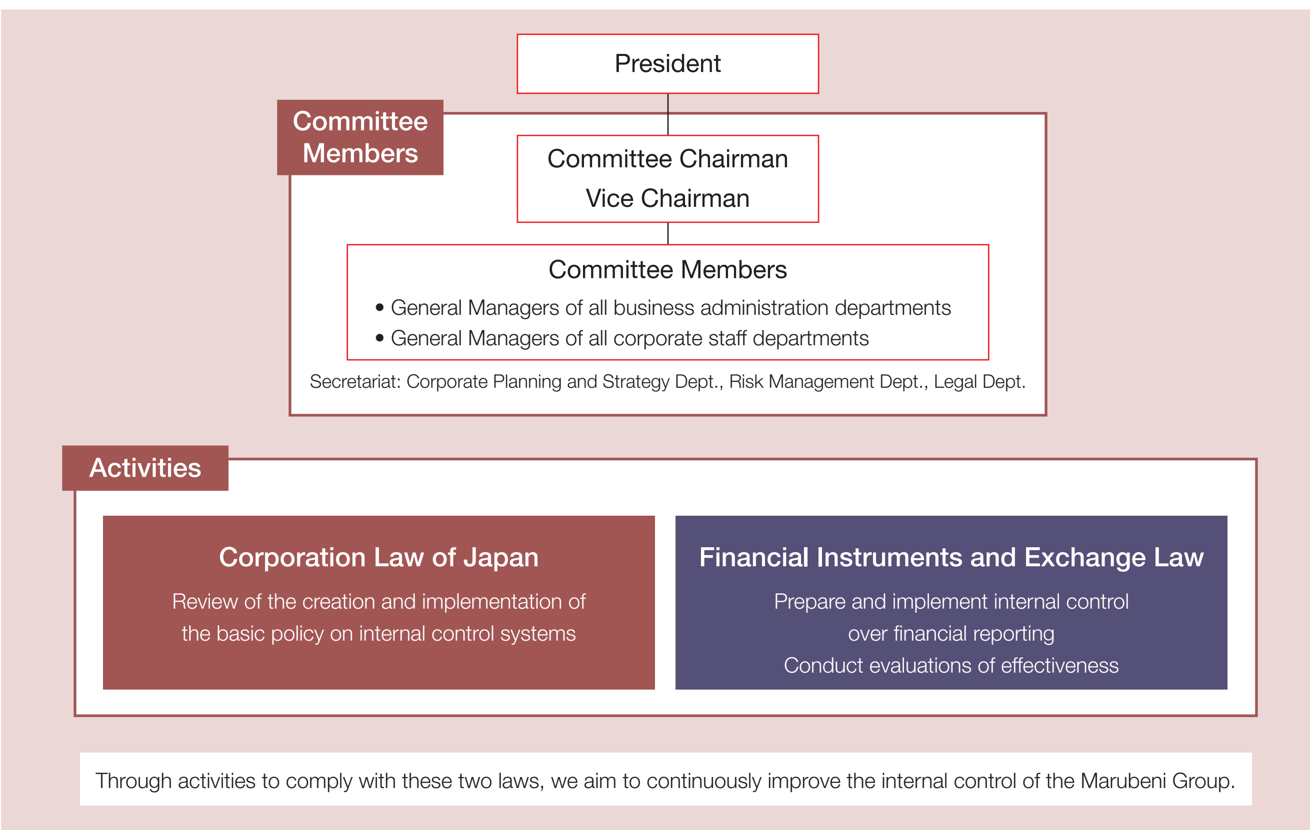
Consolidating Internal Control Activities for the Entire Group

The Financial Instruments and Exchange Law was established in 2006 to provide rules on the internal control over financial reporting. In fiscal 2008, revisions to this law made it mandatory for company directors to submit internal control reports, and also required external auditors to submit verification stating that the internal control reports have been audited. Marubeni recognized the importance of internal control reports at a very early stage. In March 2004, a decision by top management launched the "MARICO PROJECT" (MARubeni Internal COntrol Systems PROJECT) with a view to ensuring the reliability of financial reporting. The mechanism was fully implemented in fiscal 2005.

In April 2008 Marubeni established the Internal Control Committee, a new structure reporting directly to the Company president. The committee was established to maintain the internal control over financial reporting activated by the MARICO PROJECT, and is also charged with overall management of internal control activities, including formulation and implementation of the basic policy on internal control systems, based on the Corporation Law of Japan. Through this committee, Marubeni has established a structure which improves the effectiveness of comprehensive internal control, and conducts practical activities related to the basic policy on internal control and the Financial Instruments and Exchange Law.

Marubeni conducts a review of the basic policy on internal control every year. In fiscal 2008, the Company added four items: (1) To avoid any and all contact with corporate racketeers and other antisocial forces; (2) To prevent the loss or improper release of information; (3) To formulate a business continuity plan; and (4) To establish the Internal Control Committee and the Disclosure Committee. With regard to the "Internal Control Report System" under Japan's Financial Instruments and Exchange Law, the Company has implemented continuous improvements by each organization and striven to raise the evaluations of company directors, and confirmed that internal controls are functioning effectively.

Mechanism of the Internal Control Committee—Overall Management of Internal Control Activities



Integrated Risk Management

Marubeni operates in a diversified range of industries and regions. Therefore, the company has established an integrated risk management system which not only focuses on micro level of the individual risk factors, but also takes a macro view of the various factors that affect the entire Marubeni Group. Integrated risk management takes a broad overview of the assets for the entire Group, gauging risk based on the exposure of these assets to each specific risk factor—industry risk, country risk, credit risk for each client, and so on. These risks form the basis for calculating Value at Risk (VaR), which takes into account dispersion effects and correlations to calculate maximum risk. VaR is used as a primary benchmark for portfolio management.

Management Indicators Used to Pursue Steady, Balanced Growth

Integrated risk management looks at various risk factors in a comprehensive way to enable managers to understand risk as a single monetary value. By adopting a simulation system that uses an independently developed computerized statistical model, Marubeni has made it possible to grasp the degree of risk on a detailed than ever before. We calculate PATRAC* (Profit After Tax less Risk Asset Cost) based on risk assets—a value based on the maximum decline in the value of Group assets as quantified by the Company. PATRAC indicates profit after tax following adjustment for risk, and Marubeni has adopted PATRAC as the most important management indicator, using it to screen proposals requiring approval, as well as to evaluate the performance of each portfolio unit. Each business unit constantly takes steps to adjust its portfolio in a flexible manner, seeking to improve PATRAC in order to achieve maximum returns for a given level of risk, enabling Marubeni to achieve steady and balanced earnings growth.

* PATRAC = Profit After Tax less Risk Asset Cost

At the Forefront of Internal Control System Development—Preparing for Adoption of International Financial Reporting Standards (IFRS)

In November 2008, the U.S. Securities and Exchange Commission announced a proposed roadmap for the potential use of financial statements prepared in accordance with International Financial Reporting Standards (IFRS). The following June, Japan's Financial Services Agency (Business Accounting Council), in an interim report, announced its own statement regarding the use of IFRS, as the move towards adoption of these standards gains momentum worldwide.

The interim report contained the following three key points:

(1) The early adoption of IFRS to the consolidated financial statements of listed companies engaged in international financial and business activities would be accepted from the fiscal year beginning April 1, 2009,

(2) A study would be conducted of the feasibility of mandatory adoption of IFRS in Japan in the future, with a final decision likely in 2012, and

(3) IFRS would be applied in 2015 or 2016 if the decision to make adoption mandatory is made in 2012.

Given the global scope of Marubeni's operations and this external environment, we formulated a basic policy that will see the scheduled adoption of IFRS in fiscal 2013. From June 2009, we commissioned advisory services to Ernst & Young ShinNihon LLC as part of a full-scale survey and study launched regarding IFRS. Specifically, we set up a task force across accounting-related sections, and focused closely on analyzing any gaps that might exist between IFRS and U.S. Generally Accepted Accounting Principles (U.S. GAAP) regarding preparation of the consolidated financial statements.

In fiscal 2010, as a key first step towards IFRS adoption, we plan to draft a Group Accounting Policy that will unify accounting policies across the Marubeni Group, while moving ahead with an analysis of the accounting impact accompanying this change, among other specific steps. At the same time, we will review our current internal control system processes in light of IFRS adoption, and conduct a similar impact analysis to determine how this transition will affect present business performance assessment indicators. In other words, we view the adoption of IFRS as a company-level project, not merely as a matter of compatibility at the accounting level.

Based on the above policies, in April 2010 we established an organization within the Corporate Accounting Department dedicated exclusively to addressing IFRS compatibility. In tandem, an IFRS Promotion Committee was also set up to promote the project across the Marubeni Group. Chaired by the director of the Corporate Accounting Department, this committee is composed of general managers from Corporate Planning & Strategy, Corporate Accounting, Finance, Risk Management, Legal, and other corporate staff departments, as well as general managers from the Business Administration Department. Through the IFRS Promotion Committee, we will share information across the Marubeni Group as we push forward with this IFRS adoption project.

Compliance

Takafumi Sakishima
Managing Executive Officer,
Chairman of Compliance Committee

Making Compliance the Top Priority

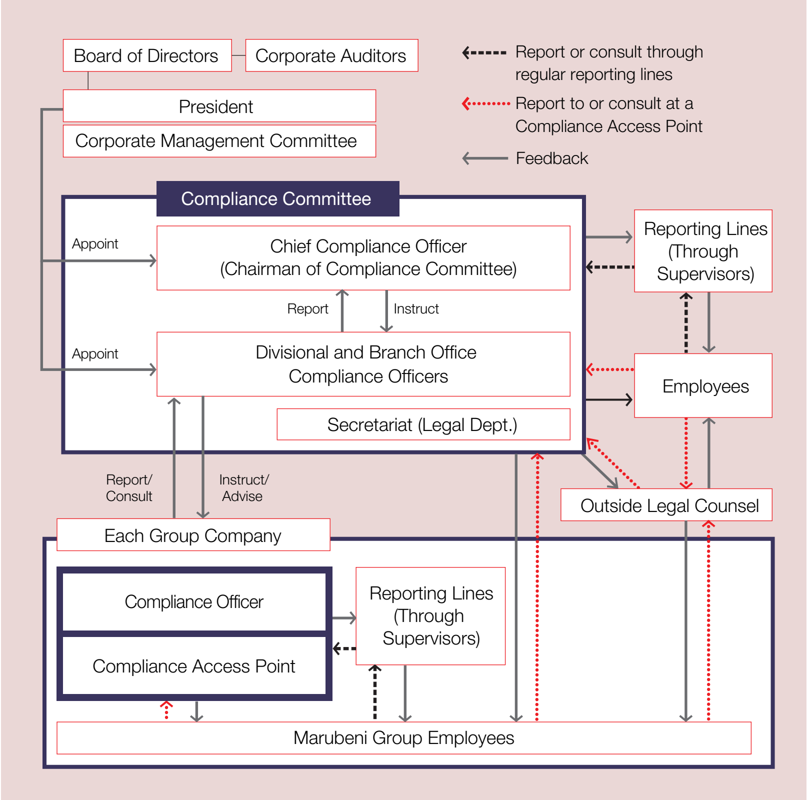
Marubeni recognizes that "compliance" means more than observing laws and regulations. A company is a member of society that must live up to the expectations of its stakeholders and act in a socially responsible manner. This is the real meaning of compliance: to ensure that all employees and executives have a strong awareness of their responsibilities and to ensure that all activities adhere to high ethical standards.

Marubeni has compiled the Marubeni Group Compliance Manual, which specifies the standards of behavior that Group employees are expected to follow in all of their daily work activities. Every year, the Company's employees and executives, as well as presidents of all Marubeni Group companies, take an oath to adhere to the code expressed in this manual.

In the foreword to the manual, the top management sends a message that defines Marubeni's stance on compliance: "When you are faced with a choice between integrity and profit, choose integrity without hesitation." Every Marubeni employee is expected to take this slogan to heart, and apply it in their daily work activities. The Company holds group training programs and e-learning programs on a timely basis to educate personnel in general compliance issues and to keep up to date on regulatory changes and economic and social trends. This helps to ensure that all individuals in the Company possess the necessary understanding and awareness of compliance issues, and know-how to apply their knowledge. Overseas subsidiaries and offices regularly review their compliance plans to ensure that their individual compliance structures are properly adjusted to the laws, regulatory structures and business customs of each country in which they operate. The Chairman of the Compliance Committee or the Chairman of the Secretariat pays periodic visits to the overseas offices to keep abreast of these issues.

We will continue to make efforts to achieve even higher standards of compliance.

Organizational Diagram for the Marubeni Group Compliance System



Compliance Access Point (Door of Courage)

Rules on reporting to and consulting with a Compliance Access Point

1. A person filing a report or requesting a consultation shall provide his/her name which shall remain confidential. (The report to the Compliance Committee from outside legal counsel shall omit the name of the reporting person, if he/she so desires.)
2. The company guarantees that the reporting person shall not in any way be prejudiced or reprimanded because of his/her decision to report or consult with a Compliance Access Point.
3. Anyone who believes that the company has not acted in accordance with Rule 2 (above) may consult with the Compliance Committee.
4. The Compliance Committee shall provide the reporting person with details of its findings in relation to any matter reported to it and any matter upon which they have been consulted.

CSR (Corporate Social Responsibility)

The ability of the Marubeni Group to fulfill its responsibilities as a member of society requires every individual within the Group to adhere to the Company Creed of "(正) Fairness, (新) Innovation and (和) Harmony," and to give CSR considerations high priority as they participate in corporate activities. We take a diligent approach to CSR activities, and aim for sound management that coexists in harmony with both society and the environment. Our goals are to ensure that the Marubeni Group is recognized by society as an exemplary corporate citizen, and to realize sustainable growth.

In April 2004, Marubeni established a CSR Committee (today's CSR & Environment Committee), and has acted since to emphasize CSR activities in a number of fields. Marubeni is particularly focused on the following five specific areas.

- Achieve administrative transparency by strengthening corporate governance and internal controls
- Be committed to compliance and respect for human rights, which are essential for sound corporate management
- Promote development of human resources, the most valuable assets of general trading company, and create efficient and comfortable working environment
- Contribute to society and the protection of the global environment as a responsible corporate citizen
- Promote sound management and increase corporate value

Pursuing CSR Together with Our Stakeholders

In order to exist in harmony and prosper alongside society and the global environment and attain sustainable growth, Marubeni considers it important to pursue a balance among three domains; not only the domain of economic activities that generate profit, but also social and environmental domains.

In order to establish a CSR policy that earns the trust and approval of stakeholders, the Marubeni Group recognizes that it is important to always listen to the opinions of stakeholders, and work with them to put these ideas into practice. By striving to serve the interests of stakeholders, win their trust and ensure their satisfaction, we can steadily build a stable foundation for group companies.

CSR Report

The Marubeni Group publishes a CSR Report with the aim of earning the public's trust by enhancing communication with stakeholders, introducing Group policies regarding CSR and providing examples of CSR activities to illustrate the Group's vision. The special feature of Marubeni CSR Report 2010, entitled "Marubeni Group's CSR: Active at the Forefront of Business," introduces readers to CSR-related businesses and initiatives promoted by the Group.

Main Contents of Marubeni CSR Report 2010:

Message from the President
Marubeni Group CSR
Feature—Marubeni Group's CSR:
Active at the Forefront of Business
- Sustainable paper and pulp business
- Renewable energy business

Corporate Governance
Internal Control & Risk Management
Compliance
Environmental Conservation Activities
Social Contribution Activities
Initiatives for Human Rights
Initiatives for Human Resources

For further information, please download our CSR Report, available on the Company's Website.
URL: http://www.marubeni.com/csr/reports.html

Human Resources Initiatives

As a general trading house, Marubeni believes the most important asset of a company is people. In order to create new added value for our stakeholders on an ongoing basis and continue to grow as a company, the policy of our human resources system is to create a workplace where employees can fully demonstrate their capabilities and skills and to develop an environment where each employee can maximize his/her value. To this end, we have implemented various reforms in our human resources system and have enriched related development programs.

Diversity Management

In April 2009, we established a new Diversity Management Team in the Human Resources Department in order to strengthen the Group by respecting and enthusiastically leveraging the diversity of the workforce.

As a specific initiative, we maintain a fundamental policy of fair, non-discriminatory recruiting practices, selecting job applicants on the basis of their skills and appropriateness for the position alone, without regard for gender, nationality, age, career or ability. In February 2009 Marubeni Office Support Corporation, a company established to promote the employment of disabled persons, was certified as a special-purpose subsidiary by the Minister of Health, Labor and Welfare. The company has eight employees with disabilities as of June 2010. A total of 1.95% of Marubeni's workforce has a disability.

Going forward, we will continue to develop Marubeni's diversity management in order to establish a corporate culture and sense of values that makes the fullest use of the personal qualities, experiences and abilities of each of our diverse employees, regardless of gender, nationality, age, career or ability.

Breakdown of Employees and Average Age

(as of March 31, 2010)

	Career employees	Non-career employees	Other	Total	Average age
Male	2,876	2	154	3,032	Male: 42.1 Female: 40.8
Female	181	703	35	919	
Total	3,057	705	189	3,951	

Changes in the Number of Female Career Employees

(as of the end of the fiscal year)

	Fiscal 2007	Fiscal 2008	Fiscal 2009
	131	153	181
Employees Graduate	(26)	(24)	(30)

Global Human Resource Development

As of March 31, 2010, the Marubeni Group has 1,728 locally-hired "national staff" working in approximately 60 countries outside Japan. Because overseas markets are a major source of revenue for the Group, we have established numerous training systems for these local hires with the aim of cultivating human resources who can work effectively in global markets.

Among these efforts, Marubeni is seeking to cultivate overseas local hires with the potential to become future managers. To this end, since the 1990s, the Group has implemented a system that enables overseas staff to spend one to two years working at the head office in Tokyo. Through this training, participants gain an understanding of the decision-making process at head office and an opportunity to enhance their industry-specific knowledge, all while developing a network of business and personal contacts in Japan. In fiscal 2009, six national staff were posted to the head office for practical training, bringing the cumulative total of program participants to 54 as of March 31, 2010.

In addition to this program, we also operate short-term workshop-style general training for national staff.

Workshops

	Target	Description
Regular Employee Workshop	Employees with at least 1 year of service	Basic knowledge, especially on the trading industry and on the present standing of the Marubeni Group
Manager Workshop	Line supervisors with at least 2 years of service	Finance and marketing, investment decision-making, corporate planning, compliance
Japanese-Language Workshop	Employees with at least 1 year of service	Training from the Regular Class Workshop in Japanese
Management Training	Line supervisors with at least 2 years of service	Management skills and knowledge needed for managerial positions (corporate planning and strategy, budgeting and accounting, risk management, compliance, personnel management, cross-cultural support, teamwork, etc.)

Number of Participants

Fiscal 2007	Fiscal 2008	Fiscal 2009
65 people (3 workshops)	84 people (4 workshops)	60 people (3 workshops)

Social Contribution Activities

Social Contributions Involving the Entire Marubeni Group

To promote coexistence in harmony with society and the environment, Marubeni has established a Basic Policy on Social Contribution Activities to guide its social contribution activities. This policy places priority on activities that fall into any of the following five categories: social welfare, international exchange, community contribution, global environment and cultural support.

A representative example of these activities is the Marubeni Foundation, which for 35 years has been supporting social welfare facilities and groups in cities and towns throughout Japan, spending some ¥100 million per year on such activities. Supporting the Foundation's diligent efforts in its long-term charitable work are initiatives that encompass the entire Marubeni Group. Specifically, support comes from individual donations made possible through the 100 Yen Club, a voluntary organization consisting of current and former Marubeni Group executives and employees, along with a matching gift from Marubeni equal to these individual donations. Overseas, Marubeni has set up scholarship funds in five Southeast Asian countries and Brazil to provide financial assistance for education. With these funding programs, we place importance on managing activities in close connection with the region, tailoring eligibility, the delivery of assistance, and other details based on local characteristics.

Marubeni has also launched a Volunteer Promotion Team to develop a variety of volunteer programs that actively support employees' volunteering efforts. Several key activities are planned for fiscal 2010. One will include carrying the *omikoshi* portable shrines at the Kanda Matsuri Festival in Tokyo, serving as a contribution to local communities and to pass down a tradition to future generations. Another will be a Mt. Fuji cleanup program for foreign exchange students and Marubeni Group employees, using efforts to beautify the area as an opportunity to deepen mutual understanding. The "Okutama Forest Thinning Volunteer" program will utilize brush clearing and the creation of walking paths to encourage participants to think about nature in Tokyo, while another program, called "Arakawa Clean Aid," asks volunteers to consider what they can do to beautify their local environment.

Mt. Fuji Cleanup Program

The Mt. Fuji cleanup program was developed as an offshoot of the International Exchange Camp, which seeks to further understanding of Japanese culture and corporations among foreign students studying in Japan. A total of 101 students and Marubeni Group employees took part in the memorable first cleanup event, held on September 5, 2009. Participants picked up bottles, cans, tiles and other refuse in their assigned areas, in some cases digging up half-buried garbage illegally dumped at the site decades earlier. By the end of the event, the volunteers had collected enough garbage to fill a large truck.

Going forward, the Volunteer Promotion Team plans to implement the Mt. Fuji cleanup program every year, viewing it as a meaningful international exchange program for teaching foreign students about the natural environment and Japan.

Broad Support for Cambodia

Marubeni Group member Marubeni-Itochu Steel Inc. (MISI) and the Nihon University College of International Relations have come together to promote a broad program of support activities in Cambodia.

Called *Tampopo* ("dandelion" in Japanese), this support program led by Prof. Kanaya of Nihon University helps students gain firsthand knowledge of international relations by building water towers to supply clean water to Cambodian elementary schools. The students also plan and conduct a baked goods drive, with a portion of proceeds channeled into the *Tampopo* program.

MISI was first to offer its support and cooperation for this program, but participation has since spread to the entire Marubeni Group. In 2009, the Corporate Communications Dept., Overseas Strategy & Coordination Dept., and the MISI Logistics Team coordinated with *Tampopo* on a donation drive for clothing and other needed materials sent to Cambodian elementary schools. On the ground, the Phnom Penh Liaison Office and Marubeni Logistics Corporation are also working in partnership with Nihon University students to deliver material support in Cambodia.

Environmental Protection Efforts

Taking Steps to Reduce Our Environmental Impact in a Multitude of Sectors

The Marubeni Group is involved in a wide variety of businesses in countries around the world. For this reason, we established the Marubeni Group's Environmental Policy, which is founded on the desire to do our utmost to preserve the environment. Based on these principles, Marubeni always evaluates the environmental impact of its business activities, and strives to reduce its environmental impact in any way possible when promoting all business projects.

In 1990, Marubeni established the Committee on Global Environmental Preservation (today's CSR & Environment Committee) to ensure that management evaluates environmental factors in all of its business activities. To ensure that all employees share the same awareness of the environmental issue, Marubeni has introduced an Environmental Management System based on the ISO 14001 standard. As of March 31, 2010, 67 Marubeni Group companies, including domestic operating companies and overseas subsidiaries, have received ISO 14001 certification.

Promoting Environment-Friendly Businesses

In April 2004, the Marubeni Group established the Environmental Business Promotion Committee to help reduce CO_2 emissions and promote environment-friendly businesses such as renewable energy, recycling, and new technologies. The Company now endeavors to expand existing projects and to create new medium- to long-term models for environment-friendly business. In July 2009 Marubeni established a committee for the fields of solar power generation and lithium batteries, and is currently formulating Company-wide approaches and strategies in these areas.

Marubeni's Clean Energy Business

The term "clean energy" generally refers to types of energy harnessed from nature, such as solar, wind or hydropower, that emit very little or no harmful pollutants, such as carbon dioxide or nitrogen oxide. Marubeni, as part of its vision for achieving a recycling-based society, is pursuing an array of businesses in fields related to clean energy.

In Australia, for example, Marubeni holds a 39.9% interest in "Hallett 4," a wind farm project being championed in collaboration with Osaka Gas Co., Ltd. and the APA Group, an Australian energy firm. Once commercial operations commence in June 2011, the Hallett 4 project will become one of the largest of its kind in Australia, boasting a power output of 132,000 kW. The project has earned plaudits from the Australian government, which is forwarding a plan to have wind and other renewable energy cover 20% of domestic power consumption by 2020.

In Japan, Marubeni is focusing on micro-hydroelectric power generation, which is gaining notice as an example of tailoring power generation to local environmental features without negatively impacting the natural environment. Wholly owned subsidiary Mibugawa Power Company received the "New Energy Foundation Chairman's Award" at the 14th Annual New Energy Prizes, sponsored by the Agency for Natural Resources and Energy, for its micro-hydroelectric concept. The award was an endorsement of the multifaceted approach to power generation taken at the Mibugawa No. 4 Power Plant (480 kW), which began operating in February 2009. Key features of the No. 4 Power Plant include the reuse of runoff water from the No. 1 Power Plant (22,100 kW), lower construction costs thanks to the adoption of general-purpose generators, and the ability to channel water from the plant to local rice farming. These advantages allow for effective utilization of the plant, offering benefits for both power generation and the local environment in a variety of ways.

Going forward, Marubeni remains committed to vigorously promoting environmentally friendly, value-added clean energy businesses.

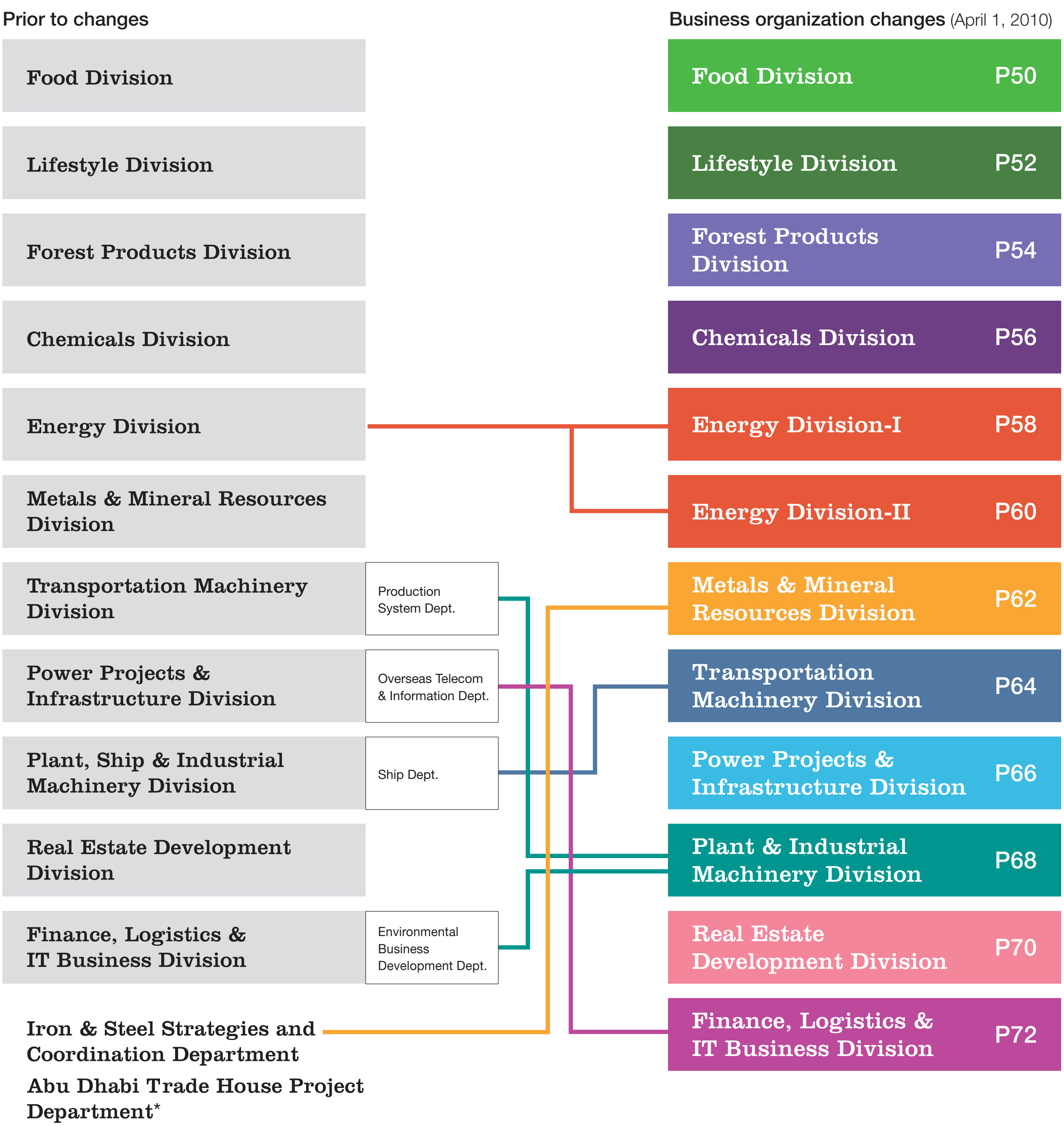
Hallett 4 Wind Farm

Mibugawa Power Plant

Business Segments/Overseas Operations

Business Segments/Overseas Operations 44-87

In April 2010, Marubeni enacted the partial realignment of its business organization, transitioning from a structure consisting of 11 divisions and 2 departments, to a 12-division framework. As part of these changes, the former Energy Division has been reorganized as Energy Division-I and Energy Division-II, with each division responsible for specific areas. Meanwhile, the Plant, Ship & Industrial Machinery Division has been renamed the Plant & Industrial Machinery Division. Two other changes are the inclusion of the Iron & Steel Strategies and Coordination Department under the Metals & Mineral Resources Division, and the transfer of the Abu Dhabi Trade House Project Department to the Power Projects & Infrastructure Division.



*Abolished in line with organizational changes enacted on June 15, 2010

Division Strategy At a Glance

Food Division

Key Topic During the SG2009 Medium-Term Management Plan

Comprehensive Alliance with the Sinograin Group, China's Largest Grains Reserve Operations Company

The division signed a Memorandum of Understanding regarding a comprehensive alliance with Sinograin Oil & Fats Corporation, a member of China's Sinograin Group, with both companies agreeing to pursue collaborations in fields spanning the grain distribution sector. Our goal is to merge Marubeni's overseas procurement capabilities with this partner's domestic grain distribution network in China to supply highly competitive grain.

Key Initiatives under SG-12

- Grain sector: Reinforce sales capacity in growth markets; enhance global trade capabilities that link competitive grain from diverse production sites to equally diverse consumer markets.
- Food distribution sector: Continue to build a solid earnings structure in Japan by integrating retail operations and intermediate distribution functions for a stronger, customer-oriented business model.
- China, ASEAN and India market strategies: Expand business domains in growth markets and formulate concrete steps to capture internal demand.

Lifestyle Division

Key Topic During the SG2009 Medium-Term Management Plan

Integrated SCM Encompassing Planning, Procurement, Production Management and Sales

Backed by proposals that anticipate evolving consumer needs, as well as global material procurement, and a sophisticated OEM production framework, the division has established a structure for timely, stable supply of high-added-value products in large volume. This SCM structure has earned a high degree of trust from major retailers, general merchandise stores, apparel makers, and other key customers who sell these goods to Japanese consumers.

Key Initiatives under SG-12

- In apparel, footwear and household goods, Marubeni is focused on increasing sales to overseas markets, notably China, ASEAN countries, India, Europe and North America, by taking advantage of experience and expertise cultivated in its OEM business for the Japan market.
- In uniforms, Marubeni is also leveraging its strengths in North America, ASEAN countries and other overseas markets in an effort to boost its uniform sales and rental operations.
- To further enhance its value chain in natural and synthetic rubber spanning upstream areas to midstream and downstream areas such as tyre and conveyor belt trading, Marubeni is working to bolster its network of natural rubber production sites and expand tyre retailing operations.

Forest Products Division

Key Topic During the SG2009 Medium-Term Management Plan

DMI of Canada Approved for Investment Grants from the Canadian Government

Pulp manufacturer Daishowa-Marubeni International Ltd., in which Marubeni holds a 50% stake, has been approved to receive investment grants through a system established by the Canadian government specifically for the country's pulp and paper manufacturers. The capital investments made possible through these grants will enable greater cost competitiveness as investment benefits materialize after 2012.

Key Initiatives under SG-12

- In addition to sustainable afforestation management at existing sites, strive to grow long-term earnings by researching competitive new afforestation resources for eventual acquisition.
- Augment capacity at P.T. Tanjungenim Lestari Pulp & Paper to capture rising demand for pulp in China and ASEAN.
- Along with the pursuit of stable containerboard sales in ASEAN, aim to capture additional production bases, including through joint purchases with major partners.

Chemicals Division

Key Topic During the SG2009 Medium-Term Management Plan

Start of Synthetic Rubber Manufacturing and Sales Operations in China

Operations are under way at TSRC-UBE (Nantong) Chemical Industrial Co., Limited, a joint venture between Marubeni, Taiwan Synthetic Rubber Corporation (TSRC) and Ube Industries, Ltd. The new company is Marubeni's second synthetic rubber manufacturing and sales operation in China. Products will primarily target automotive applications, with business expansion to be determined based on growth in demand for synthetic rubber in China.

Key Initiatives under SG-12

- In petrochemicals, leverage top-class track record in trade volume in the industry to promote the creation of new petrochemical businesses in resource-rich countries and major consumer markets.
- In addition to developing trade in the raw materials for fertilizers and the sale of fertilizers and agricultural chemicals—areas that tie into the growing field of food—aim to capture supply sources for raw materials for fertilizers and fertilizer resources.
- Take steps to secure inorganic mineral resources behind salt and boric acid, such as lithium and chemical alumina.

Energy Division-I

Key Topic During the SG2009 Medium-Term Management Plan

Start of Commercial Production at the Laffan Refinery Project

This project, which Marubeni joined in November 2006, has seen consistent production and sales of naphtha, kerosene, diesel oil, LPG and other petroleum products since operations began in September 2009. In addition to expanding Marubeni's oil refining operations, this project is expected to help promote stronger relationships with Qatar and Qatar Petroleum.

Key Initiatives under SG-12

- In LNG, maintain stable operations at existing projects, while focusing on chances to participate in new projects. In LNG trading, continue building a value chain in a bid to expand trading volume.
- In petroleum trading, along with developing stronger ties with customers and ensuring a full complement of tankers, storage terminals, and other trade tools, take steps to expand business scope and bolster alliances between bases worldwide to entrench and expand global operations.
- In oil and gas marketing, push forward with realignment and integration with other companies in the LPG business to emerge as a dominant force in the industry.

Energy Division-II

Key Topic During the SG2009 Medium-Term Management Plan

A Series of Discoveries and Commercial Production Launches in the Gulf of Mexico and North Sea

Following the successful exploration and start of commercial production at fields in the U.S. Gulf of Mexico, Marubeni discovered the Kodiak oil field, and moved to commercial production at the Thunder Hawk oil and gas field. In the U.K. North Sea, Marubeni successfully explored the Cayley oil and gas field, and discovered the Shaw Well. Pre-operational work is currently underway ahead of the start of commercial production at these new blocks.

Key Initiatives under SG-12

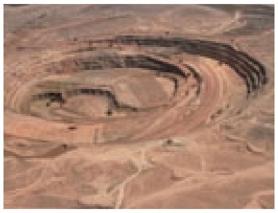
- In upstream resource development, focus on maintaining and expanding the division's production and reserve volumes by identifying new prime projects and continuing to aggressively promote exploration, development and production operations in oil, gas and uranium.
- In nuclear fuel, encourage further expansion in uranium trading by strengthening ties among bases and through more in-depth marketing capabilities. At the same time, take steps to upgrade and improve the value of nuclear fuel-related services, and focus on expanding trading volume for equipment and materials for nuclear power plants.

Metals & Mineral Resources Division

Key Topic During the SG2009 Medium-Term Management Plan

Acquisition of 30% Interest in Esperanza and El Tesoro Copper Projects in Chile

In 2008, Marubeni acquired a 30% interest in two copper mining projects from Antofagasta PLC, a globally prominent copper mining company that was also a partner on the Los Pelambres Copper Mining Project in Chile. Marubeni is taking an active role in development and operations at the mine by dispatching executive officers, engineers and other Marubeni personnel to the project.



Key Initiatives under SG-12

- The division will continue steps to accumulate prime resource assets, including investment in undeveloped mining projects and those at the initial exploration stages.
- Train future management candidates and engineers by actively dispatching employees to serve at affiliated operating companies and mining sites.
- Continue to focus on trading, including functions for identifying new business investment opportunities, in a drive to mutually expand investment and trade.

Transportation Machinery Division

Key Topic During the SG2009 Medium-Term Management Plan

Continued Delivery of Embraer Passenger Aircraft

Marubeni began serving as a sales agent in Japan for "E-Jet Series" regional passenger aircraft from Embraer S.A. (Brazil) back in 2002. Marubeni has received orders for a total of 10 aircraft from J-AIR Corporation and 3 aircraft from Fuji Dream Airlines. As of March 31, 2010, a total of 9 E-Jet aircraft are in service in Japan.

Key Initiatives under SG-12

- Enhance our presence in the market by promoting measures in the leasing and retail finance businesses and reinforcing functions close to customers.
- Build a stronger foothold in aircraft aftermarket services and product support for construction machinery, resistant to economic fluctuations, in a bid to stabilize the division's earnings platform.
- In ship operation of our own fleet, build a strong portfolio able to adapt to the fluctuating market conditions by optimally combining type of vessel and charter period.

Power Projects & Infrastructure Division

Key Topic During the SG2009 Medium-Term Management Plan

Purchase of One of Singapore's Largest Power Companies

In 2008, Marubeni began taking part in the management of Senoko Energy Pte. Ltd., one of Singapore's top three power companies. Consortium leader Marubeni, together with partners GDF Suez S.A. of France, The Kansai Electric Power Co., Inc., Kyushu Electric Power Co., Inc., and Japan Bank for International Cooperation, are contributing to Singapore's development through the stable supply of power.

Key Initiatives under SG-12

- Accelerate the acquisition and replacement of assets in the overseas I(W)PP business and enlarge business scale to a level comparable with the world's top IPPs in a bid to enhance the division's earnings base.
- In water operations, merge experience in a diverse range of existing businesses and know-how honed in overseas I(W)PP in a push to dramatically increase business scale.
- In the overseas power plant EPC* sector, leverage unique, all-in-one management methods to pursue large-scale contracts, while taking steps to diversify the peripheral businesses of services and maintenance.

* EPC: Engineering, Procurement and Construction

Plant & Industrial Machinery Division

Key Topic During the SG2009 Medium-Term Management Plan

Successive Contracts Awarded for Alumina Smelting Plants for Vinacomin Group

Marubeni, together with engineering firm China Aluminum International Engineering Co., Ltd. (CHALIECO), an affiliate of world-class aluminum producer Aluminum Corporation of China (Chinalco), was awarded successive contracts for two aluminum smelting plants in Vietnam. The plants will be located in the country's Lam Dong and Dak Nong provinces. As shown in this project, Marubeni achieves contract awards through tie-ups not only with domestic companies but also overseas firms.

Key Initiatives under SG-12

- The division will continue its effort to expand the EPC and trade businesses, two core elements of the division's business operations, by reinforcing its capacity to provide solutions that meet the increasingly diverse customer needs anticipated going forward.
- The division will take a proactive approach to environmental businesses, including emissions credit development and trade, environment-related EPC projects, and environmental business investment, with specific emphasis on the global task of reducing greenhouse gas levels.
- In natural resource-related business fields, railway transportation, and other business areas, the division will take steps to expand prime business assets to broaden and stabilize its revenue base.

Real Estate Development Division

Key Topic During the SG2009 Medium-Term Management Plan

Actively Anticipating Demand in the Chinese Real Estate Market

The Real Estate Development Division has developed Qi Lin Park (214-unit detached housing) and Lu Ming Garden (1,158-unit condominium) in Shanghai, China. With growth in demand in China's real estate market projected, the division will focus on identifying new projects, centered on its housing business in the Shanghai area. Efforts here will include promoting operations in other Chinese cities.

Key Initiatives under SG-12

- For the condominium business in Japan, we will continue to purchase land for development use, with emphasis on major cities where firm demand growth is anticipated.
- In the overseas real estate development business, we will put existing projects in China on track, and make further efforts to identify new projects.
- Bolster the division's earnings base by establishing a new Real Estate Business Dept., and placing operating companies under this department to manage operations.

Finance, Logistics & IT Business Division

Key Topic During the SG2009 Medium-Term Management Plan

Establishment of Shanghai Jiaoyun Rihong International Logistics Corporation

In March 2009, Marubeni established Shanghai Jiaoyun Rihong International Logistics Corporation as a joint venture with Shanghai Jiao Yun Co., Ltd. As the largest domestic logistics company in eastern China, Shanghai Jiaoyun Rihong International Logistics Corporation will play a pivotal role in Marubeni's logistics strategy in China, providing wide-ranging logistics services within the country.

Key Initiatives under SG-12

- Leverage competitive advantage in network services to organically integrate and expand systems and data centers; take steps to grow operations in the ICT*1 outsourcing field.
- Centered on division strengths in third-party logistics functions, develop new businesses in the BPO*2 field by utilizing call center functions and through access to the health care and pharmaceuticals field.
- In the rapidly growing Chinese and ASEAN markets, reinforce local-market initiatives in the fields of finance, logistics and insurance.

*1 ICT: Information and Communication Technology
*2 BPO: Business Process Outsourcing

Food Division

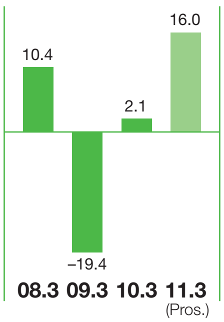
Products and Areas: Grain and livestock feed/Flour, sugar, oils, and other food ingredients/Beverage products and raw materials/Snacks, processed foods and frozen foods/Rice, vegetables, fruits/Fresh and processed meat, seafood

Daisuke Okada
Managing Executive Officer, COO, Food Division

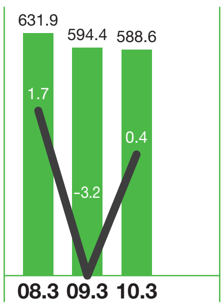
Message from the COO

The Food Division is involved in every stage of food trading and related operations in Japan and overseas, from procurement of raw materials to food production, processing, wholesale distribution and retailing. In the grain sector, a field where the division is the leading grain trader among general trading companies in terms of volume, we are further solidifying our position by developing sales operations worldwide. In the food distribution sector, we are integrating the functions of the division's dominant retail and wholesale distribution operations to establish a consumer-oriented food distribution network. At the same time, we are seeking to address internal demand in growth markets by actively pursuing business development in China, ASEAN and other newly emerging economies in a bid to increase earnings.

Net income (loss)
(Billions of yen)



Total assets & ROA
(Billions of yen) (%)



* Figures up to fiscal 2007 have been retrospectively restated in conjunction with organizational changes in fiscal 2008.

Sources of Strength

• Selling grain to the world: Top industry trading volume

The Food Division leads general trading companies in grain trading volume. It possesses a framework for grain procurement composed of diverse production sites worldwide, and is developing global sales operations. Leveraging internationally competitive grains, the division not only provides Japan with a stable grain supply, but is also building a structure for flexibly supplying grain to meet growing global demand.

• Industry-leading share of imports through an optimal supply chain in coffee trading

The division has an approximately 30% share of coffee bean imports to Japan. Beyond the Japanese market, the division is pursuing a strategy for supplying coffee beans to markets worldwide, including Europe, the United States, and Asia, with subsidiary Cia. Iguaçu de Café Solúvel, Brazil's largest instant coffee manufacturing and sales company, as a key production site.

• Powerful domestic food distribution network and business development in growth markets overseas

The division has influential sales spaces around the Tokyo Metropolitan Area, establishing a consumer-oriented food distribution network that takes advantage of the division's strengths, namely functions and expertise in the procurement of food products and raw materials. Overseas, the division is working to expand its business domains in countries worldwide. Steps here include participation in the management of Acecook Vietnam Joint Stock Company to build its food distribution network in growth markets.

Business Highlights

(Billions of yen)

	2008.3	2009.3	2010.3	2011.3 (Pros.)
Gross trading profit	90.0	113.7	108.8	–
Equity in earnings (losses)	1.4	(25.7)	(8.2)	–
Segment net income (loss)	10.4	(19.4)	2.1	16.0
Segment assets	631.9	594.4	588.6	–

Equity Interest in Principal Subsidiaries

(Billions of yen)

	2008.3	2009.3	2010.3	Percentage of Voting Rights
Marubeni Nisshin Feed Co., Ltd.	0.8	0.7	1.2	60.0%
Yamaboshiya Co., Ltd.	0.9	1.3	1.5	77.6%

Division Organization: Food Administration Dept./China & ASEAN Market Development Dept./Grain Dept./Food Products Materials Dept./Beverage Dept./Foods Merchandising Dept./Farm Products Dept./Meat Dept./Seafood Dept./Nishinihon-Tokai Food Dept./Daiei Dept.

Expansion of Grain Trade and Initiatives to Capture Internal Demand in Growth Markets

• Industry Environment and Fiscal 2009 Results

In Japan, the overall market is contracting, reflecting market maturation, a falling birthrate, and a rapidly aging population. In stark contrast, internal demand is rising in newly emerging and rapidly growing economies, and is triggering a dramatic rise in purchasing power.

In the grain sector, we extended our global procurement and sales network. As a measure targeting grain consumer markets, we entered a comprehensive alliance with Sinograin Oil & Fats Corporation, a member of China's largest grains reserve operations company, the Sinograin Group. For grain production markets, the division entered comprehensive collaborative agreements with major independent Brazilian and Argentinean grain trading houses Amaggi Exportação e Importação Ltda. (AMAGGI) and Molino Cañuelas. With these moves, we increased our options with respect to buyers and sellers, stably supplying competitive grain to the Japanese market while building a network for supplying grain to markets worldwide.

In the food distribution sector, the distribution market in Japan is rapidly evolving into a consumer-led market, as consumer preferences grow increasingly diverse. In this climate, we invested in several retail operations, among them The Daiei, Inc., The Maruetsu, Inc., and Tobu Store Co., Ltd. We also boosted business volume by creating impressive sales spaces, leveraging product development capabilities that accurately capture consumer needs, and by taking advantage of division strengths in the procurement of global food ingredients and products. The geographic focus of these efforts was the Tokyo Metropolitan Area, a region that continues to show stable growth. In growth markets overseas, we vigorously promoted trade and business development in an effort to capture internal demand. During the year under review, we formed a partnership with Acecook Co., Ltd., and settled on a basic agreement to participate in the management of Acecook Vietnam, a company that commands an overwhelming share of Vietnam's instant noodle market. These steps enabled the division to build a strong foothold in the food distribution business in growth markets.

As a result, in fiscal 2009, segment gross trading profit was ¥108.8 billion. Segment net income was ¥2.1 billion, with a loss on the valuation of shares of a logistics affiliate and other factors putting downward pressure on performance.

Building an Overseas Sales Network for Grains and Processed Foods

• Initiatives in Fiscal 2010

With trade and business earnings in Japan as a springboard, our goal is to develop a structure for the worldwide sale of food, using overseas markets as engines for growth.

In the grain sector, along with the stable supply of grain to Japan, we plan to actively promote sales expansion to China and other growth markets. In conjunction, we will move to enhance our grain collection network in Russia, Eastern Europe and other major production sites. Similarly, we will broaden our options in production markets, rooted in our sales capabilities, to develop a more robust global network for the trade of cost-competitive grain. Our target trading volume for fiscal 2010 is 20 million tons, or 7% of the volume of all grain traded worldwide.

Where initiatives in overseas markets are concerned, to capture internal demand in China, ASEAN, India and other growth markets, we plan to strategically invest in and form partnerships with local processed food manufacturers in a bid to expand division earnings. During the previous year, the division participated in the management of Acecook Vietnam, with emphasis on raising the company's corporate value, as part of steps to better address demand in Vietnam going forward. Within the division, we have also established a new China & ASEAN Market Development Dept., providing an organizational structure dedicated to promoting strategies in growth markets. Similarly, we plan to develop sales bases and promote peripheral businesses as a means of strengthening our food sales framework in growth markets.

Business Topics

Participation in Management of Acecook Vietnam

In February 2010, Marubeni accepted the entire allotment of a private placement of shares by Acecook Vietnam, which controls a nearly 70% share of Vietnam's instant noodle market. Marubeni will play an active role in the management of the company, and has reached a basic agreement with Acecook Co., Ltd., the parent company of Acecook Vietnam, culminating in the signing of a memorandum of understanding.

Comprehensive Partnership with Brazilian Grain Collection and Oil-Pressing Company AMAGGI

In May 2009, Marubeni signed a comprehensive partnership agreement with Amaggi Exportação e Importação Ltda. (AMAGGI), a Brazilian firm with its own farm that plants 100% non-GMO soybeans and with direct routes for procuring grain from adjacent farmers. This agreement has given Marubeni an additional supply source for the stable supply of grain.

Comprehensive Partnership with Total Food Product Company Molino Cañuelas of Argentina

Also in May 2009, Marubeni entered a comprehensive partnership with Molino Cañuelas, one of Argentina's largest independent grain suppliers that also possesses its own local grain silo network. As a strategic partnership, this relationship has increased Marubeni's supply sources in an important food resource-producing nation.

Lifestyle Division

Products and Areas: Apparel/Uniforms/Footwear/Lifestyle goods/Raw materials for textiles and industrial materials/Fitness and office equipment/Raw materials for rubber and rubber products

Katsuhisa Yabe
Executive Officer, COO,
Lifestyle Division

Message from the COO

The Lifestyle Division is tasked with coordinating businesses related to a wide range of consumer goods, such as apparel, footwear, household goods, home furnishings, sporting goods, tyres, fitness equipment, and others. Despite a weak consumer market in Japan, fiscal 2009 saw brisk sales of fashion apparel and footwear to major retailers. In fiscal 2010, we plan to expand business transactions in Japan by creating a more robust OEM production framework—a core support of the division's business operations. In addition, we will focus to expand our overseas sales businesses in economically growing China and ASEAN countries, and established Europe and North America, in a drive to reinforce the division's earnings structure.

Sources of Strength

• OEM Business in apparel, footwear and household goods

In apparel, footwear, household goods and other lifestyle-related products, the division has a well-established OEM production framework enabling low cost, timely and stable delivery of high-added-value products. These advantages have earned a high level of trust for the division from our customers around the globe.

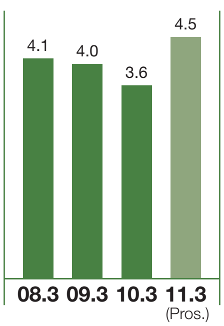
• Answering customer needs in uniform sales and rentals market

In uniforms, the division, along with OEM sales, offers rental service functions. It is also expanding market share through this structure, which enables the division to respond flexibly to diverse needs from our corporate customers for cost-cutting measures, asset reduction, occupational health management and security management.

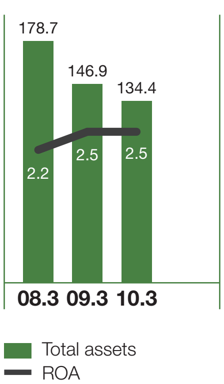
• Establishment of a wide-ranging value chain in rubber covering raw materials to products

The division has developed a rubber value chain encompassing upstream fields, such as the processing, production and sale of natural rubber and the sale of synthetic rubber, to midstream and downstream sectors covering the export and import, offshore trading, and overseas retailing of tyres, conveyor belts, and other rubber products.

Net income
(Billions of yen)



Total assets & ROA
(Billions of yen) (%)



* Figures up to fiscal 2007 have been retrospectively restated in conjunction with organizational changes in fiscal 2008.

Business Highlights

(Billions of yen)

	2008.3	2009.3	2010.3	2011.3 (Pros.)
Gross trading profit	35.7	32.3	30.7	–
Equity in earnings (losses)	(0.0)	(0.0)	(0.1)	–
Segment net income	4.1	4.0	3.6	4.5
Segment assets	178.7	146.9	134.4	–

Equity Interest in Principal Subsidiaries

(Billions of yen)

	2008.3	2009.3	2010.3	Percentage of Voting Rights
Marubeni Fashion Link, Ltd.	0.5	0.8	1.0	100.0%
Marubeni Intex Co., Ltd.	0.3	0.6	0.7	100.0%
Marubeni Footwear Inc.	0.1	0.3	0.5	100.0%

Division Organization: Lifestyle Administration Dept./Fashion Apparel Dept./Utility Apparel Dept./Functional Materials & Lifestyle Dept./Rubber Dept./General Merchandise & Footwear Dept.

Developing a Wide Range of Merchandise That Anticipates Consumer Trends

• Industry Environment and Fiscal 2009 Results

The Lifestyle Division faced an adverse environment, marked by rising production costs and diminishing demand in fiscal 2009, ended in March 31, 2010. Sales prices fell, reflecting the continuation of lackluster consumption and deflationary trends caused by the economic recession in Japan. Meanwhile, personnel- and material-related costs increased in China and other countries involved in production as the cost of materials rose alongside resource and energy prices.

In this economic climate, the division, with a focus on apparel, footwear, and household goods, moved to further enhance Marubeni's strengths by channeling resources into planning and proposals that anticipate changing and evolving needs among consumers and vendors, strengthening the division's OEM (Original Equipment Manufacturing) production framework in China and Southeast Asia, and finding new production sites in India and Bangladesh. Similarly, we pursued initiatives designed to promote future growth, including the purchase of a uniform rental business, and expanded sales of rubber materials and products overseas. While these actions bolstered the division's earnings base, segment net income ended lower year on year due to valuation losses on listed stocks.

Enlarging OEM Business and Expanding Sales to Overseas Markets

• Initiatives in Fiscal 2010

Leveraging a more functionally robust OEM production framework, in fiscal 2010, we will take steps to bolster sales in Japan, while focusing on expanding sales in China, ASEAN countries, India and other overseas markets where future growth is expected. Our priority initiatives are as follows:

- Add material procurement capabilities that take advantage of EPA/FTA in Asia to our OEM production framework, already one of the division's existing strengths; aim to boost domestic sales by developing optimal operations for a broad area in a bid to further improve product development and supply capabilities that answer customer needs.
- In overseas markets, continue to expand production bases and promote sales expansion in apparel, footwear, household goods, and other lifestyle products in China, ASEAN countries and India, where population growth and economic development are expected to trigger rapid growth in consumer markets.
- In rubber, channel resources into tyres, conveyer belts and other retail businesses for rubber products in Europe and North America, as well as in emerging markets such as China and ASEAN countries; focus similarly on expanding sales of natural and synthetic rubber to China and other growing markets.

Business Topics

Purchase of Uniform Rental Company TEXTILE RENTAL Co., Ltd.

In April 2009, Marubeni acquired TEXTILE RENTAL Co., Ltd., a company with strengths in uniform rental services that include uniform cleaning. Marubeni has for years been involved in the OEM sale and rental of uniforms. With the integration of these existing operations with those of TEXTILE RENTAL, Marubeni aims to expand both sales channels and business volume in a bid to further broaden the scope of this business.

Extend the Footwear Business Focusing on Prominent Brands

"Merrell" and "Patagonia Footwear," both major U.S.-based outdoor footwear brands, are popular and seeing sales volume expand rapidly in Japan because of their superior functionality and innovative design. In the thirteen years after Marubeni began handling Merrell, over 1,000 stores now carry it. The popularity of Patagonia Footwear, meanwhile, comes from the support of nature and outdoor-sports lovers, who are particularly attracted to Patagonia's donation of 1% of sales to nature and environmental organizations. Also, children's footwear brand, "IFME", developed and designed by Marubeni in collaboration with sports medical doctors, has sold a total of 10 million pairs since its launch 10 years ago. Going forward, Marubeni will take steps to develop markets for this brand overseas.

Using Planning, Proposal and Product Development Strengths to Grow the Fashion Apparel Business

Through product planning and development that accurately capture consumer needs and market trends, Marubeni is creating an array of hit products for major retailers. Some of these items include low-priced jackets made from delicate, high-quality cut and sewn materials, fashionable wear for relaxing at home, and functional innerwear for women.

Forest Products Division

Products and Areas: Afforestation/Wood chips/Pulp/Paper and paperboard/Wastepaper/Logs, lumber, and building materials/Concrete, cement

Yukichi Nakamura
Executive Officer, COO,
Forest Products Division

Message from the COO

The Forest Products Division is an important product segment with respect to three of the four priority fields outlined in the new SG-12 medium-term management plan—natural resources, the environment, and essential living commodities. As such, the division works to secure access to environmentally friendly, renewable forest-related commercial goods, and conducts operations and trade across the entire forest products sector. Through an array of operating companies in fields ranging from raw materials to finished products, and with a firm knowledge of front-line operations, the division exhibits powerful information and response capabilities that are second to none. Going forward, we will continue to vigorously promote operations outside Japan and assertively develop the Company's value chain in a bid to achieve sustainable earnings growth.

Sources of Strength

• A value chain in the forest products business covering upstream to downstream operations

The division conducts business investment, as well as production and trade, across the entire paper and pulp business, including in areas such as afforestation, wood chips, pulp, paper, paperboard, and wastepaper. Each product segment within the division seeks to create added value and aims to be top in its field, enabling the development of a highly competitive value chain.

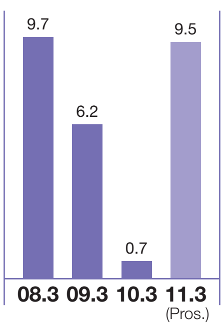
• Domestic and international business networks capable of providing production, sales and other extensive functions

Leveraging the Group's strengths upstream as a wood chip and pulp supply source, midstream and downstream as a manufacturer of printing paper and a containerboard manufacturer, and as a paper distribution company, the division skillfully identifies markets and commercial materials particularly in Asia, where future growth is anticipated, in the quest to further expand sustainable earnings.

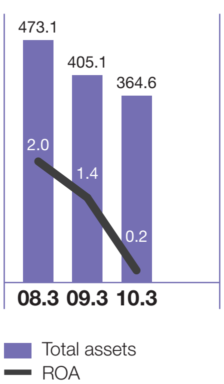
• Largest area under afforestation of any company in Japan

The division entered the afforestation business in the 1990s. Since then, it has properly managed seven projects in five countries, covering a total area of 390,000 hectares. Wood chips from controlled logging and wood processing are converted primarily into raw material for paper. The division will continue to actively develop business operations, with an eye to securing forest-related commercial goods, which have begun to assume new value.

Net income
(Billions of yen)



Total assets & ROA
(Billions of yen) (%)



* Figures up to fiscal 2007 have been retrospectively restated in conjunction with organizational changes in fiscal 2008.

Business Highlights

(Billions of yen)

	2008.3	2009.3	2010.3	2011.3 (Pros.)
Gross trading profit	45.3	42.7	33.3	–
Equity in earnings (losses)	2.4	(2.5)	0.3	–
Segment net income	9.7	6.2	0.7	9.5
Segment assets	473.1	405.1	364.6	–

Equity Interest in Principal Subsidiaries

(Billions of yen)

	2008.3	2009.3	2010.3	Percentage of Voting Rights
Daishowa-Marubeni International Ltd.	1.4	(1.9)	(0.2)	50.0%
Koa Kogyo Co., Ltd.	0.03	0.9	1.5	80.0%
Marubeni Pulp & Paper Sales Co., Ltd.	0.6	0.0	0.2	88.5%
Marubeni Building Materials Co., Ltd.	(1.3)	0.4	(0.4)	100.0%
PT. Tanjungenim Lestari Pulp & Paper	2.6	5.1	(1.2)	100.0%

Stronger Competitiveness Through Cost Reductions in Every Field

• Industry Environment and Fiscal 2009 Results

The financial crisis that struck near the end of 2008 caused shockwaves that impacted the real economies of countries worldwide. The environment surrounding the paper, pulp and building materials industries was not immune to these effects, with demand for products and raw materials faltering heavily in the first half of fiscal 2009. However, with the rapid recovery of China's economy by midyear, market prices for pulp grew firmly during the second half of the term. Meanwhile, demand for products failed to return to pre-financial crisis levels, and paper imports to Japan rose, especially for coated paper. In response, Japanese paper manufacturers sought to preserve the supply and demand balance and sustain market prices by continuing to sharply curtail production. The situation was similar in building materials, where new housing starts in 2009 fell below 800,000 for the first time in 45 years, reaching 790,000. Among other effects, this adverse climate prompted continued production cutbacks among Japanese plywood manufacturers.

Amid this climate, we again recognized the importance of bolstering competitiveness in areas where the Company has advantages, namely in the afforestation and wood chip businesses, pulp manufacturing and other upstream sectors. In these fields, we promoted extensive cost reductions that included a review of capital expenditures, as we worked diligently to improve management efficiency. We also signed our first contract to export wood chips to paper production plants in rapidly growing China, a market that is poised to become a major wood chip importer. Meanwhile, Long Chen Paper (China) Holdings Co., Ltd., a midstream-sector containerboard manufacturer in China, is maintaining full-scale operations as demand for cardboard continues to gain in strength. In downstream sectors, we initiated full-fledged marketing activities to boost sales of printing and information processing paper to Asian countries, where future growth is expected. As a result, segment gross trading profit in fiscal 2009 was ¥33.3 billion, with segment net income of ¥0.7 billion on a consolidated basis.

Further Strengthening Marubeni's Value Chain

• Initiatives in Fiscal 2010

China and ASEAN are widely expected to show firm demand in the coming years. In this context, our goals are to build a solid earnings base centered on the division's value chain, which encompasses upstream through downstream sectors, and to establish a network that will be fundamental to future operations. Pulp production business Daishowa-Marubeni International Ltd. is set to utilize grants from the Canadian government in a bid to improve earnings. In the products sector, we will work to expand sales, particularly of containerboard from Long Chen Paper, where full-scale operations have begun. Furthermore, with the value of renewable forest-related commercial goods all but certain to rise over the medium to long term, we will take assertive steps to address environmentally friendly commercial materials, securing access to competitive afforestation resources and promoting sales of eco-building materials, among other actions.

In terms of business performance, we anticipate improved earnings amid firm market prices projected overall for pulp. This outlook reflects increased trading volume due to our acquiring all sales rights for pulp produced by Indonesia-based PT. Tanjungenim Lestari Pulp & Paper, and higher wood chip volume following our first shipment deliveries to China in 2009. Similarly, in domestic trading we are eyeing substantial earnings growth largely atop a recovery in demand for printing and information processing paper, as well as improved earnings from the building materials business.

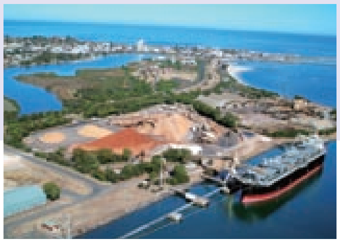
Business Topics

Structure for Full-Scale Operations Developed at Long Chen Paper (China) Holdings Co., Ltd.

Annual production output at Long Chen Paper (China) Holdings Co., Ltd., a Chinese containerboard manufacturer in which Marubeni has a 15% stake, has increased to 1.2 million tons, partly due to the operation of new machinery. With demand for containerboard on the rise in China, Marubeni is working to maintain full-scale operations to grow earnings.

Start of Wood Chip Trading with Paper Production Plants in China

China has witnessed dramatic economic growth, and is expected to emerge as a major wood chip importer. In this market, Marubeni began trading in wood chips to paper production plants primarily in China's Hunan, Fujian, and Shandong provinces. Marubeni is determined to expand transactions in this promising market going forward.



Fifth Consecutive Year of Green Ratings in Environmental Performance for PT. Tanjungenim Lestari Pulp & Paper

For the fifth consecutive year since introducing its environmental performance rating system, the Indonesian Ministry of Environment has honored pulp manufacturer PT. Tanjungenim Lestari Pulp & Paper with the second-highest rating.

Chemicals Division

Products and Areas: Petrochemicals/Inorganic and agricultural chemicals/Electronic materials/Specialty chemicals/Vinyl alkali/Plastics

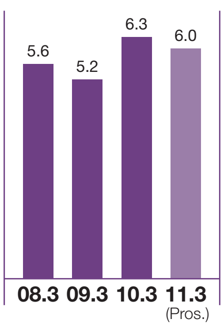
Naoya Iwashita
Executive Officer, COO,
Chemicals Division

Message from the COO

The Chemicals Division supplies a host of industries with the chemicals that serve as the raw and basic materials they need. This regular contact with trends across a range of industries is the division's greatest strength. Maintaining a broad portfolio encompassing the fields of petrochemicals, inorganic and agricultural chemicals, and electronic materials, as well as specialty chemicals, vinyl alkali and plastics is another important task for the division. In the quest for a business model that generates earnings from both operations and trade, our focus in fiscal 2010 is on adding mutual connections to and expanding both areas, and on projects that hold inherent strategic and independent importance for both operations and trade.

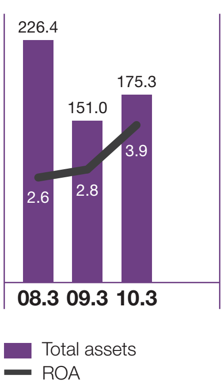
Net income

(Billions of yen)



Total assets & ROA

(Billions of yen) (%)



* Figures up to fiscal 2007 have been retrospectively restated in conjunction with organizational changes in fiscal 2008.

Sources of Strength

• Established and leading presence in markets for olefins, synthetic fiber intermediates and plastics

Through specialty tanker chartering, the Chemicals Division enjoys a top-class industry position today in Asia and the Middle East, particularly in the olefin market. In synthetic fiber intermediates, plastics and vinyl alkali, too, the division is leveraging alliances with prominent suppliers to enlarge its global sales network.

• Sale of agricultural materials and initiatives in the fertilizer raw materials and agricultural chemicals fields

The division has some of the best-known agricultural material distributors in the United States and the United Kingdom, and is moving to further develop operations in the fertilizers and agricultural chemicals fields. In raw materials for fertilizers, the division is diversifying its supply sources for the trade of sulfur, while working to extend its presence in nitrogen and phosphate-based fertilizers through synergies with distributors and grain business.

• Operations across the entire chemicals supply chain

Upstream, the division invests in and finances some of the world's leading supply sources for salt, boric acid and other inorganic mineral resource fields to ensure supply stability. Downstream, the division is identifying projects that contribute to earnings in various electronic materials fields, such as LCDs and solar and semiconductor materials, as well as in specialty chemical fields, such as functional materials and fatty alcohol.

Business Highlights

(Billions of yen)

	2008.3	2009.3	2010.3	2011.3 (Pros.)
Gross trading profit	30.8	30.1	22.6	–
Equity in earnings	0.6	3.1	3.0	–
Segment net income	5.6	5.2	6.3	6.0
Segment assets	226.4	151.0	175.3	–

Equity Interest in Principal Subsidiaries

(Billions of yen)

	2008.3	2009.3	2010.3	Percentage of Voting Rights
Marubeni Plax Corporation	0.5	(0.1)	0.3	100.0%
Marubeni Chemix Corporation	0.6	0.3	0.4	100.0%
Shen Hua Chemical Industrial Co., Ltd.	–	1.0	0.9	22.6%

Division Organization: Chemicals Administration Dept./Petrochemicals Dept./Vinyl Alkali Dept./Plastics Dept./ Inorganic and Agricultural Chemicals Dept./ Specialty Chemicals Dept./Electronic Materials Dept.

Broadening Business Scope by Building on Robust Business Earnings and Through a Rebound in Earnings from Trade

• Industry Environment and Fiscal 2009 Results

While the operating environment differed from field to field, fiscal 2009 overall was a year of strong performance for the Chemicals Division. This outcome came as newly emerging economies, notably China and India, led the chemicals market with exceptionally robust growth. This performance outweighed the impact of a slow recovery from economic recession in Western and other advanced industrialized nations, where economies contracted sharply in the wake of the Lehman Brothers collapse in the previous fiscal year.

Against this backdrop, the division positioned the field of agriculture, which was driven by dramatic growth in food demand worldwide during the year, as a priority business area. In addition to lifting earnings from existing businesses in this field in the U.S. and Europe, the division diversified both the lineup of agricultural chemicals, fertilizers and raw materials for fertilizers handled, as well as supply sources. At the same time, we began studying the feasibility of establishing commercial operations in new regions like Africa and South America. In inorganic mineral resources, along with expansion in the division's existing salt operations and trade, and its trade in boric acid, we began handling new products such as lithium. In the fields of petrochemicals, vinyl alkali and plastics, a global industry realignment and integration is currently under way, fueled by the rise of players from the Middle East and China. In this climate, we moved proactively to create trade opportunities in new markets, and realized steady growth in our synthetic rubber business by focusing on the automotive industry in rapidly growing China. In electronic materials and specialty chemicals, earnings were supported by firm performance from LCDs and solar and semiconductor components, as well as from fatty acids, catalysts, and plastic additives. As a result, segment gross trading profit in fiscal 2009 was ¥22.6 billion, with segment net income up 21% year on year, to ¥6.3 billion on a consolidated basis.

Strategic Initiatives in the Petrochemicals, Agricultural and Inorganic Mineral Resources Fields

• Initiatives in Fiscal 2010

We remain committed in fiscal 2010 to leveraging the Chemicals Division's comprehensive strengths in Japan and overseas to realize well-balanced growth and expansion in both trade and business operations. In particular, we plan to lay foundations for future growth in petrochemicals, agriculture and inorganic mineral resources, all fields where the division boasts clear advantages. In petrochemicals, we intend to establish a joint venture in synthetic rubber manufacturing and sales in India. We will also utilize the division's top-class track record in trading volume in this industry to aggressively promote new petrochemical business projects in countries that produce this resource, and in major consumer markets. In agriculture, we will look to grow trade mainly in raw materials for fertilizers, an effort that will be spearheaded by fertilizer and agricultural chemical sales companies. Meanwhile, we plan to bolster measures in inorganic mineral resources in a bid to capture new resources behind salt and boric acid.

As in the previous year, we anticipate steady growth in segment net income for the division in fiscal 2010. Our efforts will focus on expanding trade in China, India and other newly emerging economies where growth continues, as well as on additional trade in petrochemicals from the Middle East. We also expect new contributions to earnings from our synthetic rubber and plastics manufacturing and sales operations in China.

Business Topics

Entry into Service of New Ship to Expand Supply of Sulfur

Raw materials for fertilizers are one of the priority fields the Chemicals Division is pursuing under the theme of agriculture. To increase its supply of one such material, sulfur, the division entered a second ship into service that will specialize in transporting sulfur. The launch ceremony for the new ship, named "Koyo Maru," was held in May 2009 in the city of Zhoushan, Zhejiang Province, China.

Sales of Verdenite Factory Horticulture Systems

Marubeni has begun handling fully enclosed factory horticulture systems that use Verdenite as the growing medium. Verdenite is a natural soil material used for organic cultivation. These systems allow for the stable supply of pesticide-free vegetables unaffected by weather or pests in buildings and factories.

Development of Next-generation White LEDs

Marubeni has concluded a contract with a venture firm from Japan's Meijo University for the joint development of next-generation white LEDs. The contract includes provisions for funding of the project. The new LEDs can generate white light closer to sunlight with far less deviation in color rendering and can also offer a prolonged life span.

Energy Division-I

Products and Areas: Development and production of LNG/Trading in oil and gas/Marketing of oil and gas/Other new businesses

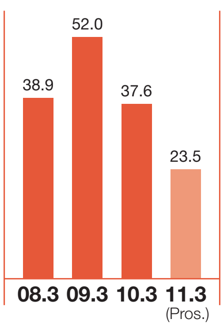
Keizo Torii
Managing Executive Officer, COO,
Energy Division-I

Message from the COO

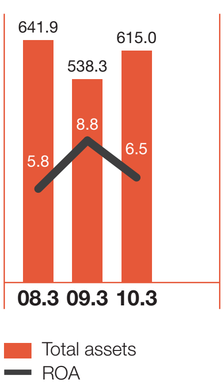
In April 2010, the former Energy Division was reconfigured, and the Energy Division-I was launched as a new division consisting of three business fields—LNG, oil and gas trading, and oil and gas marketing.

In the LNG sector, the division is involved in promoting LNG projects primarily in Qatar, Equatorial Guinea and Peru, and LNG trading. In trading, the division is leveraging bases worldwide to develop global trade, while consistently striving in marketing to devise inventive ways to take advantage of its strengths in logistic networks to win out against the competition.

Net income
(Billions of yen)



Total assets & ROA
(Billions of yen) (%)



* Figures are for total of Energy Division-I and Energy Division-II.
** Figures up to fiscal 2007 have been retrospectively restated in conjunction with organizational changes in fiscal 2008.

Sources of Strength

• Consistent progress in LNG operations in Qatar, Equatorial Guinea and Peru

Operations continue to progress smoothly at LNG projects in Qatar and Equatorial Guinea. Meanwhile operations at the Peru LNG Project, the only major LNG project in South America, started in June 2010.

Furthermore, the division is advancing initiatives designed to broaden trade in order to meet increased global demand for LNG in the future.

• Strong petroleum trading business boasting Asia's top share in naphtha trading

The division is involved in the global trading of crude oil and petroleum products and LPG from key bases in Japan, Singapore, the U.S. and the U.K. Particularly for petrochemical feedstock, the division maintains the top trading share for naphtha in Asia, most notably in Japan.

• Oil and gas marketing business that meets customer needs with a diverse service menu

Through operating companies in Japan and Asia, the division is engaged in the sale of petroleum products and LPG, utilizing a distribution network consisting of import terminals, service stations, and LPG retailers. Similarly, the division conducts the sale of LNG, and fuel oil used for power generation to electric power companies. Going forward, the division remains committed to offering distinctive, high-value-added services to customers.

Business Highlights

(Billions of yen)

	2008.3	2009.3	2010.3	2011.3 (Pros.)
Gross trading profit	89.3	92.4	44.7	–
Equity in earnings	0.6	0.3	0.7	–
Segment net income	38.9	52.0	37.6	23.5
Segment assets	641.9	538.3	615.0	–

* Figures are for total of Energy Division-I and Energy Division-II.

Equity Interest in Principal Subsidiaries

(Billions of yen)

	2008.3	2009.3	2010.3	Percentage of Voting Rights
Shenzhen Sino-Benny LPG Co., Ltd.	0.7	0.5	0.2	49.0%

Division Organization: Energy Administration Dept./LNG Dept./Natural Gas Project Development Dept./LPG Dept./Energy Trading Dept./Industrial Energy Dept./Energy Business Development Dept.

Generating Firm Profits in an Adverse Industry Environment with Lower Oil Demand

• Industry Environment and Fiscal 2009 Results

Market prices for crude oil stalled in the first half of fiscal 2009, with diminishing oil demand and other factors leading to an adverse operating environment overall.

From April, however, the price of crude oil, which hovered at a low $30 to $40 a barrel from the start of the year, began to trend higher, primarily atop an observed increase in oil demand on expectations that the global economy would quickly recover. By the end of December, prices had risen to close to $80 a barrel, settling around $83 a barrel by the close of March 2010. Conversely, natural gas prices, which shook off initial weakness at the beginning of the year, saw levels trend at around $4 to $6 per mmbtu, largely due to diminished demand. In Japan's oil market, the ongoing decline in domestic demand became more visible, as primary oil distributors one after the other announced plans to cut refining capacity.

Under these circumstances, the continuation of steady progress in the LNG sector on operations at projects in Qatar and Equatorial Guinea contributed to division earnings. Meanwhile, the Peru LNG Project, the only LNG operation in South America, which Marubeni has participated in since 2007, started operations in June 2010.

In energy trading, we secured some expected earnings atop solid demand for crude oil and petroleum products led by Asia, specifically China, South Korea, Taiwan, and India. In contrast, the marketing field saw profitability slip as further declines in oil demand in Japan and shrinking market scale triggered intense competition and caused margins to contract.

September 2009 marked the start of operations at the Laffan Refinery Project in Qatar, where the division has been involved since 2006, with production and shipments of naphtha and other petroleum products moving ahead smoothly.

As a result, in fiscal 2009, total segment net income from Energy Division-I and Energy Division-II ended higher than initial forecasts, but nonetheless declined ¥14.4 billion year on year, to ¥37.6 billion.

Continue Stable Operations in the LNG Business and Aim for Entrenchment and Expansion in Energy Trading

• Initiatives in Fiscal 2010

In the LNG sector, beyond pursuing opportunities to take part in new projects, we will work to maintain operational stability at existing projects in Qatar and Equatorial Guinea, and focus on stable operation of the Peru LNG Project which came online in mid-2010. In LNG trading, our plan is to move forward with building a value chain in a drive to enhance the division's earnings base.

In petroleum trading, in response to extreme volatility in crude oil prices and an increasingly complex oil market, we intend to expand business scope and strengthen alliances among division bases worldwide, and push ahead with developing operations overseas. In energy marketing, we look to offer distinctive, high-value-added services with the goal of emerging as a dominant market competitor.

At the Laffan Refinery Project in Qatar, the division will continue to concentrate on stable operations, while aiming to expand the merits of trade primarily through its share of petroleum products received.

The International Energy Agency (IEA) and other international bodies are projecting an increase in global oil demand coupled with rising prices. These forecasts notwithstanding, the structure of supply and demand remains vulnerable, and sudden drops in prices are an ever-present threat.

In this environment, Marubeni is committed to raising the level of profitability by expanding trade in the LNG sector, entrenching and broadening global trade opportunities in the field of energy trading, and enhancing the added value of services in the marketing field.

Business Topics

Operations at the Peru LNG Project Start in June 2010

Marubeni's participation in the Peru LNG Project began in August 2007. Construction work is proceeding as initially planned, and the first output for Mexico started on June 23, 2010. Considered the only source in South America for the global supply of LNG, the project in Peru joins similar ventures in Qatar and Equatorial Guinea as Marubeni's third major LNG project. From this base, Marubeni will seek to supply competitive LNG to the Pacific Rim region, where market growth is anticipated.

Steady Production Continues at the Laffan Refinery Project

This project, which Marubeni joined in November 2006, has seen consistent production and sales of naphtha, kerosene, diesel oil, LPG and other petroleum products since operations began in September 2009. Total maximum daily production volume at the plant now stands at 146,000 barrels. In addition to expanding Marubeni's oil refining operations, this project is expected to help promote stronger relationships with Qatar and Qatar Petroleum.

Energy Division-II

Products and Areas: Exploration, development, production and sales of oil and gas resources/Exploration, development and production of uranium resources/Uranium trading/Nuclear fuel-related services/Equipment and materials for nuclear power plants

Kazuaki Tanaka
Executive Officer, COO,
Energy Division-II

Message from the COO

The Energy Division-II was launched in April 2010, following the realignment and reconfiguration of the former Energy Division. The new division concentrates on two main strategic fields—upstream resource development, namely the exploration and development of oil and gas fields and uranium mines, and the broad field of nuclear fuel.

In upstream resource development, in conjunction with promoting exploration, development and production projects at oil and gas fields around the world, the division is taking part in a large-scale uranium mine development project in Kazakhstan. In the nuclear fuel sector, the division's focus is on uranium procurement and sales, providing services pertaining to each stage of the nuclear fuel cycle, and the sale of equipment and materials for nuclear power plants.

Sources of Strength

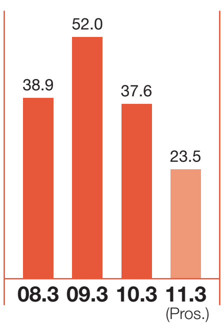
• Full-stage upstream resource development operations (exploration, development and production)

The division is steadily promoting oil, natural gas and uranium development projects in the United States, the United Kingdom, India, Qatar, Russia, Kazakhstan and other locations worldwide. In fiscal 2009, the division initiated commercial production at an oil and gas mining block under development in the U.S. Gulf of Mexico, and carried out successful exploration of a new oil field in the U.K. North Sea. Meanwhile, test production has commenced at the Kharassan uranium mines in Kazakhstan, with preparations for commercial production now under way. The division is also taking proactive steps to identify new prime resource development projects in an ongoing and assertive effort to increase its production and reserve volumes.

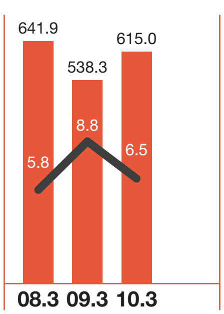
• Nuclear fuel business centered on expansion in uranium trading

The division is expanding its global procurement and sales of uranium, with efforts led by bases in Japan and the United States. The division is also vigorously developing wide-ranging business activities such as the provision of solutions services pertaining to each stage of the nuclear fuel cycle and, through operating companies, of nuclear power plant equipment and materials.

Net income
(Billions of yen)



Total assets & ROA
(Billions of yen) (%)



Total assets
ROA

* Figures are for total of Energy Division-I and Energy Division-II.
** Figures up to fiscal 2007 have been retrospectively restated in conjunction with organizational changes in fiscal 2008.

Business Highlights

(Billions of yen)

	2008.3	2009.3	2010.3	2011.3 (Pros.)
Gross trading profit	89.3	92.4	**44.7**	–
Equity in earnings	0.6	0.3	**0.7**	–
Segment net income	38.9	52.0	**37.6**	23.5
Segment assets	641.9	538.3	**615.0**	–

* Figures are for total of Energy Division-I and Energy Division-II

Division Organization: Energy Administration Dept./Oil and Gas E&P Dept./Sakhalin Project Dept./Nuclear Fuel Dept./Nuclear Fuel Project Dept.

Promotion of Development and Production of Upstream Resource Interests and Growth in Uranium Trading

• **Industry Environment and Fiscal 2009 Results**

The price of crude oil, which continued to linger at $30 to $40 a barrel at the start of 2009, began to trend higher from April, primarily atop an observed increase in oil demand on expectations that the global economy would quickly recover. By the end of December 2009, prices had risen to close to $80 a barrel, settling around $83 a barrel by the close of March 2010. In contrast, natural gas prices, which shook off initial weakness at the beginning of the year, saw levels trend at around $4 to $6 per mmbtu, largely due to diminished demand. The spot price for uranium, meanwhile, remained around $40 to $50 a pound during the year.

Under these circumstances, the division took aggressive action in the upstream resource development sector to promote exploration, development and production operations at project sites worldwide. July 2010 saw the start of commercial production at the Thunder Hawk oil and gas mining block in the U.S. Gulf of Mexico, followed in November 2010 by the successful exploration with other companies of an oil field in the U.K. North Sea. In uranium, progress was made toward the start of commercial production at the Kharassan uranium mines in Kazakhstan, where test production was already conducted. In nuclear fuel, we stepped up efforts to strengthen ties with entities involved globally in the purchase and sale of uranium, resulting in increased trading volume. In the same field, we added and improved services related to each stage of the nuclear fuel cycle, and focused particularly on expanding the division's trade of equipment and materials for nuclear power plants.

As a result, total segment net income in fiscal 2009 for Energy Division-I and Energy Division-II declined ¥14.4 billion year on year, to ¥37.6 billion.

Aggressively Promote Upstream Resource Development and Strive to Expand and Enhance the Nuclear Fuel Business

• **Initiatives in Fiscal 2010**

In upstream resource development, the division remains committed to aggressively promoting oil and gas field exploration, development and production operations in the U.S. Gulf of Mexico, the U.K. North Sea and other locations, in a push to further boost production and reserve volumes. At the same time, the division will also seek to acquire new prime projects. In uranium, we will steadily implement test production at our existing development project in Kazakhstan, as we move resolutely toward the start of commercial production in the future. Attention will also be given to identifying new projects. In the area of nuclear fuel, focus will be on expansion in uranium trading volume, enhancing our menu of services primarily for domestic power companies at each stage of the nuclear fuel cycle and improving value. Another task will be sales expansion in equipment and materials for nuclear power plants.

As noted above, in upstream resource development, our goals are to move aggressively forward with exploration, development and production operations at existing working interests, and to capture new prime projects. Where nuclear fuel is concerned, one target is to augment our uranium trading, as well as to expand and enhance other existing businesses to accumulate earnings.

Business Topics

Oil and Gas Exploration, Production and Development Operations in the Gulf of Mexico, North Sea and Other Sites

Marubeni holds working interests in oil and gas fields in the U.S. Gulf of Mexico, the U.K. North Sea, the Indian Ocean, Qatar, and Sakhalin. In July 2009, commercial production started successfully at the Thunder Hawk oil and gas mining block in the Gulf of Mexico. In November 2009, Marubeni, in collaboration with other companies, discovered a new oil field, subsequently named the Shaw Well, in the North Sea. Going forward, Marubeni remains staunchly committed to actions to maintain and expand its production and reserve volumes.

Uranium Mine Development Project in Kazakhstan

In Kazakhstan, home to the world's second largest uranium resource reserves, Marubeni in 2007 began participating in the Kharassan Uranium Mine Development Project. Test production has been initiated at the project, with preparations progressing toward commercial production. Marubeni is committed to actively promoting this important project, which will contribute to Japan's energy security.

Metals & Mineral Resources Division

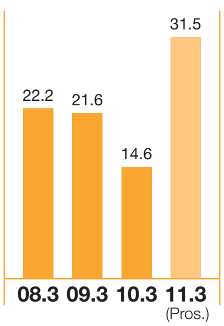
Products and Areas: Iron ore/Coal/Copper, zinc and rare metals/Aluminum/Ferroalloy, metals recycling/Non-ferrous and light metal products, electronic materials/Iron and steel products/Business investments related to the above

Shoji Kuwayama
Executive Officer, COO,
Metals & Mineral Resources Division

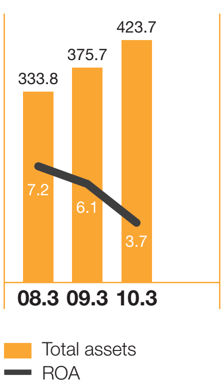
Message from the COO

The Metals & Mineral Resources Division seeks to expand earnings through returns from projects and margin from trading throughout the value chain. In upstream sectors, we are involved in areas such as metals and coal mine development and smelting operations, as well as in iron and steel products, electronic materials, recycling and other downstream sectors. Our operations also extend to innovative fields such as new energy. Following the addition of the iron and steel products business from fiscal 2010, the division will continue to operate and promote profitable projects where it can leverage Marubeni's strengths, and extend and develop its trading activities, from a medium- to long-term perspective.

Net income
(Billions of yen)



Total assets & ROA
(Billions of yen) (%)



* Figures up to fiscal 2009 reflect the organization prior to changes on April 1, 2010.
** Forecasts have been adjusted to reflect the new organizational structure in fiscal 2010.

Sources of Strength

• Business investments that enable substantial management input

In the mine development sector, most notably copper and coal, the division's holdings grant it significant influence over how projects are managed. Today, the division is working with business partners to implement strategies for delivering stable earnings, and is reinforcing frameworks that help meet users' supply stability needs.

• Top-class trading activities in many industry sectors

The division boasts one of the best transaction volumes in every product category and region, including coal, copper cathodes, and aluminum ingots. With the addition of the iron and steel products business from fiscal 2010, the division will organically link market data spanning raw materials to finished products in a bid to create greater added value and expand transaction volume.

• Growing environmental, new technology, recycling and downstream sectors

The division has businesses and trading activities that form its business base in each sector related to coalmining CDM, underground coal gasification, metals recycling, iron and steel products, and non-ferrous and light metal products. In tandem, the division is developing strategic relationships with technology partners and continues to pursue new business and trading opportunities.

Business Highlights

(Billions of yen)

	2008.3	2009.3	2010.3	2011.3 (Pros.)
Gross trading profit	19.1	34.2	19.9	–
Equity in earnings	16.7	11.3	13.6	–
Segment net income	22.2	21.6	14.6	31.5
Segment assets	333.8	375.7	423.7	–

Equity Interest in Principal Subsidiaries

(Billions of yen)

	2008.3	2009.3	2010.3	Percentage of Voting Rights
Marubeni Coal Pty. Ltd.	2.4	16.1	8.9	100.0%
Marubeni Aluminium Australia Pty. Ltd.	1.1	1.7	(0.5)	100.0%
Marubeni Los Pelambres Investment B.V.	14.4	5.6	7.8	100.0%
Marubeni-Itochu Steel Inc.	16.9	14.8	2.7	50.0%

Division Organization: Metals & Mineral Resources Administration Dept./Metals & Mineral Resources Development Dept./Iron Ore Dept./Coal Dept./ Non-Ferrous Metals & Ores Dept./Light Metals Dept./Metals & Mineral Resources Project Management Dept./ Iron & Steel Strategies and Coordination Dept.

Steady Progress in Existing Business Investments

• Industry Environment and Fiscal 2009 Results

During the first half of fiscal 2009, earnings from both the division's business investment and trade were lower, reflecting diminished demand and lackluster resource prices due to the continued impact of the global economic slowdown and drop in the real economy from the second half of fiscal 2008. The second half of fiscal 2009, however, saw an upturn in operating performance as commodities prices rebounded, largely atop a decrease in volatility in key countries' economies worldwide, robust resource demand in China, India and other emerging markets, and an influx of speculative capital.

In non-ferrous metals, we signed project and acquisition financing contracts totaling US$1.7 billion at the Esperanza and El Tesoro copper projects in Chile. Our ability to conclude such valuable financing contracts amid stringent financial market conditions is testament to the competitiveness of both projects. Development work at the Esperanza project is proceeding as planned ahead of the scheduled start of production during the fourth quarter of 2010. Despite unforeseen setbacks caused by the earthquake that struck Chile in February 2010, the division is working with partner Antofagasta PLC at full pace to complete construction work on schedule.

In coal, the smooth launch of operations and sales at the Lake Vermont Coal Mine in Australia, which began producing coal in February 2009, contributed to growth in division earnings. The mine initially opened amid a period of sharply subdued demand for steel raw materials. However, spurred by rapid recovery in demand, particularly from China, we developed an operational framework that enables full-scale production over a short period of time.

Extend Existing Business Investments and Broaden Scope for Possible New Investments

• Initiatives in Fiscal 2010

The Metals & Mineral Resources Division will continue adhering to a policy of acquiring prime resource assets as part of its long-term strategy. Today, the race between major mining firms and companies from emerging economies to acquire resource interests is intensifying. In this climate, the division will pursue measures to expand operations at the coal and copper mines, having positioned efforts to extend existing businesses as a definitive measure with a high probability of success. We will also take steps to broaden the scope of potential business investment opportunities to include mines in the exploratory stages, as well as metals that the division has no previous track record of investing in. Our intent here is to increase opportunities for the division to acquire mining interests.

In trade, along with striving to expand business scope in offshore trading and other areas that need powerful risk management skills, we will focus on further reinforcing division functions to fully meet requests from both buyer and seller clients.

The growth in market prices for raw materials for steel, as well as for non-ferrous and light metals, is widely projected in fiscal 2010. This trend will likely result in contributions to earnings from division business investments, most notably its coal and copper mines. Operations are also scheduled to commence at the Esperanza mine in the fourth quarter of 2010. Similarly, we aim to increase earnings by boosting trading volume in step with a recovery in actual demand, including in the iron and steel products business.

Business Topics

Financing Contracts Concluded at Copper Mining Projects in Chile

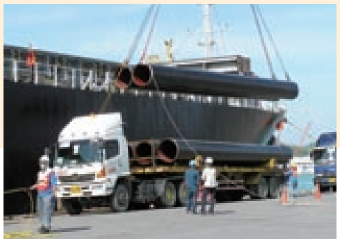
Marubeni signed financing contracts totaling US$1.7 billion related to the Esperanza and El Tesoro copper projects in Chile. At the Esperanza project, development work is proceeding apace toward the start of production in the fourth quarter of 2010.

Brisk Operations and Sales at the Lake Vermont Coal Mine in Australia

Production at the Lake Vermont Coal Mine in Australia, in which Marubeni holds a 33% interest, got under way in February 2009. Since then, the mine has moved steadily to establish an operational and sales framework capable of answering coal demand from emerging economies. Coal from the mine is also gaining a strong reputation for high quality among users.

Iron and Steel Business Expansion via Marubeni-Itochu Steel Inc. and Other Operating Companies

Marubeni, through Marubeni-Itochu Steel Inc. (MISI) and other operating companies, is extending its presence in the iron and steel business, an operation with importance relating to all the industrial fields. MISI, through ties with Marubeni, is delivering high-value-added services to clients worldwide as a total steel logistics producer.



Transportation Machinery Division

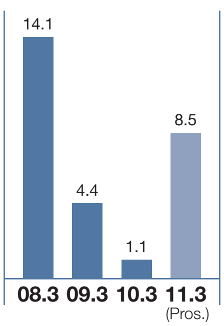
Products and Areas: Aircraft, helicopters/Defense systems/ Automobiles/Construction machinery/ Agro machinery/Ships

Kaoru Iwasa
Executive Officer, COO,
Transportation Machinery Division

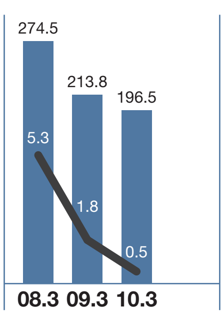
Message from the COO

After adding the Ship Unit to the Transportation Machinery Division in fiscal 2010, we are developing business across a broad field of transportation machinery (aircraft and defense systems, automobiles, construction machinery, agro machinery, and ships). In fiscal 2009, with the automotive, construction, and agro machinery markets in a slump, we have focused on reinforcing after-sales business and other fields where we can expect constant revenue even during economic downturns. Market recovery is widely expected in fiscal 2010, and we intend to make new investments in areas such as leasing and retail finance, in addition to improving profit margins in the existing business, to strengthen our functions and expand our business foundation.

Net income
(Billions of yen)



Total assets & ROA
(Billions of yen) (%)



Total assets
ROA

* Figures up to fiscal 2009 reflect the organization prior to changes on April 1, 2010.
** Forecasts have been adjusted to reflect the new organizational structure in fiscal 2010.

Sources of Strength

• Expanding the product lineups in Europe and North America through investment and trade in aerospace and defense system fields

Investment in development programs for world-class large aerospace engines of Rolls-Royce (U.K.), passenger aircraft of Embraer S.A. (Brazil), business jets of Gulfstream Aerospace Corporation (U.S.A.), large helicopters of AgustaWestland (U.K./Italy), and electronic devices of the Thales Group (France) have been contributing to the profit of the division.

• A wide variety of functions, such as trade and retail finance, in the automotive, construction and agro machinery fields

We operate a wide variety of businesses worldwide. These businesses include the trade, wholesale and retail finance of construction and agro machinery in emerging economies in the Middle East, Latin America, and other regions, along with car dealer franchises in the United States, the United Kingdom and Australia.

• Organizing function in the ship business

In the ship business, we have a value chain in new shipbuilding transactions, as well as ship chartering operations, trade in second-hand ships and ship equipment, ship ownership and other related operations. Through the value chain, the division brings the organizing function of a general trading company to develop a global ship business that organically integrates the needs of ship operators, owners, dockyards and financial institutions.

Business Highlights

(Billions of yen)

	2008.3	2009.3	2010.3	2011.3 (Pros.)
Gross trading profit	51.1	46.8	33.1	–
Equity in earnings	4.5	2.8	2.1	–
Segment net income	14.1	4.4	1.1	8.5
Segment assets	274.5	213.8	196.5	–

Equity Interest in Principal Subsidiaries

(Billions of yen)

	2008.3	2009.3	2010.3	Percentage of Voting Rights
Marubeni Aviation Services Ltd.	2.8	3.0	2.9	100.0%
Marubeni Auto Investment (UK) Ltd.	0.8	0.6	0.7	100.0%

Division Organization: Transportation Machinery Administrative Dept./Aerospace & Defense Systems Dept./Automotive Dept./Construction Machinery Dept./Agro Machinery Dept./Ship Dept.

Reconfiguring the Earnings Structure in Existing Businesses

• Industry Environment and Fiscal 2009 Results

In fiscal 2009, global sales volume of automobiles fell 8.3% to 6.23 million units, due to a slump in demand for automobiles amid the economic recession. This trend was especially evident in Europe and the United States, with many countries recording double-digit declines in demand. Similarly, a harsh environment persisted in global demand of construction machinery, amid lingering uncertainty in American and European markets despite signs of market recovery in China and other parts of Asia. Our trade sales did not recover, due to weak market conditions in automobiles, construction machinery and agro machinery worldwide. Nevertheless, we strove to improve profitability by reviewing the organizational and earning structures of subsidiaries, and focused on reinforcing our product support operations, a field less susceptible to economic fluctuations. In the aerospace and defense system fields, a slump in the Japanese aerospace industry and other factors fueled a severe operating environment. Despite these conditions, in fiscal 2009, we sold six Brazilian-made passenger aircraft to J-AIR Corporation and Fuji Dream Airlines, and saw steady sales growth in the defense system field. As a result, consolidated gross trading profit was ¥33.1 billion, and net income was ¥1.1 billion in fiscal 2009.

Bolster Functions and Expand the Business Base

• Initiatives in Fiscal 2010

In fiscal 2010, the Transportation Machinery Division is engaged in business under the new structure that includes the ship field as well as other core fields such as aerospace and defense systems, automobiles, construction machinery and agro machinery. During the year, a recovery in market conditions is projected, while at the same time, the results are expected to emerge from measures to restructure the earning platforms of existing businesses taken in fiscal 2009. One goal for the year is to form both a stable earnings base and business portfolio through investments in priority fields less susceptible to economic fluctuations. In the aerospace and defense system fields, we will seek to develop a stable earnings base by reinforcing leasing, aftermarket services, and other new functions. In the field of automobile, construction machinery and agro machinery, we will broaden investment in the retail finance and product support businesses in addition to our trade business. In the ship field, we will take steps to expand the business base through new projects in the value chain, specifically tailored to meet customers' requirements.

Business Topics

Antarctic Activity by Large European-Made Helicopters for Which Marubeni Served as Sales Agent

In November 2009, the Shirase, an Antarctic scientific observation vessel belonging to Japan's Ministry of Education, Culture, Sports, Science & Technology, left Harumi Harbor, Tokyo. AgustaWestland AW-101 (CH-101) helicopters, licensed in Japan and manufactured by Kawasaki Heavy Industries, Ltd., were on board. The helicopters played a vital role in facilitating the transportation of research staff and supplies to Showa Station in Antarctica.

New Automobile Showrooms Established in Europe and the United States

In May 2009, we opened new Honda showrooms in Boston and in London. After the opening of the Suzuki showroom in London in December 2009, another Suzuki showroom was opened in Manchester in February 2010. With these new showrooms, we will enlarge business scale and expand earnings platforms in Europe and the United States.

Global Development for Shipping Business

In January 2010, a 56,000 DWT-type bulk carrier, ordered by Panama-based ship owner Ocean Leader Navigation S.A., was completed at the Chiba Works of Mitsui Engineering & Shipbuilding Co., Ltd. Going forward, by organically binding customer needs, we plan to develop the ship business on a global scale.

Power Projects & Infrastructure Division

Products and Areas: EPC for overseas power projects/Power service and maintenance businesses/I(W)PP and other overseas power businesses/Power consolidation and retailing/PPS business in Japan/EPC for environmental infrastructure projects/Drinking water, wastewater treatment, desalination and other water operations

Masumi Kakinoki
Executive Officer, COO,
Power Projects & Infrastructure Division

Message from COO

The Power Projects & Infrastructure Division strives to contribute to society as a global player in public infrastructure, with a focus on overseas I(W)PP and water projects. In tandem, the division is continuing to consistently grow earnings and advance into new business domains. Capitalizing on Marubeni's strengths, and backed by solid regional sales bases and ample business experience in overseas I(W)PP, water, EPC for overseas power projects, domestic and overseas power trading businesses, and renewable energy, the division will seek to replace and acquire assets and further expand its businesses.

Sources of Strength

• Generation assets with a net generating capacity of 7.2 GW, comparable to that of some domestic power companies

The Power Projects & Infrastructure Division is expanding its power generating capacity, already top among Japanese trading companies, to a level comparable to that of leading Independent Power Producers from the U.S. and Europe.

• One of Japan's most diverse water business portfolios

The division is developing diverse water businesses in Central and South America, China and the Middle East, ranging from drinking water, wastewater and desalination operations to fully integrated water businesses. The division's ample business experience and supply scale rank it as one of the top companies active in this sector in Japan.

• Solid regional sales base and expertise in the arrangement, development and implementation of sophisticated finance programs

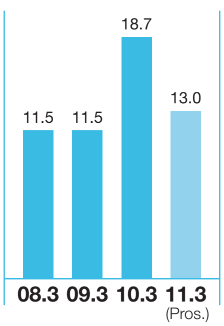
With development bases in New York, London, and Hong Kong, in addition to the head office, the division has built a solid regional sales base and is promoting the formation of a well-balanced I(W)PP asset portfolio. Other division strengths are its diverse project finance arrangements and expertise in EPC and operation and maintenance.

• Ample proven results and distinct EPC management capabilities in the overseas power plant EPC field

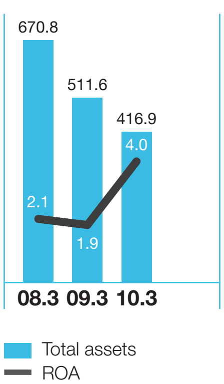
Since embarking on the delivery and construction of overseas power generation facilities in the 1960s, the division has built an impressive track record in the field and, through collaborations with European and U.S.-based manufacturers, has established a unique project management methodology. In addition to achievements as an EPC contractor that are second to none, the division is realizing synergies with I(W)PP project development.

* The above data is current as of fiscal 2009.

Net income
(Billions of yen)



Total assets & ROA
(Billions of yen) (%)



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** Forecasts have been adjusted to reflect the new organizational structure in fiscal 2010.

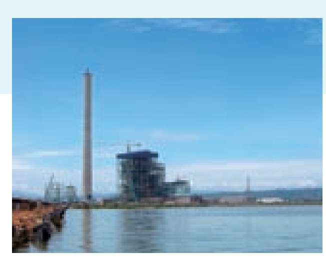
Business Highlights

(Billions of yen)

	2008.3	2009.3	2010.3	2011.3 (Pros)
Gross trading profit	40.5	50.1	26.4	–
Equity in earnings	7.9	11.5	16.0	–
Segment net income	11.5	11.5	18.7	13.0
Segment assets	670.8	511.6	416.9	–

Financing Contracts Signed for Cirebon Thermal Power Plant Project in Republic of Indonesia

On March 8, 2010, Marubeni signed a project financing contract valued at US$600 million with the Japan Bank for International Cooperation, the Export-Import Bank of Korea, and other banking groups pertaining to the Cirebon thermal power plant project. Marubeni is the lead developer on the project. Construction of the power plant, Indonesia's first to adopt supercritical pressure technology, is scheduled to complete in October 2011.



Division Organization: Power Projects & Infrastructure Administration Dept./
Power Projects & Infrastructure Asset Management Dept./Overseas Power Project Dept.-I/Overseas Power Project Dept.-II/
Overseas Power Project Dept.-III/Domestic Power Project Dept./Environment Infrastructure Dept.

Securing a Stable Earnings Base and Rigorous Selection of Additional Business Assets

• Industry Environment and Fiscal 2009 Results

Tracking clear upward trends in resource and fuel prices, the global economy showed signs of recovery from the second half of fiscal 2009, signaling that the worst in the economic environment may be over. But while the year saw an increase in new I(W)PP, overseas power plant EPC projects, and M&A activity worldwide, fiscal 2009 remained a harsh business year overall. In this climate, Marubeni's existing I(W)PP and water projects, which are typically backed by long-term power purchase agreements and other sources of stable earnings, held firm. Taking advantage of this resiliency to economic change, we continued to secure steady growth in earnings for the division. We also moved to acquire new assets and replace certain others, all while carefully identifying promising business projects. These efforts culminated in several achievements in our business areas during the year. Among other actions, the division opted to take part in the Shuweihat S2 I(W)PP in the U.A.E., acquired the power plant portfolio of U.S.-based Invenergy Thermal Financing, acquired a stake in the Hallett 4 wind farm project in Australia, joined in a water project in Lima, Peru, became a partner in wastewater treatment operations in China, and inked a finance contract for the Cirebon Project in Indonesia. In overseas power plant EPC, the division won its fourth order in five years for a power-generation facility construction contract in Thailand, consisting of a Combined Heat and Power plant for IRPC Public Company Limited. As these examples illustrate, in addition to stable earnings from existing power and water business assets, coupled with earnings from brisk overseas power plant EPC business, the division replaced certain overseas power business assets in Asia. As a result, segment gross trading profit for fiscal 2009 was ¥26.4 billion, with segment net income of ¥18.7 billion.

Enlarge the Scale of Power and Water Businesses to Leap Forward as a Top Global Player

• Initiatives in Fiscal 2010

In the overseas I(W)PP business, the Power Projects & Infrastructure Division remains committed to growing business scale by acquiring stringently selected prime business assets in Asia, the Middle East and the Americas, with a view to achieving a well-balanced regional portfolio and optimizing investment returns. At the same time, under integrated management of division assets, we will move assertively to improve the earnings power of existing projects and replace power generation assets.

In water operations, the division will leverage its wide-ranging business track record and expertise cultivated in the overseas IPP business to encourage growth in business scale and business domains in regions such as Central and South America, Asia and the Middle East.

In the overseas power plant EPC sector, we will look to secure new contracts notably in priority markets like Asia, and seek to make the service and maintenance businesses peripheral to EPC more diverse.

In retail power sales in Japan, the division, taking advantage of low-carbon power generation assets, will work to expand its earnings base by securing additional sources of electricity and increasing the number of customers. These efforts will dovetail with continued proactive measures to enhance added value on the environmental front.

Business Topics

Acquisition of Power Plant Portfolio of U.S.-based Invenergy Thermal, LLC

In May 2009, Marubeni acquired from power developer Invenergy Thermal, LLC a 49% stake in Invenergy Thermal Financing, LLC, a company with power assets totaling 1,041 MW from natural gas-fired thermal power plants in Florida, Colorado, and Minnesota in the United States. The company's power generation business is chiefly driven by environmentally friendly natural gas and wind power.

30% Equity Stake in Anhui Guozhen Environment Protection Science and Technology Joint Stock Co., Ltd.

As an assertive advance into the water treatment business in China, Marubeni has taken a 30% equity stake in Anhui Guozhen Environment. In addition to running water treatment operations at 11 sites in Jiangsu, Hunan, Guangdong, Anhui and other provinces, Anhui Guozhen Environment is involved in O&M, wastewater treatment site construction, and the manufacture and sale of wastewater treatment equipment.

Power Generation Facility for IRPC of Thailand

Marubeni accepted an order from oil refining and petrochemicals firm IRPC Public Company Limited, an affiliate of the PTT Group of Thailand, for the construction of a cogeneration system supplying electricity and steam, with a maximum power output of 220 MW. Electricity and steam produced by the plant will be used within IRPC's petrochemicals complex.

Plant & Industrial Machinery Division

Products and Areas: Promotion of oil, gas and chemical plant projects, steel, non-ferrous metals and cement plant projects, pulp, paper and textile plant projects/
Greenhouse gas reduction projects/Railway, airport and other transportation infrastructure/
Industrial and production machinery and machine tools/
New energy and environment-related equipment

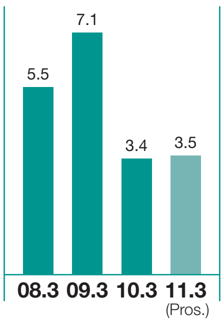
Motoo Uchiyama
Executive Officer, COO,
Plant & Industrial Machinery Division

Message from the COO

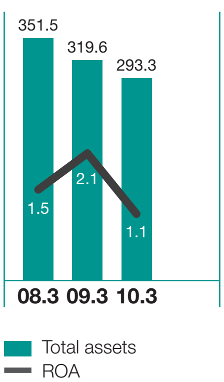
The division's business domain consists of four main segments; i) plants for oil, gas, chemicals, steel, non-ferrous metals, cement and pulp and paper industries; ii) transportation projects; iii) industrial and production machinery; and iv) environmental projects, including Clean Development Mechanism (CDM) projects.

By leveraging expertise accumulated through various projects over the years, we offer customers the best solutions for project development, promotion and execution. Ultimately, we aim to be a partner that consistently exceeds customer expectations. We also actively seek out opportunities to develop and participate in new business, in collaboration with strategic partners around the world.

Net income
(Billions of yen)



Total assets & ROA
(Billions of yen) (%)



* Figures up to fiscal 2009 reflect the organization prior to changes on April 1, 2010.
** Forecasts have been adjusted to reflect the new organizational structure in fiscal 2010.

Sources of Strength

• Experience and expertise to provide solutions to customers for Engineering, Procurement and Construction (EPC)

The division, through its experience over the years in the full range of plant and transportation projects, has accumulated technical expertise, strong relationships with engineering companies and equipment manufacturers, and expertise in project and risk management. The division leverages these skills in its efforts to gain EPC contract awards.

• Top-ranked industry record of greenhouse gas reduction initiatives

The division has an extensive track record and great expertise in development of greenhouse gas reduction projects that rank it as one of the top among trading companies. Based on this expertise, the division plans to pursue initiatives in three areas: emissions credit development and trade, environmental EPC business, and investment in environmental business.

• Establishing customer and partner trust and diversification of functions matched to customer needs

Based on its initiatives and track record in a host of countries and regions, as well as strong relationships with customers, including national oil and gas companies, the division offers a wide range of functions, including finance arrangement, supply of raw materials and marketing of products. Leveraging these functions, the division expands existing businesses and develops new business fields. In the trade of industrial, production and textile machinery, the division proactively proposes new products and technology to our customers.

Business Highlights

(Billions of yen)

	2008.3	2009.3	2010.3	2011.3 (Pros.)
Gross trading profit	25.9	25.2	21.7	–
Equity in earnings	2.5	5.9	0.8	–
Segment net income	5.5	7.1	3.4	3.5
Segment assets	351.5	319.6	293.3	–

Equity Interest in Principal Subsidiaries

(Billions of yen)

	2008.3	2009.3	2010.3	Percentage of Voting Rights
Midwest Railcar Corporation	0.5	0.5	0.6	100.0%
Marubeni Techno-Systems Corp.	0.3	0.6	0.3	100.0%

Division Organization: Plant & Industrial Machinery Administration Dept./Heavy Machinery & Natural Resources Plant Dept./Energy & Chemical Projects Dept./Global Environmental Projects Dept./Railway & Transport Project Dept./Transport Project Management Dept./Pulp & Paper Machinery Dept./Industrial Machinery Dept./Production Machinery Dept.

Contracts Awarded on the Basis of Comprehensive Strength

• Industry Environment and Fiscal 2009 Results

In fiscal 2009, as in the previous fiscal year, the impact of the economic recession triggered by the global financial crisis led customers to delay or temporarily suspend their projects. In the second half of the year, however, there were signs of improvement, including an economic rebound particularly in emerging economies, as well as the resumption of certain projects as prices of natural resources rose.

As for our subsidiaries, business performance improved steadily at our railcar leasing company in the United States; we also took a significant stake in a railcar leasing company in Australia. Additionally, we invested in a dealer of general-purpose machine tools in order to broaden the sales area for this industry.

In the field of plant and transportation projects, we further consolidated our comprehensive strength by linking our market/product knowledge and finance arrangement skills accumulated over the years, collaborating with in-house commodity divisions. Capitalizing on these abilities, we managed and executed our backlogs smoothly, and were awarded a number of new project contracts. Examples here included a fertilizer plant rehabilitation project in Iraq, biomass-based power-generation facility projects in Asia, and a textile plant project in Africa.

In the environmental projects field, we pushed forward with the development and realization of greenhouse gas reduction projects, including those based on the CDM (Clean Development Mechanism) and JI (Joint Implementation) program. On a volume basis, the total emissions credits generated places Marubeni among the top tier of general trading companies in this sector. Sales of photovoltaic cell manufacturing facilities to the Japanese and European markets also grew steadily during the year.

As a result, in fiscal 2009, segment gross trading profit totaled ¥21.7 billion, and segment net income amounted to ¥3.4 billion.

Striving for Further Growth and Expansion Through More Robust Functions

• Initiatives in Fiscal 2010

As in the second half of fiscal 2009, fiscal 2010 will likely see the resumption of suspended projects, along with the start of new projects. As in the previous year, the division will need to effectively respond to progressively more complex geopolitical, energy and environmental factors, capital markets, and increasingly diverse customer needs. For each project, we will strive to offer best solutions matched to customer needs. To do this, we will enhance not only our market knowledge and EPC know-how, but also the integration skill of various in-house functions, such as the supply of raw materials, product marketing, and finance arrangement, as well as our capabilities with respect to risk management.

In petrochemical, steelmaking, cement, pulp and paper, and other industrial plant and transportation projects, we will focus on consolidating functions for essential solutions in order to expand business transactions. In the field of industrial and production machinery and machine tools, we will take steps to increase trade volume and markets. In the business investment area, we plan to take action to accumulate more prime business assets, in addition to existing investments in natural resources, railcar leasing and other areas.

In environmental projects, greenhouse gas reduction continues to be a common concern worldwide, with further market growth anticipated. Under such circumstances, Marubeni will engage in emissions credit trading, an area where it ranks in the top tier among Japanese trading companies, and will distribute photovoltaic generation facility-related equipment, a business sector that is steadily growing. At the same time, we plan to extend our efforts with respect to environmental projects, a wide-ranging field covering global warming countermeasures, biotechnology and energy efficiency-related projects.

Business Topics

Contract Awarded for Onsite Power Generation Facilities for Jiangsu Oji Paper Co., Ltd.

Utilizing its well-developed engineering expertise and skills in equipment procurement and project management, Marubeni received a contract award for onsite power generation facilities for Jiangsu Oji Paper Co., Ltd. in China. Marubeni remains committed to consolidating its comprehensive strength, including technical skills, and continues efforts for more contract awards.

Delivery of Hot Strip Mill with Annual Capacity of 3.5 Million Tons to JSW Steel Ltd.

After receiving the order in January 2007, Marubeni completed the delivery and installation work for a Hot Strip Mill for JSW Steel Ltd., a private steel company in India. The facility began operation at the end of March 2010.

Contract Signed for Rehabilitation of Textile Plant for the Ministry of Trade, Republic of Angola

Marubeni signed a contract with the Ministry of Trade, Republic of Angola, for a textile plant rehabilitation project. The full turnkey project includes the delivery and installation of textile machinery and the refurbishment of existing buildings. Once completed, this project will help to revive Angola's industrial sector, promote employment opportunities, and contribute to revitalizing the region.

Real Estate Development Division

Products and Areas: Condominium sales in Japan/
Real estate investment business/
Overseas real estate development business/
Real estate rental and brokerage/
REIT management

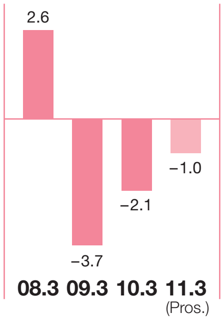
Ikuo Yoshida
Executive Officer, COO,
Real Estate Development Division

Message from the COO

The Real Estate Development Division and its operating companies are involved in a wide range of real estate businesses, with the condominium sales business in Japan, real estate investment business, and overseas real estate development business as core earnings drivers. Signs of a recovery in real estate transactions have gradually emerged for the first time since fiscal 2008, when the market was hit hard by the global economic recession. Consequently, we intend to move vigorously in fiscal 2010 to purchase land for use in our condominium business in Japan, as well as dynamically promote business development in rapidly growing China and Southeast Asia.

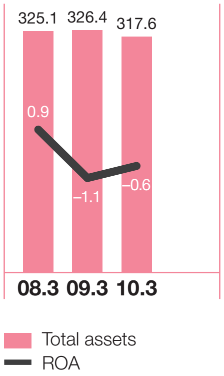
Net income (loss)

(Billions of yen)



Total assets & ROA

(Billions of yen) (%)



* Figures up to fiscal 2007 have been retrospectively restated in conjunction with organizational changes in fiscal 2008.

Sources of Strength

• Ample experience in the condominium business

The Real Estate Development Division has supplied approximately 75,000 residences since first entering the condominium business in the 1960s. Today, under the “Grand-Suite” brand, the division promotes business through an integrated system, together with operating companies, that encompasses everything from product planning and sales to post-sales management services.

• Substantial development experience in China’s housing business

In 1985, the division became the first Japanese real estate developer in China when it took part in a rental housing project for foreign nationals in Shanghai, China. This milestone was followed by establishment of a joint venture with local partners, and marked the division’s full-scale entry into China’s housing business. To date, the division has developed roughly 4,000 residences, including detached dwellings and condominiums.

• Comprehensive business promotion through alliances with operating companies

Through ties with operating companies in fields peripheral to real estate development, the division brings the comprehensive capabilities of the Group to bear in promoting business operations. Alliance areas include property management and Internet connection services for condominiums, real estate rentals, and asset management related to real estate investment.

Business Highlights

(Billions of yen)

	2008.3	2009.3	2010.3	2011.3 (Pros.)
Gross trading profit	32.4	23.0	22.6	–
Equity in earnings (losses)	0.1	(0.5)	(0.5)	–
Segment net income (loss)	2.6	(3.7)	(2.1)	(1.0)
Segment assets	325.1	326.4	317.6	–

Equity Interest in Principal Subsidiaries

(Billions of yen)

	2008.3	2009.3	2010.3	Percentage of Voting Rights
Shanghai House Property Development Co., Ltd.	0.9	0.4	1.2	60.0%
Marubeni Community Co., Ltd.	(0.4)	0.3	0.7	100.0%
Marubeni Real Estate Co., Ltd.	0.4	0.4	0.8	100.0%

Division Organization: Real Estate Development Administration Dept./Housing Engineering & Customer Service Dept./Housing Development Dept.-I/Housing Development Dept.-II/Urban Development Dept./Overseas Real Estate Development Dept./Real Estate Business Dept./Real Estate Management Dept.

Commercializing Existing Projects and Engaging in Carefully Screened Investments

• Industry Environment and Fiscal 2009 Results

In fiscal 2009, roughly 79,000 condominium residences were supplied in Japan, falling below 80,000 units for the first time since 1992, and office building vacancy rates in Tokyo's five central wards rose above 8% for the first time since 2003. In contrast, China's real estate market, benefiting from government-backed economic stimulus measures, achieved a swift recovery from the start of 2009.

In this environment, we made steady progress in commercializing existing properties in fiscal 2009, while also moving to acquire new properties.

In the condominium business in Japan, we rigorously selected new investment projects, with a focus on major cities where future demand is anticipated. In operations peripheral to the condominium business, condominium management company Marubeni Community Co., Ltd. increased the number of units under management to roughly 112,000, while condominium Internet connection professional Tsunagu Network Communications, Inc. saw the number of service subscribers climb to 170,000 residences. These and other achievements served to enhance the division's earnings base during the year.

In the overseas real estate development business, we completed construction on two projects in Shanghai, China—Qi Lin Park (stage 2: detached housing) and Lu Ming Garden (stage 2: condominiums)—all available units of which have been sold.

Turning to the real estate investment business, we completed construction on and began operating two urban commercial buildings—Luz Jiyugaoka and Luz Shinsaibashi.

As a result, segment results for fiscal 2009 were gross trading profit of ¥22.6 billion, and segment net loss of ¥2.1 billion on a consolidated basis. This outcome is the culmination of contributions to earnings from sales in the Chinese market in the overseas real estate development business, the still recovering Japanese real estate market and progress in dealing with less-profitable projects.

Carefully Screen New Investments and Bolster Operating Companies to Switch to a Profitable Earnings Structure

• Initiatives in Fiscal 2010

The real estate market environment is changing, as demonstrated by the impact of a falling birthrate and rapidly aging population in Japan, and by real estate market growth in China and other newly emerging economies. In response, the Real Estate Development Division is looking to transform its earnings structure. In the condominium business in Japan, we plan to carefully select new investments, with an emphasis on major cities where future demand is anticipated. In the overseas real estate development business, in addition to steadily promoting existing projects in China, we will identify new projects in China and across Asia to promote ongoing business development. Where operating companies are concerned, our mission is to realize highly sustainable operations. Along with strengthening our earnings base through growth in the number of units under management and service subscribers at Marubeni Community Co., Ltd. and Tsunagu Network Communications, Inc., respectively, we will encourage growth in the fee businesses of Japan REIT Advisors Co., Ltd. and Marubeni Asset Management Co., Ltd., as well as improved rental earnings from Marubeni Real Estate Co., Ltd.

With respect to earnings, however, fiscal 2010 is likely to be another challenging year, as we move forward with replacing existing assets with low profitability, and seek out new properties with better earnings potential.

Business Topics

GS Chikusa Tower

In January 2010, Marubeni completed the construction of "Grand-Suite Chikusa Tower," a 164-unit, 30-story skyscraper condominium in Chikusa Ward, Nagoya, Japan. The tower, the tallest building in Chikusa Ward at the date of sale, has been praised as a tower condominium with a robust seismic isolation design.

Luz Shinsaibashi

March 2010 saw the public opening of "Luz Shinsaibashi," an urban commercial building developed by Marubeni in Osaka's Chuo Ward. The tenant for the first to fourth floors of the building is world-renowned "fast fashion" brand shop H&M (Hennes & Mauritz).

(Photo courtesy of H&M)

Shanghai Jia Ding Project

In February 2010, Marubeni broke ground on the "Shanghai Jia Ding Project," with development spearheaded by subsidiary Shanghai House Property Development Co., Ltd. The first stage of the planned multifaceted complex, which will include condominium residential units and commercial facilities, is scheduled for completion in December 2011.

Finance, Logistics & IT Business Division

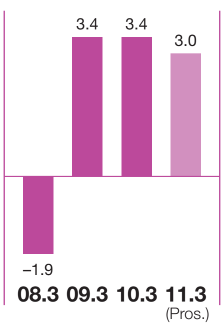
Products and Areas: Fund, lease and asset management/Insurance broking/Third-party logistics and international logistics, and logistics infrastructure/Systems solutions/Network services/BPO, pharmaceutical, and health care-related businesses/Sales of PC-related products and mobile terminals/Communications and broadcasting-related systems

Hikaru Minami
Executive Officer, COO,
Finance, Logistics & IT Business Division

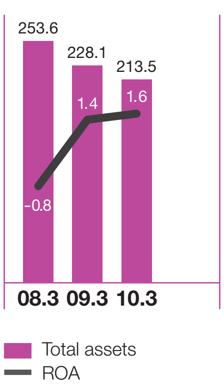
Message from the COO

The Finance, Logistics & IT Business Division pursues operations in fields that are relatively new for general trading houses, providing outsourced services primarily to domestic and international private enterprises and public institutions in the business areas of finance, insurance, logistics, and information. As industry structure and clients' needs change, the division seeks to achieve sustained growth by blending its know-how and resources to provide comprehensive, high-value-added services to support our customers' management bases.

Net income (loss)
(Billions of yen)



Total assets & ROA
(Billions of yen) (%)



* Figures up to fiscal 2009 reflect the organization prior to changes on April 1, 2010.
** Forecasts have been adjusted to reflect the new organizational structure in fiscal 2010.

Sources of Strength

• Superior ability to provide comprehensive IT services

The Finance, Logistics & IT Business Division is strengthening its hand in targeting corporations, from consulting and systems development to the sale of IT-related equipment and mobile terminals, as well as in broadband network services, call centers and other business process outsourcing sectors. In this way, the division is able to offer comprehensive IT business solutions to its customers.

• Provision of logistics solutions and leading position among general trading houses in the container terminal business

The division supports improvements to customers' businesses by providing optimal logistics solutions, encompassing everything from logistics design to operations, based on years of experience and achievements in this area. The division is also actively engaged in the container terminal management business, underpinned by more than 15 years of overseas experience in this field.

• Rich experience in fund management

In 1997, the division joined with Advantage Partners, LLP to form Japan's very first buyout fund. Leveraging a steady management track record since then, as well as years of experience and trading company functions embedded in supply-chains and business services, the division is developing financial operations that set it distinctly apart from conventional financial institutions.

Business Highlights

(Billions of yen)

	2008.3	2009.3	2010.3	2011.3 (Pros.)
Gross trading profit	41.6	51.9	45.9	–
Equity in earnings (losses)	0.8	0.6	(0.1)	–
Segment net income (loss)	(1.9)	3.4	3.4	3.0
Segment assets	253.6	228.1	213.5	–

Equity Interest in Principal Subsidiaries

(Billions of yen)

	2008.3	2009.3	2010.3	Percentage of Voting Rights
Marubeni Information Systems Co., Ltd.	0.1	0.9	1.1	100.0%
VECTANT Ltd.	3.9	0.5	0.6	100.0%
Global Access Ltd.	0.6	1.2	1.5	100.0%
Marubeni Telecom Co., Ltd.	0.6	1.3	1.1	100.0%
Marubeni Safenet Co., Ltd.	0.5	0.5	0.4	100.0%
Marubeni Logistics Corporation	0.4	0.4	0.2	100.0%

Fortifying the Business Base in a Severe Operating Environment

• Industry Environment and Fiscal 2009 Results

Persistent economic weakness worldwide from fiscal 2008 continued to impact the Finance, Logistics & IT Business Division's wide-ranging business fields during the year under review. In the finance sector, stock markets began to regain vigor during the second half of the year, enabling the division to secure a modicum of earnings despite the pain felt from contraction and turmoil in the markets. In the logistics and insurance fields, adverse conditions persisted, reflecting the lackluster movement of freight and subsequent declines in shipping rates, coupled with lower insurance revenues. These trends began to reverse, however, in the second half of the year, enabling division performance to recover to levels not seen since the collapse of Lehman Brothers. In information and communications, performance was relatively robust, reflecting the stock-based earnings business model that limited the impact of the current economic slowdown on the network sector. Performance in systems solutions, PC and mobile terminal sales, and the BPO sector was steady overall, as cost reductions and other efforts proved sufficient to cover the effects of subdued capital investments and operational contraction among corporate customers. In emissions credit trading, while demand in Japan declined in step with stagnant economic conditions, a certain level of demand persisted in Europe and other parts of the world, helping credit prices to remain firm.

Faced with an operating environment that was harsh overall, we took steps to strengthen our financial position and earnings power by, among other actions, optimizing the division's asset portfolio. In tandem, the division concluded a comprehensive agreement for emissions credit procurement with Russia's Gazprom Group, promoted a cloud computing service business, and developed RFID solutions to help improve customers' logistics operations, all as part of future-oriented business measures. We also laid the groundwork to pursue more robust measures targeting the remarkable growth markets of China and ASEAN.

As a result, in fiscal 2009, segment gross trading profit totaled ¥45.9 billion, and segment net income amounted to ¥3.4 billion on a consolidated basis.

Addressing Growth Markets and Developing New Services

• Initiatives in Fiscal 2010

In the finance field, while continuing to closely monitor market conditions, we will seek to grow earnings in the division's domestic and overseas fund and leasing businesses, coupled with our full-scale entry into asset management. In logistics, we will bolster our bases and networks in China and the ASEAN region, with efforts centered on Shanghai Jiaoyun Rihong International Corporation established last year. We also intend to move forward with promoting overseas operations in the insurance field. In the information and communications field, meanwhile, our focus will be on lifting the earnings power of existing operating companies Global Access Ltd., VECTANT Ltd., and Marubeni Information Systems Co., Ltd., and to put our cloud computing services business and other new operations on track. In addition, we will push ahead in business process outsourcing with strengthening our call center operations, plus the development of new services in the pharmaceutical and health care field. Finally, leveraging synergies between the latest addition to the division—the Overseas Telecom & Information Dept.—and the existing information and communications sector, we will strive to cultivate security system projects and other initiatives in our key markets of South Africa and Vietnam. At present, the bulk of the division's earnings come from domestic operations. However, we plan to enhance our presence in the rapidly growing Chinese and ASEAN markets going forward. On a separate note, the decision was made to transfer the Environmental Business Development Dept., engaged primarily in emissions credit trading, to the Plant & Industrial Machinery Division from fiscal 2010.

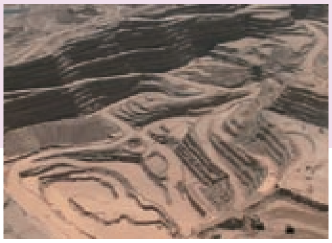
Business Topics

Development of Cloud Computing Services

Marubeni began offering Virtua Top, a virtual desktop service constructed and operated at the Company's data centers that caters to the thin client terminals being adopted by a growing number of enterprises. Marubeni is also rolling out a digital signage platform in partnership with the NTT Group.

Insurance Brokerage for Chilean Copper Mining Firm

Marubeni, in conjunction with operating company Marnix Corporation, has successfully arranged an insurance program for a Chilean copper mining firm in which it holds equity interests. This achievement represents the first time that a Japanese non-life insurer has extended full-fledged insurance coverage to overseas copper mines, and is expected to contribute to stable copper mine operations.



Comprehensive Agreement with Gazprom Group for Trade of Emissions Credits to Japan

To respond more flexibly to demand for emissions credits in Japan, Marubeni entered a comprehensive agreement with Gazprom Marketing & Trading for the sale of emissions reduction units (ERUs) to the Japanese market. This mechanism will enable Marubeni to contribute to measures to prevent global warming.

Overseas Operations

Marubeni has 118 bases spanning 71 countries and regions around the world, as well as 272 consolidated subsidiaries. The networks that these assets represent allow Marubeni to gather live market information and data along both geographical and product dimensions. They also serve as a driving force in bringing the Company's comprehensive capabilities to bear. As such, these networks are vital to offering the kind of global value that only Marubeni, as a general trading company involved in the development of multifaceted businesses across a wide range of fields, can provide.

Market Strategy Promotion Structure

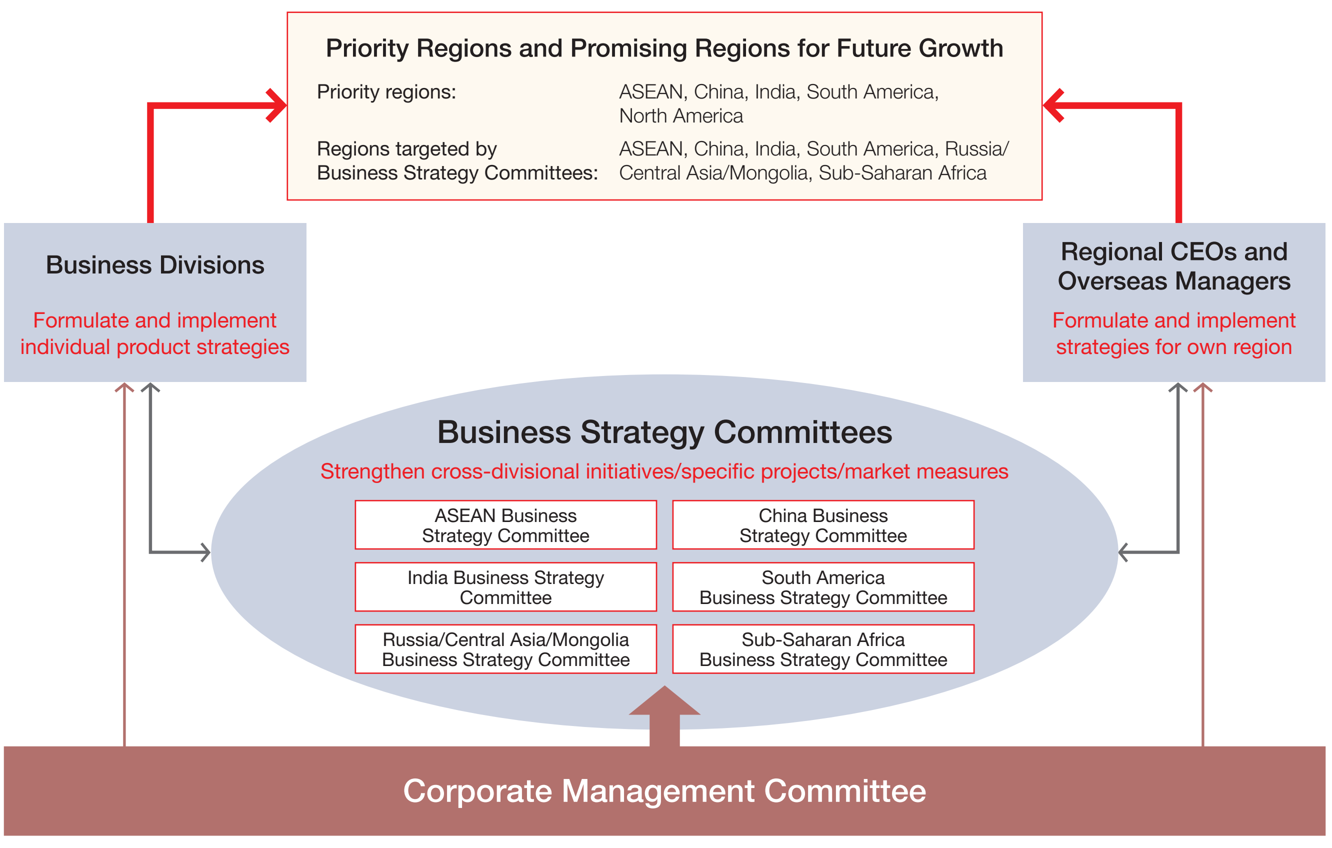
Marubeni's overseas market strategy is structured based on the global product strategy that the Company's business divisions pursue, with regional overseas managers under supervision of CEOs. The regional CEOs and overseas managers formulate market strategies shaped by frontline operations that reflect the individual market and product strategies of each division. In this capacity, these personnel serve to draw in division business activities by actively identifying and proposing business opportunities.

Reinforcing initiatives in overseas markets is a priority measure outlined in the new SG-12 medium-term management plan. To this end, Marubeni will look to augment its overseas workforce in priority regions such as ASEAN, China, India, South America and North America. Emphasis here will be given to newly emerging markets, for which high growth rates are anticipated.

To focus on geographic areas where the Head Office believes that Company-wide measures targeting markets and customers will be effective, Marubeni has established the Business Strategy Committees at the Head Office for these priority regions, and is promoting cross-divisional initiatives. The result of this policy was the establishment of six Business Strategy Committees covering ASEAN, China, India, South America, Russia, Central Asia and Mongolia, and Sub-Saharan Africa in April 2010.

Business Strategy Committee membership consists of corporate vice presidents and managing executive officers to serve as committee chairs, with other participants drawn from business divisions with close ties to the target market. The committees develop ties and share market strategy with the regional CEOs and overseas office managers, and strive to generate specific projects through the promotion of Company-wide measures that target influential companies.

Promotion Framework for Overseas Strategies



The Americas

North America is the world's largest consumer market and a global economic powerhouse. Meanwhile, high growth rates are predicted for the South American market going forward. Marubeni is bringing functions to bear in these two regions as only a trading company can in order to expand earnings bases in a variety of sectors.

Fumiya Kokubu
Senior Managing Executive Officer,
Regional CEO for the Americas

[Economic Environment and Initiatives in Fiscal 2009] In 2009, the U.S. economy experienced a sharp drop in economic growth during the first half of the year, pulled lower by the lingering impact of the global financial crisis. The remainder of the year, however, saw modest recovery undertones, due mainly to benefits arising from large-scale monetary easing and other government-backed measures.

In the U.S., Marubeni's leasing and sales financing operations struggled in the face of worsening economic conditions. In contrast, the Company's core sector in this market—sales of agricultural materials such as fertilizer and agrichemicals—continued to hold firm. Operations in the grain sector were similarly robust, with growth recorded in shipments of soybeans to the Chinese market. Moreover, Marubeni extended its business domains, primarily by acquiring interests in IPP businesses within the United States. In South America, the Company reinforced measures taken in an array of fields. Along with the expansion and promotion of a Chilean copper mining project, Marubeni took part in a water purification project in Peru. Marubeni also took steps in the major grain producing countries of Brazil and Argentina to expand partnerships with influential companies and to increase exports.

[Upcoming Initiatives] Marubeni has positioned grain and agricultural materials as priority fields, and will strengthen its hand in these North American market sectors in 2010. In parallel, the Company will move in Brazil, Chile, and other areas of the South American market where growth is anticipated to promote and bolster business, specifically in resources and infrastructure, with the goal of enlarging its earnings base in the Americas as a whole.

Major Regional Business Bases

North America
- Chicago
- Detroit
- Houston
- Los Angeles
- Mexico City
- New York
- Omaha
- Silicon Valley
- Toronto
- Vancouver
- Washington, D.C.

Central and South America
- Bogota
- Buenos Aires
- Caracas
- Guatemala
- Lima
- Rio de Janeiro
- Salvador
- Santiago
- São Paulo

Europe

In Europe, Marubeni pursues business in an array of industry sectors, most notably North Sea oil field development, wholesale and retail electricity sales, and the sale of transportation machinery, industrial materials, agrichemicals, and other chemicals. With "From Europe to Asia" as a guiding slogan, Marubeni's policy going forward is to focus on new businesses in areas such as food, machinery, the environment, and infrastructure.

Yutaka Nomura
Managing Executive Officer,
Regional CEO for Europe

[Economic Environment and Initiatives in Fiscal 2009] The euro-zone economy recorded negative growth for five consecutive quarters until the second quarter of 2009. Although growth was positive in the third quarter, the region nevertheless recorded a negative growth rate of more than 4% for the year. The economic slow down in Western Europe also affected neighboring countries such as Russia and the Ukraine, resulting in weaker economic performance.

For its activities in Europe and surrounding regions, Marubeni has promoted business development in a diverse range of industry sectors through Marubeni Europe and its other overseas offices, and over 20 operating companies. However, an adverse market environment in 2009 led to substantially lower earnings, largely due to weak performance in the Company's mainstay transportation machinery and chemicals businesses, coupled with impairment losses associated with past investments. In contrast, Marubeni saw robust performance in other areas, notably wholesale and retail electricity sales and industrial materials, and will continue to cultivate these operations as the cornerstone for future earnings.

[Upcoming Initiatives] Recovery will likely remain elusive for the euro-zone economy in 2010, particularly as progressively acute financial problems in Greece and other southern European countries emerge, and the euro is faced with its first major test. The EU is moving to build economic ties with South Korea and several ASEAN nations. In this context, Marubeni's policy will be to expand exports of European products and technologies by broadening the market beyond Japan to encompass China and other countries in Asia. In conjunction, the Company will also focus on promoting joint projects with influential European companies. Recent worries aside, Europe remains the world's largest market, and Marubeni will continue to develop sales in the region in areas where medium- to long-term demand is expected, such as transportation machinery, wholesale and retail electricity sales, chemicals, and industrial materials.

Major Regional Business Bases

Europe
- Athens
- Bucharest
- Budapest
- Dublin
- Düsseldorf
- Hamburg
- London
- Madrid
- Milan
- Paris
- Prague
- Risley
- Warsaw

CIS
- Khabarovsk
- Kiev
- Moscow
- St. Petersburg
- Yuzhno-Sakhalinsk

Africa
- Algiers

China

Major Regional Business Bases

- Beijing
- Changchun
- Chengdu
- Dalian
- Guangzhou
- Hong Kong
- Kunming
- Nanjing
- Qingdao
- Shanghai
- Tianjin
- Wuhan
- Xiamen

China is widely projected to undergo medium- to long-term growth in personal incomes and in urbanization. In this climate, Marubeni will aggressively promote and fortify initiatives targeting domestic demand and consumption, trade and business in environmental fields, and partnerships with influential Chinese companies.

Chihiro Shikama
Managing Executive Officer,
Regional CEO for China

[Economic Environment and Initiatives in Fiscal 2009] Hampered by global economic weakness, the Chinese economy recorded negative growth in exports compared to the previous year. Nevertheless, China maintained an economic growth rate of 9.1%, reflecting the success of vigorous government-led investment in the country.

In foodstuffs and food products, Marubeni has a comprehensive alliance with Sinograin Oil & Fats Corporation, a subsidiary of China's largest grain company, the Sinograin Group, and has launched a wine production venture in Jiangsu Province. In environmental infrastructure, along with water purification operations in Sichuan Province, Marubeni is expanding its business domain through investment in Anhui Guozhen Environment Protection Science and Technology Joint Stock Co., Ltd., a company engaged in a comprehensive wastewater treatment business in Anhui Province. Where trade is concerned, expansion in domestic demand in China has sparked substantial growth in sales of soybeans to the country, as well as a jump in sales of raw materials, including those for steel, chemical products, and pulp and paper. Marubeni has also established an office in Wuhan, with an eye to enlarging its business in Central China.

[Upcoming Initiatives] China is poised to experience further growth in consumption going forward as the country transitions to an economic model led by domestic demand, coupled with medium- to long-term growth in personal incomes and urbanization. Marubeni remains committed to a policy focused on domestic demand and consumption, as well as initiatives in environmental infrastructure. Now that a free trade agreement between China and ASEAN is on the horizon, Marubeni will work specifically to enhance measures for expansion in the trade of grain, pulp and paper, chemicals, metal resources, and other commodities. In environmental infrastructure, we are determined to offer solutions to the problems of environmental pollution and water shortages, and will emphasize wastewater treatment operations. Another policy will be to actively promote and bolster cooperative relationships with influential Chinese firms, including through joint projects in third countries.

Middle East & North Africa

Major Regional Business Bases

Middle East

- Abu Dhabi
- Amman
- Ankara
- Baghdad
- Cairo
- Doha
- Dubai
- Istanbul
- Kuwait City
- Muscat
- Riyadh
- Sana'a
- Tehran

Africa

- Tripoli

The Middle East region is an important market for Marubeni, and has continued to grow even amid the recent global financial crisis. Our focus in the region will be on development projects in fields where Marubeni has competitive advantages, namely resources and infrastructure.

Shingo Tsuda
Executive Officer, Regional CEO for
Middle East & North Africa

[Economic Environment and Initiatives in Fiscal 2009] While many economies have faltered in the face of the financial crisis, the impact on the Middle East region overall appears to be relatively light, since high and stable oil prices have allowed oil producing nations in the region to retain some financial breathing room. The region is also widely projected to see an economic growth rate of around 5% in 2010, and has a high population growth rate, among other notable market features.

Limited supplies of both electric power and water are serious concerns for the region, so the policy of most governments has been to pour substantial funding into augmenting infrastructure in these vital areas. As of 2009, Marubeni has been involved in four projects in these fields in the U.A.E., and one each in Qatar, Saudi Arabia and Turkey; and we aim to play a more robust role in new projects in the region going forward. In the field of energy, Marubeni in Qatar is taking part in the largest LNG project in the Middle East. From this milestone project, we remain committed to the stable trade of crude oil and petroleum products with oil producing nations in the Middle East over the long term.

We also intend to concentrate more on trade in base cargo fields, such as food and chemicals.

[Upcoming Initiatives] In light of the financial crisis, we anticipate that investment in real estate will soon give way to investment mainly in areas that are strengths for Marubeni, specifically electric power, water production, transportation, and other infrastructure fields, as well as oil- and gas-related sectors. There are also high expectations for environmental fields going forward, particularly solar and nuclear power generation. Marubeni will continue to faithfully execute on existing project orders, while eyeing wide-ranging business expansion covering operations, trade and EPC. The Middle East will serve as a springboard for boosting our global growth strategies in this direction.

ASEAN

Asia's status is rapidly transforming from "factory to the world" to "global market in its own right." This is especially evident in the ASEAN region where economic integration is poised to trigger substantial growth. With operations led by Marubeni ASEAN Pte. Ltd., Marubeni is seeking to expand its commercial interests through integrated operations across this vast region.

Major Regional Business Bases

- Bangkok
- Hanoi
- Ho Chi Minh
- Jakarta
- Kuala Lumpur
- Kuching
- Manila
- Phnom Penh
- Quang Ngai
- Sibu
- Singapore
- Vientiane
- Yangon

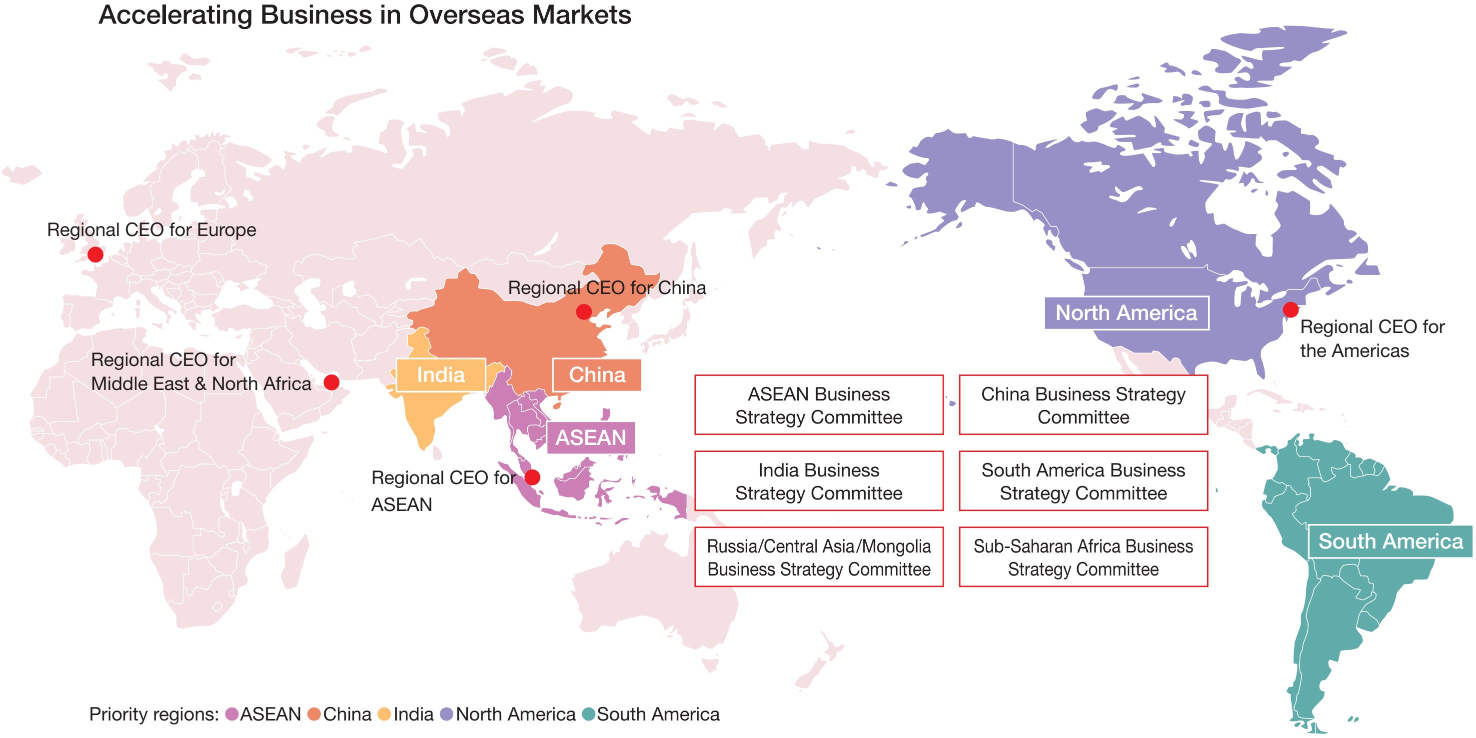
Hiroshi Ikuno
Executive Officer,
Regional CEO for ASEAN

[Economic Environment and Initiatives in Fiscal 2009] The ASEAN economy in 2009 recovered rapidly from the second half of the year, reflecting economic stimulus measures and monetary easing enacted in countries across the region in the wake of the global financial crisis. Asia is already home to half the world's people, and this figure is expected to rise in the coming years. As such, the growth center of the global economy is shifting to newly emerging economies primarily in Asia. This is especially the case in the ASEAN region, where growth not only in population but also in individual purchasing power is resulting in a steadily more attractive market.

In April 2009, Marubeni established Marubeni ASEAN Pte. Ltd. in Singapore as its regional headquarters for the ASEAN region, and has begun efforts to strengthen its position there. Although ASEAN is a traditional market for Marubeni, the Company is putting a structure in place for responding to new business developments ahead of the scheduled formation of the ASEAN Economic Community in 2015. On the business front, Marubeni is bolstering work in the four priority fields of food, resources, infrastructure, and new energy and the environment, unveiling measures targeting important business partners, and is engaged in new business expansion enabled by its presence in the region.

[Upcoming Initiatives] ASEAN is leveraging its position as a hub to two massive markets—China and India—which is leading to economic growth in the region. For its part, Marubeni, in addition to bringing new business initiatives to these inter-regional trading relationships, will adhere to a policy of enhancing initiatives in the region, with the aim of promoting dynamic business development that transcends national and regional lines.

Accelerating Business in Overseas Markets



Priority regions: ●ASEAN ●China ●India ●North America ●South America

Major Subsidiaries and Affiliates

Food Division

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries				
Domestic	Benirei Corporation	Seafood whole sales, cold storage warehouse	Japan	98.76%
	Hasegawa Co., Ltd.	Wholesale of confectionery	Japan	92.35%
	Marubeni Chikusan Corporation	Wholesale and production of meat and processed products	Japan	100.00%
	Marubeni Foods Corporation	Sale of coffee, green tea, fresh vegetables and fruit, general processed foods	Japan	100.00%
	Marubeni-Mitsuhashi Rice, Inc.	Wholesale of rice and processed rice	Japan	51.00%
	Marubeni Nisshin Feed Co., Ltd.	Manufacture and sale of compound feed	Japan	60.00%
	Nacx Nakamura Corporation	Wholesale of frozen foods	Japan	83.52%
	Nippon Chunky Co., Ltd.	Broiler grandparent stock (GPS) farming, parent stock (PS) production	Japan	100.00%
	Pacific Grain Terminal Co., Ltd.	Port grain elevator operation, warehousing	Japan	78.40%
	Tokyo Flour Milling Co., Ltd.	Sugar refining	Japan	59.36%
	Yamaboshiya Co., Ltd.	Wholesale of confectionery	Japan	77.58%
Overseas	Aroma Coffee (Shanghai) Co., Ltd.	Production and sales of roasted and ground coffee, sales of coffee related products	China	75.00%
	Cia. Iguaçu de Café Solúvel	Manufacture, export and domestic sales of instant coffee	Brazil	86.38%
	Columbia Grain, Inc.	Own and lease of grain elevators and warehouses	U.S.A.	100.00%
	Columbia Grain International, Inc.	Procurement and marketing of grains for export, domestic market in North America	U.S.A.	100.00%
	North Pacific Seafoods, Inc.	Alaskan seafood production whole sales & exporter, imported seafood products sales to USA	U.S.A.	100.00%
	Rangers Valley Cattle Station Pty. Ltd.	Cattle feedlot operation and beef production as a consigned abattoir, supply of high-grade beef for Japan and other countries.	Australia	100.00%
Affiliates				
Domestic	Central Japan Grain Terminal Co., Ltd.	Port grain elevator operation, warehousing	Japan	50.00%
	Kamaishi Grain Terminal Co., Ltd.	Port grain elevator operation, warehousing	Japan	30.00%
	Kanto Grain Terminal Co., Ltd.	Port grain elevator operation, warehousing	Japan	25.00%
	Miyako Sugar Manufacturing Co., Ltd.	Manufacture and sale of sugar	Japan	25.17%
	SFoods Inc.	Wholesale, retail, manufacturing and foodservice of meat-related foods products	Japan	17.39%
	The Daiei, Inc.	Retailer	Japan	29.35%
	The Maruetsu, Inc.	Supermarket chain	Japan	29.91%
	The Nisshin OilliO Group, Ltd.	Holdings company controlling oil manufacture business	Japan	15.17%
	Tobu Store Co., Ltd.	Supermarket chain	Japan	30.31%
	Tokyo Allied Coffee Roasters Co., Ltd.	Manufacture and wholesale of roasted coffee	Japan	23.82%
	Toyo Sugar Refining Co., Ltd.	Sugar refining	Japan	39.30%
	WOOKE CO.,LTD	Manufacturing, sale, and export of aseptic cooked-rice, sale of bottled water	Japan	34.00%
Overseas	Asia Christine International Holdings Co., Ltd.	A bakery retail operator	China	16.20%
	Great Wall (Dalian) Investment Co., Ltd.	Investment in a broiler raising and processing company	China	40.00%
	Jiangsu Saint Fruit Winery Co., Ltd.	Manufacture and sale of wine	China	30.00%
	Shanghai Baihong Trading Co., Ltd.	Wholesaling of domestic and imported commodities, export of domestic products, storage, product processing, delivery, and retailing of self-supporting commodities in China.	China	49.00%
	Terlogs Terminal Maritimo Ltda.	Storage and loading of bulk cargoes, such as grain, fertilizer, etc.	Brazil	25.50%

Lifestyle Division

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries				
Domestic	Benny Toyama Corporation	Manufacture of fishing nets and warp-knit products	Japan	96.68%
	Kyoto Marubeni Co., Ltd.	Wholesale of Japanese kimonos and related products	Japan	99.91%
	Marubeni CLS Corporation	Sale of man-made leather, design and import of bags	Japan	100.00%
	Marubeni Fashion Link, Ltd.	Wholesale of fabrics, textile products, garments and fashion accessories	Japan	100.00%
	Marubeni Fashion Planning Corp.	Consulting on fashion merchandising, planning, design and quality examination	Japan	100.00%
	Marubeni Footwear Inc.	Design, import and sale of footwear	Japan	100.00%
	Marubeni Intex Co., Ltd.	Sale of industrial textile and lifestyle goods	Japan	100.00%
	Marubeni Mates Co., Ltd.	Design, production, sale and rental of uniforms, subcontracting of related clerical operations	Japan	100.00%
	Marubeni Techno Rubber Corporation	Wholesale of synthetic rubber, natural rubber, carbon black and rubber materials	Japan	100.00%
	Marubeni Tex Co., Ltd.	Wholesale of textile piece goods	Japan	100.00%
	PROAVANCE corporation	Import of fitness equipments, golf grips and other products, export of fishing equipments	Japan	100.00%
	TEXTILE RENTAL Co., Ltd.	Design, production, sales, rental and cleaning of uniforms	Japan	100.00%
Overseas	Belterra Corporation	Sale of conveyor belts, parts and other industrial rubber products and the provision of related services	Canada	100.00%
	Marubeni Business Machines (America), Inc.	Sale of copying machines and other office equipment in Central and South America	U.S.A.	100.00%
	Marubeni Footwear Resources Limited	Development and sourcing for footwear and bags	Hong Kong	100.00%
	Marubeni International Commodities (Singapore) Pte. Ltd.	Sale of natural rubber and related products	Singapore	100.00%
	Marubeni Textile Asia Pacific Ltd.	Purchase agent of textile products	Hong Kong	100.00%
	Marubeni Textile (Shanghai) Co., Ltd.	Purchase agent of textile products via bases in China	China	100.00%
	Shanghai Tong Nuan Hong Knitting Co., Ltd.	Production and sale of socks	China	90.00%
	UNIMAC Rubber Co., Ltd.	Production and sale of natural rubber	Thailand	75.00%
	Wonderful Saigon Garment Co., Ltd.	Production of uniforms and other clothing	Vietnam	51.00%
Affiliates				
Domestic	ASPLUND Co., Ltd.	Operation of furniture and miscellaneous goods retail shops and tearooms, planning, import, and sale of furniture and miscellaneous goods for hotel, tearoom, office and home use	Japan	20.32%
	Fabricant Co., Ltd.	Manufacture and sale of Lacoste-brand apparel and other related products	Japan	33.36%
Overseas	Jiangyin Nikke Worsted Spinning Co., Ltd.	Production and sale of wool yarn	China	30.00%
	Konica Minolta Business Solutions Do Brasil Ltda.	Assembly and sale of copiers in Brazil	Brazil	49.00%
	N.V. Yokohama Belgium S.A.	Sale of Yokohama tyres in Belgium and Luxembourg	Belgium	33.40%
	Thaimac STR Co., Ltd.	Production and sale of natural block rubber (STR)	Thailand	49.00%
	Thai Textile Development & Finishing Co., Ltd.	Dyeing and finishing of cotton and synthetic fabrics	Thailand	27.11%
	Yokohama Iberia S.A.	Sale of Yokohama tyres in Spain and Portugal	Spain	49.00%
	Yokohama Reifen GmbH	Sale of Yokohama tyres in Germany	Germany	25.00%
	Yokohama Tyre Australia Pty. Ltd.	Sale of Yokohama tyres in Australia	Australia	40.00%

Forest Products Division

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries				
Domestic	Forestnet Co., Ltd.	Internet sale and marketing of printing/writing paper, other related services	Japan	65.00%
	Fuji Coated Paper Co., Ltd.	Production, sale and marketing of coated paper	Japan	100.00%
	Fukuyama Paper Co., Ltd.	Manufacture of medium board and paper tube materials	Japan	55.00%
	Koa Kogyo Co., Ltd.	Manufacture of medium board, containerboard and printing paper	Japan	79.95%
	Marubeni Building Materials Co., Ltd.	Wholesale of wood products and construction materials	Japan	100.00%
	Marubeni Cement & Construction Materials Co., Ltd.	Wholesale of cement and construction materials	Japan	90.00%
	Marubeni Office Supply Co., Ltd.	Conversion and sale of information processing paper	Japan	100.00%
	Marubeni Paper & Pulp Logistics Co., Ltd.	Integrated logistics management of imported and domestic paper and pulp products	Japan	95.00%
	Marubeni Paper Recycle Co., Ltd.	Assortment and sale of wastepaper	Japan	100.00%
	Marubeni Pulp & Paper Sales Co., Ltd.	Wholesale of all types of paper	Japan	88.48%
	Mascot-Chemical Paper Co., Ltd.	Manufacture and sale of cash register paper	Japan	80.00%
	Sumatra Pulp Corporation	Capital contributions towards PT. Tanjungenim Lestari Pulp & Paper	Japan	49.95%
	Taiei Sangyo Co., Ltd.	Plastics thermoforming	Japan	100.00%
Overseas	Intragrated Resources Holdings, Inc.	Sale of printing paper, consulting service	U.S.A.	100.00%
	Nantong Jiehong Recycle Corporation	Collection and sale of wastepaper	China	75.00%
	Pan Pacific Fiber, Inc.	Collection and sale of wastepaper	U.S.A.	66.70%
	PT. Musi Hutan Persada	Plantation investment and management, sale of pulp logs from plantation forests	Indonesia	60.00%
	PT. Tanjungenim Lestari Pulp & Paper	Production and sale of Acacia-based wood pulp	Indonesia	100.00%
	Southern Plantation Forest Pty. Ltd.	Management of hardwood plantation	Australia	57.10%
Affiliates				
Domestic	Marusumi Paper Co., Ltd.	Manufacture and sale of printing paper and pulp	Japan	32.16%
	Well Corporation	Collection and sale of office wastepaper and classified documents	Japan	40.00%
Overseas	Amapa Florestal e Celulose S.A.	Management of plantation, production and export of wood chips	Brazil	50.00%
	Daishowa-Marubeni International Ltd.	Manufacture and sale of pulp	Canada	50.00%
	Long Chen Paper (China) Holdings Co., Ltd	Holding company of Long Chen Paper Co., Ltd. engaged in containerboard and converting business in China	China	15.04%
	Marusumi Whangarei Co., Ltd.	Manufacture and sale of wood chips	New Zealand	49.00%
	WA Plantation Resources Pty. Ltd.	Management of plantation, production and export of wood chips	Australia	50.00%

Chemicals Division

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries				
Domestic	Marubeni Chemix Corporation	Sale and foreign trade of organic chemicals, functional chemicals and pharmaceutical intermediates	Japan	100.00%
	Marubeni Plax Corporation	Sale and foreign trade of plastic resin and products	Japan	100.00%
	Shinko Chemical Terminal Co., Ltd.	Management of storage terminals of chemical products	Japan	85.50%
Overseas	Agrovista B.V.	Holding company of agrochemicals distributors in the U.K. and the Netherlands	U.K.	100.00%
	Helena Chemical Company	Distribution of agrochemicals, fertilizer and seeds	U.S.A.	100.00%
	Jiangmen Senkei Chemical Tank Storage Co., Ltd.	Operation of molten caprolactam storage facilities	China	100.00%
	Marubeni Specialty Chemicals Inc.	Sale and foreign trade of specialty chemicals and plastics in the U.S.A.	U.S.A.	100.00%
	Tianjin Benny Trading Co., Ltd.	Import and export, storage and domestic sale of molten sulfur	China	67.20%
Affiliates				
Domestic	Katakura Chikkarin Co., Ltd.	Production and sale of fertilizer, feedstuffs and foods, production and sale of cosmetics ingredients	Japan	25.17%
	Konan Laminate Co., Ltd.	Processing of lamination and manufacture of paper products	Japan	35.00%

Chemicals Division

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
Affiliates				
Domestic	Polytech Incorporated	Manufacture and sale of polyester sheet	Japan	41.98%
	Shoei Chemical Co., Ltd.	Manufacture (OEM) of paint and paint thinner	Japan	27.00%
	Sun Agro Co., Ltd.	Production and sale of fertilizer, sale of agricultural chemicals, golf-related business	Japan	22.78%
Overseas	Agricultural Chemicals (Malaysia) Sdn. Bhd.	Manufacture and sale of agrochemicals	Malaysia	29.55%
	Chlor-Alkali Unit Pte. Ltd.	Sale of salt and gypsum for Dampier Salt	Singapore	21.51%
	CMK Electronics (Wuxi) Co., Ltd.	Development, manufacture and sale of PCB	China	20.00%
	Dainichi Color India Private Limited	Manufacture and sale of plastic compound	India	30.00%
	Dampier Salt Limited	Production and sale of salt and gypsum	Australia	21.51%
	Key Plastics (Dalian) Co., Ltd.	Manufacture and sale of tools and plastic products	China	20.00%
	MGC Advanced Polymers, Inc.	Manufacture and sale of MXD-6 polymers	U.S.A.	20.00%
	Mitsubishi Rayon Polymer Nantong Co.,Ltd.	Manufacture and sale of PMMA resin, PMMA sheets and acrylic coating resins	China	20.00%
	Nantong Benny Petrochemicals Harbour Storage Co., Ltd.	Storage and transport of petrochemical and chemical products	China	25.00%
	P.T. Emblem Asia	Manufacture and sale of biaxially oriented nylon film	Indonesia	21.80%
	P.T. Fukusuke Kogyo Indonesia	Manufacture and sale of PE films	Indonesia	35.00%
	Sekisui S-LEC Mexico S.A. de C.V.	Manufacture and sale of polyvinyl butyral interlayer film	Mexico	29.08%
	Shen Hua Chemical Industrial Co., Ltd.	Manufacture and sale of SBR	China	22.56%
	TSRC-UBE (Nantong) Chemical Industrial Company Limited	Manufacture and sale of polybutadiene rubber	China	20.00%
	Wuxi Zhenyu Chemical Co., Ltd.	Production and sale of sulfuric acid, SOP and hydrochloric acid	China	44.44%

Energy Division-I

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries				
Domestic	Marubeni Energy Corporation	Sale of petroleum products, operation of oil terminals and service stations	Japan	66.60%
	Marubeni Ennex Corporation	Management and operation of oil and gas terminals	Japan	100.00%
Overseas	Marubeni Energy Europe Limited	Petroleum trading, primarily in Europe	U.K.	100.00%
	Marubeni International Petroleum (Singapore) Pte. Ltd.	Petroleum trading, primarily in Asia and Oceania	Singapore	100.00%
	Marubeni LNG International B.V.	Investment in the Qatargas LNG Project	Netherlands	100.00%
	MIECO Inc.	Petroleum trading, primarily in North America and the Pacific Rim	U.S.A.	100.00%
	MQL International B.V.	Investment in the Qatargas LNG Project	Netherlands	100.00%
Affiliates				
Domestic	Mitsui Marubeni Liquefied Gas Co., Ltd.	Sale of LPG, operation of LPG filling stations	Japan	40.00%
Overseas	Shenzhen Sino-Benny LPG Co., Ltd.	Import and sale of LPG in China	China	49.00%

Energy Division-II

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries				
Domestic	Marubeni Utility Services, Ltd.	Sale of nuclear power plant-related components and services	Japan	100.00%
Overseas	Energy U.S.A. Inc.	Nuclear energy-related business	U.S.A.	100.00%
	Marubeni North Sea Limited	Oil and gas development and production in the North Sea	U.K.	100.00%
	Marubeni Oil & Gas (USA) Inc.	Oil and gas development and production in the Gulf of Mexico	U.S.A.	100.00%
	Ravva Oil (Singapore) Pte. Ltd.	Oil and gas development and production in India's Ravva oilfield	Singapore	100.00%

Metals & Mineral Resources Division

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries				
Domestic	Marubeni Metals Corporation	Sale of and investment in nonferrous and light metal products	Japan	100.00%
	Marubeni Tetsugen Co., Ltd.	Sale of raw materials for steelmaking, ferro alloys and other minerals	Japan	100.00%
Overseas	Marubeni Aluminium Australia Pty. Ltd.	Investment in aluminum business in Australia, sale of aluminum ingots	Australia	100.00%
	Marubeni Coal Pty. Ltd.	Investment in coal business in Australia	Australia	100.00%
	Marubeni Los Pelambres Investment B.V.	Investment in copper business in Chile	Netherlands	100.00%
	Marubeni Metals & Minerals (Canada) Inc.	Investment in aluminum business in Canada, sale of aluminum ingots	Canada	100.00%
	Marubeni Thermal Coal Pty. Ltd.	Investment in Dartbrook coal mine in Australia	Australia	100.00%
Affiliates				
Domestic	Marubeni Construction Material Lease Co., Ltd.	Leasing and sale of temporary construction materials	Japan	35.25%
	Marubeni-Itochu Steel Inc.	Manufacture, processing, import, export and sale of steel products	Japan	50.00%
	Nippon Shindo Co., Ltd.	Production and sale of copper and brass rods, electrical wire cable, etc.	Japan	15.83%
Overseas	J-Power Systems Saudi Co., Ltd.	Manufacturing and sales of submarine composite cables, and providing services of installing, maintaining factory's products	Saudi Arabia	25.00%
	Resource Pacific Holdings Pty Limited	Investment in Ravensworth underground coal mine in Australia	Australia	22.22%
	Shanghai Nichiei Metals Co., Ltd.	Manufacturing of refrigeration cycle; copper, aluminum, etc., all kinds of pipe processing for home appliances and vehicles.	China	25.00%
	Silbasa-Silicio de Alta Pureza da Bahia S.A.	Production and sale of high-purity ferro silicon	Brazil	24.62%
	Thai Cold Rolled Steel Sheet Public Co., Ltd.	Manufacture and sale of cold rolled steel in coils	Thailand	22.20%
	Toyo-Memory Technology Sdn. Bhd.	Production and sale of aluminum disks for hard disk drives (HDDs)	Malaysia	40.00%

Transportation Machinery Division

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries				
Domestic	KOYO LINE, LTD.	Ship management and trade of ship machinery and equipment	Japan	100.00%
	Marubeni Aerospace Corporation	Sales, import & export and lease of aircraft, aero-engines, marine engines, satellites, equipment and components for aircraft and ships, space related equipment & materials and those related parts	Japan	100.00%
	Marubeni Automotive Corporation	Import, export and domestic sales of automotive parts, accessories and material.	Japan	100.00%
Overseas	Advantage Funding Management, Inc.	Finance and lease of automobiles	U.S.A.	80.00%
	Avenue Machinery Corporation	Sale and service of Kubota & MF brand agricultural machinery	Canada	100.00%
	Distribuidora Automotriz Marubeni Ltda.	Import & distribution of Nissan products in Chile.	Chile	100.00%
	Gallery Automotive Group, LLC.	Sale and service of automobiles	U.S.A.	100.00%
	KM DISTRIBUCION DE MAQUINARIAS, S.A. de C.V.	Wholesale importer of agricultural machinery and parts manufactured by Kubota Corporation.	Mexico	100.00%
	Long Island Automotive Group, Inc.	Sale and service of automobiles	U.S.A.	100.00%
	Marubeni Aero Partners Limited	Investment in aero engines/aircraft lease	Cayman Islands	100.00%
	Marubeni Aerospace America Corporation	Export of aircraft, various kinds of engines/parts, equipment and components for aircraft, etc. to Japan.	U.S.A.	100.00%
	MARUBENI AG Makina Ticaret Limited Sirketi	Wholesale importer of agricultural machinery and parts manufactured by Kubota Corporation.	Turkey	100.00%
	Marubeni Auto & Construction Machinery America Inc.	Investment in the business of distribution and finance of automobiles, construction machineries, and agricultural machineries.	U.S.A.	100.00%
	Marubeni Auto and Construction Machinery LLC	Komatsu distributor in Pre-Volga and South Russia region, and sales of construction machinery in Russia & CIS.	Russia	100.00%
	Marubeni Auto Finance, Ltda.	Retail finance for automobiles.	Chile	100.00%
	Marubeni Auto Investment (UK) Ltd.	Investment in motor retail (new car & used car) & service industry	U.K.	100.00%
	Marubeni Auto Ltda.	Operating Nissan dealerships in Chile.	Chile	100.00%
	Marubeni Automotive Holding (Australia) Pty Ltd.	Investment and coordination of automotive group companies in Australia	Australia	100.00%

Transportation Machinery Division

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries				
Overseas	Marubeni Aviation International Ltd.	Export & Import of products for commercial aviation and export of defence systems to Japanese market.	U.K.	100.00%
	Marubeni Aviation Services Ltd.	Investment in aircraft engine development programs and leasing of aircraft	Cayman Islands	100.00%
	Marubeni Holding Ltda.	Holding company of import, distribution and retail sales business of Nissan and automotive retail finance business in Chile.	Chile	100.00%
	Marubeni Komatsu Ltd.	Wholesale importer of Komatsu construction equipment in the U.K.	U.K.	100.00%
	Marubeni Machinery Distribution Poland SP. Zo. o.	Wholesale importer of agricultural machinery manufactured by Kubota Corporation and forklifts manufactured by Nissan Motor Co., Ltd.	Poland	100.00%
	Marubeni Maquinarias Mexico, S.A. de C.V.	Import and sales of Komatsu construction machinery	Mexico	100.00%
	Marubeni Motor Holdings, Inc.	Investment in automobile financing service companies	U.S.A.	100.00%
	Marubeni Motors Poland SP. Zo. o.	The wholesale of CBU and parts made by Tata Motors Limited in Poland.	Poland	100.00%
	ROYAL MARITIME CORPORATION	Ship owning, chartering and financing	Liberia	100.00%
	Toyota Ghana Company Ltd.	Import and distribution of Toyota vehicles and spare parts.	Ghana	100.00%
Affiliates				
Domestic	MTU-Marubeni Co.,Ltd.	Distributor of various diesel engines for construction machinery, marine, power generator and military vehicles manufactured by MTU-Friedrichshafen and Daimler AG in Germany as well as Detroit Diesel in U.S.A.	Japan	49.00%
	Swissport Japan Ltd.	Ground handling business for airlines	Japan	49.00%
Overseas	CODACA Holding & Investment Co., Ltd.	Holding company of import, distribution, and other related business of truck and bus (Hino, International, Scania, Iveco) business in Guatemala and Honduras.	Bahamas	49.00%
	Hino Motors Sales India Private Limited	Import and sales of Hino truck, bus and spare parts	India	35.00%
	Hitachi Construction Machinery (Australia) Pty. Ltd.	Distribution of Hitachi, John Deere, construction forestry and mining equipment.	Australia	20.00%
	Komatsu Vietnam Joint Stock Company	Sales and after services of Komatsu products in Vietnam.	Vietnam	30.00%
	Kubota Canada Ltd.	Wholesale importer of Kubota tractors, agricultural machinery, construction machinery, power equipment and spare parts.	Canada	20.00%
	Kubota Construction Machinery (Shanghai) Co., Ltd.	Wholesale distribution and assembly of Kubota Construction Machinery and spare parts.	China	25.00%
	Kubota (Deutschland) GmbH	Wholesale importer of Kubota tractors, agricultural machinery, power equipment and spare parts.	Germany	20.00%
	Kubota Europe S.A.	Wholesale importer of Kubota tractors, agricultural machinery, construction machinery, power equipment and spare parts.	France	26.22%
	Kubota Korea Co., Ltd.	Wholesale importer of Kubota tractors, agricultural machinery, construction machinery, power equipment and spare parts.	South Korea	20.00%
	Kubota Tractor Australia Pty. Ltd.	Wholesale importer of Kubota tractors, agricultural machinery, construction machinery, power equipment and spare parts.	Australia	20.00%
	Kubota (U.K.) Ltd.	Wholesale importer of Kubota tractors, agricultural machinery, construction machinery, power equipment and spare parts.	U.K.	40.00%
	Maxima Machineries, Inc.	Sale and service of construction machinery, mainly Komatsu Ltd. products	Philippines	40.00%
	P.T. Kencana Internusa Artha Finance	Finance of automobiles	Indonesia	49.00%
	P.T. Surya Artha Nusantara Finance	Finance of construction machinery	Indonesia	40.00%

Power Projects & Infrastructure Division

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries				
Domestic	Fuel Cell Japan, Co., Ltd.	Operation and maintenance of molten carbonate fuel cells	Japan	100.00%
	Marubeni Power Development Corporation	Development and operation of overseas IPP projects	Japan	100.00%
	Marubeni Power Systems Corporation	Engineering, procurement and construction services for power projects overseas	Japan	100.00%
	Mibugawa Power Company	Operation of Mibugawa Hydro Power Station	Japan	100.00%

Power Projects & Infrastructure Division

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries				
Overseas	Aguas Décima S.A.	Water and wastewater works in Valdivia, Region of Los Rios, Chile	Chile	100.00%
	Axia Power Holdings, B.V.	Overseas power assets holding company	Netherlands	100.00%
	Geoenergia de Guanacaste Ltda.	Geothermal IPP in Costa Rica	Costa Rica	100.00%
	Marubeni Asian Power Ltd.	Marketing and development of power projects in the Asia Pacific region	Hong Kong	100.00%
	Marubeni Caribbean Power Holdings, Inc.	Holding company for Power Plants and Power Business Co. in Caribbean area	U.S.A.	100.00%
	Marubeni Energy Alternatives, Inc.	Development and investment for new technology and renewable energy business in the U.S.A.	U.S.A.	100.00%
	Marubeni Europower Ltd.	Marketing and development of power projects in Europe, the Middle East and Africa	U.K.	100.00%
	Marubeni Power Asset Management Ltd.	Management of Marubeni's global IPP assets	Hong Kong	100.00%
	Marubeni Power International Inc.	Marketing and development of power projects in North America, Central America and South America	U.S.A.	100.00%
	Marubeni Power Services, Inc.	Management of acquired companies, marketing, development and acquisition of service and maintenance business in power sector in the U.S.A. and other countries	U.S.A.	100.00%
	Marubeni Sustainable Energy, Inc.	Energy supply business with distributed generation facilities and biomass power plants in the U.S.A.	U.S.A.	96.40%
	Oak Creek Energy Systems Inc.	Wind energy development on greenfield and re-power projects in the Southwestern United States including transmission lines	U.S.A.	58.02%
	PIC Group, Inc.	Third party operation and maintenance services, inspection and repair for power generation facilities around the world	U.S.A.	100.00%
	P.T. Matlamat Cakera Canggih	Marketing, development, contracting and project execution of power projects in Indonesia	Indonesia	75.00%
	Sithe Fuel Co., Ltd.	Fuel supply business in South Korea	South Korea	100.00%
	Sithe Yosu Cogeneration Co., Ltd.	Independent steam supply business in Yosu City, South Korea	South Korea	100.00%
	SmartestEnergy Ltd.	Electricity consolidation and trading business in the U.K.	U.K.	100.00%
	Smithfield Power Partnership	IPP in New South Wales, Australia	Australia	100.00%
Affiliates				
Domestic	Misaki Wind Power Corporation	Operation of a wind-generated power plant for Shikoku Electric Power Co., Inc.	Japan	49.00%
Overseas	Anhui Guozhen Environment Protection Science and Technology Joint Stock Co., Ltd.	Investment, O&M, EPC, equipment & manufacturing for sewage & re-use water treatment	China	30.00%
	Aquasistema Salina Cruz S.A. de C.V.	Build-operate-transfer (BOT) water recycling and desalination project for Petroleos Mexicanos (PEMEX)	Mexico	50.00%
	Carthage Power Company sarl	IPP in Tunisia	Tunisia	40.00%
	Chengdu Générale des Eaux-Marubeni Waterworks Co., Ltd.	BOT water supply project for the Chengdu Municipal Government, Sichuan Province	China	40.00%
	Consorcio Agua Azul S.A.	BTO water supply project in the northern part of Lima (Chillon river) for Sedapal	Peru	29.00%
	Eastern Power and Electric Company Limited	IPP in Bang Bo, Thailand	Thailand	28.00%
	Emirates CMS Power Company	Taweelah A2 IWPP (power and water) project in Abu Dhabi	U.A.E.	34.00%
	Ever Power IPP Co., Ltd.	IPP project in Taiwan	Taiwan	40.00%
	Fujairah Asia Power Co.	IWPP project in Fujairah, U.A.E.	U.A.E.	20.00%
	Gangwon Wind Power Co., Ltd.	Operation of a wind-generated power plant in Gangwon, South Korea	South Korea	30.00%
	Hsin Tao Power Corporation	IPP project in Hsin Tao, Taiwan	Taiwan	21.42%
	Invenergy Thermal Financing, LLC	Holding company for the Hardee, Cannon Falls and Spindle Hill power plants in U.S.A.	U.S.A.	49.00%
	Mesaieed Power Company Ltd.	IPP in Mesaieed, Qatar	Qatar	30.00%
	Millmerran Power Partnership	IPP in Queensland, Australia	Australia	30.00%
	PPN Power Generating Company Limited	IPP in Pillaiperumalnallur, India	India	26.00%
	PT Cirebon Electric Power	IPP project in Cirebon, Indonesia	Indonesia	32.50%

Power Projects & Infrastructure Division

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
Affiliates				
Overseas	Rabigh Arabian Water & Electricity Co.	IWPP (power and water) for chemical complex in Saudi Arabia	Saudi Arabia	30.00%
	Ruwais Power Company	IWPP in Shuweihat, U.A.E.	U.A.E	20.00%
	San Roque Power Corporation	Hydro IPP in Luzon, the Philippines	Philippines	50.00%
	Senoko Energy Pte. Ltd.	IPP in Singapore	Singapore	30.00%
	Tapal Energy (Private) Ltd.	IPP in Pakistan	Pakistan	40.00%
	Taweelah Asia Power Company	Taweelah B IWPP (power and water) project in Abu Dhabi, U.A.E.	U.A.E.	14.00%
	TeaM Energy Corporation	Holding company for the Ilijan, Pagbilao and Sual power plants in the Philippines	Philippines	50.00%
	Uni-Mar Enerji Yatirimlari A.S.	IPP in Marmara Ereglisi, Turkey	Turkey	33.33%
	Youngduk Wind Power Co., Ltd.	Operation of a wind-generated power plant in Youngduk City, South Korea	South Korea	34.00%

Plant & Industrial Machinery Division

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries				
Domestic	Marubeni Protechs Corporation	Import, export and domestic sale of plant and related machinery, Environmental related business, Support to Japanese industries transferring abroad base of production, and project under Official Development Assistance (ODA)	Japan	100.00%
	Marubeni Pulp & Paper Engineering Corporation	Engineering of pulp and paper machinery	Japan	100.00%
	Marubeni Techno-Systems Corp.	Import and export of machinery relating to beverages, packaging, electronics, optical disc, printing, chemical, recycle and core components for construction machinery.	Japan	100.00%
	Marubeni Tekmatex Corporation	Import, export and domestic sale of general textile machinery and industrial machinery and facilities	Japan	100.00%
	Marubeni Tokki Industries Co., Ltd.	Sale, export and import of machine tools and related equipment	Japan	99.00%
	Marubeni Transport Engineering Co., Ltd.	Provision of engineering services and project management services for rail infrastructure project	Japan	100.00%
	Shinnihon Reiki Co., Ltd.	Engineering and construction of industrial-use cooling towers and accessories	Japan	100.00%
Overseas	KMA Manufacturing, LLC	Steel fabrication, maintenance services, repair/rebuild of machinery for steel mills in U.S.A.	U.S.A.	95.00%
	MARIOS, Inc.	Investment in KMA Manufacturing, LLC	U.S.A.	100.00%
	Marubeni Citizen-Cincom, INC.	Sale of Citizen machine tools	U.S.A.	60.00%
	Marubeni Plant Contractor Inc.	Engineering works, civil & building works, installation works, and equipment procurement works for plant projects in U.S.A.	U.S.A.	100.00%
	Marubeni Techno-Systems America, Inc.	Sale of optical disc (CD, DVD, Blu-ray) machinery and twin screw extruders	U.S.A.	100.00%
	MCP Iron Oxide, Inc.	Investment in a joint venture company for the recycling of acid from waste acid and the production of iron oxide	U.S.A.	100.00%
	Midwest Railcar Corporation	Leasing, brokerage and management of railcars	U.S.A.	100.00%
Affiliates				
Domestic	JMD Greenhouse-Gas Reduction Co., Ltd.	Purchase and sale of Certified Emission Reduction (CER) credits obtained by the decomposition of HFC-23	Japan	43.00%
	KAFCO Japan Investment Co., Ltd.	Investment and related services for Karnaphuli Fertilizer Co., Ltd.	Japan	26.81%
	Kaji Technology Corporation	Manufacture and sale of pressing machines, textile machines, cast products and industrial machinery	Japan	37.64%
	YOCASOL Inc.	Production and sales of solar modules	Japan	20.24%
Overseas	Citizen Machinery America, Inc.	Sale and engineering service of machine tools	U.S.A.	33.40%
	Compañía de Nitrógeno de Cantarell S.A. de C.V.	Production and supply of nitrogen for Petroleos Mexicanos (PEMEX) of Mexico	Mexico	35.00%

Plant & Industrial Machinery Division

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
Affiliates				
Overseas	Energy Infrastructure Investments Pty Limited	Operating gas pipelines, power generating facilities, gas processing plants and interconnectors	Australia	49.90%
	JV LLC Sakhalin-Shelf-Service	Management of equipment supply base for Sakhalin Project	Russia	25.00%
	Unipres India Private Limited	Sale and manufacture of automotive body panels	India	20.00%
	Unipres Mexicana, S.A. de C.V.	Sale and manufacture of automotive body panels	Mexico	25.00%
	Unipres U.S.A. Inc.	Sale and manufacture of automotive body panels	U.S.A.	25.00%

Real Estate Development Division

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries				
Domestic	FUYO KANKO Co., Ltd.	Operation of Fuyo Country Golf Club	Japan	74.50%
	IMT Corporation	Holding and leasing of commercial facilities in LIVE HILLS, a large-scale residential complex developed by Marubeni in Sapporo City, Hokkaido	Japan	100.00%
	Japan REIT Advisors Co., Ltd.	Asset management entrusted by United Urban Investment Corporation, a Japanese real estate investment trust (J-REIT)	Japan	51.00%
	KOEI Co., Ltd.	Operation of golf courses	Japan	100.00%
	Marubeni Asset Management Co., Ltd.	Management and advisory services related to real estate investment	Japan	100.00%
	Marubeni Community Co., Ltd.	Property management of condominiums, buildings and complexes	Japan	100.00%
	Marubeni Real Estate Co., Ltd.	Development, leasing and management of real estate	Japan	100.00%
	Marubeni Real Estate Sales Co., Ltd.	Sales agent and planning, consultation and coordination of sales promotion	Japan	100.00%
	Tsunagu Network Communications, Inc.	MDU (Multiple Dwelling Unit) broadband Internet service provider	Japan	60.00%
Overseas	P.T. Megalopolis Manunggal Industrial Development	Development, sale and management of MM 2100 Industrial Town	Indonesia	60.00%
	Shanghai House Property Development Co., Ltd.	Housing development in Shanghai, China	China	60.00%
Affiliates				
Domestic	Koshigaya Community Plaza Co., Ltd.	Management of the Koshigaya Community Plaza, operations related to real estate leasing	Japan	42.86%
	TIPNESS Limited	Operation of sports clubs and facilities	Japan	28.57%
Overseas	DALIAN ACACIA TOWN VILLA Co., Ltd.	Management and operation of rental housing for foreign residents in Dalian, China	China	42.50%
	EAST OCEAN INVESTMENT Ltd.	Investment related to an operating company established to develop office buildings and lease office space in central Ho Chi Minh City, Vietnam	Hong Kong	30.00%
	LIMA LAND, Inc.	Development and sale of lots in the Lima Technology Center in Batangas, Philippines	Philippines	40.00%
	P.T. Mekanusa Cipta	Development and sale of a residential estate in Cibubur, Bogor, Indonesia	Indonesia	26.00%
	SHANGHAI INTERNATIONAL REALTY COMPANY Ltd.	Management and operation of high-rent housing for foreign residence in Shanghai, China	China	30.00%

Finance, Logistics & IT Business Division

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries				
Domestic	Global Access Ltd.	Providing international/domestic combined bandwidth via own fiber-optic cable network	Japan	99.95%
	iSigma Capital Corporation	Investment fund management company	Japan	100.00%
	Logipartners, Inc.	Management and operation of various logistics centers, provision of distribution and related consulting services	Japan	100.00%
	Marnix Corporation	Insurance brokerage, risk consulting	Japan	100.00%

Finance, Logistics & IT Business Division

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries				
Domestic	Marubeni Hospital Partners Corporation	Sale of medical materials and equipment, and provision of related hospital management consulting services	Japan	100.00%
	Marubeni Information Systems Co., Ltd.	Operation and development of information and communication systems, sale of computers, network products, and SI	Japan	100.00%
	Marubeni Infotec Corporation	Wholesale of PCs and peripheral equipment, electronic components and software	Japan	100.00%
	Marubeni Logistics Corporation	Warehousing and logistics services	Japan	100.00%
	Marubeni Safenet Co., Ltd.	Insurance agency	Japan	100.00%
	Marubeni Telecom Co., Ltd.	Sale of mobile handsets and fixed-line communications services, IT solutions and mobile content	Japan	100.00%
	Mighty Card Corporation	Planning, development and sale of wireless IC tag solutions	Japan	91.25%
	VECTANT Ltd.	Internet access service, ASP, iDC and IP-VPN service provider	Japan	100.00%
Overseas	Beijing Wai-Hong International Logistics Co., Ltd	Warehousing, domestic delivery service in China, and international logistics	China	90.00%
	CoActiv Capital Partners, LLC	Vendor finance, small ticket leasing, collection servicer	U.S.A.	100.00%
	MAC Trailer Leasing, LLC	Refrigerated trailer leasing	U.S.A.	100.00%
	Marnix Europe Ltd.	Insurance brokerage	U.K.	100.00%
	Marpless Communication Technologies (Pty) Ltd.	Receiving orders, and fulfilling contracts in the field of information for South Africa and its neighboring countries.	South Africa	51.00%
	Train Trailer Rentals Ltd.	Dried-freight trailer, refrigerated trailer and container chassis leasing	Canada	100.00%
Affiliates				
Domestic	Avanti Staff Corporation	Temporary staff placement, recruitment services, outsourcing and training services	Japan	42.99%
	GCI Capital Co., Ltd.	Investment advisory house, provision of foreign exchange margin trading services	Japan	22.84%
	Marunouchi Direct Access Ltd.	Area local exchange carrier, providing last-mile solutions to supply dark fiber and co-location service in Marunouchi, Tokyo	Japan	49.00%
	MG Leasing Corporation	General leasing	Japan	45.00%
	Q&A Corporation	Call center/contact center outsourcing, technical support services	Japan	23.97%
	Telemarketing Japan, Inc.	Planning and management of call centers as outsourcing businesses, cross-media marketing business	Japan	40.00%
Overseas	Eastern Sea Laem Chabang Terminal Co., Ltd.	Container terminal operation in Thailand	Thailand	25.00%
	Shanghai Jiaoyun Rihong International Logistics Corp.	Domestic logistics service in China	China	34.00%

Others

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries				
Domestic	MARICS Co., Ltd.	Credit management-related consulting and services	Japan	100.00%
	Marubeni Financial Service Corporation	Loan and zero-balance transactions, provision of financial accounting support and consulting for the Marubeni Group	Japan	100.00%
	Marubeni Office Support Corporation	Clerical services, general office support, and promotion of employee wellness	Japan	100.00%
	Marubeni Personnel Management Corporation	Services and consulting regarding personnel management	Japan	100.00%
	Marubeni Service Corporation	Provision of management services for Marubeni-owned facilities and general affairs-related and other administrative services, sale of items related to general affairs operations	Japan	100.00%

This list primarily reflects data available as of March 31, 2010 as well as some data made available following that date.

Financial Section

Contents

Financial Section 88–157

A Message from the Chief Operating Officer

Shigemasa Sonobe
Managing Executive Officer, Member of the Board
Chief Operating Officer, Corporate Accounting Dept.,
Business Accounting Dept.-I, Business Accounting Dept.-II,
Business Accounting Dept.-III, and Finance Dept.;
Chief Operating Officer, Investor Relations

In response to the harsh business climate from the latter half of 2008, we focused our efforts in fiscal 2009 on the key management challenges of improving profitability and strengthening our financial base. As a result, our consolidated net income, although 14% lower year on year at ¥95.3 billion, exceeded our initial target of ¥80.0 billion, helped by success from our ongoing portfolio and risk management activities, a decrease in impairment loss on investment securities and improved equity in earnings of affiliated companies. We also took measures to improve cash flow and to reduce risk assets, which brought the consolidated net debt/equity ratio to 2.13 as of March 31, 2010, significantly improving our financial position.

The financial section of this report offers a detailed discussion including the above figures. This is predicated on Marubeni's appropriate disclosure of information, and disclosure policy, which I will describe below.

To ensure the accuracy of consolidated financial reporting, we have put in place an internal control system and, through an Internal Control Committee, we have established and operate a corporate governance system. In addition to following the provisions of the Financial Instruments and Exchange Law, the Corporation Law of Japan, securities and exchange rules and regulations, and other related laws and regulations, we also observe the guidelines of Marubeni's Corporate Principles, the Compliance Manual, and the Basic Policy on Information Disclosure to ensure that we conduct internal control in a way that emphasizes transparency, accuracy and fairness. We carry out timely and appropriate disclosure of information to investors and all other stakeholders, and have also established a Disclosure Committee to develop, maintain and manage our systems for appropriately disclosing information.

We will use these systems to further develop and enhance corporate governance, always considering the perspective of our stakeholders. In doing so, we are committed to developing proper systems for financial reporting, and working sincerely to conduct timely and appropriate disclosure.

Our financial reports for fiscal 2009 have been audited by Ernst & Young ShinNihon LLC based on the provisions of the Financial Instruments and Exchange Law. We received an audit report from them expressing an opinion that our financial reporting was appropriate.

Eleven-Year Financial Summary

	2010.3	2009.3	2008.3	2007.3
For the year:				
Revenues:				
Revenues from trading and other activities	**¥3,110,736**	¥ 3,807,480	¥ 3,958,276	¥3,467,925
Commissions on services and trading margins	**169,233**	194,819	207,950	190,930
Total	**3,279,969**	4,002,299	4,166,226	3,658,855
Total volume of trading transactions	**7,965,055**	10,462,067	10,631,616	9,554,943
Gross trading profit	**491,673**	644,803	596,916	531,171
Operating profit	**118,926**	234,065	200,153	165,020
Dividend income	**23,561**	27,719	23,645	20,705
Equity in earnings of affiliated companies—net	**28,864**	21,973	55,661	44,880
Net income attributable to Marubeni	**95,312**	111,208	147,249	119,349
Core earnings (Billions of yen)	**154.4**	245.0	239.6	202.1
At year-end:				
Total assets	**¥4,586,572**	¥ 4,707,309	¥ 5,207,225	¥4,873,304
Net interest-bearing debt	**1,706,397**	1,911,607	2,001,977	1,843,445
Total equity	**799,746**	623,356	860,581	820,839
Total Marubeni shareholders' equity	**745,297**	567,118	779,764	745,454
Amounts per share (¥, US$):				
Basic earnings	**¥ 54.89**	¥ 64.04	¥ 84.93	¥ 72.41
Diluted earnings	**—**	—	—	68.85
Cash dividends	**8.50**	10.00	13.00	10.00
Cash flows (for the year):				
Net cash provided by operating activities	**¥ 280,610**	¥ 343,618	¥ 235,290	¥ 152,075
Net cash used in investing activities	**(35,207)**	(387,069)	(306,855)	(135,147)
Free cash flow	**245,403**	(43,451)	(71,565)	16,928
Net cash provided by (used in) financing activities	**(254,655)**	257,608	65,865	24,819
Ratios:				
Return on assets (%)	**2.1**	2.2	2.9	2.5
Return on equity (%)	**14.5**	16.5	19.3	16.9
Marubeni shareholders' equity to total assets (%)	**16.2**	12.0	15.0	15.3
Net D/E ratio (times)	**2.1**	3.1	2.3	2.3

Notes: 1. U.S. dollar amounts above and elsewhere in this report are converted from yen, for convenience only, at ¥93 to US$1, the prevailing rate as of March 31, 2010.
2. In the recognition of revenue, the Company and its consolidated subsidiaries ("the Companies") generally present transactions as net. This is done both in instances in which the Companies legally act as principal, or when the Companies are not the primary obligor and do not have general inventory risk.
3. The figures for total volume of trading transactions and operating profit have been prepared according to accounting principles generally accepted in Japan (Japan GAAP). Figures for equity in earnings of affiliate companies for fiscal 2003 and prior years have not been revised to include them under income before income taxes.

						Millions of yen	Millions of U.S. dollars
2006.3	2005.3	2004.3	2003.3	2002.3	2001.3	2000.3	2010.3
¥2,949,058	¥2,874,455	¥2,622,546	¥2,520,531	¥ —	¥ —	¥ —	**$33,449**
190,787	161,108	148,674	160,636	—	—	—	**1,820**
3,139,845	3,035,563	2,771,220	2,681,167	—	—	—	**35,268**
8,686,532	7,936,348	7,902,494	8,793,303	8,972,245	9,436,863	10,222,442	**85,646**
502,024	433,395	406,761	424,643	436,804	479,754	453,496	**5,287**
143,248	86,461	78,624	73,371	776	41,482	16,330	**1,279**
12,065	8,989	7,198	6,797	7,477	7,692	5,221	**253**
31,602	25,727	—	—	—	—	—	**310**
73,801	41,247	34,565	30,312	(116,418)	15,036	2,060	**1,025**
171.3	109.9	80.0	—	—	—	—	**1,660**
¥4,587,072	¥4,208,037	¥4,254,194	¥4,321,482	¥4,805,669	¥5,320,604	¥ 5,584,353	**$49,318**
1,876,350	1,823,909	1,969,323	2,264,117	2,712,906	3,089,839	3,328,437	**18,348**
710,786	483,567	434,581	292,712	296,769	372,878	352,739	**8,599**
663,787	443,152	392,982	260,051	263,895	342,297	324,301	**8,014**
¥ 48.34	¥ 26.61	¥ 22.85	¥ 20.30	¥ (77.92)	¥ 10.06	¥ 1.38	**$ 0.59**
40.46	22.31	20.16	18.96	(77.92)	9.40	1.38	**—**
7.00	4.00	3.00	3.00	—	—	—	**0.09**
¥ 133,408	¥ 173,824	¥ 201,560	¥ 194,788	¥ 198,456	¥ 179,305	¥ 184,701	**$ 3,017**
(193,781)	46,043	57,983	113,241	74,504	187,993	257,006	**(379)**
(60,373)	219,867	259,543	308,029	272,960	367,298	441,707	**2,639**
(46,037)	(238,057)	(233,938)	(294,001)	(150,104)	(456,125)	(594,878)	**(2,738)**
1.7	1.0	0.8	0.7	—	0.3	0.0	
13.3	9.9	10.6	11.6	—	4.5	0.6	
14.5	10.5	9.2	6.0	5.5	6.4	5.8	
2.6	3.8	4.5	7.7	9.1	8.3	9.4	

4. Operating profit = Gross trading profit + Selling, general and administrative expenses + Provision for doubtful accounts
5. Core earnings is a management indicator that expresses the earning power of the main business of a general trading house. Core earnings is calculated as follows: Gross trading profit + SGA expenses (excluding restructuring costs up to FY2006 or prior) + Interest expense—net + Dividend income + Equity in earnings of affiliated companies—net
6. Although dilutive effects existed for the Company's Class I preferred stock issued in December 2003, the conversion of all preferred stock to shares of common stock was completed on March 19, 2007. Consequently, diluted earnings per share data have been omitted from earnings per share of common stock data since fiscal 2007.

Management's Discussion and Analysis of Financial Position and Business Results

All statements herein regarding future events reflect the judgment of Marubeni and its consolidated subsidiaries as of March 31, 2010.

1. Overview of Business Results

(1) Business Results

- **Total volume of trading transactions declined by ¥2,497.0 billion, or 23.9%, year on year, to ¥7,965.1 billion ($85,646 million).**
- **Gross trading profit declined by ¥153.1 billion, or 23.7%, to ¥491.7 billion ($5,287 million).**
- **Operating profit declined by ¥115.1 billion, or 49.2%, to ¥118.9 billion ($1,279 million).**
- **Net income attributable to Marubeni (hereinafter "Net income") declined by ¥15.9 billion, or 14.3%, to ¥95.3 billion ($1,025 million).**

During the fiscal year under review, a look at the economic environment reveals that many countries' economies bottomed out and turned toward recovery. This outcome came as the vigorous enactment of financial and monetary policies worked to counter significant drops in economic growth rates worldwide, particularly in developed countries in the aftermath of the September 2008 collapse of a major U.S. financial institution. Along with less turmoil in the financial and stock markets, prices for primary commodities, which had fallen sharply, began to rise and production activities came off a low in many countries. However, production failed to reach levels seen prior to the recession, most notably in developed countries, resulting in protracted weakness in employment and capital investment.

In the United States, overall improvement was noted in a variety of economic indicators. This progress reflected major economic stimulus measures and the implementation of quantitative easing policies, such as the purchase of long-term government bonds, and other moves designed to combat the economic downturn triggered by the aforementioned collapse of a major U.S. financial institution. Production activity, however, remained low, and unemployment rose to a historic high.

In Europe, modest improvements were also seen across various economic indicators, the result of pump-priming measures and quantitative easing that included the purchase of secured bonds in response to the U.S.-triggered financial crisis. Nevertheless, in addition to the continued presence of risk factors such as high unemployment rates, instability in Europe's financial system, and the external debt problems of central and eastern European countries, problems with government finances in southern European countries caused confidence in the euro to falter.

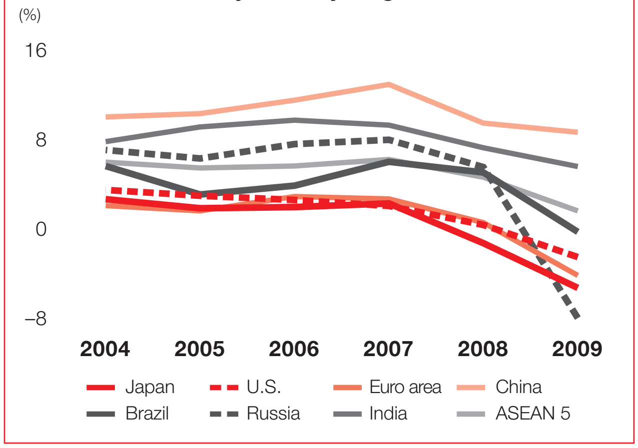
In Asia, many countries saw economic growth rates fall as economic recession in developed countries caused a sharp drop in external demand. Despite this trend, massive economic stimulus measures in China, coupled with quantitative easing, led to higher economic growth in China and other parts of Asia, giving impetus to a recovery.

In Japan, while the rapid decline in external demand accompanying global economic contraction caused the economic growth rate to fall dramatically, overall improvement was noted across a range of economic indicators. In addition to an upturn in external demand, this too owed to economic stimulus measures and quantitative easing policies. Production levels, however, remained low, and the unemployment rate rose above 5%. Declines in the price of goods, moreover, grew protracted as weak consumer sentiment persisted.

Under the aforementioned business environment, Marubeni's consolidated financial results for fiscal 2009 were as follows:

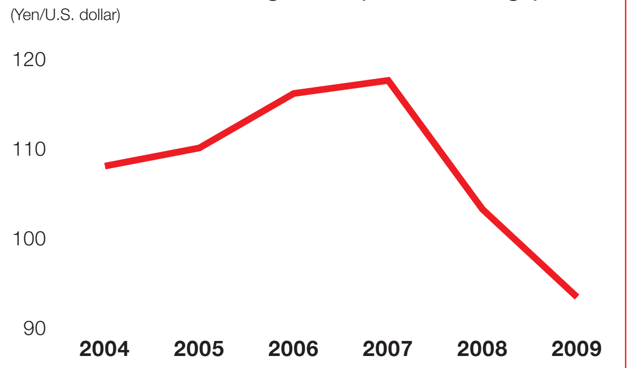
The consolidated total volume of trading transactions for fiscal 2009 decreased a substantial ¥2,497.0 billion (23.9%) year on year. This outcome reflected declines across all operating segments due to sharp drops in commodity prices, the yen's appreciation, and lower transaction volumes amid a severe economic environment since the second half of the previous fiscal year. The year-on-year decline was particularly substantial in the

Real GDP Growth by Country/Region



* Calendar year (Source: IMF)

Yen/U.S. Dollar Exchange Rate (annual average)



* Calendar year (Source: IMF)

Energy segment, due to a pullback in the high oil and gas prices experienced in the first half of fiscal 2008.

Gross trading profit declined by ¥153.1 billion (23.7%) year on year, to ¥491.7 billion ($5,287 million), owing to lower profits across all operating segments due to the aforementioned significant decrease in trading transactions.

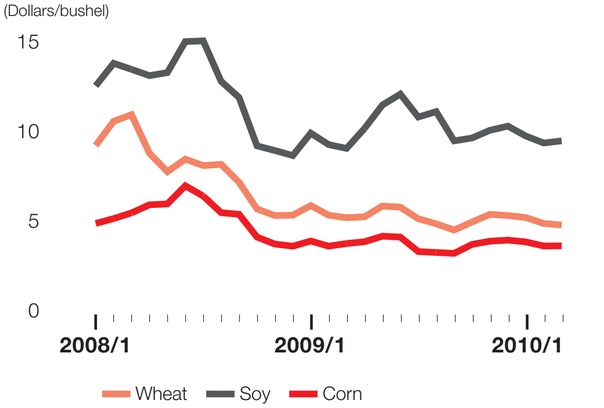
While selling, general and administrative expenses, notably personnel expenses, decreased ¥42.0 billion year on year due to efforts to curb costs, operating profit decreased by ¥115.1 billion (49.2%) year on year, to ¥118.9 billion ($1,279 million), as a result of lower gross trading profit.

Net income for the period declined by ¥15.9 billion (14.3%) year on year to ¥95.3 billion ($1,025 million). Net income was lower despite a decrease in the impairment loss on investment securities, recognition of income by the Group from a refund of royalties claimed in the petroleum development business, and improvement in equity in earnings of affiliated companies—net, largely due to a decrease in impairment losses for a retail-related affiliate company.

The aforementioned refund of royalties in the petroleum development business stems from the past payment by a Company consolidated subsidiary of royalties to the U.S. Government pertaining to certain deep-sea mining blocks in the Gulf of Mexico, which it subsequently confirmed that it had no obligation to pay. The result was recognition of income of ¥20.5 billion, of which ¥18.9 billion was posted as "Other—net" under "Expenses and other," and ¥1.6 billion was posted under gross trading profit.

In the meantime, "Revenue" as defined under U.S. GAAP, was ¥3,280.0 billion ($35,268 million), or ¥722.3 billion (18.0%) lower than the same period a year previously. In addition to declines in the Power Projects & Infrastructure segment due mainly to effects from the conversion of a consolidated subsidiary into an affiliate, this result, as with trading transactions, came from lower revenue in the Chemicals and Metals & Mineral Resources segments due to the impact of market prices.

Prices of Grain, etc. (wheat, soy, corn)



* Chicago Mercantile Exchange

(2) Business Results by Operating Segment

Financial results for each operating segment were as follows.

Food: Total volume of trading transactions amounted to ¥1,591.2 billion ($17,110 million), a decrease of ¥30.3 billion (1.9%) year on year, due to lower beverage transactions and falling livestock prices. Gross trading profit amounted to ¥108.8 billion ($1,169 million), a decrease of ¥4.9 billion (4.3%) year on year due to the fall in trading transactions. Operating profit amounted to ¥29.4 billion ($316 million), a decrease of ¥6.4 billion (17.9%) year on year. Net income improved ¥21.5 billion (–%) year on year to ¥2.1 billion ($23 million), despite the decrease in operating profit, because of impairment in equity in earnings due mainly to reductions in impairment losses on investments in a retail-related affiliate company. It also reflected a decrease in impairment losses on listed investment securities.

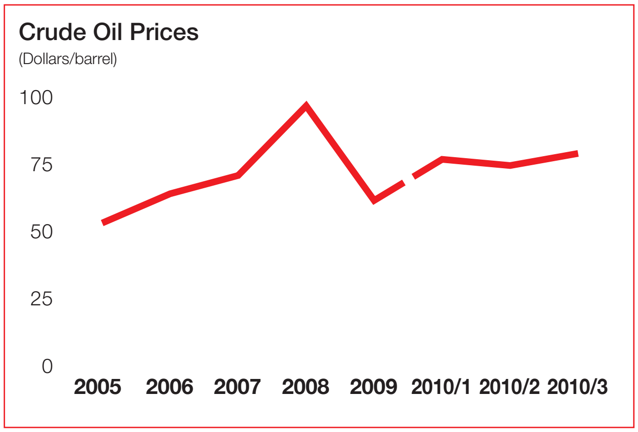
Lifestyle: Total volume of trading transactions amounted to ¥376.0 billion ($4,043 million), a decrease of ¥114.4 billion (23.3%) year on year on account of lower transactions related to natural rubber and apparel products. Because of these declines, gross trading profit amounted to ¥30.7 billion ($330 million), a decrease of ¥1.6 billion (4.8%) year on year. In the meantime, operating profit amounted to ¥8.6 billion ($92 million), an increase of ¥0.8 billion (9.8%) year on year, reflecting a decrease in selling, general and administrative expenses. Net income declined by ¥0.5 billion (11.4%) to ¥3.6 billion ($38 million) due to impairment losses on listed investment securities.

Forest Products: Total volume of trading transactions amounted to ¥545.6 billion ($5,867 million), a decrease of ¥131.3 billion (19.4%) year on year, due to decreased transactions in businesses related to building materials, pulp, printing paper, and chips. Gross trading profit decreased by ¥9.5 billion (22.2%) year on year to ¥33.3 billion ($358 million), impacted by lower profits in the pulp business due to deterioration in market prices. Operating profit amounted to ¥7.8 billion ($84 million), a decrease of ¥9.3 billion (54.5%) year on year. Net income declined by ¥5.5 billion (88.3%) to ¥0.7 billion ($8 million), as lower operating profit outweighed improved equity in earnings.

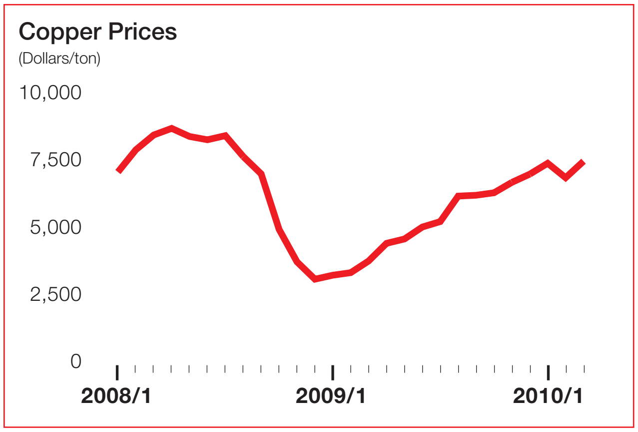
Chemicals: Total volume of trading transactions amounted to ¥652.4 billion ($7,015 million), a decrease of ¥158.2 billion (19.5%) year on year, tracking lower market prices in basic and inorganic chemicals. Gross trading profit decreased by ¥7.6 billion (25.1%) year on year, to ¥22.6 billion ($243 million) due to the lower trading transactions. Operating profit amounted to ¥3.8 billion ($41 million), a decrease of ¥4.5 billion (54.6%) year on year. Despite the decline in operating profit, net income for the period increased by ¥1.1 billion (21.8%) year on year to ¥6.3 billion ($68 million), reflecting a decrease in impairment losses on listed investment securities.

Energy: Total volume of trading transactions amounted to ¥1,915.0 billion ($20,591 million), a decrease of ¥957.8 billion (33.3%) year on year, with a drop in oil and gas prices and related trading volume. Gross trading profit fell ¥47.7 billion (51.6%) year on year, to ¥44.7 billion ($480 million), due to decreased profits from oil and gas concessions caused by the drop in prices. Operating profit amounted to ¥19.5 billion ($210 million), a decrease of ¥45.4 billion (69.9%) year on year. Although the segment recorded income from the refund of royalties, net income for the period was down ¥14.4 billion (27.7%) year on year to ¥37.6 billion ($405 million).

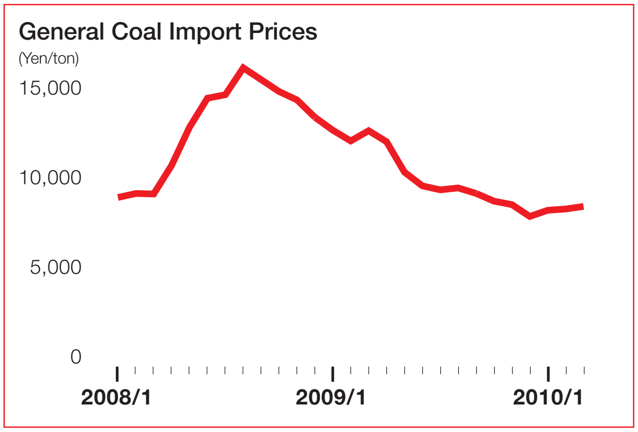
Please note: This segment has been reconfigured as Energy Division-I and Energy Division-II from fiscal 2010.



* Average unit price for WTI, North Sea Brent, and Dubai
* Data for 2005–2009 are for calendar years



* LME (London Metal Exchange) spot rates



Metals & Mineral Resources: Total volume of trading transactions amounted to ¥671.1 billion ($7,216 million), a decrease of ¥238.6 billion (26.2%) year on year, in line with a decrease in prices of steel raw materials. Gross trading profit fell by ¥14.3 billion (41.9%) year on year to ¥19.9 billion ($214 million) as a result. Operating profit amounted to ¥7.4 billion ($79 million), a decrease of ¥15.9 billion (68.3%) year on year. Despite an increase in equity in earnings, mainly for a Chilean copper mining project, net income for the period declined by ¥7.0 billion (32.3%) year on year to ¥14.6 billion ($157 million). This outcome largely reflected lower operating profit and worsening currency exchange losses.

Transportation Machinery: Total volume of trading transactions decreased by ¥214.5 billion (34.2%) year on year, to ¥412.3 billion ($4,433 million), due largely to the decrease in transactions related to construction machinery and automobiles. Gross trading profit amounted to ¥33.1 billion ($356 million), a decrease of ¥13.7 billion (29.2%) year on year, because of the above-mentioned decrease in transactions. Operating profit decreased by ¥7.3 billion (69.7%) year on year to ¥3.2 billion ($34 million). Due to lower operating profit and an increase in impairment loss on investment securities, net income for the period declined by ¥3.3 billion (75.4%) year on year to ¥1.1 billion ($12 million).

Power Projects & Infrastructure: Total volume of trading transactions amounted to ¥321.7 billion ($3,459 million), a decrease of ¥158.8 billion (33.0%) year on year, due mainly to the Caribbean integrated power business becoming an affiliate at the end of the previous fiscal year. Gross trading profit fell by ¥23.8 billion (47.4%) year on year, to ¥26.4 billion ($284 million), with operating profit down ¥19.5 billion (85.8%) year on year to ¥3.2 billion ($35 million). In contrast, net income for the period rose ¥7.2 billion (62.2%) year on year to ¥18.7 billion ($201 million). In addition to gains recognized on the sale of an overseas power business in the first quarter of the fiscal year and gains on remeasurement of retained interests, net income benefited from an increase in equity in earnings of affiliated companies in the overseas power business.

Plant, Ship & Industrial Machinery: Total volume of trading transactions decreased by ¥252.8 billion (30.4%) year on year to ¥578.1 billion ($6,217 million) because of decreased transactions related to plant projects in Japan and overseas. Gross trading profit declined by ¥3.4 billion (13.6%) year on year, to ¥21.7 billion ($234 million), due to decreased profit in domestic operating companies. Operating profit amounted to ¥1.8 billion ($20 million), a decrease of ¥4.4 billion (70.6%) year on year, because of an increase in the allowance for doubtful accounts with respect to receivables overseas. Net income for the period amounted to ¥3.4 billion ($36 million), a decrease of ¥3.8 billion (53.1%) year on year. While the segment experienced a decrease in impairment loss on investment securities and gains on the sale of listed shares, net income declined on lower operating profit and a decrease in equity in earnings in the ship-related and plant businesses.

Please note: Segment name changed to Plant & Industrial Machinery from fiscal 2010.

Real Estate Development: Total volume of trading transactions decreased by ¥37.7 billion (26.9%) year on year, to ¥102.3 billion ($1,099 million). This outcome came despite increased transactions in the overseas housing business and reflected transactions in real estate investment projects in the previous fiscal year. While gross trading profit dipped ¥0.4 billion (1.6%) year on year, operating profit rose ¥1.2 billion (29.7%) year on year, to ¥5.1 billion ($55 million), due to decreased selling, general and administrative expenses. The net loss for the period decreased by ¥1.6 billion (–%) year on year to ¥2.1 billion ($22 million), reflecting improvements in operating profit and a decrease in asset impairment of long-term assets.

Finance, Logistics & IT Business: Total volume of trading transactions amounted to ¥279.4 billion ($3,004 million), a decrease of ¥47.5 billion (14.5%) year on year, due to lower transactions at a domestic IT-related operating company. Gross trading profit declined by ¥6.0 billion (11.5%) year on year, to ¥45.9 billion ($494 million). Operating profit amounted to ¥4.3 billion ($46 million), a decrease of ¥0.3 billion (7.0%) year on year. Meanwhile, net income for the period was unchanged year on year at ¥3.4 billion ($37 million), as the recognition of no impairment losses on listed shares, in contrast to the previous fiscal year, was offset by lower operating profit and deterioration in equity in earnings.

Iron & Steel Strategies and Coordination: Gross trading profit amounted to ¥0.5 billion ($6 million), down ¥0.5 billion (46.0%) from the previous fiscal year. The operating loss deteriorated by ¥0.5 billion year on year to ¥0.9 billion ($9 million). The segment recorded a net loss of ¥0.6 billion ($6 million), ¥15.5 billion (–%) worse year on year. In addition to equity in earnings in affiliated companies, which decreased by ¥13.3 billion (95.5%) year on year to ¥0.6 billion ($7 million) due to deterioration in market prices for steel products, net income was impacted by no gains on the sale of securities recognized in the previous fiscal year.

Please note: This segment was transferred to the Metals & Mineral Resources Division in fiscal 2010.

Overseas Corporate Subsidiaries and Branches: Total volume of trading transactions decreased by ¥118.2 billion (8.2%) year on year, to ¥1,326.3 billion ($14,261 million), due to lower transactions recorded by Marubeni America Corporation and the effects of a stronger yen. Gross trading profit fell by ¥19.1 billion (17.3%) year on year, to ¥91.4 billion ($983 million), with decreased earnings in the agrochemicals and fertilizer-related businesses in the U.S. and the effects of the yen's appreciation. Operating profit amounted to ¥17.0 billion ($183 million), a decrease of ¥11.9 billion (41.1%) year on year. As a result, net income for the period declined by ¥8.1 billion (49.8%) year on year to ¥8.2 billion ($88 million).

Operating Segment Information

	Billions of yen		Millions of U.S. dollars
	FY2009	FY2008	**FY2009**
Total Volume of Trading Transactions			
Food	**¥1,591.2**	¥ 1,621.5	**$17,110**
Lifestyle	**376.0**	490.4	**4,043**
Forest Products	**545.6**	676.9	**5,867**
Chemicals	**652.4**	810.6	**7,015**
Energy	**1,915.0**	2,872.8	**20,591**
Metals & Mineral Resources	**671.1**	909.6	**7,216**
Transportation Machinery	**412.3**	626.8	**4,433**
Power Projects & Infrastructure	**321.7**	480.5	**3,459**
Plant, Ship & Industrial Machinery	**578.1**	830.9	**6,217**
Real Estate Development	**102.3**	139.9	**1,099**
Finance, Logistics & IT Business	**279.4**	326.9	**3,004**
Iron & Steel Strategies and Coordination	**0.5**	1.0	**6**
Overseas Corporate Subsidiaries and Branches	**1,326.3**	1,444.5	**14,261**
Corporate and Elimination	**(806.8)**	(770.2)	**(8,675)**
Consolidated	**¥7,965.1**	¥10,462.1	**$85,646**
Gross Trading Profit			
Food	**¥ 108.8**	¥ 113.7	**$ 1,169**
Lifestyle	**30.7**	32.3	**330**
Forest Products	**33.3**	42.7	**358**
Chemicals	**22.6**	30.1	**243**
Energy	**44.7**	92.4	**480**
Metals & Mineral Resources	**19.9**	34.2	**214**
Transportation Machinery	**33.1**	46.8	**356**
Power Projects & Infrastructure	**26.4**	50.1	**284**
Plant, Ship & Industrial Machinery	**21.7**	25.2	**234**
Real Estate Development	**22.6**	23.0	**243**
Finance, Logistics & IT Business	**45.9**	51.9	**494**
Iron & Steel Strategies and Coordination	**0.5**	1.0	**6**
Overseas Corporate Subsidiaries and Branches	**91.4**	110.5	**983**
Corporate and Elimination	**(10.0)**	(9.2)	**(107)**
Consolidated	**¥ 491.7**	¥ 644.8	**$ 5,287**
Operating Profit (Loss)			
Food	**¥ 29.4**	¥ 35.8	**$ 316**
Lifestyle	**8.6**	7.8	**92**
Forest Products	**7.8**	17.1	**84**
Chemicals	**3.8**	8.3	**41**
Energy	**19.5**	64.9	**210**
Metals & Mineral Resources	**7.4**	23.3	**79**
Transportation Machinery	**3.2**	10.5	**34**
Power Projects & Infrastructure	**3.2**	22.7	**35**
Plant, Ship & Industrial Machinery	**1.8**	6.3	**20**
Real Estate Development	**5.1**	3.9	**55**
Finance, Logistics & IT Business	**4.3**	4.6	**46**
Iron & Steel Strategies and Coordination	**(0.9)**	(0.4)	**(9)**
Overseas Corporate Subsidiaries and Branches	**17.0**	28.9	**183**
Corporate and Elimination	**(8.8)**	(0.4)	**(95)**
Consolidated	**¥ 118.9**	¥ 234.1	**$ 1,279**

	Billions of yen FY2009	FY2008	Millions of U.S. dollars FY2009
Net Income (Loss)			
Food	¥ **2.1**	¥ (19.4)	$ **23**
Lifestyle	**3.6**	4.0	**38**
Forest Products	**0.7**	6.2	**8**
Chemicals	**6.3**	5.2	**68**
Energy	**37.6**	52.0	**405**
Metals & Mineral Resources	**14.6**	21.6	**157**
Transportation Machinery	**1.1**	4.4	**12**
Power Projects & Infrastructure	**18.7**	11.5	**201**
Plant, Ship & Industrial Machinery	**3.4**	7.1	**36**
Real Estate Development	**(2.1)**	(3.7)	**(22)**
Finance, Logistics & IT Business	**3.4**	3.4	**37**
Iron & Steel Strategies and Coordination	**(0.6)**	14.9	**(6)**
Overseas Corporate Subsidiaries and Branches	**8.2**	16.3	**88**
Corporate and Elimination	**(1.8)**	(12.5)	**(20)**
Consolidated	¥ **95.3**	¥ 111.2	$ **1,025**

Note: The figures for Total Volume of Trading Transactions and Operating Profit have been prepared according to accounting principles generally accepted in Japan (Japan GAAP).

(3) Cash Flows

- **Cash and cash equivalents at the end of the fiscal year were ¥570.8 billion ($6,138 million), down ¥3.1 billion, or 0.5%, compared with the end of the previous fiscal year.**
- **Free cash flow in fiscal 2009 was ¥245.4 billion ($2,639 million), up ¥288.9 billion year on year.**

Cash and cash equivalents at the end of fiscal 2009 were ¥570.8 billion ($6,138 million), a decrease of ¥3.1 billion, or 0.5%, compared with the end of the previous fiscal year.

Cash Flows from Operating Activities

Net cash provided by operating activities in fiscal 2009 was ¥280.6 billion ($3,017 million), down ¥63.0 billion year on year. In addition to steady operating profit particularly from overseas resource-related subsidiaries, this was mainly attributable to a decrease in working capital requirements.

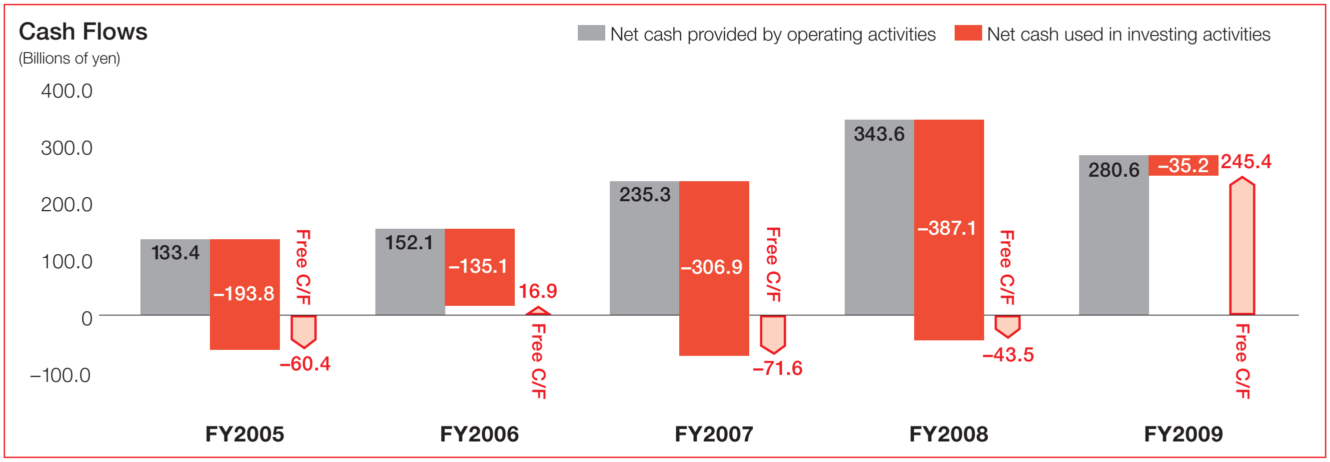
Cash Flows from Investing Activities

Net cash used in investing activities amounted to ¥35.2 billion ($379 million), down ¥351.9 billion from a year ago. Cash was mainly used for property, plant and equipment in Japan and capital outlays in connection with existing resource-related projects overseas. Cash was mainly provided by the collection of loans receivable.

These activities resulted in free cash flows of ¥245.4 billion ($2,639 million), up ¥288.9 billion from the previous fiscal year.

Cash Flows from Financing Activities

Net cash used in financing activities in fiscal 2009 was ¥254.7 billion ($2,738 million), an increase of ¥512.3 billion year on year, and reflected the use of surplus funds for the repayment of debt.



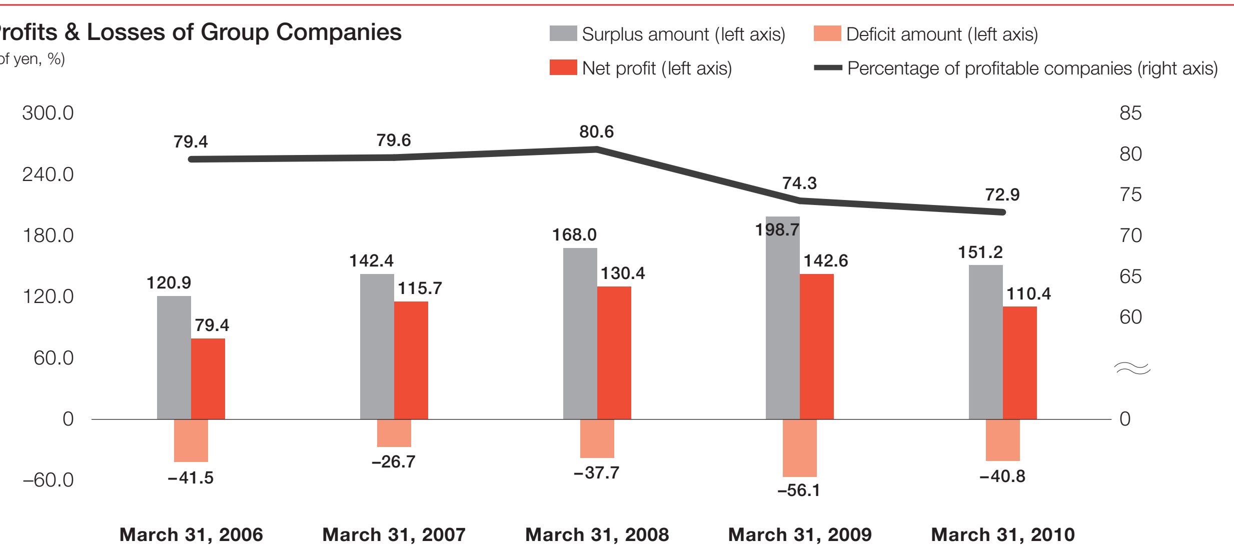
Operating Results of Principal Subsidiaries and Affiliated Companies

Operating Segment	Company Name	Equity Portion	Net Income (Losses) on Consolidated Statements of Income (Billions of yen) FY2009	FY2008	Description of Operations
Food	Columbia Grain International, Inc.	100.0%	**4.1**	7.2	Procurement and marketing of grains for export, domestic market in North America
	Marubeni Nisshin Feed Co., Ltd.	60.0%	**1.2**	0.7	Manufacture and sale of compound feed
	Pacific Grain Terminal Co., Ltd.	78.4%	**0.9**	0.8	Port grain elevator operation, warehousing
	Marubeni Chikusan Corporation	100.0%	**0.5**	1.4	Wholesale and production of meat and processed products
	Yamaboshiya Co., Ltd.	77.6%	**1.5**	1.3	Wholesale of confectionery
	The Nisshin OilliO Group, Ltd.*1	15.1%			Holdings company controlling oil manufacture business
	The Daiei, Inc.*1	29.3%			Retailer
	Tobu Store Co., Ltd.*1	30.1%			Supermarket chain
	The Maruetsu, Inc.*1	29.7%			Supermarket chain
Lifestyle	Marubeni Fashion Link, Ltd.	100.0%	**1.0**	0.8	Wholesale of fabrics, textile products, garments and fashion accessories
	Marubeni Intex Co., Ltd.	100.0%	**0.7**	0.6	Sale of industrial textile and lifestyle goods
Forest Products	Marubeni Pulp & Paper Sales Co., Ltd.	88.5%	**0.2**	0	Wholesale of all types of paper
	Koa Kogyo Co., Ltd.	80.0%	**1.5**	0.9	Manufacture of medium board, containerboard and printing paper
	Marubeni Building Materials Co., Ltd.	100.0%	**(0.4)**	0.4	Wholesale of wood products and construction materials
	Fukuyama Paper Co., Ltd.	55.0%	**0.8**	0.4	Manufacture of medium board and paper tube materials
	MUSI Pulp Project	TEL 85.1% MHP 60.0%	**(1.2)**	5.1	Afforestation, production and sales of pulp in Indonesia
	Marusumi Paper Co., Ltd.	32.2%	**0.2**	0.1	Manufacture and sale of printing paper and pulp
	WA Plantation Resources Pty. Ltd.	50.0%	**(0.1)**	0.5	Management of plantation, production and export of wood chips
	Daishowa-Marubeni International Ltd.	50.0%	**(0.2)**	(1.9)	Manufacture and sale of pulp
Chemicals	Marubeni Plax Corporation	100.0%	**0.3**	(0.1)	Sale and foreign trade of plastic resin and products
	Marubeni Chemix Corporation	100.0%	**0.4**	0.3	Sale and foreign trade of organic chemicals, functional chemicals and pharmaceutical intermediates
	Agrovista B.V.	100.0%	**0.7**	1.2	Holding company of agrochemicals distributors in the U.K. and the Netherlands
Energy	Total of energy concession business	100.0%	**17.6**	27.0	Oil and gas development and production
	MIECO Inc.	100.0%	**0.3**	1.4	Petroleum trading, primarily in North America and the Pacific Rim
	Mitsui Marubeni Liquefied Gas Co., Ltd.	40.0%	**1.2**	(0.3)	Sale of LPG, operation of LPG filling stations
	Shenzhen Sino-Benny LPG Co., Ltd.	49.0%	**0.2**	0.5	Import and sale of LPG in China
Metals & Mineral Resources	Marubeni Coal Pty. Ltd.	100.0%	**8.9**	16.1	Investment in coal business in Australia
	Marubeni Aluminium Australia Pty. Ltd.	100.0%	**(0.5)**	1.7	Investment in aluminum business in Australia, sale of aluminum ingots
	Marubeni Los Pelambres Investment B.V.*2	100.0%	**7.8**	5.6	Investment in copper business in Chile
	Resource Pacific Holdings Pty Limited	22.2%	**1.4**	0	Investment in Ravensworth underground coal mine in Australia
Transportation Machinery	Marubeni Aviation Services Ltd.	100.0%	**2.9**	3.0	Investment in aircraft engine development programs and leasing of aircraft
	Marubeni Auto Investment (UK) Ltd.	100.0%	**0.7**	0.6	Investment in motor retail (new car & used car) & service industry
Power Projects & Infrastructure	Axia Power Holdings, B.V.	100.0%	**17.4**	7.3	Overseas power assets holding company
	Axia Taiwan Holdings	100.0%	**1.8**	2.2	Power producer in Taiwan
	Aguas Décima S.A.	100.0%	**0.4**	0.4	Water and wastewater works in Valdivia, Region of Los Rios, Chile
	TeaM Energy Corporation	50.0%	**2.1**	0.8	Holding company for the Ilijan, Pagbilao and Sual power plants in the Philippines
	PPN Power Generating Company Limited	26.0%	**0.7**	0.3	IPP in Pillaiperumalnallur, India
	Tapal Energy (Private) Ltd.	40.0%	**0.6**	0.5	IPP in Pakistan
	Uni-Mar Enerji Yatirimlari A.S.	33.3%	**3.1**	0.9	IPP in Marmara Ereglisi, Turkey

Operating Segment	Company Name	Equity Portion	Net Income (Losses) on Consolidated Statements of Income (Billions of yen) FY2009	FY2008	Description of Operations
Plant, Ship & Industrial Machinery	Midwest Railcar Corporation	100.0%	**0.6**	0.5	Leasing, brokerage and management of railcars
	Marubeni Techno-Systems Corp.	100.0%	**0.3**	0.6	Import and export of machinery relating to beverages, packaging, electronics, optical disc, printing, chemical, recycle and core components for construction machinery
Real Estate Development	Shanghai House Property Development Co., Ltd.	60.0%	**1.2**	0.4	Housing development in Shanghai, China
	Marubeni Community Co., Ltd.	100.0%	**0.7**	0.3	Property management of condominiums, buildings and complexes
	Marubeni Real Estate Co., Ltd.	100.0%	**0.8**	0.4	Development, leasing and management of real estate
Finance, Logistics & IT Business	Marubeni Information Systems Co., Ltd.	100.0%	**1.1**	0.9	Operation and development of information and communication systems, sale of computers, network products, and SI
	VECTANT Ltd.	100.0%	**0.6**	0.5	Internet access service, ASP, iDC and IP-VPN service provider
	Global Access Ltd.	100.0%	**1.5**	1.2	Providing international/domestic combined bandwidth via own fiber-optic cable network
	Marubeni Telecom Co., Ltd.	100.0%	**1.1**	1.3	Sale of mobile handsets and fixed-line communications services, IT solutions and mobile content
	Marubeni Safenet Co., Ltd.	100.0%	**0.4**	0.5	Insurance agency
	Marubeni Logistics Corporation	100.0%	**0.2**	0.4	Warehousing and logistics services
Iron & Steel Strategies and Coordination	Marubeni-Itochu Steel Inc.*3	50.0%	**2.7**	14.8	Manufacture, processing, import, export and sale of steel products
Overseas Corporate Subsidiaries and Branches	Marubeni America Corporation	100.0%	**6.7**	11.7	Overseas corporate subsidiary in U.S.
	Marubeni Europe plc	100.0%	**(0.2)**	0.8	Overseas corporate subsidiary in Europe

*1 Disclosure of figures omitted since the company is publicly listed.
*2 Marubeni Los Pelambres Investment (MLPI) is a newly established holding company for Marubeni's copper business. The new company retains the same interests as the former Marubeni LP Holding (MLPH), for which results were previously posted under income, as well as the same practical functions. For these reasons, fiscal 2009 business performance includes results from the former MLPH, with actual results for the former MLPH used for fiscal 2008 operating results.
*3 Transferred to the Metals & Mineral Resources Division in fiscal 2010.

Net Profits & Losses of Group Companies
(Billions of yen, %)



* From the fiscal year ended March 31, 2008, Marubeni includes only companies directly subject to its consolidated accounting system in the scope of consolidation. The percentages of profitable companies reflect this change and are presented accordingly for each year in the chart above. However, the amounts of income and loss presented in the chart reflect this change only for the fiscal years ended March 31, 2007, 2008, 2009 and 2010.

2. Dividend Policies

The Company recognizes that maximizing corporate value and competitiveness by building up and effectively utilizing internal reserves and achieving the stable, consistent payment of dividends to shareholders are among its most important corporate responsibilities. Based on the concept of linking dividends to its business results for each term and clearly manifesting its stance of emphasizing shareholder returns, Marubeni adheres to its basic policy of maintaining a consolidated payout ratio of around 15%.

In the fiscal year ended March 31, 2010, Marubeni appropriated the following from retained earnings for dividend payments.

Resolution Date	Type of Shares	Cash Dividends	Cash Dividends per Share
October 30, 2009 Board of Directors	Common stock	¥6,078 million	¥3.50
May 21, 2010 Board of Directors	Common stock	¥8,683 million	¥5.00

3. Details of Executive Compensation

Total compensation paid to directors and corporate auditors for fiscal 2009 is as follows.

Position	Total Amount of Compensation	Total Compensation by Type				Number of Recipients
		Basic Compensation	Stock Options	Bonuses	Retirement Bonuses	
Directors (excluding outside directors)	¥809 million	¥804 million	—	—	¥5 million	11
Corporate auditors (excluding outside auditors)	¥85 million	¥79 million	—	—	¥6 million	3
Outside executives	¥45 million	¥45 million	—	—	—	7
Total	¥939 million	¥928 million	—	—	¥11 million	21

*1 Rounded to the nearest million.

*2 Limits to the amount of executive compensation determined by a resolution of the General Meeting of Shareholders are as follows: "¥85 million to directors monthly (including ¥2.5 million for outside directors)" and "¥10 million to corporate auditors monthly" (both resolutions of the 83rd General Meeting of Shareholders held on June 22, 2007).

*3 Corporate auditors (excluding outside auditors) to whom compensation was paid include one corporate auditor who retired at the conclusion of the 85th General Meeting of Shareholders held on June 19, 2009.

*4 Outside executives to whom compensation was paid include three executives who retired at the conclusion of the 85th General Meeting of Shareholders held on June 19, 2009.

*5 Retirement bonuses include an increase in the allowance for retirement bonuses (¥1 million for directors, ¥4 million for corporate auditors) disclosed in the securities reports filed by the Company for fiscal 2006 (83rd business term) and fiscal 2007 (84th business term). This entire amount was covered by an allowance through fiscal 2007.

*6 The Company submitted a resolution to abolish its system of retirement bonuses for executives at the conclusion of the 83rd General Meeting of Shareholders held on June 22, 2007, with abolishment accompanied by the decision to close out and pay any remaining retirement bonuses associated with the system. The Company will make these payments to directors and corporate auditors who are eligible under the resolution, paying directors when they have retired both from their directorship and any held post as executive officer, and paying corporate auditors upon their retirement.

Individuals to whom the total amount of compensation paid exceeded ¥100 million are as follows.

Name	Position	Total Compensation by Type				Total Compensation
		Basic Compensation	Stock Options	Bonuses	Retirement Bonuses	
Teruo Asada	Director	¥135 million	—	—	—	¥135 million

Amounts of executive compensation, details of policies regarding calculation methods used to decide compensation, and policies regarding compensation decisions are as follows. Compensation for directors and corporate auditors is decided based on limits to the amount of total compensation for directors and corporate auditors determined by the General Meeting of Shareholders. Compensation for individual directors is decided by the Compensation Consultative Committee, a body whose membership includes outside auditors, and by the Board of Directors. Compensation for individual corporate auditors is decided through deliberation by the corporate auditors. Compensation paid to directors other than outside directors consists of fixed compensation and variable compensation, the latter of which is linked to business performance in the prior fiscal year. Compensation for outside directors and corporate auditors, both of whom are completely independent from business execution, consists entirely of fixed compensation.

4. Issues to Be Addressed

(1) SG2009 Medium-Term Management Plan

The Marubeni Group began executing SG2009, a two-year medium-term management plan, in fiscal 2008.

Under SG2009 the Marubeni Group sought to build on improvements in its earnings base and financial strength, bolstering the earnings base against market fluctuations by establishing a rigorous risk management system, expanding our prime asset portfolio and pursuing higher asset efficiency, with the goal of realizing sustainable growth.

However, due to erosion in demand, weak consumer spending, worsening prices for commodities and other difficulties stemming from the dramatic global economic deterioration that emerged in the second half of fiscal 2008, we revised our quantitative targets for the plan. Our performance against these revised targets was as follows.

Management Indicator	Revised Targets	Results for FY2009
Consolidated net income attributable to Marubeni	2-year total of more than ¥190.0 billion	2-year total of ¥206.5 billion
Consolidated net D/E ratio*1	Around 2.5 times	2.13 times (as of March 31, 2010)
Risk assets	Less than Equity*2	¥635.6 billion (Equity: ¥799.7 billion)
ROA	Approx. 2%	2.05%

*1 The consolidated net D/E ratio is calculated using consolidated net interest-bearing debt. Consolidated net interest-bearing debt is calculated by subtracting cash and cash equivalents from consolidated interest-bearing debt (the sum of long-term borrowings (including commercial paper) and corporate bonds).

*2 The same as shareholders' equity, inclusive of "non-controlling interests."

ROE was 14.5%.

Under SG2009 Marubeni set an initial target of around ¥600.0 billion in new investments and loans for the two-year period. Efforts to meet this objective fell short, however, due to the severe operating environment in fiscal 2009, as we prioritized actions to improve Marubeni's financial strength and therefore pursued projects with greater selectivity. As a result, Marubeni made a total of ¥376.0 billion in new investments and loans over the two-year period of the plan, mainly in the priority fields of natural resources and energy, and overseas I(W)PP.

From the financial aspect, equity rose ¥176.4 billion from the previous fiscal year-end, to ¥799.7 billion ($8,599 million). Risk assets, meanwhile, amounted to ¥635.6 billion ($683.4 million), allowing Marubeni to secure a risk buffer of ¥164.1 billion. In addition to steady accumulation of profits, this reflected an improvement in accumulated other comprehensive income (loss) due to the effects of recovering stock markets, a strong Australian dollar, and other factors. Consolidated net interest-bearing debt, meanwhile, fell ¥205.2 billion from the previous fiscal year-end, to ¥1,706.4 billion ($18,348 million). Consequently, the consolidated net D/E ratio was 2.13 times, representing a 0.94 point improvement from the figure as of March 31, 2009*3.

*3 The consolidated net D/E ratio as of the fiscal year-end has been restated using equity, including non-controlling interests.

(2) About SG-12—Marubeni's New Medium-Term Management Plan

In April 2010, the Marubeni Group launched SG-12, a new three-year, medium-term management plan.

The new plan retains the same basic approach as SG2009 and will see Marubeni strive to capture the confidence of suppliers and other stakeholders as a "partner that performs beyond expectations." At the same time, we will eagerly meet the challenge of achieving sustainable growth by establishing a durable earnings base and firm financial base capable of weathering a changing operating environment.

Targets for SG-12 are as follows.

Management Indictor	Target
Consolidated net income attributable to Marubeni	¥125.0 billion in fiscal 2010
Consolidated net D/E ratio	Quickly achieve level of around 1.8 times
Risk assets	Less than Equity
ROE	Stabilize at or above 15%

For the three-year period of SG-12 Marubeni is targeting ¥750.0 billion in new investments and loans, prefaced on aggressive asset replacement designed to accelerate the growth of the Company's earnings base.

Under the new SG-12 medium-term management plan, Marubeni is committed to the promotion of a management-led human resource strategy, the priority allocation of management resources, the bolstering of initiatives in overseas markets, and measures to strengthen the Company's financial base and further upgrade risk management.

For our management-led human resource strategy, we plan to establish an "HR Strategy Committee," chaired by the CEO, to strengthen the human resources of the entire Group to better deal with the changing business environment and diversified business models.

We will prioritize resource allocation in four priority fields—natural resources, infrastructure, environment and essential living commodities. The field of natural resources is essential to sustainable global economic growth, and is expected to harbor increased demand over the medium to long term. Infrastructure, meanwhile, is a field in which Marubeni enjoys advantages, and one that we anticipate will yield substantial business opportunities, particularly in newly emerging markets, going forward. In the environment field, new needs are likely to appear in step with growing environmental consciousness, tighter environmental regulations in countries worldwide, and other trends. As for essential living commodities, this field is projected to experience increased demand triggered by economic growth and higher living standards in newly emerging markets.

In bolstering initiatives in overseas markets, the plan is to capture growth in overseas markets, notably in newly emerging economies, through a medium- to long-term focus on markets in five priority regions—ASEAN, China, India, South America, and North America.

Regarding measures to strengthen the Company's financial base, we will continue to build a firm financial base through rigorous balance sheet and cash flow management. We also intend to pursue more deeply embedded and sophisticated risk management to deal effectively with increasingly rapid changes in our operating and business environments.

New Investment Plan

Emphasize the allocation of our management resources to fields with high potential for growth.
Also, to build a financial and earnings base able to cope with a rapidly changing business environment, Marubeni will push the divestiture of assets and replace them with new investments.

	FY2010-2012 (3-year total)
New Investment (Gross)	Approx. ¥750.0 billion
Strategic Divestiture of Assets	Approx. ¥150.0 billion
New Investment (Net)	Approx. ¥600.0 billion

Priority Business Fields

	Outlook	Priority Fields
Natural Resources	The stable supply of natural resources is still essential for the sustainable growth of the world economy. Furthermore, mid- to long-term demand growth is expected in this field.	• Metals and Mineral Resources • Energy Resources, etc.
Infrastructure	Marubeni's rich experience in this field gives it an advantage. The number of business opportunities in this field is expected to grow, especially in the emerging countries.	• Overseas I(W)PP Projects • Water-related Projects • Industrial and Social Infrastructure Projects, etc.
Environment	The emergence of new business can be expected with the raising of environmental consciousness and tightening of environment-related regulations.	• Forestation Projects • Clean Energy Projects • Emission Credits, etc.
Essential Living Commodities	Demand for essential living commodities is expected to increase as living standards in emerging countries rise.	• Grain, Agriculture-related Materials (fertilizer, agrichemicals, etc.) • Trade/Distribution (food products, pulp and paper, lifestyle products, motor vehicles, etc.), etc.

5. Important Contracts

No important contracts were decided or concluded in the fiscal year ended March 31, 2010.

6. R&D Activities

No items to report.

7. Management's Discussion and Analysis of Financial Position and Operating Results

(1) Significant Accounting Policies and Estimates

Marubeni prepares its consolidated financial statements in conformity with accounting principles generally accepted in the United States. For more details regarding significant accounting policies, please refer to page 119, "2. Significant Accounting Policies."

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In determining accounting estimates and assumptions, management makes what it believes to be reasonable inferences of these amounts based on past experience and on a case-by-case basis. Actual results could differ from those estimates due to inherent uncertainty in nature. Management considers the following estimates and assumptions as those that have a significant impact on the Company's consolidated financial statements.

1) Allowances for Doubtful Accounts

In evaluating credit risk relating to accounts receivable, notes receivable, loans receivable, and other receivables, Marubeni and its consolidated subsidiaries categorize them based on the potential exposures for credit ratings of debtors, geographical and other considerations. Based on these classifications, an allowance is determined for a given receivable considered to be a loss, posted at an amount equal to either the current value of the receivable (discounted cash flow using the initial effective interest rate) or the fair value of its collateral. Projected cash flow and fair value as collateral are estimated based on the most accurate credit information available from internal specialists regarding the payment history of each applicable obligor or region. For other loans not covered above, allowances are determined based on the historical bad debt ratio by the credit risk category. The historical rate of default is determined by internal specialists, based on past experience in each applicable risk area.

While Marubeni believes these estimates to be reasonable, unexpected changes and other factors could significantly impact the Company's consolidated financial statements.

2) Valuation of Investment Securities

Marubeni and its consolidated subsidiaries determine the appropriate classification of securities as either trading securities, held-to-maturity securities or available-for-sale securities at the date of purchase.

Held-to-maturity securities are stated at amortized cost, adjusted for the amortization of premiums and accretion of discounts to maturity. Available-for-sale securities are carried at fair value with the unrealized gains and losses, net of taxes, reported in accumulated other comprehensive income (loss) on the consolidated balance sheet. For held-to-maturity and available-for-sale securities, declines in value judged other than temporary are recognized as impairment losses.

Whether declines in the value of marketable equity securities are other than temporary is determined by examining the length of the time and the extent to which the market value has been less than cost. For non-marketable equity securities, net assets and other measures of the percent decline in actual value are used to make this determination.

While Marubeni believes these estimates to be reasonable, unforeseeable changes to the assumptions used could result in a higher-than-expected loss, which could significantly impact the Company's consolidated financial statements.

3) Impairment of Long-Lived Assets

Expected future cash flows are utilized when determining impairment losses for long-lived assets held by Marubeni and its consolidated subsidiaries. Projected cash flows are estimated based on certain assumptions.

While Marubeni believes these estimates to be reasonable, unforeseeable changes to the terms and criteria used could result in a reassessment of projected cash flows, which could significantly impact the Company's consolidated financial statements.

4) Impairment of Goodwill and Other Intangible Assets

For goodwill and other intangible assets with indefinite useful lives, Marubeni and its consolidated subsidiaries review them for impairment every fiscal year. In measuring the amount of impairment for assets displaying a need for such measures, the Company and its consolidated subsidiaries utilize discount rates and other estimates for the calculation of expected future cash flows and the current value of such assets.

While Marubeni believes these estimates to be reasonable, unforeseeable changes to the terms and criteria used could result in an increase in the amount of impairment, which could significantly impact the Company's consolidated financial statements.

5) Realization of Deferred Tax Assets

In their financial statements and for tax purposes, Marubeni and its consolidated subsidiaries recognize temporary differences and losses carried forward as deferred tax assets. Regarding temporary differences and losses carried forward, due to future tax changes, a valuation allowance is recognized for the portion for which realization is deemed unlikely, with deferred tax assets reduced accordingly. The projected amount of future tax to be collected is estimated based on future taxable income and tax strategies.

While Marubeni believes these estimates to be reasonable, unforeseeable changes to the terms and criteria used could result in a reassessment of the projected amount of tax to be collected, which could significantly impact the Company's consolidated financial statements.

6) Employees' Retirement Benefit

Marubeni and its consolidated subsidiaries utilize actuarial valuation based on certain assumptions to calculate pension cost and pension obligations for regular employees. These assumptions include the discount rate, the retirement rate, the mortality rate, the rate of increase in future compensation levels and expected rate of return on plan assets.

While Marubeni believes these assumptions to be reasonable, unforeseeable changes to the criteria used could significantly impact the Company's consolidated financial statements.

7) Uncertain Tax Position

Marubeni and its consolidated subsidiaries, when considering the results of past tax examinations, estimate the degree of uncertainty in their tax position, recognizing and measuring this position in their financial statements.

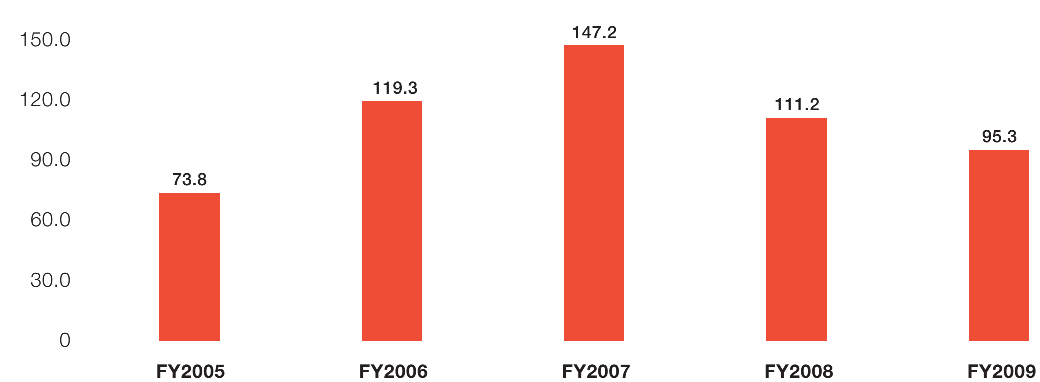
While Marubeni believes these estimates to be reasonable, unforeseeable changes in the interpretation of tax law used could significantly impact the Company's consolidated financial statements.

(2) Analysis of Operating Results for the Fiscal Year Ended March 31, 2010

- **Net income declined by ¥15.9 billion year on year to ¥95.3 billion ($1,025 million).**
- **Dividend income decreased by ¥4.2 billion to ¥23.6 billion ($253 million).**
- **Equity in earnings of affiliated companies—net increased ¥6.9 billion to ¥28.9 billion ($310 million).**

Net income declined by ¥15.9 billion from the previous fiscal year, to ¥95.3 billion ($1,025 million), resulting in lower earnings for a second consecutive year. In terms of the operating results of consolidated subsidiaries, 312 companies were profitable, compared to 116 unprofitable companies. The percentage of companies achieving profitability was thus 72.9%, down 1.4 percentage point from 74.3% for the previous fiscal year. Total income from these companies deteriorated by ¥32.2 billion.

Net Income
(Billions of yen)



An analysis of operating results is provided as follows.

1) Gross Trading Profit

Gross trading profit was ¥491.7 billion ($5,287 million), representing a decrease of ¥153.1 billion year on year. This outcome reflected lower profits across all operating segments due to sharp drops in commodity prices, the yen's appreciation, and lower transaction volumes, amid a severe economic environment since the second half of the previous fiscal year. For a breakdown of operating segments, please refer to page 92, "1. Overview of Business Results, (2) Business Results by Operating Segment."

2) Selling, General & Administrative Expenses

Selling, general and administrative expenses decreased by ¥42.0 billion year on year to ¥366.9 billion ($3,945 million). The principal components were personnel expenses, which were ¥192.1 billion, down ¥13.7 billion year on year due to declines at both the parent company and subsidiaries; and outsourcing expenses, which declined by ¥6.2 billion to ¥22.2 billion.

3) Provision for Doubtful Accounts

The provision for doubtful accounts increased by ¥4.0 billion year on year to ¥5.8 billion ($63 million). In addition to an increase in the allowance for doubtful accounts with respect to overseas receivables, this outcome reflected the absence of a gain on the reversal of allowances attributable to overseas receivables collected during the previous fiscal year.

4) Interest Income and Interest Expense

In the fiscal year under review, interest income declined by ¥6.4 billion to ¥12.6 billion ($136 million). Interest expense fell ¥24.2 billion to ¥35.5 billion ($381 million), primarily due to decreased expenses attributable to the decline in interest rates on dollar and yen accounts.

5) Dividend Income

Dividend income declined by ¥4.2 billion year on year to ¥23.6 billion ($253 million). Of this figure, ¥9.3 billion (¥8.6 billion in Japan and ¥0.7 billion from overseas) was received by the parent company. Domestic consolidated subsidiaries received dividends totaling ¥2.3 billion, while overseas consolidated subsidiaries received dividends of ¥12.0 billion.

6) Impairment Loss and Gain on Sales of Investment Securities

In the fiscal year under review, the impairment loss on investment securities was ¥14.8 billion ($159 million), representing a reduction of ¥32.4 billion. This owed to a decline in impairment losses related to listed investment securities.

Gain on sales of investment securities was ¥26.1 billion ($280 million), an increase ¥1.6 billion year on year. Gains stemmed mainly from the sale of an overseas power generation business.

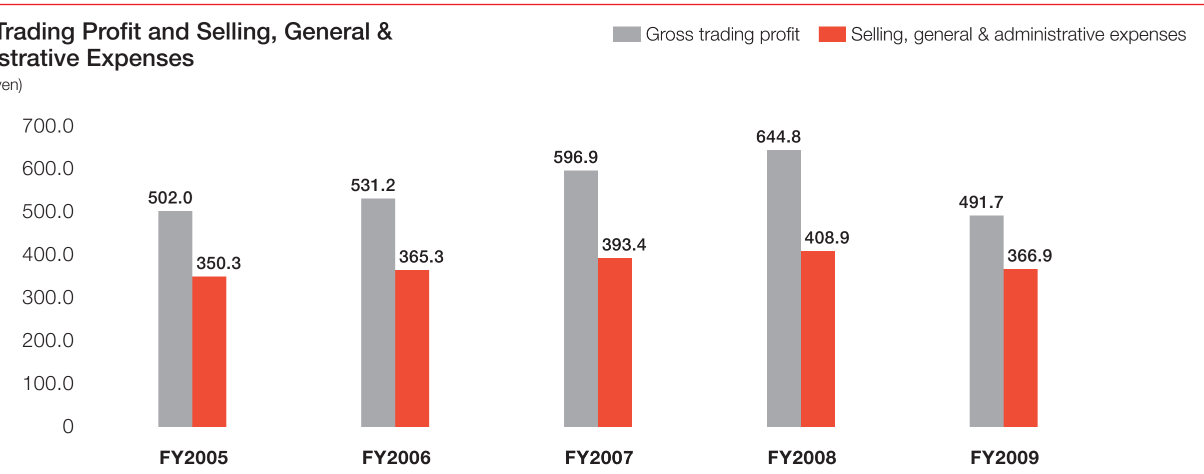
7) Loss on Property, Plant and Equipment

The loss on property, plant and equipment decreased by ¥2.8 billion to ¥10.8 billion ($116 million).

8) Equity in Earnings of Affiliated Companies—Net

Equity in earnings of affiliated companies—net improved ¥6.9 billion year on year to ¥28.9 billion ($310 million), owing mainly to an increase in income from the Company's Chilean copper business and a decrease in impairment losses for shares of retail-related affiliate companies.

Gross Trading Profit and Selling, General & Administrative Expenses
(Billions of yen)



Financial Section

9) Other—Net

Other—net was ¥17.5 billion ($188 million), an improvement of ¥23.3 billion year on year. This was mainly attributable to a recognized income of ¥18.9 billion from a refund claimed on royalties paid in the petroleum development business.

10) Income Taxes and Other Taxes

Income taxes and other taxes for fiscal 2009 decreased by ¥15.1 billion year on year to ¥65.8 billion ($708 million). This resulted from a decline in income before income taxes and noncontrolling interests.

(3) Factors with a Significant Impact on Operating Results

1) Off-Balance Sheet Arrangements and Contractual Obligations

Marubeni and its consolidated subsidiaries guarantee the debt of affiliated companies and third parties in the ordinary course of business. For more information, please refer to page 154, "23. Commitments and Contingent Liabilities" under "Notes to Consolidated Financial Statements."

2) Others

For information regarding other factors with a significant impact on operating results and financial condition, please refer to page 109, "8. Business Risks."

(4) Strategic Status and Outlook

The Marubeni Group began executing SG2009, a two-year, medium-term management plan, in fiscal 2008. The plan was completed in fiscal 2009. For details of progress in achieving objectives under SG2009, please refer to page 101, "4. Issues to Be Addressed."

From the beginning of fiscal 2010, the Marubeni Group embarked on SG-12, a new three-year, medium-term management plan. The new plan retains the same basic approach as SG2009 and will see Marubeni strive to capture the confidence of suppliers and other stakeholders as a "partner that performs beyond expectations." At the same time, we will eagerly meet the challenge of achieving sustainable growth by establishing a durable earnings base and firm financial base capable of weathering a changing operating environment. For details on SG-12, refer to page 101, "4. Issues to Be Addressed."

With fiscal 2010 as the inaugural year for SG-12, management and employees of Marubeni are moving boldly ahead with renewed resolve to achieve plan targets.

(5) Liquidity and Funding Sources

1) Financial Position

Consolidated total assets as of March 31, 2010 were ¥4,586.6 billion ($49,318 million), down ¥120.7 billion from the end of the previous fiscal year. This decrease was mainly attributable to the sale of an overseas power generation business.

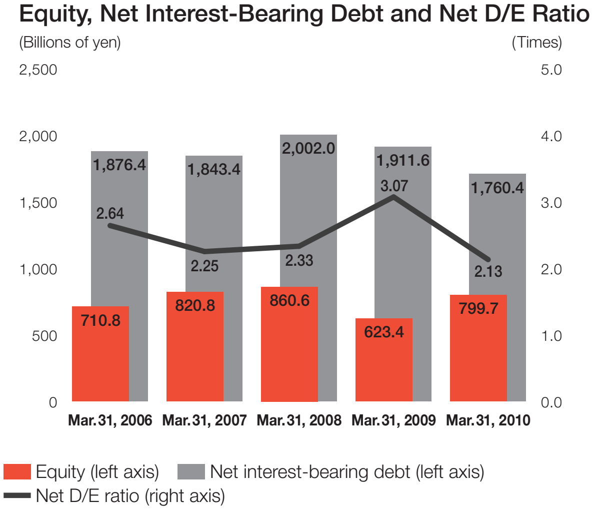
Equity as of March 31, 2010 rose ¥176.4 billion year on year to ¥799.7 billion ($8,599 million). In addition to the net income, equity was lifted by improvement in accumulated other comprehensive income due to recovering stock markets and a strong Australian dollar.

Consolidated interest-bearing debt declined by ¥233.6 billion year on year to ¥2,300.1 billion ($24,732 million). Net interest-bearing debt after deducting cash and cash equivalents was ¥1,706.4 billion ($18,348 million) as of March 31, 2010, down ¥205.2 billion from a year earlier. As a result, the net D/E ratio was 2.13 times as of the end of the fiscal year under review.

2) Cash Flows

Net cash provided by operating activities was ¥280.6 billion ($3,017 million). In addition to steady operating profit, particularly from overseas resource-related subsidiaries, this was mainly attributable to improvement in working capital requirements. Net cash used in investing activities amounted to ¥35.2 billion ($379 million), attributable to the use of cash for property, plant and equipment in Japan and capital outlays in connection with existing resource-related projects overseas. These activities resulted in free cash flows of ¥245.4 billion ($2,639 million) in fiscal 2009. Net cash used in financing activities was ¥254.7 billion ($2,738 million), and reflected the use of surplus funds for the repayment of debt.

Equity, Net Interest-Bearing Debt and Net D/E Ratio



As a result, cash and cash equivalents at the end of fiscal 2009 were ¥570.8 billion ($6,138 million), a decrease of ¥3.1 billion compared with the end of the previous fiscal year.

3) Fund Procurement

The fundamental policy of Marubeni and its consolidated subsidiaries is to maintain an optimal mix of funding in line with the requirements of the asset portfolio. The goal is to sustain a stable level of liquidity while trimming financing costs. Funding sources included indirect financial procurement from banks, life insurers and other financial institutions as well as direct procurement through the issuance of bonds, commercial paper and other means.

With the aim of maximizing utilization efficiency across the Group, Marubeni is accelerating the shift toward a centralized fund procurement scheme, under which principal consolidated subsidiaries procure funds directly from Marubeni Corporation, domestic and overseas financing subsidiaries and/or overseas corporate subsidiaries. This approach enables Group companies holding surplus funds to reallocate such funds to other Group companies in need of operating funds, allowing for more flexible fund procurement on a Group-wide scale.

Marubeni has established the following programs to procure funds directly from the capital markets.

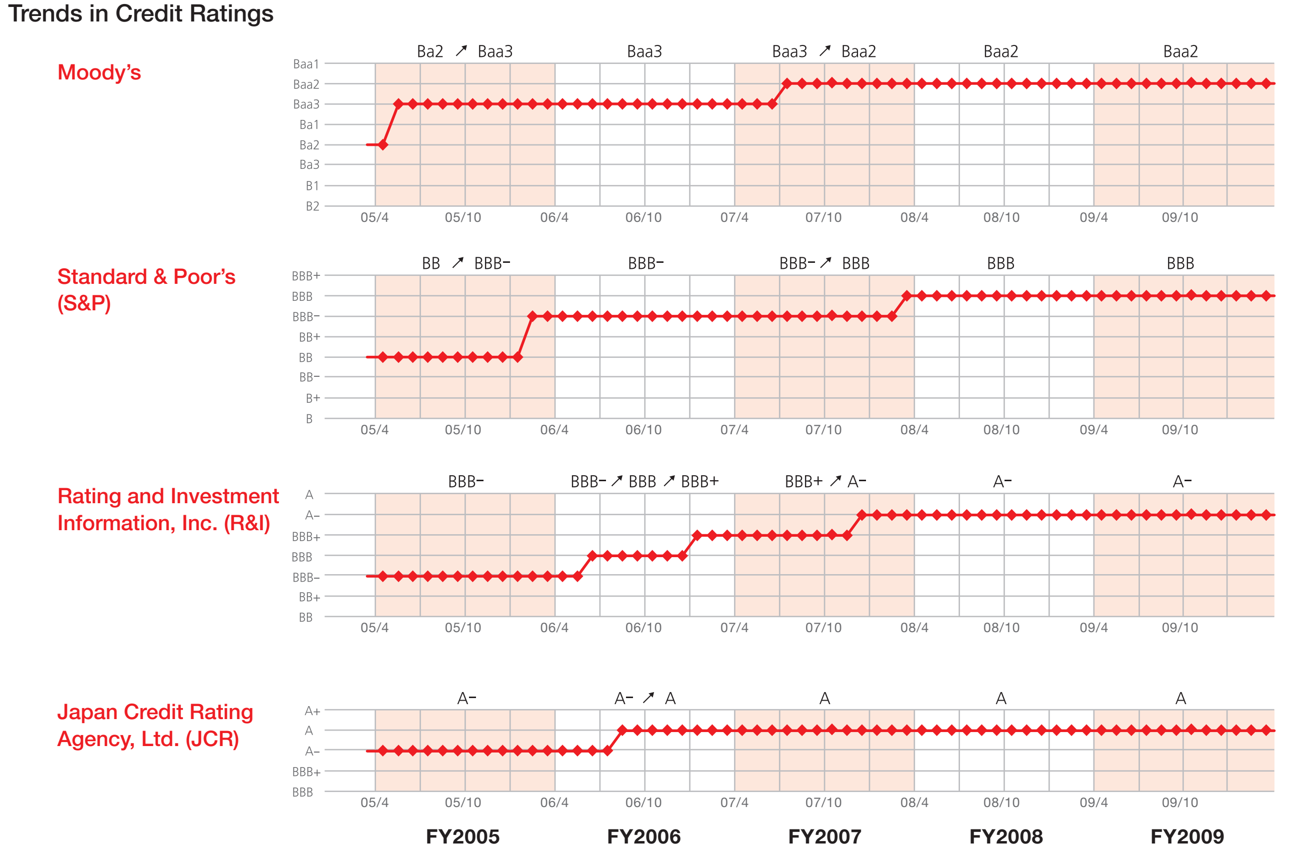
- Registration for the public sale of ordinary bonds in Japan: ¥300.0 billion
- Euro Medium-Term Note Program
  Three-company joint program (Marubeni Corporation, Marubeni Europe plc and Marubeni Finance Holland B.V.): US$5.0 billion

To aid in procuring funds from capital markets, Marubeni has acquired credit ratings from Moody's Investors Service (Moody's), Standard & Poor's (S&P), Rating and Investment Information, Inc. (R&I), and Japan Credit Rating Agency, Ltd. (JCR).

In fiscal 2009, there were no changes in Marubeni's credit ratings, which consisted of a long-term rating of Baa2 from Moody's, a long-term rating of BBB from S&P, a long-term rating of A– from R&I, and long-term senior debt rating of A from JCR.

In April 2008, S&P placed Marubeni's long-term rating on the CreditWatch with a BBB rating. This condition was resolved in September 2009, with Marubeni receiving an outlook of "stable" from the ratings agency.

Trends in Credit Ratings



4) Liquidity

On a consolidated basis, the liquidity ratio was 139.7% as of March 31, 2010, up from 134.2% as of the end of the previous fiscal year. In terms of liquidity, Marubeni is maintaining its financial standing.

In addition, Marubeni and its consolidated subsidiaries maintain a sufficient level of liquidity, mainly in the form of cash and deposits and established commitment lines.

As of March 31, 2010, cash and deposits totaled ¥593.7 billion ($6,384 million).

Details regarding commitment lines are as follows:

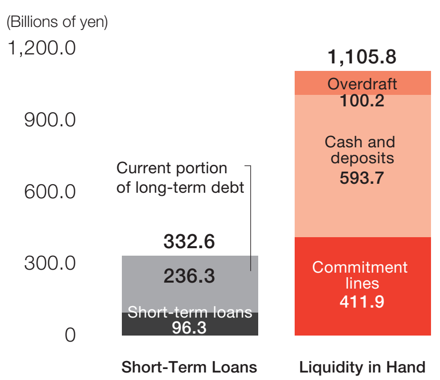
- Marubeni Corporation
  ¥309.0 billion from syndicates consisting largely of major Japanese banks
  (short term: ¥64.0 billion, long term: ¥245.0 billion)
- Marubeni Corporation, Marubeni Finance Holland
  These two companies are able to access long-term multicurrency commitment lines totaling ¥55.0 billion, secured through major Japanese banks.
- Marubeni Corporation, Marubeni America Corporation, Marubeni Europe, Marubeni Finance Holland
  These four companies have available short-term dollar-denominated commitment lines totaling US$515 million, secured mainly through major European and U.S. banks.

In addition to these commitment lines, Marubeni and its consolidated subsidiaries hold highly liquid assets, such as marketable securities. In all, these assets provide sufficient liquidity to cover the Group's funding demand as well as funds linked to market interest rates including the current portion of commercial paper redeemable within one year and bonds including medium-term notes, which totaled ¥56.9 billion as of March 31, 2010.

Substitute Liquidity

Complementary Liquidity and Liquidity Ratio

●Complementary Liquidity
(As of March 31, 2010, Consolidated Basis)



●Breakdown of Commitment Lines

Borrower	Type	March 31, 2010	March 31, 2009
Marubeni Headquarters	Yen: Short-term Yen: Long-term (3 yrs)	¥64.0 billion ¥245.0 billion	¥64.0 billion ¥245.0 billion
Marubeni Headquarters, Marubeni America, Marubeni Europe, Marubeni Finance Holland	Foreign currency: Short-term	US$515 million	US$515 million
Marubeni Headquarters, Marubeni Finance Holland	Foreign currency: Long-term (3 yrs)	Approx. equivalent to ¥55.0 billion	Approx. equivalent to ¥55.0 billion
Total		Approx. ¥411.9 billion	Approx. ¥414.6 billion

* With the aim of improving complementary liquidity for foreign currencies, Marubeni has established a new long-term commitment line for foreign currencies approximately equivalent to ¥55.0 billion.
* The remaining balance for the commitment lines as of each fiscal year-end was zero.

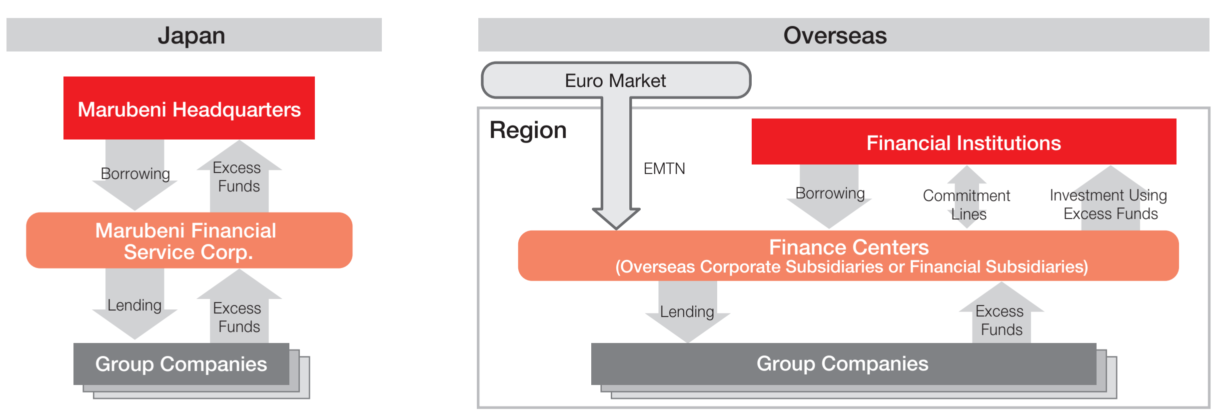
* Year-end exchange rate:
March 31, 2010: US$1.00 = ¥93.04
March 31, 2009: US$1.00 = ¥98.23

●Liquidity Ratio (Consolidated Basis)

March 31, 2005	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010
111.2%	110.6%	133.1%	136.5%	134.2%	139.7%

Centralized Fund Procurement (Marubeni Group's Fund Procurement Streamlining Scheme)

●Marubeni's Group Financing Overview



8. Business Risks

Major risks that could have a serious impact on investor decisions associated with the business operations and other activities of Marubeni Corporation and its consolidated subsidiaries are outlined below. The risks discussed, however, are not inclusive of the full range of possible risks faced in the broad range of activities engaged in by the Group. Any number of additional risks other than those discussed below could also impact business performance. Furthermore, risks considered to have a low likelihood of materializing have also been disclosed, from the perspective of ensuring proactive information disclosure. Forward-looking statements with respect to the risks discussed below reflect the reasonable judgment of the Company's management based on information available as of March 31, 2010.

(1) Risk Regarding Overall Marubeni Operations

1) Impact of Japanese and Global Economies on Marubeni Group

Marubeni and its consolidated subsidiaries comprise a general trading company engaged in a wide range of business activities in Japan and over 70 other countries. Examples include the production and procurement of natural resources and other primary commodities, as well as the manufacture and sale of finished goods and various commercial and investing activities in Japan and overseas in many industrial fields. As a result, the Group is impacted by the economic conditions prevailing in Japan and other countries where it has operations, as well as by the state of the global economy as a whole. Worsening economic conditions on either of these fronts could adversely affect the operating activities, performance and financial position of the Group.

2) Credit Risks Regarding Business Partners

Marubeni and its consolidated subsidiaries extend credit to business partners in the form of accounts receivable, advances, loans, guarantees and other means. In addition, as a part of its sales activities, the Group concludes merchandise supply, subcontracting, operational outsourcing and other types of contracts with business partners. The incurrence of credit risk due to the inability of business partners to fulfill their credit obligations or a breach of contract by these business partners could negatively impact the Company's business results and financial position.

To prevent credit risks from materializing, the Group conducts extensive risk management at the credit screening stage. Nevertheless, the Company is susceptible to a variety of credit risks.

In preparation for the incurrence of possible losses when credit risk becomes apparent, the Group establishes allowances for doubtful accounts based on the estimated amount of the loss, the business partner's creditworthiness, collateral value and other set factors. In the event of such losses, however, the Company cannot guarantee that actual losses will not exceed these established allowances.

3) Investment Risk

Marubeni and its consolidated subsidiaries, both independently and in collaboration with other companies, establish new companies and purchase existing enterprises in the course of their business operations. Most of these business investments require sizeable amounts of capital.

The Group may be unable to withdraw from such businesses in an optimal manner or time frame, which would inevitably require the commitment of additional capital. In an effort to prevent the occurrence of risks associated with investments and other activities, the Group conducts extensive risk management, including checking new investments to determine whether expected returns are commensurate with the risks involved. Nevertheless, a decline in the value of these investments or the necessity of additional expenditures of capital could adversely affect the Group's business results and financial condition.

4) Concentrated Risk Exposure

As part of their commercial and investment activities, Marubeni and its consolidated subsidiaries are concentrated in specific investment targets, markets and regions, such as business operations in Indonesia, Chile, and the Philippines. In the context of the Group's country risk management, the Company classifies countries according to their level of risk, has established transaction management standards for each country and promotes efforts to ensure optimal portfolio management. Nevertheless, a deteriorating operating environment in these markets or regions could adversely affect the business results and financial condition of the Group.

5) Ability to Procure Funds and Funding Cost

Marubeni and its consolidated subsidiaries engage in fund procurement with an emphasis on maintaining an optimal mix of funding in line with the requirements of their respective asset portfolios and ensuring liquidity. However, significant disruptions in major global capital markets, shortages of cash flow from operating activities, declining profitability, failure in asset-liability management, or a sharp downgrade in the credit rating of the Group by ratings agencies could constrain fund procurement or lead to an increase in funding cost, which may adversely affect the business results and financial condition of the Group.

6) Market Risks

1. Fluctuations in the Price of Goods and Merchandise

Marubeni and its consolidated subsidiaries handle a variety of merchandise. In order to mitigate the risk of fluctuations in market conditions for certain merchandise, contracts and scheduled contracts, the Group enters into commodity futures and forward contracts. However, changes in respective market conditions can adversely affect business performance.

In addition, the Group participates in energy and natural resource exploration and production (E&P) business and other manufacturing business. Fluctuations in the markets of the products sold through these activities may adversely affect the business results and financial position of the Group.

2. Market Liquidity (Liquidity Risk)
Marubeni and its consolidated subsidiaries hold a variety of assets that are subject to market trading, including financial instruments. Financial market turmoil and other factors can cause the market liquidity of held assets to decline dramatically, a situation that could potentially trigger a precipitous drop in the value of held assets. Such an occurrence could adversely affect the business results and financial position of the Group.

3. Fluctuations in Foreign Currency Exchange Rates
Marubeni and its consolidated subsidiaries conduct transactions in a variety of currencies and under a variety of terms. In order to mitigate the risk of exchange rate fluctuations associated with transactions, receivables and liabilities denominated in foreign currencies, the Group enters into forward-exchange contracts and other derivative transactions. Despite these measures, fluctuations in exchange rates may adversely affect the business results and financial condition of the Group.

4. Fluctuations in Interest Rates
Marubeni and its consolidated subsidiaries procure necessary funds from financial institutions, the issuance of bonds and other means from capital markets. Furthermore, net interest-bearing debt is procured at fixed interest rates and floating interest rates. While the interest risk of the majority of the operating assets held by the Group offset the interest rate risk associated with debt, through asset-liability management, the Group utilizes interest rate swaps and other agreements to mitigate the risk of interest rate fluctuations. Nevertheless, changes in market interest rates may adversely affect the business results and financial condition of the Group.

5. Gains and Losses from Debt Securities and Marketable Equity Securities
To strengthen business relationships and for other purposes, Marubeni and its consolidated subsidiaries invest in debt securities, marketable equity securities and other types of securities. At the time of purchase, these securities are classified as trading, held-to-maturity or available-for-sale securities.

Trading and available-for-sale securities held by the Group carry the risk of fluctuations in original value due to changes in fair value. The impairment losses on these securities at low points in fair value may adversely affect the business results and financial condition of the Group.

6. Risks Regarding Employees' Retirement Benefit Expenses
As the Group holds domestic and foreign stocks and bonds as pension assets, sluggish performance in securities markets could decrease the value of those assets and increase its pension expenses or could require it to accumulate additional pension assets. In such an event, the Group's business results and financial conditions may be adversely affected.

7) Impairment of Real Estate, Machinery and Equipment, and Other Property, Plant and Equipment
Marubeni and its consolidated subsidiaries hold real estate, machinery and equipment, and other property, plant and equipment for sale and lease to other parties as well as for their own use. A decline in the value of these assets could potentially require the Group to recognize impairment losses. The Group accounts for impairment of property, plant and equipment in accordance with accounting principles generally accepted in the United States (US GAAP). A dramatic decline in asset value could, nonetheless, have a negative impact on the Group's business results and financial position.

8) Laws and Regulations
In the course of operations, Marubeni and its consolidated subsidiaries are subject to a broad range of laws and regulations both in Japan and other applicable countries. Changes in or unanticipated interpretations of these laws and regulations could increase the obligations pertaining to legal and regulatory compliance placed on the Group. Accordingly, changes or altered interpretations of laws and regulations may result in punitive measures, including the interruption of operations, lower the Company's credibility or cause the occurrence of other circumstances that could adversely impact the business results or financial condition of the Group.

9) Significant Litigation
In the course of business activities in Japan and overseas, Marubeni and its consolidated subsidiaries may be a party to litigation, disputes and other legal proceedings. When party to such litigation, predicting the outcome is impossible given the inherent uncertainty of these matters. The Company cannot guarantee that such litigation will not adversely affect the business results and financial condition of the Group.

10) Environmental Risk

Marubeni and its consolidated subsidiaries conduct business activities globally across a broad range of industries, and environmental pollution as a result of these activities could result in business stoppage, pollution remediation expenses and legal fees in response to litigation by local residents. In addition, the Group's social reputation could be damaged. In the fiscal year ended March 31, 2000, an environmental management system was introduced to cope with such environmental risks, under which various initiatives have been implemented to assess the potential environmental burden and reduce environmental risk, including environmental impact evaluations for each new financing and development project. In the event, however, some form of environment impact occurs, the Company's business results or financial condition may be adversely affected.

11) Natural Disaster Risk

Earthquakes and other natural disasters could cause damage and loss to the Group's offices and facilities and inhibit the normal business activities of Marubeni and its consolidated subsidiaries. While every effort has been made to implement appropriate countermeasures, such as the formulation of business continuity plans, earthquake countermeasures and fire prevention drills, the potential for damage from natural disasters cannot be completely mitigated. Consequently, there is no guarantee that such disasters will not have a material negative impact on the Group's earnings.

12) Other Risks Inherent and Related to Overall Marubeni Operations

Negligence on the part of employees charged with executing business operations, and malfunctions pertaining to computer systems supporting business activities, are among the other risks that may adversely affect the business results and financial condition of Marubeni and its consolidated subsidiaries.

(2) Risk Management

Marubeni and its consolidated subsidiaries operate an integrated decision-making process that is deployed when assessing the provision of commitment lines, investments and other key matters on an individual basis. In the context of important projects and new business activities, the Group has put in place a follow-up structure to fulfill its obligations, which include constantly monitoring progress, responding swiftly to all issues and reporting regularly to the Corporate Management Committee and similar management bodies. In this way, the Group seeks to circumvent risks by enhancing risk management on an individual basis.

With a view to mitigating risk Groupwide, the Group has an integrated risk management system in place to ascertain a range of quantifiable or measurable risks. Examples include market, credit and investment risks associated with specific countries, business formats and customers. In this integrated system, fundamental risk management policies and internal regulations are formulated to ensure proper decision-making and monitoring of these risks. In the same way, organizations, management systems, management options and systems infrastructure are kept in place for executing these policies and regulations.

For compliance risk and other difficult to quantify or immeasurable risks, the Group strives to prevent its exposure to these risks systematically by enhancing corporate governance, putting internal control systems in place and bolstering its compliance structure.

Nevertheless, numerous risks can arise during the course of the wide-ranging operations of the Group. Moreover, the risk management framework operated by the Group may be unable to prevent the occurrence of a variety of risks that carry the possibility of future occurrence. As a result, the Group's operating performance and financial condition may be adversely affected.

(3) The Medium-Term Management Plan

From April 2010, Marubeni and its consolidated subsidiaries commenced the implementation of a new three-year medium-term management plan, SG-12. The plan's quantitative targets are to achieve net income attributable to Marubeni of ¥125.0 billion in the fiscal year ending March 31, 2011, as well as a consolidated net debt to equity (D/E) ratio of approximately 1.8 times, risk assets within the limits of equity, and stable ROE of at least 15%.

These objectives were prepared based on certain assumptions, hypotheses and projections regarding certain economic conditions, industry trends and other concerns deemed appropriate at the time that the objectives were formulated. A number of unknown and uncontrollable factors, among them changes in the business environment, could prevent the completion of these objectives.

(4) Risks Regarding Significant Accounting Policies and Estimates

For more information, please refer to page 103, "(1) Significant Accounting Policies and Estimates" under "7. Management's Discussion and Analysis of Financial Position and Operating Results."

Consolidated Balance Sheets

Marubeni Corporation and Consolidated Subsidiaries
At March 31, 2010 and 2009

ASSETS	Millions of yen 2010	Millions of yen 2009	Thousands of U.S. dollars (Note 1) 2010
Current assets:			
Cash and cash equivalents (Notes 2, 18, 19 and 20)	¥ 570,789	¥ 573,924	$ 6,137,516
Time deposits (Notes 9, 18, 19 and 20)	22,959	48,240	246,871
Investment securities (Notes 2, 4, 18 and 19)	3,743	951	40,247
Notes and accounts receivable—trade (Notes 2, 6, 9, 20 and 22):			
Notes receivable	51,491	57,324	553,667
Accounts receivable	864,760	809,595	9,298,495
Due from affiliated companies	55,575	86,338	597,581
Allowance for doubtful accounts	(10,418)	(11,573)	(112,022)
Inventories (Notes 2 and 9)	328,916	385,090	3,536,731
Advance payments to suppliers	173,168	197,511	1,862,022
Deferred income taxes (Notes 2 and 12)	22,015	36,616	236,720
Prepaid expenses and other current assets (Note 20)	158,130	144,739	1,700,322
Total current assets	2,241,128	2,328,755	24,098,150
Investments and long-term receivables:			
Affiliated companies (Notes 2, 5, 9 and 19)	768,365	684,369	8,261,989
Securities and other investments (Notes 2, 4, 9, 18 and 19)	423,720	400,012	4,556,129
Notes, loans and accounts receivable—trade (Notes 2, 6, 9, 18 and 22)	98,861	104,713	1,063,022
Allowance for doubtful accounts (Notes 2 and 6)	(37,981)	(38,208)	(408,398)
Property leased to others, at cost, less accumulated depreciation of ¥41,127 million ($442,226 thousand) in 2010 and ¥57,589 million in 2009 (Notes 2, 9, 19 and 22)	143,823	155,961	1,546,484
Total investments and long-term receivables	1,396,788	1,306,847	15,019,226
Property, plant and equipment, at cost (Notes 2, 9 and 19)**:**			
Land	196,621	218,380	2,114,204
Buildings and structures	326,232	303,041	3,507,871
Machinery and equipment	681,012	634,639	7,322,710
Mining rights	8,457	11,327	90,935
	1,212,322	1,167,387	13,035,720
Accumulated depreciation	(521,186)	(462,566)	(5,604,150)
Net property, plant and equipment	691,136	704,821	7,431,570
Prepaid pension cost (Notes 2 and 11)	206	3	2,215
Deferred income taxes (Notes 2 and 12)	69,622	117,269	748,624
Intangible assets (Notes 2, 7 and 19)	92,388	101,729	993,419
Goodwill (Notes 2, 7 and 19)	48,152	45,771	517,763
Other assets (Notes 9 and 20)	47,152	102,114	507,011
Total assets	¥4,586,572	¥4,707,309	$49,317,978

See accompanying Notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of yen 2010	Millions of yen 2009	Thousands of U.S. dollars (Note 1) 2010
Current liabilities:			
Short-term loans (Notes 9, 10, 18 and 20)	¥ 96,362	¥ 241,982	$ 1,036,151
Current portion of long-term debt (Notes 9, 10 and 18)	236,343	231,396	2,541,323
Notes and accounts payable—trade:			
Notes and acceptances payable (Note 9)	156,098	152,218	1,678,473
Accounts payable	675,736	615,827	7,265,978
Due to affiliated companies	48,061	45,079	516,785
Advance payments received from customers	149,819	186,146	1,610,957
Accrued income taxes (Note 12)	19,830	14,594	213,226
Deferred income taxes (Notes 2 and 12)	2,280	2,013	24,516
Accrued expenses and other current liabilities (Notes 8, 9 and 20)	219,243	245,610	2,357,451
Total current liabilities	1,603,772	1,734,865	17,244,860
Long-term debt, less current portion (Notes 8, 9, 10, 18 and 20)	2,104,718	2,266,724	22,631,376
Employees' retirement benefits (Notes 2 and 11)	44,154	51,384	474,774
Deferred income taxes (Notes 2 and 12)	34,182	30,980	367,549
Commitments and contingent liabilities (Notes 2 and 23)			
EQUITY (Note 13):			
Marubeni shareholders' equity:			
Common stock:			
Authorized shares—4,300,000,000 shares			
Issued and outstanding shares—1,737,940,900 shares in 2010 and 1,737,940,900 shares in 2009	262,686	262,686	2,824,581
Capital surplus	158,409	158,454	1,703,323
Retained earnings	594,508	510,484	6,392,559
Accumulated other comprehensive income (loss) (Notes 12 and 14):			
Unrealized gains on investment securities (Note 4)	33,808	6,750	363,527
Currency translation adjustments	(204,482)	(242,321)	(2,198,731)
Unrealized losses on derivatives	(42,857)	(65,999)	(460,828)
Pension liability adjustments (Note 11)	(56,137)	(62,220)	(603,624)
Treasury stock, at cost—1,473,250 shares in 2010 and 1,507,541 shares in 2009	(638)	(716)	(6,861)
Total Marubeni shareholders' equity	745,297	567,118	8,013,946
Noncontrolling interests (Note 2)	54,449	56,238	585,473
Total equity	799,746	623,356	8,599,419
Total liabilities and equity	¥4,586,572	¥4,707,309	$49,317,978

Consolidated Statements of Income

Marubeni Corporation and Consolidated Subsidiaries
Years ended March 31, 2010, 2009 and 2008

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2010	2009	2008	**2010**
Revenues (Note 2)**:**				
Revenues from trading and other activities	**¥3,110,736**	¥3,807,480	¥3,958,276	**$33,448,774**
Commissions on services and trading margins	**169,233**	194,819	207,950	**1,819,710**
Total	**3,279,969**	4,002,299	4,166,226	**35,268,484**
(Total volume of trading transactions: 2010, ¥7,965,055 million ($85,645,753 thousand) 2009, ¥10,462,067 million 2008, ¥10,631,616 million) (Notes 2 ,5 and 16)				
Cost of revenues from trading and other activities (Notes 19 and 20)	**2,788,296**	3,357,496	3,569,310	**29,981,678**
Gross trading profit	**491,673**	644,803	596,916	**5,286,806**
Expenses and other:				
Selling, general and administrative expenses	**366,922**	408,912	393,367	**3,945,398**
Provision for doubtful accounts (Note 6)	**5,825**	1,826	3,396	**62,634**
Interest income	**(12,640)**	(19,028)	(24,934)	**(135,914)**
Interest expense (Note 20)	**35,457**	59,633	68,202	**381,258**
Dividend income	**(23,561)**	(27,719)	(23,645)	**(253,344)**
Impairment loss on investment securities (Notes 4 and 19)	**14,815**	47,211	31,208	**159,301**
Gain on sales of investment securities (Note 4)	**(26,051)**	(24,423)	(23,757)	**(280,118)**
Loss on property, plant and equipment (Note 7)	**10,813**	13,640	1,492	**116,269**
Equity in earnings of affiliated companies—net (Notes 5, 16 and 19)	**(28,864)**	(21,973)	(55,661)	**(310,366)**
Other—net (Notes 2, 17, 19 and 20)	**(17,470)**	5,828	11,051	**(187,850)**
Total	**325,246**	443,907	380,719	**3,497,268**
Income before income taxes	**166,427**	200,896	216,197	**1,789,538**
Provision for income taxes (Note 12):				
Current	**43,513**	62,160	44,566	**467,883**
Deferred	**22,314**	18,763	15,974	**239,935**
	65,827	80,923	60,540	**707,818**
Net income	**100,600**	119,973	155,657	**1,081,720**
Less: net income attributable to noncontrolling interests	**(5,288)**	(8,765)	(8,408)	**(56,860)**
Net income attributable to Marubeni	**¥ 95,312**	¥ 111,208	¥ 147,249	**$ 1,024,860**

	Yen			U.S. dollars
Earnings per share of common stock (Note 15)**:**				
Basic:				
Net income attributable to Marubeni	**¥ 54.89**	¥ 64.04	¥ 84.93	**$ 0.59**

See accompanying Notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

Marubeni Corporation and Consolidated Subsidiaries
Years ended March 31, 2010, 2009 and 2008

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2010	2009	2008	2010
Comprehensive income (loss):				
Net income	**¥100,600**	¥ 119,973	¥155,657	**$1,081,720**
Other comprehensive income (loss), net of tax (Notes 14 and 19):				
Unrealized gains (losses) on investment securities (Note 4)	**27,093**	(43,789)	(52,557)	**291,323**
Currency translation adjustment (Note 20)	**38,962**	(197,771)	(15,252)	**418,946**
Unrealized gains (losses) on derivatives (Note 20)	**24,528**	(49,505)	(12,283)	**263,742**
Pension liability adjustment (Note 11)	**6,124**	(19,555)	(15,028)	**65,849**
Total	**96,707**	(310,620)	(95,120)	**1,039,860**
Comprehensive income (loss)	**197,307**	(190,647)	60,537	**2,121,580**
Less: comprehensive (income) loss attributable to noncontrolling interests	**(7,873)**	2,394	(6,956)	**(84,655)**
Comprehensive income (loss) attributable to Marubeni	**¥189,434**	¥(188,253)	¥ 53,581	**$2,036,925**

See accompanying Notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

Marubeni Corporation and Consolidated Subsidiaries
Years ended March 31, 2010, 2009 and 2008

	Millions of yen							
	2010							
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Marubeni shareholders' equity	Noncontrolling interests	Total equity
Balance at April 1, 2009	¥262,686	¥158,454	¥510,484	¥(363,790)	¥(716)	¥567,118	¥56,238	¥623,356
Dividends on common stocks	—	—	(11,288)	—	—	(11,288)	—	(11,288)
Dividends to noncontrolling interests	—	—	—	—	—	—	(4,982)	(4,982)
Equity transactions with noncontrolling interests and other	—	(11)	—	—	—	(11)	(4,680)	(4,691)
Sales/purchase of treasury stock, net	—	(34)	—	—	78	44	—	44
Comprehensive income:								
Net income	—	—	95,312	—	—	95,312	5,288	100,600
Other comprehensive income (loss), net of tax (Notes 14 and 19):								
Unrealized gains (losses) on investment securities, net of reclassification (Note 4)	—	—	—	27,058	—	27,058	35	27,093
Currency translation adjustments, net of reclassification (Note 20)	—	—	—	37,839	—	37,839	1,123	38,962
Unrealized gains (losses) on derivatives, net of reclassification (Note 20)	—	—	—	23,142	—	23,142	1,386	24,528
Pension liability adjustments, net of reclassification (Note 11)	—	—	—	6,083	—	6,083	41	6,124
Comprehensive income (loss)						189,434	7,873	197,307
Balance at March 31, 2010	¥262,686	¥158,409	¥594,508	¥(269,668)	¥(638)	¥745,297	¥54,449	¥799,746

	Thousands of U.S. dollars (Note 1)							
	2010							
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Marubeni shareholders' equity	Noncontrolling interests	Total equity
Balance at April 1, 2009	$2,824,581	$1,703,806	$5,489,075	$(3,911,721)	$(7,699)	$6,098,042	$604,711	$6,702,753
Dividends on common stocks	—	—	(121,376)	—	—	(121,376)	—	(121,376)
Dividends to noncontrolling interests	—	—	—	—	—	—	(53,570)	(53,570)
Equity transactions with noncontrolling interests and other	—	(118)	—	—	—	(118)	(50,323)	(50,441)
Sales/purchase of treasury stock, net	—	(365)	—	—	838	473	—	473
Comprehensive income:								
Net income	—	—	1,024,860	—	—	1,024,860	56,860	1,081,720
Other comprehensive income (loss), net of tax (Notes 14 and 19):								
Unrealized gains (losses) on investment securities, net of reclassification (Note 4)	—	—	—	290,946	—	290,946	377	291,323
Currency translation adjustments, net of reclassification (Note 20)	—	—	—	406,871	—	406,871	12,075	418,946
Unrealized gains (losses) on derivatives, net of reclassification (Note 20)	—	—	—	248,839	—	248,839	14,903	263,742
Pension liability adjustments, net of reclassification (Note 11)	—	—	—	65,409	—	65,409	440	65,849
Comprehensive income (loss)						2,036,925	84,655	2,121,580
Balance at March 31, 2010	$2,824,581	$1,703,323	$6,392,559	$(2,899,656)	$(6,861)	$8,013,946	$585,473	$8,599,419

See accompanying Notes to consolidated financial statements.

	Millions of yen							
	2009							
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Marubeni shareholders' equity	Noncontrolling interests	Total equity
Balance at April 1, 2008	¥262,686	¥158,461	¥423,591	¥ (64,329)	¥(645)	¥ 779,764	¥ 80,817	¥860,581
Dividends on common stocks	—	—	(24,315)	—	—	(24,315)	—	(24,315)
Dividends to noncontrolling interests	—	—	—	—	—	—	(5,422)	(5,422)
Equity transactions with noncontrolling interests and other	—	—	—	—	—	—	(16,763)	(16,763)
Sales/purchase of treasury stock, net	—	(7)	—	—	(71)	(78)	—	(78)
Comprehensive income:								
Net income	—	—	111,208	—	—	111,208	8,765	119,973
Other comprehensive income (loss), net of tax (Notes 14 and 19):								
Unrealized gains (losses) on investment securities, net of reclassification (Note 4)	—	—	—	(43,713)	—	(43,713)	(76)	(43,789)
Currency translation adjustment, net of reclassification (Note 20)	—	—	—	(188,712)	—	(188,712)	(9,059)	(197,771)
Unrealized gains (losses) on derivatives, net of reclassification (Note 20)	—	—	—	(47,589)	—	(47,589)	(1,916)	(49,505)
Pension liability adjustment, net of reclassification (Note 11)	—	—	—	(19,447)	—	(19,447)	(108)	(19,555)
Comprehensive income (loss)						(188,253)	(2,394)	(190,647)
Balance at March 31, 2009	¥262,686	¥158,454	¥510,484	¥(363,790)	¥(716)	¥ 567,118	¥ 56,238	¥623,356

	Millions of yen							
	2008							
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Marubeni shareholders' equity	Noncontrolling interests	Total equity
Balance at April 1, 2007	¥262,686	¥155,905	¥298,011	¥ 29,339	¥(487)	¥745,454	¥75,385	¥820,839
Dividends on common stocks	—	—	(21,669)	—	—	(21,669)	—	(21,669)
Dividends to noncontrolling interests	—	—	—	—	—	—	(2,722)	(2,722)
Equity transactions with noncontrolling interests and other	—	—	—	—	—	—	1,198	1,198
Issuance of common stock in exchange for a subsidiary's noncontrolling interests	—	2,344	—	—	—	2,344	—	2,344
Sales/purchase of treasury stock, net	—	212	—	—	(158)	54	—	54
Comprehensive income:								
Net income	—	—	147,249	—	—	147,249	8,408	155,657
Other comprehensive income (loss), net of tax (Notes 14 and 19):								
Unrealized gains (losses) on investment securities, net of reclassification (Note 4)	—	—	—	(52,436)	—	(52,436)	(121)	(52,557)
Currency translation adjustment, net of reclassification (Note 20)	—	—	—	(14,062)	—	(14,062)	(1,190)	(15,252)
Unrealized gains (losses) on derivatives, net of reclassification (Note 20)	—	—	—	(12,000)	—	(12,000)	(283)	(12,283)
Pension liability adjustment, net of reclassification (Note 11)	—	—	—	(15,170)	—	(15,170)	142	(15,028)
Comprehensive income (loss)						53,581	6,956	60,537
Balance at March 31, 2008	¥262,686	¥158,461	¥423,591	¥(64,329)	¥(645)	¥779,764	¥80,817	¥860,581

See accompanying Notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Marubeni Corporation and Consolidated Subsidiaries
Years ended March 31, 2010, 2009 and 2008

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2010	2009	2008	2010
Operating activities:				
Net income	**¥ 100,600**	¥ 119,973	¥ 155,657	**$ 1,081,720**
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	**74,373**	92,168	96,370	**799,710**
Provision for doubtful accounts	**5,825**	1,826	3,396	**62,634**
Equity in (earnings) losses of affiliated companies, less dividends received	**12,602**	16,141	(29,309)	**135,505**
Loss (gain) on investment securities	**(11,236)**	22,788	7,451	**(120,817)**
Loss on property, plant and equipment	**10,813**	13,640	1,492	**116,269**
Deferred income taxes	**22,314**	18,763	15,974	**239,935**
Changes in operating assets and liabilities:				
Notes and accounts receivable	**(13,516)**	289,689	(53,681)	**(145,333)**
Inventories	**64,786**	19,489	(43,886)	**696,624**
Advance payments to suppliers and prepaid expenses and other assets	**8,352**	(3,122)	(21,191)	**89,806**
Prepaid pension cost	**(207)**	277	21,642	**(2,226)**
Notes, acceptances and accounts payable	**65,496**	(210,014)	6,226	**704,258**
Advance payments received from customers and accrued expenses and other liabilities	**(73,436)**	(49,203)	90,977	**(789,634)**
Accrued income taxes	**5,440**	1,312	(1,674)	**58,495**
Other	**8,404**	9,891	(14,154)	**90,366**
Net cash provided by operating activities	**280,610**	343,618	235,290	**3,017,312**
Investing activities:				
Net (increase) decrease in time deposits	**28,246**	(22,744)	(9,347)	**303,720**
Proceeds from sales of available-for-sale securities	**12,111**	10,521	18,472	**130,226**
Proceeds from redemptions of available-for-sale securities	**464**	3,210	5,058	**4,989**
Purchases of available-for-sale securities	**(5,317)**	(13,794)	(33,362)	**(57,172)**
Proceeds from redemptions of held-to-maturity securities	**—**	7,985	—	**—**
Proceeds from sales of investments in affiliated companies	**3,941**	16,224	15,651	**42,376**
Acquisitions of investments in affiliated companies	**(25,433)**	(242,819)	(140,868)	**(273,473)**
Proceeds from sales of other investments	**35,338**	44,538	40,646	**379,978**
Acquisitions of other investments	**(30,085)**	(37,633)	(149,849)	**(323,495)**
Proceeds from sales of property, plant and equipment and property leased to others	**19,906**	8,384	14,541	**214,043**
Purchases of property, plant and equipment and property leased to others	**(87,843)**	(179,102)	(87,877)	**(944,548)**
Collection of loans receivable	**31,416**	35,074	70,750	**337,806**
Loans made to customers	**(17,951)**	(16,913)	(50,670)	**(193,020)**
Net cash used in investing activities	**(35,207)**	(387,069)	(306,855)	**(378,570)**
Financing activities:				
Net increase (decrease) in short-term loans	**(154,516)**	65,307	54,643	**(1,661,462)**
Proceeds from long-term loans and bonds	**277,046**	451,721	349,164	**2,978,989**
Payments of long-term loans and bonds	**(361,329)**	(232,584)	(312,343)	**(3,885,258)**
Cash dividends paid	**(11,288)**	(24,315)	(21,669)	**(121,376)**
Purchase of treasury stock, net	**22**	(73)	(243)	**237**
Other	**(4,590)**	(2,448)	(3,687)	**(49,356)**
Net cash provided by (used in) financing activities	**(254,655)**	257,608	65,865	**(2,738,226)**
Effect of exchange rate changes on cash and cash equivalents	**6,117**	(42,514)	(6,971)	**65,774**
Net increase (decrease) in cash and cash equivalents	**(3,135)**	171,643	(12,671)	**(33,710)**
Cash and cash equivalents at beginning of year	**573,924**	402,281	414,952	**6,171,226**
Cash and cash equivalents at end of year	**¥ 570,789**	¥ 573,924	¥ 402,281	**$ 6,137,516**
Supplemental cash flow information:				
Cash paid during the year for:				
Interest	**¥ 38,208**	¥ 56,726	¥ 67,909	**$ 410,839**
Income taxes	**35,749**	65,656	50,506	**384,398**
Non-cash investing activities:				
Exchange of assets:				
Fair value of assets received	**892**	7,381	810	**9,591**
Carrying value of assets surrendered	**912**	6,693	493	**9,806**
Additional acquisition of subsidiaries' minority shares by share exchange:				
Fair value of assets received	**—**	—	2,746	**—**
Carrying value of treasury stock surrendered	**—**	—	197	**—**
Issuance of common stock	**—**	—	2,344	**—**

See accompanying Notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Marubeni Corporation and Consolidated Subsidiaries
Years ended March 31, 2010, 2009 and 2008

1. Nature of Operations and Basis of Financial Statements

Marubeni Corporation (the "Company"), a Japanese corporation, and its consolidated subsidiaries engage in import and export trades of domestic and overseas products and commodities, including domestic and offshore trades in fields which cover extensive types of commodities such as agri-marine products, textile, forest products and general merchandise, paper and pulp, chemicals, energy, metals, machinery, development and construction, finance, logistics, information industry and others. In addition, the Company offers various services and engages in diversified business such as investments in domestic and foreign businesses, exploration of natural resources and others.

The Company maintains its books and records and prepares its financial statements in Japanese yen. The accompanying consolidated financial statements differ from the consolidated financial statements issued for domestic purposes in Japan. In addition to consolidation, they reflect certain adjustments not recorded in the Company's books, which in the opinion of management are appropriate to present the Company's financial position, results of operations, and cash flows in accordance with accounting principles generally accepted in the United States.

The translation of Japanese yen amounts into U.S. dollar amounts for the year ended March 31, 2010 is included solely for the convenience of readers outside of Japan and has been made at ¥93 to $1, the exchange rate prevailing on March 31, 2010. The translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at this or any other rate.

2. Significant Accounting Policies

Consolidation

The consolidated financial statements of the Company include the accounts of all majority owned domestic and foreign subsidiaries and variable interest entities ("VIEs"), of which the Company and/or its subsidiaries are the primary beneficiary (together, the "Companies").

Significant intercompany transactions and accounts among the Companies have been eliminated.

Certain subsidiaries have been included on the basis of a fiscal year-end on or after December 31, but prior to the parent company's fiscal year-end of March 31. There have been no significant transactions with or significant events at such subsidiaries during the intervening periods.

Investments in affiliated companies

The Companies' investments in affiliated companies (investees owned 20% to 50% and other investees over which the Companies have the ability to exercise significant influence) are stated at cost, adjusted for equity in their undistributed earnings or accumulated losses since acquisition. Dividends received from affiliated companies are deducted from the investments in affiliated companies. No amortization is recorded for equity method goodwill which is the excess amount of the cost of investments in affiliated companies. When declines in the value of investments in affiliated companies are other than temporary, the investments are written down to fair value and impairment losses are recognized. Whether declines in the value of investments are other than temporary is determined by examining the length of time and the extent to which the market value has been less than cost as well as the possibility of recovery based on projected business results.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates due to inherent uncertainty in nature. Significant estimates and assumptions reflected in the accompanying consolidated financial statements include allowance for doubtful accounts, valuation of investment securities, impairment of long-lived assets, impairment of goodwill and other intangible assets, realization of deferred tax assets, employees' retirement benefits and uncertain tax positions.

Foreign currency translation

Assets and liabilities included in financial statements of foreign subsidiaries and affiliated companies are translated into Japanese yen at the respective year-end rates. All income and expenses accounts are translated at the average rates prevailing during the year. The resulting translation adjustments are included in accumulated other comprehensive income (loss).

Foreign currency-denominated receivables and payables are translated into Japanese yen at the year-end rates with the resulting gains and losses recognized in earnings.

Cash equivalents

The Companies consider deposits in banks, certificates of deposit and securities purchased under resale agreements with an original maturity of 3 months or less to be cash equivalents.

Investments in debt and marketable equity securities

The Companies determine the appropriate classification of investment securities as trading securities, held-to-maturity securities or available-for-sale securities at the date of purchase.

Debt securities are classified as held-to-maturity when the Companies have the positive intent and ability to hold the securities to maturity. Held-to-maturity securities are stated at amortized cost, adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization and interest on securities classified as held-to-maturity are included in interest income. When there are declines in the value of held-to-maturity securities that are judged to be other than temporary, if the Companies intend to sell the debt securities or more likely than not will be required to sell the securities before recovery of its amortized cost basis excluding credit losses, they are written down to fair value by recognizing an impairment loss on investment securities. If the Companies do not intend to sell the debt securities and it is more likely than not that they will not be required to sell the securities before recovery of its amortized cost basis, declines in fair value of these investments that are judged to be other than temporary are classified as credit losses or other losses. The Companies recognize the credit losses in impairment loss on investment securities and the other losses with unrealized gains and losses, net of taxes, in accumulated other comprehensive income (loss).

Trading securities are held for resale in anticipation of short-term market movements and stated at fair value. Realized gains and losses on trading securities are calculated based on average cost and included in gain on sales of investment securities.

Marketable equity securities not classified as trading and debt securities not classified as trading or held-to-maturity are classified as available-for-sale securities and are carried at fair value, with the unrealized gains and losses, net of taxes, reported in accumulated other comprehensive income (loss) in equity. The amortized cost of debt securities in this category is adjusted for the amortization of premiums and accretion of discounts to maturity.

Such amortization and accretion are included in interest income. Interest and dividends on investment securities classified as available-for-sale are included in interest income and dividend income, respectively. Realized gains and losses on available-for-sale securities are calculated based on the average cost and included in gain on sales of investment securities. If the declines in the fair value of available-for-sale securities are judged to be other than temporary, debt securities are accounted for on the same basis as held-to-maturity securities, and marketable equity securities are written down to the fair value with recognition of impairment losses.

Whether declines in the value of investments are other than temporary is determined by examining the length of time and extent to which the market value has been less than cost. Effective April 1, 2009, accounting for debt securities classified as held-to-maturity securities and available-for-sale securities is based on Accounting Standard Codification ("ASC") 320-10, *Investments—Debt and Equity Securities* (formerly Staff Positions No. FAS 115-2 and No. FAS 124-2, *Recognition and Presentation of Other-Than-Temporary Impairments)*. The adoption of ASC320-10 did not have a material impact on the Company's financial position and results of operations.

Non-marketable equity securities

Non-marketable equity securities are stated at cost. Declines in value judged to be other than temporary on non-marketable equity securities are written down to fair value by recognizing an impairment loss on investment securities. Whether declines in the value of investments are other than temporary is determined by examining the extent to which the value of net assets is less than cost and other factors.

Inventories

Inventories, which primarily consist of commodities, merchandise and real estate held for sale, are stated at the lower of cost (primarily specific or moving average cost) or market (generally replacement cost). Inventories included real estate for sale of ¥52,122 million ($560,452 thousand) and ¥63,272 million at March 31, 2010 and 2009, respectively.

Loans and allowance for doubtful accounts

Loans including accounts receivable are stated at cost.

In evaluating the credit risk relating to loans, the Companies categorize them based on the potential exposures for credit ratings of debtors, geographical and other considerations. When a loan is impaired, the allowance for credit losses is determined based on discounted cash flows using the loans' initial effective interest rate or the fair value of the collateral for certain collateral dependent loans. For other loans, the allowance for credit losses is determined based on a historical bad debt ratio by the credit risk category. When loans are legally or contractually determined to be uncollectible, the loans are offset against their respective allowances.

Cash received on impaired loans is either applied against the principal of such loans or reported as interest income, based on management's judgment with regard to the collectability of the principal. The Companies discontinue the accrual of interest when loans are past due for a period of 180 days or more. The accrual of interest is resumed when an agreement for the rescheduling of payments is made and the receipt of interest is probable.

Loans 90 days past due are noted as delinquent and monitored for collectability. The recorded investments in loans 90 days past due and still accruing interest were not significant at March 31, 2010 and 2009.

Leases

The Companies lease fixed assets under direct financing leases and operating leases as lessors. Income from direct financing leases is recognized by the amortization of unearned income over the lease term at a constant periodic rate of return on the net investment. Operating lease income is recognized over the lease term on a straight-line basis.

The Companies lease fixed assets under operating leases and capital leases as lessees. For capital lease obligations, interest expense is recognized over the lease term at a constant periodic rate on the lease obligation. Accumulated depreciation of the leased assets is recognized over the lease term on a straight-line basis or a declining-balance basis. Rental expense on operating leases is recognized over the lease term.

Depreciation

Depreciation of property, plant and equipment and property leased to others excluding mining rights is determined by the straight-line method or the declining-balance method based on the estimated useful lives of the respective assets (buildings and structures from 2 to 60 years, machinery and equipment from 2 to 40 years). Mining rights are primarily amortized by the straight-line method or the unit-of-production method based on the estimated useful lives of 9 to 30 years. Depreciation of property, plant and equipment (including property leased to others) is ¥64,763 million ($696,376 thousand), ¥80,500 million and ¥85,109 million for the years ended March 31, 2010, 2009 and 2008, respectively.

Intangible assets subject to amortization with useful lives are amortized by the straight-line method based on the estimated useful lives.

Mining rights

Mining rights are included in property, plant and equipment in the consolidated balance sheets.

Impairment of long-lived assets (property leased to others, property, plant and equipment and intangible assets)

Property leased to others, property, plant and equipment and intangible assets subject to amortization in the long-lived assets to be held and used or to be disposed of other than by sale are evaluated for impairment and written down to their fair value if the sum of their expected future cash flows is less than the carrying amount of the assets, whenever events or changes in circumstances indicate the carrying value may not be recoverable. Long-lived assets to be disposed of by sale are reported at the lower of the carrying amount or fair value less cost to sell.

Goodwill and other intangible assets

The Companies do not amortize goodwill and intangible assets with indefinite useful lives. The Companies review them for impairment at least annually. The Companies test goodwill for impairment using the two-step process. The first step is a screen for recognizing impairment losses at the reporting unit level, while the second step measures the amount of the impairment, if any.

Business combinations

Effective April 1, 2009, based on ASC 805, *Business Combination* (formerly SFAS No. 141, *Business Combination (revised 2007)*), the Companies use the acquisition method of accounting for all business combinations from April 1, 2009. The Companies separately recognize and present acquired intangible assets as goodwill or other intangible assets. The adoption of ASC 805 did not have a material impact on the Companies' financial position and results of operations.

Asset retirement obligation

The Companies recognize a liability for an asset retirement obligation of long-lived assets at fair value at the time that the obligation is incurred and capitalize the same amount of the liability. The liability is accreted to the present value each period over time. The Companies depreciate the capitalized costs over the useful life of the related long-lived assets.

Oil and gas producing activities

Oil and gas exploration and development costs are accounted for using the successful efforts method of accounting. The cost of acquiring properties, costs of drilling and equipping exploratory wells, and costs of development wells and related plant and equipment are capitalized, and amortized using the units-of-production method. Exploratory well costs are expensed, if economically recoverable reserves are not found. Other exploration costs, such as geological and geophysical costs, are expensed as incurred. Proved properties are reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. The proved properties are written down to fair value and impairment losses are recognized if the carrying value may not be recoverable. Unproved properties are assessed at least annually for impairment. Unproved properties are written down to the fair value and the impairment losses are recognized whenever the carrying value may not be recoverable.

Mining operations

Mining exploration costs are expensed as incurred until the mining project has been established as commercially viable by a final feasibility study. Once established as commercially viable, costs are capitalized as development costs and are amortized using the straight-line method or the units-of-production method based on the proven and probable reserves. The stripping costs incurred during the production phase of the mine are accounted for as variable production costs included in the costs of the inventory produced during the period that the stripping costs are incurred.

Employees' retirement benefits

The Company and certain of its subsidiaries have pension plans or severance indemnities plans covering substantially all employees other than directors. The Companies measure the projected benefit obligation and pension cost based on an actuarial valuation and the fair value of plan assets. The funded status, which is the net of the fair value of plan assets and projected benefit obligation are measured at the date of the fiscal year-end and recognized in the consolidated balance sheets.

Revenue recognition and the total volume of trading transactions

The trading transactions undertaken by the Companies take many forms and consist of those in which the Companies act as a principal and those in which the Companies act as an agent. In agency transactions, payment for goods is made directly by the purchaser to the supplier. The Companies receive commissions from the purchaser and/or the supplier.

The Companies derive revenues from sales of goods, performance of services and commissions on trading transactions. Although the Companies legally act as a principal, when the Companies are not the primary obligor and do not have general inventory risk, the Companies generally present the transaction net. The presentation may change according to changes in form or substance of transactions.

The total volume of trading transactions, which is voluntarily disclosed in the statements of income, includes the sales value of all transactions in which the Companies participate, regardless of the form of such transaction, based on similar practices of Japanese trading companies. This information is not required by accounting principles generally accepted in the United States.

The Companies' revenues and commissions are recognized when they are realized or realizable and earned. Revenues and commissions are realized or realizable and earned when the Companies have persuasive evidence of an arrangement, the goods have been delivered or the services have been rendered to the customer, the sales price is fixed or determinable and collection is reasonably assured.

Sale of goods and other: In acting as a principal, revenue from the sale of goods is recognized when the delivery conditions are met. These conditions are considered to have been met when the goods are received by the customer or title is transferred to the customer. In addition, revenue is recognized when the inspection testing is fully completed and any future obligations become inconsequential or perfunctory and do not affect the customer's final acceptance.

Performance of services: Commissions are recognized when the contracted services to the third-party customers are completed. In acting as an agent, the Companies recognize commissions when contracted services are fully rendered to the customers.

Construction arrangements: Revenues from construction projects are accounted for by the completed-contract-method, unless revenues and costs to complete and extent of progress toward completion of constructions are reasonably estimable, in which case the companies use the percentage-of-completion method. The measurement of the percentage to completion of construction is primarily based on the cost-to-cost method. Losses on construction contracts are recognized in the period when the losses become probable.

Shipping and handling costs are included in cost of revenues from trading and other activities.

Consumption taxes

Revenues, costs and expenses in the consolidated statements of income do not include consumption taxes.

Other—net

Other—net includes gains and losses incurred in liquidating subsidiaries and affiliated companies, such amounts were ¥135 million ($1,452 thousand) of gains, ¥73 million of losses and ¥132 million of losses for the years ended March 31, 2010, 2009 and 2008, respectively.

The aggregated amounts of gains and losses on sales of loans, included in other—net were ¥944 million ($10,151 thousand) of gains, ¥789 million of losses and ¥668 million of losses for the years ended March 31, 2010, 2009 and 2008, respectively.

Other—net also includes a refund of royalties of ¥18,864 million ($202,839 thousand) recognized as income for the year ended March 31, 2010, which occurred in the sector of exploration and development of oil and gas fields.

Derivative instruments and hedging activities

The Companies recognize all derivative instruments at fair value as an asset or liability. Accounting procedures for changes in the fair value of derivatives is determined by whether the derivatives are appropriate for hedges or not, and the purpose to hold and hedge assessment. Derivatives that are not hedges are adjusted to fair value through income. Depending on the purpose of the derivative, the hedges are categorized as fair value hedge, cash flow hedge or hedge of net investments in foreign operations.

Changes in the fair value of derivatives are adjusted through income and offset against the change in value of the hedged assets, liabilities, or firm commitments through earnings. The Companies use derivatives for hedging the volatility in the fair value of commodities or firm commitments and the volatility in the fair value of assets and liabilities with interests of fixed rate.

Derivatives for hedging risks in the cash flow of the hedged assets are recognized in accumulated other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of the change in fair value of a hedge is immediately recognized in earnings. The Companies use derivatives for hedging changes of future cash flow from changes of market price risk and foreign currency risk in purchase and sales of commodities and changes of future cash flow from change of interest rates in assets and liabilities with interests of floating rate.

For derivative and non-derivative financial instruments designated as hedging the foreign currency exposure of a net investment in foreign operations, the gain or loss is reported in other comprehensive income as part of the currency translation adjustment to the extent the hedges are effective. Gains and losses related to the hedge ineffective portion and related to the portion of hedging instruments excluded from the assessment of hedge effectiveness are included in other—net on the consolidated statements of income.

Offsetting of amounts related to certain contracts

The Companies offset the fair value of derivatives contracted with the same partner in master netting arrangements and the fair value of receivables recognized for the right to receive a return of cash collateral or a liability recognized for the obligation to return cash collateral against net derivative positions in master netting arrangements.

The amount of offsetting against derivative liabilities is ¥186 million ($2,000 thousand) and ¥3,062 million at March 31, 2010 and 2009, respectively.

Fair value measurement

The Companies measure certain assets and liabilities at fair value and categorize those into three levels depending on the availability of input.

Guarantees

The Companies recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken.

Income taxes

Deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse. A valuation allowance is recognized to reduce the deferred tax assets to the amount that is considered more likely than not to be realized.

The Companies recognize the financial statement effects of tax positions when it is more likely than not, based on the technical merits, that the tax positions will be sustained upon examination by the tax authorities. Benefits from tax positions that meet the more likely than not recognition threshold are measured at the largest amount of benefit that is more likely than not to be realized upon settlement.

Interest and penalties accrued related to unrecognized tax benefits are included in other—net.

Accounting for noncontrolling interests

Effective April 1, 2009, the Companies adopted ASC 810-10, *Consolidation* (formerly SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51)*. The Companies present noncontrolling interests in the equity section of the consolidated balance sheets, formerly reported as minority interests in a section between liabilities and equity. The related captions in the consolidated financial statements of income and consolidated statements of cash flows have been restated. Certain reclassifications and format changes have been made to prior year amounts to conform to the current year presentation. Changes in the Companies' ownership interest that do not result in a loss of control are accounted for as equity transactions of the consolidated entity. The Companies recognize gains or losses as changes in the Companies' ownership interests in net income and noncontrolling interests remeasured at its fair value are included in net income, if the Companies lose control. In accordance with the provisions of ASC 810-10, the Company recognized ¥9,321 million ($100,226 thousand) of gains in net income by remeasuring retained noncontrolling interest at its fair value upon losing control of a former subsidiary. Net income for changes in the Companies' ownership interest was ¥14,295 million ($153,710 thousand) of gains, including gain on remeasurement of retained noncontrolling interest, which the Company recognized upon losing control. The net income including such effect was presented in gain on sale of investment securities. The sale of a portion of the ownership interest in the former subsidiary was not with a related party. Such subsidiary was deconsolidated and became an affiliated company for the year ended March 31, 2010.

Reclassification

Certain reclassifications and format changes have been made to prior year amounts to conform to the current year presentation.

Recently issued accounting standards

In December 2009, the Finance Accounting Standards Board ("FASB") issued Accounting Standards Updates ("ASU") 2009-16, *Accounting for Transfers of Financial Assets* (formerly SFAS No. 166, *Accounting for Transfers of Financial Assets—an amendment of SFAS 140*). ASU 2009-16, updating ASC 860-10, *Transfers and Servicing*, which removes the concept of a Qualifying Special Purpose Entity and amends the requirements for derecognizing financial assets. ASU 2009-16 shall be effective as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, and for interim periods within that first annual reporting period.

The Companies have not determined the effect, if any, that the adoption of ASU 2009-16 will have on the Companies' financial position and results of operations.

In December 2009, the FASB issued ASU 2009-17, *Improvements to Financial Reporting by Enterprise Involved with Variable Interest Entities* (formerly SFAS No. 167, *Amendments to FASB Interpretation No. 46(R)*). ASU 2009-17, updating ASC 810-10, *Consolidation*, amends the guidance for assessment of consolidating variable interest entities and requires qualitative analyses. The exceptions for a Qualifying Special Purpose Entity are removed due to the removal of the concept of a Qualifying Special Purpose Entity in ASU 2009-16. ASU 2009-17 shall be effective as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, and for interim periods within that first annual reporting period.

The Companies have not determined the effect, if any, that the adoption of ASU 2009-17 will have on the Companies' financial position and results of operations.

3. Acquisitions

There were no significant acquisitions for the years ended March 31, 2010 and 2009.

On August 8, 2007, Marubeni Caribbean Power Holdings, Inc. ("MCPH"), incorporated in the United States, which is a wholly owned subsidiary of the Company, purchased from Mirant International Investments, Inc. ("MII"), which was a group company of the United States independent power producer ("IPP"), Mirant Corporation, all of the issued and outstanding shares of Mirant Caribbean Holdings, Ltd ("MCH"). The purchase price was $571 million, of which the Company paid cash of $320 million (¥38,182 million) and financed the remainder. MCH was renamed to MaruEnergy Caribbean ("MECa") according to the agreement with MII.

MECa owns controlling interests in vertically integrated power companies in Grand Bahama Island and Jamaica and also owns equity interest in IPPs in Trinidad and Tobago and Curacao. Total net generating capacity of MECa is 1,150 megawatts. MCPH, through MECa, owns:

— 55.4% equity interest in Grand Bahama Power Company Limited in Grand Bahama Island;
— 80.0% equity interest in Jamaica Public Service Company Limited in Jamaica;
— 39.0% equity interest in the Power Generation Company of Trinidad and Tobago Limited ("PowerGen"), an IPP that supplies 80% of Trinidad Tobago's total electricity demand; and
— 25.5% equity interest in Curacao Utilities Company, which supplies electric, steam and water to Petróleo de Venezuela S.A.'s refinery plant on the island of Curacao and a preferred share ownership interest in Aqualectra, an integrated water and electric company in Curacao.

The results of operations of MECa have been consolidated in the consolidated statements of income from the date of the acquisition.

The aggregate purchase price was ¥69,011 million. The estimated fair value of the assets at the date of acquisition was ¥188,015 million that consisted of current assets of ¥46,583 million, long-lived assets of ¥105,758 million and other non-current assets of ¥35,674 million. The estimated fair value of the liabilities was ¥94,630 million that consisted of current liabilities of ¥25,611 million and non-current liabilities of ¥69,019 million. Noncontrolling interests were ¥24,374 million.

Pro-forma results related to this acquisition are not disclosed because the impact to the consolidated financial statements is not material.

During the year ended March 31, 2009, 50% interest of the IPP holding company that MCPH acquired was sold. As a result, the IPP holding company became an affiliated company of MCPH.

4. Marketable Equity Securities and Debt Securities

The following is a summary of available-for-sale securities and held-to-maturity securities at March 31, 2010 and 2009:

	Available-for-sale securities							
	Millions of yen							
	2010				2009			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Current:								
Debt securities	¥ 3,847	¥ 1	¥ (126)	¥ 3,722	¥ 924	¥ —	¥ (3)	¥ 921
Non-current:								
Debt securities	¥ 28,101	¥ 384	¥ (38)	¥ 28,447	¥ 25,886	¥ 151	¥ —	¥ 26,037
Marketable equity securities	146,217	60,389	(7,617)	198,989	162,327	41,380	(26,824)	176,883
Total	¥174,318	¥60,773	¥(7,655)	¥227,436	¥188,213	¥41,531	¥(26,824)	¥202,920

	Available-for-sale securities			
	Thousands of U.S. dollars			
	2010			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Current:				
Debt securities	$ 41,366	$ 11	$ (1,355)	$ 40,022
Non-current:				
Debt securities	$ 302,161	$ 4,130	$ (409)	$ 305,882
Marketable equity securities	1,572,226	649,343	(81,903)	2,139,666
Total	$1,874,387	$653,473	$(82,312)	$2,445,548

	Held-to-maturity securities							
	Millions of yen							
	2010				2009			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Current:								
Debt securities	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Non-current:								
Debt securities	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —

	Thousands of U.S. dollars			
	2010			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Current:				
Debt securities	$ —	$ —	$ —	$ —
Non-current:				
Debt securities	$ —	$ —	$ —	$ —

Debt securities were mainly corporate bonds.

The fair value and gross unrealized holding losses on available-for-sale and held-to-maturity securities, aggregated by investment category and length of time that individual securities have been in continuous unrealized loss positions, at March 31, 2010 and 2009, were as follows:

	Millions of yen							
	2010				2009			
	Less than 12 months		12 months or longer		Less than 12 months		12 months or longer	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Available-for-sale:								
Debt securities	¥ 3,529	¥ (164)	¥ —	¥ —	¥ 486	¥ (3)	¥ —	¥ —
Marketable equity securities	51,395	(7,617)	—	—	76,706	(26,824)	—	—
	¥54,924	¥(7,781)	¥ —	¥ —	¥77,192	¥(26,827)	¥ —	¥ —
Held-to-maturity:								
Debt securities	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —

	Thousands of U.S.dollars			
	2010			
	Less than 12 months		12 months or longer	
	Fair value	Unrealized losses	Fair value	Unrealized losses
Available-for-sale:				
Debt securities	$ 37,946	$ (1,764)	$ —	$ —
Marketable equity securities	552,635	(81,903)	—	—
	$590,581	$(83,667)	$ —	$ —
Held-to-maturity:				
Debt securities	$ —	$ —	$ —	$ —
	$ —	$ —	$ —	$ —

The investments in available-for-sale securities with unrealized losses primarily consist of marketable equity securities of 70 issues and 140 issues as of March 31, 2010 and 2009, respectively. The unrealized losses on these securities were mainly due to what management believes is a temporary decline in the stock market. The severity of the decline in fair value less than cost was 1% to 44% and the duration of the impairment was less than 12 months. Based on the evaluation and the Companies' ability and intent to hold these securities for a reasonable period of time sufficient for a recovery of fair value, the Companies did not consider the declines in fair value of these investments to be other-than-temporary and these investments were not impaired at March 31, 2010.

In addition to the securities listed above, the Companies held trading securities of ¥21 million ($225 thousand) and ¥30 million, at fair value, as of March 31, 2010 and 2009, respectively. The net unrealized holding gains and losses on trading securities included in earnings for the years ended March 31, 2010, 2009 and 2008 amounted to ¥1 million ($11 thousand) of gains, ¥10 million of losses, and ¥13 million of losses, respectively.

The proceeds from sales of available-for-sale securities amounted to ¥12,111 million ($130,226 thousand), ¥10,521 million and ¥18,472 million for the years ended March 31, 2010, 2009 and 2008, respectively. Gross realized gains on sales of available-for-sale securities totaled ¥5,503 million ($59,172 thousand), ¥2,597 million and ¥16,454 million, and gross realized losses totaled ¥155 million ($1,667 thousand), ¥58 million and ¥60 million for the years ended March 31, 2010, 2009 and 2008, respectively.

The Company wrote down to fair value certain marketable investment securities whose decline in value was considered to be other than temporary. These write-downs amounted to ¥8,488 million ($91,269 thousand), ¥39,311 million and ¥11,046 million for the years ended March 31, 2010, 2009 and 2008, respectively.

The amortized cost and estimated fair value of debt and marketable equity securities at March 31, 2010 are summarized by contractual maturity below. Expected maturities may differ from contractual maturities because the issuers of certain securities have the right to prepay obligations without prepayment penalties.

	Available-for-sale securities			
	Millions of yen		Thousands of U.S. dollars	
	Cost	Fair value	Cost	Fair value
Due in one year or less	¥ 3,847	¥ 3,722	$ 41,366	$ 40,022
Due after one year through five years	2,365	2,691	25,430	28,935
Due after five years through ten years	20,253	20,252	217,774	217,763
Due after ten years	5,483	5,504	58,957	59,184
Total debt securities	31,948	32,169	343,527	345,904
Marketable equity securities	146,217	198,989	1,572,226	2,139,666
Total	¥178,165	¥231,158	$1,915,753	$2,485,570

	Held-to-maturity securities			
	Millions of yen		Thousands of U.S. dollars	
	Cost	Fair value	Cost	Fair value
Due in one year or less	¥ —	¥ —	$ —	$ —
Due after one year through five years	—	—	—	—
Due after five years through ten years	—	—	—	—
Due after ten years	—	—	—	—
Total	¥ —	¥ —	$ —	$ —

5. Affiliated Companies

Investments in and amounts due from affiliated companies at March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Investments in equity securities	¥730,156	¥653,128	$7,851,140
Long-term receivables	38,209	31,241	410,849
	¥768,365	¥684,369	$8,261,989

Summarized financial information of affiliated companies at March 31, 2010 and 2009 and for the years ended March 31, 2010, 2009 and 2008, was as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Current assets	¥1,962,388	¥1,981,249	$21,100,946
Other assets	3,815,829	3,381,055	41,030,420
Total assets	¥5,778,217	¥5,362,304	$62,131,366
Current liabilities	¥1,496,877	¥1,592,198	$16,095,452
Other liabilities	2,489,467	2,188,176	26,768,462
Equity accounts	1,791,873	1,581,930	19,267,452
Total liabilities and equity	¥5,778,217	¥5,362,304	$62,131,366

	Millions of yen			Thousands of U.S. dollars
	2010	2009	2008	2010
Total volume of trading transactions	¥5,182,438	¥6,188,076	¥5,860,074	$55,725,140
Net income attributable to shareholders of affiliated companies	145,746	129,955	183,134	1,567,161

The presentation of total volume of trading transactions is based on similar practice of Japanese trading companies.

The Companies' transactions with affiliated companies for the years ended March 31, 2010, 2009 and 2008 were as follows:

	Millions of yen			Thousands of U.S. dollars
	2010	2009	2008	2010
Total volume of trading transactions	¥246,613	¥307,925	¥308,828	$2,651,753
Purchase transactions	156,540	180,489	184,644	1,683,226

Marubeni-Itochu Steel Inc. (50.00% owned), Marubeni Construction Material Lease Co., Ltd. (35.25% owned), The Maruetsu, Inc. (29.91% owned), The Daiei, Inc. (29.35% owned), TeaM Energy Corporation (50.00% owned) and Lion Power (2008) Pte. Ltd. (42.86% owned) represent the Company's major investments in affiliated companies, which are accounted for using the equity method.

The balance of the difference between the cost of investment in affiliated companies and the Companies' equity in the net assets at the dates of acquisitions amounts to ¥197,308 million ($2,121,591 thousand) and ¥163,832 million at March 31, 2010 and 2009, respectively. The excess consists of fair value adjustments on assets and liabilities of affiliated companies at the time of acquisition and equity method goodwill.

Certain investments in the common stock of affiliated companies are marketable equity securities, which have carrying values of ¥59,737 million ($642,333 thousand) and ¥52,720 million at March 31, 2010 and 2009, with corresponding aggregate quoted market values of ¥49,761 million ($535,065 thousand) and ¥46,849 million, respectively.

6. Loans and Allowance for Doubtful Accounts

The changes in the allowance for doubtful accounts are summarized as follows:

	Millions of yen			Thousands of U.S. dollars
	2010	2009	2008	2010
Balance at beginning of year	¥49,781	¥ 65,768	¥67,669	$535,280
Provision	5,825	1,826	3,396	62,634
Charge-offs	(7,087)	(15,382)	(1,415)	(76,204)
Other	(120)	(2,431)	(3,882)	(1,290)
Balance at end of year	¥48,399	¥ 49,781	¥65,768	$520,420

A loan is impaired when it is probable that a creditor will be unable to collect all amounts due according to the contractual terms of the loan agreement. At March 31, 2010 and 2009, the recorded investments in loans that are considered to be impaired were ¥66,841 million ($718,720 thousand) and ¥58,744 million, respectively, and the allowance for credit losses related to those loans were ¥41,602 million ($447,333 thousand) and ¥42,943 million, respectively. The recorded investments in the impaired loans, net of the valuation allowance, are either secured by collateral or considered collectible based upon various analyses.

The average recorded investments in impaired loans were ¥60,888 million ($654,710 thousand), ¥73,919 million and ¥87,397 million for the years ended March 31, 2010, 2009 and 2008, respectively. The Companies generally do not accrue for interest on those loans, and recognize interest income on a cash basis. Recognized interest income on those loans was ¥258 million ($2,774 thousand), ¥708 million and ¥761 million for the years ended March 31, 2010, 2009 and 2008, respectively.

7. Long-Lived Assets

The gross carrying amounts and accumulated amortization of intangible assets as of March 31, 2010 and 2009 were as follows:

	Millions of yen				Thousands of U.S. dollars	
	2010		2009		2010	
	Gross carrying amount	Accumulated amortization	Gross carrying amount	Accumulated amortization	Gross carrying amount	Accumulated amortization
Intangible assets subject to amortization:						
Licenses and operating rights in natural resources	¥ 57,376	¥ (8,147)	¥ 57,295	¥ (6,284)	$ 616,946	$ (87,602)
Customer contracts and relationships	26,405	(6,832)	39,602	(10,443)	283,925	(73,462)
Software	21,251	(12,271)	21,452	(11,132)	228,505	(131,946)
Other	3,441	(1,686)	2,922	(1,560)	37,000	(18,130)
Intangible assets not subject to amortization:						
Land lease rights	2,441	—	2,452	—	26,247	—
Trademarks	1,930	—	1,915	—	20,753	—
Other	8,480	—	5,510	—	91,183	—
	¥121,324	¥(28,936)	¥131,148	¥(29,419)	$1,304,559	$(311,140)

Intangible assets subject to amortization acquired during the year ended March 31, 2010 totaled ¥4,054 million ($43,591 thousand) and consisted primarily of customer contracts and relationships of ¥550 million ($5,914 thousand) and software of ¥2,550 million ($27,419 thousand). The weighted-average amortization periods of customer contracts and relationships and software acquired during the year ended March 31, 2010 were 3–20 years (straight-line method) and 5 years (straight-line method), respectively.

Intangible assets not subject to amortization acquired during the year ended March 31, 2010 totaled ¥101 million ($1,086 thousand).

Intangible assets subject to amortization acquired during the year ended March 31, 2009 totaled ¥10,048 million and consisted primarily of customer contracts and relationships of ¥5,663 million and software of ¥4,370 million. The weighted-average amortization periods of customer contracts and relationships and software acquired during the year ended March 31, 2009 were 2–15 years (straight-line method) and 5 years (straight-line method), respectively. Intangible assets not subject to amortization acquired during the year ended March 31, 2009 totaled ¥2,244 million.

The amortization expense for intangible assets was ¥7,257 million ($78,032 thousand), ¥7,679 million and ¥7,743 million for the years ended March 31, 2010, 2009 and 2008, respectively. The estimated amortization expense for the next 5 years was as follows:

Years ending March 31	Millions of yen	Thousands of U.S. dollars
2011	¥7,194	$77,355
2012	6,582	70,774
2013	5,769	62,032
2014	4,980	53,548
2015	4,218	45,355

The changes in the carrying amount of goodwill by operating segment for the years ended March 31, 2010 and 2009 are as follows:

Millions of yen	Food		Lifestyle		Forest products		Chemicals		Transportation machinery		Power project & infrastructure	
	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses
Balance at March 31, 2008	¥ 8,758	¥ —	¥1,752	¥ —	¥ —	¥ —	¥1,308	¥ —	¥ 8,000	¥ —	¥11,011	¥ —
Goodwill acquired during the year	2,003	—	—	—	—	—	—	—	801	—	—	—
Impairment losses	—	—	—	—	—	—	—	—	—	—	—	—
Disposal, effect of exchange rate and other	(268)	—	(4)	—	—	—	(552)	—	(2,368)	—	(7,870)	—
Balance at March 31, 2009	10,493	—	1,748	—	—	—	756	—	6,433	—	3,141	—
Goodwill acquired during the year	—	—	—	—	—	—	—	—	—	—	—	—
Impairment losses	—	—	—	—	—	—	—	—	—	—	—	—
Disposal, effect of exchange rate and other	(147)	—	—	—	2,067	—	85	—	300	—	(152)	—
Balance at March 31, 2010	¥10,346	¥ —	¥1,748	¥ —	¥2,067	¥ —	¥ 841	¥ —	¥ 6,733	¥ —	¥ 2,989	¥ —

Millions of yen	Plant, ship & industrial machinery		Real estate development		Finance, logistics & IT business		Overseas corporate subsidiaries and branches		Total	
	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses
Balance at March 31, 2008	¥4,173	¥ —	¥527	¥ —	¥11,092	¥ —	¥11,990	¥(319)	¥58,611	¥(319)
Goodwill acquired during the year	—	—	—	—	—	—	—	—	2,804	—
Impairment losses	—	—	—	—	—	—	—	—	—	—
Disposal, effect of exchange rate and other	(834)	—	—	—	—	—	(3,493)	64	(15,389)	64
Balance at March 31, 2009	3,339	—	527	—	11,092	—	8,497	(255)	46,026	(255)
Goodwill acquired during the year	—	—	—	—	—	—	—	—	—	—
Impairment losses	—	—	—	—	—	—	—	—	—	—
Disposal, effect of exchange rate and other	39	—	—	—	—	—	192	(3)	2,384	(3)
Balance at March 31, 2010	¥3,378	¥ —	¥527	¥ —	¥11,092	¥ —	¥ 8,689	¥(258)	¥48,410	¥(258)

Thousands of U.S. dollars	Food		Lifestyle		Forest products		Chemicals		Transportation machinery		Power project & infrastructure	
	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses
Balance at March 31, 2009	$112,828	$ —	$18,796	$ —	$ —	$ —	$8,129	$ —	$69,172	$ —	$33,774	$ —
Goodwill acquired during the year	—	—	—	—	—	—	—	—	—	—	—	—
Impairment losses	—	—	—	—	—	—	—	—	—	—	—	—
Disposal, effect of exchange rate and other	(1,581)	—	—	—	22,226	—	914	—	3,226	—	(1,634)	—
Balance at March 31, 2010	$111,247	$ —	$18,796	$ —	$22,226	$ —	$9,043	$ —	$72,398	$ —	$32,140	$ —

Thousands of U.S. dollars	Plant, ship & industrial machinery		Real estate development		Finance, logistics & IT business		Overseas corporate subsidiaries and branches		Total	
	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses	Gross goodwill	Accumulated impairment losses
Balance at March 31, 2009	$35,903	$ —	$5,667	$ —	$119,269	$ —	$91,364	$(2,742)	$494,902	$(2,742)
Goodwill acquired during the year	—	—	—	—	—	—	—	—	—	—
Impairment losses	—	—	—	—	—	—	—	—	—	—
Disposal, effect of exchange rate and other	420	—	—	—	—	—	2,064	(32)	25,635	(32)
Balance at March 31, 2010	$36,323	$ —	$5,667	$ —	$119,269	$ —	$93,428	$(2,774)	$520,537	$(2,774)

There were no impairment losses on goodwill recognized for the years ended March 31, 2010, 2009 and 2008. The fair value of the reporting unit was estimated using the expected present value of future cash flows.

Due to decreases in expected future cash flows below their carrying amounts, the Company and certain of its subsidiaries recognized impairment losses primarily on their facility, real estate and plant, based on their fair value, in the total amounts of ¥13,322 million ($143,247 thousand), ¥13,330 million and ¥3,100 million, which are included in loss on property, plant and equipment in the consolidated statements of income, for the years ended March 31, 2010, 2009 and 2008, respectively. The fair value was primarily estimated using the discounted cash flow method and third-party appraisals. The segments affected by the impairment losses were primarily Energy of ¥5,531 million ($59,473 thousand), Real estate development of ¥3,984 million ($42,839 thousand) and Power project & infrastructure of ¥1,727 million ($18,570 thousand) for the year ended March 31, 2010, Real estate development of ¥5,862 million and Energy of ¥3,692 million for the year ended March 31, 2009 and Real estate development of ¥1,197 million for the year ended March 31, 2008.

8. Asset Retirement Obligation

The Company and certain of its subsidiaries recognize asset retirement obligations. The asset retirement obligations are primarily related to the costs of dismantlement and removing oil and gas production facilities owned by subsidiaries engaged in oil and gas producing activities.

These liabilities are included in long-term debt, less current portion and accrued expenses and other current liabilities on the consolidated balance sheets.

The changes in asset retirement obligations for the years ended March 31, 2010 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Balance at beginning of year	¥23,482	¥20,352	$252,495
Liabilities incurred	124	1,842	1,333
Liabilities settled	(1,174)	(592)	(12,624)
Accretion expense	1,058	1,391	11,376
Revisions to cost estimate	(2,441)	2,918	(26,247)
Other	917	(2,429)	9,861
Balance at end of year	¥21,966	¥23,482	$236,194

"Other" includes foreign exchange rate changes.

9. Pledged Assets

The following table summarizes assets pledged as collateral for the Companies' obligations at March 31, 2010 and 2009:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Time deposits	¥ 8,802	¥ 2,794	$ 94,645
Securities and other investments and investments in affiliated companies	258,151	71,759	2,775,817
Notes, loans and accounts receivable—trade (current and non-current)	12,050	12,736	129,570
Inventories	755	1,464	8,118
Property, plant and equipment, and property leased to others, net of accumulated depreciation	345,626	380,106	3,716,409
Other	30,890	25,675	332,151
	¥656,274	¥494,534	$7,056,710

The obligations secured by such collateral were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Short-term loans	¥ 19,837	¥ 16,046	$ 213,301
Accounts payable	381	—	4,097
Other current liabilities	5,000	5,000	53,764
Long-term debt	155,757	115,238	1,674,806
Guarantees of contracts and other	11,656	10,940	125,333
	¥192,631	¥147,224	$2,071,301

In addition, acceptances payable at March 31, 2010 and 2009 were secured by trust receipts on inventories, the standard terms of which provide that the proceeds from the sales of any such collateral be delivered to the respective bank to be applied against outstanding acceptances. However, the Companies have, in general, followed the practice of paying acceptances on their maturity dates. Given the substantial volume of the Companies' transactions, it would not be practicable to determine the total amount of inventories and/or proceeds from the sales of such inventories covered by outstanding trust receipts.

As is customary in Japan, security, if requested by a lending bank, must be given and the bank has the right to offset cash deposited with it against any debt or obligations that become due and, in the case of default or certain other specified events, against all debt payable to the bank. To date, no such request has been made to the Companies and no such rights have been exercised.

10. Short-Term Loans and Long-Term Debt

Short-term loans and their weighted average interest rates, at March 31, 2010 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Short-term loans from banks and others	¥96,362	¥186,982	$1,036,151
Weighted average interest rates (%)	1.20%	1.84%	1.20%
Commercial paper	¥ —	¥ 55,000	$ —
Weighted average interest rates (%)	—	0.71%	—

Long-term debt at March 31, 2010 and 2009 consisted of:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
1.43% notes due 2009	¥ —	¥ 10,000	$ —
1.38% notes due 2009	—	15,000	—
1.28% notes due 2009	—	10,000	—
0.98% notes due 2009	—	10,000	—
0.87% notes due 2010	—	20,000	—
1.32% notes due 2012	10,000	10,000	107,527
1.38% notes due 2012	10,000	10,000	107,527
1.37% (2.70% after March 17, 2010) notes due 2015 with prepayment options	—	5,000	—
0.80% notes due 2010	20,000	20,000	215,054
1.28% notes due 2012	15,000	15,000	161,290
1.09% notes due 2010	30,000	30,000	322,581
1.56% notes due 2012	10,000	10,000	107,527
1.50% notes due 2012	10,000	10,000	107,527
1.67% notes due 2011	20,000	20,000	215,054
1.81% notes due 2012	10,000	10,000	107,527
1.62% notes due 2012	10,000	10,000	107,527
1.64% notes due 2013	10,000	10,000	107,527
1.80% notes due 2014	10,000	10,000	107,527
1.71% notes due 2012	10,000	10,000	107,527
1.78% notes due 2013	10,000	10,000	107,527
1.75% notes due 2013	10,000	10,000	107,527
1.62% notes due 2013	10,000	10,000	107,527
1.72% notes due 2014	15,000	—	161,290
1.46% notes due 2014	20,000	—	215,054
1.46% notes due 2015	20,000	—	215,054
2.30% notes due 2022	5,000	—	53,763
1.03% notes due 2013	20,000	—	215,054
1.11% notes due 2015	10,000	—	107,527
2.55% notes due 2025	10,000	—	107,527
Secured notes due from 2010 to 2012 principally at rates from 0.8% to 1.9% or at floating rates	10,504	10,504	112,946
Medium-term notes due to 2010 principally at rates from 0.4% to 2.4% or at floating rates	5,776	11,435	62,108
Loans from government-owned banks and government agencies:			
Secured, due serially through 2023 principally at rates from 1.8% to 3.5%	47,738	28,845	513,312
Unsecured, due serially through 2025 principally at rates from 0.3% to 4.9%	78,022	73,046	838,946
Loans principally from banks and insurance companies:			
Secured, due serially through 2022 principally at rates from 1.2% to 8.0%	114,902	89,664	1,235,505
Unsecured, due serially through 2019 principally at rates from 0.5% to 6.0%	1,622,130	1,786,048	17,442,258
Other	137,326	206,358	1,476,622
	2,321,398	2,480,900	24,961,269
ASC 815, *Derivatives and Hedging*, fair value adjustments	19,663	17,220	211,430
	2,341,061	2,498,120	25,172,699
Less: current portion	236,343	231,396	2,541,323
	¥2,104,718	¥2,266,724	$22,631,376

The fair value adjustments above represent adjustments made to the balance of the debt in accordance with ASC 815, *Derivatives and Hedging*, with respect to changes in the fair value of hedged long-term debt attributable to fluctuations of interest rates during the term of the hedge.

To hedge against exposures related to the payment of interest and the repayment of the principal of certain short-term loans and long-term debt denominated in foreign currencies, the Company and certain of its subsidiaries entered into foreign exchange contracts.

To strengthen its asset-liability management and to hedge against exposures to changes in foreign currency exchange rates, the Company and certain of its subsidiaries entered into interest rate swap agreements, including interest rate and currency swap agreements, on short-term loans and long-term debt. The floating interest rates are, in general, based upon the 6-month or 3-month LIBOR (London Interbank Offered Rate) or the 6-month or 3-month TIBOR (Tokyo Interbank Offered Rate). The interest rate swap agreements are to remain in effect through the maturity dates of the short-term loans and long-term debt.

On March 1, 2010, the Company renewed its short-term line of credit in the equivalent amount. As a result, the Company had an unused short-term line of credit arrangement of ¥64,000 million ($688,172 thousand) at March 31, 2010. On March 1, 2010, the Company renewed its unused long-term line of credit arrangement of ¥245,000 million ($2,634,409 thousand) and unused long-term line of credit arrangement of ¥55,000 million ($591,398 thousand). As a result, the Company had unused long-term line of credit arrangements of ¥300,000 million ($3,225,806 thousand) at March 31, 2010 in aggregate. Based on such arrangements, ¥176,168 million ($1,894,280 thousand) of short-term loans and long-term debt due within 1 year were classified to long-term debt on the consolidated balance sheet at March 31, 2010, as the Company had an intention and ability to refinance when they become due. The Company had an unused long-term line of credit of ¥300,000 million, and classified short-term loans and long-term debt due within 1 year of ¥217,676 million to long-term debt on the consolidated balance sheet at March 31, 2009.

In addition to the above, on March 1, 2010, the Company and certain of its subsidiaries renewed the short-term lines of credit in the equivalent amount and had unused short-term lines of credit of $515 million at March 31, 2010.

Maturities of long-term debt outstanding at March 31, 2010, excluding the effect of the fair value adjustment of ASC 815, *Derivatives and Hedging*, are as follows:

Years ending March 31	Millions of yen	Thousands of U.S. dollars
2011	¥235,216	$2,529,204
2012	454,566	4,887,806
2013	561,981	6,042,806
2014	254,477	2,736,312
2015	277,728	2,986,323
Thereafter	537,430	5,778,818

Certain agreements primarily with government-owned financial institutions provide that earlier repayment may be required if, in the judgment of the lenders, the Companies' ability to repay the loans is considered enhanced as a result of higher than expected earnings, issuance of common stock or debentures, or other reasons. No such request has been received for the year ended March 31, 2010.

Certain of the long-term debt agreements stipulate that certain subsidiaries, upon the lenders' request, submit for the lenders' approval on the proposed appropriations of income, including dividend payments, before such appropriations can be submitted to the shareholders. No such request has been received for the year ended March 31, 2010.

11. Employees' Retirement Benefits

The Company and certain of its subsidiaries have cash-balance plans based on the Defined Benefit Corporate Pension Plan Act and other defined benefit pension plans. These plans, in general, cover all employees. In addition to the pension plans, the Company and certain of its subsidiaries have unfunded lump-sum retirement plans to be paid upon retirement or severance based on the years of service and compensation level as of the date of severance.

The reconciliation of beginning and ending balances of the projected benefit obligation and plan assets, and the funded status of the Company's and certain subsidiaries' plans at March 31, 2010 and 2009 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Change in projected benefit obligation:			
Projected benefit obligation at beginning of year	¥220,376	¥238,234	$2,369,634
Service cost	5,622	6,941	60,452
Interest cost	6,053	7,035	65,086
Actuarial loss (gain)	3,686	(396)	39,634
Foreign currency exchange rate changes	(45)	(7,545)	(484)
Benefits paid	(12,182)	(13,052)	(130,989)
Acquisition and deconsolidation	—	(10,841)	—
Projected benefit obligation at end of year	223,510	220,376	2,403,333
Change in plan assets:			
Fair value of plan assets at beginning of year	168,995	221,946	1,817,151
Actual return on plan assets	16,404	(26,072)	176,387
Foreign currency exchange rate changes	(98)	(6,586)	(1,054)
Employees' contributions	280	451	3,011
Employer's contribution	4,293	5,788	46,161
Benefits paid	(10,312)	(9,840)	(110,882)
Acquisition and deconsolidation	—	(16,692)	—
Fair value of plan assets at end of year	179,562	168,995	1,930,774
Funded status	¥ (43,948)	¥ (51,381)	$ (472,559)

Amounts recognized in the consolidated balance sheets at March 31, 2010 and 2009 consisted of:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Prepaid benefit cost	¥ 206	¥ 3	$ 2,215
Accrued pension liabilities	(44,154)	(51,384)	(474,774)
	¥(43,948)	¥(51,381)	$(472,559)

Amounts recognized in accumulated other comprehensive (income) loss, before tax, at March 31, 2010 and 2009 consisted of:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Prior service credit	¥ (12,076)	¥ (13,121)	$ (129,849)
Net actuarial loss	105,591	116,824	1,135,387
	¥ 93,515	¥103,703	$1,005,538

Changes in accumulated other comprehensive (income) loss, before tax, for the years ended March 31, 2010 and 2009 consisted of:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Current year net actuarial (gain) loss	¥ (6,426)	¥34,235	$ (69,097)
Amortization of prior service credit	1,000	976	10,753
Amortization of net actuarial loss	(4,829)	(3,936)	(51,925)
	¥(10,255)	¥31,275	$(110,269)

The amounts in accumulated other comprehensive (income) loss, before tax, expected to be recognized as components of net periodic benefit cost for the year ending March 31, 2011 are as follows:

	Millions of yen	Thousands of U.S. dollars
Prior service credit	¥(1,046)	$(11,247)
Net actuarial loss	4,769	51,279
	¥ 3,723	$ 40,032

The accumulated benefit obligation for all defined benefit pension plans was ¥215,619 million ($2,318,484 thousand) and ¥213,394 million at March 31, 2010 and 2009, respectively.

The components of net periodic benefit cost of the Company's and certain subsidiaries' plans for the years ended March 31, 2010, 2009 and 2008 were as follows:

	Millions of yen			Thousands of U.S. dollars
	2010	2009	2008	2010
Service cost—benefits earned during the year	**¥ 5,622**	¥ 6,941	¥ 6,635	**$ 60,452**
Interest cost on projected benefit obligation	**6,053**	7,035	6,583	**65,086**
Expected return on plan assets	**(6,292)**	(8,559)	(7,556)	**(67,656)**
Amortization of unrecognized prior service credit	**(1,000)**	(976)	(969)	**(10,753)**
Amortization of unrecognized net actuarial loss	**4,829**	3,936	4,503	**51,925**
Employees' contributions	**(280)**	(451)	(376)	**(3,011)**
Settlement and curtailment loss	**—**	—	843	**—**
Net periodic benefit cost	**¥ 8,932**	¥ 7,926	¥ 9,663	**$ 96,043**

The aggregate projected benefit obligation and aggregate fair value of plan assets for pension plans with projected benefit obligations in excess of plan assets were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Aggregate projected benefit obligation	**¥222,095**	¥220,320	**$2,388,118**
Aggregate fair value of plan assets	**177,941**	168,936	**1,913,344**

The aggregate accumulated benefit obligation and aggregate fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Aggregate accumulated benefit obligation	**¥194,160**	¥213,342	**$2,087,742**
Aggregate fair value of plan assets	**156,751**	168,936	**1,685,495**

The weighted-average assumptions used to determine projected benefit obligations at March 31, 2010 and 2009 were as follows:

	2010	2009
Discount rates	**2.5%**	2.5%
Rates of increases in future compensation levels	**5.0%**	5.0%

The weighted-average assumptions used to determine net periodic benefit cost for the years ended March 31, 2010, 2009 and 2008 were as follows:

	2010	2009	2008
Discount rates	**2.5%**	2.5%	2.5%
Rates of increases in future compensation levels	**5.0%**	5.0%	4.6%
Expected long-term rates of return on plan assets	**2.7%**	2.7%	2.7%

The overall expected long-term rates of return are calculated based on the historical average returns for certain years adjusted by the components of the current asset portfolio and the target rate of return based on the future investment plan.

In making investment decisions, the main objective is to secure the necessary return over the long term to cover pension and retirement benefit payments. The primary investment policy is to analyze the risk/return characteristics by asset class and to invest in a diversified portfolio taking into consideration of the correlation between asset classes.

The Company sets a policy asset mix with investments in equities and bonds. Based on this policy, the Company selects multiple investment managers who execute the strategy. When selecting an investment manager, the Company gives consideration to management philosophy and content, investment management policy and investment style, investment control systems including information collection mechanisms and decision-making processes, compliance systems, investment experience and the track record of the investment manager as well as their investment professional in charge of managing pension assets.

Plan assets are generally invested 30%, 60% and 10% in equity securities, debt securities and other, respectively.

The investments which are executed by investment managers are outlined as follows:

Equity securities are selected primarily from stocks that are listed on the securities exchanges. Prior to investing, the Company has investigated the business condition of the investee companies and appropriately diversified investments by type of industry and other relevant factors. Debt securities are selected primarily from government bonds, public debt instruments and corporate bonds. Prior to investing, the Company has investigated the quality of the issue, including issuers, rating, interest rate and repayment dates, and has appropriately diversified the investments. Pooled funds are selected using strategies consistent with the equity and debt securities described above. As for investments in life insurance company general accounts, the contracts with the insurance companies include a guaranteed interest rate and return of capital. With respect to investments in foreign investment vehicles, the Company has investigated the stability of the underlying governments and economies, the market characteristics such as settlement systems and the taxation systems. For each such investment, the Company has selected the appropriate investment country and currency.

As a result of the introduction of the cash-balance plan, the performance of certain plan assets is matched with the related pension benefits to a certain extent.

For the inputs used to measure fair value, see Note 19 to consolidated financial statements.

The fair values of the Companies' pension plan assets at March 31, 2010 by category are as follows:

	Millions of yen			
	2010			
	Level 1	Level 2	Level 3	Total
Cash equivalents	¥16,626	¥ —	¥ —	¥ 16,626
Equity securities:				
Japanese companies	15,746	—	572	16,318
Foreign companies	928	—	—	928
Pooled funds	—	53,965	—	53,965
Debt securities:				
Bonds denominated in Japanese yen	—	31,669	—	31,669
Bonds denominated in foreign currency	—	2,101	—	2,101
Pooled funds	—	47,840	—	47,840
Life insurance company general accounts	—	6,496	—	6,496
Other assets	—	3,598	21	3,619
	¥33,300	¥145,669	¥593	¥179,562

	Thousands of U.S. dollars			
	2010			
	Level 1	Level 2	Level 3	Total
Cash equivalents:	$178,774	$ —	$ —	$ 178,774
Equity securities:				
Japanese companies	169,312	—	6,151	175,463
Foreign companies	9,979	—	—	9,979
Pooled funds	—	580,269	—	580,269
Debt securities:				
Bonds denominated in Japanese yen	—	340,527	—	340,527
Bonds denominated in foreign currency	—	22,591	—	22,591
Pooled funds	—	514,409	—	514,409
Life insurance company general accounts	—	69,849	—	69,849
Other assets	—	38,688	225	38,913
	$358,065	$1,566,333	$6,376	$1,930,774

Pooled funds investments in equity securities consist of listed equity securities. Japanese companies and foreign companies account for 60% and 40%, respectively of the equity securities.

Pooled funds investments in debt securities consist of 50% bonds denominated in Japanese yen and 50% bonds denominated in foreign currency.

Plan assets categorized into Level 1 consist of primarily listed stocks of Japanese companies, which are measured at quoted prices in active markets without adjustments.

Plan assets categorized into Level 2 consist of primarily government and corporate bonds. These assets are measured based upon quoted prices not categorized into Level 1, identical assets in markets that are not active or similar assets or liabilities in active markets using observable inputs such as market price in the commodity market.

Plan assets categorized into Level 3 consist of primarily unlisted stocks and funds for which observable inputs are not available due to lack of similar assets in active markets.

The changes in Level 3 plan assets for the year ended March 31, 2010 were as follows:

	Millions of yen			
	2010			
	Balance at beginning of year	Purchases, sales, cancels	Net realized gain or loss	Balance at end of year
Equity securities of Japanese companies	¥ —	¥ 572	¥—	¥572
Other assets	2,964	(2,964)	21	21
	¥2,964	¥(2,392)	¥21	¥593

	Thousands of U.S. dollars			
	2010			
	Balance at beginning of year	Purchases, sales, cancels	Net realized gain or loss	Balance at end of year
Equity securities of Japanese companies	$ —	$ 6,151	$ —	$6,151
Other assets	31,871	(31,871)	225	225
	$31,871	$(25,720)	$225	$6,376

The benefits expected to be paid in the next ten years are as follows:

Years ending March 31	Millions of yen	Thousands of U.S. dollars
2011	¥ 11,077	$ 119,108
2012	11,164	120,043
2013	11,407	122,656
2014	11,692	125,720
2015	11,762	126,473
2016 – 2020	59,974	644,882
	¥117,076	$1,258,882

The amount of contributions expected to be paid to the pension plans during the year ending March 31, 2011 is approximately ¥3,200 million ($34,409 thousand).

12. Income Taxes

The Company files a consolidated income tax return in Japan.

Total income taxes recognized for the years ended March 31, 2010, 2009 and 2008 were attributable to the following:

	Millions of yen			Thousands of U.S. dollars
	2010	2009	2008	2010
Income before income taxes	¥ 65,827	¥ 80,923	¥ 60,540	$ 707,818
Other comprehensive income (loss)	37,030	(50,206)	(45,357)	398,172
Total	¥102,857	¥ 30,717	¥ 15,183	$1,105,990

Taxes on income applicable to the Company would normally result in the statutory tax rate of approximately 41% in Japan for the years ended March 31, 2010, 2009 and 2008. A reconciliation of the statutory income tax rates to the effective income tax rates expressed as a percentage of income before income taxes for the years ended March 31, 2010, 2009 and 2008 was as follows:

	2010	2009	2008
Statutory income tax rates	**41.0%**	41.0%	41.0%
Tax effect of subsidiaries' operations	**7.7%**	(1.3%)	(3.6%)
Tax effect of permanent differences	**0.4%**	0.5%	0.9%
Difference in tax rates of foreign subsidiaries	**(7.7%)**	(9.8%)	(5.3%)
Tax effect on equity in earnings of affiliated companies and undistributed earnings of subsidiaries	**(4.8%)**	8.2%	(4.4%)
Other	**3.0%**	1.7%	(0.6%)
Effective income tax rates	**39.6%**	40.3%	28.0%

Income before income taxes for the years ended March 31, 2010, 2009 and 2008 was as follows:

	Millions of yen			Thousands of U.S. dollars
	2010	2009	2008	2010
Domestic	**¥ 36,529**	¥ 16,588	¥ 82,534	**$ 392,785**
Foreign	**129,898**	184,308	133,663	**1,396,753**
Total	**¥166,427**	¥200,896	¥216,197	**$1,789,538**

Provision for income taxes for the years ended March 31, 2010, 2009 and 2008 was as follows:

	Millions of yen			Thousands of U.S. dollars
	2010	2009	2008	2010
Current:				
Domestic	**¥18,441**	¥17,108	¥14,504	**$198,291**
Foreign	**25,072**	45,052	30,062	**269,592**
Deferred:				
Domestic	**19,441**	16,459	9,478	**209,043**
Foreign	**2,873**	2,304	6,496	**30,892**
	¥65,827	¥80,923	¥60,540	**$707,818**

Significant components of deferred tax assets and deferred tax liabilities at March 31, 2010 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Deferred tax assets:			
Allowance for doubtful accounts	**¥ 20,588**	¥ 15,846	**$ 221,376**
Inventories	**4,330**	9,060	**46,559**
Investment securities	**36,340**	57,007	**390,753**
Employees' retirement benefits	**36,636**	43,914	**393,935**
Unrealized profit on intercompany transactions	**9,734**	9,969	**104,667**
Net operating loss carryforwards	**26,648**	19,408	**286,538**
Other	**30,256**	43,222	**325,333**
Total deferred tax assets	**164,532**	198,426	**1,769,161**
Valuation allowance	**(28,373)**	(22,953)	**(305,086)**
Total deferred tax assets—net	**136,159**	175,473	**1,464,075**
Deferred tax liabilities:			
Property, plant and equipment	**28,523**	24,744	**306,699**
Undistributed earnings	**7,448**	4,836	**80,086**
Investment in affiliated companies	**23,754**	14,465	**255,419**
Other	**21,259**	10,536	**228,592**
Total deferred tax liabilities	**80,984**	54,581	**870,796**
Net deferred tax assets	**¥ 55,175**	¥120,892	**$ 593,279**

The net changes in the valuation allowance for deferred tax assets were ¥5,420 million ($58,280 thousand) of increases, ¥1,998 million of increases and ¥5,305 million of decreases for the years ended March 31, 2010, 2009 and 2008, respectively.

At March 31, 2010, certain subsidiaries had net operating loss carryforwards amounting to ¥76,911 million ($827,000 thousand), subject to expiration as follows:

Years ending March 31	Millions of yen	Thousands of U.S. dollars
2011	¥ 5,802	$ 62,387
2012	4,031	43,344
2013	7,812	84,000
2014	7,544	81,118
2015	2,861	30,763
2016 and thereafter	16,103	173,151
Indefinite period	32,758	352,237
Total	¥76,911	$827,000

No provision has been made for Japanese income taxes on the undistributed earnings of the Company's domestic subsidiaries earned prior to March 31, 1993 or on part of the undistributed earnings of the Company's foreign subsidiaries with no distribution plan, which amounted to ¥266,909 million ($2,869,989 thousand) and ¥224,076 million at March 31, 2010 and 2009, respectively. The Company intends such earnings to be permanently invested. Determination of the amount of the related unrecognized deferred income tax liability is not practicable.

Realization of the Company's net deferred tax assets is dependent on the Company generating sufficient taxable income or the Company executing certain available tax strategies. Although realization is not assured, management believes it is more likely than not that the net deferred tax assets will be realized.

Unrecognized tax benefits at March 31, 2010 and April 1, 2009 were not material. Although the Company believes that its estimates and assumptions of unrecognized tax benefits are reasonable, uncertainty regarding the final determination of tax audit settlements and any related litigation could affect the effective tax rate in the future periods. Based on each of the items of which the Company is aware at March 31, 2010, no significant changes to the unrecognized tax benefits are expected within the next 12 months. Interests and penalties related to income tax are included in other—net in the consolidated statements of income. Both the interest and penalties accrued as of March 31, 2010 in the consolidated balance sheets, and the interest and penalties included in other—net in the consolidated statements of income for the year ended March 31, 2010 are not material. The Companies file income tax returns in Japan and various foreign tax jurisdictions. In Japan, the income tax examinations of the Companies by the tax authority for years through the year ended March 31, 2009 have been substantially completed. In the United States, the income tax examinations of the Companies by the tax authority for years through the year ended March 31, 2006 have been substantially completed.

13. Equity

The Corporation Law of Japan (the "Law") provides that an amount equal to 10% of the amount to be distributed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the common stock account. The amount of retained earnings available for the distributions under the Law is based on the amount recorded on the Company's books maintained in accordance with Japanese accounting practices. The adjustments to conform to accounting principles generally accepted in the United States, reflected in the accompanying consolidated financial statements but not recorded on the books, as explained in Note 1, have no effect on the determination of retained earnings available for the distributions under the Law. Such distributions can be made at any time by resolution of the shareholders or by resolution of the Board of Directors if certain conditions are met. The retained earnings available for distributions amounted to ¥111,594 million ($1,199,935 thousand) at March 31, 2010.

14. Other Comprehensive Income (Loss)

The amount of income tax expense or benefit allocated to each component of other comprehensive income (loss) including noncontrolling interests for the years ended March 31, 2010, 2009 and 2008 was as follows:

	Millions of yen		
2010	Before-tax amount	Tax (expense) or benefit	Net-of-tax amount
Unrealized gains on investment securities arising during the period	**¥ 39,719**	**¥(14,429)**	**¥25,290**
Reclassification adjustments included in net income	**3,045**	**(1,242)**	**1,803**
Net unrealized gains on investment securities	**42,764**	**(15,671)**	**27,093**
Currency translation adjustments arising during the period	**52,415**	**(14,634)**	**37,781**
Reclassification adjustments included in net income	**1,296**	**(115)**	**1,181**
Net currency translation adjustments	**53,711**	**(14,749)**	**38,962**
Unrealized gains on derivatives arising during the period	**7,137**	**1,294**	**8,431**
Reclassification adjustments included in net income	**19,829**	**(3,732)**	**16,097**
Net unrealized gains on derivatives	**26,966**	**(2,438)**	**24,528**
Pension liability adjustments arising during the period	**6,198**	**(2,495)**	**3,703**
Reclassification adjustments included in net income	**4,098**	**(1,677)**	**2,421**
Net unrealized gains on pension liability adjustments	**10,296**	**(4,172)**	**6,124**
Other comprehensive income	**¥133,737**	**¥(37,030)**	**¥96,707**

	Thousands of U.S. dollars		
2010	Before-tax amount	Tax (expense) or benefit	Net-of-tax amount
Unrealized gains on investment securities arising during the period	**$ 427,086**	**$(155,151)**	**$ 271,935**
Reclassification adjustments included in net income	**32,742**	**(13,354)**	**19,388**
Net unrealized gains on investment securities	**459,828**	**(168,505)**	**291,323**
Currency translation adjustments arising during the period	**563,602**	**(157,355)**	**406,247**
Reclassification adjustments included in net income	**13,935**	**(1,236)**	**12,699**
Net currency translation adjustments	**577,537**	**(158,591)**	**418,946**
Unrealized gains on derivatives arising during the period	**76,742**	**13,914**	**90,656**
Reclassification adjustments included in net income	**213,215**	**(40,129)**	**173,086**
Net unrealized gains on derivatives	**289,957**	**(26,215)**	**263,742**
Pension liability adjustments arising during the period	**66,645**	**(26,828)**	**39,817**
Reclassification adjustments included in net income	**44,065**	**(18,033)**	**26,032**
Net unrealized gains on pension liability adjustments	**110,710**	**(44,861)**	**65,849**
Other comprehensive income	**$1,438,032**	**$(398,172)**	**$1,039,860**

	Millions of yen		
2009	Before-tax amount	Tax (expense) or benefit	Net-of-tax amount
Unrealized losses on investment securities arising during the period	¥(106,652)	¥ 41,082	¥ (65,570)
Reclassification adjustments included in net income	36,796	(15,015)	21,781
Net unrealized losses on investment securities	(69,856)	26,067	(43,789)
Currency translation adjustments arising during the period	(205,826)	11,137	(194,689)
Reclassification adjustments included in net income	(3,434)	352	(3,082)
Net currency translation adjustments	(209,260)	11,489	(197,771)
Unrealized losses on derivatives arising during the period	(59,506)	1,516	(57,990)
Reclassification adjustments included in net income	10,897	(2,412)	8,485
Net unrealized losses on derivatives	(48,609)	(896)	(49,505)
Pension liability adjustments arising during the period	(36,377)	14,890	(21,487)
Reclassification adjustments included in net income	3,276	(1,344)	1,932
Net unrealized losses on pension liability adjustments	(33,101)	13,546	(19,555)
Other comprehensive loss	¥(360,826)	¥ 50,206	¥(310,620)

	Millions of yen		
2008	Before-tax amount	Tax (expense) or benefit	Net-of-tax amount
Unrealized losses on investment securities arising during the period	¥ (80,321)	¥30,840	¥(49,481)
Reclassification adjustments included in net income	(5,328)	2,252	(3,076)
Net unrealized losses on investment securities	(85,649)	33,092	(52,557)
Currency translation adjustments arising during the period	(14,656)	(2,755)	(17,411)
Reclassification adjustments included in net income	2,255	(96)	2,159
Net currency translation adjustments	(12,401)	(2,851)	(15,252)
Unrealized losses on derivatives arising during the period	(21,696)	5,973	(15,723)
Reclassification adjustments included in net income	4,914	(1,474)	3,440
Net unrealized losses on derivatives	(16,782)	4,499	(12,283)
Pension liability adjustments arising during the period	(29,427)	12,154	(17,273)
Reclassification adjustments included in net income	3,782	(1,537)	2,245
Net unrealized losses on pension liability adjustments	(25,645)	10,617	(15,028)
Other comprehensive loss	¥(140,477)	¥45,357	¥(95,120)

The accumulated balance of each component of accumulated other comprehensive incomes (losses) at March 31, 2010, 2009 and 2008 was as follows:

	Millions of yen				
	Unrealized gains (losses) on investment securities	Currency translation adjustments	Unrealized gains (losses) on derivatives	Pension liability adjustment	Accumulated other comprehensive income (loss)
Balance at March 31, 2007	¥102,899	¥ (39,547)	¥ (6,410)	¥(27,603)	¥ 29,339
Change in the period	(52,436)	(14,062)	(12,000)	(15,170)	(93,668)
Balance at March 31, 2008	50,463	(53,609)	(18,410)	(42,773)	(64,329)
Change in the period	(43,713)	(188,712)	(47,589)	(19,447)	(299,461)
Balance at March 31, 2009	6,750	(242,321)	(65,999)	(62,220)	(363,790)
Change in the period	27,058	37,839	23,142	6,083	94,122
Balance at March 31, 2010	**¥ 33,808**	**¥(204,482)**	**¥(42,857)**	**¥(56,137)**	**¥(269,668)**

	Thousands of U.S. dollars				
	Unrealized gains (losses) on investment securities	Currency translation adjustments	Unrealized gains (losses) on derivatives	Pension liability adjustment	Accumulated other comprehensive income (loss)
Balance at March 31, 2009	$ 72,581	$(2,605,602)	$(709,667)	$(669,033)	$(3,911,721)
Change in the period	290,946	406,871	248,839	65,409	1,012,065
Balance at March 31, 2010	**$363,527**	**$(2,198,731)**	**$(460,828)**	**$(603,624)**	**$(2,899,656)**

15. Earnings per Share of Common Stock

The computation of basic earnings per share of common stock is based on the weighted average number of shares of common stock outstanding during the year.

The following table sets forth the computation of basic earnings per share:

	Millions of yen			Thousands of U.S. dollars
	2010	2009	2008	2010
Numerator:				
Net income attributable to Marubeni	¥95,312	¥111,208	¥147,249	$1,024,860
Denominator:				
Denominator for basic earnings per share—weighted average shares	1,736,463,624	1,736,461,389	1,733,669,538	

	Yen			U.S. dollars
	2010	2009	2008	2010
Earnings per share of common stock:				
Net income attributable to Marubeni	¥54.89	¥64.04	¥84.93	$0.59

No diluted earnings per share are disclosed for the years ended March 31, 2010, 2009 and 2008 because the Company does not have any dilutive instruments.

16. Segment Information

The Company's operating segments by which management evaluates performance and allocates resources are classified in terms of the nature of the products and services or areas. The segments, by product and service, are managed by the divisions of the Head Office. Overseas corporate subsidiaries and branches operate in the respective areas and are an independent operating unit. Each reportable segment purchases, distributes and markets a wide variety of industrial and consumer goods including raw materials and equipment relating to a multitude of industries and, in addition, provides the related financing, insurance and other services to these operations on a worldwide basis. The Company has 12 segments identified by product and service, in addition to its overseas corporate subsidiaries and branches. These segments are outlined as follows:

Food: This group produces and distributes all sorts of foods such as fodder, soy beans, grain, sugar, processed food and beverages, raw materials, foodstuffs for commercial use, and agricultural and marine products.

Lifestyle: This group deals with wide-ranging products in the Lifestyle sector including clothing, footwear, interior goods, sundry goods, office equipment, fitness machines and tires. In addition, the Group operates various businesses from planning, manufacturing, importing, and wholesaling of products to brand development, consulting services and business investment, while providing a variety of services, both domestically and internationally.

Forest products: This group manufactures and distributes raw materials for paper production, paper and cardboard, and takes part in afforestation projects and sells housing materials, both domestically and internationally.

Chemicals: This group handles a wide variety of goods ranging from upstream, such as basic petrochemicals, to downstream, such as electronic materials and agrochemicals. Focusing on Middle East and South West Asia, as well as China, as a priority market, this group is conducting business with a balance between investment and trade.

Energy: This group focuses on products related to energy such as oil and gas, etc. It also takes part in various sorts of businesses which benefit from the development of resources through retail such as gas stations.

Metals & mineral resources: This group produces, processes and sells nonferrous light metals both domestically and internationally, in addition to developing and trading of raw materials for production of steel and light metals internationally.

Transportation machinery: This group focuses on domestic and international trade (export import, wholesale, and retail) in aerospace and defense systems, automotive, construction and agricultural machinery, and other transportation related machinery, as well as automobile machinery; and related services such as loans and investments, trade finance, leasing and overseas business support services.

Power projects & infrastructure: This group develops, invests in, and operates power projects and infrastructure projects, especially power generation (including desalinization, co-generation and wind power projects), while undertaking the procurement and installation of generators, power distribution grids, electrical substations, potable water treatment and waste water treatment as well as making loans and investments to other new technologies and business models in the alternate energy field. In the telecommunications field, the group is involved in export, offshore trade, and investment in communications, broadcasting and information systems.

Plant, ship & industrial machinery: This group deals with equipment procurement and construction of oil, gas, chemical environmental, steel, cement and other industrial plants, infrastructure development such as railway/airport and paper & pulp manufacturing machinery, alternative energy facilities and other industrial machines; origination and management of projects in domestic and overseas markets. Also included in the division are trading, leasing, and charter of various types of cargo vessels and tankers.

Real estate development: In addition to a housing business that focuses on the development of the "Grand-Suite" series condominiums for sale in Japan, this Group operates a broad range of real estate-related businesses, including a real estate development business dealing in residences and office buildings, overseas as well as intermediary and development businesses of REIT/investment fund-oriented real estate properties.

Finance, logistics & IT business: Both domestically and internationally, this group is involved in various financial businesses such as fund management, leasing business and financial product trading, while in the logistics area, it operates the forwarding business and logistics-related consultation, among others. In the insurance area, it operates an insurance intermediary business. In the communication business area, this group deals with business in wide-ranging areas including the data communication network business, system solution business and data center business, as well as the mobile terminal sales business, IC tag/RFID business and BPO. In innovative business areas, it takes part in the emission trading business.

Iron & steel strategies and coordination: This group is involved in domestic and international manufacture, processing and sales of steel related products such as steel plate, steel pipe, and special steel, operated by its affiliated companies such as Marubeni-Itochu Steel Inc. Also, this group provides its customers with high value-added solution services.

Overseas corporate subsidiaries and branches: Overseas corporate subsidiaries and branches are located throughout the world, in North America and Europe and other areas, and handle various merchandise and perform related activities.

The Companies' operating segment information for the years ended March 31, 2010, 2009 and 2008, was as follows:

	Millions of yen							
Year ended March 31, 2010	Food	Lifestyle	Forest products	Chemicals	Energy	Metals & mineral resources	Transportation machinery	Power projects & infrastructure
Total volume of trading transactions:								
Outside customers	¥1,555,952	¥360,582	¥531,726	¥589,050	¥1,907,734	¥629,608	¥390,463	¥320,700
Inter-segment	35,282	15,414	13,905	63,325	7,219	41,466	21,847	1,001
Total	¥1,591,234	¥375,996	¥545,631	¥652,375	¥1,914,953	¥671,074	¥412,310	¥321,701
Gross trading profit	¥ 108,755	¥ 30,727	¥ 33,253	¥ 22,573	¥ 44,683	¥ 19,912	¥ 33,136	¥ 26,387
Equity in earnings (losses) of affiliated companies—net	¥ (8,184)	¥ (102)	¥ 333	¥ 3,015	¥ 729	¥ 13,584	¥ 2,103	¥ 15,969
Net income (loss) attributable to Marubeni	¥ 2,116	¥ 3,573	¥ 727	¥ 6,336	¥ 37,646	¥ 14,626	¥ 1,090	¥ 18,700
Segment assets	¥ 588,552	¥134,360	¥364,595	¥175,336	¥ 615,043	¥423,686	¥196,534	¥416,930
Depreciation and amortization	¥ 7,522	¥ 2,294	¥ 9,406	¥ 485	¥ 28,716	¥ 3,983	¥ 2,397	¥ 3,665
Expenditures for segment assets	¥ 12,323	¥ 459	¥ 5,894	¥ 222	¥ 27,113	¥ 2,891	¥ 1,089	¥ 1,301

	Millions of yen						
Year ended March 31, 2010	Plant, ship & industrial machinery	Real estate development	Finance, logistics & IT business	Iron & steel strategies and coordination	Overseas corporate subsidiaries and branches	Corporate and elimination	Consolidated
Total volume of trading transactions:							
Outside customers	¥551,821	¥101,699	¥270,323	¥ 518	¥ 749,249	¥ 5,630	¥7,965,055
Inter-segment	26,317	553	9,053	31	577,018	(812,431)	—
Total	¥578,138	¥102,252	¥279,376	¥ 549	¥1,326,267	¥(806,801)	¥7,965,055
Gross trading profit	¥ 21,743	¥ 22,633	¥ 45,934	¥ 549	¥ 91,381	¥ (9,993)	¥ 491,673
Equity in earnings (losses) of affiliated companies—net	¥ 842	¥ (454)	¥ (75)	¥ 628	¥ 491	¥ (15)	¥ 28,864
Net income (loss) attributable to Marubeni	¥ 3,356	¥ (2,056)	¥ 3,437	¥ (591)	¥ 8,183	¥ (1,831)	¥ 95,312
Segment assets	¥293,348	¥317,623	¥213,541	¥92,492	¥ 492,140	¥ 262,392	¥4,586,572
Depreciation and amortization	¥ 1,578	¥ 2,076	¥ 3,991	¥ —	¥ 4,108	¥ 4,152	¥ 74,373
Expenditures for segment assets	¥ 8,679	¥ 18,314	¥ 3,161	¥ —	¥ 6,015	¥ 382	¥ 87,843

	Thousands of U.S. dollars							
Year ended March 31, 2010	Food	Lifestyle	Forest products	Chemicals	Energy	Metals & mineral resources	Transportation machinery	Power projects & infrastructure
Total volume of trading transactions:								
Outside customers	$16,730,667	$3,877,226	$5,717,484	$6,333,871	$20,513,269	$6,769,978	$4,198,527	$3,448,387
Inter-segment	379,376	165,742	149,516	680,914	77,623	445,871	234,914	10,764
Total	$17,110,043	$4,042,968	$5,867,000	$7,014,785	$20,590,892	$7,215,849	$4,433,441	$3,459,151
Gross trading profit	$ 1,169,409	$ 330,398	$ 357,559	$ 242,720	$ 480,462	$ 214,108	$ 356,301	$ 283,731
Equity in earnings (losses) of affiliated companies—net	$ (88,000)	$ (1,097)	$ 3,581	$ 32,419	$7,839	$ 146,065	$ 22,613	$ 171,710
Net income (loss) attributable to Marubeni	$ 22,753	$ 38,419	$ 7,817	$ 68,129	$ 404,796	$ 157,269	$ 11,720	$ 201,075
Segment assets	$ 6,328,516	$1,444,731	$3,920,376	$1,885,333	$ 6,613,366	$4,555,763	$2,113,269	$4,483,118
Depreciation and amortization	$ 80,882	$ 24,667	$ 101,140	$ 5,215	$ 308,774	$ 42,828	$ 25,774	$ 39,409
Expenditures for segment assets	$ 132,505	$ 4,935	$ 63,376	$ 2,387	$ 291,538	$ 31,086	$ 11,710	$ 13,989

Year ended March 31, 2010	Thousands of U.S. dollars						
	Plant, ship & industrial machinery	Real estate development	Finance, logistics & IT business	Iron & steel strategies and coordination	Overseas corporate subsidiaries and branches	Corporate and elimination	Consolidated
Total volume of trading transactions:							
Outside customers	$5,933,559	$1,093,538	$2,906,699	$ 5,570	$ 8,056,441	$ 60,537	$85,645,753
Inter-segment	282,979	5,946	97,344	333	6,204,494	(8,735,816)	—
Total	$6,216,538	$1,099,484	$3,004,043	$ 5,903	$14,260,935	$(8,675,279)	$85,645,753
Gross trading profit	$ 233,796	$ 243,366	$ 493,914	$ 5,903	$ 982,591	$ (107,452)	$ 5,286,806
Equity in earnings (losses) of affiliated companies—net	$ 9,054	$ (4,882)	$ (806)	$ 6,753	$ 5,280	$ (163)	$ 310,366
Net income (loss) attributable to Marubeni	$ 36,086	$ (22,108)	$ 36,957	$ (6,355)	$ 87,989	$ (19,687)	$ 1,024,860
Segment assets	$3,154,280	$3,415,301	$2,296,140	$994,538	$ 5,291,828	$ 2,821,419	$49,317,978
Depreciation and amortization	$ 16,968	$ 22,323	$ 42,914	$ —	$ 44,172	$ 44,644	$ 799,710
Expenditures for segment assets	$ 93,323	$ 196,925	$ 33,989	$ —	$ 64,677	$ 4,108	$ 944,548

Year ended March 31, 2009	Millions of yen							
	Food	Lifestyle	Forest products	Chemicals	Energy	Metals & mineral resources	Transportation machinery	Power projects & infrastructure
Total volume of trading transactions:								
Outside customers	¥1,569,078	¥470,190	¥653,254	¥777,276	¥2,868,443	¥853,974	¥583,613	¥479,096
Inter-segment	52,425	20,167	23,682	33,282	4,331	55,667	43,175	1,404
Total	¥1,621,503	¥490,357	¥676,936	¥810,558	¥2,872,774	¥909,641	¥626,788	¥480,500
Gross trading profit	¥ 113,679	¥ 32,293	¥ 42,749	¥ 30,144	¥ 92,359	¥ 34,248	¥ 46,789	¥ 50,143
Equity in earnings (losses) of affiliated companies—net	¥ (25,704)	¥ (29)	¥ (2,503)	¥ 3,127	¥ 254	¥ 11,343	¥ 2,807	¥ 11,475
Net income (loss) attributable to Marubeni	¥ (19,365)	¥ 4,033	¥ 6,194	¥ 5,200	¥ 52,045	¥ 21,602	¥ 4,430	¥ 11,528
Segment assets	¥ 594,420	¥146,909	¥405,066	¥150,950	¥ 538,300	¥375,686	¥213,777	¥511,573
Depreciation and amortization	¥ 7,151	¥ 2,121	¥ 9,531	¥ 449	¥ 37,821	¥ 3,101	¥ 2,889	¥ 13,396
Expenditures for segment assets	¥ 11,572	¥ 589	¥ 6,041	¥ 330	¥ 67,514	¥ 4,613	¥ 2,121	¥ 10,535

Year ended March 31, 2009	Millions of yen						
	Plant, ship & industrial machinery	Real estate development	Finance, logistics & IT business	Iron & steel strategies and coordination	Overseas corporate subsidiaries and branches	Corporate and elimination	Consolidated
Total volume of trading transactions:							
Outside customers	¥758,002	¥139,371	¥317,120	¥ 964	¥ 989,301	¥ 2,385	¥10,462,067
Inter-segment	72,906	550	9,798	53	455,151	(772,591)	—
Total	¥830,908	¥139,921	¥326,918	¥ 1,017	¥1,444,452	¥(770,206)	¥10,462,067
Gross trading profit	¥ 25,156	¥ 23,000	¥ 51,918	¥ 1,017	¥ 110,503	¥ (9,195)	¥ 644,803
Equity in earnings (losses) of affiliated companies—net	¥ 5,876	¥ (459)	¥ 622	¥13,908	¥ 1,043	¥ 213	¥ 21,973
Net income (loss) attributable to Marubeni	¥ 7,149	¥ (3,688)	¥ 3,368	¥14,933	¥ 16,302	¥ (12,523)	¥ 111,208
Segment assets	¥319,638	¥326,393	¥228,068	¥89,855	¥ 458,198	¥ 348,476	¥ 4,707,309
Depreciation and amortization	¥ 1,829	¥ 2,108	¥ 3,751	¥ —	¥ 4,687	¥ 3,334	¥ 92,168
Expenditures for segment assets	¥ 5,022	¥ 56,170	¥ 3,718	¥ —	¥ 9,454	¥ 1,423	¥ 179,102

Year ended March 31, 2008	Millions of yen							
	Food	Lifestyle	Forest products	Chemicals	Energy	Metals & mineral resources	Transportation machinery	Power projects & infrastructure
Total volume of trading transactions:								
Outside customers	¥1,383,977	¥565,321	¥692,703	¥863,274	¥3,014,312	¥888,359	¥615,754	¥361,183
Inter-segment	28,488	22,308	25,682	41,093	5,999	63,289	43,968	19
Total	¥1,412,465	¥587,629	¥718,385	¥904,367	¥3,020,311	¥951,648	¥659,722	¥361,202
Gross trading profit	¥ 90,002	¥ 35,724	¥ 45,263	¥ 30,803	¥ 89,300	¥ 19,050	¥ 51,059	¥ 40,485
Equity in earnings (losses) of affiliated companies—net	¥ 1,392	¥ (1)	¥ 2,428	¥ 595	¥ 594	¥ 16,665	¥ 4,486	¥ 7,917
Net income (loss) attributable to Marubeni	¥ 10,397	¥ 4,057	¥ 9,697	¥ 5,585	¥ 38,864	¥ 22,202	¥ 14,132	¥ 11,483
Segment assets	¥ 631,860	¥178,662	¥473,106	¥226,418	¥ 641,938	¥333,769	¥274,539	¥670,810
Depreciation and amortization	¥ 6,633	¥ 1,724	¥ 9,531	¥ 515	¥ 43,785	¥ 3,010	¥ 2,793	¥ 11,379
Expenditures for segment assets	¥ 7,472	¥ 578	¥ 3,969	¥ 307	¥ 25,528	¥ 1,858	¥ 3,427	¥ 6,888

Year ended March 31, 2008	Plant, ship & industrial machinery	Real estate development	Finance, logistics & IT business	Iron & steel strategies and coordination	Overseas corporate subsidiaries and branches	Corporate and elimination	Consolidated
	Millions of yen						
Total volume of trading transactions:							
Outside customers	¥705,767	¥138,114	¥309,387	¥ 937	¥1,085,765	¥ 6,763	¥10,631,616
Inter-segment	51,116	358	8,236	79	456,653	(747,288)	—
Total	¥756,883	¥138,472	¥317,623	¥ 1,016	¥1,542,418	¥(740,525)	¥10,631,616
Gross trading profit	¥ 25,911	¥ 32,442	¥ 41,605	¥ 1,016	¥ 102,967	¥ (8,711)	¥ 596,916
Equity in earnings (losses) of affiliated companies—net	¥ 2,473	¥ 65	¥ 765	¥ 17,399	¥ 619	¥ 264	¥ 55,661
Net income (loss) attributable to Marubeni	¥ 5,477	¥ 2,642	¥ (1,884)	¥ 16,480	¥ 6,960	¥ 1,157	¥ 147,249
Segment assets	¥351,541	¥325,133	¥253,622	¥105,077	¥ 536,718	¥ 204,032	¥ 5,207,225
Depreciation and amortization	¥ 1,657	¥ 2,132	¥ 4,854	¥ —	¥ 4,128	¥ 4,229	¥ 96,370
Expenditures for segment assets	¥ 6,699	¥ 17,084	¥ 3,924	¥ —	¥ 10,979	¥ (836)	¥ 87,877

Effective April 1, 2009, FT, LT, IT & innovative business segment was renamed to Finance, logistics & IT business segment.

The total volumes of trading transactions are voluntarily disclosed based on similar practices of Japanese trading companies.

Inter-segment transactions are generally priced in accordance with the prevailing market prices.

Net income (loss) attributable to Marubeni of Corporate and elimination includes net income (loss) attributable to Marubeni resulting from headquarters expenses not allocated to the operating segments and inter-segment elimination. Segment assets of Corporate and elimination include assets for general corporate purposes that are not allocated to the operating segments and inter-segment elimination. The assets for general corporate purposes consist of mainly cash and cash equivalents related to financing, marketable securities and fixed assets for general corporate purposes.

Revenues from external customers by country for the years ended March 31, 2010, 2009 and 2008 were as follows:

Country	Millions of yen 2010	2009	2008	Thousands of U.S. dollars 2010
Japan	**¥2,345,866**	¥2,610,827	¥2,868,355	**$25,224,366**
United States	**585,695**	767,071	698,311	**6,297,796**
United Kingdom	**104,816**	146,750	204,629	**1,127,054**
Other	**243,592**	477,651	394,931	**2,619,268**
Total	**¥3,279,969**	¥4,002,299	¥4,166,226	**$35,268,484**

Revenues from external customers are attributed to countries based on the location of the Companies' operations.

Long-lived assets, including property leased to others, by country as of March 31, 2010 and 2009 were as follows:

Country	Millions of yen 2010	2009	Thousands of U.S. dollars 2010
Japan	**¥457,742**	¥460,064	**$4,921,957**
United States	**178,316**	190,231	**1,917,376**
Indonesia	**118,899**	121,471	**1,278,484**
Other	**172,390**	190,745	**1,853,656**
Total	**¥927,347**	¥962,511	**$9,971,473**

Revenues from external customers by product for the years ended March 31, 2010, 2009 and 2008 were as follows:

	Millions of yen			Thousands of U.S. dollars
Product	2010	2009	2008	2010
Machinery	¥ 465,217	¥ 707,691	¥ 565,025	$ 5,002,333
Energy	164,691	222,134	331,933	1,770,871
Metals	369,666	480,030	497,375	3,974,903
Chemicals	658,357	833,168	873,459	7,079,108
Forest products and general merchandise	211,279	292,359	502,521	2,271,817
Food	1,087,328	1,070,216	972,680	11,691,699
Textile	221,035	277,559	298,806	2,376,720
Development and construction	102,396	119,142	124,427	1,101,033
Total	¥3,279,969	¥4,002,299	¥4,166,226	$35,268,484

There is no concentration by customer.

17. Foreign Currency Transactions

Net foreign currency transaction gains and losses included in other—net amounted to ¥6,411 million ($68,935 thousand) in losses, ¥6,613 million in losses and ¥65 million in losses for the years ended March 31, 2010, 2009 and 2008, respectively.

Net foreign currency transaction gains and losses include translation gains and losses resulting from remeasuring the financial statements of certain subsidiaries in highly inflationary economies into Japanese yen.

18. Financial Instruments

Fair value of financial instruments

The estimated fair value of the financial instruments of the Companies has been determined using available market information or other appropriate valuation methodologies. However, considerable judgment is required in interpreting market data to develop estimates of fair value. Consequently, the estimates are not necessarily indicative of the amounts that could be realized or would be paid in a current market exchange.

The following methodologies and assumptions were used by the Companies in estimating the fair value disclosures of the financial instruments:

Cash and cash equivalents, and time deposits: the carrying amounts of the cash and cash equivalents, and time deposits reflected in the consolidated balance sheets approximate their fair value.

Investment securities, securities and other investments: the fair value of marketable equity securities is based on quoted market prices. The carrying amount of the marketable equity securities reflected in the consolidated balance sheets represents their fair value. The fair value of investments in debt securities is based on quoted market prices or estimated using discounted cash flow analyses, based on the estimated current rates offered to the issuers for securities with similar terms and remaining maturities. It was not practicable to estimate the fair value of the investments other than marketable equity securities and debt securities without incurring excessive costs. The carrying amounts of the portion of the portfolio for which fair value could not be estimated was ¥196,284 million ($2,110,581 thousand) and ¥197,092 million at March 31, 2010 and 2009, respectively, and represents the cost of this portion of the portfolio, which, management believes, is not impaired.

Non-marketable securities of ¥124,035 million ($1,333,710 thousand) and ¥129,251 million, included in the above at March 31, 2010 and 2009, respectively, included those securities that were not evaluated for impairment, because the Company did not identify any events or changes in circumstances that might have had a significant adverse effect on the fair value of those investments, in the amounts of ¥123,628 million ($1,329,333 thousand) and ¥126,727 million at March 31, 2010 and 2009, respectively.

For the carrying amounts and fair value of marketable equity securities and debt securities on the consolidated balance sheets, see Note 4 to consolidated financial statements.

Long-term notes, loans and accounts receivable—trade and long-term receivables to affiliated companies: the fair value of long-term notes, loans and accounts receivable—trade and long-term receivables to affiliated companies is estimated using discounted cash flow analyses, based on the interest rates currently being offered to borrowers for similar long-term notes, loans and accounts receivable—trade with similar credit ratings.

Short-term loans: the carrying amount of the short-term loans reflected in the consolidated balance sheets approximates their fair value.

Long-term debt: the fair value of long-term debt is estimated using discounted cash flow analyses, based on the current borrowing rates for borrowing arrangements with similar terms and remaining maturities. Long-term debt consists of long-term loans, bonds and notes and accounts payable. The carrying amounts of the notes and accounts payable reflected in the consolidated balance sheets approximate their fair value of ¥137,326 million ($1,476,624 thousand) and ¥206,358 million at March 31, 2010 and 2009, respectively.

Interest rate swap agreements: the fair value of interest rate swap agreements is estimated using discounted cash flow analyses, based on the current swap rates for interest rate swap agreements with similar terms and remaining periods.

Foreign exchange contracts: the fair value of foreign exchange contracts is estimated based on the quoted market prices of comparable contracts, adjusted where necessary for maturity differences.

Commodity futures and forward contracts: the fair value of commodity futures and forward contracts is estimated primarily based on the quoted market prices of comparable contracts, adjusted where necessary for maturity differences.

The following table presents the carrying amounts and fair value of financial instruments at March 31, 2010 and 2009 (amounts in parentheses represent liabilities). Long-term loans and bonds include loans and bonds due within 1 year.

	Millions of yen				Thousands of U.S. dollars	
	2010		2009		2010	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Long-term notes, loans and accounts receivable—trade and long-term receivables to affiliated companies (less allowance for doubtful accounts)	¥ 96,685	¥ 95,972	¥ 95,257	¥ 94,640	$ 1,039,624	$ 1,031,957
Long-term loans and bonds	(2,203,735)	(2,207,984)	(2,291,762)	(2,287,358)	(23,696,075)	(23,741,763)
Derivative instruments—assets:						
Interest rate swap agreements	17,017	17,017	14,896	14,896	182,978	182,978
Foreign exchange contracts and other	10,772	10,722	18,320	18,320	115,828	115,828
Commodity futures and forward contracts and other	94,058	94,058	74,274	74,274	1,011,377	1,011,377
Derivative instruments—liabilities:						
Interest rate swap agreements	(4,446)	(4,446)	(5,447)	(5,447)	(47,806)	(47,806)
Foreign exchange contracts and other	(8,559)	(8,559)	(20,727)	(20,727)	(92,032)	(92,032)
Commodity futures and forward contracts and other	(91,902)	(91,902)	(78,196)	(78,196)	(988,194)	(988,194)

19. Fair Value Measurements

The Companies measure certain financial assets and liabilities at fair value. The inputs used in fair value measures are categorized into three levels based upon the transparency of inputs in markets.

Level 1: quoted prices in active markets for identical assets or liabilities

Level 2: directly or indirectly observable inputs other than Level 1

Level 3: unobservable inputs

The following tables summarize financial assets and liabilities the Companies measure at fair value on a recurring basis at March 31, 2010 and 2009.

	Millions of yen							
	2010				2009			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Cash equivalents and time deposits	¥ —	¥128,000	¥ —	¥128,000	¥ —	¥140,187	¥ —	¥140,187
Short-term investments	19	543	3,181	3,743	28	2	921	951
Long-term investments	198,989	174	28,273	227,436	176,657	584	25,679	202,920
Derivative instruments:								
Interest rate contracts	—	17,017	—	17,017	—	14,896	—	14,896
Foreign exchange contracts	—	10,772	—	10,772	—	18,320	—	18,320
Commodity contracts	19,361	74,176	519	94,056	27,612	45,916	574	74,102
Credit contracts	—	—	2	2	—	—	172	172
Liabilities:								
Derivative instruments:								
Interest rate contracts	—	(4,446)	—	(4,446)	—	(5,447)	—	(5,447)
Foreign exchange contracts	—	(8,559)	—	(8,559)	—	(20,727)	—	(20,727)
Commodity contracts	(16,855)	(72,328)	(1,447)	(90,630)	(32,280)	(41,875)	(398)	(74,553)
Credit contracts	—	—	(1,272)	(1,272)	—	—	(3,643)	(3,643)

	Thousands of U.S. dollars			
	2010			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents and time deposits	$ —	$1,376,344	$ —	$1,376,344
Short-term investments	204	5,839	34,204	40,247
Long-term investments	2,139,667	1,871	304,010	2,445,548
Derivative instruments:				
Interest rate contracts	—	182,978	—	182,978
Foreign exchange contracts	—	115,828	—	115,828
Commodity contracts	208,183	797,591	5,581	1,011,355
Credit contracts	—	—	22	22
Liabilities:				
Derivative instruments:				
Interest rate contracts	—	(47,806)	—	(47,806)
Foreign exchange contracts	—	(92,032)	—	(92,032)
Commodity contracts	(181,237)	(777,720)	(15,559)	(974,516)
Credit contracts	—	—	(13,678)	(13,678)

Short-term and Long-term investments categorized into Level 1 consist of marketable equity securities. Derivative instruments categorized into Level 1 consist of derivatives related to commodity contracts. These assets are measured at quoted prices in active markets without adjustments.

Cash equivalents and time deposits categorized into Level 2 consist of primarily certificates of deposit. Short-term and Long-term investments categorized into Level 2 consist of primarily government and corporate bonds. Derivative instruments categorized into Level 2 consist of primarily derivatives related to commodity contracts, forward exchange contracts and interest rate swap agreements. These assets are measured based upon quoted prices not categorized into Level 1, identical assets in markets that are not active or similar assets or liabilities in active markets. These assets are valued primarily based on a market approach using observable inputs such as commodity price, foreign exchange rate and interest rate.

Short-term and Long-term investments categorized into Level 3 consist of primarily government and corporate bonds. Derivative instruments categorized into Level 3 consist of derivatives related to credit risk and commodity contracts. These assets are measured primarily based on a market approach using inputs that are reasonably available or inputs many market participants use with reasonable confidence because observable inputs are not available due to lack of similar assets or liabilities in active markets or inappropriate market price by a decline of liquidity.

The Companies recognize inter-level transfers of financial assets and liabilities at the end of each quarter period.

The changes in Level 3 assets and liabilities measured on a recurring basis for the year ended March 31, 2010 and 2009 (amounts in parentheses represent liabilities) were as follows:

	Millions of yen				Thousands of U.S. dollars			
	2010				2010			
	Short-term and long-term investments		Derivative instruments (assets/(liabilities))		Short-term and long-term investments		Derivative instruments (assets/(liabilities))	
	Short-term investments	Long-term investments	Commodity contracts	Credit contracts	Short-term investments	Long-term investments	Commodity contracts	Credit contracts
Balance at April 1, 2009	¥ 921	¥25,679	¥ 176	¥(3,471)	$ 9,903	$276,118	$ 1,892	$(37,323)
Gain (loss) on income statement	(174)	(82)	550	2,343	(1,871)	(882)	5,914	25,194
Other comprehensive income (loss)	(34)	(68)	20	(1)	(366)	(731)	215	(11)
Purchases, issuances, settlements and other	2,468	2,744	(1,674)	(141)	26,538	29,505	(17,999)	(1,516)
Transfer in and/or out of Level 3	—	—	—	—	—	—	—	—
Balance at March 31, 2010	¥3,181	¥28,273	¥ (928)	¥(1,270)	$34,204	$304,010	$ (9,978)	$(13,656)
Gain (loss) in assets and liabilities for the year ended March 31, 2010	¥ (174)	¥ (82)	¥ (942)	¥ 2,343	$ (1,871)	$ (882)	$(10,129)	$ 25,194

	Millions of yen			
	2009			
	Short-term and long-term investments		Derivative instruments (assets/(liabilities))	
	Short-term investments	Long-term investments	Commodity contracts	Credit contracts
Balance at April 1, 2008	¥1,219	¥22,132	¥ 53	¥(3,320)
Gain (loss) on income statement	(40)	(697)	2,074	(149)
Other comprehensive income (loss)	(52)	103	(29)	(2)
Purchases, issuances, settlements and other	(206)	(752)	(1,922)	—
Transfer in and/or out of Level 3	—	4,893	—	—
Balance at March 31, 2009	¥ 921	¥25,679	¥ 176	¥(3,471)
Gain (loss) in assets and liabilities for the year ended March 31, 2009	¥ —	¥ (612)	¥ 199	¥ (149)

In the consolidated statements of income, the gain (loss) of investment securities and derivative instruments are included in impairment losses on investment securities, other-net or cost of revenues from trading and other activities.

The following are summaries of assets the Companies measure at fair value on a nonrecurring basis at March 31, 2010 and 2009.

	Millions of yen		Thousands of U.S. dollars	
	2010		2010	
	Level 3	Total	Level 3	Total
Assets:				
Securities and investments in affiliated companies	**¥50,536**	**¥50,536**	**$543,398**	**$543,398**
Property leased to others, property, plant and equipment, goodwill and intangible assets	**12,330**	**12,330**	**132,581**	**132,581**

	Millions of yen	
	2009	
	Level 3	Total
Assets:		
Securities and investments in affiliated companies	¥46,424	¥46,424

Non-marketable equity securities are stated at cost. Investments in affiliated companies are stated at cost, adjusted for equity in their undistributed earnings or accumulated losses since acquisition. When declines in the value of investments in affiliated companies are other than temporary, the investments are written down to the fair value and the impairment losses are recognized as a result of comprehensive examination of the possibility of recovery for the investments based on projected business results and the percentage of decline for net assets against the investment. If the Company loses control of its subsidiaries due to the change in the ownership interest, retained interest is remeasured at fair value. As a result, the net write-downs amounted to ¥9,695 million ($104,247 thousand) and ¥33,222 million for the years ended March 31, 2010 and 2009, respectively.

Nonfinancial assets measured at fair value on a nonrecurring basis consist of primarily property leased to others, property, plant and equipment, goodwill and intangible assets. Property leased to others, property, plant and equipment and intangible assets subject to amortization are evaluated for impairment and written down to their fair value if the sum of their expected undiscounted future cash flows is less than the carrying amount of the assets, whenever events or changes in circumstances indicate the carrying value may not be recoverable. The Companies review goodwill and intangible assets with indefinite useful lives for impairment at least annually. These assets are written down to the fair value and the impairment losses are recognized if they are determined to be impaired. As a result, the write-downs amounted to ¥13,322 million ($143,247 thousand) for the year ended March 31, 2010.

Valuation techniques of fair value measurement are primarily the discounted cash flow method that uses the future expected cash flows generated from the investees and related assets as inputs.

20. Derivative Instruments and Hedging Activities

Risk management

The Company and certain of its subsidiaries are exposed to market risks such as foreign exchange, interest rate and commodity price and enter into derivative transactions, including non-derivative financial instruments which are designated as hedging instruments, to hedge the risks. The Company and certain of its subsidiaries also enter into derivative transactions for trading purposes. The Company has internal regulations regarding position and loss limits and the actual positions and gains/losses are periodically reported to management. Although the Company and certain of its subsidiaries are exposed to credit risks in the event of nonperformance by the counterparties, such risks are minimized by avoiding a concentration of counterparties, selecting counterparties with high credit ratings and maintaining strict credit control. Furthermore, the Company and certain of its subsidiaries generally enter into master netting agreements with each of its counterparties. Master netting agreements provide protection in the event of bankruptcy of the counterparty in certain circumstances and mitigate the credit risk exposure from these transactions.

The Company and certain of its subsidiaries have separate departments which confirm all derivative transaction and month-end outstanding balances directly with the counterparties from the departments which execute derivative transactions. In addition, the Company has a “Risk Management Division,” in its Tokyo Head Office. The Risk Management Division independently analyzes various risks and exposures, reports the results of the analysis, and monitors and controls financing activities comprehensively. Furthermore, the Risk Management Division obtains derivative transaction data from the financial subsidiaries and foreign corporate subsidiaries, reports to management periodically in cooperation with the related departments, and strengthens the Company's unified control over derivative transactions globally.

Management of foreign currency exposures

The Company and certain of its subsidiaries conduct business in various foreign currencies.

The Company and certain of its subsidiaries use derivative instruments such as currency swaps to hedge the exposure to changes in the fair value of foreign currency denominated receivables and payables and firm commitments. The Company and certain of its subsidiaries use foreign exchange contracts to hedge foreign currency denominated receivables, payables, firm commitments and forecast transactions to minimize the effect of foreign currency exposures. The Company is using foreign exchange contracts as a hedge of a net investment in foreign currency.

Management of interest rate risks

The Company and certain of its subsidiaries enter into interest rate swap agreements primarily to convert the fixed interest rates on the principal of certain assets and liabilities to floating interest rates.

Management of commodity price risks

The Company and certain of its subsidiaries enter into commodity futures, commodity forward contracts, commodity swaps and commodity options primarily to hedge the risks from changes in commodity prices associated with certain inventories, firm commitments and forecast transactions.

Fair value hedging strategy

The Company and certain of its subsidiaries primarily designate, as a fair value hedge, currency swaps to hedge the exposure to changes in the fair value of foreign currency denominated receivables, payables and firm commitments, commodity futures and forward contracts are used to hedge the exposure to the change in fair value of certain inventories and firm commitments and interest rate swap agreements are used to hedge the fixed interest rates on the principal of certain assets and liabilities. Gains and losses related to the ineffective portion of hedging transactions and the portion of hedging instruments excluded from the assessment of hedge effectiveness were not significant for the year ended March 31, 2010 and for the fourth-quarter period ended March 31, 2009. Gains and losses related to unqualified firm commitments as a fair value hedge were not significant for the year ended March 31, 2010.

The notional amounts for the interest rate swap agreements to convert fixed interest rates to floating interest rates were ¥754,656 million ($8,114,581 thousand) at March 31, 2010. The notional amounts for currency swap agreements related to the fair value hedge of foreign currency denominated receivables, payables and firm commitments were ¥18,220 million ($195,914 thousand) at March 31, 2010. Commodity futures and forward contracts that the Company and certain of its subsidiaries hold primarily as a fair value hedge were soybeans (6,455 thousand tons), aluminum (411 thousand tons) and sugar (1,066 thousand tons) at March 31, 2010.

Cash flow hedging strategy

The Company and certain of its subsidiaries designate foreign exchange contracts to hedge the cash flows of foreign currency denominated receivables, payables, firm commitments and forecasted transactions to minimize the effect of foreign currency exposure, interest rate swap agreements are used to hedge future interest payments of certain assets and liabilities and commodity futures and forward contracts are used to hedge the cash flows relating to forecasted commodity transactions.

Gains and losses related to the ineffective portion of hedging transactions and the portion of hedging instruments excluded from the assessment of hedge effectiveness were not significant for the year ended March 31, 2010 and for the fourth-quarter period ended March 31, 2009. Gains and losses reclassified into earnings from accumulated other comprehensive income as a result of the discontinuance of cash flow hedges because it is probable that the original forecasted transactions would not occur were not significant for the year ended March 31, 2010.

The Company and certain of its subsidiaries expect to reclassify ¥875 million ($9,409 thousand) of net loss on derivative instruments from accumulated other comprehensive income to earnings during the 12 months ending March 31, 2011, due to actual export and import transactions or receipts and payments of interest.

The maximum length of time over which the Company and certain of its subsidiaries are hedging their exposure to the variability in future cash flows for forecasted transactions, excluding those forecasted transactions related to the payments of variable interest on existing financial instruments, is 123 months.

The notional amounts for the interest rate swap agreements to convert the floating interest rates to fixed interest rates were ¥371,675 million ($3,996,505 thousand) at March 31, 2010.

Commodity futures and forward contracts that the Company and certain of its subsidiaries hold primarily as a cash flow hedges were coffee (60 thousand tons) at March 31, 2010. The notional amount for foreign exchange contracts that the Company and certain of its subsidiaries hold primarily as a cash flow hedge were ¥192,639 million ($2,071,387 thousand) at March 31, 2010.

Hedge of net investment in foreign operation strategy

The Company designates foreign exchange contracts as a hedge of a net investment in foreign operations. Gains and losses related to the ineffective portion of hedging transactions and the portion of hedging instruments excluded from the assessment of hedge effectiveness were not significant for the year ended March 31, 2010 and for the fourth-quarter period ended March 31, 2009.

The amount of foreign exchange contracts as a hedge of a net investment in foreign operations were ¥255,697 million ($2,749,430 thousand) at March 31, 2010.

Fair value of derivative instruments

The following was the location and amount of derivative instrument fair values in the consolidated balance sheets segregated between designated, qualifying hedging instruments and those that were not at March 31, 2010 and 2009.

	Millions of yen			
	2010			
	Asset derivatives		Liability derivatives	
	Balance sheet location	Fair value	Balance sheet location	Fair value
Derivatives designated as hedging instruments:				
Interest rate contracts	Prepaid expenses and other	¥ 111	Accrued expenses and other	¥ 578
	Other assets	16,905	Long-term debt	3,377
Foreign exchange contracts	Cash and cash equivalents	13	Accrued expenses and other	2,699
	Time deposits	3,428	Long-term debt	13,836
	Accounts receivable	108	—	—
	Prepaid expenses and other	7,404	—	—
	Other assets	1,790	—	—
Commodity contracts	Prepaid expenses and other	16,301	Accrued expenses and other	16,113
	Other assets	2,408	Long-term debt	434
Total		¥ 48,468		¥ 37,037
Derivatives not designated as hedging instruments:				
Interest rate contracts	Prepaid expenses and other	¥ 1	Accrued expenses and other	¥ 3
	—	—	Long-term debt	488
Foreign exchange contracts	Prepaid expenses and other	1,287	Accrued expenses and other	1,815
	Other assets	503	Long-term debt	503
Commodity contracts	Prepaid expenses and other	75,347	Accrued expenses and other	74,083
Credit contracts	Prepaid expenses and other	2	Long-term debt	1,272
Total		¥ 77,140		¥ 78,164
Total derivatives		¥125,608		¥115,201

	Thousands of U.S. dollars			
	2010			
	Asset derivatives		Liability derivatives	
	Balance sheet location	Fair value	Balance sheet location	Fair value
Derivatives designated as hedging instruments:				
Interest rate contracts	Prepaid expenses and other	$ 1,194	Accrued expenses and other	$ 6,215
	Other assets	181,773	Long-term debt	36,312
Foreign exchange contracts	Cash and cash equivalents	140	Accrued expenses and other	29,022
	Time deposits	36,860	Long-term debt	148,773
	Accounts receivable	1,161	—	—
	Prepaid expenses and other	79,613	—	—
	Other assets	19,248	—	—
Commodity contracts	Prepaid expenses and other	175,280	Accrued expenses and other	173,258
	Other assets	25,892	Long-term debt	4,667
Total		$ 521,161		$ 398,247
Derivatives not designated as hedging instruments:				
Interest rate contracts	Prepaid expenses and other	$ 11	Accrued expenses and other	$ 32
	—	—	Long-term debt	5,247
Foreign exchange contracts	Prepaid expenses and other	13,839	Accrued expenses and other	19,516
	Other assets	5,408	Long-term debt	5,409
Commodity contracts	Prepaid expenses and other	810,183	Accrued expenses and other	796,591
Credit contracts	Prepaid expenses and other	22	Long-term debt	13,678
Total		$ 829,463		$ 840,473
Total derivatives		$1,350,624		$1,238,720

	Millions of yen			
	2009			
	Asset derivatives		Liability derivatives	
	Balance sheet location	Fair value	Balance sheet location	Fair value
Derivatives designated as hedging instruments:				
Interest rate contracts	Prepaid expenses and other	¥ 35	Accrued expenses and other	¥ 1,087
	Other assets	14,851	Long-term debt	3,630
Foreign exchange contracts	Cash and cash equivalents	794	Short-term loans	813
	Time deposits	3,393	Accrued expenses and other	14,322
	Accounts receivable	452	Long-term debt	15,706
	Prepaid expenses and other	11,747	—	—
	Other assets	5,759	—	—
Commodity contracts	Prepaid expenses and other	16,687	Accrued expenses and other	20,696
	Other assets	964	Long-term debt	3,994
Total		¥ 54,682		¥ 60,248
Derivatives not designated as hedging instruments:				
Interest rate contracts	Other assets	¥ 10	Accrued expenses and other	¥ 5
	—	—	Long-term debt	725
Foreign exchange contracts	Prepaid expenses and other	739	Accrued expenses and other	1,034
	Other assets	295	Long-term debt	295
Commodity contracts	Prepaid expenses and other	56,451	Accrued expenses and other	49,863
Credit contracts	Prepaid expenses and other	172	Accrued expenses and other	3
	—	—	Long-term debt	3,640
Total		¥ 57,667		¥ 55,565
Total derivatives		¥112,349		¥115,813

Note: Derivatives designated as hedging instruments include non-derivative instruments which are designated as hedging.
Non-derivative instruments are presented at book value translated by the spot rates as of each balance sheet date.

Gains and losses on derivative instruments

The following were the location and amount of gains and losses on derivative instruments in the income statements segregated between designated, qualifying hedging instruments and those that were not for the year ended March 31, 2010 and for the fourth-quarter period ended March 31, 2009.

		Millions of yen	Thousands of U.S. dollars
	Location of gain (loss) in income on derivative	Amount of gain (loss) in income on derivative —year ended March 31, 2010	Amount of gain (loss) in income on derivative —year ended March 31, 2010
Derivatives in fair value hedge:			
Interest rate contracts	Interest expense	¥ 2,238	$ 24,065
Foreign exchange contracts	Other—net	(1,048)	(11,269)
Commodity contracts	Cost of revenues from trading and other activities	6,898	74,172
Total		¥ 8,088	$ 86,968

Note: Foreign exchange contracts includes gain (loss) on non-derivative instruments which are designated as hedging.

	Millions of yen		
	Amount of gain (loss) recognized in OCI on derivative (effective portion) —year ended March 31, 2010	Location of gain (loss) reclassified from accumulated OCI into income (effective portion)	Amount of gain (loss) reclassified from accumulated OCI into income (effective portion) —year ended March 31, 2010
Derivatives in cash flow hedge:			
Interest rate contracts	¥(1,131)	Interest expense	¥(1,640)
Foreign exchange contracts	2,301	Other—net	(5,912)
Commodity contracts	(1,832)	Cost of revenues from trading and other activities	4,254
Total	¥ (662)		¥(3,298)

	Thousands of U.S. dollars		
	Amount of gain (loss) recognized in OCI on derivative (effective portion) —year ended March 31, 2010	Location of gain (loss) reclassified from accumulated OCI into income (effective portion)	Amount of gain (loss) reclassified from accumulated OCI into income (effective portion) —year ended March 31, 2010
Derivatives in cash flow hedge:			
Interest rate contracts	$(12,161)	Interest expense	$(17,634)
Foreign exchange contracts	24,742	Other—net	(63,570)
Commodity contracts	(19,699)	Cost of revenues from trading and other activities	45,742
Total	$ (7,118)		$(35,462)

	Millions of yen		
	Amount of gain (loss) recognized in OCI on derivative (effective portion) —year ended March 31, 2010	Location of gain (loss) reclassified from accumulated OCI into income (effective portion)	Amount of gain (loss) reclassified from accumulated OCI into income (effective portion) —year ended March 31, 2010
Derivatives in net investment hedge in foreign currency:			
Foreign exchange contracts	¥12,967	Impairment loss on investment securities	¥ (11)
		Other—net	67
		Equity in earnings of affiliated companies	59
Total	¥12,967		¥115

	Thousands of U.S. dollars		
	Amount of gain (loss) recognized in OCI on derivative (effective portion) —year ended March 31, 2010	Location of gain (loss) reclassified from accumulated OCI into income (effective portion)	Amount of gain (loss) reclassified from accumulated OCI into income (effective portion) —year ended March 31, 2010
Derivatives in net investment hedge in foreign currency:			
Foreign exchange contracts	$139,430	Impairment loss on investment securities	$ (118)
		Other—net	721
		Equity in earnings of affiliated companies	634
Total	$139,430		$1,237

Note: Foreign exchange contracts includes gain (loss) on non-derivative instruments which are designated as hedging.

		Millions of yen	Thousands of U.S. dollars
	Location of gain (loss) in income on derivative	Amount of gain (loss) in income on derivative —year ended March 31, 2010	Amount of gain (loss) in income on derivative —year ended March 31, 2010
Derivatives not designated as hedging instruments:			
Commodity contracts	Cost of revenues from trading and other activities	¥1,809	$19,452
Other contracts	Other—net	1,137	12,225
Total		¥2,946	$31,677

	Location of gain (loss) in income on derivative	Millions of yen Amount of gain (loss) in income on derivative —fourth-quarter period ended March 31, 2009
Derivatives in fair value hedge:		
Interest rate contracts	Interest expense	¥(2,818)
Foreign exchange contracts	Other—net	4,209
Commodity contracts	Cost of revenues from trading and other activities	1,386
Total		¥ 2,777

Note: Foreign exchange contracts includes gain (loss) on non-derivative instruments which are designated as hedging.

	Millions of yen		
	Amount of gain (loss) recognized in OCI on derivative (effective portion) —fourth-quarter period ended March 31, 2009	Location of gain (loss) reclassified from accumulated OCI into income (effective portion)	Amount of gain (loss) reclassified from accumulated OCI into income (effective portion) —fourth-quarter period ended March 31, 2009
Derivatives in cash flow hedge:			
Interest rate contracts	¥(1,793)	Interest expense	¥ (318)
Foreign exchange contracts	(5,063)	Other—net	(790)
Commodity contracts	4,956	Cost of revenues from trading and other activities	2,796
Total	¥(1,900)		¥1,688

	Millions of yen		
	Amount of gain (loss) recognized in OCI on derivative (effective portion) —fourth-quarter period ended March 31, 2009	Location of gain (loss) reclassified from accumulated OCI into income (effective portion)	Amount of gain (loss) reclassified from accumulated OCI into income (effective portion) —fourth-quarter period ended March 31, 2009
Derivatives in net investment hedge in foreign currency:			
Foreign exchange contracts	¥270		¥ —
Total	¥270		¥ —

Note: Foreign exchange contracts includes gain (loss) on non-derivative instruments which are designated as hedging.

	Location of gain (loss) in income on derivative	Millions of yen Location of gain (loss) in income on derivative —fourth-quarter period ended March 31, 2009
Derivatives not designated as hedging instruments:		
Commodity contracts	Cost of revenues from trading and other activities	¥(1,505)
Other contracts	Other—net	(250)
Total		¥(1,755)

Credit-risk-related contingent features in derivative instruments

Certain of the derivative instruments that the Company and certain of its subsidiaries hold contain provisions that require the Company's debt to be maintained at an investment grade credit rating or higher from each of the major credit rating agencies. If the credit rating of the Company's debt were to fall below investment grade, the counterparties in the derivative transactions could request immediate payment or demand immediate and ongoing full overnight collateralization on derivative instruments in net liability positions. The aggregate fair value of all derivative instruments with credit-risk-related contingent features that are in a liability position on March 31, 2010, is ¥2,383 million ($25,624 thousand). If the credit-risk-related contingent features underlying these agreements had been triggered on March 31, 2010, the Company and certain of its subsidiaries would have been required to post additional collateral to its counterparties with a fair value of ¥873 million ($9,387 thousand).

Credit derivatives

The Company and certain of its consolidated subsidiaries enter into credit default swap agreements and use hybrid instruments that have embedded credit derivatives such as Collateralized Loan Obligation as a seller of credit derivatives. The referenced assets in those credit derivatives are mainly corporate bonds or loans. Some of these have fallen below investment grade due to the current financial circumstances. However the Company and certain of its consolidated subsidiaries evaluate the credit derivatives at fair value and recognize adjustments in gains and losses. If default occurs in the referenced assets in the future, the Company and certain of its consolidated subsidiaries' financial position and results of operations may be affected. However the influence is believed limited to the best of the Company's knowledge. The maximum potential amounts of future payments for the credit derivatives of the Company and certain of its consolidated subsidiaries were ¥9,648 million ($103,742 thousand) and ¥10,137 million and the fair value was an asset of ¥194 million ($2,086 thousand) and a liability of ¥2,544 million at March 31, 2010 and 2009, respectively. The Company and certain of its consolidated subsidiaries do not have recourse to the general credit of the third parties in the credit derivatives.

21. Concentration of Credit Risk

The Companies operate as a general trading business and their business comprises export, import, domestic and offshore trading in a wide variety of fields including industrial, agricultural and consumer products, and also involve all levels of activities from planning, investment, and research and development through production, distribution and marketing. In addition, the Companies operate in substantially all geographic areas of the world, and their customers are diversified. Accordingly, management of the Company believes there is no significant concentration of credit risk among its customers or in its investments. The Companies require collateral to the extent considered necessary.

22. Leases

Lessor:

The Company and certain of its subsidiaries lease industrial machinery, office equipment and certain other assets, which are classified as direct financing leases. Net investments are included in notes, loans and accounts receivable—trade in the consolidated balance sheets at March 31, 2010 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Total minimum lease payments to be received	¥40,202	¥34,781	$432,280
Less unearned income	(6,946)	(6,205)	(74,689)
Net investments in direct financing leases	¥33,256	¥28,576	$357,591

The future minimum lease payments to be received by year at March 31, 2010 are as follows:

Years ending March 31	Millions of yen	Thousands of U.S. dollars
2011	¥13,084	$140,688
2012	10,537	113,301
2013	7,504	80,688
2014	4,567	49,108
2015	1,900	20,430
Thereafter	2,610	28,065
Total	¥40,202	$432,280

The Company and certain of its subsidiaries also lease freight railcars, office buildings, trailers and certain other assets under operating leases. The cost and accumulated depreciation of the leased property at March 31, 2010 and 2009 were shown on the consolidated balance sheets. At March 31, 2010, the minimum future rentals on noncancelable operating leases were as follows:

Years ending March 31	Millions of yen	Thousands of U.S. dollars
2011	¥ 8,027	$ 86,312
2012	5,677	61,043
2013	4,505	48,441
2014	3,672	39,484
2015	2,337	25,129
Thereafter	6,577	70,720
Total	¥30,795	$331,129

Lessee:

The Company and certain of its subsidiaries lease machinery, office equipment and certain other assets, which are classified as capital leases. At March 31, 2010, the cost and accumulated depreciation of the leased property, included primarily in property, plant and equipment in the consolidated balance sheet, were ¥26,185 million ($281,559 thousand) and ¥14,924 million ($160,473 thousand), respectively.

The future minimum lease payments under capital leases by year together with the capital lease obligations at March 31, 2010 are as follows:

Years ending March 31	Millions of yen	Thousands of U.S. dollars
2011	¥ 3,633	$ 39,065
2012	2,846	30,602
2013	2,331	25,065
2014	2,451	26,355
2015	1,567	16,849
Thereafter	3,859	41,494
Total minimum lease payments	16,687	179,430
Less amount representing interest	(2,906)	(31,247)
Capital lease obligation	¥13,781	$148,183

The Company and certain of its subsidiaries also lease office buildings, vessels, trailers and certain other assets under operating leases. Rental expense amounted to ¥19,705 million ($211,882 thousand), ¥20,889 million and ¥18,683 million for the years ended March 31, 2010, 2009 and 2008, respectively.

At March 31, 2010, the future minimum rental payments under noncancelable operating leases were as follows:

Years ending March 31	Millions of yen	Thousands of U.S. dollars
2011	¥16,494	$177,355
2012	13,294	142,946
2013	11,243	120,892
2014	8,629	92,785
2015	6,603	71,000
Thereafter	24,508	263,527
Total	¥80,771	$868,505

The future minimum rentals to be received under noncancelable subleases corresponding to the above future minimum rental payments are not significant at March 31, 2010.

23. Commitments and Contingent Liabilities

The Companies enter into long-term purchase contracts for certain goods and products in metal and mineral resources and machinery industries at either fixed or variable prices. The Companies generally enter into sales contracts for such purchase contracts with customers. At March 31, 2010, the total amount of the long-term purchase contracts was approximately ¥822,000 million ($8,838,710 thousand), of which deliveries are at various dates through 2022.

The Companies had commitments to make additional investments or loans in aggregate amounts of approximately ¥34,000 million ($365,591 thousand) at March 31, 2010.

The Companies provide various types of guarantees for the obligations of affiliated companies and customers in the ordinary course of business. The guarantees are primarily for the monetary indebtedness to the benefit of third parties. Should the guaranteed customers fail to fulfill their obligations, the Companies would be required to fulfill the obligations under these guarantees.

The outstanding balances of guarantees were ¥243,324 million ($2,616,387 thousand) and ¥184,165 million, including ¥138,947 million ($1,494,054 thousand) and ¥100,168 million to affiliated companies, at March 31, 2010 and 2009, respectively.

The outstanding balances of guarantees represent the maximum potential amount of future payments without consideration of the possibilities of fulfillment of the obligations. Therefore such amounts bear no relationship to the anticipated losses on these guarantees and indemnifications, and they greatly exceed anticipated losses. Some guarantees are secured by secondary guarantees provided for the Companies by third parties. The amounts secured by secondary guarantees provided for the Companies by third parties were ¥27,654 million ($297,355 thousand) and ¥31,089 million, including ¥23,833 million ($256,269 thousand) and ¥23,271 million to affiliated companies at March 31, 2010 and 2009, respectively. Guarantees with the longest term in the above will expire in 2037. The liabilities recognized for the guarantees were ¥2,308 million ($24,817 thousand) and ¥1,664 million at March 31, 2010 and 2009, respectively.

The Companies manage the risk of fulfillment of obligations under the guarantees by setting the appropriate line of credit and by undertaking provisional measures in accordance with the credit risk rank to which each guaranteed customer belongs. The Companies determine the rank of each customer before entering into the guarantee agreement according to the customer's credit risk which is estimated and reviewed based on the customer's financial information. The possibilities of fulfillment of obligations under the guarantees which would have a material effect in the consolidated financial statements are estimated to be remote at March 31, 2010. A provision for loss on guarantees is recognized for the amount that is considered probable.

The outstanding balance of the export bills of exchange discounted by the negotiating banks were ¥10,106 million ($108,667 thousand) and ¥14,205 million at March 31, 2010 and 2009, respectively. If a customer fails to fulfill its obligation with respects to the bills, the Companies would be obligated to repurchase the bills based on the agreements with the banks.

The Companies and affiliated companies conduct business activities on a global scale and are involved in transactions which are subject to the oversight by various types of authorities, both in Japan and abroad. Such business activities are exposed to risk and, from time to time, may involve legal actions, claims or other disputes. Although there are various issues outstanding at March 31, 2010, management is of the opinion that settlement of all such issues outstanding would not have a material effect on the consolidated financial position or results of operations, or cash flows of the Companies.

24. Variable Interest Entities

The Companies hold subordinated investment securities and other interests without voting rights in VIEs, whose operations are fund management and real estate developments, and consolidate them as the primary beneficiary. The following table presents the carrying amounts and classification of the consolidated VIEs' assets and liabilities on the consolidated balance sheets at March 31, 2010 and 2009. The liabilities are primarily nonrecourse loans for purchase of assets. The creditors or beneficial interest holders of the consolidated VIEs, with exception of certain VIEs, do not have recourse to the general credit of the Company or its consolidated subsidiaries. The Company guarantees debt of certain of the VIEs but the balance of the guarantees is not material.

	Millions of yen		Thousands of U.S. dollars
Assets and liabilities of VIEs on consolidated balance sheet	2010	2009	2010
Assets:			
Cash and cash equivalents	¥ 6,756	¥ 8,161	$ 72,645
Accounts receivable	37	22,044	398
Securities and other investments	8,555	8,363	91,989
Property leased to others—net	21,534	5,154	231,548
Land	37,875	49,860	407,258
Other	20,538	6,620	220,839
Total	¥95,295	¥100,202	$1,024,677
Liabilities:			
Accounts payable	¥ —	¥ 16,988	$ —
Long-term debt, less current portion	34,830	32,688	374,516
Other	8,787	6,852	94,484
Total	¥43,617	¥ 56,528	$ 469,000

There were no changes in conclusions to consolidate VIEs for the year ended March 31, 2010.

For the year ended March 31, 2009, changes in conclusions to consolidate VIEs caused decreases of ¥16,131 million in total assets of consolidated VIEs, which was primarily due to the sale of equity interest of the IPP holding company.

The VIEs that have not been consolidated by the Companies because they are not the primary beneficiary while they are sponsors for the VIEs or they hold significant variable interests are described as follows.

The Companies hold significant variable interests in VIEs, or are sponsors that hold variable interests in VIEs in the form of investments, loans and other, whose operations are financing and leasing.

The total assets of these VIEs were ¥485,528 million ($5,220,731 thousand) and ¥503,760 million at March 31, 2010 and 2009, respectively. The following table presents the carrying amounts and classification of the assets and liabilities that relate to the Companies' variable interests in these VIEs in the consolidated balance sheets at March 31, 2010 and 2009. The following table also presents the amounts of the maximum exposure to loss as a result of the involvement with these VIEs. The maximum exposure represents the amount of a loss which the Companies could incur from the variability in value of the investments, and does not necessarily represent the anticipated loss to be incurred from the involvement with the VIEs.

	Millions of yen		Thousands of U.S. dollars
Variable interests on consolidated balance sheet	2010	2009	2010
Assets:			
Securities and other investments	¥ 3,446	¥ 9,662	$ 37,054
Long-term notes, loans and accounts receivable—trade	14,652	16,481	157,548
Total	¥18,098	¥26,143	$194,602

	Millions of yen		Thousands of U.S. dollars
The maximum exposure to loss	2010	2009	2010
Securities and other investments:			
Securities	¥ 696	¥ 1,652	$ 7,484
Other investments	2,750	8,010	29,570
Long-term notes, loans and accounts receivable—trade	14,652	16,481	157,548
Lease contracts	18,348	12,428	197,290
Total	¥36,446	¥38,571	$391,892

25. Subsequent Events

The Company has evaluated subsequent events through June 25, 2010, which is the date its consolidated financial statements were available to be issued.

On May 21, 2010, the Board of Directors approved the payment of cash dividends of ¥5 ($0.05) per share of common stock or ¥8,683 million ($93,366 thousand) in aggregate from the retained earnings payable on June 4, 2010.

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Report of Independent Auditors

The Board of Directors and Shareholders
Marubeni Corporation
(Marubeni Kabushiki Kaisha)

We have audited the accompanying consolidated balance sheets of Marubeni Corporation and subsidiaries (the "Company") as of March 31, 2010 and 2009, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the three years in the period ended March 31, 2010, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Marubeni Corporation and subsidiaries at March 31, 2010 and 2009, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2010, in conformity with accounting principles generally accepted in the United States.

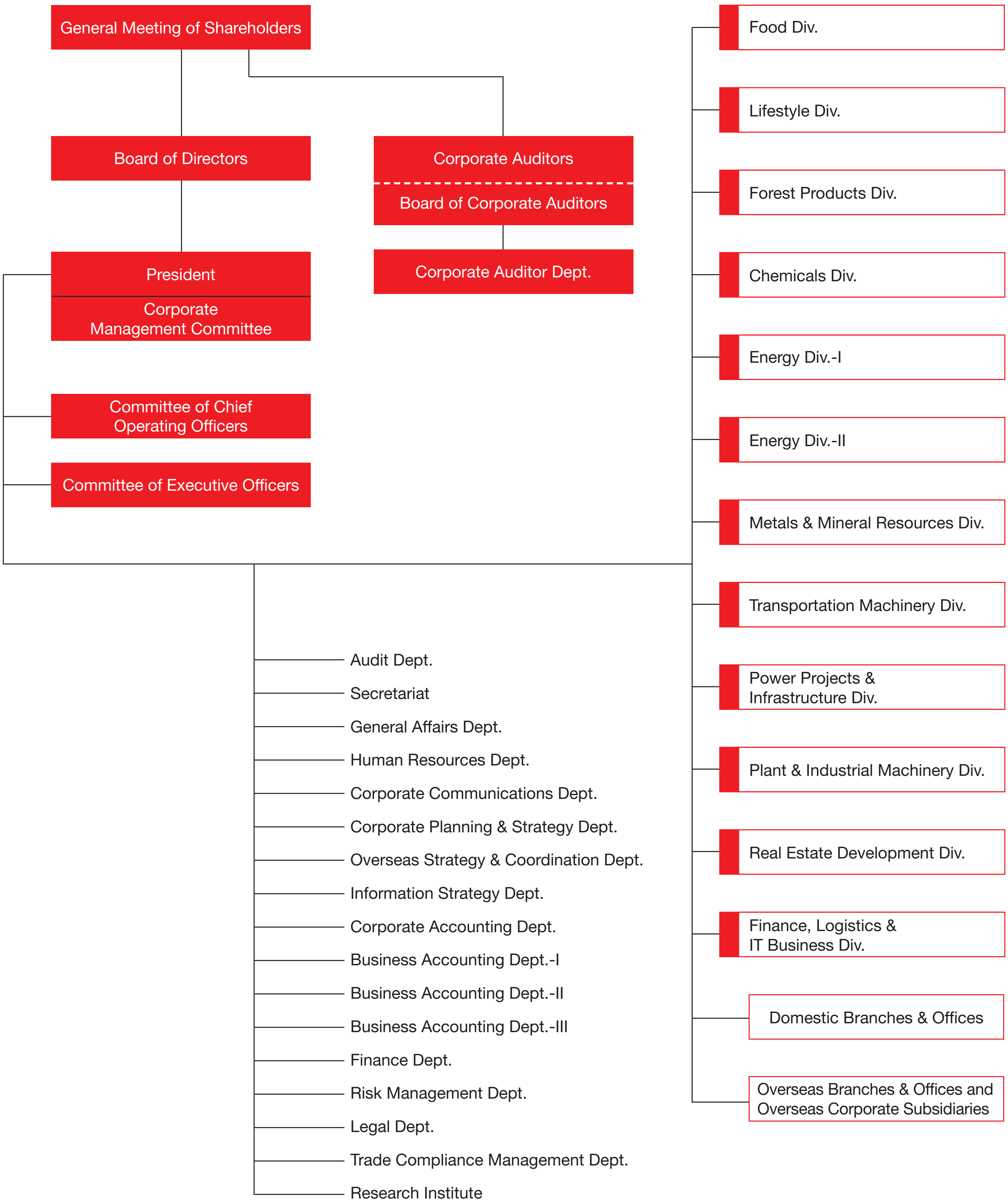
As discussed in Note 2 to the consolidated financial statements, effective April 1, 2009, the Company adopted new accounting guidance for noncontrolling interests in a subsidiary as prescribed in FASB Accounting Standards Codification 810, *Consolidation*.

We also have reviewed the translation of the consolidated financial statements mentioned above into United States dollars on the basis described in Note 1. In our opinion, such statements have been translated on such basis.

Ernst & Young ShinNihon LLC

June 25, 2010

Organization



(As of April 1, 2010)

Corporate Data

Founded

May 1858

Incorporated

December 1, 1949

Paid-in Capital

¥262,685,964,870

Number of Shareholders

133,237

Number of Shares Issued and Outstanding

1,737,940,900

Number of Employees

3,951
(Excluding 367 local employees of overseas branches and offices and 1,361 local employees of overseas corporate subsidiaries)

Number of Domestic Offices *

9

Number of Overseas Branches and Offices and Overseas Corporate Subsidiaries *

55 overseas branches & offices and
32 overseas corporate subsidiaries with 63 offices
for a total of 118 offices in 71 countries/areas

Major Shareholders

Japan Trustee Services Bank, Ltd. (Trust Account)
The Master Trust Bank of Japan, Ltd. (Trust Account)
Sompo Japan Insurance Inc.
Tokio Marine and Nichido Fire Insurance Co., Ltd.
Meiji Yasuda Life Insurance Company
JP Morgan Chase Bank 380055
Mizuho Corporate Bank, Ltd.
The Chase Manhattan Bank, N.A London S.L Omnibus Account
Nippon Life Insurance Company
Japan Trustee Services Bank, Ltd. (Trust Account 9)

Stock Listings

Tokyo, Nagoya, Osaka

Transfer Agent of Common Stock

Mizuho Trust & Banking Co., Ltd.

Home Page Address

http://www.marubeni.com

For Further Information, Please Contact

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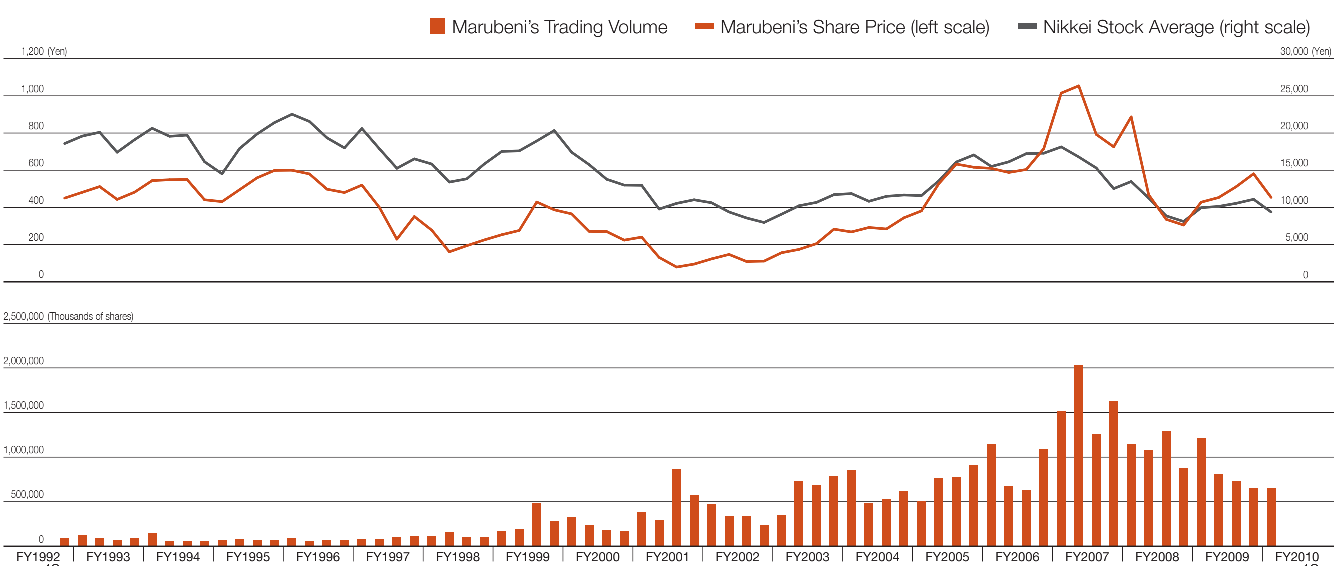
Tel: 81-3-3282-2111
Fax: 81-3-3282-4241
E-mail: TOKB191@marubenicorp.com

(As of March 31, 2010, except* as of April 1, 2010)

Share Price and Trading Volume



Global Network

Overseas Locations

North America
Chicago
Detroit
Houston
Los Angeles
Mexico City
New York
Omaha
Silicon Valley
Toronto
Vancouver
Washington, D.C.

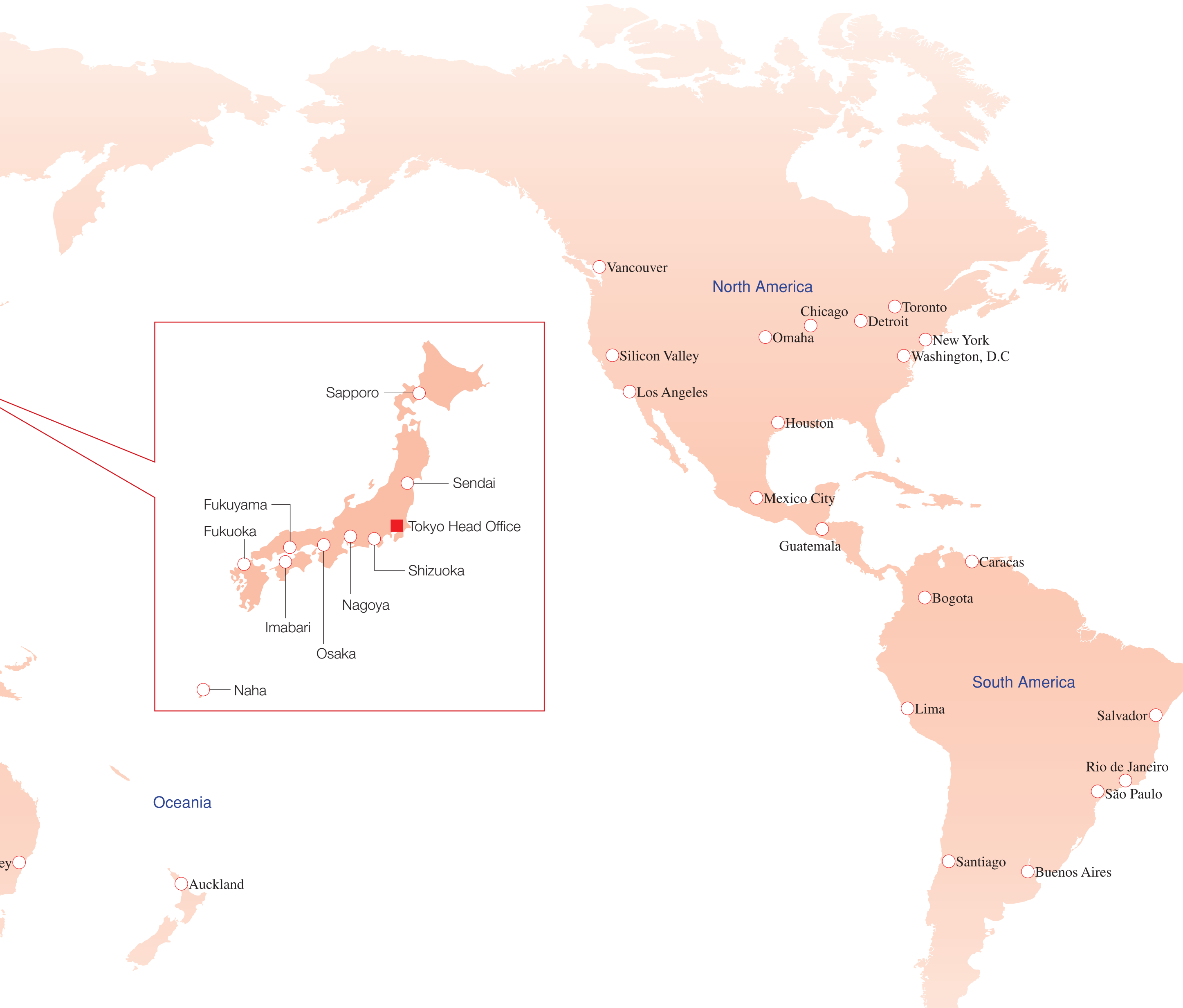
Central and South America
Bogota
Buenos Aires
Caracas
Guatemala
Lima
Rio de Janeiro
Salvador
Santiago
São Paulo

Europe
Athens
Bucharest
Budapest
Dublin
Düsseldorf
Hamburg
London
Madrid
Milan
Paris
Prague
Risley
Warsaw

CIS
Almaty
Astana
Khabarovsk
Kiev
Moscow
St. Petersburg
Tashkent
Yuzhno-Sakhalinsk

Middle East
Abu Dhabi
Amman
Ankara
Baghdad
Cairo
Doha
Dubai
Istanbul
Kuwait City
Muscat
Riyadh
Sana'a
Tehran

Africa
Accra
Addis Ababa
Algiers
Johannesburg
Lagos
Lusaka
Nairobi
Tripoli



Asia
Bangkok
Chennai
Chittagong
Dhaka
Goa
Hanoi
Ho Chi Minh
Islamabad
Jakarta
Karachi
Kolkata (Calcutta)
Kuala Lumpur
Kuching
Lahore
Manila
Mumbai (Bombay)
New Delhi
Phnom Penh
Quang Ngai
Seoul
Sibu
Singapore
Taipei
Ulan Bator
Vientiane
Yangon

China
Beijing
Changchun
Chengdu
Dalian
Guangzhou
Hong Kong
Kunming
Nanjing
Qingdao
Shanghai
Tianjin
Wuhan
Xiamen

Oceania
Auckland
Melbourne
Perth
Sydney

Domestic Locations

Tokyo
Osaka
Nagoya
Sapporo
Sendai
Shizuoka
Fukuoka
Naha
Fukuyama
Imabari



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Printed in Japan