Marubeni Corporation Annual Report 2009 For the fiscal year ended March 31, 2009

Marubeni CORPORATION

Annual Report 2009

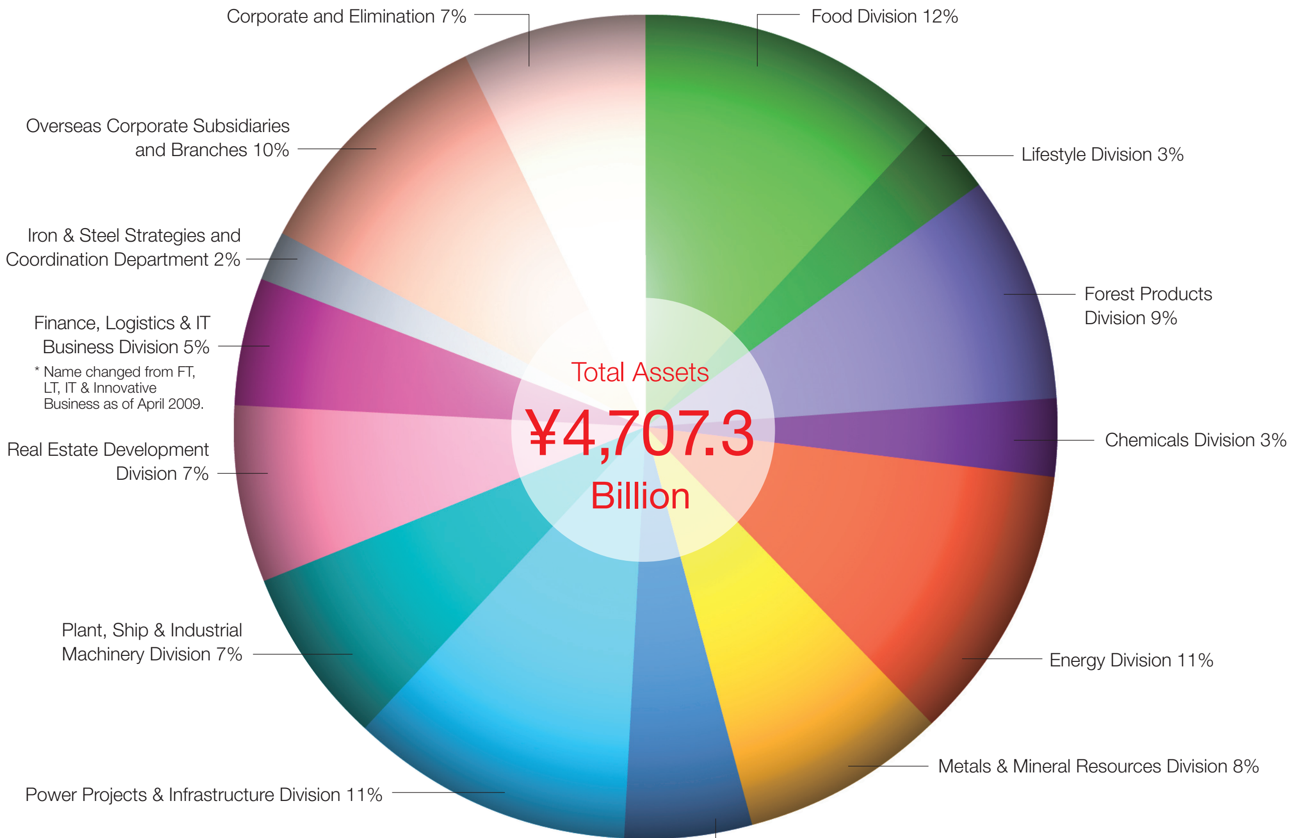
For the fiscal year ended March 31, 2009

Marubeni

Our Strengths Are Within

Marubeni is a General Trading

Marubeni's strengths as a general trading company are its knowledge and implementation
We leverage these strengths in many ways to create new value in business domains



Total Assets by Segment

Marubeni's 13 business segments, including the Abu Dhabi Trade House Project Department, engage in a broad range of businesses, from foods, textiles and other daily-use products to energy and resource development, and other infrastructure indispensable to nations. In addition to our legacy trading operations, in recent years we have been making investments to expand in the fields of resources, energy, electric power and infrastructure, and developing new businesses such as emissions credit trading. In all fields, we pursue a wide range of initiatives for creating new value.




Company

ability, built up over the 150 years since the Company's founding.

spanning a broad spectrum of industries and regions.

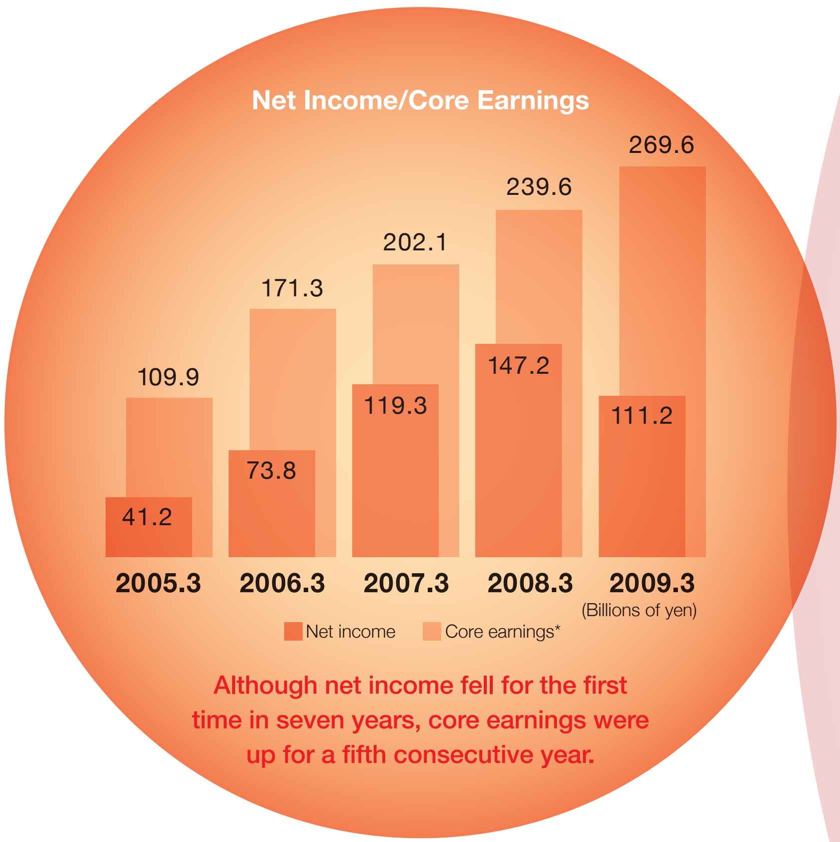
Overseas Network

Marubeni has 114 bases in 69 countries (comprising 53 overseas branches and offices and 61 offices and branches of overseas corporate subsidiaries) and 242 operating companies. Each operating division is deeply involved in promoting the growth of world markets, working together with their respective overseas network, pursuing business in a wide variety of fields on a global basis.

To Our Stakeholders

Marubeni Creates Value

—Beyond your expectations...Marubeni



* Core earnings is a management indicator that expresses the earning power of the main business of a general trading house with a diversified earnings structure including trading and business investments. 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

Core earnings for FY2008 is calculated excluding appraisal loss on Daiei shares.

In fiscal 2008, the year ended March 31, 2009, growth in emerging nations drove the world economy during the first half, with soaring prices for natural resources, including record-setting crude oil prices, characterizing a strong economic environment. In the second half, however, conditions took a sudden turn, with the business environment flipped on its head by turmoil in financial markets, a decelerating global economy, plummeting prices, rapid appreciation of the yen, and other factors.

As a result, Marubeni's consolidated net income declined for the first time in 7 years, to ¥111.2 billion. This decline mainly reflected downward pressure on earnings from precipitous drops in resource, share and commodities prices, the yen's rapid appreciation, and conservative measures taken to avert potential future losses in real estate and various operating affiliates. Our earnings power, however, actually strengthened again during fiscal 2008, with gross trading profit, adjusted operating profit, and core earnings achieving record highs for the second, fourth, and fifth consecutive years, respectively. In fiscal 2009, although there appear to be a few bright spots in terms of market prices and economic indicators, business conditions will likely remain challenging. In the face of these conditions, Marubeni will take a measured approach to management, focusing on balance sheet management and enhancement of earnings strength as priority issues.

In this year's annual report, I will follow up on last year's edition by introducing Marubeni's management policies and goals going forward, with special focus on progress with our current medium-term management plan, "SG2009." In the Feature section, we profile the grain and infrastructure businesses, which generated steady earnings even amid challenging conditions, and explain how we balance our business portfolio to promote stability and manage risk in new investments. Also, we have added new pages that explain the activities of our corporate governance committees, which have taken an active role in recent years, and we explain the framework of our internal control system.

In the past three years, Marubeni has made over ¥900 billion in new investments. We look forward to harvesting the fruits of our labors in fiscal 2010 and beyond. Particularly in these difficult times, we will work as a partner that always transcends expectations, overcoming each management issue to achieve the sustainable growth envisioned in "SG2009."

I would like to thank all of you for your kind support, and ask for your continued help and encouragement going forward.

August 2009

T. Asada

TERUO ASADA
President and CEO

Marubeni's Company Creed
(formulated in 1949)

和 新 正

Fairness	Act with fairness and integrity at all times.
Innovation	Pursue creativity with enterprise and initiative.
Harmony	Give and earn the respect of others through cooperation.

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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From the Top

Interview With The President and CEO

Marubeni President and CEO Teruo Asada discusses the economic environment and Marubeni's current financial position, and explains the Company's management strategy going forward.

Page 17

Feature

Strength in Stability

In this section, we highlight the stability that makes Marubeni unique by explaining the special characteristics of its management base and strong businesses.

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.

Consolidated Financial Highlights

Marubeni Corporation Years ended March 31

Eleven-Year Summary	2009.3	2008.3	2007.3	2006.3
For the year:				
Revenues:				
Revenues from trading and other activities	**¥ 3,807,480**	¥ 3,958,276	¥3,467,925	¥2,949,058
Commissions on services and trading margins	**194,819**	207,950	190,930	190,787
Total	**4,002,299**	4,166,226	3,658,855	3,139,845
Total volume of trading transactions	**10,462,067**	10,631,616	9,554,943	8,686,532
Gross trading profit	**644,803**	596,916	531,171	502,024
Net income (loss)	**111,208**	147,249	119,349	73,801
[Ref.] Core earnings (Billions of yen)	**245.0**	239.6	202.1	171.3
At year-end:				
Total assets	**¥ 4,707,309**	¥ 5,207,225	¥4,873,304	¥4,587,072
Net interest-bearing debt	**1,911,607**	2,001,977	1,843,445	1,876,350
Total shareholders' equity	**567,118**	779,764	745,454	663,787
Amounts per share (¥, US$):				
Basic earnings (loss)	**¥ 64.04**	¥ 84.93	¥ 72.41	¥ 48.34
Diluted earnings (loss)	**64.04**	84.93	68.85	40.46
Cash dividends	**10.00**	13.00	10.00	7.00
Cash flows (for the year):				
Net cash provided by operating activities	**¥ 343,618**	¥ 235,290	¥ 152,075	¥ 133,408
Net cash (used in) provided by investing activities	**(387,069)**	(306,855)	(135,147)	(193,781)
Net cash provided by (used in) financing activities	**257,608**	65,865	24,819	(46,037)
Cash and cash equivalents at end of year	**573,924**	402,281	414,952	368,936
Ratios:				
Return on assets (%)	**2.2**	2.9	2.5	1.7
Return on equity (%)	**16.5**	19.3	16.9	13.3
Shareholders' equity to total assets (%)	**12.0**	15.0	15.3	14.5
Net D/E ratio (times)	**3.4**	2.6	2.5	2.8

Notes: 1. The presentation of earnings is pursuant to Issue 99-19, "Reporting Revenue Gross as a Principal versus Net as an Agent," published by the Financial Accounting Standards Board's Emerging Issues Task Force. Earnings have also been disclosed in accordance with US GAAP since 2003.

2. For the convenience of investors in Japan, the presentation of total volume of trading transactions is consistent with customary accounting practices in Japan.

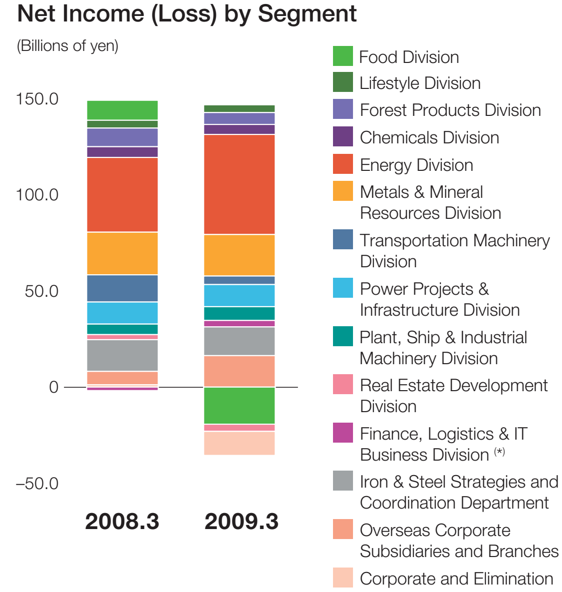
<Overview of Results for Fiscal 2008>

Anticipating further deterioration in the management environment, Marubeni took preventative measures in fiscal 2008 by recognizing an impairment loss for real estate and operating company-related assets. These actions resulted in the Company's first fall in net income in seven years. However, gross trading profit and core earnings both recorded record highs, and business performance remained firm.

Although net interest-bearing debt declined by ¥90.4 billion to ¥1,911.6 billion, shareholders' equity fell ¥212.6 billion year on year to ¥567.1 billion due to sharp exchange rate fluctuations and a drop in share prices, bringing the D/E ratio to 3.4 times. In fiscal 2009 we intend to exercise cash flow management to bring the D/E ratio to about 2.5 times.

Net cash provided by operating activities was ¥343.6 billion, mainly from strong performance by overseas resource-related subsidiaries. Net cash used in investing activities amounted to ¥387.1 billion, which went to additional investments in overseas resource-related projects and power generation projects. These activities resulted in negative free cash flows of ¥43.5 billion for the fiscal year. In fiscal 2009, we will continue to implement cash flow controls to generate a turnaround to positive cash flows.

Net Income (Loss) by Segment

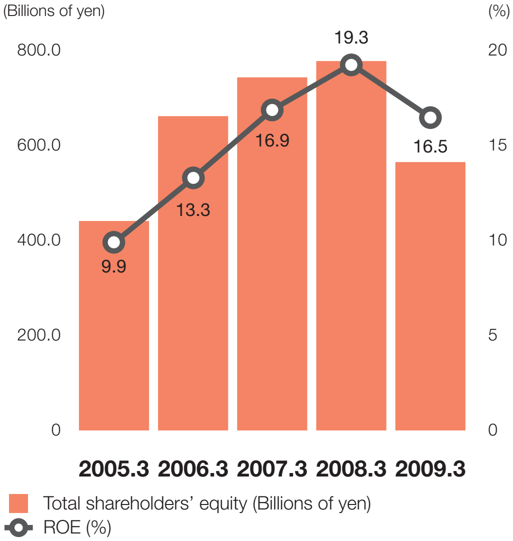


* Name changed from FT, LT, IT & Innovative Business as of April 2009.

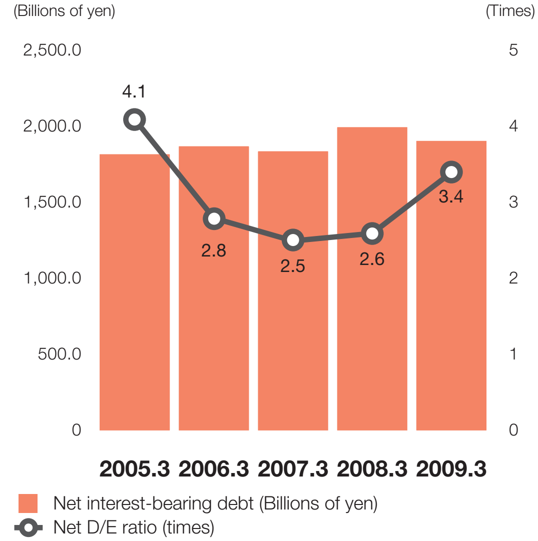
Millions of Yen							Thousands of U.S. Dollars
2005.3	2004.3	2003.3	2002.3	2001.3	2000.3	1999.3	2009.3
¥2,874,455	¥2,622,546	¥2,520,531	¥ —	¥ —	¥ —	¥ —	$ 38,851,837
161,108	148,674	160,636	—	—	—	—	1,987,949
3,035,563	2,771,220	2,681,167	—	—	—	—	40,839,786
7,936,348	7,902,494	8,793,303	8,972,245	9,436,863	10,222,442	11,960,157	106,755,786
433,395	406,761	424,643	436,804	479,754	453,496	522,356	6,579,622
41,247	34,565	30,312	(116,418)	15,036	2,060	(117,729)	1,134,776
109.9	80.0	—	—	—	—	—	2,500,000
¥4,208,037	¥4,254,194	¥4,321,482	¥4,805,669	¥5,320,604	¥ 5,584,353	¥ 6,511,841	$ 48,033,765
1,823,909	1,969,323	2,264,117	2,712,906	3,089,839	3,328,437	3,966,471	19,506,194
443,152	392,982	260,051	263,895	342,297	324,301	354,017	5,786,918
¥ 26.61	¥ 22.85	¥ 20.30	¥ (77.92)	¥ 10.06	¥ 1.38	¥ (78.80)	$ 0.65
22.31	20.16	18.96	(77.92)	9.40	1.38	(78.80)	0.65
4.00	3.00	3.00	—	—	—	3.00	0.10
¥ 173,824	¥ 201,560	¥ 194,788	¥ 198,456	¥ 179,305	¥ 184,701	¥ 232,414	$ 3,506,306
46,043	57,983	113,241	74,504	187,993	257,006	99,101	(3,949,684)
(238,057)	(233,938)	(294,001)	(150,104)	(456,125)	(594,878)	(213,321)	2,628,653
459,194	478,731	466,511	466,642	329,811	405,308	579,366	5,856,367
1.0	0.8	0.7	—	0.3	0.0	—	
9.9	10.6	11.6	—	4.5	0.6	—	
10.5	9.2	6.0	5.5	6.4	5.8	5.4	
4.1	5.0	8.7	10.3	9.0	10.3	11.2	

3. Core earnings = Gross trading profit + SGA expenses (excluding restructuring costs up to FY2006 or prior) + Interest expense–net + Dividend income + Equity in earnings of affiliated companies
4. U.S. dollar amounts above and elsewhere in this report are converted from yen, for convenience only, at ¥98 to US$1, the prevailing rate as of March 31, 2009.

Total Shareholders' Equity/ROE



Net Interest-bearing Debt/Net D/E Ratio



Marubeni's President and CEO Talks Strategy

We will implement strategic measures and pursue management that creates shareholder value.

Teruo Asada, President and CEO

"Sweeping away uncertainties for a strong start to fiscal 2009"

Question 1 Can you provide an overview of business results and the economic environment in fiscal 2008?

A: We saw earnings decline for the first time in seven business terms as a result of the global recession, as well as massive downward adjustments in resources prices that emerged in the second half of 2008. This severe global economic situation is likely to continue for some time. Nonetheless, we chose to take preemptive action, clearing away any sources of uncertainty in fiscal 2009 by recognizing impairment losses on various assets.

Up to fiscal 2007, Marubeni continued to realize growth, posting record earnings for five consecutive terms. The Company remained on pace through the third quarter of fiscal 2008 to see record earnings again for the year. Much of this success stemmed from initiatives in portfolio and risk management though it was also underpinned until recently by steady growth in the global economy, as well as consistently high commodity market prices.

However, the global economic tide changed dramatically following the collapse of a major U.S. investment bank in September 2008 (see chart 1). Amid structural changes in markets and industry, in which emerging economies are increasingly at the forefront and the era of near-total U.S. dominance appears to be ending, the financial crisis and subsequent credit crunch triggered a global economic slowdown and contraction in demand. In the final analysis, these developments have led to major adjustments in commodity and stock market conditions, resulting in significant changes in the management environment.

In response to this market volatility, **Marubeni took steps to guard against further deterioration in the operating environment by posting losses on listed stocks, as well as losses on real estate held for sale and investment in affiliated companies, in the fourth quarter of fiscal 2008.** As a result, in contrast to an initially projected ¥165.0 billion, consolidated net income for the year was ¥111.2 billion, declining for the first time since fiscal 2001 (see chart 2). **However, we believe that the decision to take early action on impairment losses has effectively eliminated the major sources of fiscal uncertainty for Marubeni in fiscal 2009.**

GROWTH RATE IN KEY COUNTRIES AND REGIONS (CHART 1)

	2007	2008	2009 Pros.
United States	2.0%	1.1%	–2.6%
Euro area	2.7%	0.8%	–4.8%
Developing Asia	10.6%	7.6%	5.5%
China	13.0%	9.0%	7.5%
Japan	2.3%	–0.7%	–6.0%
Western Hemisphere	5.7%	4.2%	–2.6%
World output	5.1%	3.1%	–1.4%

As of July 2009 (Source: IMF)

NET INCOME (CHART 2)

In FY2008, Marubeni recorded its first decline in profits in seven years as it faced the simultaneous global economic slowdown and major resource price adjustments.

Question 2 Please describe Marubeni's current financial condition and upcoming financial strategies.

A: Given the continued uncertainty in the economic environment, improving our financial position will be a priority in fiscal 2009. With that said, we already take a very robust approach to Marubeni's cash management system and maintaining liquidity.

As of March 31, 2009, consolidated shareholders' equity was ¥567.1 billion, a substantial ¥212.6 billion lower than at the previous fiscal year-end. This outcome stemmed from the large impact of the yen's appreciation and low share prices, which outweighed an increase in accumulated earnings. As a result, the net D/E ratio was 3.37 times, or 0.8 of a point higher than at the fiscal 2007 year-end; this came despite a ¥90.4 billion year-on-year decline in net interest-bearing debt, to ¥1,911.6 billion.

Under "SG2009" that began in fiscal 2008, Marubeni initially targeted a net D/E ratio of 2 to 2.5 times by the end of fiscal 2009. However, given the rise in the net D/E ratio to 3.37 times following a more than ¥200.0 billion decline in shareholders' equity precipitated by the yen's rapid appreciation and sharply lower share prices, **Marubeni will pursue management that prioritizes an improved financial position for fiscal 2009.**

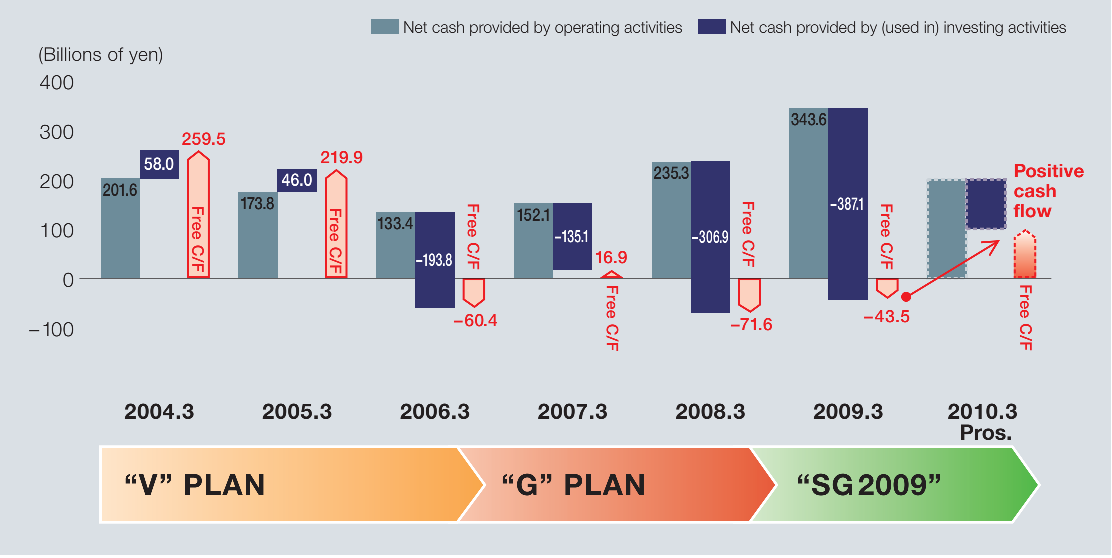
For Marubeni, the most important task is to strengthen cash flow management. We launched initiatives to this end in the fourth quarter of fiscal 2008, and helped bring free cash flows from negative ¥263.4 billion for the first three quarters of the year to negative ¥43.5 billion for the full year. **Through continued cash flow control in fiscal 2009, we plan to achieve free cash flow of approximately ¥100.0 billion for the full year, and a net D/E ratio of around 2.5 times** (see charts 3 and 4).

We recognize that the global financial picture remains clouded by uncertainty, but **Marubeni already has a global cash management system in place, centered in Japan, the United States and Europe, for centrally procuring and managing the funds the Group needs.** Underpinning this system are **cash and deposits and established commitment lines alone totaling more than ¥1 trillion,* in contrast to a short-term interest-bearing debt balance of ¥473.4 billion as of March 31, 2009. As these figures show, Marubeni has clearly taken all reasonable steps to ensure a sufficient level of liquidity.**

* Short-term loans and the long-term debt due within one year

CASH FLOWS (CHART 3)

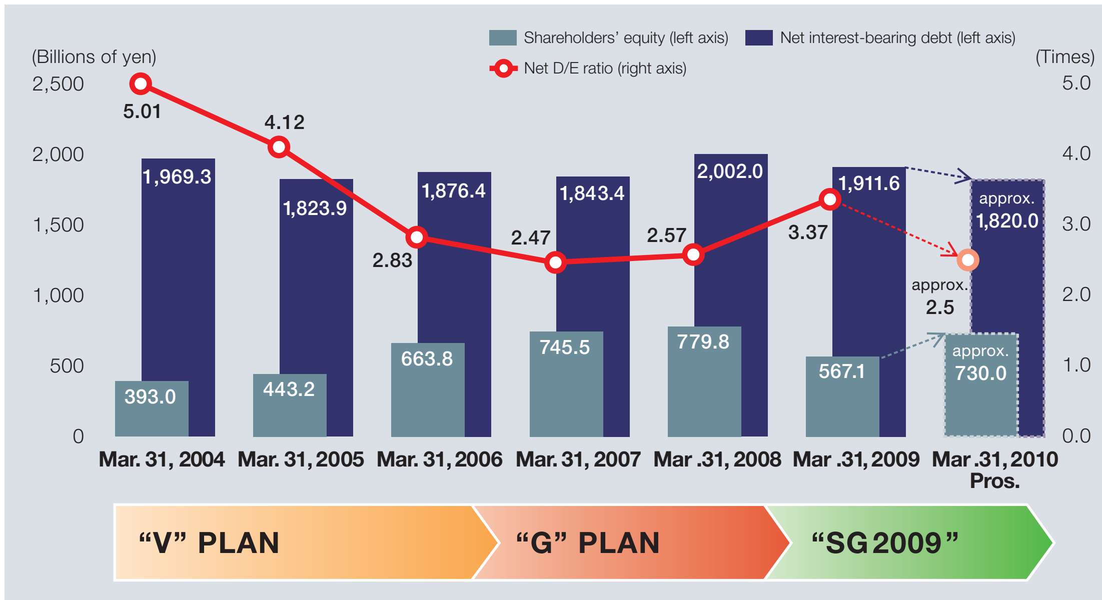
In FY2009, free cash flows are expected to reach inflows of around ¥100.0 billion



“Management that prioritizes a strong balance sheet”

SHAREHOLDERS’ EQUITY AND NET D/E RATIO (CHART 4)

Through cash flow controls, we will target a net D/E ratio of 2.5 times in FY2009



* Under the prospect for March 31, 2010, “Shareholders’ equity” includes “noncontrolling interest.”

Question 3 What types of new investments did Marubeni pursue in fiscal 2008?

A: In fiscal 2008, we laid the foundations for future growth by making ¥320.0 billion in new investments in strategic fields, including investing in copper mining rights in Chile. We will continue to invest in other promising projects in fiscal 2009 as well, following rigorous screening.

Marubeni conducted a total of ¥320.0 billion in new investments in fiscal 2008 (see chart 5).

Here are some individual examples.

First, Marubeni invested a total of ¥250.0 billion in energy and natural resource development and overseas I(W)PP*, fields in which the Group will accumulate assets by concentrating fund allocation from the medium- and long-term perspectives. In the area of natural resource development, we took a 30% interest in the Esperanza and El Tesoro copper projects in Chile, which is expected to result in long-term supply stability. Roughly 40% of the copper concentrate produced is to be earmarked for Japan, equivalent to 7% of the total volume Japan imports, helping secure the country’s access to copper resources. Marubeni also made additional investments in Resource Pacific Holdings Pty Limited, a coal-mining operations management company in Australia, converting that company into an equity-method affiliate. Where overseas IPP is concerned, Marubeni acquired Senoko Power Limited, Singapore’s largest power company, and Hsin Tao Power Corporation of Taiwan. These acquisitions have expanded and made more geographically diverse the Company’s overseas IPP** assets.

Distribution and trading is the next field where Marubeni is investing the funds to expand and develop a solid earnings base through value chain development. Marubeni has made ¥55.0 billion in new investments in this area, including the purchase of grain elevators and warehouses for storing agricultural materials in order to expand the grain silo network of Columbia Grain International, Inc., the main company responsible for

* I(W)PP: Independent Water and Power Producer; a power producer that in some cases also supplies fresh water
** IPP: Independent Power Producer

“I am sure we will succeed in creating significant growth post ‘SG2009’”

Marubeni’s grain trading operations. We also strengthened our supply chain through investment in two functional subsidiaries of AEON CO., LTD. (Aeon TOPVALU Co., Ltd. and Aeon Global Merchandising Co., Ltd.), and purchased a gas pipeline, power generation facilities and other assets held by prominent Australian energy company the APA Group.

Marubeni has made roughly ¥15.0 billion in new investments in fields where funds are being channeled into the creation of new business models. Key projects here include investment in a call center operator Telemarketing Japan, Inc., a business collaboration with Benesse Corporation, and investment in a railcar leasing business in Australia.

Improved financial strength will be a priority issue in fiscal 2009, but Marubeni will conduct approximately ¥100.0 billion in new investments, after careful screening to ensure that projects have the potential to become core businesses in the future.

NEW INVESTMENTS (CHART 5)

In FY2009, Marubeni’s investment approach will be selective, placing priority on improving financial standing regardless of initial targets.

“SG2009” Target (Total of ¥600.0 billion in two years)		Allocation Plan	FY2008 Actual	
			Amount	Major Projects
Energy & Natural Resources Overseas I(W)PP	Fields in which the Group will accumulate assets by concentrating fund allocation from the medium- and long-term perspectives	50%	¥250.0 billion	**Copper:** Esperanza/El Tesoro Copper Mines (Chile) **Coal:** Resource Pacific (Australia) **Overseas IPP:** Senoko Power (Singapore), Hsin Tao Power (R.O.C.)
Distribution & Trading	Fields in which the Group will expand and develop its solid earnings base through value chain development	30–40%	¥55.0 billion	**Grain:** Acquisition of assets by CGI, a subsidiary in North America **Distribution:** Functional subsidiaries of Aeon **Gas/Electricity:** APA (Australia)
Environment, Financial Services & Innovative Business	Fields in which the Group will target the creation of new business models	10–20%	¥15.0 billion	**Call Center:** Telemarketing Japan, Inc. **Traffic:** Trailer-leasing business (Australia)

Total investment amount for FY2008=¥320.0 billion

Total planned investment amount for FY2009=¥100.0 billion

Question 4 What is the progress of the “SG2009” medium-term management plan?

A: The basic principle of “SG2009” remains unchanged. However, recognizing that this challenging operating environment will continue, we will take a more defensive posture in fiscal 2009. This will require management with a strong emphasis on improving our financial standing to prepare for further growth in the post-“SG2009” era.

Formulated roughly one year ago, “SG2009” was designed to further enhance Marubeni’s earnings base and financial position under an increasingly cloudy operating environment, while maintaining an optimal balance between offensive and defensive postures. The plan’s basic principle is to **build a resilient earnings base that can stand up against market fluctuations and realize sustainable growth by establishing a rigorous risk management system, expanding Marubeni’s prime asset portfolio and pursuing higher asset efficiency.**

While the basic principle of “SG2009” remains unchanged, we have revised certain numerical targets (see chart 6) in anticipation that the current economic severity will persist, and are placing priority on improving our financial position in fiscal 2009.

For earnings targets, in line with a net income outlook of ¥80.0 billion for fiscal 2009, we are eyeing total consolidated net income of ¥190.0 billion or more over two years, and ROA of around 2%.

In terms of balance sheet-related objectives, Marubeni is targeting a consolidated net D/E ratio of around 2.5 times by the end of fiscal 2009. Regarding risk assets, the Company's abiding rule is to contain such assets within the scope of shareholders' equity. As of March 31, 2009, risk assets exceeded shareholders' equity by ¥106.6 billion, but in fiscal 2009, Marubeni will strive to keep risk assets within the scope of shareholders' equity (see chart 7).

Marubeni has made approximately ¥900.0 billion in new investments over the past three years in strategic fields. We expect to see successive contributions to earnings from these projects after 2010. **In addition to around ¥100.0 billion in new investments planned for fiscal 2009, as previously mentioned, we will focus on following up on and grooming existing investments that promise to contribute to earnings. We are confident that this will enable us to attain major growth in the post-"SG2009" era.**

REVISION OF "SG2009" TARGETS (CHART 6)

Marubeni will emphasize a defensive posture to improve financial standing, but the basic principles of "SG2009" remain unchanged.

Quantitative Targets	March 2010 **"SG2009"** (Original)	March 2010 **"SG2009"** (Revised) (*)	(for reference) March 2009 FY2008 Yearly (actual)
Consolidated Net Income (2-year total)	¥350.0 billion	More than ¥190.0 billion	¥111.2 billion
Consolidated Net D/E Ratio	2.00–2.50 x	Around 2.5 times	3.37 times
Risk Assets	Less than Total Shareholders' Equity	Less than Total Shareholders' Equity	¥673.7 billion (Shareholders' Equity ¥567.1 billion)
ROA	More than 3%	Approx. 2%	2.24%

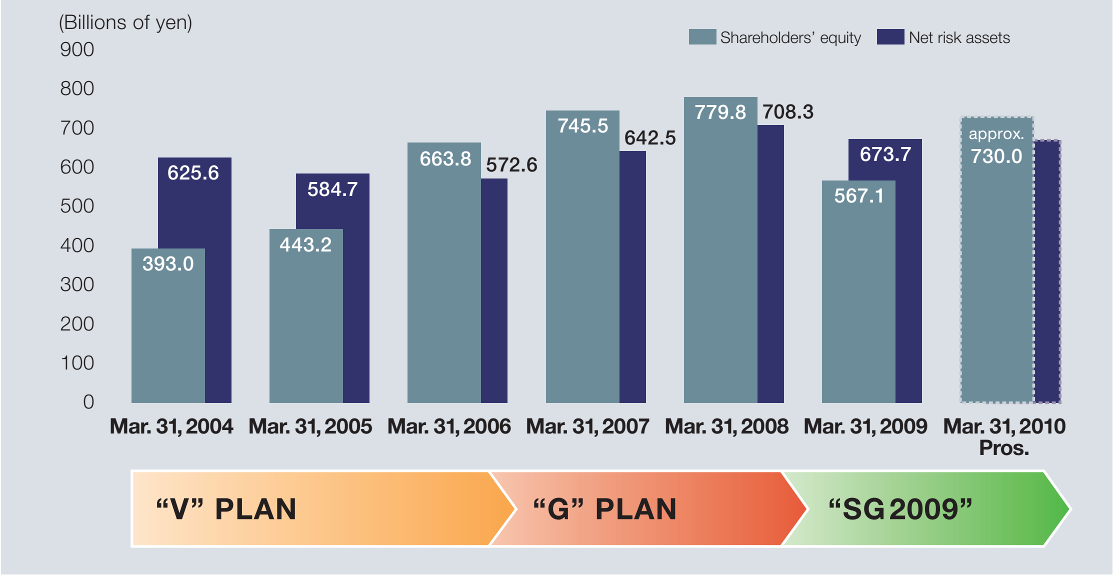
Levels of Shareholders' Equity and ROE on the condition of achievement of the above targets.

Shareholders' Equity	More than ¥1 trillion	Approx. ¥730.0 billion	¥567.1 billion
ROE	Approx. 18%	Approx. 12%	16.51%

* Under the prospect for March 31, 2010, "Shareholders' equity" includes "noncontrolling interest."

SHAREHOLDERS' EQUITY AND NET RISK ASSETS (CHART 7)

Shareholders' equity declined in FY2008, and was overtaken by net risk assets. In FY2009, Marubeni will keep net risk assets within the scope of shareholders' equity by improving financial standing and exercising selection and concentration in assets and businesses.



* Under the prospect for March 31, 2010, "Shareholders' equity" includes "noncontrolling interest."

"We will achieve stable growth with our well-balanced business portfolio"

Question 5 What are some of Marubeni's most promising businesses?

A: The Food Division's grain business and the Power Projects & Infrastructure Division's overseas I(W)PP business are two areas where Marubeni has traditionally been strong. We expect earnings in both fields to be extremely stable, even in an economic recession.

Resource prices fell sharply from the second half of 2008, impacted by the global financial crisis and economic recession. After peaking at more than $140 a barrel in July 2008, the price of crude oil had plummeted to around $30 a barrel by year's end. Although modest recovery undertones are likely in 2009, substantial economic uncertainty remains, with earnings projected to decline sharply in Marubeni's resource fields.

However, **a favorable balance between resource and non-resource fields is a hallmark of Marubeni's operations, and we have already developed a well-balanced business portfolio that avoids excessive reliance on any specific field.** For this reason, non-resource fields are expected to retain a certain level of earnings strength even if earnings in resource fields decline, and to provide support for corporate earnings. **Irrespective of the economic recession, we expect to see stable growth in fields such as grain trading, a core business of the Food Division, and the Power Projects & Infrastructure Division's overseas I(W)PP business.**

In grain trading, Marubeni currently handles annually a total of approximately 14 million tons of wheat, corn, soybeans and other grains, through imports to Japan and offshore trade. We will expand markets in China and other parts of Asia where demand for grain is likely to grow, including the Middle East, and devise appropriate supply-side measures for key production areas such as South American countries like Brazil and Argentina, as well as Eastern Europe, to increase offshore trading volume.

In overseas I(W)PP, Marubeni boasts a net generating capacity of 7,406 MW (as of May 2009, based on Marubeni's allocated share) in 21 countries worldwide. In this business, Marubeni has long-term hedges in place against the risk of exchange rate and fuel cost fluctuations for the sale of electric power to state-owned corporations and other entities. As a result, this business model can produce stable earnings without being impacted by economic or fuel price volatility. Marubeni's goal going forward is to evolve this business model further while pushing ahead with greater geographic diversity in these assets.

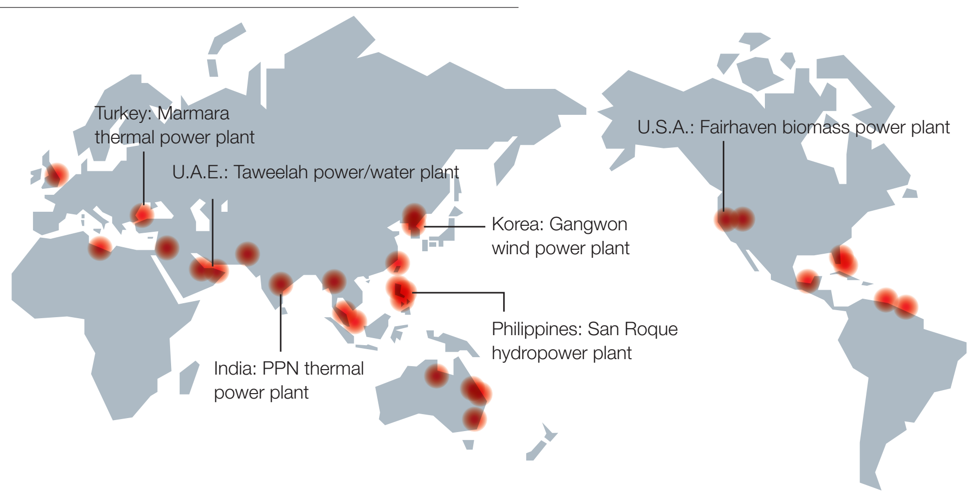
In resource fields, Marubeni is pursuing new investments from a long-term perspective, including from the standpoint of ensuring sufficient resources for Japan, a resource-poor country. These fields remain promising

SHARE OF IMPORTS HANDLED BY MARUBENI

(as of March 31, 2009)

Category	Share handled annually (among trading companies)
Corn and milo (sorghum)	approx. 18% (No. 1)
Wheat and barley	approx. 11% (No. 1)
Soybeans for oil extraction	approx. 14% (No. 3)

MARUBENI'S GLOBAL ELECTRIC POWER ASSETS



despite temporary earnings declines. Looking ahead, while maintaining a favorable balance of resource and non-resource fields, Marubeni will strive to further enhance its business portfolio in ways that will allow it to respond to the changing business climate.

Question 6 What CSR initiatives does Marubeni pursue as a general trading company?

A: For Marubeni to fulfill its responsibilities as a corporate citizen, every Group employee should pursue business activities everyday with a strong awareness of CSR, adhering to the essential Company Creed of "Fairness, Innovation and Harmony."

It is our belief that by seriously pursuing CSR activities and by aiming at mutual coexistence and prosperity with society through a sound management, the society will recognize Marubeni as an even better corporate citizen and only then can Marubeni grow sustainably.

That is why Marubeni has the CSR & Environment Committee, and we work hard to strengthen CSR activities in a variety of areas.

"Reinforce emphasis on CSR and environmental issues" is a priority initiative under the "SG2009" medium-term management plan, and we have taken steps to promote strict adherence to the Company Creed, and to nurture better awareness of compliance, social contributions and environmental issues.

Marubeni's corporate activities take place in all types of processes in a broad spectrum of business domains in Japan and worldwide, and there are some of the CSR activities that only Marubeni can pursue. In the environmental field, for example, we promote afforestation worldwide, and engage in new energy businesses like bio-ethanol and wind power, and uniform and paper recycling businesses. As for social contributions, in view of Marubeni's 150th anniversary, we enlarged the scholarship funds in the Philippines, Vietnam and Indonesia, and newly added Cambodia and Laos to the list. In Japan, the Marubeni Foundation has been providing funding for social welfare programs for 34 years. With respect to our workforce, the greatest management resource of any trading company, we promote a range of initiatives to help employees better balance their working and personal lives.

Furthermore, we are promoting CSR not only at Marubeni but also among our business partners. In October 2008, we established a "Basic Supply Chain CSR Policy" with categories covering areas such as respect for human rights and environmental preservation, and have asked our partners for their understanding and cooperation regarding this policy.

We believe the appreciation for these initiatives brought Marubeni to be selected as an index component of global SRI indices (see page 39): the Dow Jones Sustainability World Index (DJSI World), the FTSE4Good Global Index, and the Morningstar Socially Responsible Investment Index (MS-SRI).

Question 7 What is your approach to shareholder value and your policy on shareholder returns?

A: Our consolidated payout ratio for fiscal 2009 will remain at 15%. We hope to raise both shareholder value and returns when we once again realize sustainable growth from fiscal 2010.

In light of the volatile operating environment since the second half of 2008, particularly the yen's appreciation and low share prices, and the more than ¥200.0 billion decline in shareholders' equity at the end of fiscal 2008, Marubeni's highest priority issue in fiscal 2009 is to improve its financial position. This will include efforts to enhance shareholders' equity.

Marubeni's awareness of the importance to its existence as a company of increasing and effectively utilizing retained earnings to maximize competitiveness and contribute to improved corporate value, while paying a stable dividend to shareholders in a consistent manner, remains unchanged.

In fiscal 2009, Marubeni will continue to adhere to the basic dividend policy of "maintaining a consolidated payout ratio of around 15% based on the concept of linking dividends to its business results for each term and clearly manifesting its stance of emphasizing shareholder returns." In line with consolidated net income forecasts of ¥80.0 billion, Marubeni plans to pay a dividend of ¥7 per share. Looking ahead to fiscal 2010 and beyond, the Company hopes to raise both shareholder value and returns by realizing sustainable growth.

Question8 In closing, what is your long-term vision for Marubeni as a general trading company?

A: Our goal is for Marubeni to overcome the challenging external environment we currently face, and be a partner that transcends the expectations of all stakeholders.

The external environment today is starkly different than it was when "SG2009" was launched one year ago. The vision for the Marubeni Group embodied in that plan, however, has not wavered. **In other words, Marubeni remains committed to being a partner that exceeds the expectations of all stakeholders—customers, shareholders, society, the environment, and employees alike.**

The uncertain operating environment at hand is likely to persist for some time, and tough economic conditions can be expected to continue. A full-scale recovery is unlikely to emerge before 2010.

Marubeni has strengthened earnings power to the extent that we can forecast consolidated net income of ¥80.0 billion even amid this nearly unprecedented major recession. While improving financial stability will be a priority for management in fiscal 2009, we will take steps to boost earnings power by concentrating on core competencies and allocating management resources to strategic business fields with respect to assets and businesses.

Assuming we can overcome this challenging period, new investment projects in strategic fields, where we have invested more than ¥900.0 billion over the last three years, will gradually begin to contribute to earnings from fiscal 2010. **In the post-"SG2009" era, Marubeni will demonstrate tremendous growth just as the global economy starts to recover, making us a partner that, in the most literal sense, transcends expectations.**

"We will continue to exceed the expectations of all stakeholders"

Our Strengths

A Stable Management Base

Stable Businesses

A Stable Management Base

A Balanced Business Portfolio to Support Stable Business

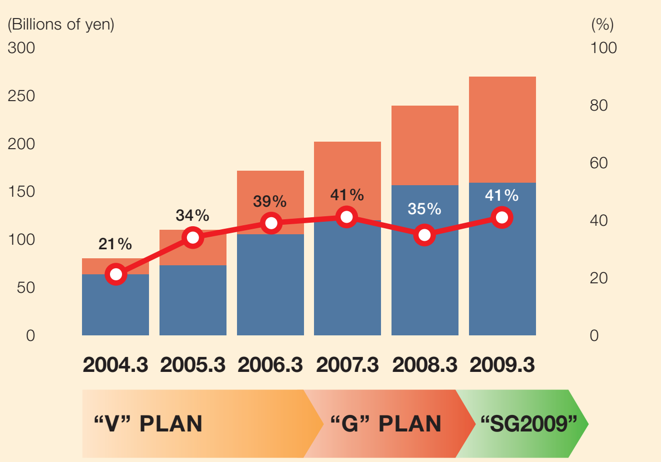
For general trading companies, proper business portfolio management conducted in alignment with management strategies is critical to maintaining sustainable growth. Marubeni, through a well-balanced business portfolio, is enhancing its own management base stability.

Marubeni is engaged in a wide array of business fields, including food, pulp and paper, chemicals, resources and energy, machinery, real estate, and finance. As such, business portfolio management—that is, efforts to ensure earnings sources are properly allocated—together with steps to maintain and improve earnings power in each field, is a vital component of management strategy.

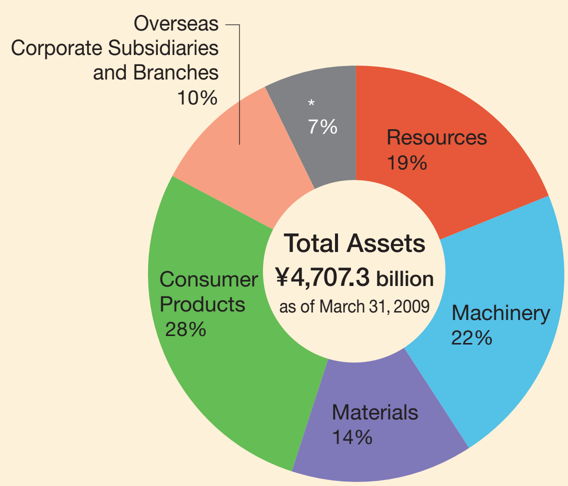
Marubeni's profits in resource fields have grown sharply, buoyed by rising prices for crude oil and other resources in recent years. This performance, however, does not mean an overemphasis on resources in the Company's earnings structure or asset portfolio. In the quest for sustainable growth backed by stable earnings, Marubeni focuses on management that avoids attaching too much importance to specific fields; the focus, in other words, is on ensuring a properly balanced business portfolio.

Resource fields are important not only in terms of supply stability for Japan, but for Marubeni's sustainable growth. But these fields also harbor the risk of substantial changes in earnings due to price fluctuations. Marubeni, for its part, has striven to maintain a balance between resource and non-resource fields by continuously moving to strengthen its hand in non-resource fields. The Company has been careful to secure earnings and generate cash flows above a certain level regardless of market fluctuations, in other words, working to boost its fundamental strength. Since the launch of the "V" PLAN, the Company has kept the percentage of basic core earnings accounted for by resources at around 40%. That this has remained stable even as rising resource prices have led to higher earnings from resources demonstrates the success of Marubeni's drive to lift earnings from non-resource fields. In terms of asset allocation too, investment in resource fields accounts for around 20% of all investments, a level fully comparable to that of investments in the areas of machinery, materials and consumer products. Going forward Marubeni will, while staying aware of its overall asset balance, continue to conduct incisive asset allocation in strategic fields to improve the earnings base and pursue sustained growth.

Earnings Structure (Core Earnings)/Asset Portfolio



Core earnings (resource fields) (left axis)
Core earnings (non-resource fields) (left axis)
Percentage of core earnings from resource fields (right axis)
* Core earnings for FY2008 is calculated excluding appraisal loss on Daiei shares.



* Corporate and Elimination

Thorough Risk Management for New Investments

In order to accumulate prime assets and minimize withdrawal losses, Marubeni promotes dynamic asset substitution through precise and sophisticated screening of individual projects and sets clear guidelines for business withdrawal. This strategy allows us to respond swiftly to changes in the business environment, giving further stability to our management foundation.

Marubeni performs rigorous due diligence for each project by carrying out thorough screening for investment and financing projects, and strictly observing quantitative benchmarks.

As quantitative benchmarks for investment and financing projects Marubeni employs its own measure—PATRAC[*1], IRR[*2] guidelines and a recovery period of 10 years.

PATRAC, Marubeni's key management index, is an indicator that measures the minimum degree to which return on an investment exceeds a target value against risk. The benchmark for investments is to achieve a positive PATRAC result within three years.

IRR is an indicator that shows the expected rate of return of an investment by presenting the relationship between an initial investment amount and the projected future cash flows as an annualized rate of return. This enables us to evaluate projects according to their profitability throughout the entire investment period, as well as on a cash flow basis. The IRR measure includes a Project IRR, which shows the rate of return of a business itself, and an Equity IRR, which shows the rate of return on funds invested; Marubeni has guidelines pertaining to both. Should a project fail to meet these guidelines, the reason for this failure, and any strong opinion that a project should nevertheless be taken up, are rigorously debated.

In cases where the decision to make a new investment has already been taken and the investment made, the Corporate Planning and Strategy Department takes over as the administrative office and carries out regular monitoring and follow up through the Corporate Management Committee.

Thorough implementation of these risk management strategies and tools allows Marubeni to respond swiftly to changes in the business environment and add further stability to revenues.

*1 PATRAC = Profit After Tax less Risk Asset Cost
*2 Internal Rate of Return

Process for Deciding on a New Investment or Financing Project

Investment Criteria → **Decision Making Process** → **Decision to Invest and Execution** → **Monitoring and Follow-up**

Investment Criteria

- Use PATRAC to measure the degree to which the return against risk exceeds a minimum target value
- Use IRR to evaluate profitability throughout the entire investment period and to evaluate on a cash-flow basis
- The recovery period (the period after which the initial investment amount, additional investment and equity cash inflow sum to zero) is to be within 10 years.

Decision Making Process

- Request for approval
- Submission of opinions and questions from relevant departments/submission of responses thereto
- Investment and Credit Committee
  Chairman and Vice Chairman of the Investment and Credit Committee, Advisors to the President, and General Managers of relevant departments hold question and answer sessions and discussions with the division making the request.
- Corporate Management Committee meeting
- Board of Directors meeting
  Approval of the Board of Directors is required to start a business using more than a specified amount of money.

Decision to Invest and Execution

Monitoring and Follow-up

- The initial monitoring is carried out at a Corporate Management Committee meeting held three months after the final decision to invest, and then half-yearly after that.
- The goal of monitoring and follow-up is to compare planned and actual results, to analyze the cause of any discrepancies that arise in the comparison, and to deliberate and decide on a response.

Our Strengths

Stable Businesses

Grain Business

—Marubeni's Strong Global Sales Base and High-Value-Added Services

Marubeni is pursuing greater variation in terms of markets and customers in striving to develop unparalleled sales capabilities in the global grain market. In Japan, the world's second largest grain importer, we are building a dominant market share unrivaled among trading companies, while simultaneously enhancing our sales capabilities in the world's top grain importer, China.

Completion of Domestic Sales Network for Supplying Highly Competitive Feed

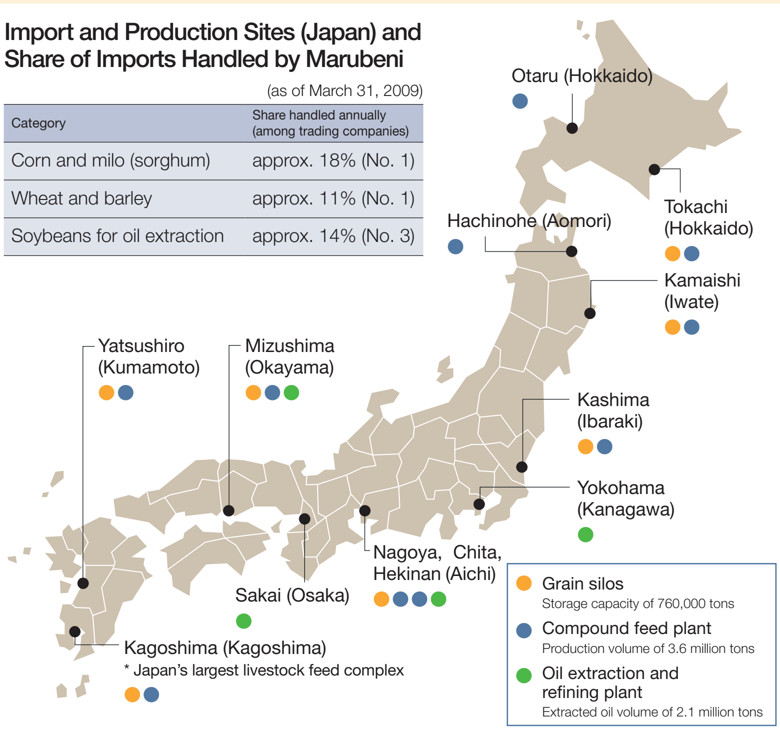
Global grain production is roughly 2.1 billion tons annually. Of this amount, 15%, or approximately 300 million tons, is traded worldwide. Japan imports about 30 million tons of grain each year, a scale second only to that of China. Marubeni handles some 20% of this grain, or roughly 6 million tons, indisputably the largest volume handled by any Japanese trading company. This volume, in fact, gives Marubeni an unrivaled position in the Japanese market, the world's second largest grain importer.

The secret to this dominance is that Group companies, primarily Pacific Grain Terminal Co., Ltd., own silos and import bases in ports across Japan, while others, most notably Marubeni Nisshin Feed Co., Ltd., own production bases. Marubeni's fundamental strategy is to place production sites in high-demand locations in order to stably supply high-quality livestock feed. For this reason, while Marubeni has to date built a sales network from a collection of various import and production bases, we are completing a new livestock feed production complex in 2010. Under development in Tokachi, a port in Hokkaido, Japan, the new base will conduct everything from grain loading and storage to the production of compound feed. Plans for the complex will see Marubeni supply 400,000 tons of grain annually with overwhelming competitive advantages in terms of cost, quality and safety. This move will complete our domestic sales network and enable the supply of high-quality, cost-competitive grain across Japan, and thereby further enhance the stability of the domestic market.

Import and Production Sites (Japan) and Share of Imports Handled by Marubeni

(as of March 31, 2009)

Category	Share handled annually (among trading companies)
Corn and milo (sorghum)	approx. 18% (No. 1)
Wheat and barley	approx. 11% (No. 1)
Soybeans for oil extraction	approx. 14% (No. 3)

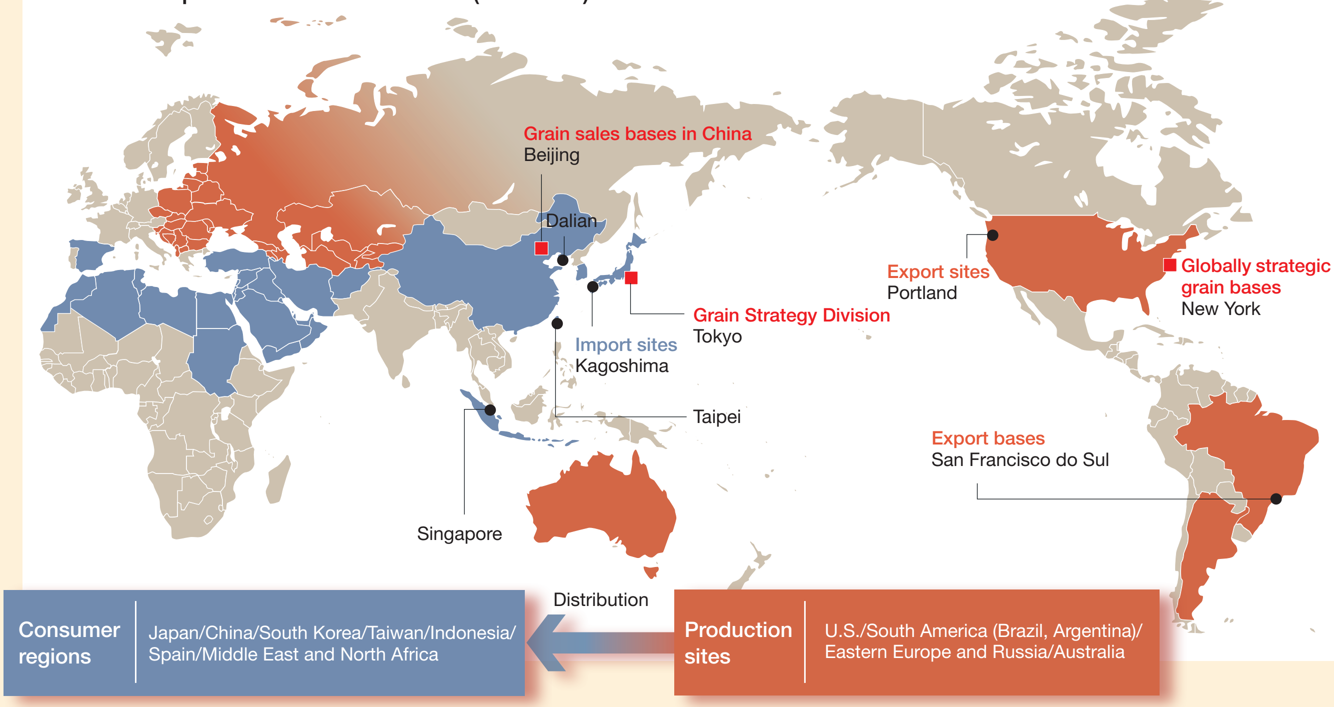


Added Value Services for Expanding Overseas Market Share

Leveraging sales capabilities for the Japanese market as a springboard, Marubeni is also steadily expanding its share in international markets. The potent engine here is a strategy whereby we enhance our purchasing power at production sites by further honing sales capabilities for the Japanese market, all while pursuing greater market and customer variation. Our goal, in other words, is to develop overwhelming sales capabilities by increasing the number of sales options that Marubeni possesses.

China, Taiwan, South Korea and Southeast Asia are playing a key role in the enactment of this strategy. China, the world's largest grain importer, currently imports roughly 35 million tons of soybeans each year alone, with the volume of corn, wheat and other grain imports projected to expand further going forward.

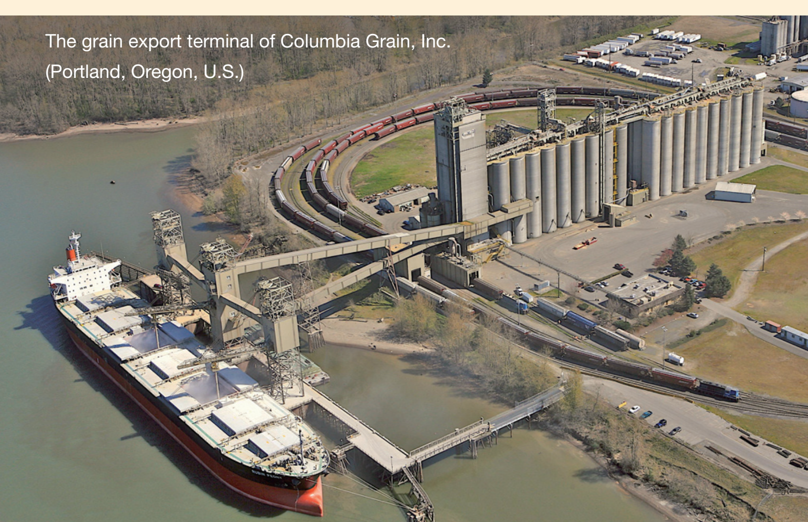
Marubeni Import and Production Sites (Overseas)



A high level of cost-competitiveness is required to boost sales capabilities, especially in markets like China. Having a solid understanding of grain demand and responding to client needs in great detail lead to increased sales volumes, and higher sales volumes in turn result in greater cost-competitiveness. Consequently, there is a virtuous circle in which high cost-competitiveness leads to greater sales capabilities.

Marubeni is also steadily raising its market presence by building a robust supply chain in the Chinese market. In this market, major grain companies are integrating their supply chains in a bid to efficiently sell their products. Expanding our share amid this trend demands that we offer services different from those of major grain companies. Marubeni leverages collective capabilities amassed over the years to make strategic proposals attuned to the market, and thus offer high-value-added services. Enabling these services are cooperative relationships in every grain distribution sector made possible through a comprehensive alliance with Sinograin Oil & Fats Corporation, a subsidiary of China's largest grain company, the Sinograin Group. This business model is unique to Marubeni, and is a key strength unmatched by other companies.

The global grain market is dominated by a mere five major grain companies. Competing with these giants requires building an outstanding organization of grain traders in every prominent sales block. It also means demonstrating a clear advantage in purchasing from production sites worldwide based on massive sales capabilities. To this end, Marubeni has deployed grain teams across the globe. Through strategic overseas development of this kind, we are steadily entrenching the market stability of Marubeni's grain business around the world.


The grain export terminal of Columbia Grain, Inc.
(Portland, Oregon, U.S.)

Our Strengths

Stable Businesses

Infrastructure-Related Businesses

—A Business Marked by Strong Demand and Stable Long-Term Earnings

Demand for electric power and water and sewerage-related infrastructure remains firm not only in newly emerging economies with fast-growing populations but worldwide. For this reason, attention is turning in today's tumultuous economic climate to the infrastructure-related businesses responsible for installation and operation of the lifelines vital to daily life, as businesses for generating stable earnings based on long-term contracts. Marubeni is leveraging its long track record in this field to lead the way in developing infrastructure-related businesses.

Earnings Stability in IPP Business with Long-Term Power and Water Purchase Agreements

IPP is an abbreviation for Independent Power Producer, and refers to electric power wholesalers, some of whom operate water production facilities as well. The years 2003 to 2008 were an active period for the IPP market, reflecting strong demand for new infrastructure in emerging countries with remarkable economic growth, as well as vigorous investment in new projects in Middle Eastern countries, backed by high crude oil prices. While the unobstructed growth trend previously noted has changed somewhat, with certain projects put on hold after reassessment of electric power demand, projects in most countries have moved steadily forward on the back of firm demand even amid the global economic recession that emerged during the second half of fiscal 2008.

In the IPP business, Marubeni is the unrivaled standout among Japanese trading companies. Of total power generation capacity* of 24,541 MW as of May 2009, the Company boasts its own net generation capacity* of 7,483 MW, a level placing it on a par with some domestic regional power companies in terms of power generation assets. Marubeni's aggressive development of the IPP business as a priority field reflects the field's growth potential and the high earnings stability that is a hallmark of this business.

Those projects in the IPP business with 10 to over 20 years long-term power (and water) purchase agreements are characterized by stable earnings and business operations to be extended over a long period of time, thanks to the individual contracts comprising the business that have provisions to maintain structure and profitability of such projects.

* Includes domestic generation capacity

(1) Long-Term Power Purchase Agreements guarantee capacity charge payment irrespective of actual power consumption.

Normally, IPP tariffs are comprised of a capacity charge and an energy charge. The former is set to cover fixed costs associated with power generation capacity, while the latter represents the cost of fuel and other variable costs. To the extent that power generation capacity is maintained, capacity charge payment is made irrespective of actual generation or consumption.

(2) Formula to reflect rises of crude oil and gas prices in the tariff are set in the Power Purchase Agreement.

As a rule, long-term power purchase agreements stipulate a formula to reflect oil or gas price fluctuation so that such changes in price are shifted to the purchaser eventually. This mechanism is a protection against sudden deterioration of project profitability due to a steep rise in oil and gas prices.

(3) Currency exchange rate effects are also limited.

In most cases, the financing agreements concluded for procuring the funds to initiate an IPP business with long-term power sales contracts are typically denominated in U.S. dollars, as are the required funds for acquisition, plant construction, and other needs. Accordingly, the possibility of losses stemming from currency exchange mismatches on existing asset acquisition or startup of the Greenfield IPP project are extremely small. Similarly, in the power purchase agreement, tariffs can be set on a U.S. dollar

The TAWEELAH B power station in the U.A.E. began commercial operation in November 2008

The water purification facility in Valdivia, Chile

basis or restated in U.S. dollars using formulas for minimizing exchange risk that target the portion of price based on local currencies, with the end result being the elimination of potential currency exchange risk between local currencies and the U.S. dollar. However, in cases in which overseas profits are converted into yen on consolidation, the yen's appreciation can have an impact.

Marubeni first entered IPP business in the mid-1990s, and the Company has since taken part in numerous such projects that have long-term power (and water) purchase agreements. Particularly in the Middle East, Marubeni has, since acquiring rights to the TAWEELAH B project (U.A.E.) in January 2005, successfully gathered power-generation assets at a fast pace. Along with the decision to participate in the RABIGH project (Saudi Arabia) in August 2005, the Company acquired rights to the MESAIEED project (Qatar) in October 2006, and the FUJAIRAH II project (U.A.E.) in August 2007, and purchased the TAWEELAH A2 project (U.A.E.) in November 2007. These 5 projects have a combined power generating capacity of 7,310 MW.

In 2008, Marubeni increased its IPP assets with long-term power purchase agreements in Asia by taking a 40% stake in Taiwan's Ever Power IPP Co., Ltd. and a 21.42% stake in Hsin Tao Power Corporation, also of Taiwan. In this way, the Company is forming a well-balanced portfolio of power generation assets in regions across the globe.

The Water Business: A Wellspring for Stable Long-Term Earnings

Among the wide range of infrastructure projects that Marubeni undertakes around the world, water projects are the key focus due to their potential for long-term earnings stability.

The water business requires a local presence, organizational functions and project management expertise in the region or country where a project will take place. Marubeni is one of the first Japanese trading houses to become involved in the water business, and today we are active in water projects, mainly outside of Japan. Currently, we have three flagship projects under way, in China, Mexico, and Chile.

Our project in China involves treatment of 400,000 tons of water per day to supply the city of Chengdu in Sichuan Province with clean water, while our project in Mexico desalinates seawater to be supplied as industrial-use water to the state-run oil company. In both cases the projects supply water to public institutions based on long-term contracts, and are therefore extremely stable. In Chile, meanwhile, our project takes a different form, supporting a highly public lifeline that provides the 140,000 residents of the city of Valdivia with a full range of water and wastewater services. The Chilean project has been running for many years, during which time we have built a strong relationship of trust with both the citizens and the supervising public authorities. As a result, the project ensures stable income under a permanent business license.

Water projects such as these can be expected to produce long-term, stable earnings. At the same time, the 21st century has been called "the century of water," as water needs are on the rise around the world. Marubeni sees the water business as a strategic focus area, and will increase investment and expand the scale of the business going forward.

Corporate Governance and CSR

Marubeni conducts a diverse array of businesses in countries and regions around the world. To maintain these businesses and ensure its sustainable growth, it must be of paramount importance for Marubeni to earn the trust of all the stakeholders (customers, business partners, shareholders, employees, as well as society/environment). To this end, it is essential to enhance corporate governance, maintain high standards of compliance and proactively promote corporate social responsibility.

All the directors and employees of the Marubeni Group are fully embodying the Company Creed of “Fairness, Innovation, and Harmony” and the Marubeni Corporate Principles, to adhere to laws and its corporate regulations, and to have business activities in accordance with its corporate ethics and management principles. In addition, Marubeni is pursuing CSR activities, striving to operate in harmony with society and the environment.

The key to effective corporate governance and CSR lies not only in establishing effective management systems, but also in making sure they are implemented properly and constantly evaluated, adjusted and improved to reflect changing business conditions. To that end, Marubeni continuously re-evaluates and proactively revises its group structure and function of the systems in light of changes in the business environment, to solidify its group foundation.

We believe that this sincere and positive approach of the Marubeni Group will help boost the trust of stakeholders and provide the momentum to accelerate its future growth.

Contents

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 four auditors (including two 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.

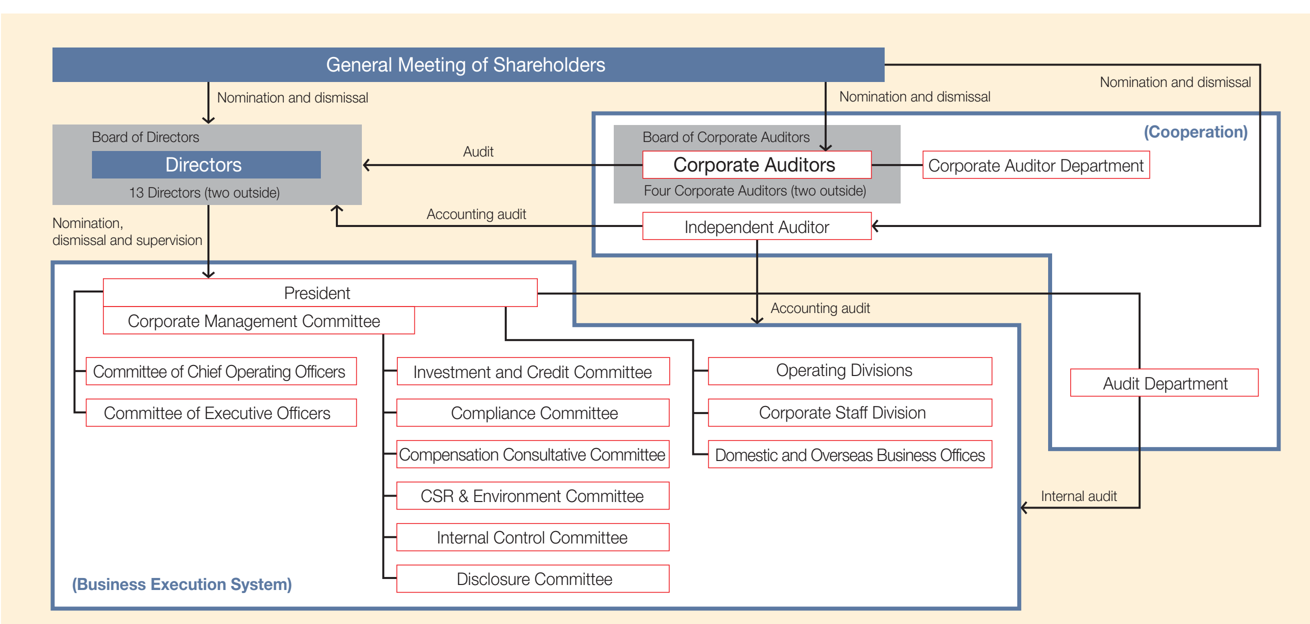
In fiscal 2008, remuneration amounted to ¥881 million for the 16 directors (including 3 directors retired in June 2008) and ¥103 million for the four auditors.

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.

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 35 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 186 projects pending approval in fiscal 2008.

* 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.

In fiscal 2008, along with the distribution of a revised compliance manual, the Chairman of Compliance Committee visited and conducted training seminars at operating companies in Japan and overseas offices. The committee also enacted e-Learning Training Programs on Japanese laws and regulations pertaining to intellectual property rights, subcontracting, insider trading, and waste disposal, and implemented a third-party compliance monitoring questionnaire to assess the current state of compliance and formulate future improvement activities.

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

Board of Directors

Frequency of meetings	Once per month in principle, and on an ad hoc basis as needed
Number of meetings in fiscal 2008	20
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 2008	8
Attendance by Outside Corporate Auditors (2)	100%

Frequency of Various Management Committee Meetings

Investment and Credit Committee	Once per week in principle (35 times in fiscal 2008)
Compliance Committee	Twice per year in principle
Compensation Consultative Committee	On an ad hoc basis (4 times in fiscal 2008)
CSR & Environment Committee	Once per year in principle, and on an ad hoc basis as needed (3 times in fiscal 2008)
Internal Control Committee	On an ad hoc basis (2 times in fiscal 2008)
Disclosure Committee	Four times per year in principle, and on an ad hoc basis as needed

terms, and in fiscal 2008 included a Senior Executive Vice President and seven other members. In addition, outside corporate auditors serve as committee members 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.

In fiscal 2008, the committee newly established the "Basic Supply Chain CSR Policy" and the Company requested the understanding and cooperation of its business partners. The committee published a CSR report to introduce the Group's CSR activities to a wide range of audiences, both within Marubeni and outside the Group.

Meanwhile, in the environmental field, the Group deployed an ISO 14001 standards-based environmental management system, through which the committee confirmed that no accidents or problems occurred that could have a major impact on the environment.

Internal Control Committee

The Internal Control Committee was launched in April 2008. Previously, 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 "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.

During its first year, fiscal 2008, committee activities included the formulation of committee regulations, the preparation of proposed revisions to the basic internal control system policy under the Corporation Law, and steps to prepare for submission of the Company's internal control report.

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 representative director appointed by the Company president to serve as committee chair, as well as general managers from corporate staff departments, the committee drafts basic policies regarding information disclosure by the Group, 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 twice in fiscal 2008, discussing topics that included a review of criteria and disclosure processes related to legally mandated and timely disclosure in addition to the formulation of basic policies pertaining to information disclosure. The committee is scheduled to convene four times in fiscal 2009.

Details of Executive Compensation

Position	Number of People	Amount of Compensation
Directors	16	¥881 million
Corporate Auditors	4	¥103 million
Total	20 (including 4 outside executives)	¥984 million (¥46 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

Michio Kuwahara

Senior Executive Vice President

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, General Manager for the Americas
2008 Senior Executive Vice President

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

Managing Executive Officer

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

Fumiya Kokubu

Managing Executive Officer

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

Toshinori Umezawa

Managing Executive Officer

1974 Joined Marubeni Corporation
2005 Corporate Vice President
2008 Managing Executive Officer, Member of the Board

Takafumi Sakishima

Managing Executive Officer

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

Hisashi Sunaoshi

Managing Executive Officer

1974 Joined Marubeni Corporation
2006 Corporate Vice President
2009 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

* 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 19, 2009)

Members of the Board

Chairman
Nobuo Katsumata

President and CEO
Teruo Asada

Senior Executive Vice Presidents
Michio Kuwahara
Chief Operating Officer, Overseas Strategy & Coordination Dept., and Research Institute; Advisor to the President for Living Essentials Group (Food Div.), and Supply Chain Management; Chairman of Compensation Consultative Committee

Mamoru Sekiyama
Advisor to the President for Machinery Group, Iron & Steel Strategies and Coordination Dept., and Abu Dhabi Trade House Project Dept.

Masaru Funai
CIO; Chief Operating Officer, Information Strategy Dept., Corporate Accounting Dept., Business Accounting Dept.-I, Business Accounting Dept.-II, Business Accounting Dept.-III, and Finance Dept.; Senior Operating Officer, Audit Dept.; Chief Operating Officer, Investor Relations; Chairman of Disclosure Committee

Managing Executive Officers
Michihiko Ota
Chief Operating Officer, General Affairs Dept., and Human Resources Dept.; Advisor to the President for Living Essentials Group (Lifestyle Div.); Chief Operating Officer, Lifestyle Div.

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

Toshinori Umezawa
Advisor to the President for Forest Products & Chemicals Group

Takafumi Sakishima
Advisor to the President for Finance, Information & Real Estate Group; Vice Chairman of Investment and Credit Committee

Hisashi Sunaoshi
Chief Operating Officer, Risk Management Dept., Legal Dept., and Trade Compliance Management Dept.; Vice Chairman of Investment and Credit Committee; Chairman of Compliance Committee

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

Outside Directors
Toshiyuki Ogura
Shigeaki Ishikawa

Corporate Auditors
Hideyuki Yasue
Masanori Sasaki
Osamu Kita
Hiroshi Kudo

Executive Officers

Senior Managing Executive Officer
Koichi Mochizuki
Regional CEO for the Americas; President and CEO, Marubeni America Corporation

Managing Executive Officers
Norihiro Shimizu
Regional CEO for China; President, Marubeni China Co., Ltd.; General Manager, Beijing Branch

Kenichi Hatta
Chief Operating Officer, Chemicals Div.

Shigemasa Sonobe
Chief Operating Officer, Transportation Machinery Div.

Shigeru Yamazoe
Chief Operating Officer, Power Projects & Infrastructure Div.; Chief Operating Officer, Abu Dhabi Trade House Project Dept.

Mitsuru Akiyoshi
General Manager, Secretariat, and Corporate Planning & Strategy Dept.

Executive Officers
Chihiro Shikama
Regional CEO for ASEAN; President, Marubeni ASEAN Pte. Ltd.; General Manager, Singapore 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

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

Daisuke Okada
Chief Operating Officer, Food Div.

Shingo Tsuda
Chief Operating Officer, Plant, Ship & Industrial Machinery Div.

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

Keizo Torii
Chief Operating Officer, Energy Div.

Shoji Kuwayama
Chief Operating Officer, Metals & Mineral Resources Div.; Chief Operating Officer, Iron & Steel Strategies and Coordination Dept.

Kazuaki Tanaka
Senior Operating Officer, Energy Div.

Hidenao Yoichi
General Manager, Osaka Branch

Ikuo Yoshida
Chief Operating Officer, Real Estate Development Div.

Yukihiko Matsumura
General Manager, Finance Dept.

Ryusuke Konto
Regional CEO for Middle East & North Africa

Hiroshi Ikuno
Senior Operating Officer, Power Projects & Infrastructure Div.

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

Naoya Iwashita
Senior Operating Officer, Chemicals Div.

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 2008 was 100 percent. (See page 26 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.

New Outside Directors

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

Reason for Appointment

Considering Mr. Ogura's wide experience, notably as an executive of a financial institution, and his profound knowledge accumulated through this experience, we have decided that he is able to contribute sufficiently to the enforcement of the Corporation's corporate governance.

Outside Director

Shigeaki Ishikawa

Career

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

Reason for Appointment

In light of Mr. Ishikawa's broad experience, notably in government service, and his profound knowledge accumulated therein, we have decided that he is able to contribute sufficiently to the enforcement of the Corporation's corporate governance.

The Roles and Functions of Outside Auditors

Marubeni's Board of Corporate Auditors is comprised of four members, including two outside corporate auditors. 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 a bank and an insurance company, respectively. In fiscal 2008, they attended every meeting of the Board of Directors, Committee of Executive Officers, and Board of Corporate Auditors. (See page 26 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 Corporate Audit Department, Accounting Department, and 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.

System for Effective Auditing

Q: How do you view the role of an outside corporate auditor, and what is your opinion of the audit environment at Marubeni?

I believe that outside corporate auditors should contribute to establishing the high-quality corporate governance needed for sound, sustained growth by auditing directors' business execution from an external perspective, drawing on their experience and knowledge of different industries.

Marubeni has put in place the audit environment necessary to achieve this goal. Not only are the Company's information sharing structures excellent, as I will discuss shortly, but one can really feel top management's strong emphasis on getting perspectives from outside the Company. Both of these conditions are extremely important for auditors in conducting audits, and facilitate these outside corporate auditors in attending Board of Directors and Board of Corporate Auditors meetings, as well as a variety of other meetings where they can make suggestions and generally conduct their duties with a sense of urgency.

Outside Corporate Auditor

Osamu Kita

Managing director of The Fuji Bank, Ltd. in 1996; President of Fujigin Capital Company in 1999; appointed outside corporate auditor of Marubeni in 2006

Q: Please share some concrete observations about Marubeni's information sharing system from the perspective of an outside corporate auditor.

As an outside corporate auditor, in order to conduct audit duties from an objective standpoint, above all it is important to be able to access the relevant information. In general, there is a tendency for the amount of information outside corporate auditors can access at a company to be rather limited. Marubeni, however, provides many opportunities for outside corporate auditors to engage in direct exchanges of opinion, with standing corporate auditors at Board of Directors, Committee of Executive Officers and Board of Corporate Auditors meetings, as well as monthly with the Audit Department, independent Accounting Auditors, and Accounting Department, and at bimonthly discussions with the president. There is also a system whereby standing corporate auditors collect information directly from business divisions and subsidiaries and report their findings on a regular basis. Thanks to these various initiatives, I believe that Marubeni's mechanisms for providing the latest information to outside corporate auditors is in good order. The Corporate Auditor Department, with a staff of three who support corporate auditors' duties, is also a major contribution.

Q: What are your expectations for Marubeni going forward?

Marubeni realized early on the importance of internal controls, and took steps to implement them throughout the Company. The level of internal control at Marubeni is therefore high. As a general trading company that engages in a wide variety of businesses around the world, Marubeni's track record of growth demonstrates its dynamism and momentum. That power is not only on the business front, but also in management aspects such as internal control and governance, and I believe that will allow the Company to overcome the current difficult conditions and achieve sustained growth. I hope that as an outside corporate auditor I can contribute to the sound development of the company.

New Outside Corporate Auditor

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

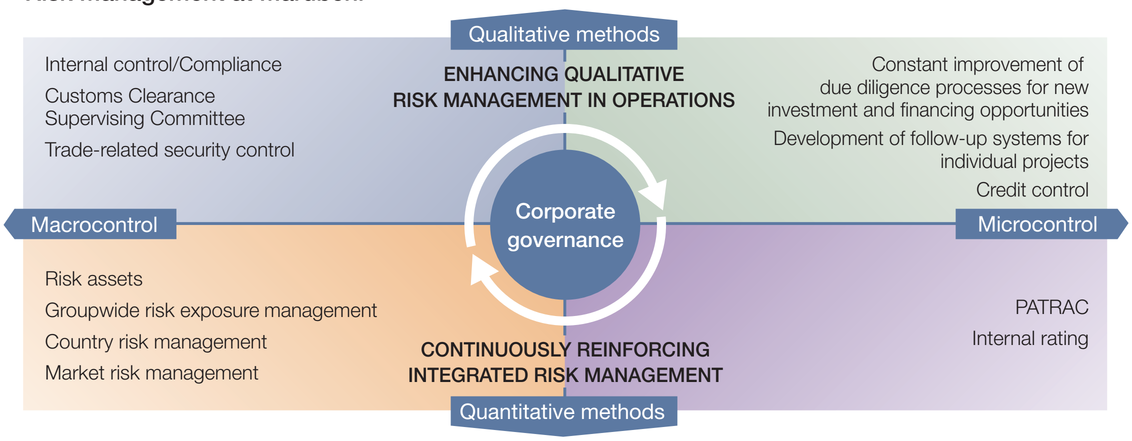
Reason for Appointment

Mr. Kudo's opinions and recommendations, based on his years of experience as an executive of an insurance company, will enhance corporate auditing.

Risk Management

The Marubeni Group as a whole conducts risk management activities which address risk from a variety of perspectives: macro and micro, qualitative and quantitative. From the macro perspective, the Company uses "Integrated Risk Management" methods to consolidate various risk factors and show a single quantitative value for the risk amount. At the micro level, each investment plan is screened through scenario analysis, and must fulfill certain minimum criteria. Various internal control systems have been established to create a structure that can guard against unforeseen events.

Risk Management at Marubeni



In fiscal 2008, Marubeni revised its basic internal control system policy and management structures, and set up an Internal Control Committee in an effort to develop a more efficient and more appropriate risk management structure. This helped to consolidate internal control activities for the entire Marubeni Group and enhance the internal controls.

Marubeni responded to the global financial crisis by comprehensively reviewing the credit control standards for the Group as a whole and individual country risk factors. This will help the Company respond more swiftly to risk. The Company is now in the process of exploring better methods to evaluate these individual qualitative risk factors in a comprehensive way.

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. 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 in order to steadily and continuously build and expand the group's business foundation. This policy serves as the underlying basis for all of the Group's business activities. It is intended to improve the efficiency of business activities, ensure that earnings results are reported accurately to stakeholders, and maintain compliance with applicable laws and regulations. By introducing and administering this policy effectively, the company seeks to minimize losses due to unforeseen events. The company regularly reviews this internal control system policy to respond to changes in social conditions and the business environment.

In April 2008, Marubeni introduced changes to its basic internal control system policy, incorporating the following goals:

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
4. To establish the Internal Control Committee and the Disclosure Committee.

Recent changes to the Financial Instruments and Exchange Law now require companies to file formal internal control reports. To address this requirement, Marubeni has introduced some improvements to a pre-existing internal control system project that it established on its own initiative—the so-called "MARICO PROJECT" (The Marubeni Internal Control Systems Project)—and set up a system to compile internal control reports.

* For further information on the internal control system policy, please refer to the company's website: http://www.marubeni.com/csr/004324.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 2008, revisions to this law made it mandatory for company directors to submit evaluation reports and 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" with a view to ensuring the reliability of financial reporting. In fiscal 2005, an evaluation of the effectiveness of internal control over financial reporting was conducted for the Marubeni Group as a whole, and internal control structures to oversee financial reporting were completed at companies throughout the Group. In this way, Marubeni has been ahead of the curve in developing and upgrading its internal control systems.

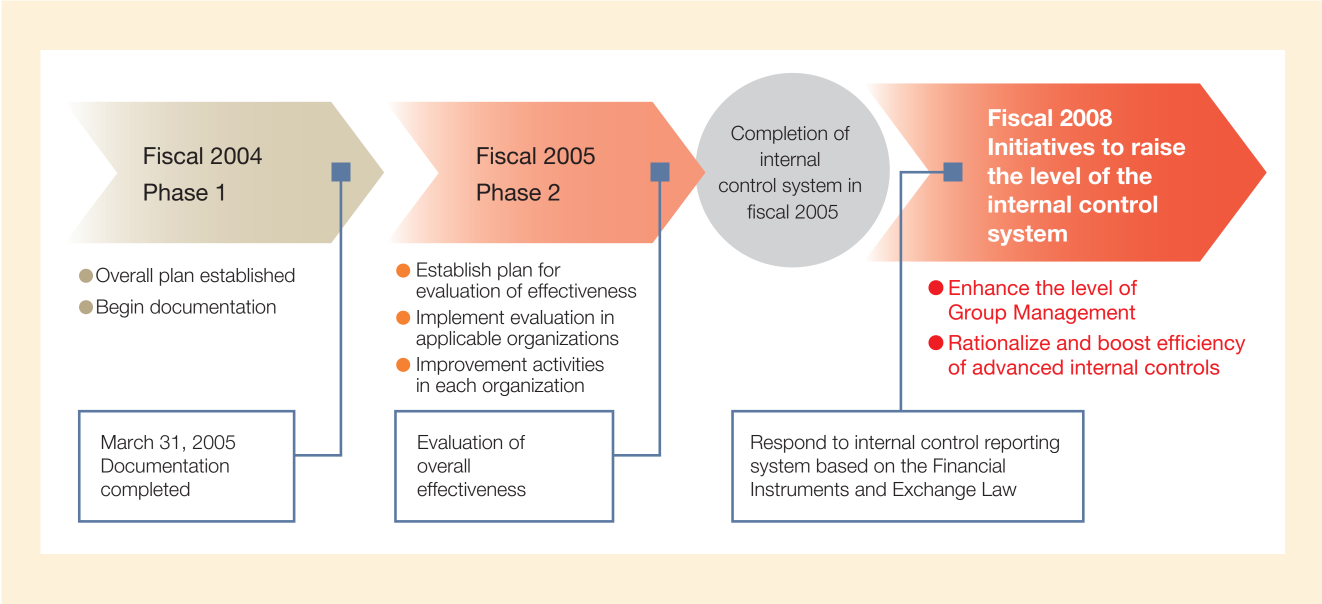
In April 2008 Marubeni established the Internal Control Committee, a new structure reporting directly to top management. The Internal Control Committee is responsible for managing the internal control structures which oversee financial reporting, and also for overall management of internal control activities including the review of the design and operating effectiveness of the basic policy on internal control systems, based on the Corporation Law of Japan. In this way, Marubeni has established a structure which considerably improves the effectiveness of comprehensive and practical internal control policies. The Internal Control Committee conducted an evaluation as stipulated in the practical standards. In the report on internal controls for fiscal 2008, they concluded that "internal controls are effective."

Enhancing the quality of internal control

There are some 440 separate companies in the Marubeni Group—279 consolidated subsidiaries and 161 equity-method affiliates—and Marubeni is constantly seeking ways to make its internal control systems more effective. As early as fiscal 2005, the company had conducted feasibility studies on group-wide systems of internal control, which would establish and oversee internal control activities for not only the parent company, but also consolidated subsidiaries and equity-method affiliates in each segment of the Group's business portfolio. At present, the company is implementing measures to improve internal control systems within the Group by identifying the "key controls" which need to be managed properly, in each business procedure, and establishing clear and effective control over these factors. It is also taking steps to make these systems more efficient.

Through these efforts, we believe that Marubeni has established an internal control system that is extremely effective, yet even now the effort to enhance the management function of internal control is not complete. Marubeni will continue to seek ways to support the efforts of company management, and constantly take steps to improve these systems in response to changes in the internal and external business environment to further improve effectiveness.

The MARICO PROJECT: Promoting the Advancement of Internal Control



Integrated Risk Management

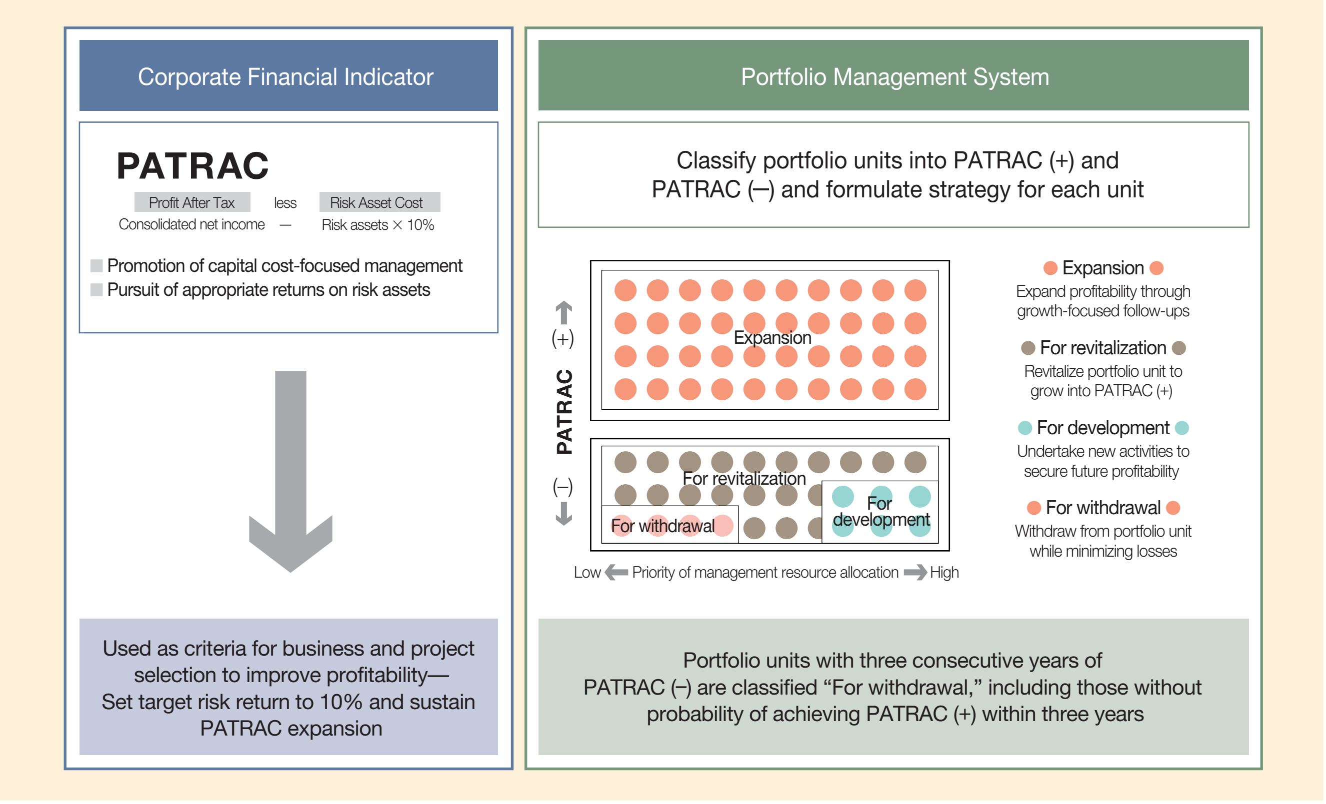
Marubeni operates a diversified portfolio of businesses in various industries and geographic regions. Therefore, the company has established an integrated risk management system which not only focuses on the individual risk factors which affect a single project or business, but also takes a comprehensive view of the various factors that affect the entire Marubeni Group. The Company 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. 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. By adopting a simulation system that uses an independently developed computerized statistical model, Marubeni has made it possible to grasp the degree of risk at a level more detailed than ever before. We calculate PATRAC* based on risk assets—a value based on the maximum decline in the value of Group assets as quantified by the Company. PATRAC provides a numerical indication of the added value generated by a business, after adjusting for risk. Marubeni has adopted PATRAC as the most important management indicator, using it to evaluate and approve or reject each business proposal, 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 achieve maximum returns for a given level of risk. PATRAC offers management a clear view of the structural added value of businesses after adjusting for risk, assisting Marubeni to achieve steady and balanced earnings growth.

* PATRAC = Consolidated Net Income – (Risk Assets x 10%)

PATRAC Administration



Compliance

Hisashi Sunaoshi
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.

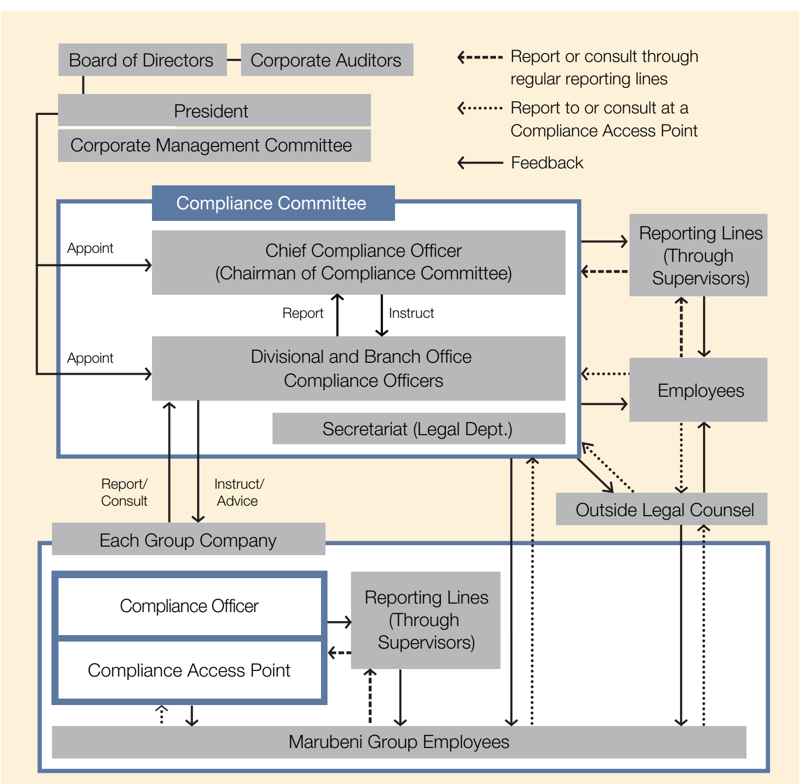
In the foreword to the manual, the top management sends a message that defines Marubeni's stance on compliance: "When you are faced with a choice between integrity and profit, choose integrity without hesitation." Every Marubeni employee is expected to take this slogan to heart, and apply it in their 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 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 Marubeni Group places great importance on its obligation to pursue business activities in harmony with society and the global environment. We have adopted a diligent approach to CSR activities, aiming to ensure that Marubeni is recognized as an exemplary corporate citizen that balances its effort to expand earnings with positive social contributions. In order to better contribute to the society and the environment in which we operate, each employee in the Marubeni Group is encouraged to give CSR considerations a high priority, and participate in the Group's CSR activities.

In 2008 the former CSR Committee and Environment Committee were consolidated to form the CSR & Environment Committee, which enables us to take a more comprehensive approach to enhancing Marubeni's CSR activities. Also, Marubeni's current medium-term management plan "SG2009" lists "emphasis on CSR and environmental issues" as one of the plan's most important goals, on a par with maintaining sustainable growth. The following are some of the detailed goals included in the plan:

- 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

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

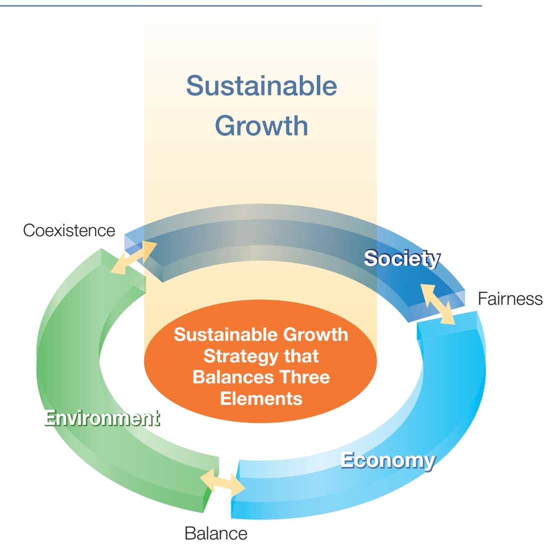
Pursuing CSR together with our stakeholders

Marubeni's management has adopted CSR principles to guide the Group in an active pursuit of balance between its economic goal of generating profit and its goal of meeting social responsibilities in three areas: improving corporate governance and compliance, fulfilling its responsibility as a corporate citizen through contributions to society and related activities, and protecting the global environment.

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 solicit 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.

Messages to Stakeholders

Shareholders	We strive to respond to changes in the business environment and to maintain stable profitability. At the same time, we try to live up to the expectations of shareholders by endeavoring to enhance corporate value that is also focused on environmental and social aspects. We also disclose corporate information in an active and fair manner.
Vendors	We will always promote fair and transparent dealings and work to earn the trust of vendors. In addition, we strengthen ties with vendors to create new products and services in light of customer needs.
Customers	Based on customer needs, and after taking adequate safety considerations, we develop and offer products and services that are useful for society. Further, we constantly strive to improve satisfaction and win trust by always responding sincerely to customers.
Employees	We respect the sense of values and life plan of each and every employee. We eliminate all forms of discrimination, and we create a working environment that is pleasant for all.
Local Communities, NGOs and NPOs	As a member of each community where we do business, we will contribute to the creation of local prosperity. Outside Japan, we respect regional cultures and customs, and we operate in a way that contributes to local development. Furthermore, we will not compromise with anti-social forces and groups that threaten the order and safety of society.



Human Resources System

As a general trading house, Marubeni sees its human resources as the source of its competitive power. In order to create new added value for our stakeholders on an ongoing basis, the policy of our human resources system is to create a workplace where employees can fully demonstrate their capabilities and skills as well as an environment that helps maximize employee value. To this end, we have implemented various reforms in our human resources system and have enriched related development programs.

Promotion of Work-Life Balance and Diversity Management

Promotion of Effective Work-Life Balance

Marubeni recognizes that promotion of work-life balance leads to enhanced competitiveness in the medium- to long- term, because it increases employees' satisfaction with their working environment and their enthusiasm for their work. We have therefore been one of the first in the industry to launch initiatives for upgrading our human resources systems. As a first step in this process, in 2005 we assembled a taskforce of female employees to discuss creation of a workplace environment amenable to both men and women. We implemented the taskforce's suggestions, introducing expanded support measures for childcare and nursing care, a system for leave when a spouse is transferred overseas, "no overtime" days, and other initiatives. In 2008 we distributed a *Childbirth and Childcare Support Handbook* containing an overview of the system for childbirth and childcare, as well as the company's policy regarding the treatment of system users under the company's performance evaluation system. We also took steps to foster a better understanding of the system around the workplace such as holding three-way discussions among system user, manager of the system user, and human resources staff. In addition, we actively worked to promote work-life balance through cooperation between labor and management by establishing a Work-Life Balance Task Force comprising human resources staff and the Marubeni Employee Union. The Company and the union can step outside of their relative roles and discuss practical ideas to achieve thorough understanding and implementation of the system.

Diversity Management—Respecting and Actively Leveraging Diversity

One of the key strategies in Marubeni's "SG2009" plan is to "enhance the quality of human resources." As part of this we are implementing initiatives to enhance diversity management. The goal of diversity management is to create a corporate environment that raises business competitiveness by respecting and actively leveraging the diversity of our employees. A practical initiative in this field was the establishment in November 2008 of Marubeni Office Support Corp. to promote the employment of people with disabilities. This company was recognized as a special subsidiary by the Minister of Health, Labor and Welfare in February 2009 and has six employees with disabilities as of March 31, 2009. In April 2009, the Diversity Management Team was established in the Human Resources Department. The team is formulating an action plan to further promote work-life balance. Our policy is to enable our diverse employees to make the fullest use of their abilities and achieve their potential while enjoying a sense of pride and job satisfaction.

Employment of staff who have disabilities

Fiscal Year	2006	2007	2008
Percentage of staff who have disabilities	1.79%	1.89%	1.98%

Marubeni's Principal Initiatives for Work-Life Balance

- Review of parental leave system (extend length of leave)
- Extension of childcare and nursing care times (from 90 minutes to 120 minutes per day)
- Participation in a staff health and welfare service with an emphasis on childcare and nursing care
- Enhancement of communication with managers during childcare or nursing care leave
- Introduction of family support holidays
- Introduction of a system of leave for spouses who have been transferred overseas
- Introduction of "no overtime" days: "Switch-off day"
- Establishment of a "Work-life Balance Promotion Corner" on the Company intranet
- Provision of individual guidance to the departments concerning overtime work
- Publication of a *Childbirth and Childcare Support Handbook*
- Introduction of Childbirth and Childcare Support Counseling

Social Contribution Activities

Social contributions which involve the entire Marubeni Group

Marubeni has established a Basic Policy on Social Contribution Activities that places priority on activities that fall into any of the following five categories: social welfare, international exchange, community contribution, global environment and cultural support. The Group aggressively promotes social contributions in these sectors and actively encourages executives and employees to take part in volunteer activities.

The first step in promoting these activities came in 1974, with the creation of the Marubeni Foundation. For 34 years this foundation has been supporting social welfare facilities and groups in cities and towns throughout Japan, spending some ¥100 million per year on such activities.

Marubeni also recognizes the importance of encouraging employees to take part in volunteer work, as a part of its overall CSR activities. We have established a Volunteer Promotion Team to help set up and promote volunteer programs. Both domestic and overseas subsidiaries are also actively developing programs which make valuable contributions to society. The Osaka Branch, the Nagoya Branch and the Kyushu Branch have regularly taken part in local cleanup activities, while in Romania the Marubeni Corporation Bucharest Office supplies Japanese-language texts, newspapers and magazines to universities and other institutions to support their Japanese language studies programs.

Guidelines for specific CSR activities

Marubeni has established the following principles to guide CSR activities and social contributions of the Marubeni Group, based on the company's Basic Principles and Basic Policy for Activities.

Social Welfare

Activities in this segment center on activities which support the Marubeni Foundation, and cover a wide range of activities including disaster relief, among others.

International Exchange

Activities center on support for overseas academic scholarships and grants, which promote human interaction and contribute to international society.

Global Environment

In addition to its focus on minimizing the environmental impact of company business activities, Marubeni actively supports a variety of environmental protection activities.

Community Contribution

Volunteer efforts to clean up and stimulate local communities in which Marubeni employees and executives participate.

Cultural Support

In addition to cultural contributions like the Marubeni Collection, we provide support for a wide range of cultural activities and exhibitions.

Support for the volunteer activities of employees and executives

Marubeni helps to plan and disseminate information on various types of volunteer programs, takes steps to support employees who take part in volunteer work, and has adopted necessary policies—such as work leave for employees serving as volunteers—to facilitate these activities.

Project BEACON: Shining a Light Across the Philippines

Marubeni has been operating in the Philippines for over 100 years, and the Company's IPP business there accounts for 23% of the country's total installed generating capacity. In 2001, Marubeni established the Project BEACON Fund in support of the national Project BEACON initiative to bring the household electricity access rate from 80%, the level in 1999, to 100%. Along with this major effort, Marubeni has also conducted various other CSR initiatives, including job skills development programs and a malaria prevention campaign. Project BEACON completed its nationwide electrification efforts in December 2007, having installed 18,000 km of power lines, 60,000 utility poles, and 10,000 solar home systems, bringing electricity to over 1 million people in the Philippines.

Environmental Protection Efforts

Taking steps to reduce our environmental footprint in a multitude of sectors

The Marubeni Group is involved in a wide variety of businesses in countries around the world. In each country and each business sector where we operate, Marubeni recognizes its responsibility to protect the natural environment. Therefore, we established the Marubeni Group's Environmental Policy, which is founded on the desire to maintain a healthy environment. Based on these principles, Marubeni always evaluates the environmental impact of its business activities, and strives to reduce its environmental "footprint" in any way possible.

In 1990, Marubeni established an Environment Committee (today's CSR & Environment Committee) to ensure that management evaluates environmental factors in all of its business activities, for example, by conducting environment impact assessments for each of its development projects. 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, and constantly seeks ways to improve. At present, 47 Marubeni Group companies, including domestic operating companies and overseas subsidiaries, have received ISO 14001 certification.

Marubeni's EMS Promotion Structure

Top Management — Director of Environmental Affairs — General Manager of Environmental Affairs — Division Environmental Management Representatives — Division Environmental Officers — Environmental Officers

Director of Environmental Affairs — CSR & Environment Committee

General Manager of Environmental Affairs — CSR & Global Environment Section

Promoting Environmental Businesses

In 2004, the Marubeni Group incorporated the Environmental Business Promotion Committee to help reduce CO_2 emissions and promote environment-friendly businesses. With subcommittees working for specific business types, this committee endeavors to expand existing environment-friendly businesses and to create new medium- to long-term models for environment-friendly business.

Inclusion in SRI Indexes

(as of June 2009)

Marubeni has been selected as an index component of two global SRI indexes, the Dow Jones Sustainability World Index (DJSI World) and the FTSE4Good Global Index, as well as Japan's first domestic SRI indices, the Morningstar Socially Responsible Investment Index (MS-SRI).

In addition, Sustainable Asset Management AG (SAM), a global survey and rating company, has recognized Marubeni as a leading company in sustainability.

FTSE4Good

FTSE4Good Global Index

Dow Jones Sustainability Indexes
Member 2008/09

Dow Jones Sustainability World Index (DJSI World)

MS-SRI

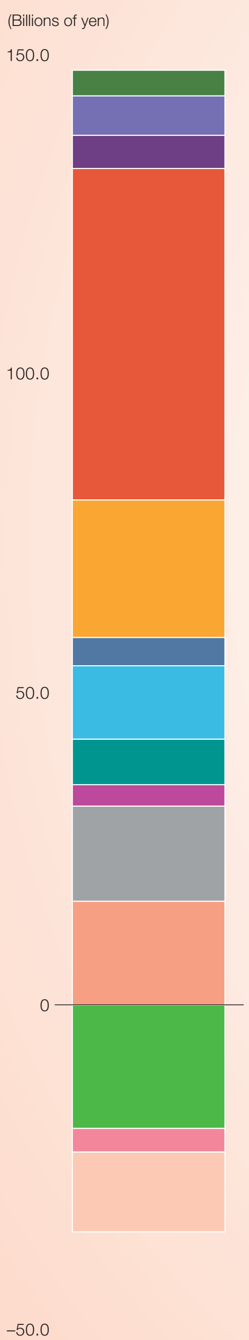
Morningstar Socially Responsible Investment Index

SRI Index: An index of socially responsible investment based not only on the financial aspects of companies but also on Corporate Social Responsibility (CSR) measures as important criteria for investment decisions.

Business Segments/Overseas Operations

At a Glance

As a general trading house, Marubeni engages in a wide range of operations in order to create value in all manner of areas. Marubeni's 11 business segments cover from food and machinery to metals and mineral resources, and energy resources.



Breakdown of Consolidated Net Income (Loss):

- Lifestyle Division
  4% ¥4.0 billion
- Forest Products Division
  6% ¥6.2 billion
- Chemicals Division
  5% ¥5.2 billion
- Energy Division
  47% ¥52.0 billion
- Metals & Mineral Resources Division
  19% ¥21.6 billion
- Transportation Machinery Division
  4% ¥4.4 billion
- Power Projects & Infrastructure Division
  10% ¥11.5 billion
- Plant, Ship & Industrial Machinery Division
  6% ¥7.1 billion
- Finance, Logistics & IT Business Division(*)
  3% ¥3.4 billion
- Iron & Steel Strategies and Coordination Department
  13% ¥14.9 billion
- Overseas Corporate Subsidiaries and Branches
  15% ¥16.3 billion
- Food Division
  –17% ¥–19.4 billion
- Real Estate Development Division
  –3% ¥–3.7 billion
- Corporate and Elimination
  –11% ¥–12.5 billion

(*) Name changed from FT, LT, IT & Innovative Business as of April, 2009.

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

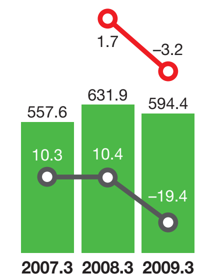
* Figures up to fiscal 2006 have been retrospectively restated in conjunction with organizational changes in fiscal 2008.
** ROA is provided for fiscal years from fiscal 2007. It is calculated by dividing net income by average total assets at the beginning and end of the fiscal year.

Living Essentials Group

Food Division — P42

Products and areas

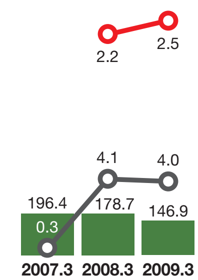
- Grain and livestock feed
- Flour, sugar, oils, and other food ingredients
- Beverage products and raw materials
- Snacks, processed foods and frozen foods
- Rice, vegetables, fruits and other agricultural produce
- Fresh meat and processed meat
- Fresh and processed seafood



Lifestyle Division — P44

Products and areas

- Garments
- Textile materials and fabric
- New and high-functional materials
- Interior and miscellaneous goods
- Footwear
- Fitness equipment
- Office equipment
- Rubber materials
- Tires and other rubber products

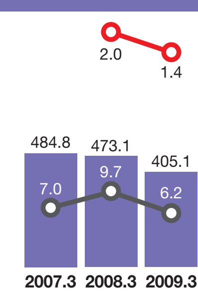


Forest Products & Chemicals Group

Forest Products Division — P46

Products and areas

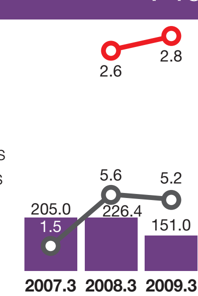
- Afforestation
- Wood chips
- Pulp
- Paper and paperboard
- Wastepaper
- Logs, lumber, and building materials
- Concrete, cement



Chemicals Division — P48

Products and areas

- Olefins and synthetic fiber intermediates
- Polyolefins and other synthetic resins
- Vinyl chloride monomers and resins
- Salt, boric acid and other inorganic chemicals
- Catalysts, paint, and other specialty chemicals
- Semiconductors, LCDs and other electronic materials

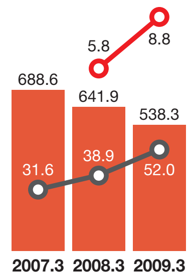


Energy, Metals & Mineral Resources Group

Energy Division P50

Products and areas

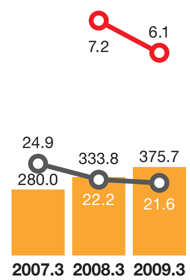
- Exploration and production of oil and gas resources
- Development and production of LNG
- Trading in oil and gas
- Marketing of oil and gas
- Exploration and production of uranium resources
- Nuclear fuel-related services
- Equipment for nuclear power plants
- Other new businesses



Metals & Mineral Resources Division P52

Products and areas

- Iron ore
- Coal
- Ferroalloy and rare metals
- Raw materials, cathodes and ingots of non-ferrous metals
- Non-ferrous metals products, electronic materials
- Metals recycling
- Business investments related to the above

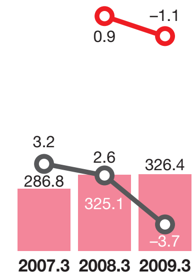


Finance, Information & Real Estate Group

Real Estate Development Division P60

Products and areas

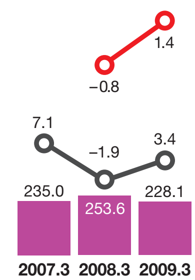
- Condominium sales in Japan
- Real estate investment business
- Overseas real estate business
- Real estate rental and brokerage (REIT management)



Finance, Logistics & IT Business Division P62

Products and areas

- Management of buyout funds
- Third-party logistics and logistics infrastructure
- Insurance agency and brokerage business
- Development and sales of information systems
- Communications infrastructure services
- Emissions credit trading
- Sales of mobile phones and computers
- Temporary staffing

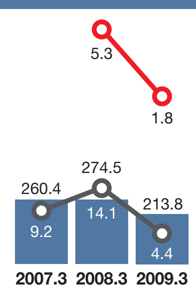


Machinery Group

Transportation Machinery Division P54

Products and areas

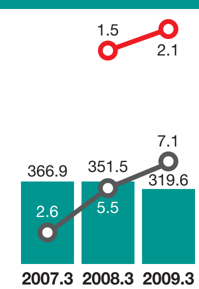
- Aircraft
- Engines
- Helicopters
- Defense systems
- Automobiles
- Automotive machinery and production systems
- Construction machinery
- Agro machinery



Plant, Ship & Industrial Machinery Division P58

Products and areas

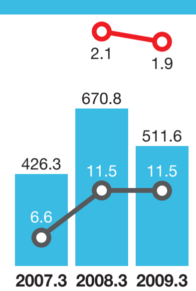
- Plants for steel, non-ferrous metals, cement, textiles, oil, gas and petrochemicals
- Transport infrastructure projects such as railways and airports
- New and used ship trade and ship-chartering operations
- Paper and pulp-related plants and equipment
- Development and promotion of greenhouse gas emissions reduction projects
- Industrial machinery, and new energy and environment-related facilities



Power Projects & Infrastructure Division P56

Products and areas

- EPC for overseas power project
- Overseas IPP business
- Domestic power retailing
- Overseas environment infrastructure
- Overseas telecom & information system



Iron & Steel Strategies and Coordination Department P64

Abu Dhabi Trade House Project Department P65

Food Division

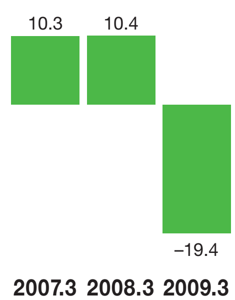
Daisuke Okada
Executive Officer, COO,
Food Division

Message from the COO

The Food Division engages in the domestic and international trading of a comprehensive range of food products. One of the division's particular strengths is raw materials, where it holds a leading market share as a grain trader with a lineup that includes wheat, corn and soybeans, as well as in coffee beans. Elsewhere, we are building a robust structure for the division in midstream and downstream sectors by strengthening our hand in the area of food distribution. Actions on this front include our investment in functional subsidiaries of AEON CO., LTD., and a business partnership with SOTETSU ROSEN Co., Ltd. In this way the division, through its involvement at every phase of food production, aims to supply safe food products and flexibly meet the needs of its diverse customers.

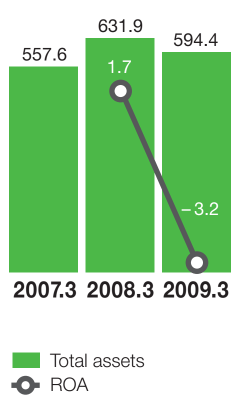
Net income (loss)

(Billions of yen)



Total assets & ROA

(Billions of yen) (%)



* Figures up to fiscal 2006 have been retrospectively restated in conjunction with organizational changes in fiscal 2008.
** ROA is provided for fiscal years from fiscal 2007. It is calculated by dividing net income by average total assets at the beginning and end of the fiscal year.

Sources of Strength

• Industry-leading trading volume in grain

The division boasts the leading trading volume for grain in terms of both imports and transactions with other countries. Going forward, the division will hone its global competitiveness by enhancing sales capabilities in growth markets like China. At the same time, the division is working to ensure stable grain supplies by diversifying production sources, enabling it to not only stably supply Japan, but to meet rising demand for grains worldwide.

Share of imports handled by Marubeni

(as of March 31, 2009)

Category	Share handled annually (among trading companies)
Corn and milo (sorghum)	approx. 18% (No. 1)
Wheat and barley	approx. 11% (No. 1)
Soybeans for oil extraction	approx. 14% (No. 3)

• No. 1 trading volume for imported coffee beans

The division commands Japan's top trading volume for coffee beans imported to the country, and is working to expand globally with subsidiary Cia. Iguaçu de Café Solúvel, Brazil's largest instant coffee manufacturing and sales company, as a production base. The division is also participating in a coffee bean roasting and sales business in China, where coffee market growth is anticipated.

• Powerful downstream development through retail industry investment

In addition to business and capital alliances with AEON, Daiei, Maruetsu and other retailer groups, the division is creating products that answer consumer needs by leveraging Marubeni's strengths in raw ingredients and materials to develop frameworks for supplying safe and dependable products at competitive prices.

Business Highlights

(Billions of yen)

	2007.3	2008.3	2009.3
Gross trading profit	73.4	90.0	113.7
Equity in earnings (losses)	2.3	1.4	(25.7)
Segment net income (loss)	10.3	10.4	(19.4)
Segment assets	557.6	631.9	594.4

Equity Interest in Principal Subsidiaries

(Billions of yen)

	Percentage of Voting Rights	2007.3	2008.3	2009.3
Marubeni Nisshin Feed Co., Ltd.	60.0%	1.2	0.8	0.7
Yamaboshiya Co., Ltd.	77.6%	0.4	0.9	1.3
Marubeni Foods Corporation	100.0%	0.2	0.3	0.4

Division Organization: Food Administration Dept./Grain Dept./Food Products Materials Dept./Beverage Dept./Foods Merchandising Dept./Farm Products Dept./Meat Dept./Seafood Dept./Nishinihon-Tokai Food Dept.

Industry Environment and Fiscal 2008 Results

The serious financial crisis that has surfaced over the past year is having a quieting effect on what was a tight supply and demand situation for grain and escalating grain prices. This earlier situation stemmed from several sources of increased global demand, including greater consumption in emerging economies and the use of grain as an alternative energy source. However, as economic uncertainty mounts, the dominant trend has become the careful selection among increasingly cost-conscious consumers of cheap yet quality products. In this climate, we stepped up a variety of measures in fiscal 2008, among them the upgrade and expansion of our system for the stable supply of grain, as well as sales channel expansion in growth markets. In the food distribution sector, we also entered new business alliances in the retail industry.

In the grain sector, we took full-fledged steps to ensure stable supplies to Japan, and to expand sales channels in Asia and other growth markets where demand for foodstuffs is rising. In the sale of soybeans to China, the world's largest importer, the division has established sales channels that account for up to a 10% trading share of the country's total soybean imports. We also enacted measures at the site of production in North America, designed to expand our grain silo network in the region, with local subsidiary Columbia Grain, Inc. purchasing grain silos to enhance supply capabilities on the continent. In the food distribution sector, the division leveraged its product proposal capabilities and strengths in the global procurement of raw materials and products to expand its product sales capabilities targeting mass retailers through investment in functional subsidiaries of AEON CO., LTD. Meanwhile, in our latest partnership with supermarkets, following earlier efforts with The Daiei, Inc., The Maruetsu, Inc., and Tobu Store Co., Ltd., we entered a business alliance with SOTETSU ROSEN Co., Ltd., and initiated steps to improve its corporate value. As the foregoing actions suggest, we strove to take advantage of the division's functions and expertise as a general trading company to further enhance product quality that emphasizes safety and reliability, ensure stable product supplies, and bolster price competitiveness.

As a result, in fiscal 2008, segment gross trading profit totaled ¥113.7 billion, an improvement of 26% year on year. However, a loss on the valuation of shares of a logistics affiliate and a loss on shares of marketable securities put downward pressure on performance, leading to a segment net loss of ¥19.4 billion on a consolidated basis.

Initiatives in Fiscal 2009

Worldwide demand for grain is rising steadily, even as consumers hit by the global financial slump buy less and demand lower prices. This situation is an opportunity to capitalize on the division's advantages in the grain sector. Here, following our North American grain silo acquisition, we will further stabilize our product supply through measures targeting food production sites in South America and Eastern Europe. The latter will include comprehensive alliances with Brazilian grain silo and oil producer Amaggi Exportação e Importação Ltda. (AMAGGI). In parallel, we are seeking to expand sales targets and pursue cost-competitive grain sales in Asia, the Middle East and Europe through a comprehensive alliance with Sinograin Oil & Fats Corporation, a subsidiary of Sinograin (China's largest grains reserve operations company).

In the food distribution sector, we intend to play a role in the planning and development of PB products, products retailers sell as store brands, primarily through initiatives with business alliance partners AEON CO., LTD., The Daiei, Inc., The Maruetsu, Inc., and SOTETSU ROSEN Co., Ltd. Beyond the supply of products, these efforts will expand the delivery of raw materials in our bid to enhance the benefits of trade. Finally, we plan to aggressively develop operations aimed at capturing internal demand in the growing Chinese and ASEAN markets in a push to further expand earnings.

Business Topics

Purchase of Grain Silos Owned by AGP Grain

Marubeni, through wholly owned subsidiary Columbia Grain, Inc., has purchased grain elevators and other assets in North America held by AGP Grain, Ltd. This move has enabled Marubeni to develop a more robust grain silo network in the United States, the world's most consistent producer and supplier of grain.

Investment in Aeon TOPVALU and Aeon Global Merchandising

Marubeni has invested in two functional subsidiaries of AEON CO., LTD.—Aeon TOPVALU Co., Ltd. and Aeon Global Merchandising Co., Ltd. This investment is intended to allow the Company to take optimal advantage of its functions and expertise as a general trading company, as well as further strengthen its development functions for PB products and its raw material procurement capabilities.

Business Alliance with SOTETSU ROSEN

Marubeni has entered a comprehensive business alliance with SOTETSU ROSEN Co., Ltd., a subsidiary of SAGAMI RAILWAY Co., Ltd., which is looking to strengthen its hand in the supermarket business. The agreement will largely see Marubeni support the company in improving its corporate value, while granting priority to Marubeni in any negotiations regarding capital participation in SOTETSU ROSEN.

Lifestyle Division

Michihiko Ota
Managing Executive Officer, COO, Lifestyle Division

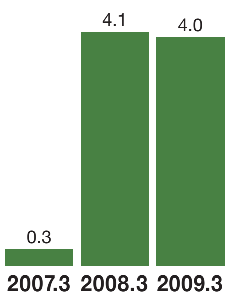
Message from the COO

The Lifestyle Division is tasked with coordinating businesses related to consumer goods, such as apparel, footwear, home furnishings, household goods, and tires, as well as durable goods, including office and fitness equipment.

The division is working to strengthen the value chain for the entire lifestyle sector, which covers upstream to downstream operations, undertaking the design, manufacture, import and sale of various products while engaging in brand development, consulting and business investment. Through these activities, we are effectively responding to changes in consumer lifestyles and business-partner needs. Looking ahead, we will take steps to promote business expansion in overseas markets, in addition to product imports and the export and third-country trade of raw materials and fabrics.

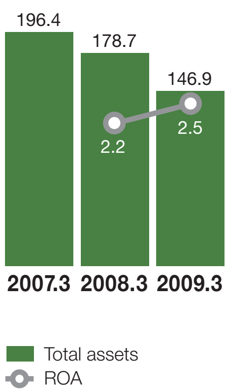
Net income

(Billions of yen)



Total assets & ROA

(Billions of yen) (%)



* Figures up to fiscal 2006 have been retrospectively restated in conjunction with organizational changes in fiscal 2008.
** ROA is provided for fiscal years from fiscal 2007. It is calculated by dividing net income by average total assets at the beginning and end of the fiscal year.

Sources of Strength

- **Establishment of upstream to downstream value chain in diverse apparel**
  Well-established value chain encompassing product planning, manufacturing, import sales, brand development and consulting services related to garments ranging from casual wear, sportswear and uniforms to menswear and ladies wear.
- **Coordinated handling of a wide range of lifestyle-related products**
  The division provides coordinated planning, development, proposal and production functions covering a range of lifestyle-related products in the areas of apparel, footwear, home furnishings, home textiles, household goods and sports gear.
- **Establishment of a value chain in rubber covering natural rubber to rubber-related products**
  The division has a well-established value chain in rubber-related businesses, extending from the manufacture and sale of natural rubber and the sale of synthetic rubber to the import, export, offshore trading and overseas retailing of tires, conveyor belts and other rubber products.

Business Highlights

(Billions of yen)

	2007.3	2008.3	2009.3
Gross trading profit	36.1	35.7	32.3
Equity in earnings (losses)	(2.1)	(0.0)	(0.0)
Segment net income	0.3	4.1	4.0
Segment assets	196.4	178.7	146.9

Equity Interest in Principal Subsidiaries

(Billions of yen)

	Percentage of Voting Rights	2007.3	2008.3	2009.3
Marubeni Fashion Link, Ltd.	100.0%	0.4	0.5	0.8
Marubeni Intex Co., Ltd.	100.0%	0.1	0.3	0.6

Industry Environment and Fiscal 2008 Results

The division took steps to bolster its earnings base in the first half of fiscal 2008, the fiscal year ended March 31, 2009, most notably in the Japanese market, despite an environment characterized by rising fuel, raw material and personnel costs worldwide due to elevated resource prices. Largely underpinning these efforts were two division strengths—planning, proposal and product development capabilities that anticipate consumer trends, as well as the production efficiency and cost competitiveness of the division's overseas bases, particularly in China.

Conditions in the second half of the year, however, contrasted starkly with the first, as the financial crisis emanating from the U.S. sparked global financial uncertainty and an economic recession. These factors, in turn, caused consumer behavior to cool dramatically within and outside of Japan. These conditions notwithstanding, the division for the full fiscal year has enhanced its earning bases, with business performance supported by product development and a sales structure both well attuned to domestic consumer trends.

Concerning new projects, we successfully bolstered our business base in Japan with investment in a company involved in import, wholesale and retail of furniture, household goods and kitchen supplies, the introduction of U.S.-based brands and the development of new kimono collections. We also focused attention on high-performance materials such as carbon fiber, fire-proof fiber and aramid fibers to strengthen the division's earnings bases for the next generation.

Initiatives in Fiscal 2009

The current global economic recession is expected to continue in fiscal 2009, with the prospects for a rebound in consumption unlikely within or outside of Japan for the short term. Despite this outlook, and with sights set on a post-recovery climate, we are promoting several initiatives in the apparel and lifestyle goods sector, covering casual apparel, sportswear, uniforms, footwear, and household goods. These initiatives are as follows:

- Further enhance the efficiency of our OEM (Original Equipment Manufacturing) production framework in China and Southeast Asia and establish new production sites in places such as India and Bangladesh
- Reinforce our structure for developing products that anticipate consumer trends
- Strengthen coordination capabilities that completely encompass planning, proposals and development for a wide range of product lines
- Focus on sale of new functional and high-performance materials
- Promote measures to enhance and expand uniform sales and rental operations targeting the corporate sector

Furthermore, we will promote three initiatives specific to rubber-related businesses, including tires and conveyer belts, and to the general merchandise sector, specifically office and fitness equipment. Our three measures in these sectors are:

- Encourage investment overseas in the tire and conveyor belt sales businesses
- Put a structure in place for exporting office equipment
- Conduct new transactions with prominent fitness-related products from Europe and the United States

Business Topics

Sale of Carbon-Offset Uniforms and Polo Shirts Made Entirely of Recycled Materials

In the drive to realize a low-carbon society, Marubeni joined forces with uniform apparel company Sun-S Co., Ltd. to launch the sale of uniforms with carbon-offset rights, and the sale of ZERO CONCEPT+ polo shirts that use recycled polyester from a chemical recycling system developed by Teijin Fibers Ltd.

Sale of Off-the-Road Tires for Construction and Mining Machinery

Marubeni exports the world's largest class tires for construction and mining machinery to major users in CIS countries, Central and South America and Asia, based on medium- to long-term agreements. Despite a temporary downturn due to the global economic recession, demand for replacement tires is expected to rebound and grow in step with global economic recovery and development. As such, Marubeni will take action to expand exports going forward.

Development of TOPVALU Products Using Organic Cotton

Marubeni, together with AEON CO., LTD., a retail group operating over 500 JUSCO, SATY and other branded supermarkets across Japan, has developed and begun import of casual wear made from organic cotton from India for its TOPVALU private brand. As a product, organically cultivated cotton is gentle both on human skin and the Earth.

Forest Products Division

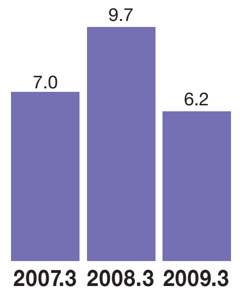
Yukichi Nakamura
Executive Officer, COO,
Forest Products Division

Message from the COO

This division pursues business and trade in the forest products sector, where forest-related commercial goods have risen in value in recent years. In a climate characterized by growing calls to secure limited natural resources and add increased value, the Forest Products Division handles everything from raw materials to finished products. The division also exhibits powerful information and response capabilities, reflecting the knowledge of front-line operations of operating companies as major players in each segment. Going forward, we will continue to assertively develop the Company's value chain upstream, with a particular focus on afforestation operations, in a bid to achieve sustainable earnings growth.

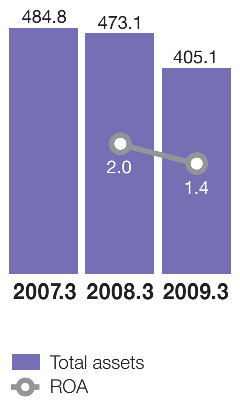
Net income

(Billions of yen)



Total assets & ROA

(Billions of yen) (%)



* Figures up to fiscal 2006 have been retrospectively restated in conjunction with organizational changes in fiscal 2008.
** ROA is provided for fiscal years from fiscal 2007. It is calculated by dividing net income by average total assets at the beginning and end of the fiscal year.

Sources of Strength

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

The division creates added value in each area of the paper and pulp business cycle. This work includes producing mainly paper from wood chips and pulp, as well as paperboard using recycled paper as a raw material. Each constituent unit within the division aims to be top in its field, enabling the development of a highly competitive value chain.

• Organically integrated business and trading operations

The division invests across the entire paper and pulp business, from afforestation, wood chips, pulp, paper, paperboard, and paper recycling, while simultaneously conducting trading operations in each process. In this way, the division is building an earnings base driven by both business and trading operations that is responsive to market changes.

• 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 supplier, 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 with future growth potential in the quest to further expand sustainable earnings.

Business Highlights

(Billions of yen)

	2007.3	2008.3	2009.3
Gross trading profit	43.9	45.3	42.7
Equity in earnings (losses)	0.9	2.4	(2.5)
Segment net income	7.0	9.7	6.2
Segment assets	484.8	473.1	405.1

Equity Interest in Principal Subsidiaries

(Billions of yen)

	Percentage of Voting Rights	2007.3	2008.3	2009.3
Marubeni Pulp & Paper Sales Co., Ltd.	88.5%	0.6	0.6	0.0
Koa Kogyo Co., Ltd.	80.0%	1.1	0.03	0.9
Marubeni Building Materials Co., Ltd.	100.0%	0.9	(1.3)	0.4
Fukuyama Paper Co., Ltd.	55.0%	0.5	0.5	0.4

Industry Environment and Fiscal 2008 Results

Positive economic performance in the first half of fiscal 2008, ended March 31, 2009, was dashed by the emergence of a global economic recession in the second half of the year. The recession's impact triggered precipitous drops in demand in virtually all product and materials sectors.

In the product sector, sharply higher raw material and fuel prices through the first half of the fiscal year were inevitably shifted to product prices, resulting in weak consumption particularly of printing paper and containerboard. Demand was again hit hard by the financial crisis, with demand in Japan and internationally experiencing almost unprecedented declines.

The materials sector, meanwhile, saw market prices for pulp fall significantly in China and elsewhere around the world from the summer onward, as paper manufacturers slashed production in order to eliminate accumulated product stocks. Similarly, demand for wood chips, which had been firm through the second quarter, lost momentum thereafter.

In this climate, the division acted swiftly to cope with decreased demand and exchange rate volatility in its value chain processes, enacting a range of initiatives designed to cut costs and enhance management efficiency at operating companies.

In the materials sector, we implemented measures to strengthen profitability. We strove to reduce costs pertaining to afforestation and the wood chip and pulp plants managed by operating companies, and made extensive moves to promote sales at optimal locations. Anticipating that the race to secure natural resources will only intensify, we focused on afforestation operations as the path to building a solid earnings structure going forward.

In the products sector, we launched "Printing Management" as a new business model that seeks to rationalize total costs for printing-related services. Elsewhere, a new machine came online at containerboard manufacturer Long Chen Paper (China) Holdings Co., Ltd. in China and we established a paper recycling yard in Shanghai as we put plans in motion for securing future earnings.

All told, segment gross trading profit in fiscal 2008 was ¥42.7 billion and segment net income was ¥6.2 billion.

Initiatives in Fiscal 2009

Both the global economic slowdown and weak commodities prices are likely to persist for fiscal 2009. For its part, the division will work to cut costs particularly in production operations and take steps to rebuild its earnings structure. With these actions, we hope to minimize the impact posed by this adverse business environment as we aim to create a framework and operations capable of maintaining and expanding profitability. Conditions demand a more measured response than ever before. In this climate, we will focus specifically on securing competitive forest resources in the increasingly vital paper and pulp materials sector, recognizing that the price of forest products is widely expected to rise over the medium to long term. In midstream and downstream sectors, Long Chen Paper in China and paper distribution company Intragrated Resources Holdings, Inc. (IRH) in the United States are spearheading efforts to rigorously identify regions and sectors with growth potential in our quest to expand earnings.

Business Topics

Boosting Production Capacity at Long Chen Paper (China) Holdings Co., Ltd.

A new machine brought online at a plant operated by Long Chen Paper (China) Holdings Co., Ltd., where Marubeni has a 15% equity stake, lifted annual containerboard production capacity from 0.3 million tons to 1.2 million tons. Efforts are under way to increase sales to the domestic Chinese market, as well as exports to Southeast Asia, North America, and Japan.

Marubeni Obtains Certification From Forest Stewardship Council (FSC) in Brazil and Programme for the Endorsement of Forest Certification Schemes (PEFC) in Australia

Marubeni has long been invested and involved in the management of afforestation operations in Brazil and Australia. Amapa Florestal e Celulose S.A. (Amcel) in Brazil and WA Plantation Resources Pty. Ltd. (WAPRES) in Australia have obtained FSC and PEFC certification, respectively. This achievement will enhance enterprise value and help stimulate growth going forward.

Promoting Export of Printing Paper

Marubeni is leveraging information gained from its trading operations over many years and its 2007 acquisition of U.S.-based IRH to offer various proposals for promoting exports by Japanese paper manufacturers. The Company will work to expand these efforts, which have already culminated in transactions with Time Warner Inc. of the United States.

Forest Products & Chemicals Group

Chemicals Division

Kenichi Hatta
Managing Executive Officer, COO,
Chemicals Division

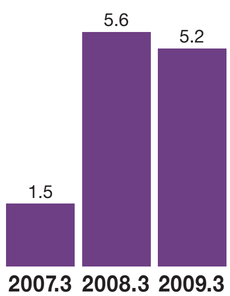
Message from the COO

The Chemicals Division handles a wide range of products, from upstream basic petrochemicals to downstream specialty chemicals and electronic materials.

In contrast to favorable conditions in the first half of fiscal 2008, ended March 31, 2009, the division was hit hard by rapidly deteriorating economic conditions worldwide in the second half of the year. For fiscal 2009, we will focus attention on generating and expanding trading and business in the Asian region, most prominently China and India. Another parallel focus will be to increase transactions with large-scale petrochemical operations in the resource-competitive Middle East, and to work pointedly through the Chemical Project Dept. to identify and further promote new chemical product businesses that can better withstand tough economic conditions.

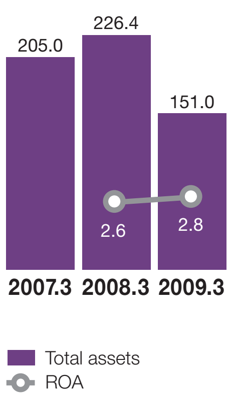
Net income

(Billions of yen)



Total assets & ROA

(Billions of yen) (%)



* Figures up to fiscal 2006 have been retrospectively restated in conjunction with organizational changes in fiscal 2008.
** ROA is provided for fiscal years from fiscal 2007. It is calculated by dividing net income by average total assets at the beginning and end of the fiscal year.

Sources of Strength

- **Established and leading presence in markets for olefins and synthetic fiber intermediates**

The division has been building a presence mainly in Asia since the 1980s, particularly in the olefin market. The division's quick responsiveness to changes in the supply and demand balance and ready transportation access via specialty tanker chartering are among the advantages that support its top-class industry position today.

- **Outstanding business volume in the trade of vinyl chloride monomers and resins**

The division's experience joint venture with a U.S.-based manufacturer enabled familiarity with the industry that has translated into securing major supply sources and sales channels, resulting in steady growth in trading volume for vinyl chloride monomers and resins.

- **Strong ties with the world's leading suppliers of salt and boric acid**

The division has earned the trust of its trading partners through securing a stable supply by investing in and financing a number of major supply sources in close proximity to resources, and by achieving supply stability.

- **Comprehensive efforts across the whole supply chain**

The division seeks to contribute to future profitability in downstream chemical products such as electronic materials, including LCDs and semiconductors, as well as functional materials, detergents, and performance chemicals.

Business Highlights

(Billions of yen)

	2007.3	2008.3	2009.3
Gross trading profit	30.4	30.8	30.1
Equity in earnings (losses)	(0.2)	0.6	3.1
Segment net income	1.5	5.6	5.2
Segment assets	205.0	226.4	151.0

Equity Interest in Principal Subsidiaries

(Billions of yen)

	Percentage of Voting Rights	2007.3	2008.3	2009.3
Marubeni Plax Corporation	100.0%	0.6	0.5	(0.1)
Marubeni Chemix Corporation	100.0%	0.4	0.6	0.3
Shen Hua Chemical Industrial Co., Ltd.*	22.6%	–	–	1.0

* Shen Hua Chemical Industrial came under the scope of consolidation starting in fiscal 2008.

Division Organization: Chemicals Administration Dept./Chemical Project Dept./Basic Chemicals Dept./Vinyl Alkali Dept./Plastics Dept./Inorganic & Agricultural Chemicals Dept./Specialty Chemicals Dept./Electronic Materials Dept./Chemix Project Dept.

Industry Environment and Fiscal 2008 Results

Prices for crude oil, naphtha and other raw materials plummeted dramatically after peaking in July 2008. In conjunction with fallout from the global financial crisis, the chemical industry saw prices drop sharply due to inventory and production adjustments in various industries as overall demand declined significantly in the second half of fiscal 2008. In light of these economic conditions, China, which is on a growth track in the chemical industry, and the Middle East, where the division is competitive in terms of pricing, will be increasingly meaningful markets.

Basic upstream petrochemicals and vinyl alkali were affected by the downturn, but the impact was minimal due to several years of focus on enhancing logistics and strengthening the sales network. In inorganic and agricultural chemicals, domestic and overseas agrochemicals and fertilizer operating companies and overseas salt production companies were the strongest performers, maintaining robust results. However, synthetic resins, a mid-stream petrochemical, and downstream electronic materials were impacted by the worsening economic conditions of major customers such as automakers and electronics manufacturers. In combination with loss on valuation of securities and loss of withdrawal of affiliated companies, these factors resulted in a significant decline.

As a result, despite strong performance in the first half of the year, the second half rapidly gave way to the global economic slowdown and worsening business conditions. As a result, segment gross trading profit was down 2% from the previous year to ¥30.1 billion, while segment net income was down 7% to ¥5.2 billion.

Initiatives in Fiscal 2009

Leveraging Marubeni's comprehensive domestic and international coordination capabilities, we will continue striving to achieve growth and expansion through optimally balanced trading and business operations. Our focus in fiscal 2009 will be on launching new projects that will serve as profit generators into the future, participating in growing industries and increasing our shares in existing profitable operations. We also plan to pay special attention to developing business in Asia as a priority region, especially in the resource-rich Middle East region, China and India. Here our focus will be on increasing trading in raw materials for fertilizer, which is linked to the growing foods sector.

Furthermore, we created a new office in the division to address market conditions, staffed with experienced personnel, and deployed a system to identify and develop initiatives tailored to the special characteristics of each region around the world.

In fiscal 2009 we are projecting a slight year-on-year rise in segment net income as a result of our focus on trading in China, where the government is taking steps to stimulate domestic demand, and further trading of Middle Eastern petrochemical products in the Asian market.

Business Topics

Expanding Ethylene Operations

In order to further strengthen Marubeni's already top-class operations we upgraded logistics functions, including the dedicated tanker fleet. We have also expended our selection of products from Middle Eastern countries such as Qatar and Saudi Arabia.

Synthetic Rubber Manufacturing and Sales Business in China

Demand for synthetic rubber is on the rise in China, and Marubeni joint venture Shen Hua Chemical Industrial Co., Ltd.'s synthetic rubber manufacturing and sales business is performing strongly. In addition, construction of a plant for the newly established TSRC-UBE (Nantong) Chemical Industrial Co., Ltd. was recently completed, and began production in May 2009.

Agrochemicals Business in the United States

Helena Chemical Company is an agrochemical, fertilizer, and seed sales company, with a vast nationwide sales network that positions it as the second-largest distributor in the United States. Through an active program of M&As, Helena Chemical Company is steadily growing its results.

Energy, Metals & Mineral Resources Group

Energy Division

Keizo Torii

Executive Officer, COO, Energy Division

Message from the COO

The Energy Division strives to expand its earnings base by optimally coordinating the balance among its five strategic business fields: oil and gas exploration and production (E&P), LNG projects, trading, marketing and nuclear fuels.

In fiscal 2008, ended March 31, 2009, the first year of “SG2009,” the division posted record-high earnings mainly atop growth in the resource development sector. This growth itself reflected historically high energy resource prices during the first six months of the year. In contrast, we face adverse economic circumstances in fiscal 2009, with the global economic recession likely to bring declining petroleum demand and lackluster energy resource prices for the year. Notwithstanding this climate, our goal is to stay flexible in our approaches to realize steady profit.

Sources of Strength

- **Consistent progress in oil and gas E&P and LNG production**

Oil and gas E&P and LNG projects in the United States, United Kingdom, Qatar, Equatorial Guinea and other international sites are progressing well. With success in exploration in the Gulf of Mexico and the U.K. North Sea in 2008, the division is dedicated to actions that increase production volumes and reserves.

- **Strong petroleum trading business boasting Asia’s top position in naphtha trading**

The division is involved in the global trading of oil and petroleum products from key bases in Japan, Singapore, the U.S. and the U.K. Particularly for naphtha and other petrochemical feedstock, the division boasts the top trading share in the region.

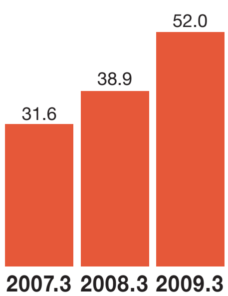
- **Nuclear fuel business centering on development and promotion in uranium mine projects**

The division is operating existing uranium mine development projects, as well as exploring new projects.

In addition to providing services for each phase of the nuclear fuel cycle, the division handles a variety of equipment related to nuclear power generation.

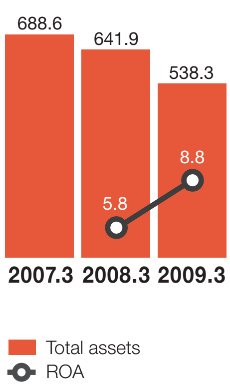
Net income

(Billions of yen)



Total assets & ROA

(Billions of yen) (%)



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Business Highlights

(Billions of yen)

	2007.3	2008.3	2009.3
Gross trading profit	85.6	89.3	92.4
Equity in earnings	0.8	0.6	0.3
Segment net income	31.6	38.9	52.0
Segment assets	688.6	641.9	538.3

Equity Interest in Principal Subsidiary

(Billions of yen)

	Percentage of Voting Rights	2007.3	2008.3	2009.3
Shenzhen Sino-Benny LPG Co., Ltd.	49.0%	0.7	0.7	0.5

Industry Environment and Fiscal 2008 Results

The price of crude oil, after rising steadily from the start of 2008 to peak at a historic high of over US$140 a barrel, by year's end had plummeted to around US$30 a barrel. Not only higher prices for gasoline and kerosene led by skyrocketing crude oil price, but also the economic slowdown, culminated in a decline in Japan's energy consumption. This trend was especially evident in domestic demand for petroleum products. Moreover, this situation showed no signs of recovering as consumer demand receded in pace with falling prices from autumn onwards, as the shift to electric power and natural gas gained momentum. In contrast, a renaissance in nuclear energy is taking place as international frameworks emerge in an effort to restrict greenhouse gas emissions, and the procurement race to sources of uranium, is now heated as countries turn renewed attention to nuclear power generation as an effective means to counter global warming.

In this climate, we moved forward in oil and gas E&P with production and development work at existing mining blocks, and strove to win promising new projects. In LNG, we concentrated on maintaining operational consistency in existing projects in Qatar and Equatorial Guinea, and continued working hard ahead of the start of operations at the Peru LNG Project. In petroleum product trading, we relied on various risk management tools to cope with extreme price volatility in the oil market, leveraging networks in Japan and globally in a drive to supply competitive petroleum products. In the petroleum product marketing area, we offered unique and high-value-added services. In nuclear fuel, we eyed new opportunities to invest in uranium mines beyond our existing projects, and sought to expand our efforts in each phase of the nuclear fuel cycle.

Initiatives in Fiscal 2009

In oil and gas E&P, one of our strategic business fields, the division is promoting production and development work at existing mining blocks while continuing to search for promising new projects. In LNG, we continuously try to take part in new projects and take steps to build our value chain.

In petroleum trading, to ensure that we thrive amid hardening competition, we are expanding our global activities, with the goal of strengthening our existing business base and expanding new initiatives. In the petroleum product marketing area, we aim to put ourselves at an advantageous position among the industry by reinforcing relationships with suppliers to enhance our procurement capabilities, and by pursuing more efficient operations. In nuclear fuel, our focus remains on expanding measures targeting each phase of the nuclear fuel cycle, which include seeking out new opportunities for uranium mine investment.

The division will optimally coordinate operations in its five strategic business fields while aggressively pioneering new commercial goods and innovative trading flows.

Business Topics

Peru LNG Project

Marubeni has participated since August 2007 in this project, where construction work is progressing smoothly towards an operational startup in mid-2010. This is Marubeni's third LNG project following others in Qatar and Equatorial Guinea. The Company aims to secure competitive advantage in the supply of LNG to the Pacific Rim region, where market growth is anticipated.

Laffan Refinery Project

Marubeni joined this project in November 2006. Plant construction has entered their final stages prior to the commencement of operations in the second half of 2009. Along with boosting the activities of Marubeni's oil refining area, this project should further strengthen the Company's relationships with the State of Qatar and Qatar Petroleum.

Oil and Gas Exploration and Production in the U.S. Gulf of Mexico and the U.K. North Sea

In 2008, exploration of the oil and gas fields in the Gulf of Mexico and the North Sea have successfully completed. Currently Marubeni is moving forward with pre-operational work, including assessments of reserve and development options, with a view to commercial production. The Company will continue activities to maintain and expand production and reserve volumes.

Metals & Mineral Resources Division

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

Message from the COO

The Metals & Mineral Resources Division seeks to expand earnings through projects and 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 electronic materials, recycling and other downstream sectors. Our operations also extend to innovative fields such as new energy. In fiscal 2008, ended March 31, 2009, the division made large investments in copper and coal mining interests. Resource prices today have entered a period of readjustment. Nevertheless, the division will continue in fiscal 2009 to promote and secure business projects where it can leverage Marubeni's strengths, and strengthen and develop its trading activities, from a medium- to long-term perspective.

Sources of Strength

• Business investments that enable substantial management input

Where businesses in the mine development sector, most notably copper and coal, are concerned, the division has increased interests that grant it significant influence over how projects are managed. Today, the division is working with business partners to devise strategies for delivering stable earnings, and is reinforcing frameworks that help meet users' supply stability needs.

• Top-class trading activities in many industry sectors

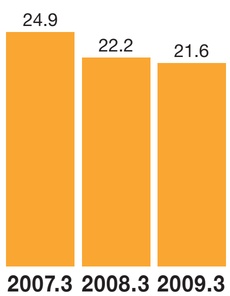
For each product category, the division is generating new added value by identifying and proposing products and schemes that satisfy user needs. The division also boasts one of the best transaction volumes in every product category and region, including PCI coal, aluminum ingots, and copper cathodes.

• 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 projects, underground coal gasification projects, innovative steelmaking methods, metals recycling, 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.

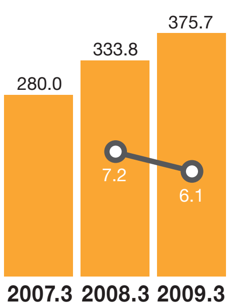
Net income

(Billions of yen)



Total assets & ROA

(Billions of yen) (%)



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Business Highlights

(Billions of yen)

	2007.3	2008.3	2009.3
Gross trading profit	18.2	19.1	34.2
Equity in earnings	16.5	16.7	11.3
Segment net income	24.9	22.2	21.6
Segment assets	280.0	333.8	375.7

Equity Interest in Principal Subsidiaries

(Billions of yen)

	Percentage of Voting Rights	2007.3	2008.3	2009.3
Marubeni Coal Pty. Ltd.	100.0%	4.2	2.4	16.1
Marubeni Aluminium Australia Pty. Ltd.	100.0%	0.9	1.1	1.7
Marubeni LP Holding B.V.	100.0%	14.6	14.4	5.6

Division Organization: Metals & Mineral Resources Administration Dept./Metals & Mineral Resources Development Dept./Iron Ore Dept./Steel Making Raw Materials Dept./Coal Dept./Non-Ferrous Metals & Ores Dept./Light Metals Dept./MMC Dept.

Industry Environment and Fiscal 2008 Results

The first half of fiscal 2008 saw the continuation of elevated resource prices, kept high by the confluence of several factors, including tight metal resources demand, fierce competition for resources from resource majors and BRIC countries, and an influx of speculative capital. The division, in addition to capturing synergies from its assertive efforts to increase resource interests in recent years, saw earnings benefit from expanded profits from resource interests, as well as from trading activities supported by increased global trading volume. Consequently, the division posted record net income for the first half of fiscal 2008. However, second-half earnings from resource interests and trading activities dropped as volume shrank with unprecedented speed. Triggering this rapid decline was a sharp drop in resource prices as speculative capital exited commodities markets in the wake of the financial crisis and the real economy took a precipitous downturn. While the year was one of extraordinary ups and downs, the division nonetheless made large investments from a medium- to long-term perspective. In non-ferrous metals, we acquired a 30% interest in both the Esperanza and El Tesoro copper projects. When full-fledged operations commence at the Esperanza copper mine in 2011, the division's share of mine output from its equity interest will be 120,000 tons per year on a copper cathode basis, or roughly equivalent to 10% of Japan's annual copper demand. In steelmaking raw materials, the division increased its shareholding in Resource Pacific Holdings Pty Limited., which has a 90% stake in the Ravensworth Underground Coal Mine in Australia, to 22.2%, making this company an equity-method affiliate. These projects were the end-result of negotiations that took place over several years, culminating in a competitive buy-in cost unaffected by short-term market fluctuations. In downstream sectors, the division is pursuing greater selectivity and focus. In new businesses, meanwhile, we signed a business cooperation contract with Vietnam National Coal-Mineral Industries Group and Linc Energy Ltd. of Australia regarding an underground coal gasification project in Vietnam.

Initiatives in Fiscal 2009

For large-scale investment projects enacted between fiscal 2007 and 2008, the division opted for equity percentages that give it substantial management input. In fiscal 2009, we will dispatch not only management personnel but also personnel to other areas closer to frontline operations. While cooperating with partners, the division will take advantage of expertise gained from trading and project management to build confidence in target projects, which in turn should lead to greater capacity to stably supply raw materials to customers. The economic situation surrounding metal resources is expected to remain adverse. Yet such conditions, conversely, present an ideal chance to capture new business projects. We will continuously chart this course, while raising benchmarks for determining commercial viability higher than ever before. In terms of securing supply sources, we intend to fortify our already industry-leading trading operations, and will continue to vigorously enact initiatives targeting rare metals and environment-friendly new energy projects.

Business Topics

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

Marubeni acquired a 30% interest in both projects from Antofagasta PLC, a world-leading copper mining company and partner in the Los Pelambres Copper Mining Project. Marubeni is dispatching its own executives, engineers and other personnel as part of an active approach to the development and operation of these projects.

Resource Pacific Holdings Pty Limited of Australia Made an Equity-Method Affiliate

Marubeni's additional acquisition in Resource Pacific Holdings has raised its shareholding in the company to 22.2%, making it an equity-method affiliate. Resource Pacific Holdings has a 90% stake in Australia's Ravensworth Underground Coal Mine, which produces high-quality coking coal. Along with the dispatch of personnel, Marubeni is collaborating with partner Xstrata Coal Pty Limited to promote stable operations.

Promotion of Coal Gasification Project in Vietnam

Marubeni has signed a business cooperation contract with Vietnam National Coal-Mineral Industries Group and Linc Energy Ltd. of Australia for the joint development of a business utilizing underground coal gasification technology. Operations will target sub-bituminous coal found in the Red River Delta on the outskirts of Hanoi, Vietnam. Investigations of the proposed site are currently under way ahead of eventual commercialization.

Transportation Machinery Division

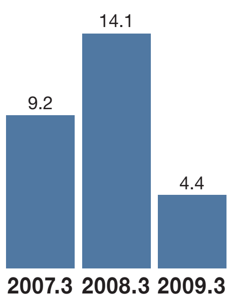
Shigemasa Sonobe
Managing Executive Officer, COO,
Transportation Machinery Division

Message from the COO

In fiscal 2008, ended March 31, 2009, we continued taking bold steps to upgrade and enhance the business base for the entire Transportation Machinery Division. In addition to putting operating companies acquired in the previous fiscal year on a path for growth and performing follow-up after the launch of new subsidiaries, our actions included acquisition of a U.K.-based car dealer and the start of a sales joint venture with a foreign engine manufacturer in Japan. In fiscal 2009, our policy is to promote greater earnings stability by expanding our activities and investment in the after-sales sectors of each product that we trade.

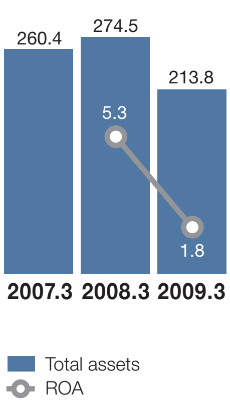
Net income

(Billions of yen)



Total assets & ROA

(Billions of yen) (%)



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** ROA is provided for fiscal years from fiscal 2007. It is calculated by dividing net income by average total assets at the beginning and end of the fiscal year.

Sources of Strength

- **Aerospace and defense system sectors with growing number of American and European products**

The division has seen its investment in a development program for large aerospace engines, U.S.-made business jets, Brazil-made passenger aircraft, large helicopters built in Europe, and European electronic devices all contribute to earnings.

- **Automobile sector where division offers a wide range of functions, including retail sales, export of automotive production systems, and auto loans**

In the automobile sector, the division has increased automobile exports to the Middle East and Africa, in addition to acquiring car dealerships in the U.S., U.K., and Australia. In the automotive production systems sector, the division has a fully integrated service framework in place for China, India, and North America encompassing everything from the provision of production systems to the sale of machine tools and component distribution services.

- **A competitive edge in the export of construction and agricultural machinery to Asian and Middle Eastern countries with a number of local distributors in place**

In the construction and agricultural machinery sectors, the division meets demand in the resource and general construction fields, and has strengths in the export of products to Asia and the Middle East.

Business Highlights

(Billions of yen)

	2007.3	2008.3	**2009.3**
Gross trading profit	50.3	51.1	**46.8**
Equity in earnings	3.1	4.5	**2.8**
Segment net income	9.2	14.1	**4.4**
Segment assets	260.4	274.5	**213.8**

Equity Interest in Principal Subsidiaries

(Billions of yen)

	Percentage of Voting Rights	2007.3	2008.3	**2009.3**
Marubeni Aviation Services Ltd.	100.0%	2.7	2.8	**3.0**
Marubeni Auto Investment (UK) Ltd.	100.0%	0.7	0.8	**0.6**

Industry Environment and Fiscal 2008 Results

The division met with steady success overall during the first half of fiscal 2008, reflecting healthy trade to newly emerging economies. Following the so-called "Lehman Shock" in September, however, sales dropped considerably as financial uncertainty spread to newly emerging economies amid lower demand in the U.S. and European markets. The yen's appreciation, moreover, caused competitiveness to suffer, while customers made inventory adjustments in response to the economic downturn. Consequently, demand in the automobile sector, as well as the aerospace and the construction and agricultural machinery sectors, dropped substantially. This climate prompted revisions and freezes in manufacturers' capital investment plans, and triggered a widespread move to curtail new investment. These conditions notwithstanding, the outlook for investment in environmental technologies, such as the development of hybrid and electric cars, remains upbeat. In light of these technologies, we conducted research ahead of the division's advancement into businesses for production systems and machinery pertaining to lithium batteries, motors, inverters, and high-speed recharging systems.

In this challenging environment, we took steps in each business sector to pursue marketing efforts with horizons beyond the next fiscal year, taking on promising new projects and identifying outstanding new business opportunities. At the same time, we rigorously controlled costs and bolstered efforts to manage inventories and receivables at operating companies in an attempt to reduce financial expenses.

As a result, in fiscal 2008, segment gross trading profit totaled ¥46.8 billion, and segment net income amounted to ¥4.4 billion on a consolidated basis.

Initiatives in Fiscal 2009

In the automobile and automotive machinery and production systems sectors, as well as the construction and agricultural machinery sector, we will focus on trade and wholesaling to newly emerging economies (e.g., BRICs, Central Asia, Africa, and the Middle East), where latent growth potential is high and market declines have been less severe, in addition to reinforcing existing operating companies. For the division's car dealerships in Europe, the United States and Australia, given that market recovery is expected to take time, the goal is to boost profitability by strengthening our hand in the after-sales sector. In the aerospace and defense systems sector, we aim to increase sales of passenger jetliners made by Embraer S.A. of Brazil and U.S.-made business jets, as well as expand services of all types to domestic airlines. The latter will include ground handling and other flight prep-related operations for domestic airports.

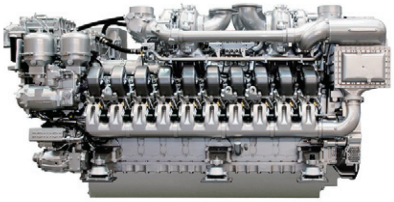
Business Topics

Established Hino Motors Sales India

Marubeni, with joint investment from Hino Motors, Ltd., established the sales company Hino Motors Sales India Private Ltd. in Mumbai, India, in August 2008. The new sales company will serve as a base for the sale of trucks and buses to the Indian market, which has undergone rapid growth in the wake of economic deregulation.

Participated in a Diesel Engine Sales Business in Japan

In January 2009, MTU-Marubeni Co., Ltd. began operating after Marubeni took an equity stake in MTU Japan, an importer and seller of diesel engines for the Japanese market produced by MTU Friedrichshafen GmbH of Germany. MTU-built engines have received enormous international praise for their performance and reliability, and also have an extensive track record in Japan, including in service for the Japan Coast Guard.



Delivered the First Embraer Aircraft to JAL

In October 2008, Marubeni delivered the first E170 aircraft built by Brazil's Embraer S.A. to J-AIR Corporation, a member of the Japan Airlines Group. J-AIR chose to adopt the compact aircraft to take advantage of its distinct feature—a comfortable passenger cabin—with the goal of enhancing both flight efficiency and customer convenience. The aircraft entered service in February 2009.

Power Projects & Infrastructure Division

Shigeru Yamazoe
Managing Executive Officer, COO,
Power Projects & Infrastructure Division

Message from the COO

Through marketing activities over many years, the Power Projects & Infrastructure Division has built solid regional sales bases in two priority sectors—the overseas Independent Power Producer (IPP) and overseas Engineering, Procurement and Construction (EPC) businesses. Together with sophisticated capabilities in finance arrangement and development, these advantages provide a base through which we work to amass prime assets that stably generate future earnings. In parallel, we aggressively pursue initiatives not only in Japan's steadily growing retail power sales sector, but in the environmental infrastructure sector, particularly water and sewerage systems, and in the overseas IT and telecommunication projects sector as well.

Sources of Strength

• Ample proven results and EPC project management capability in the power plant EPC field

The division has built an impressive track record since first entering the delivery and construction overseas of power generation, transmission and transformer equipment from heavy electric machinery manufacturers in Japan in the 1960s. In the intervening years, the division has inked alliances with top-flight manufacturers from the United States and Europe, assumed management of projects using its own unique methodology, and also shown its strengths in engineering and global procurement. In this way, the division has established a full-turnkey business model for delivering all necessary project components on a contract basis, including the design of power generation equipment. Today, we boast a list of achievements that place Marubeni in the top class of EPC contractors in the power plant industry.

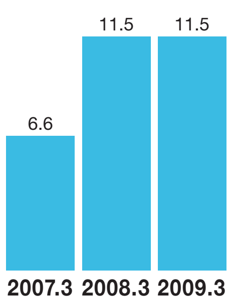
• Solid regional sales base and expertise in the arrangement, development and implementation of sophisticated finance programs

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 an asset portfolio with risk diversified in global markets. Another division strength is its project finance arrangement, based on schemes underpinned by its high-level information gathering capabilities and extensive experience.

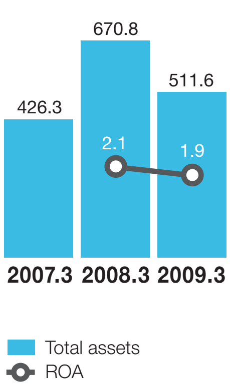
• Generation assets with a net generating capacity of 7,400 MW, comparable to that of some domestic power companies

The 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. Currently, the division has built an entrenched industry position.

Net income
(Billions of yen)



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



* Figures up to fiscal 2006 have been retrospectively restated in conjunction with organizational changes in fiscal 2008.
** ROA is provided for fiscal years from fiscal 2007. It is calculated by dividing net income by average total assets at the beginning and end of the fiscal year.

Business Highlights

(Billions of yen)

	2007.3	2008.3	2009.3
Gross trading profit	28.7	40.5	50.1
Equity in earnings	4.3	7.9	11.5
Segment net income	6.6	11.5	11.5
Segment assets	426.3	670.8	511.6

Industry Environment and Fiscal 2008 Results

Division businesses, by virtue of existing in the utilities sector, experience exceptionally firm demand. Earnings stability, moreover, is largely assured through long-term power purchase agreements for the majority of projects. As such, we recognize that the recent global recession is likely to have only a limited impact on division performance. In fiscal 2008, ended March 31, 2009, fluctuations in crude oil prices and currency exchange rates have affected the profitability of existing projects. The recession's impact is also starting to show on the finance front, where it is hindering financing arrangements for new projects and other tasks. Consequently, we will focus attention on addressing this point in the coming months. Going forward, we will take fuller advantage than before of our many tools gained through years of experience, such as the rigorous selection of highly profitable projects and diverse financing sources prefaced on institutional finance. In this way, we will take assertive steps to enhance the competitiveness and maintain or improve the profitability of our projects, viewing today's recession as a prime opportunity to be much more selective.

Key accomplishments in the IPP field in fiscal 2008 included the acquisition of Senoko Power Limited, the largest power generation company in Singapore, the acquisition of partial interest in Hsin Tao Power Corporation's Gas-Fired Combined Cycle Power Plant in Taiwan, and the acquisition of major Australian comprehensive energy company Energy Infrastructure Investment Pty Limited (EII; formerly APA GasNet Australia Investment Limited (GAIL)). In the EPC field, Marubeni was awarded a contract for construction of a cogeneration power plant by Glow Energy Plc ("Glow"), one of the biggest independent power producers in Thailand. In addition, we won a contract from Qatar General Electricity & Water Corporation for constructing a pumping station and water mains for one of the Middle East's largest wastewater treatment stations. As a result, in fiscal 2008, segment gross trading profit totaled ¥50.1 billion, and segment net income amounted to ¥11.5 billion on a consolidated basis.

Initiatives in Fiscal 2009

In the overseas power plant EPC business, in addition to focusing on capturing orders from existing priority markets, we plan to aggressively develop our after services operations for power plant projects joined in the previous fiscal year to diversify and expand earnings sources.

In the overseas IPP business, from the standpoint of optimizing our regional portfolio balance and investment returns, we will increase the number of rigorously chosen prime power assets, particularly in powerful markets like Asia, the Middle East and the United States. At the same time, under a system of centralized asset management, we will work actively to boost the profitability of existing projects and optimize our portfolio of power assets.

In retail power sales in Japan, despite an environment characterized by sharply fluctuating fuel prices, we will continue efforts to secure new electricity sources and expand the scale of the retail sales market, while also moving assertively to realize added value on the environmental front.

In the overseas water and sewerage systems sector, our eye will be on acquiring prime assets in promising markets, namely Central and South America, China, Europe, and the Middle East.

In the IT and telecommunication projects sector, our actions will focus specifically on gaining more contracts for security projects in South Africa, one of our key markets, as well as digital broadcasting operations.

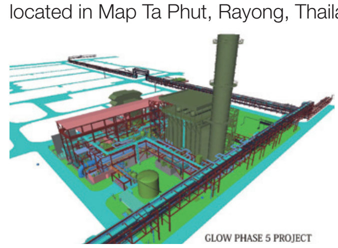
Business Topics

Senoko Power Acquisition Project in Singapore

In September 2008, Marubeni joined forces with The Kansai Electric Power Co., Inc., Kyushu Electric Power Co., Inc., Japan Bank for International Cooperation, and GDF Suez S.A. of France to purchase all shares in Senoko Power Limited, Singapore's largest power generation company. The shares were purchased from Singapore-based investment company Temasek Holdings (Private) Limited.

Order for Glow Phase 5 Power Generation Equipment from Thailand

As part of a consortium with U.S.-based Black & Veatch Corporation, Marubeni in April 2008 received an order to construct a cogeneration power plant with a maximum power output of roughly 380 MW. The new plant, which will supply electricity and steam, was ordered by Glow Energy Plc, a prominent IPP based in Thailand. Plans call for electricity and steam produced at the plant to be supplied largely to the industrial estate located in Map Ta Phut, Rayong, Thailand.



Pumping Station, Water Main and Cable Installation Projects in Qatar

In April 2008, Marubeni received an order from Qatar General Electricity & Water Corporation, Qatar's state-run power and water utility, to construct cables in the city of Doha worth roughly ¥20 billion. The following July, we received an order worth approximately ¥40 billion from Qatar's Public Works Authority to build a pumping station and water mains for transporting brackish water produced by a wastewater treatment station in northern Doha.

Plant, Ship & Industrial Machinery Division

Shingo Tsuda
Executive Officer, COO, Plant, Ship & Industrial Machinery Division

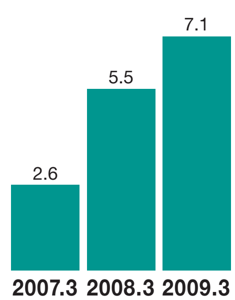
Message from the COO

The division is active in the four core business sectors of plant, transport, ship and industrial machinery. By leveraging our expertise in each of these sectors we develop and promote a variety of projects, in collaboration with strategic partners, in response to our customers' needs. In parallel, we will focus attention on creating and participating in businesses that reinforce our long-running core operations.

We will continue to regard the environment issue as a shared theme across these core business sectors, and we aim to develop, nurture and expand environment-related new business as a fifth core business sector in addition to the Clean Development Mechanism (CDM), solar energy and bio-fuel projects where we are already involved.

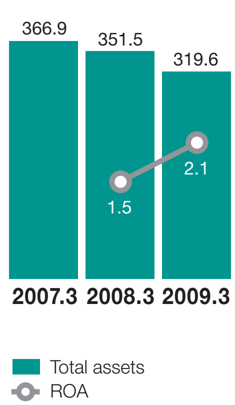
Net income

(Billions of yen)



Total assets & ROA

(Billions of yen) (%)



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** ROA is provided for fiscal years from fiscal 2007. It is calculated by dividing net income by average total assets at the beginning and end of the fiscal year.

Sources of Strength

- **Organization and development capabilities for projects through the comprehensive functions of a general trading company**

The division develops and promotes projects including the investment business by leveraging extensive market expertise and know-how based on past experience, collaboration with leading domestic and foreign contractors and manufacturers, structured finance and risk management capabilities, and cross-divisional collaboration.

- **Build on trust-based relationships with customers and partners and comprehensive functions to meet customer and market needs**

By strengthening existing customer relationships built through previous initiatives, identifying new customers and markets, forming alliances with strategic partners, and providing functions and services that meet customer and market needs, the division works simultaneously to expand existing transactions and develop into new business fields and investment business.

- **Activities for getting orders by use of engineering functions**

The division is also capable of acting as a contractor for EPC projects, by combining engineering functions founded on expertise and technological capability accumulated through past initiatives and its risk management capabilities in the areas of oil and gas, steel, cement, paper and pulp, and transport infrastructure.

Business Highlights

(Billions of yen)

	2007.3	2008.3	2009.3
Gross trading profit	23.3	25.9	25.2
Equity in earnings	0.6	2.5	5.9
Segment net income	2.6	5.5	7.1
Segment assets	366.9	351.5	319.6

Equity Interest in Principal Subsidiaries

(Billions of yen)

	Percentage of Voting Rights	2007.3	2008.3	2009.3
Midwest Railcar Corporation	100.0%	0.01	0.5	0.5
Marubeni Techno-Systems Corp.	100.0%	0.2	0.3	0.6

Industry Environment and Fiscal 2008 Results

In terms of key policies for fiscal 2008, ended March 31, 2009, we focused on expanding and strengthening transactions for EPC and newly built ships, and accelerated our participation in investment businesses in every sector to build up a portfolio of quality assets. However, the economic circumstances drastically changed as a result of the global financial crisis that started in the second half of 2008, and certain projects are delayed or under review.

Under these conditions, the division enhanced its comprehensive business capabilities by leveraging its extensive expertise and experience in the markets, products and structured financing, and cooperation with commodity-related departments of the Marubeni Group. In plant, transport and industrial machinery projects and in the ship field, where we remain highly competitive, we expanded EPC projects, as well as the newly built ships trade. Also, we pursued investment projects in related business fields by implementing careful selection to expand and enhance our earnings power.

In the EPC field, we worked to smoothly execute existing contracts and focused on winning orders for new projects. Consequently, the division won orders for two alumina smelting plant projects in Vietnam, an airport project in the Ukraine, and a dry dock project in Qatar. In the ship sector, while increasing orders for newly built ships, we expanded our chartering operations by boosting our own fleet of ships.

In the investment business field, we invested in the APA Group's gas and power business in Australia, and in a maintenance service company for steel mills in the U.S.A. Also, we further increased the portfolio of lease assets for our freight railcar leasing operations in the United States.

In the environment sector, we continued to develop CDM, Joint Implementation (JI), and other greenhouse gas emissions reduction projects, and increased the division's sales record for the solar energy field, mainly for solar cell modules in European markets.

As a result, in fiscal 2008, segment gross trading profit totaled ¥25.2 billion, and segment net income amounted to ¥7.1 billion on a consolidated basis.

Initiatives in Fiscal 2009

It appears that it will take some time to improve these challenging business conditions caused by the global financial crisis. In the meantime, we will build on our achievements thus far and consolidate our position for the next stage by using our comprehensive functions and services to meet the latest needs and leveraging alliances with new strategic partners.

In existing EPC and trading fields, we will retain our focus on expanding transactions in sectors where we enjoy advantages, including plants for steel, paper and pulp, cement, and petrochemicals, transport projects, and ships.

In the on-site services at steel mills, midstream oil and gas industry businesses, freight railcar leasing, and ship chartering sectors that we have been focusing on, we will increase our quality asset portfolio through our strict standard of selection.

Finally, in the environment field, we are accelerating realization of the project under development, as well as making every effort to establish and launch new environmental businesses.

Business Topics

Advancement into Gas and Power Business in Australia

Our division and the Power Projects & Infrastructure Division, have advanced into the energy business in Australia, through the acquisition of gas processing, gas pipeline and power generation assets held by Energy Infrastructure Investment Pty Limited (formerly APA GasNet Australia Investment Limited (GAIL)), a subsidiary of the APA Group, one of Australia's most prominent energy companies.

Highlighting Coordinating Functions in the Ship Field

Construction of a 297,500 DWT crude oil tanker ordered by Formosa Honor Marine Corp. (Liberia) was completed at the Ariake Shipyard of Universal Shipbuilding Corporation in November 2008. In optimally leveraging our coordinating functions as a general trading company, we pursue the ship business on a global scale by organically integrating the needs of operators, ship owners, shipyards, and financial institutions.

Xinyi Songshan Lines System-Wide E&M Project in Taipei City

Marubeni, in conjunction with Kawasaki Heavy Industries, Ltd. and CTCI Corporation, won an order in March 2007 for Xinyi Songshan Lines System-Wide E&M Project in Taipei City, which covers a full package of rolling stock, signaling system, power supply system, communications system and automatic fare collection system. This project is expected to greatly contribute to easing traffic congestion in Taipei City.

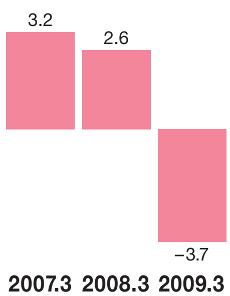
Real Estate Development Division

Ikuo Yoshida
Executive Officer, COO,
Real Estate Development Division

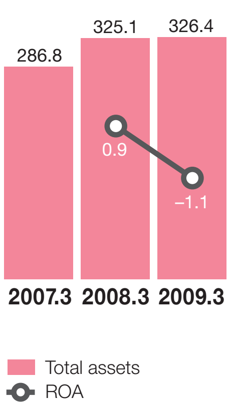
Message from the COO

The division and its operating companies are involved in a wide range of real estate businesses, with the condominium business in Japan, real estate investment business, and overseas real estate development business as core earnings drivers. The real estate market was lackluster in fiscal 2008, ended March 31, 2009, due to sharp deterioration in the economic environment. The division, however, is determined even in this adverse industry climate to achieve sustainable growth by capitalizing on its comprehensive capabilities as a real estate expert, and maintaining the trust of its customers and partners.

Net income (loss)
(Billions of yen)



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



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** ROA is provided for fiscal years from fiscal 2007. It is calculated by dividing net income by average total assets at the beginning and end of the fiscal year.

Sources of Strength

- **Ample experience in the condominium business**

The division has supplied more than 73,000 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.

- **Capacity to develop office buildings, commercial facilities, and other diverse real estate investment projects**

As a developer, the division has a track record in developing a wide array of real estate investment projects, including office buildings and commercial facilities. At the same time, the division is involved in asset management, property management, and other real estate-related services as part of its comprehensive development capabilities for meeting customer needs.

- **Extensive development experience as a pioneer in China's housing business**

The division, in 1985, became the first Japanese real estate developer to take 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.

Business Highlights

(Billions of yen)

	2007.3	2008.3	2009.3
Gross trading profit	32.6	32.4	23.0
Equity in earnings (losses)	0.5	0.1	(0.5)
Segment net income (loss)	3.2	2.6	(3.7)
Segment assets	286.8	325.1	326.4

Equity Interest in Principal Subsidiaries

(Billions of yen)

	Percentage of Voting Rights	2007.3	2008.3	2009.3
Shanghai House Property Development Co., Ltd.	60.0%	0.6	0.9	0.4
Marubeni Community Co., Ltd.	99.9%	0.3	(0.4)	0.3
Marubeni Real Estate Co., Ltd.	100.0%	0.2	0.4	0.4

Industry Environment and Fiscal 2008 Results

In fiscal 2008, financial market turmoil triggered by fallout from the sub-prime loan crisis greatly affected the real estate market. In the condominium business, the sales environment worsened mainly on diminished buyer sentiment due to the economic recession. The real estate investment business, meanwhile, witnessed a drop in the inflow of investment money, largely reflecting restricted loan and credit availability and erosion in investor sentiment.

In this environment, we placed greater emphasis on sales capabilities in the condominium business and responded swiftly to conditions in a push to quickly sell all available units.

In the real estate investment business, our efforts to identify prime assets continued, as we took steps to enhance our capabilities in leasing, asset management and property management in order to strengthen earnings capabilities in our rental business. In particular, the start of full-fledged asset management by consolidated subsidiary Marubeni Asset Management Co., Ltd., following its completion of registration as an investment manager, advisor and agent in June 2008, has raised the division's profile in real estate investment services.

In the overseas real estate development business, the second round of condominium sales for the division's 1,158-unit Lu Ming Garden condominium business in Shanghai was off to a brisk start despite subdued economic growth in China, and a subsequent downturn in real estate prices since the second half of 2008.

However, due to the worsening conditions in the real estate market, in fiscal 2008, segment gross trading profit totaled ¥23.0 billion, and segment net loss amounted to ¥3.7 billion on a consolidated basis.

Initiatives in Fiscal 2009

Japan's declining birthrate and growing elderly population, along with the globalization of real estate overseas in emerging markets like China, are prompting massive changes in real estate development.

For its part, the division has set sights beyond condominium development to offer a diverse range of property follow-up services through management company Marubeni Community Co., Ltd., condominium Internet connection professional Tsunagu Network Communications, Inc., and other operating companies. The goal here is to enhance the division's overall earnings capabilities.

In real estate investment, we will strive to promote a highly sustainable business through Marubeni Asset Management Co., Ltd.'s asset management service-based fee business, and by increasing rental income at Marubeni Real Estate Co., Ltd.

Overseas, in addition to continued housing development activities in Shanghai, China, the division will expand its operating area and diversify its projects by, for example, promoting the development of multipurpose complexes in Tianjin, Shenyang, and other Chinese cities.

Business Topics

Grand-Suite Kobe NORTH HAT (Kobe, Hyogo Prefecture)

In October 2008, development and construction were completed for Grand-Suite Kobe NORTH HAT, a 156-unit project in the newly developed HAT (Happy Active Town) area of Kobe. In addition to the attractive homes, the complex also offers health care and cultural facilities, bringing the many special features of urban life together in one concentrated area. The convenience has elicited a positive response, and sales have been strong.

Office Development in Minato Mirai 21 Block 42

Marubeni has begun development of a large-scale office building with 26 floors (aboveground) and a total floor area of roughly 114,000 square meters. Construction is scheduled to be completed in the summer of 2011. The building is being developed in Yokohama's Minato Mirai district, an area that has quickly become the site of numerous offices and commercial facilities.

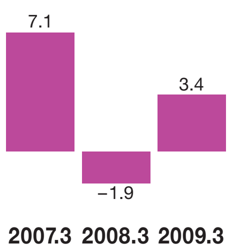
Lu Ming Garden Project (Shanghai, China)

Marubeni is currently developing Lu Ming Garden, a large-scale, 1,158-unit condominium complex in Shanghai, China. The first round of sales and transfer of ownership for 687 units has already been completed. Sales activities are moving ahead smoothly for the second round of sales for the remaining 471 units.

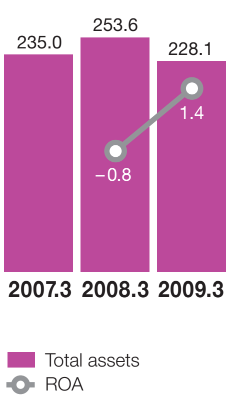
Finance, Logistics & IT Business Division

Hidehisa Saito
Executive Officer, COO, Finance, Logistics & IT Business Division

Net income (loss)
(Billions of yen)



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



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** ROA is provided for fiscal years from fiscal 2007. It is calculated by dividing net income by average total assets at the beginning and end of the fiscal year.

Message from the COO

This division pursues operations in fields that are relatively new for general trading houses, providing outsourced services primarily to private enterprises and public institutions in the business areas of finance, logistics, insurance, information, environment and healthcare. As the Japanese 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.

Sources of Strength

- **An industry leader in domestic and foreign emissions credit trading**

Leveraging its trading company functions, the division provides a consistent supply of emissions credits from a variety of regions and projects, both in Japan and overseas. Examples of this pioneering presence include being the only trading company to receive orders from and supply carbon offset credits to the Japanese government, and collaboration with major Russian company Gazprom. Going forward, the division will be a leader in new initiatives for the emissions credit market.

- **Superior ability to provide comprehensive IT services**

The division is strengthening its hand in targeting corporations, most notably in consulting, system development, and the sale of IT-related equipment and mobile communication 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.

Business Highlights

(Billions of yen)

	2007.3	2008.3	2009.3
Gross trading profit	37.9	41.6	51.9
Equity in earnings	0.3	0.8	0.6
Segment net income (loss)	7.1	(1.9)	3.4
Segment assets	235.0	253.6	228.1

Equity Interest in Principal Subsidiaries

(Billions of yen)

	Percentage of Voting Rights	2007.3	2008.3	2009.3
Marubeni Information Systems Co., Ltd.*	100.0%	0.7	0.1	0.9
VECTANT Ltd.	99.9%	0.6	3.9	0.5
Global Access Ltd.	99.9%	(0.2)	0.6	1.2
Marubeni Telecom Co., Ltd.	100.0%	0.6	0.6	1.3
Marubeni Safenet Co., Ltd.	100.0%	0.4	0.5	0.5
Marubeni Logistics Corporation	100.0%	0.3	0.4	0.4

* In October 2007 Marubeni Information Systems Co., Ltd. merged with Marubeni Solutions Corp. Figures prior to the merger are calculated based on the sum of the two companies' results.

Industry Environment and Fiscal 2008 Results

The second half of fiscal 2008, ended March 31, 2009, witnessed ongoing turmoil in financial markets stemming from the sub-prime loan crisis evolve into a full-blown financial crisis, with the United States at its epicenter. Consequently, economic sentiment in the corporate and individual retail client sectors rapidly deteriorated, negatively impacting many business fields. Economic stagnation has been especially acute in the finance sector, with investment funds and stocks losing value, while in the logistics sector, shipping rates have plummeted in step with a decline in the movement of freight. In the IT-solutions field, although corporate customers are taking a more cautious approach to new investment, profits were up due to improvements of the business structure, and the impact of the current economic slowdown on the network sector has been limited, reflecting the stock-based earnings business model. For emissions credit trading too, while the willingness to purchase credits appears to be receding, prices for credits are expected to remain firm as activity picks up ahead of the post-Kyoto Protocol era.

Despite a business environment that was harsh overall, with the division's future position in mind we conducted several activities. In the logistics sector, the division reached an agreement to establish a joint venture company for terminal and logistics business in the growing China market with local logistics companies. In the BPO field, the division invested in a call center management company, while in the emissions credit trading the division concluded a comprehensive agreement with Russian Gazprom group for sales to the Japan market and also engaged in various carbon offset initiatives, including New Year's greeting cards and uniforms.

As a result, in fiscal 2008, segment gross trading profit totaled ¥51.9 billion, and segment net income amounted to ¥3.4 billion on a consolidated basis.

Initiatives in Fiscal 2009

We intend to approach fiscal 2009 through internal reorganization that will enable the division to respond flexibly to a constantly changing market environment. In the finance field, we will keep a watchful eye on market conditions as we carefully push forward with buyout investments business. In the logistics and insurance field, our goal is to increase earnings by expanding our logistics bases and networks, particularly in China and the ASEAN region. Where the IT solutions and network fields are concerned, we are strengthening product and service lineups and focusing on stock-based business.

Going forward, we view growth domains and continue to boost earnings in areas such as the environment business, where we will focus on emissions credit trading, the BPO business, which helps customers reduce their costs, and healthcare, which offers a wealth of business opportunities in hospitals and pharmaceuticals.

Business Topics

Investment in iSigma Business Support Fund Member SWEETSTYLE Co., Ltd.

Marubeni is invested in SWEETSTYLE Co., Ltd., which operates the Azabuzyuban Mont-Thabor bakery, a casual dining café called Cats Café, and other establishments. Marubeni is currently working closely with SWEETSTYLE, which is a member of the iSigma Business Support Fund, to raise the investee's corporate value.

Establishment of Shanghai Jiao Yun Co., Ltd.

In March 2009, Marubeni established Shanghai Jiao Yun Co., Ltd. as a joint venture with Shanghai Jiaoyun Rihong International Logistics Corporation. 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.

Developing a New PC Market via Netbooks

Netbooks (mini notebook PCs) accounted for over 20% of retail notebook PC sales in 2008. Marubeni was quick to launch the "Eee PC" produced by Taiwanese netbook pioneer ASUSTeK Computer Inc. in the Japanese market, and is working to grow sales.

Iron & Steel Strategies and Coordination Department

This department closely coordinates activities among several companies, including Marubeni-Itochu Steel Inc. (MISI), founded on October 1, 2001 as the receiver of Marubeni's former Iron & Steel business, as well as Marubeni Construction Material Lease Co., Ltd., Thai Cold Rolled Steel Sheet Public Co., Ltd. (TCR) and other operating companies. This coordination, in turn, promotes more organic functions in the iron and steel business and every industry in which Marubeni Group divisions are active.

In the eight years since its founding, MISI has been making its presence felt as a leading trading company in the steel sector. The iron and steel business today faces an adverse environment, reflecting the impact of the financial crisis that emerged in the second half of fiscal 2008 on demand for steel materials. Despite this challenging climate, the department is leveraging MISI's global network to aggressively expand business.

TCR, a joint venture between JFE Steel Corporation and the Sahaviriya Group of Thailand, is a manufacturer of cold rolled steel sheets, which are primarily used in the production of automobiles and home appliances. TCR provides high-quality cold rolled steel sheets to Japanese companies with localized operations and other sources of demand in Thailand. Marubeni Construction Material Lease is listed on the First Section of the Tokyo Stock Exchange and, having already staked out a corner of the heavy scaffolding and construction materials industry, is broadening its business scope through its contributions to the construction industry.

As a holding division for operating companies involved in iron and steel products, the Iron & Steel Strategies and Coordination Department will remain committed to growing earnings and generating new businesses via its operating companies. At the same time, the department is upgrading its intelligence functions, namely its capacity to gather, assess and provide market data pertaining to target customers, steel products and other market aspects, as well as its solutions functions, essentially its ability to analyze current trends, identify key topics and propose solutions. In this way, the department is determined to help Marubeni maintain the comprehensive nature of its iron and steel product businesses.

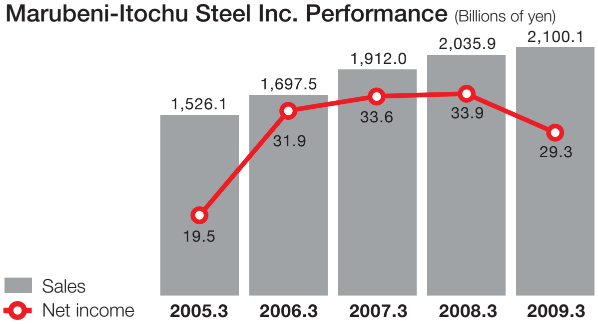
Business Highlights

(Billions of yen)

	2007.3	2008.3	2009.3
Gross trading profit	0.8	1.0	1.0
Equity in earnings	17.8	17.4	13.9
Segment net income	14.9	16.5	14.9
Segment assets	101.6	105.1	89.9

* Figures up to fiscal 2006 have been retrospectively restated in conjunction with organizational changes in fiscal 2008.

Marubeni-Itochu Steel Inc. Performance (Billions of yen)



Business Topics

Establishment of MIM Steel Processing GmbH

MIM, a processor and distributor of steel sheets, is a joint venture established in September 2007 between MISI and the CLN Magnetto Group. Based in Germany, MIM mainly targets Japanese television manufacturers, which are rapidly expanding their presence in the Central and Eastern European regions. The company recently initiated its marketing activities, taking advantage of its superior processing technology for specialty products, which include color coated steel sheets.

TCR

The Thai automobile industry is aiming to become Asia's premier car manufacturing center. TCR focuses heavily on supplying this sector and the rest of Thailand with around 750,000 to 800,000 metric tons of high-quality cold rolled steel each year. At the same time, TCR exports between 150,000 to 200,000 metric tons of these products to other fast-growing neighboring countries in Asia.

Abu Dhabi Trade House Project Department

Abu Dhabi Trade House Project Department formed the general trading house in Abu Dhabi as a joint venture with the government of the Emirate of Abu Dhabi, U.A.E. Combining the funding capabilities and credit standing of Abu Dhabi with Marubeni's expertise in the development of products and services and project coordination, the department promotes new business creation in Abu Dhabi and other nations in the Middle East and North Africa.

Marubeni and the government of the Emirate of Abu Dhabi, U.A.E., established Abu Dhabi Trade House LLC (ADTH) in May, 2007. On top of the present energy related business, the Emirate of Abu Dhabi is diversifying its economy by promoting new industries. The government has formulated a development plan called "Plan Abu Dhabi 2030" to achieve both environmentally friendly economic growth and urban development.

This joint venture is striving to become an Abu Dhabi-based general trading house by building a value chain that combines three core business areas of trade, investment and project development.

ADTH has been conducting feasibility studies on the commercial viability of potential businesses such as construction materials, foodstuff and other sectors, as well as looking into inviting Japanese manufacturers to the industrial development of the Emirate.

While supporting the industrial development of the Emirate of Abu Dhabi and pursuing alliances with neighboring countries, ADTH aims to achieve further expansion and development.

The Role of Abu Dhabi Trade House

The government of Abu Dhabi

Abu Dhabi government-owned corporations

Coordination of cooperation and support

Abu Dhabi Trade House

Abu Dhabi Trade House aims to be a one-stop shop for Japanese enterprises in the project for the diversification of Abu Dhabi's economy.

- Advice of information for industrial development, trade, and investment promotion
- Matching of needs between Abu Dhabi and Japanese companies
- Joint business development with Japanese enterprises

Overview of Abu Dhabi Trade House

Management Team:	Suhail Mubarak Al Ameri, Chairman	
	Yoshitaka Miyauchi, CEO	
Head Office Location:	Abu Dhabi, United Arab Emirates	
Shareholders:	General Holding Corporation (State-run enterprise)	60%
	Marubeni Corporation	40%

Overseas Operations

Marubeni's network outside of Japan consists of 69 country and regional bases and 114 offices, which take advantage of their specialized regional knowledge in promoting initiatives. Meanwhile, Marubeni's 242 operating companies pursue operations based on medium- to long- term strategies advanced by their respective business divisions. This close-knit network enables the Company to accurately grasp live data and put it to use to create the kinds of global value that only Marubeni can provide.

The Americas

In addition to strong agricultural material sales and grain exports, Marubeni is enhancing its earnings base in a wide range of sectors across the Americas.

Major Regional Business Bases

North America
- 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

Koichi Mochizuki
Senior Managing Executive Officer
Regional CEO for the Americas

[Economic Environment and Initiatives in Fiscal 2008] In 2008 the U.S. economy continued to perform sluggishly from the first half of the year, despite repeated measures to ease monetary policy. In the second half of the year, the financial markets were thrown into crisis by the collapse of Lehman Brothers, with major effects on the real economy, including progressively worsening employment conditions and tightening of credit.

In the U.S., an agricultural materials sales company posted steady performance in fertilizer and herbicides, while grain collection and sales companies expanded their trade networks and enjoyed robust wheat exports, with both company types achieving record high earnings. Moreover, Marubeni extended its business domains, using acquisitions to enter the after-service business for electric power plants and maintenance service business for iron and steel-making plants. In Central and South America, Marubeni expanded its handling of Venezuelan petroleum products, acquired an additional interest in the Chilean copper mining project, and entered the freight railcar leasing business in Brazil. In addition to these projects, the Company increased its trading of grain from the Americas to the Middle East and Africa.

[Upcoming Initiatives] Amid the severe economic conditions of 2009, Marubeni will focus on fostering and strengthening its existing operating companies in key fields such as agriculture-related businesses, and strive to ensure smooth execution of all projects. At the same time, the Company will leverage its unique functions as a trading house to lay a strategy for enhancing its future earnings base.

Europe

In Europe, Marubeni pursues business in an array of industry sectors, most notably North Sea oil field development, wholesale electricity sales, automobiles, construction machinery, and agricultural machinery, and the sale of agrichemicals, fertilizers, and other chemicals. Marubeni's policy going forward is to continue to focus on areas such as food, and environmental infrastructure projects.

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

Yutaka Nomura
Executive Officer
Regional CEO for Europe

[Economic Environment and Initiatives in Fiscal 2008] The euro-zone economy in 2008 recorded negative growth for three quarters from the second quarter onwards due to the global economic depression. Central and Eastern Europe, viewed as the next growth region for the European economy, has seen some countries receive emergency loans from the IMF, due to economic stagnation in Western Europe, and distortion caused by economic structures dependent on foreign currency-denominated loans. Similarly, the situation in neighboring Russia, which previously benefited from high natural resource prices, and Ukraine, has been seriously impacted by the bursting of the economic bubble. 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. In 2008, however, despite the steady performance during the first half of the year, sales slumped in the second half, particularly in automobiles, construction machinery and chemicals, due to sudden changes in the market environment, and overall growth in earnings was sluggish.

[Upcoming Initiatives] Negative growth is again expected for the euro-zone economy in 2009. That said, new business opportunities, including new projects in cooperation with prominent business partners, are also emerging. Accordingly, Marubeni's policy will be to focus on sales in Europe of chemicals, food and other commodities, for which stable demand is anticipated over the medium to long term, and on environmental infrastructure projects, including power generation.

China

In 2009, the 30th anniversary of establishment of the Company's China office, Marubeni will aggressively pursue business in China, with a focus on meeting domestic demand.

Major Regional Business Bases

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

Norihiro Shimizu
Managing Executive Officer
Regional CEO for China

[Economic Environment and Initiatives in Fiscal 2008] 2009 marks a milestone 30 years since Marubeni opened its office in China. Over the decades, Marubeni has vigorously promoted initiatives within China, increasing the number of offices to more than ten and the number of companies invested in to nearly 120, and expanding business volume in China to the scale of ¥1 trillion.

Projects in cooperation with Chinese firms in a third country are a long-term focus for Marubeni. Here, the Company won orders in fiscal 2008 for two alumina smelting plants in Vietnam. In the field of logistics, where further development is likely going forward, Marubeni invested in Shanghai Jiaoyun International Logistics Co., Ltd.

[Upcoming Initiatives] China's economic growth pattern today is shifting from an export-led model to one driven by investment and domestic demand, due in part to the impact of the global financial crisis. This trend has coincided with large-scale economic stimulus measures and efforts to promote urbanization by the government. China is targeting high economic growth in 2009, around 8% year on year. Under these circumstance, Marubeni's policy will be to aggressively target business in China, especially business related to domestic demand. In the area of food and foodstuffs, for example, Marubeni will form alliances with major Chinese companies to expand sales of grain to China. The Company will also focus on trade to meet domestic demand for products such as chemicals and pulp, and for environmental areas such as water treatment.

Middle East & North Africa

The Middle East has excellent funding capacity, and offers project investment that is large relative to GDP, population and other market-scale indicators. The region is also one of the most important markets for Marubeni, which focuses on development projects in the infrastructure and energy fields.

Major Regional Business Bases

Middle East

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

Africa

- Tripoli

Ryusuke Konto
Executive Officer
Regional CEO for Middle East & North Africa

[Economic Environment and Initiatives in Fiscal 2008] The global financial crisis has dampened the Middle East region's overall growth rate. This trend is expected to lead to more conservative development plans from the Gulf's oil-producing countries. From a global standpoint, however, economic growth rates in the Middle East remain high, with city development proceeding at a rapid pace. Given the high population growth and other market factors, by 2015 the region is expected to see 60 million KW in electric power development, along with the development of numerous urban water-related projects, including drinking water supply, sewerage and water purification. For Marubeni, the Middle East is highly important to its overseas strategies. As such, Marubeni will continue the stable trade of crude oil and petroleum products with Middle Eastern oil-producing countries, along with participating in the largest LNG project in the Middle East in Qatar. In the independent water and power producer business, perhaps the most important field for this region, Marubeni will implement three projects in Abu Dhabi, and one each in Qatar, Saudi Arabia, and Turkey, respectively. The Company will also renew its focus on large-scale infrastructure projects, including a monorail in Dubai and railway infrastructure for crossing the Bosporus Strait in Turkey, as well as power line equipment and drinking water and sewer infrastructure in Qatar and Abu Dhabi.

[Upcoming Initiatives] In the past, investments in the Middle East were mainly in real estate, especially urban development. However, the focus is expected to shift to infrastructure, specifically independent power and water production and oil and gas development. These are areas where the Company has strengths. For Marubeni, winning contracts, executing projects underway, and concentrating on regions and areas where it has a strong competitive advantage are basic tenets.

ASEAN

Economic integration is gaining momentum in the ASEAN region, an area where significant growth is expected going forward.
We are determined to create a new era for the ASEAN region, backed by strong relationships of trust with our business partners.

Major Regional Business Bases

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

Chihiro Shikama
Executive Officer
Regional CEO for ASEAN

In April 2009, Marubeni established “Marubeni ASEAN Pte. Ltd.” in Singapore as the regional headquarters for ASEAN.

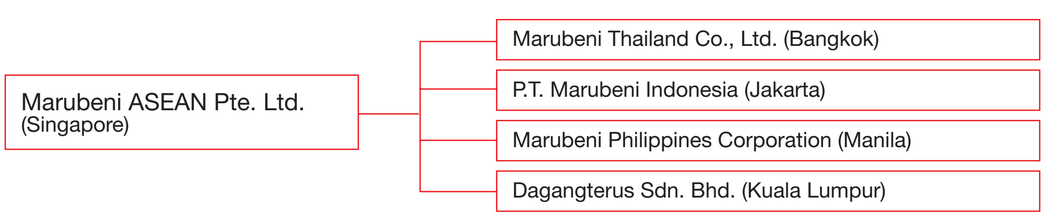
ASEAN has formed a common economic entity to accelerate competitiveness by eliminating tariffs and non-tariff barriers in the region by 2010 for the original 6 member countries,* and by 2015 for all 10 member countries.** It is strongly believed that this unified market production base can achieve greater growth over the medium term, which will further boost the confidence of the alliance. At present, the average age of the region’s population (estimated at 580 million) is extremely young, around 26. This demographic means it is almost certain that ASEAN will transform into a promising consumer market as the number of middle-income households expands in line with economic growth. The region’s close geographic proximity to the massive Chinese and Indian markets is another advantage that will prove important in determining growth.

In the ASEAN region, Marubeni launched business activities in the Philippines around a century ago, and has operated in Singapore and Indonesia for five decades. Backed by this long history, the Company has already acquired both a good reputation and trust among customers in these countries. To take further advantage of these strengths, Marubeni ASEAN Pte. Ltd. will encourage information sharing and alliances between business bases, viewing ASEAN as a single area rather than as individual countries, and promoting area-wide management in the region to build new businesses from a transnational standpoint.

Marubeni ASEAN Pte. Ltd. is intensively pursuing various business opportunities, focusing particularly in four fields—food (agriculture), resources, infrastructure, and environment & new energy. Food (agriculture) is an area where stable growth is anticipated irrespective of today’s severe economic climate. In resources, while Marubeni is presently involved in a large-scale afforestation business in Indonesia, the Company will identify and increase investment in other high-quality projects of this kind. Meanwhile infrastructure such as electric power, water and traffic systems has long been a strong suit for Marubeni. Environment & new energy has become a promising field where further growth is certain going forward. Through the combined effort of pooling expertise and resources and working together across boundaries with the common goal of advancing regional growth, Marubeni ASEAN Pte. Ltd. will aggressively promote businesses in these fields, take on more new businesses with our local partners, and usher in a new era for the Company in the ASEAN region.

* Original 6 ASEAN member countries: Singapore, Brunei, Malaysia, Thailand, Indonesia and the Philippines
** 10 ASEAN member countries: The original 6 member countries and Vietnam, Cambodia, Laos and Myanmar

Marubeni ASEAN Pte. Ltd. Organization



Marubeni's Overseas Strategy: Initiatives for the Next Generation

In April 2009, Marubeni established Marubeni ASEAN Pte. Ltd. in Singapore, and created a Regional CEO for Russia and a Sub-Sahara Desk in Africa to serve these two high-growth regions that will play an important part in Marubeni's overseas strategy. Going forward the Company will continue to engage actively in its overseas strategy to secure growth in the global market.

Russia

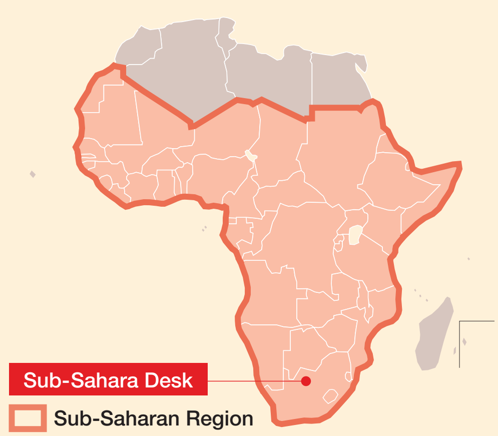
To synchronize its operations in Russia, Marubeni established the post of chief representative for Russia in Moscow in April 2009, with the post incorporating one branch and four sub-branches. The Regional CEO for Russia coordinates activities in four countries—all of Russia, Ukraine, Belarus, and Moldova—and will develop new businesses and proactively negotiate with the senior management of dominant local corporations.

Presently in Russia, Marubeni's petroleum operations in Sakhalin are unfolding smoothly after their 2006 launch. Resources and energy and infrastructure and plant-related areas will remain priority fields going forward. In parallel, Marubeni will bolster initiatives designed to target expansion in local consumer markets. In addition to taking steps to enhance both sales personnel and networks, the Company will also pursue measures for fostering and strengthening its operating companies.

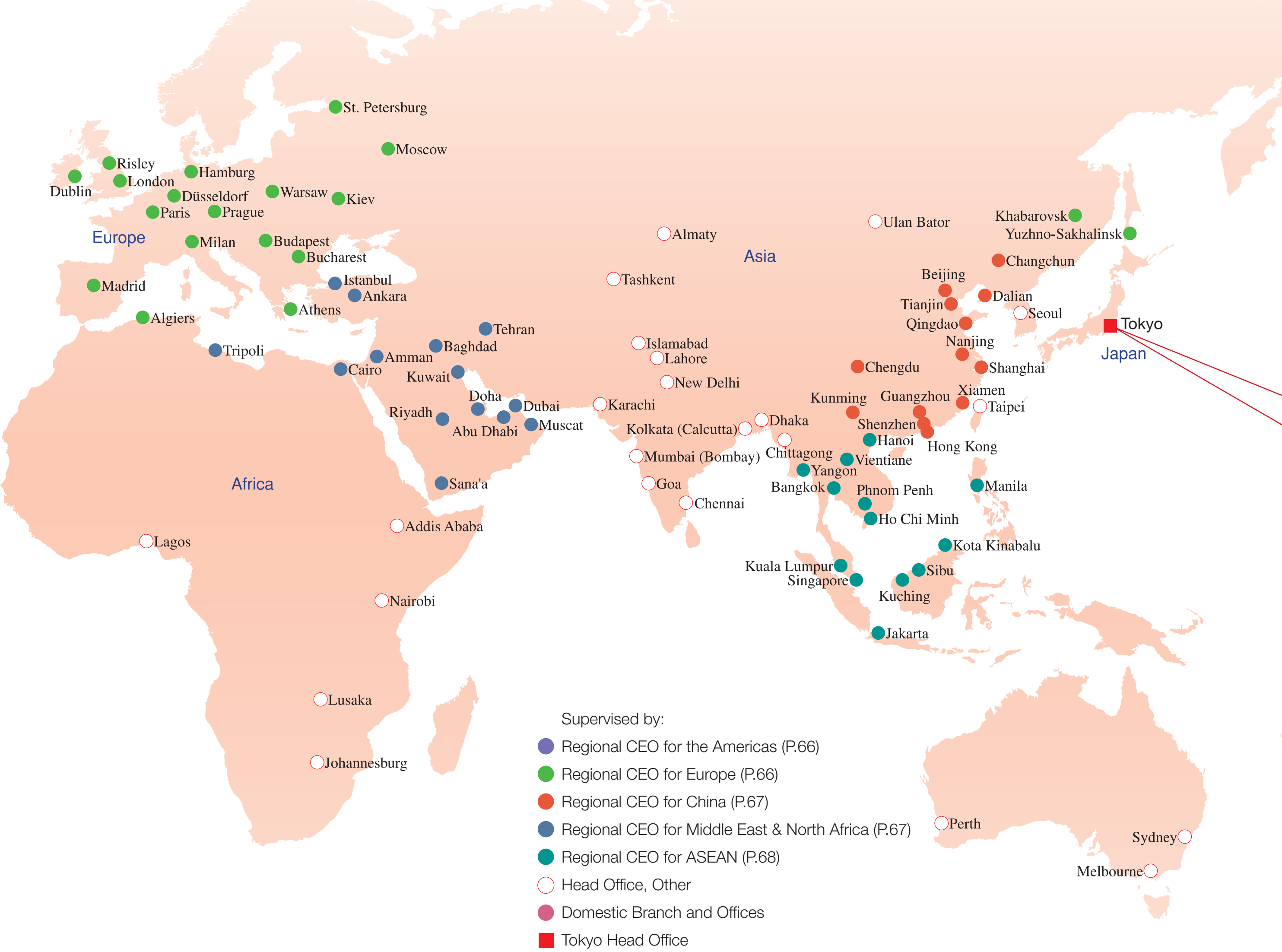
Sub-Saharan Africa

In April 2009, Marubeni established a Sub-Sahara Desk in Johannesburg, South Africa, responsible for wide-area coordination in Sub-Saharan Africa, where growth has begun to draw attention in recent years. The purpose of the desk is to set up information bases throughout the region and consolidate the data collected, then disseminate the wide-ranging and promising information derived from local sources. These actions, in turn, will lead to the development of new projects and the acquisition of new businesses.

The entire economy of the region is poised to undergo major changes, particularly in the development of energy and metal resources. Expectations are high for the role of Marubeni, as a general trading company, in securing the social infrastructure that will accompany these changes, and promoting business development that will improve environmental performance in the region.



Global Network



Overseas Locations

North America
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
Khabarovsk
Kiev
Moscow
St. Petersburg
Tashkent
Yuzhno-Sakhalinsk

Middle East
Abu Dhabi
Amman
Ankara
Baghdad
Cairo
Doha
Dubai
Istanbul
Kuwait
Muscat
Riyadh
Sana’a
Tehran

Africa
Addis Ababa
Algiers
Johannesburg
Lagos
Lusaka
Nairobi
Tripoli

Asia
Bangkok
Chennai
Chittagong
Dhaka
Goa
Hanoi
Ho Chi Minh
Islamabad
Jakarta
Karachi
Kolkata (Calcutta)
Kota Kinabalu
Kuala Lumpur
Kuching
Lahore
Manila
Mumbai (Bombay)
New Delhi
Phnom Penh
Seoul
Sibu
Singapore
Taipei
Ulan Bator
Vientiane
Yangon

China
Beijing
Changchun
Chengdu
Dalian
Guangzhou
Hong Kong
Kunming
Nanjing
Qingdao
Shanghai
Shenzhen
Tianjin
Xiamen

Oceania
Auckland
Melbourne
Perth
Sydney

Domestic Locations

Tokyo
Osaka
Nagoya
Sapporo
Sendai
Shizuoka
Fukuoka
Naha
Takamatsu
Nagaoka
Fukuyama
Imabari

Major Subsidiaries and Affiliates

Food Division

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries				
Domestic	Benirei Corporation	Domestic sale of seafood and processed seafood products, commercial cold storage	Japan	98.76%
	Hasegawa Co., Ltd.	Wholesale of confectionery	Japan	92.35%
	Marubeni Chikusan Corporation	Marketing of livestock, meat and processed products	Japan	100.00%
	Marubeni Egg Corporation	Production and sale of eggs	Japan	100.00%
	Marubeni Foods Corporation	Sale of general processed foods, coffee, fresh vegetables and fruit, green tea	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, transportation and processing of frozen foods, refrigerated warehousing	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 elevator operation, warehousing, customs clearance, other	Japan	78.40%
	Tokyo Flour Milling Co., Ltd.	Production and sale of wheat flour, mixed flour and bran, sale of dried noodles, etc., warehousing (wheat silos)	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.	Grain handling in own facilities and interior storages	U.S.A.	100.00%
	Columbia Grain International, Inc.	Grain trading in U.S. and export markets	U.S.A.	100.00%
	North Pacific Seafoods, Inc.	Processing of Alaskan seafood, import and export of tuna, import of Japanese foods	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.	Grain warehousing, stevedoring and transportation	Japan	50.00%
	Kamaishi Grain Terminal Co., Ltd.	Grain warehousing, stevedoring and transportation	Japan	30.00%
	Kanto Grain Terminal Co., Ltd.	Handling and storage of imported grain for feed, mainly corn, sorghum, barley, soybean meal, beet pulp pellets	Japan	25.00%
	Miyako Sugar Manufacturing Co., Ltd.	Manufacture and sale of sugar	Japan	25.17%
	SFoods Inc.	Manufacture and sale of processed meat products, prepared food products, sauces and seasonings, sale of foodstuffs	Japan	15.12%
	Ten Corporation	Tempura and tempura bowl restaurant chain operator	Japan	15.00%
	The Daiei, Inc.	Operation of general merchandise stores	Japan	29.42%
	The Maruetsu, Inc.	Supermarket chain	Japan	29.91%
	The Nisshin OilliO Group, Ltd.	Business related to oil, meal and beans, health foods and fine chemicals	Japan	15.17%
	Tobu Store Co., Ltd.	Supermarket chain	Japan	30.30%
	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%
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.	China	49.00%
	Terlogs Terminal Maritimo Ltda.	Storage and loading of bulk cargoes, such as grain, fertilizer, etc.	Brazil	25.50%
	Viñas Argentinas S.A.	Production and sale of grape juice concentrate and wine	Argentina	40.00%
	Weifang Meicheng Foodstuffs Company Ltd.	Wholesale hatching and processing of chickens, sale of broilers and several processed foods	China	20.00%

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	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 research	Japan	100.00%
	Marubeni Footwear Inc.	Export, import and sale of footwear	Japan	100.00%
	Marubeni Intex Co., Ltd.	Sale of household good and textile materials for industry 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 rubber materials and chemicals	Japan	100.00%
	Marubeni Tex Co., Ltd.	Wholesale of textile piece goods	Japan	100.00%
	PROAVANCE corporation	Import and domestic sale of fitness equipment and sports products, sale of golf grips and other products	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, bags and related materials	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.	Import, export and domestic trading of textile materials and garments	Hong Kong	100.00%
	Marubeni Textile (Shanghai) Co., Ltd.	Import, export and domestic trading of textile materials and garments 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	20.00%
	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 combed wool	China	30.00%
	Konica Minolta Business Solutions Do Brasil Ltda.	Assembly and sale of copiers	Brazil	49.00%
	N.V. Yokohama Belgium S.A.	Sale of Yokohama tires 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 tires in Spain and Portugal	Spain	20.00%
	Yokohama Reifen GmbH	Sale of Yokohama tires in Germany	Germany	25.00%
	Yokohama Tyre Australia Pty. Ltd.	Sale of Yokohama tires 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 Lumber Corporation	Sawmilling and wholesale of logs and lumber	Japan	100.00%
	Marubeni Office Supply Co., Ltd.	Conversion and sale of information processing paper	Japan	97.12%
	Marubeni Paper & Pulp Logistics Co., Ltd.	Integrated logistics management of imported and domestic paper and pulp products	Japan	92.01%
	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	70.78%
	Sumatra Pulp Corporation	Capital contributions towards P.T. Tanjungenim Lestari Pulp & Paper	Japan	49.95%
	Taiei Sangyo Co., Ltd.	Plastics thermoforming	Japan	88.48%
Overseas	Intragrated Resources Holdings, Inc.	Sale of printing paper, consulting service	U.S.A.	100.00%
	Marubeni Pulp & Paper Sales Europe GmbH	Sale of thermal paper, inkjet paper and pulp	Germany	100.00%
	Nantong Jiehong Recycle Corporation	Collection and sale of wastepaper	China	53.88%
	Pan Pacific Fiber, Inc.	Collection and sale of wastepaper	U.S.A.	66.70%
	P.T. Musi Hutan Persada	Plantation investment and management, sale of pulp logs from plantation forests	Indonesia	60.00%
	P.T. Tanjungenim Lestari Pulp & Paper	Production and sale of Acacia-based wood pulp	Indonesia	85.05%
	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%

Chemicals Division

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
Affiliates				
Domestic	Katakura Chikkarin Co., Ltd.	Production and sale of fertilizer, sale of LPG, feedstuffs and foods	Japan	24.77%
	Konan Laminate Co., Ltd.	Processing of lamination and manufacture of paper products	Japan	35.00%
	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%
	Dampier Salt Limited	Production and sale of salt and gypsum	Australia	21.51%
	Image Ukraine CJSC	Sales of photosensitive materials and products	Ukraine	76.00%
	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%
	Nantong Benny Petrochemicals Harbour Storage Co., Ltd.	Storage and transport of petrochemical and chemical products	China	25.00%
	Nantong Rayon Chemical Co., Ltd.	Manufacture and sale of PMMA resin	China	20.00%
	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

	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%
	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 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%
	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%
	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%
	Ravva Oil (Singapore) Pte. Ltd.	Oil and gas development and production in India's Ravva oilfield	Singapore	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%

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 LP Holding 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	Nippon Shindo Co., Ltd.	Production and sale of copper and brass rods, electrical wire cable, etc.	Japan	15.83%
Overseas	Resource Pacific Holdings Pty Limited	Investment in Ravensworth coal mine in Australia	Australia	22.22%
	Silbasa-Silicio de Alta Pureza da Bahia S.A.	Production and sale of high-purity ferro silicon	Brazil	24.62%
	Toyo-Memory Technology Sdn. Bhd.	Production 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	Marubeni Aerospace Corporation	Sale, export, import and lease of aircraft, engines, onboard equipment, satellites and related parts	Japan	100.00%
	Marubeni Automotive Corporation	Import, export and domestic sale of automotive parts	Japan	100.00%
Overseas	Advantage Funding Management, Inc.	Finance and lease of automobiles	U.S.A.	80.00%
	Avenue Machinery Corporation	Sale and related operations of agricultural equipment manufactured by Kubota Corporation and AGCO Corporation	Canada	100.00%
	Distribuidora Automotriz Marubeni Ltda.	Wholesale of automobiles	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.	The wholesale of Tractors and parts, made by Kubota Corporation in Mexico	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, engines, onboard equipment, spacecraft products and related parts to Japan	U.S.A.	100.00%
	MARUBENI AG Makina Ticaret Limited Sirketi	Wholesale of Kubota tractors and parts in Turkey	Turkey	100.00%
	Marubeni Auto & Construction Machinery America Inc.	Sale, import and export of automobiles, investment	U.S.A.	100.00%
	Marubeni Auto and Construction Machinery LLC	Sale, import and service of construction machinery	Russia	100.00%
	Marubeni Auto Finance, Ltda.	Provision of automobile financing services	Chile	100.00%
	Marubeni Auto Investment (UK) Ltd.	Sale and service of automobiles	U.K.	100.00%
	Marubeni Auto Ltda.	Sale of automobiles and related services	Chile	100.00%
	Marubeni Automotive Holding (Australia) Pty Ltd.	Investment and coordination of automotive group companies in Australia	Australia	100.00%
	Marubeni Aviation International Ltd.	Export of aircraft, helicopters, onboard equipment and related parts to Japan	U.K.	100.00%
	Marubeni Aviation Services Ltd.	Investment in aircraft engine development programs and leasing of aircraft	Cayman Islands	100.00%
	Marubeni Citizen-Cincom, INC.	Sale of Citizen machine tools	U.S.A	60.00%
	Marubeni Holding Ltda.	Investment and coordination of automotive group companies in Chile	Chile	100.00%

Transportation Machinery Division

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries				
Overseas	Marubeni Komatsu Ltd.	Import, sale and service of construction machinery	U.K.	100.00%
	Marubeni Machinery Distribution Poland SP.Zo.o.	Sales representative for 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, sale and service of construction machinery and other products manufactured by Komatsu Ltd.	Mexico	100.00%
	Marubeni Motor Holdings, Inc.	Investment in automobile financing service companies	U.S.A.	100.00%
	Marubeni Motors Poland Sp. Z O. O.	Wholesale of automobiles in Poland	Poland	100.00%
	Toyota Ghana Company Ltd.	Import and distribution of Toyota vehicles	Ghana	100.00%
Affiliates				
Domestic	MTU-Marubeni Co.,Ltd.	Import and sale of MTU engines	Japan	49.00%
	Swissport Japan Ltd.	Ground handling operations at airports	Japan	49.00%
Overseas	Citizen Machinery America, Inc.	Sale and engineering service of machine tools	U.S.A.	33.40%
	CODACA Holding & Investment Co., Ltd.	Investment and financing to CODACA GUATEMALA, an importer-distributor of trucks and buses: HINO, INTERNATIONAL, IVECO and SCANIA in Guatemala, and sister companies	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.	Sale and service of construction machinery in Australia	Australia	20.00%
	Komatsu Vietnam Joint Stock Company	Sale of construction machinery and provision of related service	Vietnam	30.00%
	Kubota Canada Ltd.	Sale and service of Kubota tractors, generators, engines and construction machinery	Canada	20.00%
	Kubota Construction Machinery (Shanghai) Co., Ltd.	Import, sale and service of Kubota small-scale construction machinery	China	25.00%
	Kubota (Deutschland) GmbH	Sale and service of Kubota tractors, generators, engines and construction machinery	Germany	20.00%
	Kubota Europe S.A.	Sale and service of Kubota tractors, generators, engines and construction machinery	France	26.22%
	Kubota Korea Co., Ltd.	Sale and service of Kubota tractors, generators, engines and construction machinery	South Korea	20.00%
	Kubota Tractor Australia Pty. Ltd.	Sale and service of Kubota tractors, generators, engines and construction machinery	Australia	20.00%
	Kubota (U.K.) Ltd.	Sale and service of Kubota tractors, generators, engines and construction machinery	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%
	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%

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%
	Hamanasu Wind Power Corporation	Operation of a wind-generated power plant for Hokkaido Electric Power Co., Inc.	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%
	Maredi Telecom & Broadcasting (Pty.) Ltd.	Sale and engineering of telecom and broadcasting systems in Africa	South Africa	51.00%
	Marpless Communication Technologies (Pty.) Ltd.	Sale and engineering of information systems in Africa	South Africa	51.00%
	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	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.	97.95%
	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.	58.03%
	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%
	San Roque Power Corporation	Hydro IPP in Luzon, the Philippines	Philippines	75.00%
	Sithe Fuel Co., Ltd.	Fuel supply business in South Korea	South Korea	100.00%
	Sithe Ichon Cogeneration Co., Ltd.	IPP in Ichon City, 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	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%
	Curacao Utilities Company N.V.	IPP in Curacao	Netherlands Antilles	12.75%
	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%
	Grand Bahama Power Company Limited	Power utility business in the Bahamas	Bahamas	27.70%
	Hsin Tao Power Corporation	IPP project in Hsin Tao, Taiwan	Taiwan	21.42%
	Jamaica Public Service Company Limited	Power utility business in Jamaica	Jamaica	40.00%
	Mesaieed Power Company Ltd.	IPP in Mesaieed, Qatar	Qatar	30.00%

Power Projects & Infrastructure Division

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
Affiliates				
Overseas	Millmerran Power Partnership	IPP in Queensland, Australia	Australia	30.00%
	Power Generation Co. of Trinidad & Tobago Limited	IPP in Trinidad and Tobago	Trinidad and Tobago	19.50%
	PPN Power Generating Company Limited	IPP in Pillaiperumalnallur, India	India	26.00%
	PT Cirebon Electric Power	IPP project in Cirebon, Indonesia	Indonesia	32.50%
	Rabigh Arabian Water & Electricity Co.	IWPP (power and water) for chemical complex in Saudi Arabia	Saudi Arabia	30.00%
	Senoko Power Limited	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	33.30%
	Youngduk Wind Power Co., Ltd.	Operation of a wind-generated power plant in Youngduk City, South Korea	South Korea	34.00%

Plant, Ship & Industrial 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 Protechs Corporation	Import, export and domestic sale of plant-related equipment and machinery, support to Japanese industries transferring abroad their 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.	Sale of machinery relating to media, food, beverage, packaging, chemical and environmental equipment	Japan	100.00%
	Marubeni Tekmatex Corporation	Import, export and domestic sale of textile machinery	Japan	100.00%
	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	Maintenance services for steel mills in U.S.A. (repair and replacement of machinery).	U.S.A.	95.00%
	MARIOS, Inc.	Investment in KMA Manufacturing, LLC	U.S.A.	100.00%
	Marubeni Plant Contractor Inc.	Engineering, construction and installation of industrial plants in the 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 American Iron Oxide Company, a joint venture manufacturing high-purity iron oxide	U.S.A.	100.00%
	Midwest Railcar Corporation	Leasing, brokerage and management of railcars	U.S.A.	100.00%
	Royal Maritime Corporation	Ship owing/chartering and financing	Liberia	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	26.80%
	Kaji Technology Corporation	Manufacture and sale of pressing machines, textile machines, cast products and industrial machinery	Japan	37.63%
	YOCASOL Inc.	Production and sales of solar modules	Japan	20.24%
Overseas	Compañía de Nitrógeno de Cantarell S.A. de C.V.	Production and supply of nitrogen for PEMEX of Mexico	Mexico	35.00%
	Energy Infrastructure Investment Pty Limited	Operatiing gas pilelines, 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%

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	99.88%
	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 club and facilities	Japan	28.60%
Overseas	DALIAN ACACIA TOWN VILLA Co., Ltd.	Management and operation of rental housing for non-Chinese people 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, the 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 rental housing for non-Chinese people 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%
	Marubeni Document Systems Inc.	Preparation of shipping documentation	Japan	100.00%
	Marubeni Hospital Partners Corporation	Sale of medical materials and equipment, 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	98.00%
	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 telecommunications services and equipment, 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	99.95%

Finance, Logistics & IT Business Division

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
Consolidated Subsidiaries				
Overseas	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%
	Marubeni Transport Service Corporation	Logistics services	U.S.A.	100.00%
	New Marble Insurance Company Pte. Ltd.	Marine cargo reinsurance company for Marubeni Group companies	Singapore	100.00%
	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	42.53%
	GCI Capital Co., Ltd.	Investment advisory house, provision of foreign exchange margin trading services	Japan	22.05%
	Given Imaging KK	Sales company in Japan for capsule endoscopes	Japan	27.48%
	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%
	SOLXYZ Co., Ltd.	SI/entrusted development of software for financial institutions	Japan	21.69%
	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	29.00%
	Guangzhou Yi Shi Hong International Logistics Co., Ltd.	Logistics services	China	50.00%
	LCA Holdings Pty. Ltd.	Manufacture and sale of lighting equipment and fixtures	Australia	45.01%
	Shanghai Waihong International Logistics Co., Ltd.	Warehousing and logistics services	China	25.00%
	Thai Logistics Service Co., Ltd.	Export and domestic logistics operations in Thailand	Thailand	59.19%

Iron & Steel Strategies and Coordination Department

	Company Name	Description of Operations	Country/Area	Percentage of Voting Rights
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%
Overseas	Thai Cold Rolled Steel Sheet Public Co., Ltd.	Manufacture of cold-rolled steel sheet	Thailand	22.20%

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, 2009 as well as some data made available following that date.

Financial Section

Contents

Five-Year Financial Summary

	Millions of yen					Millions of U.S. dollars
	FY2008	FY2007	FY2006	FY2005	FY2004	FY2008
For the year:						
Revenues:						
Revenues from trading and other activities	¥ 3,807,480	¥ 3,958,276	¥3,467,925	¥2,949,058	¥2,874,455	$ 38,852
Commissions on services and trading margins	194,819	207,950	190,930	190,787	161,108	1,988
Total	4,002,299	4,166,226	3,658,855	3,139,845	3,035,563	40,840
Total volume of trading transactions	10,462,067	10,631,616	9,554,943	8,686,532	7,936,348	106,756
Gross trading profit	644,803	596,916	531,171	502,024	433,395	6,580
Operating profit	234,065	200,153	165,020	143,248	86,461	2,388
Dividend income	27,719	23,645	20,705	12,065	8,989	283
Equity in earnings of affiliated companies	21,973	55,661	44,880	31,602	25,727	224
Net income	111,208	147,249	119,349	73,801	41,247	1,135
[Ref.] Core earnings (Billions of yen)	245.0	239.6	202.1	171.3	109.9	2,500
At year-end:						
Total assets	¥ 4,707,309	¥ 5,207,225	¥4,873,304	¥4,587,072	¥4,208,037	$ 48,034
Net interest-bearing debt	1,911,607	2,001,977	1,843,445	1,876,350	1,823,909	19,506
Total shareholders' equity	567,118	779,764	745,454	663,787	443,152	5,787
Amounts per share (¥, US$):						
Basic earnings	¥ 64.04	¥ 84.93	¥ 72.41	¥ 48.34	¥ 26.61	$ 0.65
Diluted earnings	64.04	84.93	68.85	40.46	22.31	0.65
Cash dividends	10.00	13.00	10.00	7.00	4.00	0.10
Cash flows (for the year):						
Net cash provided by operating activities	¥ 343,618	¥ 235,290	¥ 152,075	¥ 133,408	¥ 173,824	$ 3,506
Net cash (used in) provided by investing activities	(387,069)	(306,855)	(135,147)	(193,781)	46,043	(3,950)
Free cash flow	(43,451)	(71,565)	16,928	(60,373)	219,867	(443)
Net cash provided by (used in) financing activities	257,608	65,865	24,819	(46,037)	(238,057)	2,629
Ratios:						
Return on assets (%)	2.2	2.9	2.5	1.7	1.0	
Return on equity (%)	16.5	19.3	16.9	13.3	9.9	
Shareholders' equity to total assets (%)	12.0	15.0	15.3	14.5	10.5	
Net D/E ratio (times)	3.4	2.6	2.5	2.8	4.1	

Notes: 1. U.S. dollar amounts above and elsewhere in this report are converted from yen, for convenience only, at ¥98 to US$1, the prevailing rate as of March 31, 2009.
2. The presentation of earnings is pursuant to Issue 99-19, "Reporting Revenue Gross as a Principal versus Net as an Agent," published by the Financial Accounting Standards Board's Emerging Issues Task Force.
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).
4. Operating profit = Gross trading profit + Selling, general and administrative expenses + Provision for doubtful accounts
5. Core earnings = Gross trading profit + SGA expenses (excluding restructuring costs up to FY2006 or prior) + Interest expense-net + Dividend income + Equity in earnings of affiliated companies

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, 2009.

1. Overview of Business Results

(1) Business Results

- **Total volume of trading transactions declined ¥169.5 billion, or 1.6% year on year, to ¥10,462.1 billion ($106,756 million)**
- **Gross trading profit rose by ¥47.9 billion, or 8.0% year on year, to ¥644.8 billion ($6,580 million)**
- **Operating profit rose by ¥33.9 billion, or 16.9% year on year, to ¥234.1 billion ($2,388 million)**
- **Net income declined by ¥36.0 billion, or 24.5% year on year, to ¥111.2 billion ($1,135 million)**

During the fiscal year under review, a look at the economic environment reveals that the economy slowed down in many developed nations. This was due to the turmoil in the financial markets, arising from the bankruptcy of a major U.S. investment bank in September, the effects of which rippled out to impact the real economy. Meanwhile, growth in the emerging markets decelerated due to negative factors including the decrease in trade surplus. In addition, prices of primary commodities, which had remained at high levels, decreased in response to the rapid change in the economy and the outflow of speculative funds.

In the United States, consumer spending and capital expenditure were on a clear downward trend, as was housing investment, and the economy deteriorated rapidly following the bankruptcy of a major investment bank as described above. To cope with such circumstances, the U.S. government enacted the Emergency Economic Stabilization Act, the Economic Stimulus Act and other macroeconomic measures. In the meantime, the Federal Reserve Board (FRB) introduced aggressive monetary easing policies, including non-traditional measures such as implementation of a zero-interest rate policy in practice and purchase of long-term treasury bonds.

In Europe, consumer spending and fixed asset investment slackened due to price increases caused by a rise in prices of primary commodities, and exports decelerated against the backdrop of the global economic slowdown. The turmoil in the financial markets aggravated the economic deterioration from autumn onward, and various countries decided to implement major stimulus measures and ease their monetary policies drastically.

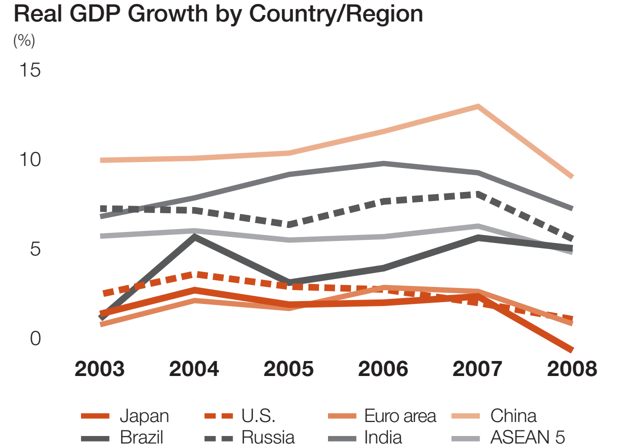
In Asia, the trade surplus decreased in many countries in response to the deceleration of the global economy from autumn onward; economies slowed down particularly in countries and regions which are heavily dependent on exports. While on the whole, the degree of economic deterioration in developing countries was mild compared with that of advanced nations, some countries were faced with a sharp depreciation of their currencies due to factors such as a decrease in current account balance.

In Japan, the trade surplus decreased drastically with the global economic deceleration and the appreciation of the yen starting in the fall. Employment and capital expenditure worsened, particularly for export firms, and consumer spending cooled. Amid a deep economic slump, the Japanese government hammered out various stimulus measures, and the Bank of Japan implemented monetary easing policies that include non-traditional measures such as purchasing corporate bonds.

Under the aforementioned business environment, Marubeni's consolidated financial results for fiscal 2008 were as follows:

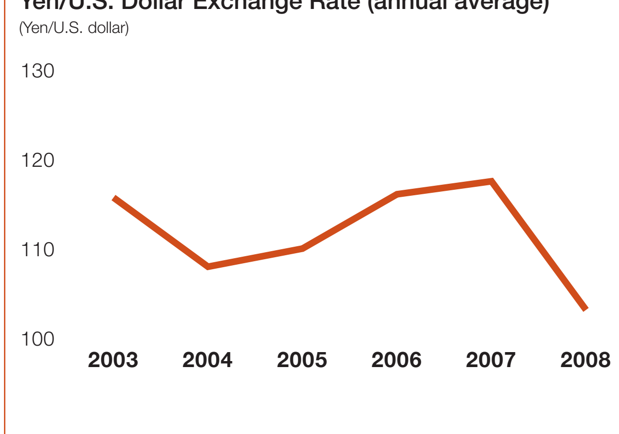
The consolidated total volume of trading transactions for fiscal 2008 decreased ¥169.5 billion (1.6%) year on year, to ¥10,462.1 billion ($106,756 million), despite increased transactions in the Food segment and the Power Projects & Infrastructure segment, due to a decrease in transactions in the Energy, Overseas Corporate Subsidiaries and Branches, Lifestyle and Chemicals segments.

Real GDP Growth by Country/Region



* Calendar year (Source: IMF)

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



* Calendar year (Source: IMF)

Gross trading profit grew ¥47.9 billion (8.0%) year on year, to ¥644.8 billion ($6,580 million), despite decreased profit due to valuation losses on real estate held for sale in the Real Estate Development segment, owing to substantial profit increases in the Food, Metals & Mineral Resources and FT, LT, IT & Innovative Business segments.

While selling, general and administrative expenses, notably payroll expenses, rose ¥15.5 billion year on year, operating profit increased by ¥33.9 billion (16.9%) year on year, to ¥234.1 billion ($2,388 million), as a result of increased gross trading profit.

Equity in earnings decreased ¥33.7 billion (60.5%) year on year, to ¥22.0 billion ($224 million), because the Group recognized impairment losses for retail-related affiliate companies. In addition to this, there were impairment losses on listed investment securities and property, plant and equipment. As a result, net income for the period declined by ¥36.0 billion (24.5%) year on year to ¥111.2 billion ($1,135 million).

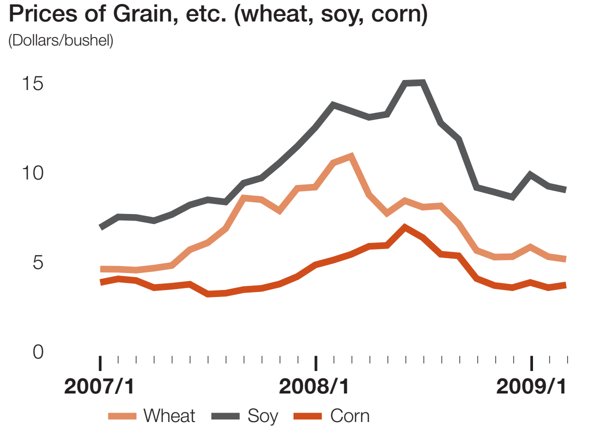
In the meantime, "Revenue" as defined under U.S. GAAP was ¥4,002.3 billion ($40,840 million), or ¥163.9 billion (3.9%) lower than the same period a year previous.

(2) Business Results by Operating Segment

Financial results for each operating segment were as follows.

Food: Total volume of trading transactions amounted to ¥1,621.5 billion ($16,546 million), an increase of ¥209.0 billion (14.8%) year on year, due to increased grain-related transactions and a food distribution affiliate made into a subsidiary during the previous fiscal year. Gross trading profit amounted to ¥113.7 billion ($1,160 million), an increase of ¥23.7 billion (26.3%) year on year, with the increased transactions. Operating profit amounted to ¥35.8 billion ($366 million), an increase of ¥14.5 billion (67.9%) year on year in step with the increased gross trading profit. Equity in losses deteriorated by ¥27.1 billion year on year, to ¥25.7 billion ($262 million), due to valuation losses on investments in a retail-related affiliate company. In addition, there were other negative factors such as impairment losses on listed investment securities. Consequently, net loss for the period worsened by ¥29.8 billion year on year to ¥19.4 billion ($198 million).

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



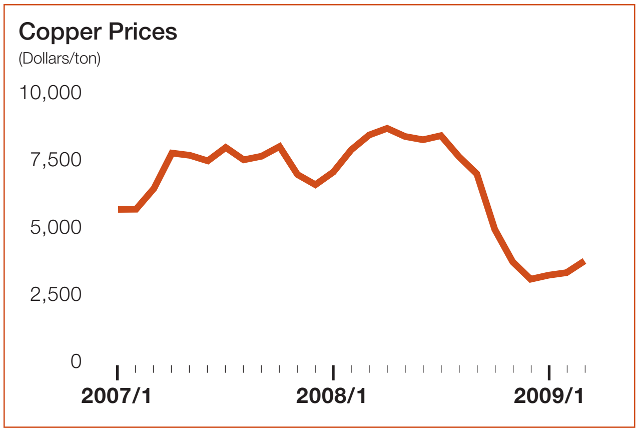
* Chicago Mercantile Exchange

Lifestyle: Total volume of trading transactions amounted to ¥490.4 billion ($5,004 million), a decrease of ¥97.3 billion (16.6%) year on year with decreased transactions in textile materials and apparel products. Despite an increase in profit on transactions related to natural rubber, gross trading profit amounted to ¥32.3 billion ($330 million), a decrease of ¥3.4 billion (9.6%) year on year, reflecting the significant impact of the decrease in transactions in the above-mentioned products. In the meantime, operating profit amounted to ¥7.8 billion ($80 million), an increase of ¥0.2 billion (2.3%) year on year, because of reduced expenses that more than offset the decrease in gross trading profit. Equity in losses and net income were on a par with the results in the previous fiscal year.

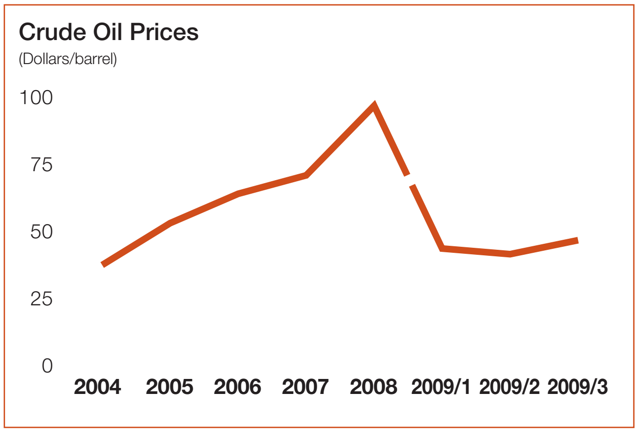
Forest Products: Total volume of trading transactions amounted to ¥676.9 billion ($6,908 million), a decrease of ¥41.4 billion (5.8%) year on year, due to the decreased transactions in businesses related to pulp and building materials. Gross trading profit decreased by ¥2.5 billion (5.6%) year on year to ¥42.7 billion ($436 million) with decreased profit from the Musi Pulp project and transactions related to printing papers and chips. Operating profit amounted to ¥17.1 billion ($174 million), a decrease of ¥0.3 billion (1.5%) year on year, despite a reversal of allowance for doubtful accounts, due to decreased gross trading profit. Equity in losses amounted to a net loss of ¥2.5 billion ($26 million), a deterioration of ¥4.9 billion year on year, due to the deteriorated performance in overseas a pulp manufacturing affiliate and the afforestation project. As a result, net income for the period declined by ¥3.5 billion (36.1%) year on year to ¥6.2 billion ($63 million).

Chemicals: Total volume of trading transactions amounted to ¥810.6 billion ($8,271 million), a decrease of ¥93.8 billion (10.4%) year on year, with decreased transactions in basic chemicals. Gross trading profit decreased by ¥0.7 billion (2.1%) year on year, to ¥30.1 billion ($308 million), with reduced profit from transactions related to synthetic resin. Operating profit amounted to ¥8.3 billion ($85 million), a decrease of ¥1.1 billion (11.5%) year on year, due to the decreased gross trading profit. Equity in earnings increased by ¥2.5 billion (425.5%) year on year, to ¥3.1 billion ($32 million), with increased profit from overseas affiliates involved in inorganic chemicals business and synthetic rubber business. In addition to the above, there was a decrease in dividend income and impairment losses on listed investment securities. As a result, net income for the period decreased by ¥0.4 billion (6.9%) year on year to ¥5.2 billion ($53 million).

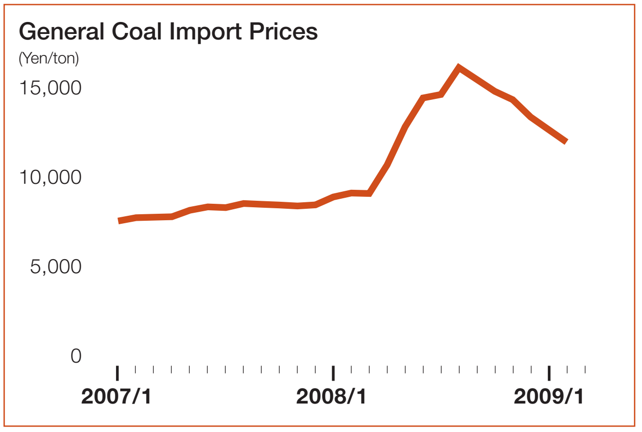
Energy: Total volume of trading transactions amounted to ¥2,872.8 billion ($29,314 million), a decrease of ¥147.5 billion (4.9%) year on year, with a decrease in petroleum-related transactions. Gross trading profit grew ¥3.1 billion (3.4%) year on year, to ¥92.4 billion ($942 million), due to increased transactions notably in the oil and gas concessions, despite the effects of the merger of an LPG import and sales subsidiary, which resulted in a shift to affiliate status. Operating profit amounted to ¥64.9 billion ($662 million), an increase of ¥6.8 billion (11.7%) year on year, with increased gross trading profit. Although equity in earnings decreased by ¥0.3 billion (57.2%) year on year to ¥0.3 billion ($3 million), net income for the period rose by ¥13.2 billion (33.9%) year on year to ¥52.0 billion ($531 million) in line with increased operating profit, as well as an increase in dividend income and gains on sales of investment securities.



* LME (London Metal Exchange) spot rates



* Average unit price for WTI, North Sea Brent, and Dubai
* Data for 2004–2008 are for calendar years



Metals & Mineral Resources: Total volume of trading transactions amounted to ¥909.6 billion ($9,282 million), a decrease of ¥42.0 billion (4.4%) year on year, despite an increase in prices of steel raw materials, due to a decline in prices of non-ferrous and light metal products and the volume of transactions in these products. Gross trading profit rose by ¥15.2 billion (79.8%) year on year to ¥34.2 billion ($349 million), with the increased transactions related to steel raw materials. Operating profit amounted to ¥23.3 billion ($238 million), an increase of ¥14.8 billion (175.0%) year on year, in step with increased gross trading profit. Equity in earnings dropped by ¥5.3 billion (31.9%) year on year to ¥11.3 billion ($116 million), due to a decline in prices for non-ferrous and light metal products. Owing to the absence of gains on sale of investment securities that were posted in the previous fiscal year, as well as the above-mentioned factors, net income for the period declined by ¥0.6 billion (2.7%) year on year to ¥21.6 billion ($220 million).

Transportation Machinery: Total volume of trading transactions decreased by ¥32.9 billion (5.0%) year on year, to ¥626.8 billion ($6,396 million), due largely to the decrease in transactions in construction machinery operations. Gross trading profit amounted to ¥46.8 billion ($477 million), a decrease of ¥4.3 billion (8.4%) year on year, because of the above-mentioned decrease in transactions. Operating profit decreased by ¥4.0 billion (27.5%) year on year to ¥10.5 billion ($107 million), in line with decreased gross trading profit. Equity in earnings declined by ¥1.7 billion (37.4%) year on year, to ¥2.8 billion ($29 million), due to the decrease in earnings in an agricultural machinery business. In addition to the above, there were impairment losses on listed investment securities during the current fiscal year and gains on sale of investment securities and a decrease in income tax expenses in the previous fiscal year. As a result, net income for the period declined by ¥9.7 billion (68.7%) year on year to ¥4.4 billion ($45 million).

Power Projects & Infrastructure: Total volume of trading transactions amounted to ¥480.5 billion ($4,903 million), an increase of ¥119.3 billion (33.0%) year on year, due mainly to the Caribbean integrated power business becoming a subsidiary during the previous fiscal year. Gross trading profit rose by ¥9.7 billion (23.9%) year on year, to ¥50.1 billion ($512 million), in line with increased transactions. Operating profit amounted to ¥22.7 billion ($232 million), an increase of ¥4.5 billion (24.9%) year on year, in line with increased gross trading profit. Net income for the period remained on a par with the result in the previous fiscal year due to additional interest expense and minority interests, despite an increase equity in earnings of affiliated companies by ¥3.6 billion (44.9%) year on year to ¥11.5 billion ($117 million) with the acquisition of an overseas company involved in the power generation business.

Plant, Ship & Industrial Machinery: Total volume of trading transactions increased by ¥74.0 billion (9.8%) year on year to ¥830.9 billion ($8,479 million) with increased transactions related to transportation projects. In the meantime, gross trading profit declined by ¥0.8 billion (2.9%) year on year, to ¥25.2 billion ($257 million), due to the decreased profit in domestic operating companies. Operating profit amounted to ¥6.3 billion ($64 million), an increase of ¥0.5 billion (9.3%) year on year, because of a gain from reversal of allowance for doubtful accounts following debt collection. Equity in earnings increased by ¥3.4 billion (137.6%) year on year, to ¥5.9 billion ($60 million), due to an increase in profit of affiliated companies, notably in the ship-related business. As a result, net income for the period amounted to ¥7.1 billion ($73 million), an increase of ¥1.7 billion (30.5%) year on year.

Real Estate Development: Total volume of trading transactions increased by ¥1.4 billion (1.0%) year on year, to ¥139.9 billion ($1,428 million), despite decreased transactions in overseas housing business, due to the increased transactions in real estate investment projects. Gross trading profit amounted to ¥23.0 billion ($235 million), a decrease of ¥9.4 billion (29.1%) year on year, due to write-down of real estate held for sale in Japan, despite the increased profit in real estate properties. Operating profit decreased by ¥10.3 billion (72.4%) year on year, to ¥3.9 billion ($40 million), due to increased expenses, in addition to decreased gross trading profit. Equity in losses of investment in affiliated companies decreased by ¥0.5 billion year on year to amount to ¥0.5 billion ($5 million). In addition, there were other negative factors such as asset impairment of long-term assets. As a result, net loss for the period deteriorated by ¥6.3 billion year on year to ¥3.7 billion ($38 million).

FT, LT, IT & Innovative Business: Total volume of trading transactions amounted to ¥326.9 billion ($3,336 million), an increase of ¥9.3 billion (2.9%) year on year, due to the PC wholesale-related affiliate became a subsidiary during the previous fiscal year. Gross trading profit rose by ¥10.3 billion (24.8%) year on year, to ¥51.9 billion ($530 million), because of the increased profit of a domestic IT-related company in addition to the increased transactions. Operating profit amounted to ¥4.6 billion ($47 million), an increase of ¥3.3 billion (243.6%) year on year, with the increased gross trading profit. Equity in earnings of investment in affiliated companies decreased by ¥0.1 billion (18.7%) year on year to ¥0.6 billion ($6 million). Net income for the period increased by ¥5.3 billion year on year, to ¥3.4 billion ($34 million), attributable to the absence of losses on investments that were posted in the previous fiscal year.

Note: As of April 1, 2009, Marubeni renamed this segment "Finance, Logistics & IT Business."

Iron & Steel Strategies and Coordination: Total volume of trading transactions and gross trading profit amounted to ¥1.0 billion ($10 million), which was on a par with the results in the previous fiscal year. Operating loss deteriorated by ¥0.1 billion year on year to ¥0.4 billion ($4 million). Equity in earnings in affiliated companies decreased by ¥3.5 billion (20.1%) year on year to ¥13.9 billion ($142 million), due to decreased profit in the domestic and overseas affiliates in the steel products business. As a result, net income for the period declined by ¥1.5 billion (9.4%) year on year to ¥14.9 billion ($152 million).

Overseas Corporate Subsidiaries and Branches: Total volume of trading transactions decreased by ¥98.0 billion (6.4%) year on year, to ¥1,444.5 billion ($14,739 million), as did transactions recorded by Marubeni America Corporation, due to the effect of exchange fluctuations and decreased transactions in chemicals-related transactions recorded by Marubeni Thailand Co., Ltd. Gross trading profit rose by ¥7.5 billion (7.3%) year on year, to ¥110.5 billion ($1,128 million), with increased transactions in the agrochemicals and fertilizer-related businesses in Marubeni America Corporation. Operating profit amounted to ¥28.9 billion ($295 million), an increase of ¥8.4 billion (40.7%) year on year, in step with increased gross trading profit. Equity in earnings in affiliated companies increased by ¥0.4 billion (68.5%) year on year to ¥1.0 billion ($11 million). As a result, net income for the period grew ¥9.3 billion (134.2%) year on year to ¥16.3 billion ($166 million).

Operating Segment Information

	Billions of yen		Millions of U.S. dollars
	FY2008	FY2007	FY2008
Total Volume of Trading Transactions (Note)			
Food	¥ 1,621.5	¥ 1,412.5	$ 16,546
Lifestyle	490.4	587.6	5,004
Forest Products	676.9	718.4	6,908
Chemicals	810.6	904.4	8,271
Energy	2,872.8	3,020.3	29,314
Metals & Mineral Resources	909.6	951.6	9,282
Transportation Machinery	626.8	659.7	6,396
Power Projects & Infrastructure	480.5	361.2	4,903
Plant, Ship & Industrial Machinery	830.9	756.9	8,479
Real Estate Development	139.9	138.5	1,428
FT, LT, IT & Innovative Business	326.9	317.6	3,336
Iron & Steel Strategies and Coordination	1.0	1.0	10
Overseas Corporate Subsidiaries and Branches	1,444.5	1,542.4	14,739
Corporate and Elimination	(770.2)	(740.5)	(7,859)
Consolidated	¥10,462.1	¥10,631.6	$106,756
Gross Trading Profit			
Food	¥ 113.7	¥ 90.0	$ 1,160
Lifestyle	32.3	35.7	330
Forest Products	42.7	45.3	436
Chemicals	30.1	30.8	308
Energy	92.4	89.3	942
Metals & Mineral Resources	34.2	19.1	349
Transportation Machinery	46.8	51.1	477
Power Projects & Infrastructure	50.1	40.5	512
Plant, Ship & Industrial Machinery	25.2	25.9	257
Real Estate Development	23.0	32.4	235
FT, LT, IT & Innovative Business	51.9	41.6	530
Iron & Steel Strategies and Coordination	1.0	1.0	10
Overseas Corporate Subsidiaries and Branches	110.5	103.0	1,128
Corporate and Elimination	(9.2)	(8.7)	(94)
Consolidated	¥ 644.8	¥ 596.9	$ 6,580
Operating Profit (Loss)			
Food	¥ 35.8	¥ 21.3	$ 366
Lifestyle	7.8	7.6	80
Forest Products	17.1	17.3	174
Chemicals	8.3	9.4	85
Energy	64.9	58.1	662
Metals & Mineral Resources	23.3	8.5	238
Transportation Machinery	10.5	14.5	107
Power Projects & Infrastructure	22.7	18.2	232
Plant, Ship & Industrial Machinery	6.3	5.7	64
Real Estate Development	3.9	14.2	40
FT, LT, IT & Innovative Business	4.6	1.3	47
Iron & Steel Strategies and Coordination	(0.4)	(0.3)	(4)
Overseas Corporate Subsidiaries and Branches	28.9	20.5	295
Corporate and Elimination	0.4	3.7	4
Consolidated	¥ 234.1	¥ 200.2	$ 2,388

	Billions of yen		Millions of U.S. dollars
	FY2008	FY2007	FY2008
Net Income (Loss)			
Food	¥ **(19.4)**	¥ 10.4	$ **(198)**
Lifestyle	**4.0**	4.1	**41**
Forest Products	**6.2**	9.7	**63**
Chemicals	**5.2**	5.6	**53**
Energy	**52.0**	38.9	**531**
Metals & Mineral Resources	**21.6**	22.2	**220**
Transportation Machinery	**4.4**	14.1	**45**
Power Projects & Infrastructure	**11.5**	11.5	**118**
Plant, Ship & Industrial Machinery	**7.1**	5.5	**73**
Real Estate Development	**(3.7)**	2.6	**(38)**
FT, LT, IT & Innovative Business	**3.4**	(1.9)	**34**
Iron & Steel Strategies and Coordination	**14.9**	16.5	**152**
Overseas Corporate Subsidiaries and Branches	**16.3**	7.0	**166**
Corporate and Elimination	**(12.5)**	1.2	**(128)**
Consolidated	¥ **111.2**	¥ 147.2	$ **1,135**

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 stood at ¥573.9 billion ($5,856 million), up 42.7%, compared with the end of the previous fiscal year**
- **Free cash flow in fiscal 2008 was a negative ¥43.5 billion ($443 million)**

Cash and cash equivalents at the end of fiscal 2008 stood at ¥573.9 billion ($5,856 million), an increase of ¥171.6 billion, or 42.7%, compared with the end of the previous fiscal year.

Cash Flows from Operating Activities

Net cash provided by operating activities was ¥343.6 billion ($3,506 million), up ¥108.3 billion year on year. In addition to improvement in working capital requirements, this was mainly attributable to the steady operating profit particularly from overseas resource-related subsidiaries.

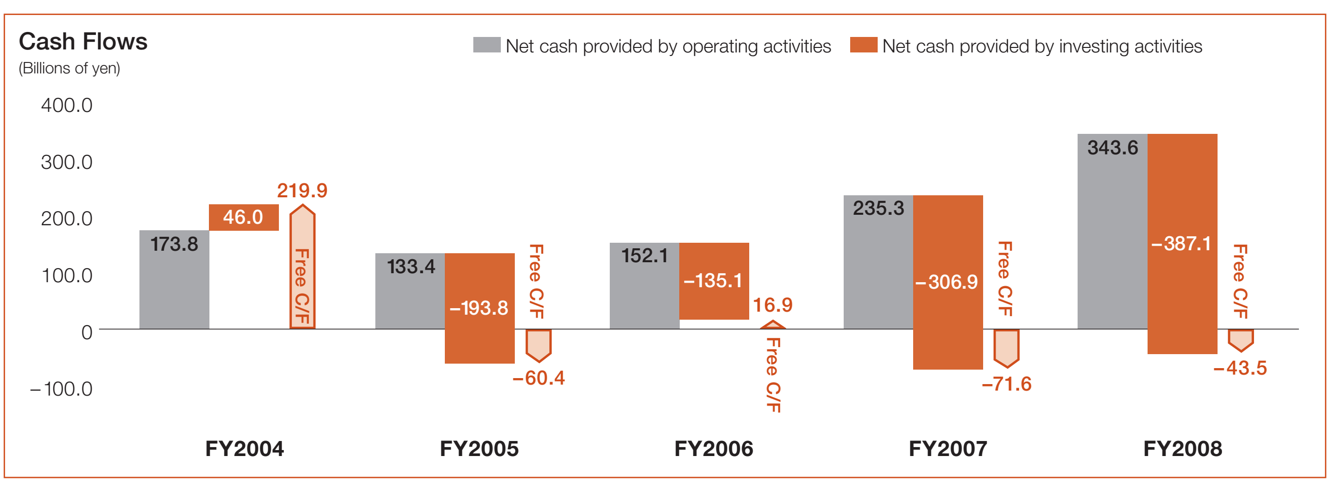
Cash Flows from Investing Activities

Net cash used in investing activities amounted to ¥387.1 billion ($3,950 million). This was attributable to strategic new investments and loans in connection with resource-related projects overseas, overseas IPP and other projects, as well as additional investment in existing projects.

These activities resulted in negative free cash flows of ¥43.5 billion ($443 million).

Cash Flows from Financing Activities

Net cash provided by financing activities was ¥257.6 billion ($2,629 million), reflecting financing in the form of short-term borrowings, long-term debt, and bonds to finance new investments.



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, 2009, Marubeni appropriated the following from retained earnings for dividend payments.

Resolution Date	Type of Shares	Cash Dividends	Cash Dividends per Share
October 31, 2008 Board of Directors	Common Stock	¥12,157 million	¥7.00
May 18, 2009 Board of Directors	Common Stock	¥5,210 million	¥3.00

3. Issues to be Addressed

(1) Fundamental Management Policy

The Marubeni Group began executing "SG2009," a two-year medium-term management plan, in fiscal 2008. Under "SG2009," the Marubeni Group will build on the improvements in its earnings base and financial strength achieved under the "G" PLAN. The Group will further bolster its 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.

This commitment notwithstanding, our efforts to achieve the quantitative targets of "SG2009" met with challenges posed by erosion in demand, weak consumer spending, falling prices for commodities and other difficulties stemming from the dramatic economic deterioration that emerged in the second half of 2008. For this reason, the Group has made the following revisions to quantitative targets for the plan. In spite of these revisions, however, Marubeni's commitment to the fundamental tenet of the "SG2009"—realizing sustainable growth over the medium to long term—remains unchanged.

Revisions to key quantitative targets for "SG2009" and progress made during fiscal 2008 are highlighted in the table below.

Based on the revised quantitative targets outlined below, the Company is forecasting that shareholders' equity at the end of "SG2009" will be ¥730.0 billion (including non-controlling interests from fiscal 2009), and ROE will be approximately 12%.

(2) Progress under the "SG2009" Medium-Term Management Plan

Progress on "SG2009" as of March 31, 2009 was as follows.

The Marubeni Group's consolidated net income amounted to ¥111.2 billion ($1,135 million) for the fiscal year ended March 31, 2009. This result represents 58.5% of the revised plan target of ¥190.0 billion ($1,939 million) for the two-year period of "SG2009." In the meantime, the Group made new investments and loans in strategic fields, bringing total assets as of March 31, 2009 to ¥4,707.3 billion ($48,034 million). ROA was 2.24%.

From the financial aspect, shareholders' equity declined by ¥212.6 billion from the ¥779.8 billion recorded at the previous fiscal year-end, to ¥567.1 billion ($5,787 million), dipping below the level of risk assets. This result came as increased profits were overshadowed by negative factors that included falling market values for securities held by the Group and the yen's appreciation. Due to the decline in shareholders' equity, the consolidated net D/E ratio as of March 31, 2009 was 3.37 times, a deterioration of 0.8 percentage point from 2.57 times in the previous year.

With respect to the various measures of "SG2009," the Group allocated management resources to strategic fields from the medium- and long-term viewpoints and executed new investments and loans of approximately ¥300.0 billion during the period under review. In the mineral resource and energy operations, for instance, Marubeni acquired a 30% stake each in the copper mine concessions in the Esperanza and El Tesoro projects in Chile and increased its shareholding in Resource Pacific Holdings Pty Limited, a coal mine operating and management company in Australia, to about 22%. In the overseas I(W)PP field, the Group acquired Senoko Power Ltd. in Singapore and acquired a partial interest in concessions in a combined thermal power plant of Hsin Tao Power Corp. in Taiwan.

	Initial targets	Revised targets	Results for FY2008
Consolidated net income	¥350.0 billion 2-year total	More than ¥190.0 billion 2-year total	¥111.2 billion
Consolidated net D/E ratio	2.00–2.50 x	Around 2.5 times	3.37 times
Risk assets	Less than total shareholders' equity	Less than total shareholders' equity	¥673.7 billion (Shareholders' equity: ¥567.1 billion)
ROA	More than 3%	Approx. 2%	2.24%

In fiscal 2009, the Group will emphasize a defensive posture in light of the current severe business environment, and implement efforts to improve its financial standing and enhance profitability as priority measures. Regarding allocation of management resources in strategic fields, the Company initially set a target of executing new investments and loans of about ¥600.0 billion over the two years. However, the Company's investment approach will be selective, placing priority on improving financial standing regardless of initial targets.

As for our measures for promoting utilization and promotion of diverse human resources, the Group established special-purpose subsidiaries to offer an in-house business school with the purpose of developing human resources who will take on leading roles in consolidated management and training programs in the head office for overseas national staff, as well as developing better working environments for employees with disabilities. In addition, the Group is promoting a good balance between work and life and striving to develop and improve the working environment for employees. In particular, in order to create an environment in which employees feel they have fuller access to child-care systems, the Group is facilitating understanding and penetration of the system by means such as creating a *Childbirth and Childcare Support Handbook*.

In order to make full use of its comprehensive abilities, the Group promoted Groupwide efforts with growth markets and important business partners while facilitating interdepartmental cooperation through the Cross Divisional Function Committee. In addition the Group worked on enhancing profitability by combining investment and regional strategies.

The Group actively puts efforts into corporate social responsibility (CSR) initiatives in a broad spectrum of fields including human rights protection, compliance, social action and environmental protection. Concerning incorporation into the Socially Responsible Investment (SRI) index, the Group was selected as an index component of the world-famous Dow Jones Sustainability World Index (DJSI World) in September 2008, in addition to the FTSE4Good Global Index and the Morningstar Socially Responsible Investment Index (MS-SRI), in which it had already been included. In addition, the Group established the "Basic Supply Chain CSR Policy" (in both Japanese and English) so that the Group, together with its business partners, can facilitate efficient CSR results. In the meantime, details of CSR activities are introduced to stakeholders via the Group's CSR Reports.

With respect to internal control systems, the Group launched the Internal Control Committee in April 2008, with the aim of further enhancing internal control during the first year of application of the "Internal Control Report System" under Japan's Financial Instruments and Exchange Law. This committee gradually took over the activities of the Internal Control System Promotion Task Force and further enhanced the system for ensuring appropriate financial reporting. In addition, the committee is also in charge of a system for ensuring the appropriateness of operations of the Company as described in Japan's Corporation Law and reviewing the system on a regular basis to improve it further.

4. Important Contracts

On April 24, 2008, the Marubeni Group signed a contract with world-leading copper-mining company Antofagasta PLC to gain a 30% stake in the Esperanza and El Tesoro projects in Chile, which are indirectly 100% owned by Antofagasta. The Group acquired this stake for $1,310 million. Furthermore, as stipulated by the agreement, of the roughly $2.3 billion in development costs scheduled for the Esperanza mine, the Group will contribute a portion equivalent to its equity in the project, or approximately $700 million. Based on this contract, the Marubeni Group completed payments required for the acquisition of interests pertaining to this project on August 25, 2008. The Group seeks to enlarge its business earnings in a sustainable manner by securing profitable resources through

New Investments in Fiscal 2008

"SG2009" Target		Allocation Plan	FY2008 Actual	
			Amount	Major Projects
Energy & Natural Resources **Overseas I(W)PP**	Fields in which the Group will accumulate assets by concentrating fund allocation from the medium- and long-term perspectives	50%	¥250.0 billion	**Copper:** Esperanza/El Tesoro Copper Mines (Chile) **Coal:** Resource Pacific (Australia) **Overseas IPP:** Senoko Power (Singapore), Hsin Tao Power (R.O.C.)
Distribution & Trading	Fields in which the Group will expand and develop its solid earnings base through value chain development	30–40%	¥55.0 billion	**Grain:** Acquisition of assets by CGI, a subsidiary in North America **Distribution:** Functional subsidiaries of Aeon **Gas/Electricity:** APA (Australia)
Environment, Financial Services & Innovative Business	Fields in which the Group will target the creation of new business models	10–20%	¥15.0 billion	**Call Center:** Telemarketing Japan, Inc. **Traffic:** Trailer-leasing business (Australia)
Total		**100%**	**¥320.0 billion**	

mine development, refining projects, and other overseas investments. Participation in this project is consistent with the Group's strategies in this regard.

Related to this project, on May 15, 2009, Minera Esperanza, a company owned 30% by Marubeni and 70% by Antofagasta, signed a project financing agreement in the amount of $1,050 million with a banking group consisting of Japan Bank for International Cooperation, Export Development Canada and KfW IPEX-Bank, Mizuho Corporate Bank, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Banking Corporation, ING Capital LLC (the Netherlands), Calyon (France), Banco Santander (Spain) and Natixis (France) to cover development costs for the Esperanza copper mine presently under development.

5. R&D Activities

No items to report.

6. 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 107 "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 posted 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, a comprehensive examination of the possibility of recovery—based on projected business results-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 at least annually. 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 post 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

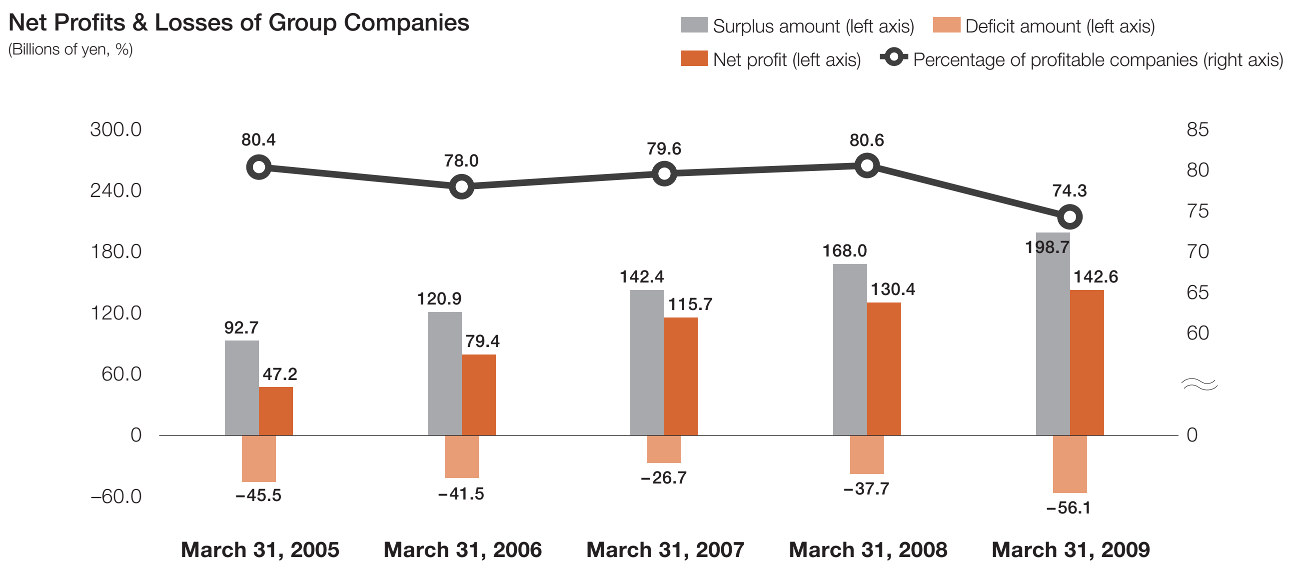
Pursuant to the Financial Accounting Standards Board's Interpretation 48, *Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109, Accounting for Income Taxes ("FIN 48"),* Marubeni and its consolidated subsidiaries, when considering the results of past tax surveys, estimate 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, 2009

- **Net income declined by ¥36.0 billion year on year to ¥111.2 billion ($1,135 million), falling for the first time in 7 fiscal years**
- **Dividend income increased by ¥4.1 billion to ¥27.7 billion ($283 million)**
- **Equity in earnings of affiliated companies—net worsened by ¥33.7 billion to ¥22.0 billion ($224 million)**

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 and 2009.

Consolidated net income declined by ¥36.0 billion from the previous fiscal year, to ¥111.2 billion ($1,135 million), resulting in lower earnings for the first time in 7 years. In terms of the operating results of consolidated subsidiaries, 327 companies were profitable, compared to 113 unprofitable companies. The percentage of companies achieving profitability was thus 74.3%, down 6.3 percentage points from 80.6% for the previous fiscal year. Nevertheless total income from these companies grew by ¥12.2 billion.

An analysis of operating results is provided as follows.

1) Gross Trading Profit

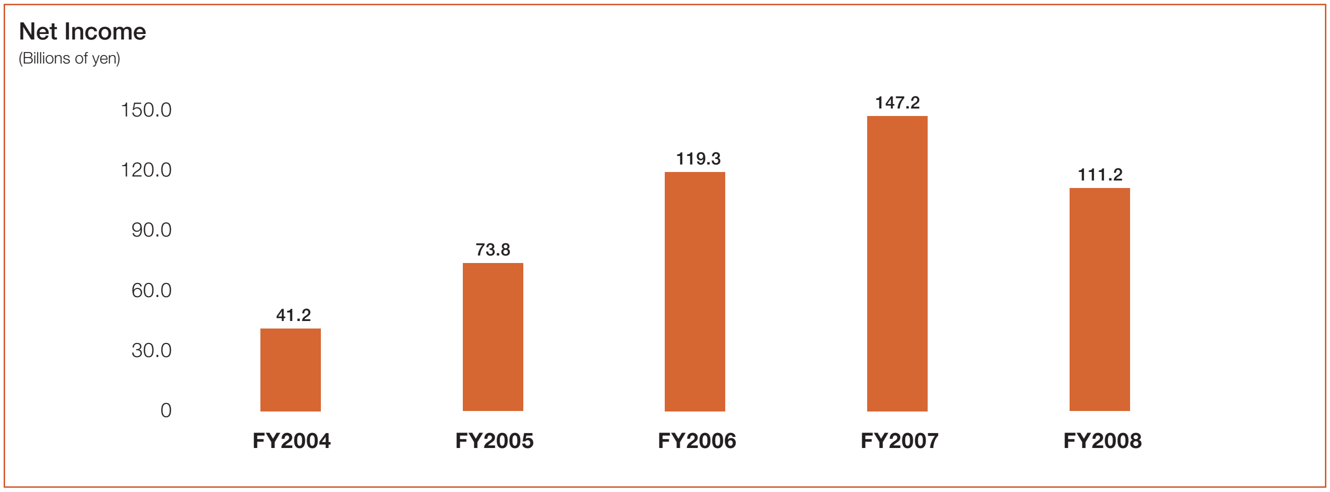
Gross trading profit was ¥644.8 billion ($6,580 million), representing an increase of ¥47.9 billion year on year. This was attributable to a variety of factors, including the consolidation of a food distribution-related company and a PC wholesale-related company during the previous fiscal year, and an increase in transactions related to steel materials. These factors overcame a decline in income due to valuation losses pertaining to real estate properties for sale. In terms of operating segments, profits rose in seven segments and declined in six segments in the fiscal year under review. For breakdown of operating segments, please refer to page 85 "1. Overview of Business Results, (2) Business Results by Operating Segment."

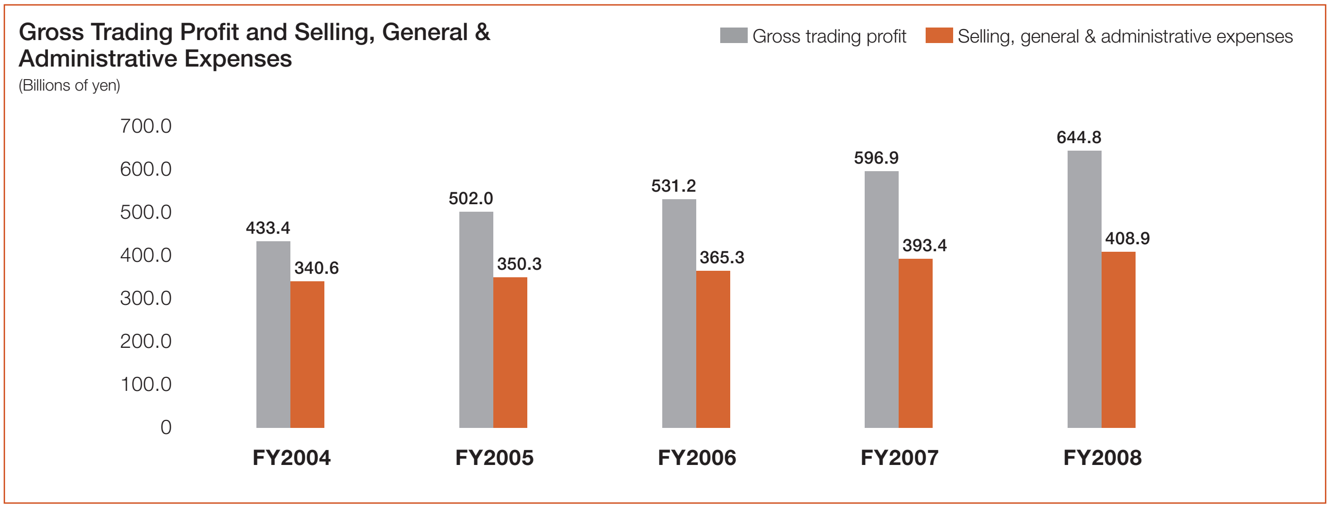
2) Selling, General & Administrative Expenses

Selling, general and administrative expenses increased by ¥15.5 billion year on year to ¥408.9 billion ($4,173 million). The principal components were personnel expenses, mainly at subsidiaries, which rose ¥11.6 billion, to ¥205.8 billion, and outsourcing expenses grew ¥3.9 billion to ¥28.4 billion.

3) Provision for Doubtful Accounts

The provision for doubtful accounts decreased by ¥1.6 billion year on year to ¥1.8 billion ($19 million) mainly due to a gain on the reversal of allowances attributable to overseas receivables collected during the fiscal year.





4) Interest Income and Interest Expense

In the fiscal year under review, interest income declined by ¥5.9 billion to ¥19.0 billion ($194 million). Interest expense fell ¥8.6 billion to ¥59.6 billion ($609 million), primarily due to decreased expenses attributable to the decline in interest rates on dollar accounts.

5) Dividend Income

Dividend income rose ¥4.1 billion year on year to ¥27.7 billion ($283 million). Of this figure, ¥6.3 billion (¥5.7 billion in Japan and ¥0.6 billion from overseas) was received by the parent company. Domestic consolidated subsidiaries received dividends totaling ¥2.5 billion, while overseas consolidated subsidiaries received dividends of ¥18.9 billion.

6) Impairment Loss and Gain on Sales of Investment Securities

In the fiscal year under review, the impairment loss on investment securities rose ¥16.0 billion to ¥47.2 billion ($482 million). This was owing to impairment losses related to listed shares.

Gain on sales of investment securities was ¥24.4 billion ($249 million), an improvement of ¥0.7 billion year on year.

7) Loss on Property, Plant and Equipment

The loss on property, plant and equipment worsened ¥12.1 billion to ¥13.6 billion ($139 million) and was due to an impairment loss on golf course-related facilities posted for the fiscal year.

8) Equity in Earnings of Affiliated Companies—Net

Equity in earnings of affiliated companies—net deteriorated ¥33.7 billion year on year to ¥22.0 billion ($224 million), owing mainly to valuation losses posted for a retail-related affiliate.

9) Other—Net

Expenses and other, other—net were ¥5.8 billion ($59 million) an improvement of ¥5.2 billion year on year. This is mainly attributable to the absence of losses on investments in a European financing subsidiary posted in the previous fiscal year.

10) Income Taxes and Other Taxes

Income taxes and other taxes for fiscal 2008 increased by ¥20.4 billion year on year to ¥80.9 billion ($826 million). This resulted from the posting of impairment losses for retail-related shares, for which tax effects are not recognized, as well as the reversal of deferred tax assets for which prospects of future realization are deemed low, in line with revisions to the tax system.

(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 139 “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 98 “7. Business Risks.”

(4) Strategic Status and Outlook

The Marubeni Group began executing “SG2009,” a two-year medium-term management plan, in fiscal 2008. Under “SG2009,” the Marubeni Group will work to further advance improvements in its earnings base and financial strength achieved under the “G” PLAN. The Marubeni Group will work to build a resilient earnings base that can stand against market fluctuations and realize sustainable growth by establishing a rigorous risk management system, expanding the Group’s profitable asset portfolio and pursuing higher asset efficiency. This commitment notwithstanding, our efforts to achieve the quantitative targets of “SG2009” met with challenges posed by erosion in demand, weak consumer spending, falling prices for commodities and other difficulties stemming from the dramatic economic deterioration that emerged in the second half of 2008. For this reason, we have made the following revisions to quantitative targets for the plan. For the fiscal year ending March 31, 2010, Marubeni plans to achieve consolidated net income of ¥80.0 billion. Our commitment to the fundamental tenet of the “SG2009” Plan—realizing sustainable growth over the medium to long term—remains unchanged. For details of “SG2009,” please refer to page 90 “(2) Progress under the “SG2009” Medium-Term Management Plan” under “3. Issues to be Addressed.”

Changes in the operating environment necessitated a revision in the plan’s quantitative targets. Nevertheless, fiscal 2009 is the final year of “SG2009,” and Marubeni’s management and employees are diligently working as one, with a renewed determination, toward achieving the targets set under the plan.

(5) Liquidity and Funding Sources

1) Financial Position

Consolidated total assets as of March 31, 2009 stood at ¥4,707.3 billion ($48,034 million), down ¥499.9 billion from the end of the previous fiscal year. This decrease was mainly attributable to declines in investment securities and other assets, coupled with effects from the conversion to an affiliated company triggered by the partial sale of business equity in an integrated power business in the Caribbean.

Total shareholders' equity fell ¥212.6 billion year on year to ¥567.1 billion ($5,787 million), below the level of risk assets, which stood at ¥673.7 billion ($6,874 million). Consolidated net income of ¥111.2 billion was outweighed mainly by a worsening in unrealized losses on currency translation adjustments, securities, and derivatives.

Consolidated interest-bearing debt grew ¥91.5 billion year on year to ¥2,533.8 billion ($25,855 million). Consolidated interest-bearing debt after deducting cash and cash equivalents was ¥1,911.6 billion ($19,506 million) as of March 31, 2009, down ¥90.4 billion from a year earlier. As a result, the net D/E ratio was 3.37 times as of the end of the fiscal year under review.

2) 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 its 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 Groupwide scale.

Marubeni has established the following programs to procure funds directly from the capital markets.

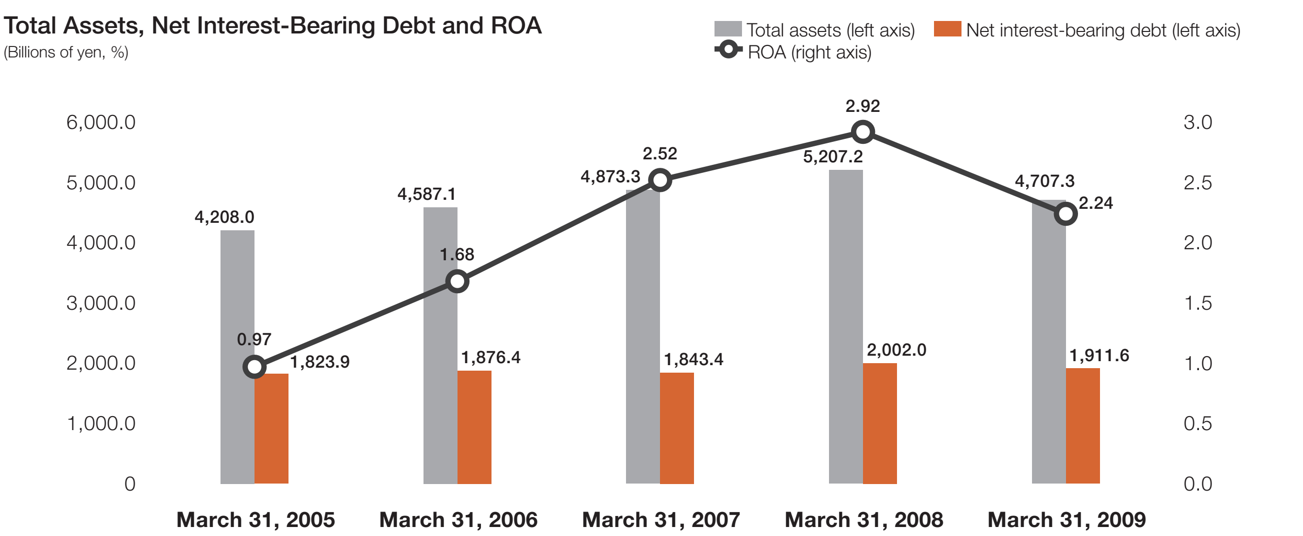
- Registration for the public sale of ordinary bonds in Japan: ¥300.0 billion
- Euro Medium-Term Note Program
  Three-company joint program (Marubeni Corporation, Marubeni Europe plc and Marubeni Finance Holland B.V.):
  US$5.0 billion

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 2008, 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 negative implications, expressing the possibility of downward review from the current BBB rating. The status of this action remains unchanged.

Total Assets, Net Interest-Bearing Debt and ROA
(Billions of yen, %)



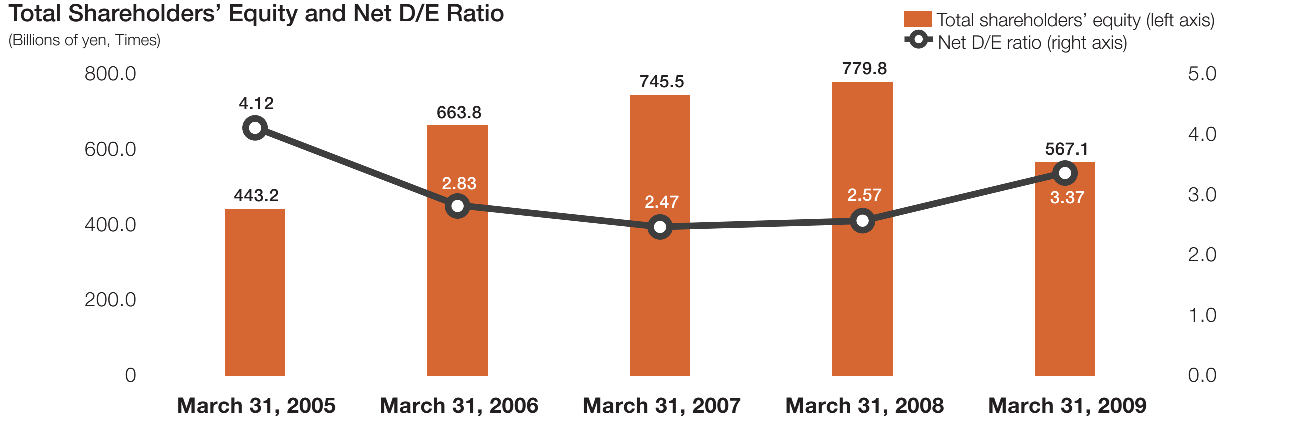
3) Liquidity

On a consolidated basis, the liquidity ratio was 134.2% as of March 31, 2009, down from 136.5% as of the end of the previous fiscal year. In terms of liquidity, Marubeni is maintaining its financial standing.

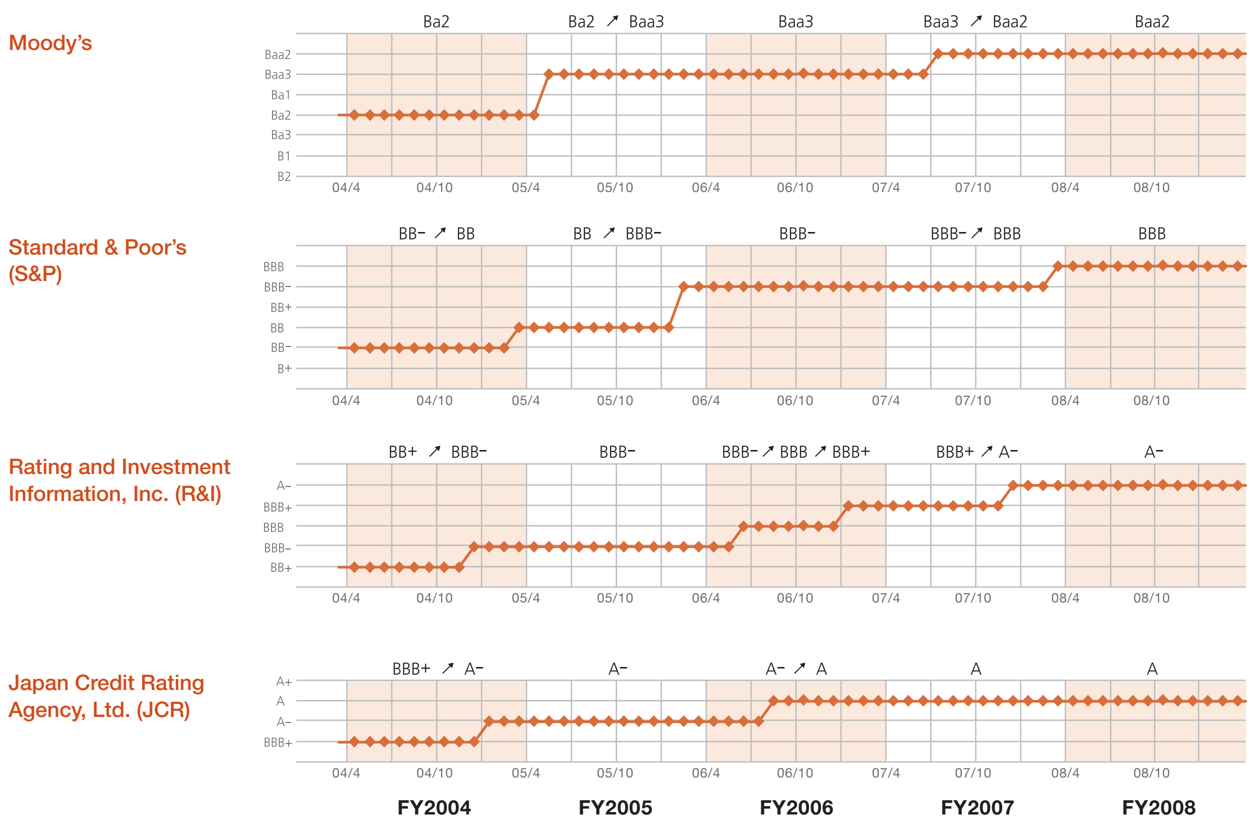
In addition, Marubeni and its consolidated subsidiaries maintain a sufficient level of liquidity, mainly in the form of cash and deposits and established commitment lines. As of March 31, 2009, cash and deposits totaled ¥622.2 billion ($6,349 million). Details regarding commitment lines are as follows:

- Marubeni Corporation
  ¥309.0 billion from syndicates consisting largely of major Japanese banks (short term: ¥64.0 billion, long term: ¥245.0 billion)

Total Shareholders' Equity and Net D/E Ratio
(Billions of yen, Times)



Trends in Credit Ratings



- 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 ¥129.7 billion as of March 31, 2009.

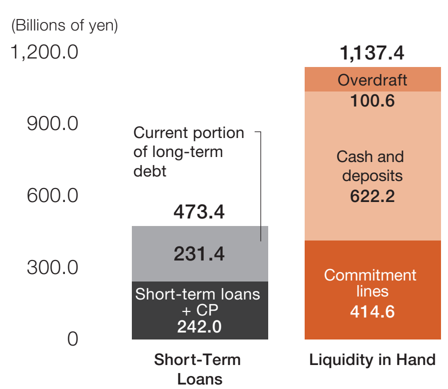
7. Business Risks

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, 2009.

Substitute Liquidity

Complementary Liquidity and Liquidity Ratio

●Complementary Liquidity
(As of March 31, 2009, Consolidated Basis)



●Breakdown of Commitment Lines

Borrower	Type	March 31, 2009	March 31, 2008
Marubeni Headquarters	Yen: Short-term Yen: Long-term (3 yrs)	¥64.0 billion ¥245.0 billion	¥83.0 billion ¥245.0 billion
Marubeni Headquarters, Marubeni America, Marubeni Europe, Marubeni Finance Holland	Foreign currency: Short-term	US$515 million	US$500 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. ¥414.6 billion	Approx. ¥433.1 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.

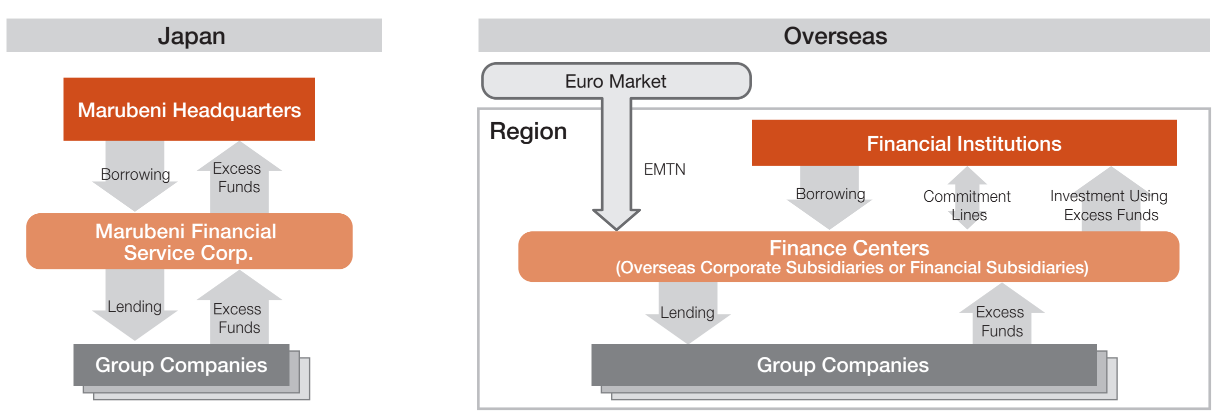
* Year-end exchange rate:
March 31, 2009: US$1.00 = ¥98.23
March 31, 2008: US$1.00 = ¥100.19

●Liquidity Ratio (Consolidated Basis)

March 31, 2004	March 31, 2005	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009
105.9%	111.2%	110.6%	133.1%	136.5%	134.2%

Centralized Fund Procurement (Marubeni Group's Fund Procurement Streamlining Scheme)

●Marubeni's Group Financing Overview



(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 could 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 force the Group to book 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 2008, Marubeni and its consolidated subsidiaries commenced the implementation of a new two-year medium-term management plan, "SG2009." However, as explained in "(1) Fundamental Management Policy" under "3. Issues to be Addressed" on page 90, the Group has revised its quantitative targets for the plan. Post revision, the plan's quantitative targets include two-year total consolidated net income of more than ¥190.0 billion, a consolidated net D/E ratio of approximately 2.5 times, risk assets within the limit of total shareholders' equity and ROA of approximately 2.0%. In achieving these targets, the Company expects to realize shareholders' equity of approximately ¥730.0 billion (including non-controlling interests from fiscal 2009) and ROE of approximately 12%.

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 Account Policies and Estimates

For more information, please refer to page 92 "(1) Significant Accounting Policies and Estimates" under "6. Management's Discussion and Analysis of Financial Position and Operating Results."

Consolidated Balance Sheets

Marubeni Corporation and Consolidated Subsidiaries
At March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 1)
ASSETS	**2009**	2008	**2009**
Current assets:			
Cash and cash equivalents (Notes 2, 18, 19 and 20)	**¥ 573,924**	¥ 402,281	**$ 5,856,367**
Time deposits (Notes 9, 18 and 20)	**48,240**	38,058	**492,245**
Investment securities (Notes 2, 4, 18 and 19)	**951**	9,477	**9,704**
Notes and accounts receivable—trade (Notes 2, 6, 9, 20 and 22):			
Notes receivable	**57,324**	87,621	**584,939**
Accounts receivable	**809,595**	1,120,945	**8,261,173**
Due from affiliated companies	**86,338**	77,469	**881,000**
Allowance for doubtful accounts	**(11,573)**	(13,347)	**(118,092)**
Inventories (Notes 2 and 9)	**385,090**	474,512	**3,929,490**
Advance payments to suppliers	**197,511**	211,626	**2,015,418**
Deferred income taxes (Notes 2 and 12)	**36,616**	40,003	**373,633**
Prepaid expenses and other current assets (Note 20)	**144,739**	159,291	**1,476,929**
Total current assets	**2,328,755**	2,607,936	**23,762,806**
Investments and long-term receivables:			
Affiliated companies (Notes 2, 5, 9 and 19)	**684,369**	616,009	**6,983,357**
Securities and other investments (Notes 2, 4, 9, 18 and 19)	**400,012**	551,539	**4,081,755**
Notes, loans and accounts receivable—trade (Notes 2, 6, 9, 18 and 22)	**104,713**	141,448	**1,068,500**
Allowance for doubtful accounts (Notes 2 and 6)	**(38,208)**	(52,421)	**(389,878)**
Property leased to others, at cost, less accumulated depreciation of ¥57,589 million ($587,643 thousand) in 2009 and ¥65,375 million in 2008 (Notes 2, 9 and 22)	**155,961**	173,014	**1,591,439**
Total investments and long-term receivables	**1,306,847**	1,429,589	**13,335,173**
Property, plant and equipment, at cost (Notes 2 and 9)**:**			
Land	**218,380**	184,696	**2,228,367**
Buildings and structures	**303,041**	376,888	**3,092,255**
Machinery and equipment	**634,639**	683,566	**6,475,908**
Mining rights	**11,327**	16,643	**115,582**
	1,167,387	1,261,793	**11,912,112**
Accumulated depreciation	**(462,566)**	(463,014)	**(4,720,061)**
Net property, plant and equipment	**704,821**	798,779	**7,192,051**
Prepaid pension cost (Notes 2 and 11)	**3**	7,334	**31**
Deferred income taxes (Notes 2 and 12)	**117,269**	91,910	**1,196,622**
Intangible assets (Notes 2, 3 and 7)	**101,729**	116,546	**1,038,051**
Goodwill (Notes 2 and 7)	**45,771**	58,292	**467,051**
Other assets (Notes 9 and 20)	**102,114**	96,839	**1,041,980**
Total assets	**¥4,707,309**	¥5,207,225	**$48,033,765**

See accompanying notes.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen 2009	Millions of yen 2008	Thousands of U.S. dollars (Note 1) 2009
Current liabilities:			
Short-term loans (Notes 9, 10, 18 and 20)	¥ 241,982	¥ 236,027	$ 2,469,204
Current portion of long-term debt (Notes 9, 10 and 18)	231,396	65,353	2,361,184
Notes and accounts payable—trade:			
Notes and acceptances payable (Note 9)	152,218	177,071	1,553,245
Accounts payable	615,827	833,421	6,283,949
Due to affiliated companies	45,079	62,444	459,990
Advance payments received from customers	186,146	208,182	1,899,449
Accrued income taxes (Note 12)	14,594	16,387	148,918
Deferred income taxes (Notes 2 and 12)	2,013	2,156	20,541
Accrued expenses and other current liabilities (Notes 8, 9 and 20)	245,610	310,086	2,506,224
Total current liabilities	1,734,865	1,911,127	17,702,704
Long-term debt, less current portion (Notes 8, 9, 10, 18 and 20)	2,266,724	2,368,164	23,129,837
Employees' retirement benefits (Notes 2 and 11)	51,384	23,622	524,327
Deferred income taxes (Notes 2 and 12)	30,980	43,731	316,122
Minority interests in consolidated subsidiaries	56,238	80,817	573,857
Commitments and contingent liabilities (Notes 2 and 23)			
Shareholders' equity (Note 13):			
Common stock:			
Authorized shares—4,300,000,000 shares			
Issued and outstanding shares—1,737,940,900 shares in 2009 and 1,737,940,900 shares in 2008	262,686	262,686	2,680,469
Capital surplus	158,454	158,461	1,616,878
Retained earnings	510,484	423,591	5,209,020
Accumulated other comprehensive income (loss) (Notes 12 and 14):			
Unrealized gains on investment securities (Note 4)	6,750	50,463	68,878
Currency translation adjustments	(242,321)	(53,609)	(2,472,663)
Unrealized losses on derivatives	(65,999)	(18,410)	(673,459)
Pension liability adjustments (Note 11)	(62,220)	(42,773)	(634,898)
Cost of common stock in treasury—1,507,541 shares in 2009 and 1,414,364 shares in 2008	(716)	(645)	(7,307)
Total shareholders' equity	567,118	779,764	5,786,918
Total liabilities and shareholders' equity	¥4,707,309	¥5,207,225	$48,033,765

Consolidated Statements of Income

Marubeni Corporation and Consolidated Subsidiaries
Years ended March 31, 2009, 2008 and 2007

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2009	2008	2007	2009
Revenues (Note 2)**:**				
Revenues from trading and other activities	¥3,807,480	¥3,958,276	¥3,467,925	$38,851,837
Commissions on services and trading margins	194,819	207,950	190,930	1,987,949
Total	4,002,299	4,166,226	3,658,855	40,839,786
(Total volume of trading transactions: 2009, ¥10,462,067 million ($106,755,786 thousand) 2008, ¥10,631,616 million 2007, ¥9,554,943 million) (Notes 2, 5 and 16)				
Cost of revenues from trading and other activities (Note 19 and 20)	3,357,496	3,569,310	3,127,684	34,260,164
Gross trading profit	644,803	596,916	531,171	6,579,622
Expenses and other:				
Selling, general and administrative expenses	408,912	393,367	365,291	4,172,571
Provision for doubtful accounts (Note 6)	1,826	3,396	860	18,633
Interest income	(19,028)	(24,934)	(24,179)	(194,163)
Interest expense (Note 20)	59,633	68,202	56,908	608,500
Dividend income	(27,719)	(23,645)	(20,705)	(282,847)
Impairment loss on investment securities (Notes 4 and 19)	47,211	31,208	11,116	481,745
Gain on sales of investment securities (Note 4)	(24,423)	(23,757)	(24,099)	(249,214)
Loss on property, plant and equipment (Note 7)	13,640	1,492	18,951	139,184
Equity in earnings of affiliated companies—net (Notes 5, 16 and 19)	(21,973)	(55,661)	(44,880)	(224,214)
Other—net (Notes 2, 17, 19 and 20)	5,828	11,051	(1,907)	59,468
Total	443,907	380,719	337,356	4,529,663
Income before income taxes and minority interests	200,896	216,197	193,815	2,049,959
Provision for income taxes (Note 12):				
Current	62,160	44,566	53,910	634,286
Deferred	18,763	15,974	14,295	191,459
	80,923	60,540	68,205	825,745
Income before minority interests	119,973	155,657	125,610	1,224,214
Minority interests	(8,765)	(8,408)	(6,261)	(89,438)
Net income	¥ 111,208	¥ 147,249	¥ 119,349	$ 1,134,776
Income available to preferred shareholders	¥ —	¥ —	¥ 605	$ —
Net income available to common shareholders	¥ 111,208	¥ 147,249	¥ 118,744	$ 1,134,776

	Yen			U.S. dollars
Earnings per share of common stock (Note 15)**:**				
Basic:				
Net income	¥ 64.04	¥ 84.93	¥ 72.41	$ 0.65
Diluted:				
Net income	N/A	N/A	¥ 68.85	N/A

See accompanying notes.

Consolidated Statements of Changes in Shareholders' Equity

Marubeni Corporation and Consolidated Subsidiaries
Years ended March 31, 2009, 2008 and 2007

	Millions of yen						Thousands of U.S. dollars (Note 1)	
	2009		2008		2007		2009	
Class I preferred stock:								
Balance at beginning of year	¥ —		¥ —		¥ 37,750		$ —	
Conversion to common stock	—		—		(37,750)		—	
Balance at end of year	¥ —		¥ —		¥ —		$ —	
Common stock:								
Balance at beginning of year	¥ 262,686		¥262,686		¥224,936		$ 2,680,469	
Conversion of preferred stock	—		—		37,750		—	
Balance at end of year	¥ 262,686		¥262,686		¥262,686		$ 2,680,469	
Capital surplus:								
Balance at beginning of year	¥ 158,461		¥155,905		¥155,903		$ 1,616,949	
Issuance of common stock in exchange for a subsidiary's minority shares	—		2,344		—		—	
Gain on sales of treasury stock	(7)		212		2		(71)	
Balance at end of year	¥ 158,454		¥158,461		¥155,905		$ 1,616,878	
Retained earnings:								
Balance at beginning of year	¥ 423,591		¥298,011		¥193,772		$ 4,322,356	
Net income	111,208	¥ 111,208	147,249	¥147,249	119,349	¥119,349	1,134,776	$ 1,134,776
Cash dividends— common and preferred stocks	(24,315)		(21,669)		(15,110)		(248,112)	
Balance at end of year	¥ 510,484		¥423,591		¥298,011		$ 5,209,020	
Accumulated other comprehensive income (loss) (Notes 14 and 19):								
Balance at beginning of year	¥ (64,329)		¥ 29,339		¥ 51,752		$ (656,418)	
Unrealized (losses) gains on investment securities, net of reclassification (Note 4)		(43,713)		(52,436)		(6,136)		(446,051)
Currency translation adjustments, net of reclassification (Note 20)		(188,712)		(14,062)		13,903		(1,925,633)
Unrealized (losses) gains on derivatives, net of reclassification (Note 20)		(47,589)		(12,000)		(4,294)		(485,602)
Minimum pension liability adjustment (Note 11)		—		—		(834)		—
Pension liability adjustments, net of reclassification (Note 11)		(19,447)		(15,170)		—		(198,439)
Other comprehensive income (loss), net of tax	(299,461)	(299,461)	(93,668)	(93,668)	2,639	2,639	(3,055,725)	(3,055,725)
Comprehensive income		¥(188,253)		¥ 53,581		¥121,988		$(1,920,949)
Adjustment to initially apply SFAS 158, net of tax	—		—		(25,052)		—	
Balance at end of year	¥(363,790)		¥ (64,329)		¥ 29,339		$(3,712,143)	
Cost of common stock in treasury:								
Balance at beginning of year	¥ (645)		¥ (487)		¥ (326)		$ (6,582)	
Purchase of treasury stock, net	(71)		(158)		(161)		(725)	
Balance at end of year	¥ (716)		¥ (645)		¥ (487)		$ (7,307)	
Disclosure of reclassification amount:								
Unrealized (losses) gains on investment securities arising during the period	¥ (65,480)		¥ (49,347)		¥ (1,083)		$ (668,163)	
Less: Reclassification adjustments included in net income	21,767		(3,089)		(5,053)		222,112	
Net unrealized (losses) gains	¥ (43,713)		¥ (52,436)		¥ (6,136)		$ (446,051)	
Currency translation adjustments arising during the period	¥(185,630)		¥ (16,221)		¥ 11,062		$(1,894,184)	
Less: Reclassification adjustments included in net income	(3,082)		2,159		2,841		(31,449)	
Net currency translation adjustments	¥(188,712)		¥ (14,062)		¥ 13,903		$(1,925,633)	
Unrealized (losses) gains on derivatives arising during the period	¥ (55,625)		¥ (15,460)		¥ (6,659)		$ (567,602)	
Less: Reclassification adjustments included in net income	8,036		3,460		2,365		82,000	
Net unrealized (losses) gains on derivatives	¥ (47,589)		¥ (12,000)		¥ (4,294)		$ (485,602)	
Pension liability adjustments arising during the periods	¥ (21,344)		¥ (17,329)		¥ —		$ (217,796)	
Less: Reclassification adjustments included in net income	1,897		2,159		—		19,357	
Net pension liability adjustments	¥ (19,447)		¥ (15,170)		¥ —		$ (198,439)	

See accompanying notes.

Consolidated Statements of Cash Flows

Marubeni Corporation and Consolidated Subsidiaries
Years ended March 31, 2009, 2008 and 2007

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2009	2008	2007	2009
Operating activities:				
Net income	**¥ 111,208**	¥ 147,249	¥ 119,349	**$ 1,134,776**
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	**92,168**	96,370	101,145	**940,490**
Provision for doubtful accounts	**1,826**	3,396	860	**18,633**
Equity in (earnings) losses of affiliated companies, less dividends received	**16,141**	(29,309)	(19,022)	**164,704**
Loss (gain) on investment securities	**22,788**	7,451	(12,983)	**232,531**
Loss on property, plant and equipment	**13,640**	1,492	18,951	**139,184**
Deferred income taxes	**18,763**	15,974	14,295	**191,459**
Changes in operating assets and liabilities:				
Notes and accounts receivable	**289,689**	(53,681)	(118,336)	**2,956,010**
Inventories	**19,489**	(43,886)	(24,106)	**198,867**
Advance payments to suppliers and prepaid expenses and other assets	**(3,122)**	(21,191)	(60,414)	**(31,857)**
Prepaid pension cost	**277**	21,642	25,886	**2,827**
Notes, acceptances and accounts payable	**(210,014)**	6,226	59,308	**(2,143,000)**
Advance payments received from customers and accrued expenses and other liabilities	**(49,203)**	90,977	55,539	**(502,071)**
Accrued income taxes	**1,312**	(1,674)	383	**13,388**
Other	**18,656**	(5,746)	(8,780)	**190,365**
Net cash provided by operating activities	**343,618**	235,290	152,075	**3,506,306**
Investing activities:				
Net (increase) decrease in time deposits	**(22,744)**	(9,347)	2,050	**(232,082)**
Proceeds from sales of available-for-sale securities	**10,521**	18,472	13,922	**107,357**
Proceeds from redemptions of available-for-sale securities	**3,210**	5,058	—	**32,755**
Purchases of available-for-sale securities	**(13,794)**	(33,362)	(25,241)	**(140,755)**
Proceeds from redemptions of held-to-maturity securities	**7,985**	—	6,000	**81,480**
Proceeds from sales of investments in affiliated companies	**16,224**	15,651	51,892	**165,551**
Acquisitions of investments in affiliated companies	**(242,819)**	(140,868)	(100,890)	**(2,477,745)**
Proceeds from sales of other investments	**44,538**	40,646	60,111	**454,469**
Acquisitions of other investments	**(37,633)**	(149,849)	(103,084)	**(384,010)**
Proceeds from sales of property, plant and equipment and property leased to others	**8,384**	14,541	22,728	**85,551**
Purchases of property, plant and equipment and property leased to others	**(179,102)**	(87,877)	(66,274)	**(1,827,571)**
Collection of loans receivable	**35,074**	70,750	57,341	**357,898**
Loans made to customers	**(16,913)**	(50,670)	(53,702)	**(172,582)**
Net cash used in investing activities	**(387,069)**	(306,855)	(135,147)	**(3,949,684)**
Financing activities:				
Net increase (decrease) in short-term loans	**65,307**	54,643	(169,837)	**666,398**
Proceeds from long-term loans and bonds	**451,721**	349,164	659,300	**4,609,398**
Payments of long-term loans and bonds	**(232,584)**	(312,343)	(444,531)	**(2,373,306)**
Cash dividends paid—common and preferred stocks	**(24,315)**	(21,669)	(15,110)	**(248,112)**
Purchase of treasury stock, net	**(73)**	(243)	(159)	**(745)**
Other	**(2,448)**	(3,687)	(4,844)	**(24,980)**
Net cash provided by (used in) financing activities	**257,608**	65,865	24,819	**2,628,653**
Effect of exchange rate changes on cash and cash equivalents	**(42,514)**	(6,971)	4,269	**(433,816)**
Net increase (decrease) in cash and cash equivalents	**171,643**	(12,671)	46,016	**1,751,459**
Cash and cash equivalents at beginning of year	**402,281**	414,952	368,936	**4,104,908**
Cash and cash equivalents at end of year	**¥ 573,924**	¥ 402,281	¥ 414,952	**$ 5,856,367**
Supplemental cash flow information:				
Cash paid during the year for:				
Interest	**¥ 56,726**	¥ 67,909	¥ 58,864	**$ 578,837**
Income taxes	**65,656**	50,506	55,242	**669,959**
Non-cash investing activities:				
Exchange of assets:				
Fair value of assets received	**7,381**	810	11,925	**75,316**
Carrying value of assets surrendered	**6,693**	493	11,481	**68,296**
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.

Notes to Consolidated Financial Statements

Marubeni Corporation and Consolidated Subsidiaries
Years ended March 31, 2009, 2008 and 2007

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 the fields which covers 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 non-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, 2009 is included solely for the convenience of readers outside of Japan and has been made at ¥98 to $1, the exchange rate prevailing on March 31, 2009. 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"). The VIEs are defined by the Financial Accounting Standards Board ("FASB") Interpretation ("FIN") No. 46, *Consolidation of Variable Interest Entities (revised December 2003)—and Interpretation of ARB No. 51,* ("FIN 46R").

Significant intercompany transactions and accounts among the Companies have been eliminated.

When a subsidiary sells stock to unrelated third parties, the Company's shareholding in the subsidiary decreases while the price per share changes, depending on the price of the new stock issued. The Company recognizes such a change in the price per share in earnings at the time of the sale of stock.

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. The excess amounts of the cost of investments in affiliated companies over the Companies' equity in the underlying fair value of the net assets of the associated companies at the dates of acquisition are included in the acquisition costs of the investments and no amortization is recorded when such excess amount is equity method goodwill. 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. Whether declines in the value of investments are other than temporary is determined by examining the length of the time and the extent to which the value less than that market value has been less than cost and the recoverability based on prospects.

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 of the year.

Cash equivalents

The Companies consider deposits in banks, certificates of deposit and securities purchased under resale agreements with an original maturity of three months or less to be cash equivalents.

Investments in debt and marketable equity securities

The Companies determine the appropriate classification of investment securities as either 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 judged to be other than temporary, they are written down to the fair value by recognizing impairment loss on investment securities.

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 the 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 shareholders' 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 dividend on interest 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. Whether declines in the value of investments 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.

Non-marketable equity securities

Non-marketable equity securities are stated at cost. Declines judged to be other than temporary on non-marketable equity securities are written down to the fair value by recognizing in 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 has been less than cost.

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 ¥63,272 million ($645,633 thousand) and ¥87,521 million at March 31, 2009 and 2008, 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, 2009 and 2008.

Leases

The Company and certain of its subsidiaries 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 Company and certain of its subsidiaries 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 without mining rights is determined by the straight-line method or the declining-balance at rates based on the estimated useful lives of the respective assets (buildings and structures from 2 to 60 years, machinery and equipment from 2 to 30 years). Mining rights are primarily amortized by the unit-of-production method or straight-line method at rates based on the estimated useful lives of 10 to 30 years. Depreciation of property, plant and equipment (including property leased to others) is ¥80,500 million ($821,429 thousand) and ¥85,109 million for the years ended March 31, 2009 and 2008.

Intangible assets subject to amortization with useful lives are amortized by the straight-line method at rates based on the estimated useful lives.

Mining rights

Mining rights are included in property, plant and equipment in the consolidated balance sheets.

Long-lived assets other than goodwill and other intangible assets

Property and equipment, property leased to others and intangible assets subject to amortization in the long-lived assets held and used 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 are reported at the lower of the carrying amount or fair value less cost to sell.

Goodwill and other intangible assets

The Company and certain of its subsidiaries do not amortize goodwill and intangible assets with indefinite useful lives. The Companies review them for impairment at least annually. The Companies annually test goodwill for impairment using the two-step process. The first step is a screen for recognizing impairment losses based on reporting unit, while the second step measures the amount of the impairment, if any.

Business combinations

The Company and certain of its subsidiaries use the purchase method of accounting for all business combinations. The Companies separately recognizes and presents acquired intangible assets as goodwill or other intangible assets.

Asset retirement obligation

The Company and certain of its subsidiaries recognize a liability for an asset retirement obligation of the long-lived assets at the fair value at the time that the obligation is incurred and capitalize the same amount of the liability by fair value. 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 unit-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. If the proved properties are determined to be impaired, an impairment loss is recognized based on the fair value. Unproved properties are assessed annually for impairment with any impairment charged to expense.

Mining operation

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 unit-of-production method or straight-line method based on the proven and probable reserves.

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, is 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 Company and certain of its subsidiaries 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, certain transactions are reported net, as commissions, when the margins thereon are in substance considered commissions in accordance with FASB Emerging Issue Task Force Issue 99-19 *Reporting Revenue Gross as a Principal versus Net as an Agent*. 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 the practices of the Japanese trading companies. The presentation is not in accordance with 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.

Long-term construction arrangements: Revenue is recognized by the percentage-of-completion method when the conditions are met under AICPA Statement of Position 81-1, *Accounting for Performance of Construction-Type and Certain Production-Type Contracts.* The measurement of the percentage to completion of construction is primarily based on the cost-to-cost method. The loss on a loss contract is recognized in the period when the loss becomes probable.

Shipping and handling costs are included in cost of revenues from trading and other activities.

Consumption taxes

Revenues, costs and expenses on the consolidated statements of income do not include consumption taxes.

Other expenses—net

Other expenses—net includes losses incurred in liquidating subsidiaries and affiliated companies of ¥73 million ($745 thousand), ¥132 million and ¥1,114 million for the years ended March 31, 2009, 2008 and 2007, respectively.

The aggregated amounts of losses on sales of loans, included in other expenses—net were ¥789 million ($8,051 thousand), ¥668 million and ¥1,799 million for the years ended March 31, 2009, 2008 and 2007, respectively.

Derivative instruments and hedging activities

The Company and certain of its subsidiaries recognize all derivative instruments on the consolidated balance sheet 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 statements. Depending on the purpose to hold, the derivatives that are hedges are categorized as fair value hedge, cash flow hedge or hedge of net investments in foreign operations.

Derivatives for hedge to changes in the fair value are adjusted to fair value through income and offset against the change in value of the hedged assets, liabilities, or firm commitments through earnings. The Company and certain of its subsidiaries use the derivatives for hedging the volatility in the fair value of commodities or the 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 on the consolidated balance sheet until the hedged item is recognized in earnings.

The ineffective portion of the change in fair value of a hedge will be immediately recognized in earnings. The Company and certain of its subsidiaries use the 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 the 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 cumulative 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.

Based on SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities—an amendment of FASB Statement No. 133* ("SFAS 161"), the Company and certain of its subsidiaries disclose objectives for using derivative instruments in terms of underlying risk and accounting designation.

In addition, the Company and certain of its subsidiaries also disclose based on FAS No. 133-1 and FIN No. 45-4, *Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45; and Clarification of the Effective Date of FASB Statement No. 161.*

Offsetting of amounts related to certain contracts

The Company and certain of its subsidiaries offset the fair value of the derivatives contracted with the same partner in master netting arrangement and the fair value of receivable 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 ¥3,062 million ($31,245 thousand) as of March 31, 2009.

Fair value measurement and fair value option

The Company and certain of its subsidiaries measure financial assets and liabilities and categorize three levels depending on the observation possibility based on Statements of Financial Accounting standards ("SFAS") No. 157, *Fair Value Measurements* ("SFAS 157"), Staff Positions No. FAS 157-1, *"Application of FASB Statement No. 157 to FASB Statement No. 13 and Other Accounting Pronouncements That Address Fair Value Measurements for Purposes of Lease Classification or Measurement under Statement 13,"* Staff Position No. FAS 157-2, *"Effective Date of FASB Statement No. 157,"* and Staff Position No. FAS 157-3, *"Determining the Fair Value of a Financial Asset When the Market for that Asset is not Active."*

The Company and certain of its subsidiaries adopted SFAS No. 159 *The Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115.*

The adoption of these statements and positions does not have a material impact on the Company's financial position and results of operations.

Guarantee

The Company and certain of its subsidiaries recognize a liability for the fair value of the obligation undertaken for the guarantee.

Income taxes

Deferred tax assets and liabilities are determined based on the differences between the financial reporting and the 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 Company and certain of its subsidiaries recognize and measure uncertainty in income tax on the financial statement based on FIN No. 48*, Accounting for Uncertainty in Income Taxes, an interpretation of FAS 109, Accounting for Income Taxes* ("FIN 48").

Interest and penalties accrued related to unrecognized tax benefits are included in other—net.

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 2007, the FASB issued SFAS No. 141, *Business Combination (revised 2007)* and SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51* ("SFAS 160"). SFAS No. 141 expanded the definition of a business for business combination and requires that all of the assets, liabilities and any noncontrolling interests, which is classified as part of consolidated equity, are recorded at 100% of their fair value in an acquisition of less than a 100% controlling interest when the acquisition constitutes a change in control of the acquired entity. SFAS 160 requires that changes in parent's ownership interest that do not result in a loss of control are accounted for as equity transactions of the consolidated entity. It also requires that the noncontrolling interest is measured at fair value if the parent loses control. Both of these standards are effective for fiscal years beginning on or after December 15, 2008.

The Company has not determined the effect, if any, that the adoption of these statements will have on the Company's financial position and results of operations because it depends on structure of deals.

In December 2008, the FASB issued Staff Positions No. FAS 132(R)-1, *"Employers' Disclosures about Postretirement Benefit Plan Assets."* The Staff Positions amends SFAS No. 132 (revised 2003), "*Employers' Disclosures about Pensions and Other Postretirement Benefits*," to provide guidance on an employer's disclosures about plan assets of a defined benefit pension or other postretirement plan. The Staff Positions require additional disclosure including investment allocation decision policies, significant concentrations of risk in plan assets, fair value of the major categories of plan assets and the inputs and valuation techniques used to measure the fair value of plan assets. The Staff Positions are effective for fiscal years ending after December 15, 2009. The adoption of the Staff Positions will not have any impact on the Company's financial position and results of operations.

In April 2009, the FASB issued Staff Positions No. FAS 157-4 *"Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly,"* Staff Position No. FAS 107-1 and APB 28-1 *"Interim Disclosures about Fair Value of Financial Instruments,"* Staff Position No. FAS 115-2 and FAS 124-2 "*Recognition and Presentation of Other-Than-Temporary Impairments.*" Staff Position FAS 157-4 provides additional guidance for estimating fair value in accordance with SFAS 157 when the volume and level of activity for the asset or liability have significantly decreased. Staff Position No. FAS 107-1 and APB 28-1 require disclosures about fair value of financial instruments for interim reporting periods as well as in annual financial statements. Staff Position No. FAS 115-2 and FAS 124-2 amend the other-than-temporary impairment guidance for debt securities to make the guidance more operational and to improve the presentation and disclosure of other-than-temporary impairments on debt and equity securities in the financial statements. These Staff Positions are effective for interim reporting periods ending after June 15, 2009. The adoption of these positions will not have a material impact on the Company's financial position and results of operations.

3. Acquisitions

There were no significant acquisitions for the year ended March 31, 2009.

Acquisitions for the year ended March 31, 2008 are as follows.

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.

Overseas power project business is one of the Company's core strategies and the Company is expanding its global portfolio to further strengthen its foundation of power project business. As a result of this acquisition, the Company obtained interests in vertically integrated electric utilities in addition to electric power generation the Company has already engaged in. The Company will supply electric power to around 600,000 households directly in Grand Bahama Island and Jamaica. The results of operations of MECa have been consolidated in the consolidated statements of income from the date of the acquisition. Since purchase allocation relating to this acquisition has not been finalized, the allocation of the purchase price at March 31, 2008 was estimated based on the information available to the Company.

The aggregate purchase price was ¥69,011 million. The estimated fair values of the assets at the date of acquisition based on the preliminary purchase price allocation 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 values of the liabilities based on the preliminary purchase price allocation was ¥94,630 million that consisted of current liabilities of ¥25,611 million and non-current liabilities of ¥69,019 million. Minority interest was ¥24,374 million.

The pro-forma result related to this acquisition is not disclosed because the impact to the consolidated financial statements is not material.

50% interest of the IPP holding company that MCPH acquired for the year ended March 31, 2008 was sold for the year ended March 31, 2009. 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, 2009 and 2008:

	Available-for-sale securities							
	Millions of yen							
	2009				2008			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Current:								
Debt securities	¥ 924	¥ —	¥ (3)	¥ 921	¥ 3,578	¥ 3	¥ (4)	¥ 3,577
Non-current:								
Debt securities	¥ 25,886	¥ 151	¥ —	¥ 26,037	¥ 32,383	¥ 26	¥ (306)	¥ 32,103
Marketable equity securities	162,327	41,380	(26,824)	176,883	201,866	99,844	(22,840)	278,870
Total	¥188,213	¥41,531	¥(26,824)	¥202,920	¥234,249	¥99,870	¥(23,146)	¥310,973

	Thousands of U.S. dollars			
	2009			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Current:				
Debt securities	$ 9,429	$ —	$ (31)	$ 9,398
Non-current:				
Debt securities	$ 264,143	$ 1,541	$ —	$ 265,684
Marketable equity securities	1,656,398	422,245	(273,714)	1,804,928
Total	$1,920,541	$423,786	$(273,714)	$2,070,612

	Held-to-maturity securities							
	Millions of yen							
	2009				2008			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Current:								
Debt securities	¥ —	¥ —	¥ —	¥ —	¥5,159	¥ 53	¥ —	¥5,212
Non-current:								
Debt securities	¥ —	¥ —	¥ —	¥ —	¥3,143	¥ 27	¥ —	¥3,170

	Thousands of U.S. dollars			
	2009			
	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, 2009 and 2008, were as follows:

	Millions of yen							
	2009				2008			
	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	¥ 486	¥ (3)	¥ —	¥ —	¥ 6,375	¥ (310)	¥ —	¥ —
Marketable equity securities	76,706	(26,824)	—	—	66,925	(22,840)	—	—
	¥77,192	¥(26,827)	¥ —	¥ —	¥73,300	¥(23,150)	¥ —	¥ —
Held-to-maturity:								
Debt securities	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —

	Thousands of U.S. dollars			
	2009			
	Less than 12 months		12 months or longer	
	Fair value	Unrealized losses	Fair value	Unrealized losses
Available-for-sale:				
Debt securities	$ 4,959	$ (31)	$ —	$ —
Marketable equity securities	782,714	(273,714)	—	—
	$787,673	$(273,745)	$ —	$ —
Held-to-maturity:				
Debt securities	$ —	$ —	$ —	$ —
	$ —	$ —	$ —	$ —

The investments in available-for-sale securities with unrealized losses primarily consist of marketable equity securities of 140 issues and 110 issues as of March 31, 2009 and 2008, respectively. The unrealized losses on these securities were mainly due to what management believe is a temporary decline in the stock market. The severity of the decline was less than fifty percent 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 that the declines in fair value of these investments to be other-than-temporary and these investments were not impaired at March 31, 2009.

In addition to the securities listed above, the Companies held trading securities of ¥30 million ($306 thousand) and ¥741 million, at fair value, as of March 31, 2009 and 2008, respectively. The net unrealized holding gains and losses on trading securities included in earnings for the years ended March 31, 2009, 2008 and 2007 amounted to ¥10 million ($102 thousand) of losses, ¥13 million of losses, and ¥431 million of gains, respectively.

The proceeds from sales of available-for-sale securities amounted to ¥10,521 million ($107,357 thousand), ¥18,472 million and ¥13,922 million for the years ended March 31, 2009, 2008 and 2007, respectively. Gross realized gains on sales of available-for-sale securities totaled ¥2,597 million ($26,500 thousand), ¥16,454 million and ¥8,700 million, and gross realized losses totaled ¥58 million ($592 thousand), ¥60 million and ¥85 million for the years ended March 31, 2009, 2008 and 2007, respectively.

The Company wrote down certain marketable investment securities whose decline in value was considered to be other than temporary to their fair value. These write-downs amounted to ¥39,311 million ($401,133 thousand), ¥11,046 million and ¥63 million for the years ended March 31, 2009, 2008 and 2007, respectively.

The amortized cost and estimated fair value of debt and marketable equity securities at March 31, 2009 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	¥ 924	¥ 921	$ 9,429	$ 9,398
Due after one year through five years	1,438	1,503	14,673	15,337
Due after five years through ten years	20,610	20,610	210,306	210,306
Due after ten years	3,838	3,924	39,164	40,041
Total debt securities	26,810	26,958	273,572	275,082
Marketable equity securities	162,327	176,883	1,656,398	1,804,928
Total	¥189,137	¥203,841	$1,929,970	$2,080,010

	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, 2009 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Investments in equity securities	**¥653,128**	¥572,504	**$6,664,571**
Long-term receivables	**31,241**	43,505	**318,786**
	¥684,369	¥616,009	**$6,983,357**

The financial information of affiliated companies at March 31, 2009 and 2008 and for the years ended March 31, 2009, 2008 and 2007, was summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Current assets	**¥1,981,249**	¥1,965,059	**$20,216,827**
Other assets	**3,381,055**	3,442,855	**34,500,561**
Total assets	**¥5,362,304**	¥5,407,914	**$54,717,388**
Current liabilities	**¥1,592,198**	¥1,619,258	**$16,246,918**
Other liabilities	**2,295,610**	2,369,591	**23,424,592**
Equity accounts	**1,474,496**	1,419,065	**15,045,878**
Total liabilities and equity	**¥5,362,304**	¥5,407,914	**$54,717,388**

	Millions of yen			Thousands of U.S. dollars
	2009	2008	2007	2009
Total volume of trading transactions	**¥6,188,076**	¥5,860,074	¥5,774,670	**$63,143,633**
Net income	**129,955**	183,134	162,837	**1,326,071**

The total volume of trading transactions is based on the practice of the Japanese trading companies for Japanese investors' accommodation.

The Companies' transactions with affiliated companies for the years ended March 31, 2009, 2008 and 2007 were as follows:

	Millions of yen			Thousands of U.S. dollars
	2009	2008	2007	2009
Sales transactions	**¥307,925**	¥308,828	¥366,876	**$3,142,092**
Purchase transactions	**180,489**	184,644	166,301	**1,841,724**

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. (29.42% 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 ¥163,832 million ($1,671,755 thousand) and ¥37,846 million at March 31, 2009 and 2008, respectively. The excess consists of fair value adjustments on assets and liabilities of affiliated companies at the time of investments and equity method goodwill.

Certain investments in the common stock of affiliated companies are marketable equity securities, which have carrying values of ¥52,720 million ($537,959 thousand) and ¥58,637 million at March 31, 2009 and 2008, respectively, with corresponding aggregate quoted market values of ¥46,849 million ($478,051 thousand) and ¥63,609 million.

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
	2009	2008	2007	2009
Balance at beginning of year	¥ 65,768	¥67,669	¥ 99,874	$ 671,102
Provision	1,826	3,396	860	18,633
Charge-offs	(15,382)	(1,415)	(30,137)	(156,959)
Other	(2,431)	(3,882)	(2,928)	(24,807)
Balance at end of year	¥ 49,781	¥65,768	¥ 67,669	$ 507,969

At March 31, 2009 and 2008, the recorded investments in loans that are considered to be impaired under SFAS No. 114, *Accounting by Creditors for Impairment of a Loan,* were ¥58,744 million ($599,429 thousand) and ¥76,100 million, respectively, and the allowance for credit losses related to those loans were ¥42,943 million ($438,194 thousand) and ¥53,987 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 ¥73,919 million ($754,276 thousand), ¥87,397 million and ¥131,270 million for the years ended March 31, 2009, 2008 and 2007, 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 ¥708 million ($7,224 thousand), ¥761 million and ¥1,245 million for the years ended March 31, 2009, 2008 and 2007, respectively.

7. Long-Lived Assets

The gross carrying amounts and accumulated amortization of intangible assets as of March 31, 2009 and 2008 were as follows:

	Millions of yen				Thousands of U.S. dollars	
	2009		2008		2009	
	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	¥ 57,295	¥ (6,284)	¥ 59,458	¥ (4,839)	$ 584,643	$ (64,122)
Customer contracts and relationships	39,602	(10,443)	42,378	(10,003)	404,102	(106,561)
Software	21,452	(11,132)	19,559	(10,102)	218,898	(113,592)
Other	2,922	(1,560)	3,780	(1,600)	29,817	(15,919)
Intangible assets not subject to amortization:						
Land rent rights	2,452	—	2,589	—	25,020	—
Trademarks	1,915	—	1,904	—	19,541	—
Other	5,510	—	13,422	—	56,224	—
	¥131,148	¥(29,419)	¥143,090	¥(26,544)	$1,338,245	$(300,194)

Intangible assets subject to amortization acquired during the year ended March 31, 2009 totaled ¥10,048 million ($102,531 thousand) and consisted primarily of customer contracts and relationships of ¥5,663 ($57,786 thousand), software of ¥4,370 million ($44,592 thousand). The weighted-average amortization period of customer contracts and relationships and software acquired during the year ended March 31, 2009 is 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 ($22,898 thousand).

Intangible assets subject to amortization acquired during the year ended March 31, 2008 totaled ¥21,538 million and consisted primarily of licenses and operating rights in natural resources of ¥5,247 million, customer contracts and relationships of ¥11,384 million and software of ¥4,678 million. The weighted-average amortization periods of licenses and operating rights in natural resources, customer contracts and relationships and software acquired during the year ended March 31, 2008 were 36 years (straight-line method), 3-15 years (straight-line method) and 5 years (straight-line method), respectively. Intangible assets not subject to amortization acquired during the year ended March 31, 2008 totaled ¥14,377 million and were obtained mainly in business acquisitions.

The amortization expense for intangible assets was ¥7,679 million ($78,357 thousand), ¥7,743 million and ¥6,408 million for the years ended March 31, 2009, 2008 and 2007, 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
2010	¥8,212	$83,796
2011	7,537	76,908
2012	6,751	68,888
2013	5,853	59,724
2014	5,075	51,786

The changes in the carrying amount of goodwill by operating segment for the years ended March 31, 2009 and 2008 are as follows:

	Millions of yen									
	Food	Lifestyle	Chemicals	Transportation machinery	Power projects & infrastructure	Plant, ship & industrial machinery	Real estate development	FT, LT, IT & innovative business	Overseas corporate subsidiaries and branches	Total
Balance at March 31, 2007	¥ 7,293	¥1,524	¥1,341	¥ 5,498	¥ 2,073	¥4,266	¥527	¥ 9,133	¥ 4,139	¥ 35,794
Goodwill acquired during the year	1,502	228	—	2,696	8,941	—	—	1,958	7,520	22,845
Impairment losses	—	—	—	—	—	—	—	—	—	—
Disposal, effect of exchange rate and other	(37)	—	(33)	(194)	(3)	(93)	—	1	12	(347)
Balance at March 31, 2008	8,758	1,752	1,308	8,000	11,011	4,173	527	11,092	11,671	58,292
Goodwill acquired during the year	2,003	—	—	801	—	—	—	—	—	2,804
Impairment losses	—	—	—	—	—	—	—	—	—	—
Disposal, effect of exchange rate and other	(268)	(4)	(552)	(2,368)	(7,870)	(834)	—	—	(3,429)	(15,325)
Balance at March 31, 2009	¥10,493	¥1,748	¥ 756	¥ 6,433	¥ 3,141	¥3,339	¥527	¥11,092	¥ 8,242	¥ 45,771

	Thousands of U.S. dollars									
	Food	Lifestyle	Chemicals	Transportation machinery	Power projects & infrastructure	Plant, ship & industrial machinery	Real estate development	FT, LT, IT & innovative business	Overseas corporate subsidiaries and branches	Total
Balance at March 31, 2008	$ 89,367	$17,878	$13,347	$ 81,633	$112,357	$42,582	$5,378	$113,184	$119,090	$594,816
Goodwill acquired during the year	20,439	—	—	8,173	—	—	—	—	—	28,612
Impairment losses	—	—	—	—	—	—	—	—	—	—
Disposal, effect of exchange rate and other	(2,735)	(41)	(5,633)	(24,163)	(80,306)	(8,511)	—	—	(34,988)	(156,377)
Balance at March 31, 2009	$107,071	$17,837	$ 7,714	$ 65,643	$ 32,051	$34,071	$5,378	$113,184	$ 84,102	$467,051

There was no impairment losses on goodwill recognized for the years ended March 31, 2009 and 2008. As a result of decreases in the estimated future cash flows due to the worsened business circumstances and conditions and changes in management strategies, the Companies recognized impairment losses on goodwill of ¥868 million for the years ended March 31, 2007. 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 ¥13,330 million ($136,020 thousand), ¥3,100 million and ¥18,879 million, which are included in loss on property, plant and equipment on the consolidated statement of income, for the years ended March 31, 2009, 2008 and 2007, 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 Real estate development of ¥5,862 million ($59,816 thousand) and Energy of ¥3,692 million ($37,673 thousand) for the year ended March 31, 2009, Real estate development of ¥1,197 million for the year ended March 31, 2008, and Energy of ¥4,415 million, Real estate development of ¥4,249 million, Food of ¥3,728 million, Corporate and Elimination of ¥3,065 million and Plant, ship and industrial machinery of ¥2,013 million for the year ended March 31, 2007.

8. Asset Retirement Obligation

The Company and 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 overseas 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 consolidated balance sheets.

The changes in asset retirement obligations for the years ended March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Balance at beginning of year	¥20,352	¥15,365	$207,673
Liabilities incurred	1,842	5,197	18,796
Liabilities settled	(592)	(24)	(6,041)
Accretion expense	1,391	747	14,194
Revisions to cost estimate	2,918	—	29,776
Other	(2,429)	(933)	(24,786)
Balance at end of year	¥23,482	¥20,352	$239,612

"Other" includes foreign currency translation adjustments.

9. Pledged Assets

The following table summarizes assets pledged as collateral for the Companies' obligations at March 31, 2009 and 2008:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Time deposits	¥ 2,794	¥ 7,819	$ 28,510
Securities and other investments and investments in affiliated companies	71,759	109,560	732,235
Notes, loans and accounts receivable—trade (current and non-current)	12,736	22,307	129,959
Inventories	1,464	709	14,939
Property, plant and equipment, and property leased to others, net of accumulated depreciation	380,106	422,254	3,878,633
Other	25,675	36,153	261,989
	¥494,534	¥598,802	$5,046,265

The obligations secured by such collateral were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Short-term loans	¥ 16,046	¥ 57,437	$ 163,735
Other current liabilities	5,000	5,000	51,020
Long-term debt	115,238	152,728	1,175,898
Guarantees of contracts and other	10,940	14,525	111,633
	¥147,224	¥229,690	$1,502,286

In addition, acceptances payable at March 31, 2009 and 2008 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, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Short-term loans from banks and others	¥186,982	¥208,027	$1,907,980
Weighted average interest rates (%)	1.84%	3.35%	1.84%
Commercial Paper	¥ 55,000	¥ 28,000	$ 561,224
Weighted average interest rates (%)	0.71%	0.68%	0.71%

Long-term debt at March 31, 2009 and 2008 consisted of:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
1.43% notes due 2009	¥ 10,000	¥ 10,000	$ 102,041
1.38% notes due 2009	15,000	15,000	153,061
1.28% notes due 2009	10,000	10,000	102,041
0.98% notes due 2009	10,000	10,000	102,041
0.87% notes due 2010	20,000	20,000	204,082
1.32% notes due 2012	10,000	10,000	102,041
1.38% notes due 2012	10,000	10,000	102,041
1.37% (2.70% after March 17, 2010) notes due 2015 with prepayment options	5,000	5,000	51,020
0.80% notes due 2010	20,000	20,000	204,082
1.28% notes due 2012	15,000	15,000	153,061
1.09% notes due 2010	30,000	30,000	306,122
1.56% notes due 2012	10,000	10,000	102,041
1.50% notes due 2012	10,000	10,000	102,041
1.67% notes due 2011	20,000	20,000	204,082
1.81% notes due 2012	10,000	10,000	102,041
1.62% notes due 2012	10,000	10,000	102,041
1.64% notes due 2013	10,000	10,000	102,041
1.80% notes due 2014	10,000	10,000	102,041
1.71% notes due 2012	10,000	10,000	102,041
1.78% notes due 2013	10,000	10,000	102,041
1.75% notes due 2013	10,000	—	102,041
1.62% notes due 2013	10,000	—	102,041
Secured notes due from 2010 to 2012 principally at rates from 1.2% to 1.9% or at floating rates	10,504	—	107,184
Medium-term notes due from 2009 to 2010 principally at rates from 1.1% to 3.7% or at floating rates	11,435	3,219	116,684
Loans from government-owned banks and government agencies:			
Secured, due serially through 2023 principally at rates from 1.2% to 3.6%	28,845	9,483	294,337
Unsecured, due serially through 2025 principally at rates from 0.9% to 4.9%	73,046	73,272	745,367
Loans principally from banks and insurance companies:			
Secured, due serially through 2022 principally at rates from 1.5% to 8.0%	89,664	164,312	914,939
Unsecured, due serially through 2019 principally at rates from 0.7% to 10.4%	1,786,048	1,687,832	18,224,980
Other	206,358	227,255	2,105,690
	2,480,900	2,420,373	25,315,306
SFAS 133 fair value adjustments	17,220	13,144	175,714
	2,498,120	2,433,517	25,491,020
Less: Current portion	231,396	65,353	2,361,183
	¥2,266,724	¥2,368,164	$23,129,837

The SFAS 133 fair value adjustments above represent adjustments made to the balance of the debt in accordance with SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities, as amended by SFAS 138 and SFAS 149* ("SFAS 133") 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 enter 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 six-month or three-month LIBOR (London Interbank Offered Rate) or the six-month or three 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 2, 2009, the Company reduced its short-term line of credit by ¥19,000 million ($193,878 thousand). As a result, the Company had an unused short-term line of credit arrangement of ¥64,000 million ($653,061 thousand) at March 31, 2009. On March 2, 2009, the Company renewed its unused long-term line of credit arrangement of ¥245,000 million ($2,500,000 thousand) and unused long-term line of credit arrangement of ¥55,000 million ($561,224 thousand). As a result, the Company had an unused long-term line of credit arrangement of ¥300,000 million ($3,061,224 thousand) at March 31, 2009 in all. Based on such arrangements, ¥217,676 million ($2,221,184 thousand) of short-term loans and long-term debt due within one year were classified to long-term debt on the consolidated balance sheet at March 31, 2009, 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 one year of ¥242,447 million to long-term debt on the consolidated balance sheet at March 31, 2008.

In addition to the above, the Company and certain of its subsidiaries increased the short-term line of credit by $15 million and had unused short-term lines of credit of $515 million at March 31, 2009.

Maturities of long-term debt outstanding at March 31, 2009, excluding the effect of the SFAS 133 fair value adjustment, are as follows:

Years ending March 31	Millions of yen	Thousands of U.S. dollars
2010	¥231,399	$2,361,214
2011	315,386	3,218,224
2012	658,913	6,723,602
2013	369,918	3,774,673
2014	231,916	2,366,490
Thereafter	673,368	6,871,102

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 made by the lenders to date.

Certain of the long-term debt agreements stipulate, that the Companies, upon lenders' request, submit for the lenders' approval the proposed appropriations of income, including dividends payments, before such appropriations can be submitted to the shareholders. No such request has been received for the year ended March 31, 2009.

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.

On March 31, 2007, the Companies adopted the recognition and disclosure provisions of SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans ("SFAS 158")*. SFAS 158 required the Companies to recognize the funded status (i.e., the difference between the fair value of plan assets and the projected benefit obligations) of its pension plan in the March 31, 2007 statement of financial position, with a corresponding adjustment to accumulate other comprehensive income (loss), net of tax. The adjustment to accumulate other comprehensive income (loss) at adoption represents the net unrecognized actuarial losses and unrecognized prior service credit, all of which were previously netted against the plan's funded status in the Company's statement of financial position pursuant to the provisions of SFAS No. 87, *Employers' Accounting for Pensions*. These amounts are subsequently recognized as net periodic pension cost pursuant to the Company's historical accounting policy for amortizing such amounts. Further, actuarial gains and losses that arise in subsequent periods and are not recognized as net periodic pension cost in the same periods are recognized as a component of other comprehensive income (loss). Those amounts are subsequently recognized as a component of net periodic pension cost on the same basis as the amounts recognized in accumulated other comprehensive income (loss) at adoption of SFAS 158. The adoption of SFAS 158 had no effect on the Company's consolidated statement of income for the year ended March 31, 2007, or for any prior period presented, and it will not affect the Company's operating results in future periods.

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 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Change in projected benefit obligation:			
Projected benefit obligation at beginning of year	¥238,234	¥222,246	$2,430,959
Service cost	6,941	6,635	70,827
Interest cost	7,035	6,583	71,786
Actuarial loss	(396)	3,916	(4,041)
Foreign currency exchange rate changes	(7,545)	(2,245)	(76,990)
Benefits paid	(13,052)	(10,478)	(133,184)
Acquisition and deconsolidation	(10,841)	12,591	(110,622)
Settlement and curtailment	—	(1,014)	—
Projected benefit obligation at end of year	220,376	238,234	2,248,735
Change in plan assets:			
Fair value of plan assets at beginning of year	221,946	231,813	2,264,755
Actual return on plan assets	(26,072)	(17,402)	(266,041)
Foreign currency exchange rate changes	(6,586)	(2,552)	(67,203)
Employees' contributions	451	376	4,602
Employer's contribution	5,788	4,766	59,061
Benefits paid	(9,840)	(9,861)	(100,408)
Acquisition and deconsolidation	(16,692)	15,754	(170,327)
Settlement and curtailment	—	(948)	—
Fair value of plan assets at end of year	168,995	221,946	1,724,439
Funded status	¥ (51,381)	¥ (16,288)	$ (524,296)

Amounts recognized in the consolidated balance sheets at March 31, 2009 and 2008 consisted of:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Prepaid benefit cost	¥ 3	¥ 7,334	$ 31
Accrued pension liabilities	(51,384)	(23,622)	(524,327)
	¥(51,381)	¥(16,288)	$(524,296)

Amounts recognized in accumulated other comprehensive (income) loss at March 31, 2009 and 2008 consisted of:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Prior service credit	¥ (13,121)	¥(14,024)	$ (133,888)
Net actuarial loss	116,824	86,397	1,192,082
	¥103,703	¥ 72,373	$1,058,194

Changes in accumulated other comprehensive (income) loss for the years ended March 31, 2009 and 2008 consisted of:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Current year net actuarial loss	¥34,235	¥28,874	$349,337
Amortization of prior service credit	976	969	9,959
Amortization of net actuarial loss	(3,936)	(4,503)	(40,163)
Settlement and curtailment gain	—	(182)	—
	¥31,275	¥25,158	$319,133

The amounts in accumulated other comprehensive (income) loss expected to be recognized as components of net periodic benefit cost for the year ending March 31, 2010 are as follows:

	Millions of yen	Thousands of U.S. dollars
Prior service credit	¥ (997)	$(10,173)
Net actuarial loss	4,871	49,704
	¥3,874	$ 39,531

The accumulated benefit obligation for all defined benefit pension plans was ¥213,394 million ($2,177,490 thousand) and ¥227,734 million at March 31, 2009 and 2008, respectively.

The components of net periodic benefit cost of the Company's and certain subsidiaries' plans for the years ended March 31, 2009, 2008 and 2007 were as follows:

	Millions of yen			Thousands of U.S. dollars
	2009	2008	2007	2009
Service cost—benefits earned during the year	¥ 6,941	¥ 6,635	¥ 6,300	$ 70,827
Interest cost on projected benefit obligation	7,035	6,583	5,954	71,786
Expected return on plan assets	(8,559)	(7,556)	(6,390)	(87,337)
Amortization of unrecognized prior service credit	(976)	(969)	(1,058)	(9,959)
Amortization of unrecognized net actuarial loss	3,936	4,503	4,896	40,163
Employees' contributions	(451)	(376)	(357)	(4,602)
Settlement and curtailment loss	—	843	—	—
Net periodic benefit cost	¥ 7,926	¥ 9,663	¥ 9,345	$ 80,878

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
	2009	2008	2009
Aggregate projected benefit obligation	¥220,320	¥229,759	$2,248,163
Aggregate fair value of plan assets	168,936	206,137	1,723,837

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
	2009	2008	2009
Aggregate accumulated benefit obligation	¥213,342	¥207,729	$2,176,959
Aggregate fair value of plan assets	168,936	188,994	1,723,837

The weighted-average assumptions used to determine benefit obligations at March 31, 2009 and 2008 were as follows:

	2009	2008
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, 2009, 2008 and 2007 were as follows:

	2009	2008	2007
Discount rates	2.5%	2.5%	2.5%
Rates of increases in future compensation levels	5.0%	4.6%	4.7%
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.

The weighted-average asset allocations of the Company's plan assets at March 31, 2009 and 2008 were as follows:

Asset category	2009	2008
Equity securities	**29.4%**	34.5%
Debt securities	**45.4%**	44.9%
Other	**25.2%**	20.6%
Total	**100.0%**	100.0%

Plan assets are generally invested 40%, 50% and 10% in equity securities, debt securities and other, respectively.

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, bonds and alternative investments. 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.

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.

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
2010	¥ 10,818	$ 110,388
2011	11,132	113,592
2012	11,165	113,929
2013	11,573	118,092
2014	11,761	120,010
2015 – 2019	59,881	611,030
	¥116,330	$1,187,041

The amount of contributions expected to be paid to the pension plans during the year ending March 31, 2010 is approximately ¥3,300 million ($33,673 thousand).

12. Income Taxes

The Company files a consolidated income tax return in Japan.

Total income taxes recognized for the years ended March 31, 2009, 2008 and 2007 were attributable to the following:

	Millions of yen			Thousands of U.S. dollars
	2009	2008	2007	2009
Income before income taxes and minority interests	**¥ 80,923**	¥ 60,540	¥68,205	**$ 825,745**
Other comprehensive loss	**(49,231)**	(45,242)	(5,509)	**(502,357)**
Total	**¥ 31,692**	¥ 15,298	¥62,696	**$ 323,388**

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, 2009, 2008 and 2007. A reconciliation of the statutory income tax rates to the effective income tax rates expressed as a percentage of income before income taxes and minority interests for the years ended March 31, 2009, 2008 and 2007 was as follows:

	2009	2008	2007
Statutory income tax rates	**41.0%**	41.0%	41.0%
Tax effect of subsidiaries' operations	**(1.3%)**	(3.6%)	2.2%
Tax effect of permanent differences	**0.5%**	0.9%	1.2%
Difference in tax rates of foreign subsidiaries	**(9.8%)**	(5.3%)	(6.4%)
Tax effect on equity earnings of affiliated companies and undistributed earnings of subsidiaries	**8.2%**	(4.4%)	(2.2%)
Other	**1.7%**	(0.6%)	(0.6%)
Effective income tax rates	**40.3%**	28.0%	35.2%

Income before income taxes and minority interests for the years ended March 31, 2009, 2008 and 2007 was as follows:

	Millions of yen			Thousands of U.S. dollars
	2009	2008	2007	2009
Domestic	**¥ 16,588**	¥ 82,534	¥ 70,067	**$ 169,265**
Foreign	**184,308**	133,663	123,748	**1,880,694**
Total	**¥200,896**	¥216,197	¥193,815	**$2,049,959**

Income tax expenses for the years ended March 31, 2009, 2008 and 2007 were as follows:

	Millions of yen			Thousands of U.S. dollars
	2009	2008	2007	2009
Current:				
Domestic	**¥17,108**	¥14,504	¥17,563	**$174,571**
Foreign	**45,052**	30,062	36,347	**459,714**
Deferred:				
Domestic	**16,459**	9,478	14,697	**167,949**
Foreign	**2,304**	6,496	(402)	**23,511**
	¥80,923	¥60,540	¥68,205	**$825,745**

Significant components of deferred tax assets and deferred tax liabilities at March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Deferred tax assets:			
Allowance for doubtful accounts	**¥ 15,846**	¥ 42,097	**$ 161,694**
Inventories	**9,060**	5,879	**92,449**
Investment securities	**57,007**	10,783	**581,704**
Employees' retirement benefits	**43,914**	33,723	**448,102**
Unrealized profit on intercompany transactions	**9,969**	10,680	**101,724**
Net operating loss carryforwards	**19,408**	29,007	**198,041**
Other	**43,222**	51,713	**441,041**
Total deferred tax assets	**198,426**	183,882	**2,024,755**
Valuation allowance	**(22,953)**	(20,955)	**(234,214)**
Total deferred tax assets—net	**175,473**	162,927	**1,790,541**
Deferred tax liabilities:			
Property, plant and equipment	**24,744**	45,572	**252,490**
Undistributed earnings	**4,836**	3,843	**49,347**
Investment in affiliated companies	**14,465**	15,412	**147,602**
Other	**10,536**	12,074	**107,510**
Total deferred tax liabilities	**54,581**	76,901	**556,949**
Net deferred tax assets	**¥120,892**	¥ 86,026	**$1,233,592**

The net changes in the valuation allowance for deferred tax assets were ¥1,998 million ($20,388 thousand) of increases and ¥5,305 million of decreases for the years ended March 31, 2009 and 2008, respectively.

At March 31, 2009, certain subsidiaries had net operating loss carry-forwards amounting to ¥63,754 million ($650,551 thousand), subject to expiration as follows:

Years ending March 31	Millions of yen	Thousands of U.S. dollars
2010	¥ 2,635	$ 26,888
2011	4,058	41,408
2012	4,768	48,653
2013	10,897	111,194
2014	2,009	20,500
2015 and thereafter	18,980	193,673
Indefinite period	20,407	208,235
Total	¥63,754	$650,551

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 ¥224,076 million ($2,286,490 thousand) and ¥187,192 million at March 31, 2009 and 2008, 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.

On April 1, 2007, the Companies adopted FIN 48. Unrecognized tax benefits at April 1, 2008 and March 31, 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, 2009, no significant changes to the unrecognized tax benefits are expected within the next twelve months. Interests and penalties related to income tax are included in other—net in consolidated statements of income. Both the interest and penalties accrued as of March 31, 2009 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, 2009 are not material. The Companies file income tax returns in Japan and various foreign tax jurisdictions. In Japan, the income tax examinations to the Companies by the tax authority for years through the year ended March 31, 2008 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. Shareholders' 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 ¥103,018 million ($1,051,204 thousand) at March 31, 2009.

14. Other Comprehensive Income (Loss)

The amount of income tax expense or benefit allocated to each component of other comprehensive income (loss) for the years ended March 31, 2009, 2008 and 2007 was as follows:

	Millions of yen		
2009	Before-tax amount	Tax (expense) or benefit	Net-of-tax amount
Unrealized losses on investment securities arising during the period	**¥(106,519)**	**¥41,039**	**¥ (65,480)**
Less: Reclassification adjustments included in net income	**36,772**	**(15,005)**	**21,767**
Net unrealized losses on investment securities	**(69,747)**	**26,034**	**(43,713)**
Currency translation adjustments arising during the period	**(196,767)**	**11,137**	**(185,630)**
Less: Reclassification adjustments included in net income	**(3,434)**	**352**	**(3,082)**
Net currency translation adjustments	**(200,201)**	**11,489**	**(188,712)**
Unrealized losses on derivatives arising during the period	**(56,293)**	**668**	**(55,625)**
Less: Reclassification adjustments included in net income	**10,448**	**(2,412)**	**8,036**
Net unrealized losses on derivatives	**(45,845)**	**(1,744)**	**(47,589)**
Pension liability adjustments arising during the period	**(36,117)**	**14,773**	**(21,344)**
Less: Reclassification adjustments included in net income	**3,218**	**(1,321)**	**1,897**
Net unrealized losses on pension liability adjustments	**(32,899)**	**13,452**	**(19,447)**
Other comprehensive income (loss)	**¥(348,692)**	**¥49,231**	**¥(299,461)**

	Thousands of U.S. dollars		
2009	Before-tax amount	Tax (expense) or benefit	Net-of-tax amount
Unrealized losses on investment securities arising during the period	**$(1,086,928)**	**$418,765**	**$ (668,163)**
Less: Reclassification adjustments included in net income	**375,224**	**(153,112)**	**222,112**
Net unrealized losses on investment securities	**(711,704)**	**265,653**	**(446,051)**
Currency translation adjustments arising during the period	**(2,007,827)**	**113,643**	**(1,894,184)**
Less: Reclassification adjustments included in net income	**(35,041)**	**3,592**	**(31,449)**
Net currency translation adjustments	**(2,042,868)**	**117,235**	**(1,925,633)**
Unrealized losses on derivatives arising during the period	**(574,418)**	**6,816**	**(567,602)**
Less: Reclassification adjustments included in net income	**106,612**	**(24,612)**	**82,000**
Net unrealized losses on derivatives	**(467,806)**	**(17,796)**	**(485,602)**
Pension liability adjustments arising during the period	**(368,541)**	**150,745**	**(217,796)**
Less: Reclassification adjustments included in net income	**32,837**	**(13,480)**	**19,357**
Net unrealized losses on pension liability adjustments	**(335,704)**	**137,265**	**(198,439)**
Other comprehensive income (loss)	**$(3,558,082)**	**$502,357**	**$(3,055,725)**

	Millions of yen		
2008	Before-tax amount	Tax (expense) or benefit	Net-of-tax amount
Unrealized losses on investment securities arising during the period	¥ (80,155)	¥30,808	¥(49,347)
Less: Reclassification adjustments included in net income	(5,348)	2,259	(3,089)
Net unrealized losses on investment securities	(85,503)	33,067	(52,436)
Currency translation adjustments arising during the period	(13,466)	(2,755)	(16,221)
Less: Reclassification adjustments included in net income	2,255	(96)	2,159
Net currency translation adjustments	(11,211)	(2,851)	(14,062)
Unrealized losses on derivatives arising during the period	(21,362)	5,902	(15,460)
Less: Reclassification adjustments included in net income	4,945	(1,485)	3,460
Net unrealized losses on derivatives	(16,417)	4,417	(12,000)
Pension liability adjustments arising during the period	(29,416)	12,087	(17,329)
Less: Reclassification adjustments included in net income	3,637	(1,478)	2,159
Net unrealized losses on pension liability adjustments	(25,779)	10,609	(15,170)
Other comprehensive income (loss)	¥(138,910)	¥45,242	¥(93,668)

2007	Millions of yen Before-tax amount	Tax (expense) or benefit	Net-of-tax amount
Unrealized losses on investment securities arising during the period	¥ (2,974)	¥ 1,891	¥ (1,083)
Less: Reclassification adjustments included in net income	(8,552)	3,499	(5,053)
Net unrealized losses on investment securities	(11,526)	5,390	(6,136)
Currency translation adjustments arising during the period	12,662	(1,600)	11,062
Less: Reclassification adjustments included in net income	3,462	(621)	2,841
Net currency translation adjustments	16,124	(2,221)	13,903
Unrealized losses on derivatives arising during the period	(9,431)	2,772	(6,659)
Less: Reclassification adjustments included in net income	3,410	(1,045)	2,365
Net unrealized losses on derivatives	(6,021)	1,727	(4,294)
Minimum pension liability adjustment	(1,447)	613	(834)
Other comprehensive income (loss)	¥ (2,870)	¥ 5,509	¥ 2,639

The accumulated balance of each component of accumulated other comprehensive incomes (losses) at March 31, 2009, 2008 and 2007 was as follows:

	Millions of yen					
	Unrealized gains (losses) on investment securities	Currency translation adjustments	Unrealized losses on derivatives	Minimum pension liability adjustment	Pension liability adjustment	Accumulated other comprehensive income (loss)
Balance at March 31, 2006	¥109,035	¥ (53,450)	¥ (2,116)	¥(1,717)	¥ —	¥ 51,752
Change in the period	(6,136)	13,903	(4,294)	(834)	—	2,639
Adjustment to initially apply SFAS 158	—	—	—	2,551	(27,603)	(25,052)
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)**

	Thousands of U.S. dollars					
	Unrealized gains (losses) on investment securities	Currency translation adjustments	Unrealized losses on derivatives	Minimum pension liability adjustment	Pension liability adjustment	Accumulated other comprehensive income (loss)
Balance at March 31, 2008	**$ 514,929**	**$ (547,030)**	**$(187,857)**	**$ —**	**$(436,459)**	**$ (656,419)**
Change in the period	**(446,051)**	**(1,925,633)**	**(485,602)**	**—**	**(198,439)**	**(3,055,724)**
Balance at March 31, 2009	**$ 68,878**	**$(2,472,663)**	**$(673,459)**	**$ —**	**$(634,898)**	**$(3,712,143)**

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 computation of diluted earnings per share is based on the weighted average number of shares of common stock outstanding plus any potentially dilutive securities.

The following table sets forth the computation of basic and diluted earnings per share:

	Millions of yen			Thousands of U.S. dollars
	2009	2008	2007	2009
Numerator:				
Net income	¥111,208	¥147,249	¥119,349	$1,134,776
Less: Preferred stock dividends	—	—	(605)	—
Net income available to common shareholders (numerator for basic earnings per share):				
Net income	111,208	147,249	118,744	1,134,776
Effect of dilutive securities:				
Preferred stock	—	—	605	—
Numerator for diluted earnings per share:				
Net income	N/A	N/A	¥119,349	N/A
Denominator:				
Denominator for basic earnings per share—weighted average shares	1,736,461,389	1,733,669,538	1,639,894,708	
Effect of dilutive securities:				
Preferred stock	—	—	93,675,076	
Denominator for diluted earnings per share—adjusted weighted average shares and assumed conversions	1,736,461,389	1,733,669,538	1,733,569,784	

	Yen			U.S. dollars
	2009	2008	2007	2009
Earnings per share of common stock:				
Basic:				
Net income	¥64.04	¥84.93	¥72.41	$0.65
Diluted:				
Net income	N/A	N/A	¥68.85	N/A

Dividends of Class I preferred stocks are deducted from net income for net income available to common shareholders for the year ended March 31, 2007.

The Class I preferred stocks issued in 2003 were dilutive for the year ended March 31, 2007. Because the Class I preferred stocks issued in 2003 were all converted to common stocks on March 19, 2007, no diluted earnings per share is disclosed for the years ended March 31, 2009 and 2008.

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 non-ferrous 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.

FT, LT, IT & innovative business:* Both domestically and internationally, this group is involved in various financial businesses such as investment finance—fund management and fund investment—and financial product trading, while in the logistics area, it operates forwarding business and logistics related consultation, among others. In the insurance area, it operates an insurance intermediary business. In communication business area, it deals with export/import and domestic sales of personal computers and related products, IT related businesses including IP network infrastructure businesses, ASP/ISP businesses, cell phone related businesses, computer system developments, IT solution businesses, cable TV, CS and other broadcasting businesses, and IC tag/RFID business. In innovative business area it takes part in emission trading business in addition to investing in biotechnology-related area and new technology area.

*FT: Financial Technology, LT: Logistics Technology, IT: Information Technology

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, 2009, 2008 and 2007, was as follows:

	Millions of yen							
Year ended March 31, 2009	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)	¥ (25,704)	¥ (29)	¥ (2,503)	¥ 3,127	¥ 254	¥ 11,343	¥ 2,807	¥ 11,475
Segment net income (loss)	¥ (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

	Millions of yen						
Year ended March 31, 2009	Plant, ship & industrial machinery	Real estate development	FT, LT, IT & innovative 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)	¥ 5,876	¥ (459)	¥ 622	¥13,908	¥ 1,043	¥ 213	¥ 21,973
Segment net income (loss)	¥ 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, 2009	Food	Lifestyle	Forest products	Chemicals	Energy	Metals & mineral resources	Transportation machinery	Power projects & infrastructure
	Thousands of U.S. dollars							
Total volume of trading transactions:								
Outside customers	$16,011,000	$4,797,857	$6,665,857	$7,931,388	$29,269,827	$8,714,020	$5,955,235	$4,888,735
Inter-segment	534,949	205,786	241,653	339,612	44,193	568,031	440,561	14,326
Total	$16,545,949	$5,003,643	$6,907,510	$8,271,000	$29,314,020	$9,282,051	$6,395,796	$4,903,061
Gross trading profit	$ 1,159,990	$ 329,520	$ 436,214	$ 307,592	$ 942,439	$ 349,469	$ 477,439	$ 511,663
Equity in earnings (losses)	$ (262,286)	$ (296)	$ (25,541)	$ 31,908	$ 2,592	$ 115,745	$ 28,643	$ 117,092
Segment net income (loss)	$ (197,602)	$ 41,153	$ 63,204	$ 53,061	$ 531,071	$ 220,429	$ 45,204	$ 117,633
Segment assets	$ 6,065,510	$1,499,071	$4,133,327	$1,540,306	$ 5,492,857	$3,833,531	$2,181,398	$5,220,133
Depreciation and amortization	$ 72,969	$ 21,643	$ 97,255	$ 4,582	$ 385,929	$ 31,643	$ 29,480	$ 136,694
Expenditures for segment assets	$ 118,082	$ 6,010	$ 61,643	$ 3,367	$ 688,918	$ 47,071	$ 21,643	$ 107,500

Year ended March 31, 2009	Plant, ship & industrial machinery	Real estate development	FT, LT, IT & innovative business	Iron & steel strategies and coordination	Overseas corporate subsidiaries and branches	Corporate and elimination	Consolidated
	Thousands of U.S. dollars						
Total volume of trading transactions:							
Outside customers	$7,734,714	$1,422,153	$3,235,918	$ 9,837	$10,094,908	$ 24,337	$106,755,786
Inter-segment	743,939	5,612	99,980	541	4,644,398	(7,883,581)	—
Total	$8,478,653	$1,427,765	$3,335,898	$ 10,378	$14,739,306	$(7,859,244)	$106,755,786
Gross trading profit	$ 256,694	$ 234,694	$ 529,776	$ 10,378	$ 1,127,582	$ (93,828)	$ 6,579,622
Equity in earnings (losses)	$ 59,959	$ (4,684)	$ 6,347	$141,918	$ 10,643	$ 2,174	$ 224,214
Segment net income (loss)	$ 72,949	$ (37,633)	$ 34,367	$152,378	$ 166,347	$ (127,785)	$ 1,134,776
Segment assets	$3,261,612	$3,330,541	$2,327,224	$916,888	$ 4,675,490	$ 3,555,877	$ 48,033,765
Depreciation and amortization	$ 18,663	$ 21,510	$ 38,276	$ —	$ 47,827	$ 34,019	$ 940,490
Expenditures for segment assets	$ 51,245	$ 573,163	$ 37,939	$ —	$ 96,469	$ 14,521	$ 1,827,571

Year ended March 31, 2008	Food	Lifestyle	Forest products	Chemicals	Energy	Metals & mineral resources	Transportation machinery	Power projects & infrastructure
	Millions of yen							
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)	¥ 1,392	¥ (1)	¥ 2,428	¥ 595	¥ 594	¥ 16,665	¥ 4,486	¥ 7,917
Segment net income (loss)	¥ 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	FT, LT, IT & innovative 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)	¥ 2,473	¥ 65	¥ 765	¥ 17,399	¥ 619	¥ 264	¥ 55,661
Segment net income (loss)	¥ 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

Year ended March 31, 2007	Food	Lifestyle	Forest products	Chemicals	Energy	Metals & mineral resources	Transportation machinery	Power projects & infrastructure
	Millions of yen							
Total volume of trading transactions:								
Outside customers	¥1,077,704	¥580,142	¥653,861	¥824,770	¥2,467,541	¥933,137	¥549,757	¥304,120
Inter-segment	19,683	20,553	25,838	39,042	3,427	60,184	63,700	157
Total	¥1,097,387	¥600,695	¥679,699	¥863,812	¥2,470,968	¥993,321	¥613,457	¥304,277
Gross trading profit	¥ 73,443	¥ 36,088	¥ 43,874	¥ 30,380	¥ 85,555	¥ 18,216	¥ 50,323	¥ 28,661
Equity in earnings (losses)	¥ 2,296	¥ (2,077)	¥ 941	¥ (167)	¥ 779	¥ 16,478	¥ 3,073	¥ 4,342
Segment net income (loss)	¥ 10,295	¥ 276	¥ 7,046	¥ 1,450	¥ 31,623	¥ 24,933	¥ 9,187	¥ 6,563
Segment assets	¥ 557,572	¥196,408	¥484,802	¥204,975	¥ 688,589	¥279,958	¥260,436	¥426,306
Depreciation and amortization	¥ 5,559	¥ 1,027	¥ 9,054	¥ 489	¥ 53,118	¥ 3,832	¥ 2,582	¥ 9,144
Expenditures for segment assets	¥ 6,738	¥ 232	¥ 2,972	¥ 695	¥ 25,942	¥ 2,104	¥ 4,530	¥ 2,485

Year ended March 31, 2007	Plant, ship & industrial machinery	Real estate development	FT, LT, IT & innovative 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	¥740,118	¥173,142	¥262,225	¥ 783	¥ 985,444	¥ 2,199	¥9,554,943
Inter-segment	4,148	372	9,087	28	345,052	(591,271)	—
Total	¥744,266	¥173,514	¥271,312	¥ 811	¥1,330,496	¥(589,072)	¥9,554,943
Gross trading profit	¥ 23,314	¥ 32,556	¥ 37,917	¥ 811	¥ 84,172	¥ (14,139)	¥ 531,171
Equity in earnings (losses)	¥ 646	¥ 515	¥ 281	¥ 17,775	¥ 37	¥ (39)	¥ 44,880
Segment net income (loss)	¥ 2,615	¥ 3,226	¥ 7,058	¥ 14,913	¥ 6,773	¥ (6,609)	¥ 119,349
Segment assets	¥366,857	¥286,844	¥235,039	¥101,606	¥ 413,443	¥ 370,469	¥4,873,304
Depreciation and amortization	¥ 1,854	¥ 2,035	¥ 3,874	¥ —	¥ 4,334	¥ 4,243	¥ 101,145
Expenditures for segment assets	¥ 723	¥ 4,915	¥ 3,367	¥ —	¥ 12,379	¥ (808)	¥ 66,274

Effective April 1, 2008, the Textile segment and the Forest products & general merchandise segment have been reorganized into the Lifestyle segment and the Forest products segment. The Transportation & industrial machinery segment, the Power project segment and the Plant, ship & infrastructure projects segment have been reorganized into the Transportation machinery segment, the Power projects & infrastructure segment and the Plant, ship & industrial machinery segment. The Information & communication segment and the Finance, logistics & new business segment have been combined into the FT, LT, IT & innovative business segment. Agri-marine products segment was changed into Food segment in name. Development and construction segment was changed into Real estate development segment in name. In addition, the Domestic branches and offices segment, which had previously been included in Corporate and elimination reorganized into each product segment. Segment information for the years ended March 31, 2008 and 2007 has been restated to conform to those changes.

The total volumes of trading transactions are voluntarily disclosed based on the practice of the Japanese trading companies for the Japanese investors' convenience.

Inter-segment transactions are generally priced in accordance with the prevailing market prices.

Net income (loss) of Corporate and elimination includes net income (loss) of headquarters expenses that is not allocated to the operating segments and inter-segment elimination. Segment assets of Corporate and elimination include assets for general corporate purposes that is 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, 2009, 2008 and 2007 were as follows:

Country	Millions of yen 2009	Millions of yen 2008	Millions of yen 2007	Thousands of U.S. dollars 2009
Japan	**¥2,610,827**	¥2,868,355	¥2,626,596	**$26,641,092**
United States	**767,071**	698,311	537,805	**7,827,255**
United Kingdom	**146,750**	204,629	156,003	**1,497,449**
Other	**477,651**	394,931	338,451	**4,873,990**
Total	**¥4,002,299**	¥4,166,226	¥3,658,855	**$40,839,786**

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, 2009 and 2008 were as follows:

Country	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Japan	¥460,064	¥ 419,465	$4,694,531
United States	190,231	193,495	1,941,133
Indonesia	121,471	144,723	1,239,500
Other	190,745	330,656	1,946,377
Total	¥962,511	¥1,088,339	$9,821,541

Revenues from external customers by product for the years ended March 31, 2009, 2008 and 2007 were as follows:

Product	Millions of yen			Thousands of U.S. dollars
	2009	2008	2007	2009
Machinery	¥ 707,691	¥ 565,025	¥ 539,595	$ 7,221,337
Energy	222,134	331,933	231,739	2,266,673
Metals	480,030	497,375	488,015	4,898,265
Chemicals	833,168	873,459	772,032	8,501,714
Forest products and general merchandise	292,359	502,521	422,241	2,983,255
Food	1,070,216	972,680	737,968	10,920,571
Textile	277,559	298,806	326,581	2,832,235
Development and construction	119,142	124,427	140,684	1,215,736
Total	¥4,002,299	¥4,166,226	¥3,658,855	$40,839,786

There is no concentration by customer.

17. Foreign Currency Transactions

Net foreign currency transaction gains and losses included in other income—net amounted to ¥6,613 million ($67,480 thousand) in losses, ¥65 million in gains and ¥4,801 million in gains for the years ended March 31, 2009, 2008 and 2007, 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 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 ¥197,092 million ($2,011,143 thousand) and ¥237,423 million at March 31, 2009 and 2008, respectively, and represents the cost of this portion of the portfolio, which, management believes, is not impaired.

Non-marketable securities of ¥129,251 million ($1,318,888 thousand) and ¥146,059 million, included in the above at March 31, 2009 and 2008, 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 ¥126,727 million ($1,293,133 thousand) and ¥140,570 million at March 31, 2009 and 2008, respectively.

Long-term notes, loans and accounts receivable—trade: the fair value of long-term notes, loans and accounts receivable—trade 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 accompanying 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.

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 carrying amounts and fair value of financial instruments and the derivative instruments at March 31, 2009 and 2008 were as follows (amounts in parentheses represent liabilities):

	Millions of yen				Thousands of U.S. dollars	
	2009		2008		2009	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Short-term investments in debt securities	¥ 921	¥ 921	¥ 8,736	¥ 8,789	$ 9,398	$ 9,398
Long-term investments in debt securities	26,037	26,037	35,246	35,273	265,684	265,684
Long-term notes, loans and accounts receivable—trade (less allowance for doubtful accounts)	66,505	65,888	89,027	88,342	678,622	672,327
Long-term debt (including current portion)	(2,498,120)	(2,493,716)	(2,433,517)	(2,440,734)	(25,491,020)	(25,446,082)
Derivative instruments—assets:						
Interest rate swap agreements	14,896	14,896	13,782	13,782	152,000	152,000
Foreign exchange contracts and other	18,320	18,320	5,216	5,216	186,939	186,939
Commodity futures and forward contracts and other	74,274	74,274	31,978	31,978	757,898	757,898
Derivative instruments—liabilities:						
Interest rate swap agreements	(5,447)	(5,447)	(3,757)	(3,757)	(55,582)	(55,582)
Foreign exchange contracts and other	(20,727)	(20,727)	(14,203)	(14,203)	(211,500)	(211,500)
Commodity futures and forward contracts and other	(78,196)	(78,196)	(33,854)	(33,854)	(797,918)	(797,918)

19. Fair Value Measurements

The Company and certain of its subsidiaries measure financial assets and liabilities based on SFAS 157.

The inputs used in fair value measures are categorized on three levels based upon the transparency of inputs.

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 Company and certain of its subsidiaries measure at fair value on a recurring basis as of March 31, 2009.

	Millions of yen				Thousands of U.S. dollars			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Cash equivalents	¥ —	¥140,187	¥ —	¥ 140,187	$ —	$1,430,480	$ —	$ 1,430,480
Short-term and Long-term investments	176,685	586	26,600	203,871	1,802,908	5,979	271,429	2,080,316
Derivative instruments	27,612	79,132	746	107,490	281,755	807,470	7,612	1,096,837
Liabilities								
Derivative instruments	(32,280)	(68,049)	(4,041)	(104,370)	(329,388)	(694,377)	(41,235)	(1,065,000)

Short-term and Long-term investments categorized into Level 1 consist of primarily 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 categorized into Level 2 consist of 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 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 contract. These assets are measured 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 changes in Level 3 financial assets and liabilities measured on a recurring basis for the year ended March 31, 2009 were as follows;

	Millions of yen		Thousands of U.S. dollars	
	Short-term and long-term investments	Derivative instruments (assets/liabilities)	Short-term and long-term investments	Derivative instruments (assets/liabilities)
Balance at beginning of year	¥23,351	¥(3,267)	$238,276	$(33,337)
Gain (loss) on income statement	(737)	1,925	(7,520)	19,643
Other comprehensive income (loss)	51	(31)	520	(316)
Purchases, issuances and settlements	(958)	(1,922)	(9,776)	(19,612)
Transfer in and/or out of Level 3	4,893	—	49,929	—
Balance at end of year	¥26,600	¥(3,295)	$271,429	$(33,622)

In the consolidated statements of income, the gain (loss) of investment securities and derivative instruments are included in *impairment losses on investment securities* and *other—net* or *revenues*, respectively.

Total gain (loss) of *impairment losses on investment securities* and *other—net* or *revenues* for the year ended March 31, 2009, related to the above assets and liabilities held at March 31, 2009 amounted to ¥612 million ($6,245 thousand) (loss), ¥50 million ($510 thousand) (gain), respectively.

The following is a summary of financial assets the Company and certain of its subsidiaries measure at fair value on a nonrecurring basis as of March 31, 2009.

	Millions of yen		Thousands of U.S. dollars	
	Level 3	Total	Level 3	Total
Assets				
Securities and investments in affiliated companies	¥46,424	¥46,424	$473,714	$473,714

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.

Impairment loss of ¥33,222 million ($339,000 thousand) is recognized as a result of comprehensive examination of the possibility of recovery for the investments based on projected business result and the percentage of decline for net assets against the investment. The fair value is estimated at primarily discounted cash flow based on the future cash flows.

Nonfinancial assets and liabilities measured on a nonrecurring basis consist of primarily property, plant and equipment, intangible assets and goodwill. These are excluded from above because the Company and certain of its subsidiaries adopt SFAS 157 for nonfinancial assets and liabilities measured at fair value on a nonrecurring basis, effective April 1, 2009, in accordance with No. FAS 157-2, "*Effective Date of FASB Statement No.157.*"

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, commodity price and deal with 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 positions 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 enters into master netting agreements with each of its counterparties. Master netting agreements provide protection in bankruptcy in certain circumstances and mitigate the credit risk exposure from these transactions.

The Company and certain of its subsidiaries have separate departments which confirm each derivative transaction and month-end outstanding balances directly with the counterparties from the departments which execute derivative transactions. In addition, the Company has "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 are using derivative instruments such as currency swap to hedge the exposure to change in the fair value of foreign currency denominated receivables and payables and firm commitments. The Company and certain of its subsidiaries are using foreign exchange contracts to hedge foreign currency denominated receivables, payables, firm commitments and forecasted transactions to minimize the effect of foreign currency exposures. The Company are 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, forward contracts, commodity swap and commodity option primarily as hedging the risks from change of price associated with certain inventories, firm commitments and forecasted transactions.

Fair value hedging strategy

The Company and certain of its subsidiaries primarily designate, as a fair value hedge, currency swap to hedge the exposure to change in the fair value of foreign currency denominated receivables, payables and firm commitments, commodity futures and forward contracts to hedge the exposure to change in the fair value of certain inventories and the firm commitments and interest swap agreements to change the fixed interest rates on the principal of certain assets and liabilities to floating interest rates. Gains and losses related to the hedge ineffective portion and related to the portion of hedging instruments excluded from the assessment of hedge effectiveness were not significant for the year 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, 2009.

The notional amounts for the interest swap agreements to convert the fixed interest rates to floating interest rates were ¥747,714 million ($7,629,735 thousand) at March 31, 2009. The notional amounts for the currency swap agreements related to fair value hedge of foreign currency denominated receivables, payables and firm commitments were ¥29,781 million ($303,888 thousand). Commodity futures and forward contracts that the Company and certain of its subsidiaries hold primarily as a fair value hedge were soybeans (2,108 thousand tons), aluminum (350 thousand tons) and sugar (796 thousand tons).

Cash flow hedging strategy

The Company and certain of its subsidiaries designate foreign exchange contracts to hedge foreign currency denominated receivables, payables, firm commitments and forecasted transactions to minimize the effect of foreign currency exposure, interest swap agreements to convert the floating interest rates on the principal of certain assets and liabilities to fixed interest rates and commodity futures and forward contracts to fix the cash flow relating to forecasted commodity transactions, as a cash flow hedge.

Gains and losses related to the hedge ineffective portion and related to the portion of hedging instruments excluded from the assessment of hedge effectiveness were not significant for the year 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, 2009.

The Company and certain of its subsidiaries expect to reclassify ¥4,631 million ($47,255 thousand) of net loss on derivative instruments from accumulated other comprehensive income to earnings during the 12 months ending March 31, 2010, 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 135 months.

The notional amount for the interest swap agreements to convert the floating interest rates to fixed interest rates were ¥343,378 million ($3,503,857 thousand) at March 31, 2009.

Commodity futures and forward contracts that the Company and certain of its subsidiaries hold primarily as a cash flow hedge were aluminum (87 thousand tons). The notional amount for foreign exchange contracts that the Company and certain of its subsidiaries hold primarily as a cash flow hedge were US dollars ($1,457 million) and Euro (EUR265 million).

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 hedge ineffective portion and related to the portion of hedging instruments excluded from the assessment of hedge effectiveness were not significant for the year ended March 31, 2009.

The amount of foreign exchange contracts as a hedge of a net investment in foreign operations was $2,400 million at March 31, 2009.

Fair value of derivative instruments

The following was the location and amount of derivative instrument fair values in the statement of financial position segregated between designated, qualifying SFAS 133 hedging instruments and those that were not for the year ended March 31, 2009.

	Millions of yen			
	Asset derivatives		Liability derivatives	
	Balance sheet location	Fair value	Balance sheet location	Fair value
Derivatives designated as hedging instruments under SFAS 133				
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
	Account receivables	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 under SFAS 133				
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

	Thousands of U.S. dollars			
	Asset derivatives		Liability derivatives	
	Balance sheet location	Fair value	Balance sheet location	Fair value
Derivatives designated as hedging instruments under SFAS 133				
Interest rate contracts	Prepaid expenses and other	$ 357	Accrued expenses and other	$ 11,092
	Other assets	151,541	Long-term debt	37,041
Foreign exchange contracts	Cash and cash equivalents	8,102	Short-term loans	8,296
	Time deposits	34,622	Accrued expenses and other	146,143
	Account receivables	4,612	Long-term debt	160,265
	Prepaid expenses and other	119,867	—	—
	Other assets	58,765	—	—
Commodity contracts	Prepaid expenses and other	170,276	Accrued expenses and other	211,184
	Other assets	9,838	Long-term debt	40,755
Total		$ 557,980		$ 614,776
Derivatives not designated as hedging instruments under SFAS 133				
Interest rate contracts	Other assets	$ 102	Accrued expenses and other	$ 51
	—	—	Long-term debt	7,398
Foreign exchange contracts	Prepaid expenses and other	7,541	Accrued expenses and other	10,551
	Other assets	3,010	Long-term debt	3,010
Commodity contracts	Prepaid expenses and other	576,031	Accrued expenses and other	508,806
Credit contracts	Prepaid expenses and other	1,754	Accrued expenses and other	30
	—	—	Long-term debt	37,143
Total		$ 588,438		$ 566,989
Total derivatives		$1,146,418		$1,181,765

Note: Derivatives designated as hedging instruments include non-derivative instruments which are designated as hedging. Non-derivative instruments are presented at book value translated in current exchange rates as of March 31, 2009.

Gains and losses on derivative instruments

The following were the location and amount of gains and losses on derivative instruments in the statement of financial performance segregated between designated, qualifying SFAS 133 hedging instruments and those that were not for the 4th quarter period ended March 31, 2009.

	Location of gain (loss) in income on derivatives	Millions of yen Amount of gain (loss) in income on derivatives —4th quarter period ended March 31, 2009	Thousands of U.S. dollars Amount of gain (loss) in income on derivatives —4th quarter period ended March 31, 2009
Derivatives in fair value hedge			
Interest rate contracts	Interest expense	¥(2,818)	$(28,755)
Foreign exchange contracts	Other—net	4,209	42,949
Commodity contracts	Cost of revenues from trading and other activities	1,386	14,143
Total		¥ 2,777	$ 28,337

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 derivatives (effective portion) —4th 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) —4th 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

	Thousands of U.S. dollars		
	Amount of gain (loss) recognized in OCI on derivatives (effective portion) —4th 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) —4th quarter period ended March 31, 2009
Derivatives in cash flow hedge			
Interest rate contracts	$(18,296)	Interest expense	$ (3,245)
Foreign exchange contracts	(51,663)	Other—net	(8,061)
Commodity contracts	50,571	Cost of revenues from trading and other activities	28,530
Total	$(19,388)		$17,224

	Millions of yen		
	Amount of gain (loss) recognized in OCI on derivatives (effective portion) —4th 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) —4th quarter period ended March 31, 2009
Derivatives in net investment hedge in foreign currency			
Foreign exchange contracts	¥ 270	—	¥ —
Total	¥ 270	—	¥ —

	Thousands of U.S. dollars		
	Amount of gain (loss) recognized in OCI on derivatives (effective portion) —4th 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) —4th quarter period ended March 31, 2009
Derivatives in net investment hedge in foreign currency			
Foreign exchange contracts	$2,755	—	$ —
Total	$2,755	—	$ —

Note: Foreign exchange contracts includes gain (loss) on non-derivative instruments which are designated as hedging.

	Location of gain (loss) in income on derivatives	Millions of yen Location of gain (loss) in income on derivatives —4th quarter period ended March 31, 2009	Thousands of U.S. dollars Location of gain (loss) in income on derivatives —4th quarter period ended March 31, 2009
Derivatives not designated as hedging instruments in			
Commodity contracts	Cost of revenues from trading and other activities	¥(1,505)	$(15,357)
Other contracts	Other—net	(250)	(2,551)
Total	—	¥(1,755)	$(17,908)

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 their debt to maintain an investment grade credit rating from each of the major credit rating agencies. If their debt were to fall below investment grade, the counterparties to the derivative instruments 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, 2009, is ¥1,452 million ($14,816 thousand). The Company and certain of its subsidiaries have posted collateral that cover the fair value of such derivatives in the normal course of business. If the credit-risk-related contingent features underlying these agreements had been triggered on March 31, 2009, the Company and certain of its subsidiaries would not be required to post any additional collateral to its counterparties.

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 loan. Some of these are 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 recognized in gain and loss. If default occurs in the referenced assets in 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 amount of future payments for the credit derivatives of the Company and certain of its consolidated subsidiaries were ¥10,137 million ($103,439 thousand) and the fair value was ¥2,544 million-liabilities ($25,959 thousand) for the year ended March 31, 2009. 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 businesses comprise 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 Company requires collateral to the extent considered necessary.

22. Leases

Lessor:

The Company and certain of its subsidiaries lease industrial machinery, power stations and certain other assets, some of which are classified as direct financing leases. Net investments are included in notes, loans and accounts receivable—trade in the accompanying consolidated balance sheets at March 31, 2009 and 2008 and were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Total minimum lease payments to be received	¥34,781	¥31,631	$354,908
Less unearned income	(6,205)	(7,049)	(63,316)
Net investments in direct financing leases	¥28,576	¥24,582	$291,592

The future minimum lease payments to be received by year at March 31, 2009 are as follows:

Years ending March 31	Millions of yen	Thousands of U.S. dollars
2010	¥10,437	$106,500
2011	8,545	87,194
2012	6,649	67,847
2013	4,382	44,714
2014	2,491	25,418
Thereafter	2,277	23,235
Total	¥34,781	$354,908

The Company and certain of its subsidiaries also lease power stations, office buildings, freight railcars and certain other assets under operating leases. The cost and accumulated depreciation of the leased property at March 31, 2009 and 2008 were shown on the accompanying consolidated balance sheets. At March 31, 2009, the future minimum rentals to be received on non-cancelable operating leases were as follows:

Years ending March 31	Millions of yen	Thousands of U.S. dollars
2010	¥ 20,103	$ 205,133
2011	17,891	182,561
2012	16,521	168,582
2013	15,593	159,112
2014	14,912	152,163
Thereafter	52,516	535,878
Total	¥137,536	$1,403,429

Lessee:

The Company and certain of its subsidiaries lease machinery, office equipment and certain other assets, some of which are classified as capital leases. At March 31, 2009, the cost and accumulated depreciation of the leased property, included primarily in property, plant and equipment in the accompanying consolidated balance sheet, were ¥22,727 million ($231,908 thousand) and ¥13,658 million ($139,367 thousand), respectively.

The future minimum lease payments under capital leases by year together with the capital lease obligations at March 31, 2009 are as follows:

Years ending March 31	Millions of yen	Thousands of U.S. dollars
2010	¥ 3,415	$ 34,847
2011	2,798	28,551
2012	2,219	22,643
2013	1,362	13,898
2014	1,857	18,949
Thereafter	4,276	43,632
Total minimum lease payments	15,927	162,520
Less amount representing interest	(3,440)	(35,102)
Capital lease obligation	¥12,487	$127,418

The Company and certain of its subsidiaries also lease office buildings, vessels and certain other assets under operating leases. Rental expense amounted to ¥20,889 million ($213,153 thousand), ¥18,683 million and ¥17,766 million for the years ended March 31, 2009, 2008 and 2007, respectively.

At March 31, 2009, the future minimum rental payments under non-cancelable operating leases are as follows:

Years ending March 31	Millions of yen	Thousands of U.S. dollars
2010	¥14,825	$151,276
2011	11,459	116,929
2012	10,359	105,704
2013	8,671	88,480
2014	6,619	67,541
Thereafter	23,314	237,897
Total	¥75,247	$767,827

The future minimum rentals to be received under noncancelable subleases corresponding to the above future minimum rental payments are not significant at March 31, 2009.

23. Commitments and Contingent Liabilities

The Companies enter into long-term purchase contracts for certain goods and products in energy, 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, 2009, the total amount of the long-term purchase contracts was approximately ¥1,093,000 million ($11,153,061 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 ¥21,000 million ($214,286 thousand) at March 31, 2009.

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 in accordance with FIN 45, *Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others—an interpretation of FASB Statements No. 5, 57, and 107 and rescission of FASB Interpretation No. 34,* were ¥184,165 million ($1,879,235 thousand) and ¥148,744 million, including ¥100,168 million ($1,022,122 thousand) and ¥96,363 million to affiliated companies, at March 31, 2009 and 2008, respectively.

The outstanding balances of guarantees mean 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 ¥31,089 million ($317,235 thousand) and ¥22,759 million, including ¥23,271 million ($237,459 thousand) and ¥20,191 million to affiliated companies at March 31, 2009 and 2008, respectively. Guarantees with the longest term in the above will expire in 2037. The liabilities recognized for the guarantees were ¥1,664 million ($16,980 thousand) and ¥1,203 million at March 31, 2009 and 2008, respectively.

The Companies manage the risk of fulfillment of obligation 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 obligation under the guarantees which would have a material effect on the consolidated financial statement are estimated remote at March 31, 2009. A provision for loss on guarantees is recognized to the amount that is considered probable.

The outstanding balance of the export bills of exchange discounted by the negotiating banks were ¥14,205 million ($144,949 thousand) and ¥9,757 million at March 31, 2009 and 2008, 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, 2009, 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

In December 2008, the FASB issued Staff Position No. FAS 140-4 and FIN 46R-8, *Disclosures by Public Entities (Enterprises) about Transfers of Financial Assets and Interests in Variable Interest Entities.*

Staff Position No. FAS 140-4 and FIN 46R-8 requires additional disclosures about transfers of financial assets and interest in VIEs. Staff Position FAS 140-4 and FIN 46R-8 is effective for the first reporting period (interim or annual) ending after December 15, 2008. The Companies adopted Staff Position FAS 140-4 and FIN 46R-8 for the year ended March 31, 2009.

The VIEs that have been consolidated by the Company in accordance with FIN 46R are described as follows:

The Company and certain of its consolidated subsidiaries hold subordinated investment securities and other 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. 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.

Assets and liabilities of VIEs on Consolidated Balance Sheet	Millions of yen 2009	Thousands of U.S. dollars 2009
Assets:		
Cash and cash equivalents	¥ 8,161	$ 83,276
Accounts receivable	22,044	224,939
Securities and other investments	8,363	85,337
Property leased to others—net	5,154	52,592
Land	49,860	508,776
Other	6,620	67,549
Total	¥100,202	$1,022,469

Assets and liabilities of VIEs on Consolidated Balance Sheet	Millions of yen 2009	Thousands of U.S. dollars 2009
Liabilities:		
Accounts payable	¥ 16,988	$ 173,347
Long-term debt, less current portion	32,688	333,551
Other	6,852	69,918
Total	¥ 56,528	$ 576,816

The change in conclusion to consolidate VIEs caused decreases of ¥16,131 million ($164,602 thousand) in total assets of consolidated VIEs, which was primarily due to the sale of equity interest of IPP holding company for the year ended March 31, 2009, which had consolidated certain VIEs.

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 Company and certain of its consolidated subsidiaries 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 ¥503,760 million ($5,140,408 thousand) at March 31, 2009. The following table presents the carrying amounts and classification of the assets and liabilities in the consolidated balance sheets that relate to the Companies' variable interests in these VIEs. 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 Company and its consolidated subsidiaries 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.

Variable interests on Consolidated Balance Sheet	Millions of yen 2009	Thousands of U.S. dollars 2009
Assets:		
Securities and other investments	¥ 9,662	$ 98,592
Notes, loans and accounts receivable—trade	16,481	168,173
Total	¥26,143	$266,765

The maximum exposure to loss	Millions of yen 2009	Thousands of U.S. dollars 2009
Securities and other investments		
Securities	¥ 1,652	$ 16,857
Other investments	8,010	81,735
Notes, loans and accounts receivable—trade	16,481	168,173
Lease contracts	12,428	126,817
Total	¥38,571	$393,582

The following disclosure for the year ended March 31, 2008 is in accordance with the disclosure requirement prior to adoption of Staff Position FAS 140-4 and FIN 46R-8.

The Company and certain of its consolidated subsidiaries hold subordinated investment securities and other without voting rights in VIEs and consolidate them as the primary beneficiary. The total assets of these VIEs were ¥76,134 million at March 31, 2008. A portion of the consolidated assets is pledged as collateral for the VIEs' obligations. The carrying amounts of those assets were ¥27,362 million at March 31, 2008, and were classified as property, plant and equipment on the consolidated balance sheets.

The total assets of the VIEs that have not been consolidated by the Companies because they are not the primary beneficiary, but the Companies hold significant variable interests were ¥427,502 million at March 31, 2008, and the amounts of the maximum exposure to loss as a result of the involvement with these VIEs were ¥21,224 million at March 31, 2008. The maximum exposure represents the amount of a loss which the Company and its consolidated subsidiaries 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.

25. Subsequent Events

On May 18, 2009, the Board of Directors approved the payment of cash dividends of ¥3 ($0.03) per share of common stock or ¥5,210 million ($53,163 thousand) in aggregate from the retained earnings payable on May 29, 2009.

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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, 2009 and 2008, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for each of the three years in the period ended March 31, 2009, 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.

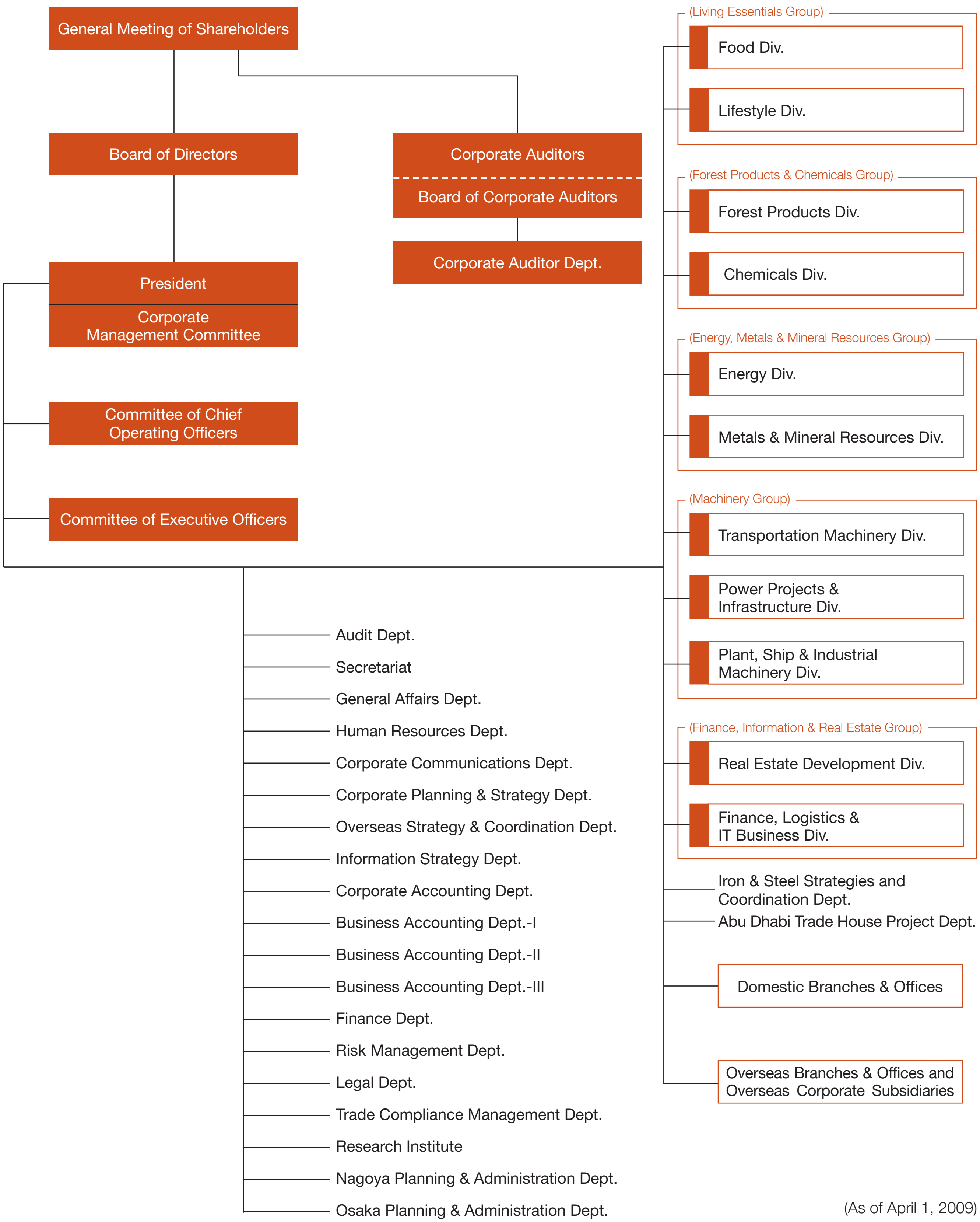
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Marubeni Corporation and subsidiaries at March 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2009, in conformity with accounting principles generally accepted in the United States.

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 19, 2009

Organization



(As of April 1, 2009)

Corporate Data

Founded

May 1858

Incorporated

December 1, 1949

Paid-in Capital

¥262,685,964,870

Number of Shareholders

153,074

Number of Shares Issued and Outstanding

1,737,940,900

Number of Employees

3,856
(Excluding 376 local employees of overseas branches and offices and 1,219 local employees of overseas corporate subsidiaries)

Number of Domestic Offices *

11

Number of Overseas Branches and Offices and Overseas Corporate Subsidiaries *

114 locations in 69 countries and areas
(comprising 53 overseas branches and offices and 61 offices and branches of overseas corporate subsidiaries)

Major Shareholders

Japan Trustee Services Bank, Ltd. (Trust Account)
Japan Trustee Services Bank, Ltd. (4G Trust Account)
The Master Trust Bank of Japan, Ltd. (Trust Account)
Sompo Japan Insurance Inc.
Tokio Marine & Nichido Fire Insurance Co., Ltd.
Meiji Yasuda Life Insurance Company
Mizuho Corporate Bank, Ltd.
Nippon Life Insurance Company
AEON CO., LTD.
State Street Bank and Trust Company 505223

Stock Listings

Tokyo, Nagoya, Osaka

Transfer Agent of Common Stock

Mizuho Trust & Banking Co., Ltd.

Home Page Address

http://www.marubeni.com

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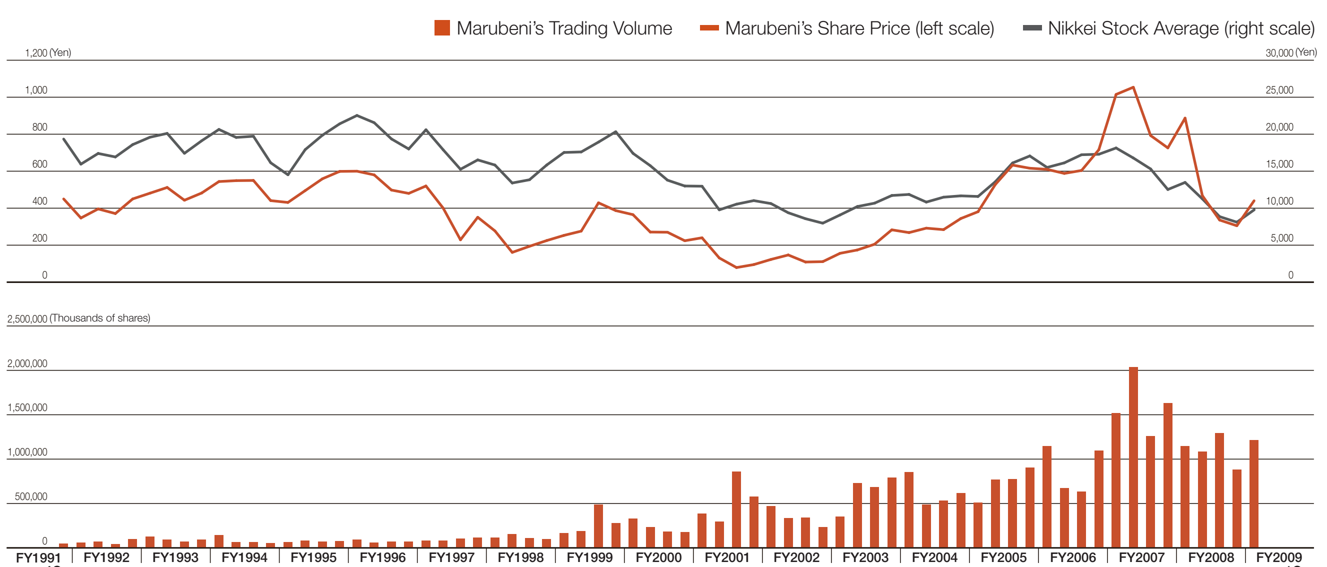
E-mail: TOKB191@marubenicorp.com

(As of March 31, 2009, except* as of April 1, 2009)

Share Price and Trading Volume



Beyond Your Expectations

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